

Proposal of
Laborers' International Union of North America
For Residential Weatherization Work

Challenge and Opportunity. We are forced by the global warming crisis to follow a more environmentally sensitive course of action that will forever change the face of our society. At the same time, this crisis presents us with an opportunity to realize the long-term advantages of developing middle-class career paths for a highly trained and motivated "green" workforce---but but only if we invest in high-road, value-added solutions rather than pursuing the narrow short-term savings offered by a low-wage economy. The intersection of this challenge and opportunity is nowhere more immediate than in the Department of Energy's Weatherization Assistance Program (WAP), which received \$5 billion in the recently enacted stimulus package, the American Recovery and Reinvestment Act of 2009. The Laborers' International Union of North America plans to work with policymakers and allies at all levels to realize the full potential of an unprecedented public investment in residential energy efficiency..

Until recently, the reality of the environmental crisis has not been universally accepted. However, the scientific community worldwide has now come to a consensus on certain basic and critical global warming propositions. The planet is undergoing a warming process as the result of human activity, principally activity generating carbon emissions. This warming process will result in a number of adverse consequences: rising sea levels displacing those on the coastlines, home to a disproportionate percentage of the human population; more intense storm patterns, including torrential rains and flooding; and, in other areas, severe drought. These consequences will be minimized so long as the warming is less than 2°C above the historic norm. They will become increasingly dire above a 2°C increase with potentially civilization-threatening effects above 6°C. The planet is now 1.6°C above its historic norm. Current models show that that temperature will increase to 6°C above this standard by the end of this century. In order to limit the temperature increase to no more than a 2°C rise, carbon emissions must be reduced by 80% from 1990 levels by 2050.

Fifteen years ago these propositions were greeted with skepticism, particularly in the political arena. Many politicians, and a few scientists, argued that the perceived global warming was within normal climate variation or was the product of new measuring methodologies. They argued that even if there were global warming, it was the result of natural causes, not human activity. The character of that debate has now fundamentally changed. In the mid-1990s the call for a 20% reduction in carbon emissions from 1990 levels by 2050 was

ridiculed as Chicken Little panic by opponents to a green society. Now, as the science has hardened and become even more alarming, it is hard to find any serious challenge to the proposition that there must be a far more difficult and painful 80% reduction from those levels by 2050.

Addressing global warming and curbing carbon emissions will be undertaken through a myriad of means. Some may impose significant costs on consumers and businesses. But other measures, such as, residential weatherization, which will reduce carbon emissions by reducing the use of energy that produces those emissions, deliver net cost *savings*. That is, the economic gains from reduced energy costs will far exceed monies invested in weatherization. Thus, as an economic proposition, weatherization should be undertaken even if there were no environmental imperative. The fact that an estimated three-quarters of all homes in the United States are energy inefficient is testament to the failure of the private market to develop a model to exploit this economic opportunity. The federal government's \$5 billion investment in WAP should provide the collateral benefit of addressing this market failure by expanding and strengthening the industrial base for energy efficiency---priming the pump for private-sector initiatives that use energy savings to finance energy investments on a large scale.

It is estimated that three in four households---nearly 100 million homes---could benefit economically from weatherization. Of these, roughly 38 million are inhabited by those qualifying for WAP assistance. The \$5 billion authorized in the stimulus package for WAP weatherization will reach at most 1 million of these residences. Thus, while \$5 billion is an extraordinary sum to allocate to this work, it will reach only a small percentage of the work that will eventually be undertaken. Indeed, at the rate of 1 million homes annually it would take 40 years to complete the weatherization of the energy inefficient housing stock qualifying for WAP assistance. The urgency of the climate threat demands that we move much, much faster to capture the environmental, economic and social benefits of weatherization.

