Testimony of David Foster
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Committee on Environment and Public Works
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INTRO

Good morning, Madame Chair, Members of the Committee; my name is David Foster. I serve as the Executive Director of the Blue Green Alliance, a national partnership of six major labor unions and two national environmental organizations. We bring together eight million members — touching virtually every corner of the country — in pursuit of good jobs, a clean environment and a green economy.

The Blue Green Alliance, formally launched by the United Steelworkers and the Sierra Club in 2006, has since brought together the Communications Workers of America (CWA), Natural Resources Defense Council (NRDC), Laborers' International Union of North America (LIUNA), Service Employees International Union (SEIU), Utility Workers Union of America (UWUA) and the American Federation of Teachers (AFT). This collaboration of labor unions and environmental organizations is based on our common belief that building a clean energy economy will create good jobs, reduce the carbon emissions that cause global warming and make America more energy independent.

Before serving in this capacity, I spent 31 years as a member of the United Steelworkers, and for 16 years, served on the union's International Executive Board as the Director of District 11, a 13-state region based in Minnesota.

The Blue Green Alliance, together with its labor and environmental partners, has become one of America's leading advocates for transitioning to clean energy as a strategy for confronting America's energy, climate and environmental challenges. I am especially pleased to be given the opportunity to testify before the EPW Committee on this critical issue, as I did before the House Energy and Commerce Committee a few months ago.

Earlier this year, in response to the deepening economic, energy and climate crises, the Blue Green Alliance put forth a policy statement on climate change legislation[i] — the first such joint statement of our labor and environmental partners, and for some of them, their first public statement on climate change.

Following the release of that statement, our alliance worked with members of the House of Representatives to work through particular provisions — and ultimately support — the American Clean Energy and Security Act. As a result, thousands of workers across the country wrote letters and op-eds, made phone calls and attended town hall meetings in support of the overall effort to transition to the clean energy economy. Construction workers, janitors, steelworkers, industrial union workers and utility workers came to D.C. to pound the marble halls in support of the House bill and to urge the Senate to act, all because we have a huge opportunity to transform our economy by transitioning to clean energy — to create good jobs while improving the environment for our children and grandchildren.

Thanks to the leadership of Senator Boxer and Senator Kerry, and the dedication of many other Senators both on the EPW committee and off, we've seen the introduction of the Clean Energy Jobs and American Power Act. The Blue Green Alliance looks forward to working with you throughout this process to ensure that comprehensive climate change legislation creates and retains millions of family-sustaining, green jobs and finances the transition to a clean energy economy.

The Problem and the Solution

Climate change is a creeping threat to our ecosystem and our global and domestic economies. If left unchecked, its consequences will have devastating impacts on our economy and our way of life, as confirmed by numerous reports, including the U.S. Global Change Research Program's New Assessment of National, Regional Impacts[ii] and Sir Nicholas Stern's Stern Review, prepared for the British Government.[iii]

Radical changes in temperature, weather, water quantity, and air quality have the potential to throw even the most stable economies into an upheaval. We can debate the impact of certain provisions of this legislation on certain sectors of our economy, but our failure to act would saddle future generations of Americans with the consequences of unfettered climate change that would unquestionably bear heavily on our economic security. Perhaps more importantly, the failure to act would also be a tragic missed opportunity to solve the current unemployment crisis in America with a new generation of good jobs and vault America into the lead in the global clean energy economy.

Ignoring climate change is also a vote for the status quo — a status quo that is unsustainable. The current economic model drove oil prices to more than $140 a barrel in 2008, contributed to skyrocketing food prices and global food shortages, and resulted in massive trade imbalances. That status quo helped whittle away good, family-sustaining American jobs for years.

Passing comprehensive climate change and energy legislation puts us on a new path, one where there is greater hope for job creation and a cleaner environment. A recent report by the Political Economy Research Institute at the University of Massachusetts-Amherst[iv] showed that a $150 billion investment in clean energy will create 1.7 million jobs across the United States. .

