



April 26th, 2021

Dear [Representative/Senator],

On behalf of the members and officers of the Communications Workers of America (CWA), I am writing to discuss how essential broadband infrastructure is in the 21st century. The ongoing coronavirus pandemic revealed more than ever how important connectivity is to our society and our economy. With increased demand for broadband from those working and learning from home, and the promise of next-generation wireless networks, major broadband providers claim that a lack of skilled workers restricts their ability to build this essential infrastructure. However, there is little evidence of a skills gap or shortage of broadband workers, and the policy solutions proposed by some industry actors fail to address the underlying problems in the broadband industry -- a fissured workforce, declining wages, and a lack of investment by major broadband providers in next-generation network deployment.

A major problem facing the telecommunications industry is a fissured workforce -- outsourcing functions that were once managed internally -- across hundreds of small subcontractors. These subcontractors have little leverage with the major broadband providers and therefore have narrow profit margins.¹ This dynamic creates a race to the bottom for workers' wages driven by the major broadband providers, which benefit by cutting skilled union technician jobs and outsourcing their work to lowest bid contractors.

Although the wireless construction industry has made claims of a surge in labor demand in their industry, with estimates of 20,000 jobs to be created over the next decade, they have presented no data to support these claims. If there were real surges in the demand for these workers, we would see some upward pressure on wages, the classic evidence of a labor shortage. In reality, wages for the lowest paid decile of workers in the telecom sector have declined by 12 percent since the 1970s, according to a recent study by the Economic Policy Institute.² Wages for entry-level tower climbers (one of the occupations the industry claims is in demand) remain stuck in the \$15 to \$17 per hour range.

While we have not yet seen evidence of any surge in labor demand, significant federal broadband infrastructure investment would create it. According to new analysis from the Brookings Institution, an \$80 billion expansion of fiber broadband networks would create a labor demand of 200,000 job years.³ Contrary to the wireless construction industry's claims, the workforce to meet this demand stands ready to get to work. As the Brookings

¹ In a survey of contractors conducted in 2018 by industry publication *Wireless Estimator*, a majority of surveyed contractors reported that carriers squeeze their cash flow in various ways, including delayed payments, prohibition on marking up certain materials or services (such as cranes), and adding administrative responsibilities that cannot be billed. Respondents also said clients have invited more contractors to bid on each job, suggesting contractors face increased pressure on profit margins because of increased competition in a monopsonistic market (a market in which there are only a few buyers of a particular service or good). Contractors exercise limited control over construction expenses and must compete largely based on labor costs, leading to lower wages and worse conditions for tower climbers and technicians. "Contractor survey uncovers some startling financial statistics that could trigger a 5G train wreck" *Wireless Estimator*. 1/30/2019.
<https://wirelessestimator.com/articles/2019/contractor-survey-uncovers-some-startling-financial-statistics-that-could-trigger-a-5-g-train-wreck/>

² Economic Policy Institute, "Decades of slow wage growth for telecommunications workers," October 5, 2020.
<https://www.epi.org/publication/decades-of-slow-wage-growth-for-telecommunication-workers/>

³ Brookings Institution, "How federal infrastructure investment can put America to work," March 17, 2021.
<https://www.brookings.edu/research/how-federal-infrastructure-investment-can-put-america-to-work/>

study found, if created all at once, 85 percent of these 200,000 job years (169,000 job years) could be filled by workers in the sector that are currently unemployed or underemployed and already have the requisite training. In a more realistic timeline that stretches this job creation over a few years, the gap in labor supply virtually disappears, even in a massive surge in fiber buildout. A major reason for this robust supply of telecom workers is that, over the last several years, major telecom companies have laid off or reduced their frontline workforces by about 45,000 employees, the majority of whom are technicians. Since 2017, AT&T cut 33,000 union jobs, Verizon cut 3,400 union jobs, and Lumen (f/k/a CenturyLink) cut 4,000 union jobs. Significant federal infrastructure investment can and should put these workers back on the job.

The broadband industry does not need more federal funding to train its workforce. It needs incentives to adhere to high road workforce strategies that ensure broadband workers are employed and trained by the broadband providers and have a voice at work.

Majority Whip Clyburn and Sen. Klobuchar recently reintroduced the Accessible, Affordable Internet for All Act (AAIAA) (H.R. 1783/S. 745) to address the real problems in the broadband industry. The AAIAA provides \$79.5 billion to deploy broadband infrastructure to unserved and underserved communities. Recognizing the importance of workers' rights and the dangers of a race to the bottom on wages, safety, and service quality, the AAIAA requires recipients of this funding to remain neutral in workers' union organizing efforts, requires first-contract bargaining and binding arbitration, and prohibits subcontracting for the purposes of circumventing a collective bargaining agreement.

Efforts should be made to mend the excessive workforce fissuring in the broadband industry and improve the quality of jobs before addressing unsubstantiated concerns about a lack of skilled workers. The true challenges facing broadband deployment, like so many sectors, is a lack of worker voice and bargaining power to ensure good jobs that attract applicants. This conclusion is supported by independent studies using data from the Census and the Bureau of Labor Statistics. Yet industry representatives like CTIA, USTelecom, NATE, WISPA, WIA, INCOMPAS, and NCTA are determined to ignore these basic dynamics in their policy proposals, and instead advocate for federally funded, industry-administered apprenticeships with no mechanism for worker voice.

On behalf of the Communications Workers of America (CWA), I urge you to oppose legislation that accepts the broadband industry's unsupported claims and undermines workers across the broadband industry.

CWA welcomes the opportunity to discuss any questions you have on this issue at your convenience. Thank you in advance for your consideration.

Sincerely,



Dan Mauer
Director of Government Affairs
Communications Workers of America (CWA)