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THE ASSOCIATED GENERAL CONTRACTORS OF AMERICA
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April 14, 2009

The Honorable Lynn Woolsey
Chairwoman
Subcommittee on Workforce Protections
U.S. House of Representatives
Washington, DC 20515

The Honorable Tom Price
Ranking Member
Subcommittee on Workforce Protections
U.S. House of Representatives
Washington, DC 20515

Dear Chairwoman Woolsey and Ranking Member Price:

The Associated General Contractors of America believes that “green jobs” will play an important role in the nation’s economic recovery because many green jobs, both in the energy-efficiency and renewable-energy sectors, are traditional construction jobs that pay well, offer opportunities for advancement, are accessible to minorities, and cannot be outsourced overseas. However, our nationwide association of 33,000 firms working in the commercial construction industry is concerned about the federal government’s efforts to direct money to train workers for “green jobs” without a universally accepted definition of a “green job.”

If one defines a “green job,” as: “Jobs that have a direct, positive impact on the environment,” — as did the Washington State Employment Security Department in a January 2009 report — then a laborer, electrician, mason, construction manager, heavy equipment operator, supervisor, carpenter, painter, or any other construction worker helping to retrofit an existing building, construct a new green building, or perform some other traditional construction task necessary to build and connect a renewable energy source to the nation’s power grid — such as erecting a windmill or installing solar panels — is a “green collar” worker.

The U.S. Office of Management and Budget (OMB), in its recent update of the standard occupational classification (SOC) system, “analyzed over 80 unique suggestions regarding ‘green’ occupations,” rejecting all but two — wind turbine service technician and solar photovoltaic installer. In explaining its final decision in the January 21, 2009 Federal Register, OMB noted: “In many cases, the work performed in the ‘green’ job was identical or similar to work performed in existing SOC occupations.”

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The recent report: “U.S. Metro Economies: Green Jobs in U.S. Metro Areas,” prepared for the U.S. Conference of Mayors and the Mayors’ Climate Protection Center, noted: “We should not expect to see a new industry populated by a new breed of ‘green construction workers.’ As green building technology becomes increasingly popular ... traditional contractors will develop their skill sets and expand their knowledge bases in ways that will allow them to transform large numbers of ordinary buildings into some of the most energy efficient in the world.”

The Washington state report added: “Green jobs are not necessarily new jobs, but often traditional jobs in industries and companies that are adapting to new markets and opportunities.”

Economic Modeling Specialists Inc.’s report issued December 2008 weighed in with: “The consensus among those economists who address these issues is that the designation ‘green’ turns not on the specific task associated with an occupation, but rather on the specific outcome of the occupational effort.”

Given these definitions of “green jobs,” it is easy to see why AGC and its member companies are concerned that a disproportionate amount of the American Recovery and Reinvestment Act training funds will be spent on training workers for jobs in nascent “green” sectors, when a much larger proportion of “green jobs” are being held by workers in traditional construction jobs — workers who would *benefit by*, but do not *need*, training in green practices in order to work successfully on a green project.

For instance, the transportation sector — defined as the movement of goods and people from one place to another — accounts for 27 percent of the nation’s total energy consumption and 31 percent of manmade carbon dioxide (CO₂) emissions. Contractors (and the subcontractors who work with them) not only reduce transportation congestion — a major source of both wasted energy and CO₂ emissions — through expansion and improvements to roadways, airports, railways, waterway systems, and the construction of mass transit options, they also are recycling at the highest levels in the nation.

According a recent Environmental Protection Agency report, structural steel is recovered at 97.5 percent and reinforcement steel at 65 percent, together equaling 40 million tons of material recycled and 71.6 million metric tons CO₂ emissions avoided. The recovery rate for asphalt is 80 percent, which equals 139 million tons recycled and 4.17 million metric tons CO₂ emissions avoided. Concrete is estimated at 1.4 million metric tons CO₂ of annual emissions avoided through recycling. (Note: EPA did not calculate the percentage of concrete recovered.)

Construction contractors also improve the environment through habitat restoration; wetlands mitigation; brownfields cleanup and redevelopment; the cleanup of Superfund sites; and construction of and upgrades to wastewater treatment plants and drinking water facilities.

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According to EPA, construction equipment and energy use contributed only an estimated 1.7 percent of total U.S. greenhouse gas emissions during 2002 (the latest year for which statistics are available). Meanwhile, according to the U.S. Bureau of Labor Statistics (BLS), construction is one of the nation's largest industries, with 7.7 million wage and salary jobs and 1.9 million self-employed workers, and approximately 883,000 construction establishments in the United States in 2006.

Recycling, improving our nation's infrastructure, rehabilitating toxic land sites — construction has been at the forefront of all of these efforts for years, without very much special "green" training. Nevertheless, AGC contends that the workers on all of these projects, and more, are "green collar" workers who deserve the very best training.