Another recent University of California Berkeley report confirms[v] the job-creating potential of comprehensive climate change and clean energy legislation. This study shows that comprehensive clean energy and climate change legislation could create 1.9 million jobs, increase annual household income by $1,175, and boost GDP by up to $111 billion.

To maximize its economic success, this package must be comprehensive. It must deal with every piece of the puzzle: capping carbon emissions, providing incentives for job creation, investing in renewables and energy efficiency, accounting for carbon leakage and setting mandates for energy efficiency and renewable energy production. Some say that it would be easier to pass one piece of this puzzle and then try to move on to the next. But doing so underestimates the complexity of this problem, sends contradictory messages to our energy markets and, most importantly, fails to solve the underlying climate crisis.

SPECIFIC PROVISIONS

Capping carbon emissions will create the necessary incentives for America to develop its clean energy economy. The Blue Green Alliance is pleased to see the Committee take thoughtful and significant action in its target on the capping of emissions. Without the certainty of true emissions reduction, we can achieve neither our environmental goals, nor our job creation goals.

We also need a strong, national Renewable Electricity Standard (RES) and Energy Efficiency Resource Standard (EERS) that will drive the expansion of the American clean energy economy and make the U.S.

a leader in the increasingly competitive global clean energy industry. When the Clean Energy Jobs and American Power Act is taken to the Senate floor and combined with legislation from other Committees, the Blue Green Alliance urges Senators to include the RES bill introduced by Senator Udall of Colorado and Senator Udall of New Mexico in the final package that is voted on by the Senate.

A study released earlier this year[vi] by the Blue Green Alliance and the Renewable Energy Policy Project found that if the U.S. passed a national Renewable Electricity Standard of 25 percent by 2025, and if all the renewable energy components were made in the U.S., more than 850,000 manufacturing jobs could be created across all 50 states by U.S. firms that already exist today. Economic models show that a federal RES at 25 percent by 2025 would generate over 39,000 jobs in Indiana; 42,000 in Pennsylvania; 34,000 in Michigan; 51,000 in Ohio; and 35,000 in Wisconsin.

A strong cap combined with an RES and EERS will reduce emissions in the most cost effective way while providing the foundation upon which to build America's clean energy economy. These policies already have a history of creating jobs in America. My home state of Minnesota currently has a 25 percent RES, and is home to Mortenson Construction, one of the nation's leading construction companies specializing in wind-farm installation.

Following the passage of a state RES in Pennsylvania, Gamesa — a Spanish wind turbine company — opened one of several new blade, turbine and tower factories at the site of a shut down steel plant, bringing more than 1,000 jobs to the state and putting laid off steelworkers back to work in Ebensburg, Pennsylvania.

I want to tell you about a few workers that have directly seen the benefits of a new green economy. Phil Taylor is a tool-and-die maker for a Peerless-Winsmith in Springville, New York, where he has worked for 40 years, and for most of the last 20, has served as the IUE-CWA local president. He helps to make speed-reducers, or gear boxes for a variety of products. Right now, they make units for solar fields. Solar panels need to turn to follow the sun, and this company makes gear boxes that rotate the panels to follow the sun's trajectory.

Lee Geisse is a greaser at an Allegheny Ludlum plant in Louisville, Ohio, where she helps in the production of specialty steel that is used to build the hub for windmills. Lee has worked at her plant for 23 years and is a member of the United Steelworkers union.

There are many stories like this across the country, and we will have more with the passage of a comprehensive climate change and clean energy bill.

The transition to a clean energy economy is a tremendous opportunity for strengthening and expanding American manufacturing. As evidenced by the Gamesa example, and others, including the ClipperWind facility in Cedar Rapids, Iowa, ATI Casting in LaPorte, Indiana, and the Pauwels Transformers facility in Washington, Missouri, our workers can produce the steel, glass, precision parts and cement needed by the clean technology industry, but only if we provide the proper investment and protections.

Our domestic climate legislation can prevent carbon leakage and assure international competitiveness. We can cut global warming pollution from all important sectors while making sure that the production of steel, aluminum, cement and other energy-intensive and trade-sensitive commodities which are necessary to build our clean energy infrastructure stays in the U.S., and is not shifted to other countries

without adequate global warming policies. We can do this with a robust manufacturing title in the bill, which would ensure that strengthening and revitalizing America's manufacturing base is a priority. There is no reason why America and its workers should not lead the world in green manufacturing.

