

Subcommittee on Energy
Hearing on
“Clean Energy Infrastructure and the Workforce to Build It”
February 27, 2019

Mr. James Simpson, Manager, Military Talent Acquisition’ Pike Enterprises, LLC

The Honorable Joseph P. Kennedy, III (D-MA)

1. The transition to a green economy presents the U.S. with incredible workforce opportunity but also, of course, workforce disruption.
 - a. How should Congress be proactively thinking about support for workers, families, and communities that have depended on the fossil fuel industry for jobs and economic development for generations?

RESPONSE:

As was so adamantly referenced by your colleague Congressman McKinley during my original testimony, this is a huge issue that requires immediate attention. The reality is that we are now forced to react to a problem that should have been addressed 3-4 decades ago when new technologies were emerging as viable options in the energy industry. Einstein received a Nobel Prize for his work on solar energy in 1905. NASA used solar panels on satellites as early as 1964. Early energy policy directing the use of solar was enacted by Congress in the mid 1970’s. Like a patient that has ignored his symptoms we are now faced with an emergency.

There isn’t a singular response that will answer the question. The educational systems of these communities will need to address new career opportunities with current high school and community college age students. Economic Developers and Chambers of Commerce will have to court new industries and encourage new business models to make up for the looming loss of fossil fuel jobs. State and Federal governments will need to provide funding for job training for younger members of the existing workforce who will be forced out of their jobs as fossil fuels continue to experience a loss of demand. We need a focused effort to make American jobs a priority. We can’t afford to continue shipping jobs overseas if we want to save our small towns funded by fossil fuel jobs today.

I should point out that careers in power transmission and distribution offer similar wages to those in the fossil fuel industry. Our jobs are not impacted by the rise of solar, wind, and natural gas or the decline of coal in the production of electricity. The production source is irrelevant when delivering electricity to customers. I encourage you to consider this as you decide which industry segments to fund in this bill. Lineworker careers are not always labeled “green”, but you can’t

consume electricity without them, and they produce no real or perceived negative impact on the environment. Our jobs are available in the communities the fossil fuel workforce lives in now. They don't have to relocate to work in power distribution and transmission careers.

We use on the job training(OJT), community colleges, and private schools to prepare entry level employees for careers in our industry. OJT and community colleges offer the best value for employers and entry level employees. Funding continuing education programs through WIOA and similar funding sources is a great investment. As I mentioned in my testimony, making the GI Bill available for continuing education courses would greatly benefit veterans. Making PELL grant funding available for continuing education would give non-veteran members of our population access to job training as well.

- b. How do we ensure a 'just transition' for those communities and workers as well?

RESPONSE:

We must make these communities a priority for development. A just transition will occur when all parties: local, state, and federal government, coupled with private industry work together. If you have watched the way governments and communities have created benefits packages for Amazon to place a facility in their region you have seen an example of what needs to be done. Economically repressed communities are at a disadvantage when courting a large employer that can bring in jobs paying equal to those in fossil fuel. While there may be a large available workforce there is often a shortage of the job skills sought by the employer. Congressman Loeb sack shared his experience working with community colleges to develop a workforce during the sub-committee meeting on 27 Feb. His knowledge would be very useful in helping resolve the skills shortage to attract new business.

Fossil fuel communities like War, WV mentioned by Congressman McKinley aren't the only places where a concentrated approach needs to occur. Military communities and other rural communities suffer some of the same issues. Bases are often in rural areas with agricultural and service economies which cause military spouses and retirees to suffer underemployment and unemployment like we are seeing in coal towns. Military spouse unemployment/underemployment represents the highest percentage across the population. Consider Camp Lejeune, NC and Camp Pendleton, CA. Imagine being a military spouse working as a paralegal at \$31 per hour in San Diego, CA and being transferred with your spouse to Camp Lejeune, NC where a paralegal makes about \$12 per hour. That's a loss of \$36K annually. Transitioning service members suffer similar issues. My last year on active duty I made \$61K in annual salary and another \$24K in allowances, for an annual compensation of \$85K. My first job in the civilian sector paid just over \$50K, a \$35K annual decrease living in the same community where I transitioned. I was lucky I had the higher education required to get a job like that. The average annual wage in the Camp Lejeune area is \$34K.