AGC also is concerned that when the energy-efficiency sector is discussed, the construction of new, energy-efficient buildings is excluded. In recent reports and, indeed, in testimony before this Subcommittee, the energy-efficiency sector is described as primarily concerned with the retrofitting of existing buildings, with no mention of all the jobs created, and savings incurred, from the construction of new buildings using green technology. The mayors' report, which focused on "current and potential green jobs in the U.S. economy," failed entirely to address the jobs created as a result of new green buildings.

"Building green is one of the best strategies for meeting the challenge of climate change because technology to make substantial reductions in energy and CO2 emissions already exists. In comparison to the national building stock, the average LEED® certified building uses 24% less electricity and saves 13.86 million metric tons of CO2 emissions annually," according to the New Buildings Institute. Since the commercial and residential building sector accounts for 39% of the CO2 emissions in the United States each year, more than any other sector according to the Environmental Information Administration, a new certified "green building" certainly qualifies as "green," as do the workers building it.

Green building rating systems — of which LEED® is one of several — take into account incorporation of efficient heating, ventilation, and air conditioning systems, use of state-of-the-art lighting and daylight, reduction of potable water, use of renewable energy, implementation of proper construction waste management, proximity to public transportation, and use of locally produced building products. Green buildings are designed to conserve raw materials, use less energy, and use renewable energy sources.

According to a McGraw-Hill report, "Green Outlook 2009: Trends Driving Change," the value of green building construction starts has risen from \$10 billion in 2005 to an estimated range of \$36 billion to \$49 billion in 2008. Further, the report said the value could hit \$140 billion by 2013. While there is no hard data on the numbers of workers needed to build all those buildings, suffice to say it reaches into the tens, perhaps hundreds, of thousands.

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As an example, the Washington Nationals Park, the nation's first major professional stadium to become LEED® Silver Certified by the U.S. Green Building Council (USGBC), cost more than \$600 million and employed more than 1,000 workers during the 26 months it took to build. Keep in mind: that one project constituted just over 1 percent of the total spent on new green building starts in 2008.

When it comes to renewable energy, construction is at the forefront of these efforts. While it is true that there are some new types of installers and technicians needed to connect renewable energy sources to our nation's power grid, it is also true that the bulk of the work is performed by traditional construction workers, such as the paving crews, cement masons, heavy equipment and crane operators, and others who prepare the site, roads and foundations needed before a windmill can be erected.

Where needed, of course, AGC is in favor of green training and, to that end, has worked extensively to provide our members with basic and advanced curricula to further their understanding of their role in the green construction process. Among AGC of America's numerous green offerings:

- The LEED® Estimating for Green Building Course, introduced in 2007. To date, nearly 400 people have taken the class.
- The Building to LEED® for New Construction full-day course. Since its rollout in March 2008, 17 AGC chapters across the nation have held the course, with nearly 750 people successfully completing it.
- The Contractor's Guide to Green Building Construction LEED® and Building to LEED®-NC books.
- AGC has offered numerous green construction sessions at our annual meetings, and we have teamed up with both the USGBC and the Green Building Initiative to offer training.
- Our 90th Annual Convention, held in March 2009, offered eight green building sessions for attendees and a special green section in the exhibit hall.
- Articles, fact sheets, webinars, an environmental network, and an extensive cache of online resources all geared toward contractors working in a green economy.

Our craft training partner, the National Center for Construction Education and Research, introduced a green module in spring 2008 called "Your Role in the Green Environment." The module is designed for entry-level craft workers or for anyone wishing to learn more about green building. The module is currently being used by construction industry-sponsored training programs, community colleges, and high schools around the nation. Additionally, for AGC members whose craftworkers are unionized, there are joint labor-management training programs, including those offered through the International Brotherhood of Carpenters and Joiners, and the Laborers-AGC, among others, that provide green training.

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AGC provides tools, such as our Supervisory Training and Project Manager Development Programs, for our members to provide a pathway for their employees to advance to positions of greater responsibility. Both of these programs include information on the knowledge and practices of green construction.

In 2003, AGC and the federal Environmental Protection Agency formed the AGC-EPA Sector Strategies partnership, focused on: improving environmental regulations, expanding the use of environmental management systems, and exploring ways to assess environmental progress. We value our partnership with EPA and other federal partners and have two staff members devoted to environmental concerns, including a Director of Green Construction, whose job is to work with the industry — both internally and externally — to promote best practices in green construction and environmental management.

