



May 4, 2021

The Honorable Ron Wyden  
Senate Committee on Finance  
219 Dirksen Senate Office Building  
Washington, DC 20510

Dear Chairman Wyden:

On behalf of Associated Builders and Contractors, a national trade association with 69 chapters representing more than 21,000 member companies in the construction industry, I am writing to express concerns with changes proposed to a number of clean energy program tax credits in the *Clean Energy for America Act*.

As builders of America's clean energy projects and infrastructure, ABC members appreciate your leadership in support of a sustainable and resilient clean energy ecosystem to fuel America's economic comeback from the COVID-19 pandemic and maintain its global competitiveness in the 21<sup>st</sup> century. However, ABC is troubled by provisions in the legislation that will needlessly increase construction costs and reduce competition from qualified companies and their skilled employees who participate in the construction of the clean energy marketplace.

The increased costs resulting from the legislation's proposed government-registered apprenticeship program requirements and prevailing wage regulations for the construction of projects receiving clean energy tax incentives may make program tax credits unusable—depending on the type of clean energy construction project and geographic market—and hinder the ability of clean energy producers to be competitive against fossil fuel producers, which ultimately undermines critical policies addressing climate change.

As currently drafted, this legislation will create a shortage of skilled labor and contractors able to deliver a rapid, market-driven and cost-effective transition away from fossil fuel energy to clean energy. In addition, these changes will create added costs that will be passed on to ratepayers, manufacturers and consumers, and decrease America's energy cost advantage attractive to manufacturers and businesses in a global marketplace.

### **Concerns with Government-Registered Apprenticeship Requirements**

Section 601 in Title VI of the Clean Energy for America Act requires all contractors and subcontractors building projects receiving applicable tax credits with four or more construction workers on a jobsite to “ensure that not less than 15% of the total labor hours of such work” is to be performed by participants in government-registered apprenticeship programs.<sup>1</sup>

In practice, this will increase costs and have a chilling impact on the ability of contractors—especially local, small, veteran-, disabled-, women- and minority-owned contractors and workers already performing specialty work in the clean energy economy—to continue to compete to build the clean energy ecosystem, and it will artificially limit the pool of scarce labor needed to build out the clean energy marketplace.

To be clear, ABC and its 69 chapters support government-registered apprenticeship programs—offering more than 300 U.S. Department of Labor and state government-registered apprenticeship programs in 20 different construction

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<sup>1</sup> Title VI offers some exceptions to this requirement if contractors can demonstrate “a lack of availability of qualified apprentices in the geographic area,” and a “good faith effort,” although it is unclear how and who makes exception determinations and if it will impact competition during the bidding process for the construction of a clean energy project.

occupations across America—as part of its all-of-the-above workforce development strategy<sup>2</sup> to tackle the industry’s skilled workforce shortage—estimated at 430,000 workers in 2021 alone.<sup>3</sup>

In addition, individual ABC member contractors, other construction industry trade associations and community and educational workforce development partners also provide federal and state government-registered apprenticeship programs.

However, as further explained below, participants and graduates of federal and state registered apprenticeship programs in the construction industry constitute only a small fraction of the industry’s workforce. In fact, some segments of the industry have almost no government-registered apprenticeship programs. For example, the residential construction sector has few government-registered apprenticeship programs, and this marketplace would be especially harmed by new regulations tied to the 45L New Energy Efficient Home Credit in Title III of this bill.

Other segments of the construction industry have greater concentrations of government-registered apprenticeship programs and contractor participation, but the majority of these contractors do not participate in government-registered apprenticeship programs for a variety of compelling reasons. The majority of industry contractors provide workforce development for employees through vocational and technical schools, community workforce development program partnerships, industry-recognized programs and specialty training designed by employers that are not federal or state government-registered apprenticeship programs.