At the same time, reaching the modest climate goal of weatherizing 1 million homes each year poses an enormous challenge given the limited capacity of the residential energy efficiency sector. Previously, we were weatherizing 100,000 to 150,000 homes annually. This objective has been increased nearly tenfold to 1 million homes annually. Previously, weatherization agencies were authorized to expend only a little more than \$2,000 per residence, often supplemented by funds from other sources. Now, average expenditures of \$6,500 are authorized. Those administering residential weatherization programs at the state and local level must be concerned that the enormous opportunity not be forfeited by failing to appreciate the challenge imposed by this expansion. The degree of success enjoyed in this initial phase of our expanded weatherization efforts will be reflected, undoubtedly, in the degree of ongoing support enjoyed by this program. It cannot be allowed to fail.

In addition to these environmental and administrative challenges, there is opportunity. For too long we have focused on short-term goals to the exclusion of long-term interests. We have become a low-wage society thinking only of today's profit and ignoring tomorrow's needs. Many in the business world lament the shortage of skilled workers, a crisis created by the relentless suppression of wages and failure to invest in training. Residential weatherization provides an opportunity to reverse this self-inflicted injury by moving to a value-added rather than low-income society. To that end, we should insist on the use of residential weatherization monies to invest in a trained workforce that, by virtue of that investment, will provide long-term career opportunities, with commensurate long-term advantages to our society. We should insist, as well, that this investment in recruitment and training benefit the residents in those communities intended to be served by the WAP.

Elements of Residential Weatherization Proposal. There are a number of principles fundamental to the design of a weatherization program that both meets the challenges and realizes the benefits of the opportunities now before us. Before discussing these principles individually, we list them in summary form:

- (1) Training
- (2) Prevailing or living wage
- (3) Healthcare coverage
- (4) Recruitment of local community residents
- (5) Taking residential weatherization to scale
- (6) Setting contractor responsibility standards

(1) Training has long been recognized as a fundamental component of any successful residential weatherization program. For this reason, the Department of Energy approved "Core Competencies for the Weatherization Assistance Program" developed by the Weatherization Trainers Consortium. Various community action programs have integrated training into their core mission.

However, there are two important modifications that must occur if training is to serve the needs of a larger, value-added weatherization program. First, the number of those trained needs to be expanded dramatically in scope. The training delivery system must be prepared to deliver training for those working on 1 million homes annually, 10 times the number of prior years. It is anticipated that we will need a workforce of 50,000 weatherization technicians to accomplish this task. Training must also include the more sophisticated construction and environmental skills implied by an average home expenditure that will be more than triple the \$2,000 previously invested.

Second, the training provided should be designed as the basis for long-term employment in the construction industry. Our research suggests that

weatherization work has historically been poorly compensated and has not been an entry point for long-term employment in a family supporting job.

Appropriately designed, we believe that residential weatherization training can be the basis for a successful career in residential construction. Training should therefore include skill sets that will provide a solid background in construction and environmental hazard recognition and remediation, skills essential to residential weatherization and to a successful career in residential construction.

We believe that this training can be most appropriately and effectively offered by the Laborers' national training organization, the Laborers-AGC Education and Training Trust. The Laborers' International Union of North America is proud that for 40 years Laborers-AGC has sponsored the finest training program in the construction industry in United States. Local affiliated training funds, operating at 70 state-of-the-art fixed site facilities in North America and through mobile units, train 140,000 workers annually. Workers can take one of nearly 300 training modules. Residential weatherization will take its place among this comprehensive construction industry training program. In order to provide a more detailed introduction to the training capacity of Laborers-AGC, we are enclosing "The Power to Excel," a manual surveying the curricula offered by our training program.

Laborers-AGC has also proven its capacity to adapt its training offerings to meet emerging needs, such as the development of environmental remediation training. LIUNA members, train through Laborers-AGC, have responded time and again to the full range of natural and man-made disasters, viz., to the Valdez oil spill, the tragic recovery of the Columbia space shuttle, the World Trade Center attacks and the devastation of Katrina and Wilma. When the federal government was besieged by the distribution of letters containing anthrax, the Department of Labor turned to Laborers-AGC to develop the Anthrax Remediation course, which was used in the training for remediation of affected facilities, including postal facilities in D.C. and New Jersey and for NBC offices. Over the last 25 years Laborers-AGC has received over \$160 million from the Department of Energy and Defense, NIEHS, EPA, OSHA, Nuclear Regulatory Commission, FHWA, and Department of Education to develop and train in environmental and construction skills. The same capacity to adapt and deliver will be vital to both constructing and implementing an expanded, well grounded residential weatherization training program.