AGC recently began a new partnership with EPA and the Industrial Resources Council to facilitate the recycling and the environmentally safe reuse of non-hazardous industrial materials as part of EPA's national Resource Conservation Challenge. It is anticipated that the group's joint efforts to provide leadership, technical expertise, and assistance will increase the amount of materials recycled or reused each year — resulting in cost savings; beneficial impacts to the environment, including a reduction in greenhouse gas emissions; stimulation of local markets; and a reduction in the use of landfills.

In addition, AGC has implemented an environmental agenda that includes:

1. Encouraging environmental stewardship among AGC members through education, awareness, and outreach;
2. Recognizing environmentally responsible construction practices;
3. Strengthening government support for positive incentives for environmental excellence;
4. Facilitating members' efforts to recycle or reduce construction and demolition debris;
5. Identifying and maximizing the contractor's role in "green" construction; and
6. Identifying ways to measure and report environmental trends and performance indicators of such trends.

As you can see, AGC of America, our member firms, and their employees take our role in the green economy very seriously, both in educating our current workforce and in preparing the next generation to build green.

While AGC understands the interest in tying green the definition of "green jobs" to good-paying jobs that allow a worker to support a family, we would prefer a definition that does not advocate a particular labor posture.

According to the BLS, "Earnings in construction are higher than the average for all industries." A report prepared by FMI for AGC of America found that the non-residential construction

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craftworker earned \$19.83 an hour in 2007, compared to \$18.52/hour for a craft-level worker in natural resources, \$17.17/hour in manufacturing, and \$15.78/hour in trade (transportation, distribution, retail, and logistics).

And, those good-paying craft jobs have the potential to turn into entrepreneurial ventures: “Opportunities for workers to form their own firms are better in construction than in many other industries,” according to the BLS.

As noted above, AGC members work in both the open shop and union sectors and we are advocating investment in training programs for all construction industry workers. Since only 13.9 percent of the nation’s construction workforce is unionized, according to the BLS data on 2007 employment, and since AGC believes that an increasing number of construction jobs are “green jobs,” there is no reason to tie “green jobs” to “union jobs,” which would leave out more than four-fifths of the eligible construction labor force from the “green” designation.

With regard to how the federal government can support greener construction practices, AGC recommends changes to the Energy Independence and Security Act of 2007, which includes plans to establish an energy and renewable energy worker training program through a provision known as the Green Jobs Act. AGC is hoping to see some changes prior to any grant solicitations under this program. The Green Jobs Act, as currently written, would limit training grant funding to entities that coordinate with labor organizations. AGC is supportive of the grant program as part of an effort to create an efficient and renewable energy skilled workforce. However, it is our belief that the opportunity to apply for such grants should be open to all contractors, both union and open shop, that have accredited training programs.

In the 110th Congress, a bill was introduced on the House side that would open up the Green Jobs Act to allow any accredited training program, regardless of labor posture, to compete for grants under the Green Jobs Act. AGC supported this bill and expects the same bill to be reintroduced soon in the 111th Congress.

As for a definition of “green jobs” as those that are available to “diverse workers from across the spectrum of race, gender, and ethnicity,” as included in the U.N. Environmental Programme, Labour and the Environment Unit’s definition, we would point to the growing number of Hispanics in the construction industry and the efforts of industry to reach out to non-traditional labor pools, including minorities, females, and veterans.

Hispanics increasingly have found work in construction; accounting for 25 percent of the total employed in construction nationwide and the numbers are growing. The Pew Hispanic Center said two of every three new construction jobs in 2006 were filled by a Hispanic worker.

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Among the AGC's most recent initiatives to inform minorities and females about career opportunities in construction and to develop the workforce needed to rebuild the nation's crumbling infrastructure, are partnerships with the Boys & Girls Clubs of America and the Girl Scouts of America. Our members and chapters have provided thousands of youths active in these two programs with donated Build Up! educational kits that introduce them to the importance of the construction industry to our nation, as well as their future possible role in helping to build the nation's infrastructure. Additionally, many AGC chapters and members have made substantial commitments to construction career academies and charter schools, such as AGC of St. Louis's success with the Construction Careers Center in St. Louis, Mo., and AGC of Metropolitan Washington, D.C.'s financial and intellectual support of the new Phelps Architecture, Construction and Engineering Academy in Washington, D.C., both of which serve a largely African-American population. These are only a few outreach efforts among hundreds in which AGC members and chapters nationwide play a substantive, often leading, role.

In summary, AGC of America believes that training funds spent on traditional construction industry apprenticeship and training programs — in both the union and open shop sectors — constitute one of the nation's most cost-effective and beneficial routes to increasing the number of green collar workers in America and we look forward to helping the nation's economy rebound, become greener, and regain its prominence in the world economy.

By building energy efficiency into existing and future infrastructure, the construction industry is an essential partner in the nation's efforts to nurture a green economy.

Sincerely

Stephen E. Sandherr
CEO