Data demonstrates the government-registered apprenticeship system is not meeting the industry’s demand for skilled labor. According to data from the U.S. DOL,<sup>4</sup> in FY 2020, the construction industry’s federal government-registered apprenticeship system produced less than 20,749 completers of its four-to-five-year apprenticeship programs. In addition, construction industry apprenticeship programs registered with state governments produced an estimated 15,000 to 20,000 completers in FY 2020.<sup>5</sup> At current rates of completion, it would take more than 10 years for all government-registered construction industry apprenticeship program completers to fill the estimated 430,000 vacant construction jobs needed just in 2021.

Almost all unionized contractors, which are concentrated in the nonresidential construction markets, participate in government-registered apprenticeship programs as a condition of collective bargaining with unions. According to Bureau of Labor Statistics data, unionized contractors employ less than 13% of the U.S. construction workforce, while 87% of the U.S. construction workforce freely chooses to work for contractors not affiliated with unions.<sup>6</sup>

It is undeniable that this legislation’s government-registered apprenticeship requirement will steer work to unionized contractors and create clean energy jobs for unionized labor, while needlessly eliminating contracting opportunities and killing jobs for nonunion businesses and workers already building the clean energy ecosystem.

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<sup>2</sup> According to the [results](#) of *Associated Builders and Contractors’ 2020 Workforce Development Survey*, ABC contractor members invested \$1.5 billion on workforce development initiatives in 2019, providing craft, leadership and safety education to 1.1 million course attendees to advance their careers in commercial and industrial construction. Safety education accounted for nearly half of the total workforce investment, averaging \$1,147 per employee annually. ABC’s investment in an all-of-the-above approach to workforce development has produced a network of ABC chapters and affiliates in hundreds of locations across the country that offer more than 800 apprenticeship, craft, safety and management education programs—including more than 300 U.S. Department of Labor and state equivalent government-registered apprenticeship programs across 20 different occupations—to build the people who build America. Available at: <https://www.abc.org/News-Media/News-Releases/entryid/17581/abc-members-provided-education-for-1-1-million-course-attendees-in-2019-new-survey-finds>

<sup>3</sup> *ABC: The Construction Industry Needs to Hire an Additional 430,000 Craft Professionals in 2021*, March 23, 2021: <https://abc.org/News-Media/News-Releases/entryid/18636/abc-the-construction-industry-needs-to-hire-an-additional-430-000-craft-professionals-in-2021>

<sup>4</sup> According to the U.S. DOL Office of Apprenticeship, in FY 2020 the construction industry’s 4,793 federal government-registered apprenticeship programs had 188,452 active apprentices and produced just 20,749 completers. <https://www.dol.gov/agencies/eta/apprenticeship/about/statistics/2020>

<sup>5</sup> Unfortunately, there is no centralized reporting of government data for all State Apprenticeship Agency government-registered apprenticeship programs, as discussed by the Workforce Data Quality Campaign’s *Registered Apprenticeship Data FAQs*, available at [https://thetruthaboutplas.com/wp-content/uploads/2019/04/Apprentice\\_FAQ\\_2pg\\_web-RAPIDS-020219.pdf](https://thetruthaboutplas.com/wp-content/uploads/2019/04/Apprentice_FAQ_2pg_web-RAPIDS-020219.pdf)

<sup>6</sup> U.S. Bureau of Labor Statistics, *Union Members Summary*, Jan. 22, 2021; <https://www.bls.gov/news.release/union2.nr0.htm>.

Needlessly excluding all contractors who do not participate in government-registered apprenticeship programs from building clean energy projects subject to clean energy tax incentives is problematic. It will create a shortage of contractors and skilled labor to complete these projects, undermine established and preferred industry workforce development pipelines not affiliated with government-registered apprenticeship programs, displace contracts and jobs for businesses and workers already building the clean energy economy, give an unfair competitive advantage to unionized contractors and labor, increase clean energy construction costs and ultimately threaten America's rapid and cost-effective transition to clean energy.