Laborers-AGC's weatherization curriculum is based upon the Core Competencies of DOE's Weatherization Assistance Program. Our weatherization training program is described in more detail in the enclosed "Laborers' International Union of North America (LIUNA): Weatherization Training Program." That program envisions a core four-week curriculum for those entering the weatherization field with additional weeks both for introductory and supplementary training.

We believe that weatherization technicians should receive the following training: Week 1 -- general construction skills including basic construction techniques, tool identification and use and basic construction math; Week 2 -- safety and environment hazards, OSHA 10-hour certification, Lead Renovator certification and asbestos, mold and biological hazard awareness; Weeks 3 and 4 -- weatherization technician/installer, including air and duct sealing, insulating, base-load measures and construction skills; Week 5 -- weatherization supervisor, the use of diagnostic, testing, and monitoring equipment to facilitate the timely completion of a work plan; and Week 6 -- weatherization energy auditor, including the use of collected data to select the correct amount of approved weatherization materials, and the creation of a viable work plan.

Because each worksite is unique, additional training programs are available based on specific job conditions. For example if lead or asbestos is present, Laborers-AGC will offer supplementary certification courses in asbestos and lead abatement at both the worker and supervisory levels.

To be successful, comprehensive training materials must be tied to effective delivery systems. Laborers-AGC has found that delivering quality training must be flexible and match the needs of individuals, communities and employers to achieve the most effective and efficient product. Accordingly, residential weatherization courses will be delivered in three ways: at existing state-of-the art training facilities; with mobile unit classrooms; and at local venues using LIUNA instructors. Selection of the appropriate delivery mechanism will depend both upon the substance being taught and the circumstances of a trainee group at issue.

Laborers-AGC should be a preferred provider of training for three other reasons. Its commitment to constructing partnerships with community-based organizations has led to the development and funding of the Minority Outreach Program (MOP). Since 1995 this program has placed unemployed and underemployed residents in LIUNA's apprenticeship programs and provided career pathways in the construction industry. The MOP and similarly structured programs will be ideal vehicles for recruiting and training community residents into the residential weatherization sector. A successful component of the MOP structure is life and employability skills training. It can be offered, where appropriate, as an introductory week of training prior to the more formal training program described above. Experience has shown that life/employability skills can be effectively presented by either Laborers-AGC, partnering community groups or in a combined effort.

Not least important, training offered through Laborers-AGC will serve as the gateway for careers in other sectors of the construction industry. When provided training integrated with the larger Laborers-AGC construction training curriculum, weatherization trainees will be well-placed to pursue further careers

in residential, light commercial and environmental abatement, or to move into training programs for careers in more highly compensated sectors, including commercial and building construction or heavy highway construction. In addition, many who begin work as construction laborers later enter apprenticeship programs to become journey workers in other trades. We should not settle for weatherization training that does not make these wider opportunities available to those performing weatherization work.

Finally, the value of Laborers' training program is substantially increased because it is a negotiated benefit requiring employers to make contributions based upon hours worked. Whereas the availability of future training funded through public agencies depends upon the uncertainties of the appropriations process, the Laborers training system has a dedicated stream of funding that can be relied upon to provide training for weatherization and environmental work through the contributions of signatory employers.

In order to accelerate the training of residential weatherization workers, LIUNA is prepared to spend \$1 million to fund initial training until public training grants and collective bargaining monies from residential weatherization work become available.

