



CREATING GOOD JOBS, A CLEAN ENVIRONMENT, AND A FAIR AND THRIVING ECONOMY

WRITTEN TESTIMONY

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Solving the Climate Crisis: Manufacturing Jobs for America's Workers
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Thank you Chairwoman Castor, Ranking Member Graves, and distinguished members of the select committee. My name is Zoe Lipman, and I am the Director of the Vehicles and Advanced Transportation program of the BlueGreen Alliance, a national partnership of labor unions and environmental organizations. On behalf of my organization, our partners, and the millions of members and supporters they represent, I want to thank you for convening this hearing today regarding the opportunities that the clean energy economy can provide to rebuild American competitiveness manufacturing and good jobs.

Our nation faces the dual crises of climate change and increasing economic inequality. These crises are inextricably linked, as are their solutions.

That's why earlier this summer the BlueGreen Alliance, alongside our labor and environmental partners, released Solidarity for Climate Action, an ambitious, concrete platform to address these crises simultaneously, fighting climate change, reducing pollution, and creating and maintaining good-paying, union jobs across the nation.ⁱ

We need to plan for the future and American workers must be at the forefront of that discussion.

One key strategy for tackling both climate change and the challenges faced by working people nationwide is rebuilding American manufacturing. We recognize that we cannot rebuild prosperity if we fall behind the rest of the world in building the technologies of the future, or if working people and the communities they live in fail to see the gains from innovation and a cleaner economy. We need to act now to ensure the next generation of investments in advanced, clean vehicles, energy, and infrastructure are made here in the United States and that those investments result in the kinds of good-paying jobs that are out of the grasp of too many Americans.

In Solidarity for Climate Action, the BlueGreen Alliance and our partners call for aggressive action to ensure that America remains competitive, that our manufacturing sector is strong, and that we retain our spot as an innovative leader. The nation needs a national strategy to lead in clean and emerging technology production, including:

- Major new investments to spur domestic manufacturing and supply chain development in rapidly growing clean technologies, as well as increased funding for research, development, and deployment to ensure that American innovation is translated into good jobs and cutting edge manufacturing in the United States;
- Investments to transform our existing industries, including investing in efficient domestic materials production and energy-intensive manufacturing to both limit emissions and make them more efficient and competitive globally;
- A focus on environmentally, economically, and socially responsible mining projects, as well as reclamation and recycling initiatives to ensure we're creating the materials necessary for a clean and secure energy future here in the United States;
- Strong labor, environmental, procurement, and safety standards to strengthen manufacturing and ensure that jobs across these advanced technology fields are good-paying jobs. This includes using tactics proven to create and improve job quality—like project labor and community benefit agreements, Buy American, Davis-Bacon prevailing wage, and policies that ensure the use of domestic, clean, and safe materials made by law-abiding corporations—for all public spending and throughout the supply chain;
- Ensuring that trade agreements are enforceable, fair for all workers, and benefit the environment and the climate; and
- Using common sense tax, procurement, trade enforcement, and border adjustment policies to stop offshoring and the leakage of jobs—and pollution—overseas.

Rebuilding American manufacturing through leadership on climate action is not just possible in theory. Over the past decade American workers and businesses have proven that theory in the in the auto industry. Building on bipartisan agreements in the 2007 energy bill, a new generation of strong, smartly structured clean vehicle standards—coupled with deliberate manufacturing policy and investment—not only helped avoid catastrophe at the heart of U.S. manufacturing, but sped up the recovery, rebuilt automaker profitability and competitiveness, and brought back hundreds of thousands jobs, all while building exceptional vehicles that deeply cut pollution and saved consumers and businesses money.

The BlueGreen Alliance and its partners have long tracked the impact of standards on manufacturing jobs and investment in the auto industry. Under globally leading fuel economy and greenhouse gas (GHG) standards, automakers and suppliers invested billions in innovative plants and technology in the United States,ⁱⁱ and across the country, hundreds of thousands of manufacturing workers are building the advanced components, materials and technology that goes into cleaner cars, trucks, and SUVs. What's more, taken together, the vehicles built today are achieving the nation's largest ever reductions in climate pollution.

