



Associated Equipment Distributors
Washington Office
1201 15th Street, NW
Suite 220
Washington, DC 20005

August 1, 2019

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

Mr. John V. Ladd
Administrator
Office of Apprenticeship
Employment and Training Administration
200 Constitution Ave., NW, Room C-5311
Washington, DC 20210

Re: Docket No. ETA-2019-0005; Apprenticeship Programs, Labor Standards for Registration, Amendment of Regulations

Dear Ms. Gagliardi and Mr. Ladd:

These comments are submitted by Associated Equipment Distributors (“AED”) to the Notice of Proposed Rulemaking (“NPRM”) published by the U.S. Department of Labor’s Employment and Training Administration (“ETA”) at 84 FR 29970 (June 25, 2019).

AED is the international trade association representing companies that sell, rent, service and manufacture construction, mining, farm, energy, forestry and industrial equipment. AED’s nearly 500 distributor members, which are predominantly small-medium-sized, family-owned businesses, have over 5,100 locations, employing 130,000 workers and account for more than \$60 billion of annual sales revenue of equipment and related supplies and services. Additionally, AED has 300 non-dealer members, which include equipment manufacturers and industry service providers.

AED, through its educational arm, The AED Foundation, addresses professional education and workforce development issues for the equipment industry, including accrediting diesel-equipment technology programs for high schools and colleges and implementing a first-of-its-kind Certified Technician Program that allows diesel technicians to earn a professional industry certification by successfully passing a technical assessment.

The greatest challenge facing the construction equipment industry is the shortage of skilled workers. In 2016, The AED Foundation released a study by public policy researchers at the College of William & Mary quantifying the economic impact of the industry’s diesel technician shortage. The study included a comprehensive AED member survey to gather industry-specific data.¹ The researchers found:

- The technician shortage is costing AED members approximately \$2.4 billion per year in lost revenue and economic opportunity.
- Distributors cite the lack of hard skills as the top reason technician positions are so hard to fill.
- Seventy-eight percent of AED members don’t think local educational institutions – high schools, community colleges, and technical schools – understand equipment dealer workforce needs and don’t believe curricula are aligned to meet those needs.

¹ See *AED and the Skills Gap: Assessing the Skills Gap, its Causes, and Possible Solutions* (bit.ly/AEDFSkillsGap)

- More than 50 percent of AED members said the skills gap had hindered dealership growth and increased costs and inefficiencies.

As detailed in the College of William and Mary's study, there is a substantial need for the Industry-Recognized Apprenticeship Programs ("Industry Programs") contemplated by the NPRM as an alternative to the existing registered apprenticeship system, which currently doesn't provide the necessary training for careers as diesel service technicians.

AED commends the ETA for proposing that sectors like the small-medium-sized dominated construction equipment industry have a flexible alternative to provide high-quality apprenticeship opportunities that result in industry-recognized credentials to address the skills gap. In particular, the focus on competency-based standards and recognition of prior knowledge and experience allows IRAP's to offer training to apprentices in the most efficient manner possible with the goal of receiving portable industry credentials, that allow individuals to pursue high-quality careers without frivolous requirements such as unnecessary course or classroom hour mandates.

AED and its members look forward to working with the Department of Labor and the ETA to address the skills gap in the construction equipment industry through high-quality, industry-led apprenticeship programs.

Sincerely,

A handwritten signature in cursive script that reads "Brian P. McGuire".

Brian P. McGuire
President & CEO