If we can find a solution to unemployment and underemployment in communities long dependent on fossil fuels as a primary source of jobs then hopefully we can use that blueprint to help manufacturing towns and military communities as well. West Virginia Forward is a collaborative effort that appears to be making headway in identifying areas where improvements can be made to keep West Virginians in West Virginia and employed in good paying jobs. WV Forward's research and discoveries are on the WV Commerce website. They echo some of what I have mentioned above in my own observations of a way forward.

<https://commerce.wv.gov/assets/files/wv-forward/West-Virginia-Forward-Summary-of-Findings.pdf>

No transition is easy and most require change, but for those who adapt, opportunity is available. One of the Congressmen mentioned that his constituents who work in fossil fuels like their jobs. I liked being a Marine too, but when I was no longer able to serve I had little choice but to adapt to new opportunities or fail.

The Honorable Richard Hudson (R-NC)

1. Mr. Simpson, first off I want to thank you for your 25 years of service to this great country. It is because of men and women such as yourself we are able to be here today. You should be proud of the work that Pike is doing. It is a great service to our nation to take care of our veterans, who sacrificed so much for all of us. As you know, I have Fort Bragg in my district, the epicenter of the universe. With the largest military installation in the world in my backyard, I look for every opportunity to support our men and women in uniform both during and after their service. With that in mind, in your testimony you stated "we are seeing growth of about 14% in the industry resulting in a need of several thousand new employees annually for the foreseeable future to keep up with demand."
 - a. With the growth you are facing and Pike's hire veteran's initiatives, what are some of the barriers you are facing on the front lines to find potential veterans hires and train them for the workforce?

RESPONSE:

We face a number of barriers with regard to finding veteran hires.

- Each base has their own requirement for how to share information
- There is no central location to share information with all transitioning service members from all branches so we are forced to engage each location individually.
- DoD Skillbridge and Army Career Skills Programs often establish mileage restrictions on how far away a transitioning service member can train. This limits locations where we can conduct training and the number of personnel we can include in the training.
- Community College job training programs are generally housed in their continuing education departments. DoD Tuition Assistance Programs,

PELL Grants and the GI Bill do not allow service members or civilians to use their funding for Continuing Education. (A pilot expansion of Tuition Assistance for Certification Training is taking place currently on Ft. Hood).

- At a state level, the community college system has rules that prevent colleges in neighboring areas from receiving equal consideration for programs targeting workforce development, especially with regard to the military. At Fort Bragg, Fayetteville Technical Community College, and neighboring Johnston Community College, both have CDL licensing programs. FTCC disputed the Johnston Community College program which is offered through the Career Skills/Skillbridge Program because of the competition. Students now have to travel or be transported to the main campus of Johnston Community College for the program that was previously offered on base where the soldiers work. Similarly, Cape Fear Community College in Wilmington, NC started a Pre-Apprenticeship Lineman Training Program last fall. In Spring 2019, Coastal Carolina Community College started a program, now Cape Fear no longer has access to military students from Camp Lejeune and the Coastal Carolina Community College program is registered as a Skillbridge program preventing service members from attending the larger Cape Fear Program.
- A lack of knowledge by transitioning service members and base staff about companies whose primary work is not federal contracting.
- **WIOA On the Job Training funding is administered at the local level. Because the program is local in nature and Pike is a nationwide employer, we must apply in every Workforce Development Board Region in the country where we have jobs. In NC alone there are 23 Workforce Development Boards. A streamlined application process allowing a single application for every location where a company has openings would be more beneficial and consume considerably less effort for employers and approving agencies.** Gaining access to the funding is difficult because many of the veterans we wish to hire live in communities where we don't have jobs. When trying to coordinate the program we run into the issue of whose funding is used. In NC, the job may be in Mecklenburg, Cumberland or Wake county, but the employee may reside in Onslow, Wayne, or Craven County when applying. Because funding is limited it is difficult for a company with nationwide job opportunities to maximize their access to the program. **The WIOA OJT program can provide up to 50% of an employee's wages for up to 6 months in qualifying programs, this means I could offer a trainee a higher salary and Pike wouldn't have to absorb the entire cost.** If a program qualifies for WIOA funding we should allow everyone equal access, not restrict

access by where jobs are. If a veteran is willing to relocate or travel to work in one of Pike's job training programs they should be encouraged to do so.