### **Concerns with Davis-Bacon Prevailing Wage Requirements**

The Clean Energy for America Act expands Davis-Bacon prevailing wage requirements to eight clean energy tax credit programs, which will reduce competition from contractors already building the clean energy economy, increase construction costs and render some of these tax credit programs unusable.

ABC has long maintained that the Davis-Bacon Act and related regulations are outdated, needlessly raise construction project costs for hardworking taxpayers, stifle contractor productivity and discourage competition while disproportionately affecting small businesses interested in pursuing federal and federally assisted construction projects.

### ***Flaws in the Prevailing Wage Determination System***

The 90-year-old Davis-Bacon Act requires the U.S. DOL's Wage and Hour Division to determine and set hourly prevailing wages and benefits contractors must pay to construction workers on federal and certain federally assisted construction projects exceeding \$2,000. The DOL WHD determines wage and benefits rates for four different types of construction (Building, Heavy, Highway and Residential), for more than 20 different types of construction trade occupations (i.e. electricians, carpenters, laborers etc.) in more than 3,000 counties across America. Instead of using statistically modern and accurate BLS survey methodology and data, the WHD surveys contractors in various markets on a rolling basis through a convoluted and inefficient process.<sup>7</sup> In short, once survey response data is collected, if a single rate is paid to a majority of the employees in a given classification and locality, it is adopted as prevailing. If no single rate is paid to a majority, then the weighted average of all rates paid is adopted as prevailing wage.

For more than three decades, Congress and government oversight agencies have decried the timeliness and accuracy of the prevailing wage rates determined by the U.S. DOL. In particular, the DOL's survey process leading to the determination of prevailing wages has long been recognized to be arbitrary and unworkable, leading to inflated, outdated and inaccurate prevailing wage determinations and other errors on many projects. Numerous reports from the U.S. Government Accountability Office, DOL's Office of Inspector General and congressional hearings<sup>8</sup> have highlighted the DOL's failure to properly determine prevailing wage rates under the Davis-Bacon Act. These reports and hearings have criticized the DOL WHD for: 1) Using an unscientific method to estimate Davis-Bacon rates with DOL wage surveys that use unrepresentative, self-selected samples;<sup>9</sup> 2) Utilizing unreliably small sample

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<sup>7</sup> U.S. DOL Wage and Hour Division, *Construction Surveys Status By State*, <https://www.dol.gov/agencies/whd/government-contracts/construction/surveys/status>

<sup>8</sup> Congressional hearing, *Promoting the Accuracy and Accountability of the Davis Bacon Act*, June 18, 2013; <https://www.gpo.gov/fdsys/pkg/CHRG-113hhrg81435/html/CHRG-113hhrg81435.htm>.

<sup>9</sup> U.S. Government Accountability Office, *Davis-Bacon Act: Methodological Changes Needed to Improve Wage Survey*, GAO-11-152, March 2011, <http://www.gao.gov/new.items/d11152.pdf>; U.S. Department of Labor, Office of Inspector General, *Concerns Persist with the Integrity of Davis-Bacon Act Prevailing Wage Determinations*, Audit Report No. 04-04-003-04-420, March 30, 2004, pp. 12-13, <http://www.oig.dol.gov/public/reports/oa/2004/04-04-003-04-420.pdf>; U.S. Department of Labor, Office of Inspector General, *Inaccurate Data Were Frequently Used in Wage Determinations Made Under the Davis-Bacon Act*, Audit Report No. 04-97-013-04-420, March 10, 1997, [http://www.oig.dol.gov/public/reports/oa/pre\\_1998/04-97-013-04-420s.htm](http://www.oig.dol.gov/public/reports/oa/pre_1998/04-97-013-04-420s.htm); and U.S. General Accounting Office, *Davis-Bacon Act: Labor Now Verifies Wage Data, but Verification Process Needs Improvement*, HEHS-99-21, January 1999, <http://www.gao.gov/archive/1999/he99021.pdf>.

