



Statement of Mr. Robert Flurer
Vice President Skeels Electric Co.
on behalf of the
National Electrical Contractors Association
to the
Committee on Natural Resources
U.S. House of Representatives
for a hearing on
“American Energy Jobs:
Opportunities for Skilled Trades Workers”
April 29, 2014

NECA is the voice of the \$130 billion electrical construction industry that brings power, light, and communication technology to buildings and communities across the U.S. NECA's national office and 119 local chapters advance the industry through advocacy, education, research and standards development.

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Thank you Chairman Hastings, Ranking Member DeFazio, and members of the Committee for inviting me to testify today at this very important hearing. On behalf of the National Electrical Contractors Association (NECA), we greatly appreciate the opportunity to submit a statement for the record to the Committee on Natural Resources' hearing on "American Energy Jobs: Opportunities for Skilled Trades Workers." The committee is to be commended for holding this important hearing to address the role of job creators like myself in the energy sector and how we are working to build not only the next generation's energy infrastructure, but the next generation's highly-skilled workforce.

My name is Robert Flurer and I am Vice President and part owner of Skeels Electric Company, which is located in Bismarck, North Dakota. The company was founded 100 years ago in 1914 by Barlow K. Skeels, a North Dakota Master Electrician. B.K.'s Electrical Shop, as the company was originally named, performed "everything electrical" throughout western North Dakota under his leadership until his death in 1949. B.K.'s Electrical Shop specialized in all types of electrical construction including industrial, institutional, commercial, residential, and farmstead wiring.

William Kraft and Carl Flurer - my grandfather - purchased the interests of B. K. Skeels Electric from the Barlow Skeels estate in 1950 and began operating it as a partnership under the name of Skeels Electric Company. My grandfather had been employed as a journeyman electrician with the company since 1923. He too held a North Dakota Master Electricians License. Throughout our company's history, the firm has operated as a family business and continues to do so today.

I personally hold a Master Electrician's license and am Vice President of the company. All of my partners and I have worked in the field as both journeyman electricians and job superintendents.

As Skeels Electric celebrates its 100th year in business we have begun the process of transitioning the company to the next generation. Our sons have served as estimators and project managers for the last several years. Most significantly for the purposes of this hearing, they are all are graduates of IBEW/NECA Joint Apprenticeship Training Program.

My sons, Zachary and Andrew Flurer, have also become part of Skeels Electric. Zac has been the accountant and office manager for the last four years after graduating from the University of North Dakota with a Bachelor of Accountancy in 2008. Drew is an electrical engineer and project manager and has been with Skeels since January 2013. Drew also graduated from the University of North Dakota with a Bachelor of Science in Electrical Engineering in 2011. They, along with my partner's sons, represent four generations of family involved in Skeels Electric Company and have become Junior Partners of Skeels Electric as of January 1, 2014.

Skeels Electric Company has continued to prosper throughout the years through continuing efforts of providing superior workmanship, superior service, quality products, and our ability to adapt quickly to our customer's needs. We continue to expand our ability to perform specialized electrical wiring required for current and future electrical, electronics, communications, and data wiring. This commitment to update our skills in anticipation of our customer's needs has kept us the leader in our region for many years. We maintain that no job is too large or too small. Our company continues to specialize in service work of all types, including maintenance agreements, industrial, commercial, institutional, and design-build electrical construction.

Currently, Skeels is working on projects across the state of North Dakota, including the electrical work at the State Penitentiary, coal handling at the Basin Electric Leland Olds Station, various projects at the Tesoro Refinery Mandan, a panel replacement project at Great River Energy, and new refinery construction at the Dakota Prairie Refinery.

We are proud members of the National Electrical Contractors Association (NECA). NECA is the nationally recognized voice of the electrical construction industry, comprised of over 60,000 electrical contracting firms, employing over 750,000 electrical workers and producing an annual volume of over \$130 billion in the electrical construction industry that brings power, light, and communication technology to buildings and communities across the United States. NECA continues to build on a legacy of protecting the public and making innovation possible. Our contractors strive to be solution-providers for their customers and their industry expertise benefits everyone working on an electrical construction project.

