



January 27, 2023

Honorable Alan Davidson, Administrator  
National Telecommunications and Information Administration  
U.S. Department of Commerce  
1401 Constitution Avenue NW  
Washington, DC 20230

Re: Notice and Request for Comment  
Public Wireless Supply Chain Innovation Fund Implementation  
NTIA 2022-0003, Docket No. 221202-0260, RIN 0693-XC053

Dear Administrator Davidson,

The Communications Workers of America (CWA) respectfully submits these comments in response to the National Telecommunications and Information Administration's Notice and Request for Comment regarding Public Wireless Supply Chain Innovation Fund Implementation, NTIA 2022-0003. CWA's comments respond most directly to Question #3 regarding workforce challenges.

We write to recommend that NTIA formulate its programs with consideration of the workforce issues in the telecommunications sector, particularly issues of wage stagnation and "fissured" subcontracted structures which detrimentally affect the health and sustainability of the relevant labor market. We recommend that where appropriate, NTIA consider program factors to encourage and incentivize quality jobs, direct employment, and a "high road" labor approach, and thereby a sustainable workforce in the sector.

CWA represents workers in private and public sector employment who work in telecommunications and information technology, news media, broadcast and cable television, education, health care, public service, manufacturing, and other fields. This includes 150,000 members in the manufacturing sector and more than 150,000 employees in wireline and wireless telecommunications, including highly-trained technicians who build and maintain our telecommunications networks.

**I. Wage stagnation and subcontracting arrangements have created job quality challenges in the telecommunications sector**

There is a lack of quality jobs in the US wireless infrastructure industry, and we urge NTIA to consider this industry reality as the NTIA develops its Innovation Fund programming.

There has been long-term wage stagnation in the telecommunications sector, particularly for lower-wage workers. The lowest-wage telecommunications workers (at the 10th percentile in the wage distribution) have seen wages fall 0.3% annually since the 1970s, while the median

telecommunications worker wage increased just 0.4% annually, compared with 1.8% annual productivity growth in that period. Productivity and skills in the sector have been rising - roughly 45% of telecommunications workers have a four-year college degree or more education, up from 8.3% in the 1970s - but wage growth has failed to keep pace, lagging behind productivity growth in the economy as a whole.<sup>1</sup> Wage stagnation translates into difficulty hiring and retaining talented staff, and creates problems for the stability and health of the telecommunications labor market. For example, a 2022 survey of NTCA-member companies found that 58% of respondents are experiencing a longer average recruiting time for new hires in hourly positions compared to three years ago.<sup>2</sup>

This workforce crisis is in large part due to the rise of “fissured” contract relationships in the industry. Across industries, firms in the last fifty years have externalized costs and raised profits by increasingly outsourcing and subcontracting work. In a term coined by former DOL wage and hour administrator David Weil, this phenomenon is often called the “fissured” workplace.<sup>3</sup> Large firms reduce their directly hired workforce and contract out work to what are often multiple layers of subcontractors. In the telecommunications industry, providers might outsource construction or maintenance to a “turf vendor,” who then outsources different pieces out through multiple levels of subcontracting. Work that 40 years ago may have been performed by direct employees of major telecom companies is now often performed by an array of smaller subcontracting firms.

Incentives to cut corners and lack of accountability for training and safety impact project effectiveness. Layers of subcontracting can create problems for service reliability and quality,<sup>4</sup>

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<sup>1</sup> John Schmitt and Jori Kandra, Economic Policy Institute, Decades of Slow Wage Growth for Telecommunications Workers (Oct. 2020), <https://www.epi.org/publication/decades-of-slow-wage-growth-for-telecommunication-workers/>; Telecommunications Interagency Working Group: Recommendations to Address Workforce Needs, Submitted to the United States Congress, January 13, 2023, <https://www.fcc.gov/document/telecom-interagency-working-group-report-workforce-needs>.