sizes;<sup>10</sup> 3) Combining data from economically unrelated counties;<sup>11</sup> and 4) Failing to update wage rates in a timely manner.<sup>12</sup>

As a result of a flawed, unscientific wage calculation methodology, the DOL’s published determinations of federal “prevailing” wages in construction no longer reflect actual local wages in many geographic markets and types of construction. In fact, despite years of low union density, hovering around 13% of the U.S. construction industry workforce,<sup>13</sup> the DOL’s wage survey process somehow adopts union wage rates more than 48% of the time, according to the DOL OIG.<sup>14</sup> Union wage rates are estimated to be mandated in the nonresidential construction categories (Building, Heavy and Highway) of Davis-Bacon wage determinations more than 80% of the time, a statistical improbability given that 87% of the U.S. construction workforce does not belong to a union.<sup>15</sup>

### ***Prevailing Wage’s Regulatory Burden on Small and Large Contractors***

In a 2021 survey of ABC member companies, roughly 88% of participants stated they do not support prevailing wage laws and the Davis-Bacon Act in its current form, with more than 82% supporting reforms to and/or full repeal of prevailing wage laws.<sup>16</sup>

The construction industry has one of the highest concentrations of small business participation, at more than 82%.<sup>17</sup> In fact, of the 745,207 construction industry establishments employing more than 7 million workers, 81.47% (607,161 establishments) have fewer than 10 employees and 98.77% (736,068 establishments) have less than 100 employees.<sup>18</sup>

The amount of time that contractors must spend educating their payroll administrators, human resource personnel, project estimators, operations managers and foreman in the arcane and arbitrary regulations governing the regulatory framework and current enforcement of Davis-Bacon prevailing wage rules can be overwhelming to small and even large businesses.

DOL wage determinations force contractors performing work on Davis-Bacon covered projects to use outdated and inefficient union job classifications that ignore the productive and safe work practices and efficient labor utilization strategies successfully used in the merit shop construction industry. Further, the DOL has failed to give contractors notice of many of its letter rulings and, with rare exceptions, has not posted such rulings on its website. ABC supports regulatory language requiring the DOL to publish any union work assignment rules that contractors are expected to abide by and prohibiting the DOL from penalizing contractors for misclassifications based on unpublished work rules.

The effort required to determine proper classification of employees in the absence of published information on unwritten union work assignment practices is in itself a significant burden, and each of the issues referenced above

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<sup>10</sup> U.S. Government Accountability Office, *Davis–Bacon Act: Methodological Changes Needed to Improve Wage Survey*, p. 23.

<sup>11</sup> U.S. Government Accountability Office, *Davis–Bacon Act: Methodological Changes Needed to Improve Wage Survey*, Figure 5.

<sup>12</sup> U.S. Government Accountability Office, *Davis–Bacon Act: Methodological Changes Needed to Improve Wage Survey*, p. 18.

<sup>13</sup> Ibid. BLS *Union Members Summary*

<sup>14</sup> U.S. Department of Labor, Office of Inspector General, *Better Strategies are Needed to Improve the Timelines and Accuracy of Davis-Bacon Act Prevailing Wage Rates*, Audit Report No. 04-19-001-15-001, March 29, 2019, at <https://www.oig.dol.gov/public/reports/oa/viewpdf.php?r=04-19-001-15-001&y=2019>

<sup>15</sup> <https://www.bls.gov/news.release/union2.nr0.htm>.

