



# Construction Industry Round Table

August 23, 2019

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Ms. Adele Gagliardi, Administrator  
Office of Policy Development and Research  
U.S. Department of Labor  
200 Constitution Avenue NW, Room N-5641  
Washington, DC 20210.

**ATTN: Regulatory Information Number (RIN) 1205-AB85  
Federal Register No. 2019-13076 (June 25, 2019)**

**RE: U.S. Department of Labor Rule under the National  
Apprenticeship Act (NAA) to establish a process for recognizing  
Standards Recognition Entities (SREs), which will in turn recognize  
“Industry-Recognized Apprenticeship Programs”**

Dear Ms. Gagliardi:

On behalf of the Construction Industry Round Table (CIRT),<sup>1</sup> we wish to express our **support** for Trump Administration’s overall direction and decision to address America’s skills gap and expand the apprenticeship model to new industries, as proposed by the U.S. Department of Labor rule under the National Apprenticeship Act (NAA) to establish a process for recognizing Standards Recognition Entities (SREs), which will in turn recognize “Industry-Recognized Apprenticeship Programs” (i.e., “Industry Programs”).

CIRT applauds the laudable goals to expand the standards, quality, and overall acceptance of industry recognized apprenticeship programs. Our *only* regret is that the “*industry programs*” subject to this rulemaking

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<sup>1</sup> The Construction Industry Round Table (CIRT) strives to create one voice to meet the interest and needs of the design *and* construction community. CIRT supports its members by actively representing the industry on public policy issues, by improving the image and presence of its leading members, and by providing a forum for enhancing and/or developing strong management approaches in an ever-changing environment through networking and peer interaction.

The Round Table is composed of approximately 120-125 CEOs from the leading architectural, engineering, and construction firms in the United States. Together these firms deliver on billions of dollars of public and private sector infrastructure projects that enhance the quality of life of all Americans while directly employing over half-million workers.

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do not include the critically important skilled training programs of the **design and construction community**. We urge the Administration to expand its scope to include the architecture/engineering/construction (A/E/C) “industry programs” in its final application of the new rule.

## **DISCUSSION**

The design/construction industry – is a highly labor-intensive endeavor that provides good paying jobs in communities across the country. Since the work is extremely decentralized the firms tend to be small and/or operate in a localized area even if they are part of a larger organization. As such, the industry provides vital job opportunities in *many* locales while participating as a critical member of its community. Just as important as the *direct* employment opportunities created – the design/construction community also plays a vital role in supporting the nation’s ability with respect to global competitiveness, economic activities, and national security, as well as impacting the extraordinary quality of life enjoyed by all Americans.

Given the labor-intensive nature of the A/E/C industry, it is not surprising that CIRT’s Quarterly Sentiment Index at the beginning of 2019, once again, identified talent/workforce challenges as the number one concern facing the community. In fact, skilled labor shortages topped all other concerns by a wide margin, receiving two-thirds of the vote (67%) compared to the nearest rival “economy/politics” at only (19%). [*See*, CIRT Sentiment Index Report, 1<sup>st</sup> Qtr./2019].

To address this crucial shortage of skilled craft trades people, the industry has pursued an aggressive effort over the years to identify, train, and place candidates into a myriad of job opportunities. Often these applications do not have college degrees (nor do they want them) but, are instead introduced and trained in the necessary skills through union or non-union “industry programs.”

Even now, the financial burden for private sector firms in the A/E/C community speaks to their commitment to apprenticeship education and training. CIRT has found that nearly seventy-five percent (75%) of its members conduct apprenticeship-like training, with over half doing this training in-house.<sup>2</sup>

Furthermore, the CIRT firms conduct these apprenticeship-like training programs not just as “retraining” but “continuously” near or over half the time. The cost being incurred for these “industry programs” (while still not always recognized as this DOL rulemaking would address) is

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<sup>2</sup> CIRT found that the member firms’ “industry programs” done out-of-house were provided by: online courses (25%), community colleges (18.6%), NCEER (17.2%), closely followed by unions at (16.5%). [*See*, Sentiment Index Report 2<sup>nd</sup> Qtr./2018].

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staggering. [Back in 2016, the member firms estimated the cost to be \$20,122 for field management to be replaced/hired; *see*, CIRT Sentiment Index Report, 2<sup>nd</sup> Qtr./2016]

### **CONCLUSION**

As noted, the A/E/C community has put their hard-earned margins into training needs by creating, developing, and delivering a wide-range of critical “industry programs.” These programs don’t only have a long track record, but they could help set the quality standards and expectations for the DOL’s proposal when it comes to such “industry programs.” The acceptance, growth, and quality of the A/E/C “industry programs” would greatly benefit from recognition under the proposed DOL rulemaking.

CIRT urges the DOL to expand the scope of this rulemaking to include the A/E/C community’s training as part of the “industry recognized apprenticeship programs” applicable to this proposal.

Sincerely,



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President, Construction Industry Round Table



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