A critical component to achieving this goal is the allocations to energy-intensive and trade-exposed industries. While the Kerry-Boxer bill allocates allowance value to these industries, unfortunately, it does not provide a sufficient portion to ensure that energy-intensive industries receive the assistance needed to keep them from being put at a competitive disadvantage. This is a vital provision for preventing leakage of jobs and carbon pollution. With sufficient allocations, these industries will have adequate time to transition to cleaner, more efficient methods. I appreciate that the Chair and Committee have agreed to work with us to ensure that these industries are kept whole. It is critical that we fix this shortfall.

In addition to sufficient allocations for energy-intensive industries, it will be necessary for this legislation to include a longer-term border adjustment provision to limit carbon leakage and ensure the fair treatment of American workers if countries fail to address global climate change as those allocations phase out. The Blue Green Alliance has been working with the Senate Finance Committee and have made clear to the Committee the importance of getting the border measure right. We were supportive of the end result of the House ACES bill, and hope that we can be at the same place at the end of the Senate process. I cannot emphasize enough to the Committee how critical both the rebates and border measure are to the success of the climate bill and to the support of the Blue Green Alliance and many labor unions.

As you are well aware, a ton of steel manufactured in the U.S. results in one ton of carbon emissions. A ton of steel manufactured in China results in 2.5 tons of emissions. It would be a tragedy for both workers and the environment if our solution to global warming resulted in closing U.S. steel mills and importing needed steel products from China.[vii] This bill can avoid that result as long as it puts in place the appropriate rebates to energy-intensive industries and a border-adjustment mechanism like the one included in the House ACES bill.

As part of a manufacturing title, climate and energy legislation should also provide incentives to help our manufacturing base convert to the clean energy economy. We appreciate the inclusion and funding of clean vehicle manufacturing provisions, and hope that provisions like Sen. Brown's IMPACT Act — which creates a revolving loan program in states to provide financing to small- and medium-manufacturers to fund clean energy manufacturing projects — will also be included and funded in the final product to rebuild American manufacturing into the clean, efficient industry it can and should be.

Energy saved is just as important as energy produced. It saves people and businesses money, reduces our reliance on fossil fuels and creates jobs. Increased investments in energy efficiency would create more opportunities for high-road construction jobs and make our transition to a clean energy economy smoother and more expeditious. Buildings in the United States consume more energy and generate more carbon emissions than any other sector of the economy. Reducing this energy consumption should be a priority.[viii] From retrofitting factories, schools, and buildings to weatherizing homes and apartment buildings, and ensuring that they are operated and maintained to stay green, our country's workers can implement energy efficiency improvements immediately.

Such an effort can help reinvigorate the construction industry, which has seen the loss of 1.5 million jobs since this recession began in December 2007.[ix] With this grim news, we need investments in both commercial and residential construction.

Programs like the Retrofit for Energy and Environmental Performance (REEP) program and investments in improved building codes, will finally put forth a dedicated effort to make buildings and homes more efficient. REEP can be even further improved by requiring quality Operations and Management programs to be established after buildings have been retrofitted. With these investments, we can begin to retrofit America's buildings and weatherize America's homes to make them as energy efficient as European buildings, where energy consumption is half the per capita rate of our country. Such energy savings can be put to use to finance a high-wage, high-road weatherization industry where livable wages are paid, health care is provided, and essential career- and job-training opportunities are made available to communities across America.

In the past year, LIUNA has made the residential energy efficiency industry a national priority. They have an expert weatherization curriculum and the training instructor pool necessary to deliver the numbers of well-trained and well-paid workers to perform quality retrofits across the country. They have exciting programs underway in New Jersey, Delaware, Nevada, Chicago, and Ohio. The demand for weatherization work will require an industry that can train and connect workers to hundreds of thousands of new jobs. In 2009, LIUNA Local 55, working with the Garden State Alliance for a New Economy, provided weatherization training for unemployed local residents in Newark.