<sup>16</sup> ABC Newline, *Survey Says: ABC Members Strongly Support Repeal or Reforms to Costly Davis-Bacon Act and Prevailing Wage Laws*, March 3, 2021: <https://abc.org/News-Media/Newsline/entryid/18540/survey-says-abc-members-strongly-support-repeal-or-reforms-to-costly-davis-bacon-act-and-prevailing-wage-laws>

<sup>17</sup> U.S. Small Business Administration, Office of Advocacy, *2019 Small Business Profile, Table 1: U.S. Employment by Industry, 2016*, <https://cdn.advocacy.sba.gov/wp-content/uploads/2019/04/23142719/2019-Small-Business-Profiles-US.pdf>

<sup>18</sup> U.S. Census Bureau, *All Sectors: County Business Patterns by Legal Form of Organization and Employment Size Class for the U.S., States, and Selected Geographies: 2019*: <https://data.census.gov/cedsci/table?d=ANN%20Business%20Patterns%20County%20Business%20Patterns&tid=CBP2019.CB1900CBP&hidePreview=true>

leads to compliance dilemmas and additional burdens for many contractors, particularly small businesses in the construction industry.

As a result, many contractors capable of successfully performing prevailing wage work choose not to pursue it. Because of these increased administrative costs and other burdens, 67.6% of ABC member survey respondents said prevailing wage laws result in less competition from subcontractors, and 75% said it would make contractors less likely to bid on public works projects in their own communities, paid for by their own tax dollars.<sup>19</sup>

The DOL's failure to provide detailed information about job duties that correspond to each wage rate makes it difficult to determine the appropriate wage rate for many construction-related tasks in new technologies. In addition, the DOL's lack of wage determinations in new job classifications and programs covered by Davis-Bacon has a history of delaying the distribution of federal assistance, slowing the construction and growth of new technologies and undermining public policy goals.

For example, the American Recovery and Reinvestment Act of 2009 expanded federal Davis-Bacon requirements to 40 additional federal programs.<sup>20</sup> Several agencies reported that new Davis-Bacon regulations had a negative impact on ARRA-related program administration and goals that resulted in needless delays, increased costs and complaints from stakeholders impacted by the policy change.<sup>21</sup> Federal agencies maintained that Davis-Bacon regulations directly delayed their ability to spend funds, in part because the DOL was required to determine prevailing wages for home weatherization work in every county in the United States before work could be performed.<sup>22</sup> A related 2010 U.S. Department of Energy Office of Inspector General report cited Davis-Bacon regulations as the prime factor holding up the launch of its Weatherization Assistance Program, which did not begin work until October 2009, eight months after President Obama signed ARRA into law.<sup>23</sup> A March 4, 2010, GAO report determined that "as of December 31, 2009, 30,252 homes had been weatherized with Recovery Act funds, or about 5 percent of the approximately 593,000 total homes that DOE originally planned to weatherize using Recovery Act funds."<sup>24</sup> This bureaucratic boondoggle helped shape the narrative that ARRA failed at creating and funding shovel-ready jobs.<sup>25</sup>

Applying new prevailing wage regulations to the construction of clean energy projects with job classifications that lack DOL-determined rates has the potential to delay projects, increase costs and undermine the market's ability to deliver critical projects to achieve climate goals faster.

### ***Prevailing Wage Regulations Will Increase Costs***

It is difficult to determine the exact cost expanding prevailing wage regulations would have on the clean energy marketplace. Doing so would require further complex study for each type of clean energy construction project receiving tax credits and replicating that research in various geographic markets across the country. However, broader research<sup>26</sup> and industry feedback suggests prevailing wage regulations will increase costs.

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<sup>19</sup> Ibid, ABC survey of membership, 2021.

<sup>20</sup> U.S. Government Accountability Office, *Recovery Act: Officials' Views Vary on Impacts of Davis-Bacon Act Prevailing Wage Provision*, GAO-10-421, Published Feb. 24, 2010, released March 24, 2010; <https://www.gao.gov/products/gao-10-421>

<sup>21</sup> U.S. Government Accountability Office, *Recovery Act: Progress and Challenges in Spending Weatherization Funds*, GAO-12-195, December 2011; <https://www.gao.gov/assets/gao-12-195.pdf>