NECA contractors work across the commercial and industrial sectors and specialize in a broad range of areas including traditional power and lighting, power quality, lighting controls, fire, life safety and security systems, backup power generation, communication and connectivity systems, automation controls and energy efficiency projects. As a result, comprehensive energy policy must be addressed in order to meet the current and future demands of the entire electrical construction industry.

This is an especially important issue to help the electrical construction industry. According to the Bureau of Labor Statistics, unemployment in the electrical construction industry overall is still hovering at 12 percent, nearly one and a half times the national unemployment rate.

What is Driving Change and Growth in the Electrical Construction Industry?

The concept of electrical construction work has continued to evolve dramatically over the past decade. According to recent *Profile of the Electrical Contractor* surveys, which date back to 2007, 46 percent of electrical contractors are performing work on energy construction projects. More specifically, 26 percent of companies with 1-9 employees worked on energy projects and almost 57 percent of companies with more than 100 employees engaged in this type of work. A significant increase in companies performing energy work resulted in a significant increase of interest in training programs. By 2009, the economy had taken a nosedive and the electrical construction industry was hit especially hard. As the construction industry works to recover from the economic recession, electrical contractors across the country have been looking for ways to

evolve our industry, explore new technologies and ensure some sort of profit to their bottom lines.

As the construction industry suffered historically high unemployment rates just a few short years ago – as high as 27 percent – the electrical construction industry endeavored to increase its scope of work. In 2009, almost 60 percent of companies were now engaged in the energy sector ranging from energy efficiency building projects to upgrading manufacturing plants across the country. By 2013, electrical contractors had expanded their scope of work to include almost 40 different project types, an increase from approximately 20 types with energy projects accounting for the majority of the expansion.

While this is good news for the future of the construction industry, we believe a key part of the solution is enacting a national energy plan that will address our energy needs, ensure our energy independence, and grow our economy. Thankfully, Congress has expressed a great deal of interest in enacting sound policy that will promote America's energy production and provide greater opportunities to continue to encourage construction. We applaud those efforts and hope that Congress will enact comprehensive energy strategy that promotes development of all available energy resources including upgrading and modernizing transmission lines, increasing domestic oil, expanding natural gas exploration, investing in nuclear power, and further investments in clean and renewable energy sources.

When the U.S. energy boom began about a decade ago, one of the many markets that grew at a rapid pace was the oil and gas industry. The natural gas revolution is giving new hope to America's manufacturing sector, including the electrical construction industry. It is clear that our manufacturing sector must be as productive and efficient as possible to ensure our economic competitiveness and continue to grow our economy. The electrical construction industry undoubtedly plays a key role in assuring that the U.S. will have an adequate and reliable electric power supply in the future.

In today's global economy, widespread adoption of new energy technologies has been slow due to economic, government, and marketplace barriers. NECA contractors have set the industry standard for traditional and integrated electrical systems and are now leading the industry in the development, practical application, and installation of new technologies.

These new energy technologies, which include hydraulic fracturing, horizontal drilling, and enhanced oil recovery are creating record demand for construction jobs in the oil and gas industry. According to the Bureau of Labor Statistics, employment in the nation's oil and gas industry rose from about 120,000 in early 2004 to about 208,000 in March 2014.

Considering the energy agenda of the 113th Congress and the administration, the electrical construction industry must continue to prepare itself for additional growth and diversification. A major component of this growth for NECA contractors is that they must continue to recruit young and other talented workers.

Historically, market share grows for those companies who possess the talent and skills necessary to meet their client's needs. Furthermore, research has revealed that most companies tend to hire their best talent during a downturn economy.

Accredited Apprenticeship Programs: A Viable Education Option

It is well documented that there is strong competition for talent in every profession. Cultivating talent is becoming more and more critical to successful electrical contracting companies. With the increasing sophistication of the construction industry, electrical contracting needs a well-rounded workforce prepared to improve the delivery of electrical construction projects to enhance company profits.

We are quite proud of the opportunities our apprenticeship programs offer around the country. While there is measurable value in a traditional college education, we would be remiss if we did not discuss some possible alternative routes for students who might not think a standard four-year degree is the right path for them or do not wish to take on the burden of graduating with hundreds of thousands of dollars in student loan debt and no guarantee of a job or attaining valuable skills.