Policy Matters

Unfortunately, just as sound policy choices helped underpin a recovery in manufacturing in America's auto industry, stepping back from globally leading standards will cost them. Recent efforts by the administration to rollback these long-term standards—together with counter-productive corporate tax incentives that further discourage investment in domestic

manufacturing and workers—are threatening these gains. They are putting today’s and tomorrow’s jobs at risk, driving future manufacturing investment overseas, and setting us back in an urgent race to attract the next generation of advanced and electric vehicle (EV) technology in the United States.

Data from the Environmental Protection Agency (EPA) and National Highway Traffic Safety Administration (NHTSA) shows the proposed rollback would cut approximately \$30 billion per year in investment in advanced technology and cost 60,000 jobs, and that’s without taking into account the potential impact of missing the boat on the next generation of automotive innovation in America. A recent analysis conducted by the BlueGreen Alliance looking specifically at the impact on manufacturers who build advanced vehicle technology in the United States, found the potential impact on jobs to be even more substantial, concluding that the proposal would result in more than 89,000 of tomorrow’s jobs lost or foregone.ⁱⁱⁱ

At a time when countries worldwide are rushing to capture the next generation of vehicles, manufacturing, and jobs, we cannot afford to go backward. We need to retain and extend globally leading vehicle standards, and we need to act now on an aggressive agenda to manufacture the next generation of advanced and electric vehicles—and the strategic materials and technology that goes into them—in the United States.

Now is the Time for an Advanced and Electric Vehicle Manufacturing Agenda

An advanced and electric vehicle manufacturing agenda would couple strong globally leading standards and targets—which give companies the certainty they need to invest—with an aggressive push to manufacture vehicles and strategic components here in the United States. The key elements of that agenda include:

- Make a robust investment to spur advanced and electric vehicle and technology manufacturing and supply chain—whether through new programs or through expansion of the loan, grant, and tax programs we have today to help companies build, retool, or convert manufacturing plants in America. Further, to enhance the benefits for the economy, communities, and working people, we should:
 - Incentivize responsible labor, community, and supply chain practices and prioritize reinvestment in existing or idle facilities and in deindustrialized, impacted, underinvested communities;
 - Prioritize economically strategic and emerging technology and materials; and
 - Encourage consortia of assemblers and suppliers—and small- and medium-sized manufacturers—and aid states and municipalities in investing in local priorities and clusters.
- Act to responsibly produce critical minerals and materials and to launch new domestic recycling and reclamation projects;
- Boost public investment in electric vehicle fleets and infrastructure and ensure that all public spending supports efforts to build critical components here and to secure and build good family supporting jobs;

- Make globally competitive levels of investment in research and development and ensure innovation is translated into domestic manufacturing and growth of supplier networks; and
- Enact fairer trade, labor, and corporate tax policies that can stem advanced tech offshoring and exploitative labor practices while driving a new generation of investment in domestic plants, workers, and training.

Finally, the experience, opportunities, and challenges we have in the iconic auto industry underscore some broader lessons for how we ensure the clean economy, innovation, and technological change deliver to working people.

The Clean Economy Can and Must Deliver for Working People

The energy, transportation, and tech industries are changing rapidly. This is both a tremendous opportunity and a significant challenge. All too often in recent decades workers have borne the brunt of change. But what we've seen is that while technological change is inevitable, wasteful and inequitable disruption is not.

Nothing should stop us from building clean tech with good jobs in America—but it doesn't happen by itself. In the auto industry for example, in many factories, EVs and EV components are built on the same production lines, in the same plants, with the same good union jobs, as conventional vehicles. If anything, higher labor standards and better working conditions in parts of the industry enable more effective and efficient manufacturing systems.

