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## Labor shift seen for construction

By John O'Connor | Post News Staff 5 hrs ago



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ROTARY TALK: Mark Mamczarz, vice president for accounting and finance, Black Construction Corp., talks to members of the Rotary Guam during their luncheon meeting at Pacific Star Resort & Spa on Thursday, May 26. John O'Connor/Post

While a provision within the National Defense Authorization Act for Fiscal Year 2017 (NDAA) would address key issues for companies seeking foreign workers for military buildup-related projects, it remains unclear how similar issues will be addressed for local nonmilitary projects.

"The judicial committee, for some reason, didn't want it to go outside the fence," said Mark Mamczar, vice president of accounting and finance at Black Construction Corp.

Mamczar spoke to members of the Rotary Club of Guam on the impact of H-2B visa denials on island companies yesterday during the club's luncheon meeting at the Pacific Star Resort & Spa in Tumon.

There have been virtually no approvals of H-2B visa petitions since December 2015, and little movement overall on extension requests.

The situation has mostly affected the construction industry, but the health care industry is also at risk. The Guam Regional Medical City lost 40 of its nurses from the Philippines due to visa extension denials. Another 25 have pending requests for evidence (RFE), which have put their petitions on hold.

Regardless, a request for evidence is essentially a precursor to denial, according to Greg Massey, administrator of the Department of Labor's Alien Labor Processing and Certification Division.

Nearly 400 petitions were denied between June 2015 and February 2016. About 2,000 more are awaiting decision from the U.S. Citizenship and Immigration Services. The denials have affected at least 16 employers, while about 30 are mired in the request for evidence process.

## **Amendment**

An amendment in the fiscal 2017 NDAA authorizes additional flexibility in renewing H-2B visas, but it targets military-related projects and health care. The bill passed the House last week and will be reconciled by the Senate.

About 90 percent of workers on military projects are local hires while the remaining 10 percent are H-2B workers, according to Mamczar.

For local construction projects, the numbers are split more evenly. Local workers comprise about 60 percent while 40 percent are H-2B workers. Mamczar said these figures largely resulted from

difficulty gaining military base access for H-2B workers.

But as local projects continue to face challenges in acquiring H-2B workers and with the amendment targeting military projects, Mamczarz said Guam's construction industry may begin shifting its work force in response.

"The challenge we're going to have is that the 40 percent outside the fence must be replaced and we can't replace them with H-2's," Mamczarz said. "So what do we do?"

Mamczarz said he believes that the number of H-2B hires working on military projects would increase while local hires working on these projects now would be migrated to local projects.

## Competition

The impact of this shift on the construction industry and the time it would take to complete is still unknown, but Mamczarz said there may be increasing competition to hire local workers as companies begin replacing foreign ones.

"We're going to have to have a war on getting workers, I think, because a lot of companies that don't use locals will suddenly need locals," he said.

Another issue is how long it will take the U.S. Department of Homeland Security, which includes USCIS, to provide relief for construction projects.

According to Mamczarz, the department has 120 days after the approval of the NDAA to begin acting on the amendment. With authorization acts typically approved between November and March, it could be another six months before U.S. Homeland Security can provide any leverage, he said.

"It's going to be an interesting period," Mamczarz added. "We're really not sure where it's going to go."

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**John O'Connor**

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