- Entry level pay rates in the industry are similar to the pay received by an E3 or E4 with 4 years of service assuming they are single. The pay rate is around \$15 per hour for a Groundman (our training position). Matching the pay of a married service member is much more difficult. Married service members at Fort Bragg and Camp Lejeune would require an entry level salary over \$25 per hour to match their military pay and allowances. To pay the employee portion of their health benefits we would have to increase our pay to over \$28 per hour or \$54K annually to provide the standard of living to which our veterans are accustomed. WIOA OJT funding could close the gap for entry level employees. Within 4 years of employment we expect that many of our employees will have attained the experience to earn \$30+ per hour.

Imagine the effectiveness of a transition training program hosted off-post or on the fringes of an installation where employers and local job training programs could connect with veterans without the restrictions of attaining post access. With the DOLVETS funded programs housed internally within our Career One Stop Centers a logical solution would be to take advantage of that partnership. Transitioning Service Members and local veterans would be better supported by gaining access to employers interested in hiring them and veteran resources provided through DOLVETS funding and State Workforce Staff. The warm handoff of TSM's to the Career One Stop Center staff would occur transparently for those staying in the area. There are locations including Ft. Bragg where the State Workforce/DOLVETS funded staff are physically located on post with the transition program, but employers (unless they have DoD ID Card holders on staff) do not have ready access to their future workforce.

2. Mr. Simpson, in regards to the legislation we are discussing today, I believe it is critical we examine the existing job training programs the federal government offers. As you know, this legislation authorizes hundreds of millions of dollars to create new job training programs, when we already have so many spread across the federal government.
 - a. What are your thoughts on this? Shouldn't we figure out what's working and then see if we can make improvements?

RESPONSE:

The Department of Labor Employment and Training Administration funds a number of programs for job training across a wide spectrum of the workforce. In addition, the Department of Veteran Affairs funds individual training programs through the Vocational Rehabilitation and Employment (VR&E) program.

Department of Labor training programs:

- Adult Employment and Training Activities
- Youth Activities
- Dislocated Workers Employment and Training Activities
- Indian and Native American Programs
- Migrant and Seasonal Farmworkers
- Apprenticeship Grants;
- YouthBuild
- Workforce Innovation Fund
- Community Service Employment for Older Americans (CSEOA)
- Job Corps

While reviewing information on DOLETA program performance I was surprised to find this recent article from Investor's Business Daily.

<https://www.investors.com/politics/editorials/job-training-programs-waste-fraud/>.

To quote a segment of the article above which directly addresses your concerns:

“.... Job Corps is just one of 47 federal job training programs scattered across 14 federal agencies that collectively cost taxpayers \$18 billion. The Labor Dept. alone runs 20 of them. There's also a job training program run by the Environmental Protection Agency, another in the Department of Agriculture, and in the Department of the Interior.

When auditors at the Government Accountability Office looked into it, they found rampant duplication and overlap. There are five programs targeting youths, for example, eight for Native Americans and six for veterans.

But "little is known about the effectiveness of the employment and training programs," the GAO found. That's because only five of the 47 federal programs had done impact studies.”

There are non-profit organizations such as Goodwill Industries which also provide workforce training programs at no cost to taxpayers. The website Great Non-Profits lists the 55 top rated job training resources across the US for 2018 as evaluated by those who use the programs

<https://greatnonprofits.org/awards/browse/Campaign:57/Issue:10>.

Based on the article quoted above and reported declines in program usage by DOLETA it appears that more research is definitely in order before allocating funding for yet another federal job training program.