<sup>22</sup> U.S. Government Accountability Office, *Recovery Act: Project Selection and Starts Are Influenced by Certain Federal Requirements and Other Factors*, GAO-10-383, Published Feb. 10, 2010, Publicly Released Feb. 18 2010; <https://www.gao.gov/products/gao-10-383>

<sup>23</sup> U.S. Department of Energy Office of Inspector General Office of Audit Services, *Special Report: Progress in Implementing the Department of Energy's Weatherization Assistance Program Under the American Recovery and Reinvestment Act*, OAS-RA-10-04, Feb. 2010; <https://www.energy.gov/sites/prod/files/igprod/documents/OAS-RA-10-04.pdf>

<sup>24</sup> U.S. Government Accountability Office, *Recovery Act: Factors Affecting the Department of Energy's Program Implementation*, GAO-10-497T, Published March 4, 2010; <https://www.gao.gov/products/gao-10-497t>

<sup>25</sup> Jonathan Karl, ABC News, *Report: Stimulus Weatherization program Bogged Down by Red Tape*; Feb. 8, 2010; <https://abcnews.go.com/WN/Politics/stimulus-weatherization-jobs-president-obama-congress-recovery-act/story?id=9780935>

<sup>26</sup> Additional studies on the impact of the federal Davis-Bacon Act and state and local prevailing wage laws on construction costs available at [www.abc.org/Davis-Bacon](http://www.abc.org/Davis-Bacon).



As a result of the government mandating non-market-wage determinations and increased administrative costs and other burdens described above, 94% of ABC member survey respondents believe that government prevailing wage laws make projects more expensive.<sup>27</sup>

The Congressional Budget Office estimates that repealing the Davis-Bacon Act would save the federal government \$17.1 billion between 2021 and 2030.<sup>28</sup> However, additional research that found Davis-Bacon requirements add 9.9% to construction costs and inflate labor costs by an average of 22% above market rates,<sup>29</sup> further suggests repealing the act would actually save taxpayers more than \$11.56 billion a year.

Other research indicates the increased costs of expanding prevailing wage requirements onto clean energy projects receiving tax credits would be especially acute in the single-family and multifamily residential construction markets.

For example, a 2017 study by Blue Sky Consulting Group, *Impacts of a Prevailing Wage Requirement on Market Rate Housing in California*,<sup>30</sup> found that prevailing wage requirements on privately financed residential construction would, “lead to a reduction in the number of new market rate houses built, fewer affordable housing units, and a decrease in the number of construction jobs in the state...” The report concludes, “Overall, our analysis shows that expanding prevailing wage requirements to include privately financed housing construction in California would also increase the costs of building new homes. Requiring prevailing wage rates for residential construction would increase hourly labor costs by 89% on average, with some parts of the state experiencing increases of more than 125%. We estimate that this increase could translate to a 37% increase in construction costs, or about \$84,000 for a typical new home.”

A 2016 report by the New York City Independent Budget Office on the impact of New York state prevailing wage requirements on affordable housing projects built with the 421a property tax break estimated it would cost the city an additional \$4.2 billion, increasing affordable housing construction costs by 23%, or \$80,000 per unit.<sup>31</sup>

According to a March 2020 study by the Turner Center for Housing Innovation at the University of California, Berkeley, prevailing wage requirements cost an average of \$30 more per square foot.<sup>32</sup> An 83 square foot project—smaller than most kitchens—would consume the entire value of the 45L tax credit. An average new home of 2,300 square feet would see increased construction costs of nearly \$70,000.

