

THE WALL STREET JOURNAL.

AS TRUMP COURTS UNIONS, HIS APPRENTICE PLAN RISKS ALIENATING THEM

Construction workers oppose a strategy the administration is considering to expand apprenticeships to employers and business groups

By Eric Morath
November 29, 2019

President Trump's plan to expand apprenticeships into more vocations risks creating a rift with construction workers he is courting for support in next year's election.

The administration wants to ease a shortage of skilled workers by allowing employers and business groups to set standards for apprenticeships, which combine on-the-job training with classroom instruction. Currently, standards are set by the Department of Labor, and most apprenticeships are run by trade unions under federal supervision.

The Trump administration initially won the support of powerful construction unions by promising to exclude the industry from the plan, effectively allowing the unions to maintain control of apprenticeships for carpenters, plumbers and electricians. Instead, the administration said it would focus on sectors such as health care and technology, where apprenticeships are rare.

But the pledge to exclude construction has been a subject of debate within the administration, according to a person familiar with the deliberations. Now, construction unions and Democrats in Congress are concerned the administration will renege on its promise – a concern heightened by the July departure of Labor Secretary Alexander Acosta, who favored the exclusion.

The unions, including North America's Building Trades Unions and the United Brotherhood of Carpenters, see apprenticeships as potent recruiting tools and worry that business-run programs will reduce wages and weaken the quality of training.

"We support the idea of expanding apprenticeships into fields that do not already have programs," Bill Irwin, the Executive Director of the Carpenters International Training Fund, said in an email. "What we are opposed to is weakening and undermining the existing programs in the construction industry."

A Labor Department official said the issue remains under review. A White House spokesman declined to comment.

At a Nov. 20 congressional hearing, Democrats asked Assistant Labor Secretary John Pallasch, who oversees apprenticeships, if the construction exemption was at risk. He declined to respond, citing ongoing rulemaking.

"The apprenticeship model is one that is recognized by all as a successful model," Mr. Pallasch said. "We tried to create a new model and tried to create a new pathway for individuals."

Mr. Trump is counting on support from union members in the 2020 presidential election. In 2016, he won 39 percent of union votes, the most for any Republican candidate since President Reagan, according to a Cooperative Congressional Election Study. Membership in construction unions is double the private-sector average, and battleground states such as Michigan and Pennsylvania have above-average union membership.

Construction unions didn't endorse Mr. Trump in 2016 – instead supporting his Democratic rival Hillary Clinton – but have applauded his plans to resume work on the controversial Keystone oil pipeline and invest in infrastructure. Mr. Trump has courted their support by speaking at a union conference, inviting union leaders to the Oval Office, and appointing them to his apprenticeship task force.

Unions say the existing apprenticeship system has long filled demand for skilled construction workers while giving them a path to the middle class. Among those who completed apprenticeships, 94 percent landed permanent jobs, with salaries averaging \$70,000 in 2018, according to the Labor Department.

But administration officials say apprenticeships don't currently meet the needs of employers, who face a shortage of skilled workers with unemployment near a 50-year low. Industry-run apprenticeships would ensure workers are taught the skills employers demand, they say, while lighter regulation would encourage more businesses participation.

Construction unions, which train 68 percent of non-military apprentices, responded to the perceived threat by organizing a campaign to flood the Labor Department with 325,766 comments, a record for an employment and training regulation.

The number of comments makes it clear that the proposed apprenticeships “have no place in the construction industry,” Mike Monroe, chief of staff for the three million-member Building Trades Unions, said in an email.

The push pits unions against Associated Builders and Contractors, a trade association that represents non-union employers and has urged the Labor Department to include construction in the program.

“It's very difficult to say that there should only be one way to address a very significant labor shortage facing our industry,” Greg Sizemore, vice president of Associated Builders, said in an interview. There were 338,000 vacant construction jobs at the end of September, according to the Labor Department.

While the number of active apprentices has grown by 25 percent in the three years through fiscal 2019, to 633,522, enrollment remains small relative to the 17 million Americans in college and the more than 7 million unfilled jobs.

Changes to the system could cut union membership in construction, among the last strongholds of organized labor, said Joseph Fuller, a professor at the Harvard Business School, even as it helps reduce the shortage of skilled workers.

“A lot of employers are reluctant to engage in an apprenticeship program because many believe it is a stalking horse for unionization,” he said. “We're going to have to change the paradigm if we're going to get more engagement from employers.”