The BLS released a comprehensive list of jobs that require degrees—and those that do not. The agency reports and lists the top ten job employment agencies found hardest to fill in 2013. Fourteen of the 20 fastest-growing occupations in America require an associate's degree or less. Of the 20 occupations leading job creation trends through 2020, 90 percent will require on-the-job training, an associate's degree or a postsecondary credential. The majority of these include many professions within the construction industry.

Today, as the millennial generation graduates from high schools, vocational schools, and colleges, they are presented with many career opportunities. Our experience tells us there is demand for people who are ready to work right out of high school and that there are opportunities for them to obtain the training they need to be set up with a career in the skilled construction trades. After a few years of dedicated training, they will end up with what every one of us would like to have to be a successful adult: a good paying job with health and retirement benefits. We strongly believe the best entitlement program out there should be a job.

I would be remiss if I did not acknowledge that there are several pieces of legislation before Congress that address apprenticeship programs in a manner that is intended to empower employers, and provide America's workers with access to a network of job training services. Also the administration recently announced a new \$600 million initiative that would bring academic institutions and businesses closer together to help prepare workers for jobs that may otherwise go unfilled. While addressing current and future employment needs is critically important, we believe the existing apprenticeship infrastructure provided by construction trades is a sure-fire bet for success. More important, the program is 100 percent industry designed and funded and is a wheel that does not need to be reinvented.

With respect to my own personal involvement in apprenticeship training, I currently serve at a trustee on the Dakotas JATC. I serve on Bismarck/Mandan local subcommittee, which handles interviews of apprentice candidates and school and work related issues. Skeels also participates in summer work-study programs with the North Dakota State College of Science.

In addition to the hands on recruitment approach, the Dakotas NECA Chapter, like many local training programs around the country use a variety of advertising and recruitment mechanisms to educate young adults and other interested individuals about the career opportunities that the electrical construction industry has to offer and encourage them to join the trades, receive employer-paid training as well as competitive health and pension benefits. Funded by NECA and the IBEW, ads are placed in local newspapers, on local television stations, the Internet, and at local job fairs held in high schools, vocational colleges and throughout the local communities.

About the NJATC

Almost 70 years ago, NECA and the International Brotherhood of Electrical Workers (IBEW) embarked on a joint venture to develop the National Joint Apprenticeship Training Program (NJATC). Today, the electrical construction industry invests \$100 million annually in what we believe is the largest and most successful apprenticeship and training program in the nation. While direct training occurs through local training programs, the NJATC develops a comprehensive and enhanced education program to meet the competitive challenges of today's global market economy. In accordance with the national program, there are more than 300 jointly administered local programs that are trust financed and affiliated with the NJATC that have trained over 350,000 apprentices to journeyman status.

Apprenticeship is a well organized and supervised method which industries use to train people with little or no prior knowledge of a craft or trade to become capable, qualified craftspersons or journeypersons. It is an "earn while you learn program." The "on-the-job" portion of the training is a full-time, well-paid job. The NJATC's goal is to provide the electrical construction industry with the highest level of training and highly skilled workforce possible. To accomplish this goal, apprentices receive the highest level of training in the industry, with a requirement of 8,000 hours of on-the-job training and 900 hours of classroom time over a five-year period. Upon completion of the curriculum and on-the-job training, apprentices receive certificates through the NJATC and local JATC documenting their successful completion of the program. Incidentally, all electrical apprentices receive incremental raises as they reach certain set milestones. They are not a burden to the taxpayers because the training is fully funded by the industry without any taxpayer assistance. Perhaps the greatest benefit is that in the end they are earning while they are learning. Each year, participants in the NJATC programs pay in excess of \$600 million dollars in taxes. Lastly, they also receive retirement plans and medical coverage for themselves and their families that are also provided at no cost to the American taxpayer.

There are four specialty areas where you will find electrical workers. These four areas are best described by the type of work done in each of those areas. They include the following:

- Outside Linemen are the electrical workers who install the distribution and transmission lines that move power from a power plant to a factory, a business, or your home.
- Inside Wiremen are electrical workers who install the power, lighting, controls and other electrical equipment in commercial and industrial buildings.
- VDV Installer Technicians are electrical workers who install circuits and equipment for telephones, computer networks, video distribution systems, security and access control systems, and other low voltage systems.
- Residential Wiremen are electrical workers who specialize in installing all of the electrical systems in single-family and multi-family houses or dwellings.