Until the Davis-Bacon Act can be modernized and regulators address the red tape burdens and increased costs resulting from this anti-competitive and costly regulatory scheme, it would be wise to keep prevailing wage regulations in their current form off of clean energy tax credits projects. Doing so would create the conditions for all qualified contractors and their skilled workforce to compete to build the clean energy economy and give taxpayers additional value for investments in clean energy and public works projects as Congress works to enact critical clean energy infrastructure modernization and America faces a \$2.6 trillion infrastructure gap by 2029.<sup>33</sup>

### ***The Free Market Should Determine Wages***

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<sup>27</sup> ABC Newsline, *Survey Says: ABC Members Strongly Support Repeal or Reforms to Costly Davis-Bacon Act and Prevailing Wage Laws*, March 3, 2021: <https://abc.org/News-Media/Newsline/entryid/18540/survey-says-abc-members-strongly-support-repeal-or-reforms-to-costly-davis-bacon-act-and-prevailing-wage-laws>

<sup>28</sup> Congressional Budget Office, *Repeal the Davis-Bacon Act*, Dec. 9, 2020: <https://www.cbo.gov/budget-options/56809>

<sup>29</sup> Glassman, Head, Tuerck and Bachman, The Beacon Hill Institute, *The Federal Davis-Bacon Act: The Prevailing Mismeasure of Wages*, Feb. 2008; <https://www.beaconhill.org/BHISStudies/PrevWage08/DavisBaconPrevWage080207Final.pdf>

<sup>30</sup> <https://www.mendocinocounty.org/home/showpublisheddocument?id=23824>

<sup>31</sup> New York City Independent Budget Office, *Correction to Our January 2016 Report on Prevailing Wages*, Feb. 2017. <https://a860-gpp.nyc.gov/downloads/k0698779f?locale=en>

<sup>32</sup> [https://turnercenter.berkeley.edu/wp-content/uploads/pdfs/Hard\\_Construction\\_Costs\\_March\\_2020.pdf](https://turnercenter.berkeley.edu/wp-content/uploads/pdfs/Hard_Construction_Costs_March_2020.pdf) (see page 14).

<sup>33</sup> American Society for Civil Engineers, *2021 Report Card for America's Infrastructure, Investment Gap 2020-2029*, <https://infrastructurereportcard.org/resources/investment-gap-2020-2029/>

ABC supports robust wages and benefits for construction workers pursuing their career dreams in the construction industry while building the clean energy economy. In contrast to government wage mandates disconnected from a true prevailing wage, compensation is best set by the free market that can reward a worker’s experience, training, commitment to safety and overall work ethic.

Research suggests that clean energy jobs, in general, are good jobs and provide a median hourly wage that is 25% higher than the national median wage. In addition, according to an October 2020 report by BW research, “Clean energy job salaries are also comparable—in some cases better—than fossil fuel job salaries. Jobs in coal, natural gas and petroleum fuels pay about \$24.37 an hour, for instance, while jobs in solar and wind pay about \$24.85 an hour. Similarly, jobs in energy efficiency—the biggest part of America’s energy sector—come with median salaries of about \$24.44. Clean energy occupations also had higher rates of health care coverage, and virtually all enjoyed comparable or better retirement benefits than the national average.”<sup>34</sup>

Additional research on construction worker wages and benefits for jobs specific to various sectors of the clean energy ecosystem and in individual geographic labor markets is needed before sweeping government-determined prevailing wage requirements and their accompanying red tape and inefficiencies are implemented on clean energy projects receiving federal tax incentives.

### **Conclusion**

Thank you for considering ABC’s serious concerns regarding new government-registered apprenticeship requirements and Davis-Bacon prevailing wage regulations on the construction of clean energy projects receiving tax credits. We hope that you will continue to work with the clean energy marketplace’s construction stakeholders and producers to assess the real economic impact of these proposed changes so the credits are usable, create jobs for all Americans and qualified companies in the construction industry and support America’s transition to the clean energy economy.

If you or your staff have questions or require any additional information, please do not hesitate to contact me.

Respectfully submitted,



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<sup>34</sup> BW Research Partnership, *Clean Jobs, Better Jobs; An examination of Clean Energy Job Wages and Benefits*, October 2020. <https://e2.org/wp-content/uploads/2020/10/Clean-Jobs-Better-Jobs.-October-2020.-E2-ACORE-CELL.pdf>