(2) Those working in this industry should enjoy family-supporting wages. For many years the use of prevailing wage principles on public projects, such as those established in the Davis-Bacon Act, have been relied upon to prevent public expenditures from undercutting community standards and to prevent a race to the bottom. Residential weatherization work should follow the same principle and be protected by prevailing wage standards. Unfortunately, that will not be sufficient in many localities. Predetermined wages in the residential construction industry are indefensibly substandard in many areas, sometimes even below the federal minimum wage. Accordingly, we should require that those working in the residential weatherization industry receive the prevailing wage or, where that is below income necessary to support a family, a living wage. *Our goal is to join with policymakers, service providers and community allies to establish rates that provide a measure of economic security for workers and their families without placing an impossibly heavy burden on the finances of weatherization agencies.*

The payment of a prevailing or living wage is not an act of charity but of sound public policy. A society content with paying wages that are less than those necessary to support a family is condemning itself to an impoverished citizenry. There is no healthy vision of the future for all who live in this country that does not include the payment of adequate compensation for work diligently performed. If we are to have a society that both serves its citizens and promotes the skills and initiative to face the challenges of tomorrow, we cannot be shy about our support for systems of adequate compensation.

(3) Deserving special note is our proposal that the compensation of residential weatherization workers include healthcare coverage. We are facing a well-documented crisis in healthcare. Public funds should not be used to enlarge that problem. Up to 30% of current hospital charges imposed on those with health insurance are utilized to pay for the uninsured or underinsured. Public sector employment should not exacerbate that problem.

Our call for healthcare coverage supports the national priority for universal healthcare, a priority firmly endorsed by President Obama as candidate and now as a centerpiece of his administration. It is entirely appropriate and, indeed, necessary that the structure of this expanded WAP initiative be consistent with and facilitate the ability to meet this priority.

(4) LIUNA is intent upon recruiting local community residents for the performance of weatherization work. We believe that this should be an essential requirement for the receipt of any monies under the WAP. Community residents deserve the opportunity to gain employment in the weatherization of their own homes and other residences in their communities. Moreover, residential weatherization affords the opportunity to provide an entry point for a lifelong career with family supporting income. We must see that that opportunity is fully exploited. LIUNA has long pursued inclusion of groups historically underrepresented in the construction trades, including special outreach to those in the African American and Latino communities. We propose that the current residential weatherization initiative be employed to guarantee that local residents enjoy the employment opportunities created by this program.

(5) Historically, the WAP has been undertaken by local contractors, many operating on a small scale. These contractors have both expertise and ties to the community that are of value and must be protected. They should be encouraged to participate in the WAP going forward.

However, conducting the WAP successfully requires that we bring the capacity of weatherization contractors to scale. Rather than performing the work with only small contractors employing two or three laborers each, we need to add other contractors with the sophistication necessary to work on a scale that is multiple times in size to the current program. These enlarged efforts will have multiple advantages. The sheer number of homes to be weatherized requires this greater contractor capacity. With this capacity will come the acquisition of specialized construction skills that will permit more sophisticated performance of the work. For example, a contractor with 20 employees can retain one having special skills that are only irregularly utilized whereas a contractor with a handful of employees cannot. Moreover, larger contractors can support the managerial and administrative skills that will capture economies of scale.

Where appropriate and with appropriate accommodation for existing smaller scale contractors, residential weatherization contracts should be bundled in units

of sufficient size to justify pursuit by contractors operating on a larger scale. Based upon our experience in the industry, LIUNA believes that contracts for 2,000 homes, i.e., approximately \$10 million in value, will provide the appropriate contractor incentive. While achieving this modification in the weatherization program may not be achievable or advisable in all markets at the present time, we believe it will become possible as weatherization initiatives expand to capture the benefits of energy efficiency in all of America's inefficient homes.

We anticipate that with the appropriate incentives various groups of contractors will actively participate in the performance of this work. First, there will be those contractors already performing residential weatherization work. Many of these small weatherization contractors will have both the interest and the potential to grow in size and sophistication. Our proposal is intended to facilitate this growth both through the training to be offered employees and through the letting of sufficiently large weatherization contracts. Second, there will be contractors in related sectors of the construction industry, including both light commercial and residential work, that will be interested in this work. The current downturn in the industry will strongly encourage the interest of these contractors in residential weatherization. Success in encouraging the involvement of these experienced and skilled contractors in residential weatherization will be critical to the success of the WAP on the scale now contemplated. All of this can be accomplished without sacrificing small contractors who will have opportunities to grow or partner with those who do.

