

**Testimony of John J. Castellani
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*Gulf Coast Workforce Development Initiative
A GREAT Plan to Rebuild the Gulf Coast*

**Before the U.S. House of Representatives
Committee on Homeland Security**

**“The Role of the Department of Homeland Security in Gulf
Coast Rebuilding and Recovery Efforts”**

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Introduction

On behalf of Business Roundtable and our members, I would like to thank the committee for this opportunity today to talk with you about the Gulf Coast Workforce Development Initiative and GREAT campaign.

Business Roundtable is an association of chief executive officers of leading U.S. companies with over \$4.5 trillion in annual revenues and more than 10 million employees. Our companies comprise nearly a third of the total value of the U.S. stock market and represent more than 40 percent of all corporate income taxes paid. Collectively, they returned more than \$112 billion in dividends to shareholders and the economy in 2005.

Roundtable companies give more than \$7 billion a year in combined charitable contributions, representing nearly 60 percent of total corporate giving. They are technology innovation leaders, with \$90 billion in annual research and development spending – nearly half of the total private R&D spending in the U.S.

The Roundtable is committed to advocating public policies that ensure vigorous economic growth, a dynamic global economy, and the well-trained and productive U.S. workforce essential for future competitiveness. Our CEO members focus on issues they believe will have an effect on the economic well-being of the nation.

It's that focus on our national economy, an ability to identify major problems that require a broad coalition to solve and a willingness to lead that resulted in the decisions to establish two programs that have helped the Gulf Region following the devastating hurricanes in 2005.

I first want to mention the Business Roundtable Partnership for Disaster Response Task Force, which seeks to improve and coordinate the private sector response to catastrophes. We launched this effort in May of 2005 following the devastating tsunami in Asia and the private sector's unprecedented outpouring of contributions.

Nearly 30 CEOs – from across industries – have joined forces as members of the Partnership for Disaster Response Task Force to leverage their resources and expertise to enhance and accelerate on-the-ground relief and recovery efforts following major disasters. Business Roundtable is working closely with the federal government as well as the American Red Cross and others to ensure that the private sector is fully integrated into the nation's disaster response planning. The new chairman of this Task Force is Richard L. Keyser, Chairman and CEO of W.W. Grainger, Inc.

The Partnership has proven to be a great resource to help Roundtable companies respond to catastrophes, including support in response to the South Asian earthquake and the Central American and Mexico Hurricane Relief Fund. Additionally, Roundtable companies contributed more than \$360 million in cash and in-kind donations to support

immediate relief efforts for Hurricanes Katrina and Rita – donations ranging from antibiotics to vehicles.

The Partnership for Disaster Response dealt with the needs in the immediate aftermath of Hurricane Katrina and Hurricane Rita, but our CEOs also saw an ongoing – and unmet – need during the efforts to rebuild the region. Despite the extremely generous national response to the devastation of the hurricanes, it was clear in the months that followed that the Gulf Coast region needed a significant number of additional trained construction workers to support reconstruction.

Overview of the Gulf Coast Workforce Development Initiative

Under the leadership of Riley Bechtel, Chairman and CEO of Bechtel Group, Inc., and Charles Holliday, Jr., Chairman and CEO of DuPont, we have developed – and launched – the Gulf Coast Workforce Development Initiative. Our goal for this Initiative is to recruit and train up to 20,000 new construction craft workers for the Gulf Coast region by the end of 2009. Business Roundtable companies and affiliated partners are committing up to \$5 million in cash and in-kind services to fund the Initiative.

The Initiative supplements ongoing efforts in both the public and private sectors to develop the skilled workforce needed to help the Gulf Coast region rebuild following the devastation of the 2005 hurricane season.

Participants enroll in a free skills course which provides intensive training to prepare them for construction jobs and help them develop a career in the construction industry. They receive free entry-level training on topics such as basic safety, hand tools, power tools, blueprint reading and basic rigging.

In most cases, participants are trained in local community and technical colleges by instructors certified by the National Center for Construction Education and Research (NCCER). New worker training is also being provided under the approved apprenticeship programs of the Building and Construction Trades. To be eligible for training, a participant must be a legal U.S. resident and take a basic skills assessment evaluation.