<sup>2</sup> NTCA, 2022 Compensation + Benefits Report, <https://www.ntca.org/publications/human-resources/2022-compensation-benefits-report> (last visited Jan. 5, 2023)

<sup>3</sup> David Weil, *The Fissured Workplace: How Work Got So Bad for So Many*, Harvard University Press, 2014. Also see Brian Callaci, “The Historical and Legal Creation of a Fissured Workplace: The Case of Franchising,” dissertation, University of Massachusetts Amherst, 2019. [https://scholarworks.umass.edu/dissertations\\_2/1696/](https://scholarworks.umass.edu/dissertations_2/1696/)

<sup>4</sup> No matter the telecommunications function, quality deployment relies on a well-trained workforce. In a survey of CWA technician members regarding broadband installation, respondents consistently reported problems with the quality of contractor work. Respondents most frequently said contractors cause quality problems leading to higher costs (96%), followed by service quality problems for customers (81%), and safety risks for workers or the public (57%). CWA technicians have observed problems like contractors hitting lines and causing service outages; contractors installing cable but failing to bury it deep enough, making it easier for the cable to get damaged, for example, by lawnmowers; and incorrect installation of conduit piping for laying fiber underground so that it is crushed or otherwise unusable. Communications Workers of America, “AT&T’s Web of Subcontractors: Building Next Generation Networks with Low-Wage Labor,” October 2020, <https://cwa-union.org/sites/default/files/20201005attsubcontractorreport.pdf>.

lower job standards,<sup>5</sup> and create safety risks for workers and the public.<sup>6</sup> A well-trained workforce and a healthy labor market are necessary to build and maintain updated infrastructure, and problems in the wireless labor market can pose a challenge to deployment and maintenance.

If the Innovation Fund is to be effective in its goals of supporting a diverse telecom supply chain that can sustainably ensure network security and integrity, NTIA should consider these workforce realities. In order to ensure the healthy labor market necessary for sustainable deployment of new technology, NTIA should ensure that programming supports quality jobs and high road labor standards and, in turn, the healthy labor market required for long-term success in programmatic goals.

## **II. NTIA should incorporate policies to promote high road labor standards and a sustainable workforce into Innovation Fund program design**

To further the goals of network security and sustainability, NTIA should consider issues of workforce training, labor market health, and job quality in designing programs. Depending on the type of program, NTIA should consider practices including:

- Information collection regarding a potential grantee's workforce plan, including job quality, training practices, health and safety committee practices, and subcontracting practices. This information collection should be incorporated as part of initial proposals from potential subgrantees, and integrated into evaluation criteria and ongoing compliance.
- Requiring or incentivizing vendors to use a directly employed workforce. In situations with a subcontracted workforce, requiring provisions to ensure that subcontracting does not lower standards for training or job quality.
- Requiring quality wages and benefits or prevailing wage rates, or otherwise incentivizing job quality in the sector.

CWA submitted comments in the Infrastructure Investment and Jobs Act Implementation docket, NTIA-2021-0002, which further set out potential recommendations. These comments are available at <https://www.regulations.gov/comment/NTIA-2021-0002-0213>.

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<sup>5</sup> National Employment Law Project, "Who's the Boss: Restoring Accountability for Labor Standards in Outsourced Work,"

<https://www.nelp.org/publication/whos-the-boss-restoring-accountability-for-labor-standards-in-outsourced-work/>.

<sup>6</sup> In one example, AT&T was engaged in fiber deployment in North Carolina and engaged a general contractor, which further subcontracted Raleigh-based work to another small company, that solicited workers via Craigslist and failed to properly train workers. As a result of the unsafe work conditions, a ditch-digging machine crushed the fingers of Derek Mims, a nineteen-year old whose team was installing fiber. Poorly trained workers and the incentive to cut corners can endanger the public as well. In multiple incidents, contracted companies have failed to properly conduct utility locates, hit gas lines and caused explosions. Communications Workers of America, "AT&T's Web of Subcontractors: Building Next-Generation Networks with Low-Wage Labor," [www.cwa-union.org/ATTContractors](http://www.cwa-union.org/ATTContractors); Communications Workers of America, "Subcontracting in Small Cell Deployment: Who's Doing Work in Our Streets?", [https://www.fair5g.org/system/files/cwa\\_-\\_telecom\\_subcontractor\\_safety\\_background\\_1.pdf](https://www.fair5g.org/system/files/cwa_-_telecom_subcontractor_safety_background_1.pdf).

### **III. Conclusion**

CWA encourages NTIA to consider the job quality challenges facing the wireless industry and craft programs that incentivize job quality and robust training, and in turn support the healthy labor market necessary for long-term program success.

We appreciate the opportunity to comment and welcome further opportunities to provide feedback or assistance.

Sincerely,

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