(6) Price is only one element in choosing contractors. A contractor who achieves economy by performing shoddy work or failing to comply with the governing legal standards is no bargain. It is, therefore, important that potential contractors be first screened against their capacity and history of acting responsibly before price is considered. We seek not the least expensive contractor but the least expensive qualified contractor.

Accordingly, we believe those administering WAP programs should impose basic responsible contractor requirements in the administration of the program. WAP contractors should be required to operate in a manner that appropriately classifies employees as such and not as independent contractors. They should provide all workers with workers compensation and unemployment insurance. There should be a required showing that contractors have a past record of compliance with federal or state employment, wage and hour, tax, and health and safety laws. A good safety record is mandatory. Any subcontractor should be required to meet the same standards.

Partnerships. The effort to achieve residential energy efficiency is a societal initiative of daunting scale. It will not be accomplished in one year or by one entity or sector acting in isolation. An effective residential weatherization

program must therefore be structured in a way that guarantees the participation of all those whose efforts will be necessary to achieve ultimate success. LIUNA is working in partnership with the relevant stakeholders.

This is, at bottom, an environmental initiative. LIUNA is working with the environmental community to ensure its success. In fact, our commitment to advancing a green society predates and goes substantially beyond the current initiative on residential weatherization. We are one of four unions partnering with the Sierra Club and the Natural Resources Defense Council to form the Blue-Green Alliance. General President Terence M. O'Sullivan is a member of the board of both the Apollo Alliance and the Blue Green Alliance. Through these organizations we are committed to addressing critical environmental objectives in ways that are effective on environmental terms while promoting good, family supporting jobs. We bring to the table the active support of the environmental community for the approach outlined here for residential weatherization.

The approximately 700 community action programs that have administered the WAP for 30 years have capacity that must be utilized appropriately in the effective implementation of the current program. We have, therefore, been in discussion with the National Community Action Foundation to develop a common approach that will employ both the administrative expertise of the CAPs and our own labor experience. The CAPs have current waiting lists of homes to be weatherized, access to local community residents to be recruited and experience with the existing contractor groups. These capacities form a solid partnership when combined with Laborers' training and labor experience.

There are also a number of community groups that have long worked in this area and have substantial interest. Unique among these is Green for All, which established itself as a community group focused on the employment opportunities afforded by environmental concerns. We have, therefore, actively explored collaborative opportunities with Green for All, including former president, Van Jones, now Special Advisor for Green Jobs, Enterprise and Innovation at the White House Council on Environmental Quality. It has become apparent that our common objectives will provide the basis for a constructive partnership in residential weatherization for years to come.

Conclusion. The approach outlined here is being actively pursued in a number of localities, most notably in Newark, New Jersey. Acting in conjunction with the Garden State Alliance for a New Economy (GANE), LIUNA established a model program for residential weatherization work. Operating under a Minority Outreach Program grant, an initial class of 23 minority Newark residents received intensive six-week residential training utilizing a curriculum similar to that outlined above. Currently, this is the model program for how residential weatherization should be structured to most greatly advantage community residents. See, Good Jobs First's February 2009 publication "High Road or Low

Road? Job Quality in the New Green Economy”

(<http://www.goodjobsfirst.org/pdf/gjfgreenjobsrpt.pdf> , page 25). There has also been extensive coverage by Green for All (<http://www.greenforall.org/blog/newark-weatherization/?searchterm=newark>).

LIUNA stands ready to explore the implementation of this model with all those interested in achieving success in residential weatherization through these principles. We look forward to working with governmental bodies and other stakeholders in securing critical carbon reducing environmental objectives with solid employment policies that produce long-term societal benefits.

We call upon those administering WAP funds to utilize the program principles outlined above. While we believe that this program will be far more successfully pursued when implemented in conjunction with LIUNA, we believe in the fundamental importance of these principles in any event.

It is critical that a serious effort in the United States to undertake residential weatherization on a broad scale be vigorously and successfully pursued. That initiative has for too long been ignored. Monies provided in the stimulus package present an exciting opportunity that must not be allowed to fail. We call upon all those who are involved in this area to work collaboratively to ensure the success of residential weatherization.