Free training courses are offered at local community and technical colleges and other facilities in Louisiana, Mississippi, and Texas – and we're looking to expand to other states.

A Partnership – with Many Partners

Let me emphasize that this initiative for positive action in the Gulf Coast is a true partnership involving federal, state and local government agencies, businesses, community organizations, educational institutions, and construction trade groups and associations.

The U.S. Department of Labor has been an important partner in this effort, as both Louisiana and Mississippi have received funding made available through the U.S.

Department of Labor's Pathways to Construction program and National Emergency Grants. We have also worked closely with the Office of the Federal Coordinator for Gulf Coast Rebuilding.

The success of the Gulf Coast Workforce Development Initiative is due to the support of a large number of active partners from the public and private sectors. These include the governor's offices and other agencies in Louisiana and Mississippi as well as state legislatures that have allocated important funding for job training programs.

Other partners include the Louisiana Community and Technical College System, National Center for Construction Education and Research (NCCER), the Associated Builders and Contractors Inc., Associated General Contractors (AGC) of America, Building and Construction Trades Department, AFL-CIO; Construction & Maintenance Education Fund, Construction Industry Roundtable (CIRT), Construction Users Roundtable (CURT), Home Builders Institute, Houston Business Roundtable, Houston Community College System, Lake Area Industry Alliance, Louisiana Chemical Association, American Association of Community Colleges, Bosch Tool Corporation, Greater Baton Rouge Industry Alliance, Greater New Orleans Business Roundtable, Greater New Orleans Inc., Minority Business Roundtable, Mississippi Construction Education Foundation, NAACP, National Black Chamber of Commerce and National Roofing Contractors Association.

"I'm GREAT" Marketing and Recruitment Program

The establishment of training with partner organizations has been an important first step, but we also are working hard to attract people to the available construction training classes. The Initiative has developed the **Gulf Rebuild: Education, Advancement & Training** or "**GREAT**" marketing campaign which seeks to associate participation in the Gulf Coast reconstruction with a personal sense of self worth and accomplishment.

The Initiative maintains a website (www.imgreat.org) which contains information about the Initiative and how to sign up for training. Interested persons are directed to call the Initiative's 24-7 toll free call center (1-888-52-GREAT) for detailed information and assistance in signing up for upcoming training classes. The Initiative's marketing has included a number of outreach methods including print ads, billboards, job fairs, community events and radio advertisements.

Rebuilding Lives: Progress to Date

We're excited about the progress since the Gulf Coast Workforce Development Initiative was announced last summer.

By the end of April 2007, the Initiative had trained more than 5,000 workers in needed construction skills. In addition, another 3,500 are currently enrolled in programs in Mississippi, Louisiana and recently established courses in Texas.

We know that training is only the first step, and the Initiative has been working hard to reach out to local contractors in the Gulf Region to assist with job placement for the trainees when they finish the program. I am pleased to tell you that state agencies in Louisiana and Mississippi are reporting an average job placement rate of 80 percent for Initiative trained graduates.

It has been exciting to see that the training and career opportunities provided by the Initiative have positively impacted the lives of many Gulf Coast residents.

Shawn, a construction training graduate, had this to say about his experience: *“Before starting training ... I was unemployed and was having a hard time finding a good job. I completed training in a short time; I didn’t have to stay in school half my life to start a good career. I attended a job fair at the school and found a job I’m also currently attending welding training at night ... and still have time to spend with my family. It’s really is true that you can get started in a good job with a little training and continue move up in the construction field. I’ve referred family members and friends to this program; I want them to have a chance to make a good living too.”*

Conclusion

Thank you again for this opportunity to talk with you about the Gulf Coast Workforce Development Initiative and our GREAT campaign. Working together – business, labor, government, education and many others – we will help the Gulf Coast region’s structures, economy and spirit.

Attachments:

Training Summary May 9, 2007.xls

Press Release – 8.16.06 – Baton Rouge LA Launch FINAL.pdf

Press Release – 10.16.06 – Mississippi Launch FINAL.pdf

GCWDI GREAT Handout 11.17.06.pdf

GCWDI Handout 02.15.07.pdf

WSJ Article 28August2006.doc