The technology does not dictate job quality, or whether we rebuild America's manufacturing vitality, but the choices corporations and policy makers make on offshoring and outsourcing and investing in workers and communities do. In this industry, we've shown that, with smart policy developed with stakeholders at the table, successful innovation can be an industrywide undertaking, not a zero sum game. We can engage every part of the industry and secure and build jobs across existing and emerging technologies, while innovating across all types of vehicles and delivering gains for all types of consumers, and we can achieve—indeed perhaps it's the only way to achieve—groundbreaking pollution reductions.

And, as we move to clean and innovative mobility across the transportation sector, it's not just manufacturing jobs at stake and having labor and community stakeholders at the table makes all the difference. New research shows that in commercial transportation—where drivers are contingent or often misclassified as independent contractors—deployment of clean technology can also be more difficult.^{iv} Similarly, in the absence of clear standards, new "innovative mobility" technologies like autonomous vehicles, ride sharing, and ride hailing may not deliver on promised labor, safety, equity, and environmental benefits. Proactive engagement of stakeholders and agreed public policy framework are critical to ensure the public sees the benefits of technological change, and this would shape innovation itself—helping to guarantee that we do not lock in innovative technology with exploitative business models.

These lessons hold true across the clean economy. We have the opportunity to retain and create millions of high quality jobs while implementing bold solutions to climate change. We know this is

possible because we are building good, high skilled, union jobs today in manufacturing and in the trades, in transit, energy efficiency retrofits, pipefitting, and offshore wind, just to name a few. At the same time not enough of the clean energy jobs created or promised are good-paying, family-supporting jobs, nor are these jobs in communities that have seen good jobs disappear. The clean economy must do more for working people who have seen wages fall, and economic mobility and power in the workplace decline. Unions—which empower workers, ensure quality jobs, and sustain families—are an essential vehicle to confront the economic insecurity most Americans face.

A commitment to high-quality job creation across the economy—but especially related to clean energy, vehicles, adaptation, and resilience—means strengthening workers rights on the job, removing barriers to organizing, raising and extending labor standards, investing in work-based training, registered apprenticeships, enhanced equity, community benefits, and community preparedness. To rebuild American prosperity, the future of energy, manufacturing, transportation, infrastructure, and resilience must go hand in hand with making high-quality, family-sustaining, union jobs accessible to all.

Conclusion

Today, our key economic and political challenges include reorienting the American economy around the essential and growing clean and resilient technologies of tomorrow, while addressing the challenges working people are facing right now. Acting now to adopt an aggressive, worker-centered agenda to address the climate crisis is amongst the most compelling opportunities we have to meet America’s challenges and capture its most exciting opportunities—for the U.S. manufacturing sector, workers, communities, the overall economy, and the environment.

ⁱ BlueGreen Alliance, “Solidarity for Climate Change,” June 2019. Available online: <https://www.bluegreenalliance.org/solidarity>

ⁱⁱ BlueGreen Alliance, *Driving Investment: How Fuel Efficiency Is Rebuilding American Manufacturing*, January 25, 2018. Available online: <https://www.bluegreenalliance.org/resources/driving-investment-how-fuel-efficiency-is-rebuilding-american-manufacturing/>

ⁱⁱⁱ BlueGreen Alliance, *Tech@Risk: The Domestic Innovation, Technology Deployment, Manufacturing, And Jobs At Risk In Stepping Away From Global Leadership On Clean Cars*, August 1, 2019. Available online: <https://www.bluegreenalliance.org/resources/techrisk-the-domestic-innovation-technology-deployment-manufacturing-and-jobs-at-risk-in-stepping-away-from-global-leadership-on-clean-cars/>

^{iv} UC Berkeley Labor Center, *Truck Driver Misclassification: Climate, Labor, and Environmental Justice Impacts*, August 22, 2019. Available online: <http://laborcenter.berkeley.edu/truck-driver-misclassification/>