Each of the four types of electrical work have both shared skills and knowledge of their own respective skill sets, which are specific to that particular area of work. Because of these differences, each type of work has a different apprenticeship program associated with it. Basic requirements for becoming an apprentice in any of the programs are similar. The requirements are typical for individuals applying to be accepted into an IBEW/NECA Joint Apprenticeship Training Program (JATC) or IBEW/NECA Area Wide Joint Apprenticeship Program (AJATC). The application process is similar to applying for college. While SAT scores are not required, applicants must provide their high school transcripts showing a passing grade in Algebra I and take a qualifying exam. Each local JATC or AJATC may have additional requirements and provides training for electrical workers in a specific geographical area.

Along with receiving real world on the job training, each apprentice is provided with trade related classroom training that produces competency and pride leading to true craftsmanship. Quite often some local training committees provide special classes with hands-on training to support classroom lectures and discussions. Each local training program is an accredited education program. It requires a student with strong math and sciences skills who is dedicated to advancing their career. Once apprentices complete their training, they are licensed electricians.

During their first three years an apprentice would, for example, attend class one day every other week year-round. The rest of the time, they would likely work on various job sites to practice their skills. Then, during their last two years, they would attend a total of four skill improvement elective classes of their choice and continue to get on-the-job training. In the classroom and lab they will learn about Ohm's Law, AC and DC Theory, Solid State Electronics, Digital Electronics, Fiber Optic Theory and more. On the job they will gain experience in conduit bending, branch circuit wiring, panel and switchgear installations, fire alarm and security systems, and other skills.

Training workers with a valuable, skilled trade will insure employment opportunities for the trainee as well as ensure that they and their family will have health coverage and a good retirement plan. It will also help ensure that our nation will have a workforce available to deal with the large infrastructure improvements needed throughout the country. This is truly a model program as it takes little to nothing from the taxpayers while training some of the most productive workers in the world who provide great value to our nation.

NECA Contractors Providing Energy Jobs Across the Country

While NECA prides itself on its exceptional training programs across the country, there is no better testament to its ability to recruit a highly talented and skilled workforce to meet the demands of the oil and gas boom than in North Dakota.

It is no surprise that the shale boom in the Bakken formation in North Dakota is creating jobs at a rapid pace. According to the Commerce Department's March 2014 report outlining the fastest-growing counties by population, Williams County, North Dakota had by far the fastest growth of any county throughout the country (10.7 percent) from July 2012 to July 2013. North Dakota counties accounted for the 4th, 14th, 15th, and 24th fastest-growing counties in the country.

That growth is also evidenced in our membership numbers for the Dakotas Chapter NECA. We have seen an increase from 31 members in 2008 to 38 members today, a figure that is moving against national membership trends. Contractors state two reasons for joining our organization: 1) the ability to have access to apprentices through the Dakotas area-wide JATC; and 2) the ability to partner with other member companies, increasing their access to get involved in the different types of work related to the oil and gas industry that is booming in North Dakota.

We realize the need for skilled electricians in North Dakota will continue to increase as the energy sector grows and because we will see an excess of 5,000 active journeymen retire over the next ten years. Presently North Dakota does not have enough registered apprentices in place to meet this demand, which threatens the energy sector for the Midwest and the greater region.

As a member of the Bismarck division JATC subcommittee and on behalf of my company, we are assisting the Dakotas JATC with its recruitment efforts. As the construction landscape continues to change, we realize the need to speak to interested individuals and deliver a message that highlights the advantages of a career in the electrical construction industry. We believe that we are helping to solve the needs for future journeymen in North Dakota as well as providing a better opportunity for these young adults and career changers, their future families, and the continuation of the lifestyle.

Conclusion

Thank you for the opportunity to testify at this very important hearing. NECA applauds the Committee's unwavering efforts to examine these important components of our booming energy economy. We continue to offer our support in helping to advance the Committee's agenda and look forward to working with you as you move forward in enacting smart and sound policy to help our nation's energy independence, grow the construction industry, and ensure our economy truly recovers.