

**TESTIMONY OF**

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**BEFORE THE HOUSE OF REPRESENTATIVES**  
**COMMITTEE ON NATURAL RESOURCES**

**OVERSIGHT HEARING ON**  
**“AMERICAN ENERGY JOBS:**  
**OPPORTUNITIES FOR SKILLED TRADES WORKERS”**

**APRIL 29, 2014**

On behalf of the 3 million skilled craft professionals in the United States and Canada that comprise the 14 national and international unions of North America's Building and Construction Trades Unions, I thank you for conducting this hearing and I welcome the opportunity to explain how our value-based business model and our world class training capacity are essential to the continued development of America's energy portfolio.

I also want to take a moment to thank the members of this committee on both sides of the aisle who have voted to retain prevailing wage protections in the construction industry. By helping to safeguard these community standards, we are helping to protect and preserve some of the few remaining occupations that cannot be outsourced to foreign countries from being decimated by a "low road" business model that is predicated upon a low-wage, low-skill, easily exploitable workforce.

As you know, the multi-billion dollars worth of capital construction opportunities that are today presenting themselves in the energy sector are wholly dependent upon a strong economy. Unfortunately, the "Great Recession" of the past seven years was anything but a recession for the U.S. construction industry. In fact, it was a flat-out depression. Construction industry unemployment levels averaged, 19.0% and 20.5% for 2009 and 2010, respectively.

And even today, the national unemployment rate for construction is still above 11%. The last time our unemployment numbers were below 6% was in the summer of 2007.

In any successful organization, labor or otherwise, being the best means setting high standards and then attaining, maintaining and exceeding those standards. Our 14 unions have embraced a day-to-day operations model that based upon the core principles of "pride, performance and professionalism."

We harbor no illusions that our success is predicated on anything other than delivering the safest, most highly trained and productive skilled craft workforce found anywhere in the world. That is why our rank and file members and our signatory contractors collectively fund, to the tune of roughly one billion dollars every year, a nationwide network of 1,600 local joint labor-management apprenticeship training programs, or JATCs as we call them.

To give you an idea of the scale of our JATC system, consider this. If our nationwide apprenticeship system were an academic institution, it would be the 3<sup>rd</sup> largest U.S. college or university, larger than Ohio State University. And if we were a K-12 school district, we would be the 5th largest in the United States; bigger than Houston, TX or Broward County, FL.

Our JATC centers should be viewed as structured and successful career paths for your constituents. Our "earn while you learn" training approach eventually leads to stable, middle

class lives. The wages and benefits that are paid to union building trades apprentices add up to an additional \$10 billion investment in the skilled craft workforce of the future.

These are private investments from our rank and file members and our contractors. There is no taxpayer money involved in this system!

In addition, we have system-wide agreements with many companies that operate in the energy sector with companies like Exelon, Entergy, Detroit Edison, Southern Company, and Tennessee Valley Authority (TVA).

We also have a proud and distinguished history of conducting the maintenance work on the facilities of some of the most prominent names in the energy industry. Companies like ExxonMobil, Valero, BP, and Marathon, to name just a few.

These collaborative partnerships have enabled us to develop innovative apprenticeship programs to meet the labor demands associated with 21<sup>st</sup> century energy projects.

In advance of the construction of the Plant Vogtle nuclear project in Georgia, the Ironworkers, Boilermakers, and Plumbers and Pipe Fitters unions rapidly expanded their capacity to train and certify the specialty welders that were needed for a nuclear project of that scale.

And all of our unions are adapting their training programs to meet the needs and concerns of the energy industry - from "green" construction training at all of our unions, to solar certification now being required for electrician apprentices, to the vast expansion of welder training and certification currently happening along the U.S. Gulf Coast. Our commitment to innovation and high standards is the reason why 71 percent of all construction apprentices in America are trained in the union construction sector.

And today, we are working with companies, whole industries, lawmakers and community leaders to leverage both public and private investments in capital construction projects in order to create structured career-training opportunities for historically underserved communities, such as women, minorities and military veterans. In other words, we are working to put in place a market-driven approach to alleviate the pressures being placed upon our social safety nets.

Our members are, unfortunately, still experiencing high unemployment. The March 2014 unemployment rate of 11.3% equates to over 900,000 workers being out of work. Let me be clear, when the economy sneezes, the U.S. construction industry gets a cold.

However, it is not always economic factors that prevent projects from moving forward. For example, the Keystone XL pipeline has been held up by the government approval process since

before the recession even began. Personally, it is unbelievable to me why this project is allowed to linger while our nation's economy struggles to get back on track.

North America's Building Trades Unions believe that government must become an advocate for businesses, an advocate for American workers and an advocate for jobs, and stop being an adversary or a roadblock time and time again.

But, it's not just pipelines. The permitting process for energy, and other badly needed infrastructure projects across this country, moves at a snail's pace because of the bureaucratic logjam here in Washington.

The opportunity to construct liquefied natural gas export facilities along both coasts and the Gulf of Mexico is but one example. And I certainly don't have the time to get into the mess of regulations that are affecting the continued prosperity associated with the energy industry.

Mr. Chairman and members of this committee, my members want to work. But instead they find themselves hat in hand as coal-fired power plants are shutdown, technologies like CCS are not supported on the same playing field as alternative energy, and the natural gas boom that is occurring across our country has to continually look over its shoulder for the threat of federal regulation.

North America's Building Trades Unions stand ready to work with this committee and the US Congress to find innovative funding mechanisms, government-sponsored or otherwise, sensible regulations and a collaborative tripartite relationship, between government, industry, and labor, to create the platform needed to regain American leadership in the energy industry and put a floor under the middle class while creating millions of jobs.

Our training facilities are built, our workers are standing by and our nation is ready to lead an energy revolution.

Thank you for providing me the opportunity to express these views here today. I look forward to a spirited debate.