It is essential to protect the underlying value of our homes and buildings by establishing high-quality standards for retrofit and weatherization work. To this end, we believe that national minimum standards are an essential part of any program receiving support from the federal government that is designed to spur residential energy efficiency, and we look forward to working with the Senate to ensure that such standards are included in the final bill.

The Building Service Local 32BJ of SEIU in New York has been greening the city's buildings for the last four years. Their training fund, which is a joint labor-management organization, is now poised to significantly expand upon its existing green training experience by training 1000 green superintendents in one year to help make the city greener. What will help encourage and expand this effort is policy in the legislation requiring quality operations and management programs. After all, the maintenance and operations of green buildings are just as critical to our efforts to combat climate change as the actual initial greening and retrofitting of buildings. And it also means additional green jobs.

The State and Local Investment in Energy Efficiency and Renewable Energy will provide the dedicated investment in energy efficiency and renewable energy to support and accelerate the implementation and deployment of these technologies and practices. Directing these funds to reequipping manufacturing facilities, deploying clean energy technologies and the facilities and equipment that produces them, improvements in transmission, smart grid development, and advances and deployment of energy efficiency will be one of the important drivers to create good, green jobs.

The Blue Green Alliance also supports the inclusion of the State Recycling Programs, and hopes to work with the Committee to fund it. This program will create numerous jobs reducing waste and reusing materials that would otherwise be left to sit in toxic landfills emitting methane — by far the most potent greenhouse gas. It will transform our current waste infrastructure and assist the U.S. in meeting its

energy and climate goals while creating jobs. This program can create tens of thousands of new jobs and should include measures that will ensure taxpayers that the funds will create good, family-sustaining jobs.

Our workforce must have all the necessary tools and knowledge to successfully work in green jobs. We can do this by offering training for all who want the opportunity. We believe that the Green Jobs Act of 2007 gives us the best framework for training and implementation of these jobs in a fair and equitable manner. We thank you for providing allowances to fund this provision. In addition, we urge you to maintain the integrity of the provision by ensuring that labor-management partnerships continue to be a mandatory part of the training process.

Along with training, we must open doors to certain communities who are too often left out. The Green Construction Careers Demonstration Project provides an outlet that will promote quality employment practices that are accessible to low-income communities and workers. We appreciate the funding of this demonstration project, and believe it will go a long way to ensuring that these communities are an integral part of the transition to the clean energy economy.

While many jobs will be created in areas related to renewable energy and energy efficiency, some jobs in other areas will potentially be lost and communities strained. It is critical that the final legislation builds on the inclusion of the Climate Change Worker Adjustment Assistance Program to include a robust and comprehensive program to provide assistance to workers who are adversely affected by the changes in policy. Workers should not only receive a readjustment allowance and health care, but also access to employment training.

We cannot focus solely on the workers of today. In order to be prepared, we need to ensure that workers of the future have the requisite skills and knowledge base. The Clean Energy Curriculum Development Grants give the Secretary of Education the ability to fund programs that prepare students for careers in the new economy. This is a great start, but we should look for more ways to invest in our citizens and workers of tomorrow.

Schools across the country are beginning to incorporate a greener education curriculum. For example, in Connecticut, some teachers within AFT are partnering with businesses and community organizations to obtain green teaching tools, such as a wind turbine donated by the local power company, a cutaway model of a turbine inside the school's electrical shop that's fully functional for teaching, and a demonstration greenhouse built by tenth grade students to model solar panels and small LED lights. The students install meters that monitor electricity production from the wind turbine that is provided to the school. AFT and teachers across the country understand that the new economy is the green economy and we can't start to train too early.

The Clean Energy Jobs and American Power Act has shown significant commitment to ensuring that American workers are treated fairly and that good, long-lasting jobs are created in the clean energy economy. We appreciate the inclusion of prevailing-wage provisions, requiring that all federally-funded construction jobs be subject to prevailing wages. We also ask that you expand opportunities to provide quality jobs in the clean energy economy for all Americans. All new jobs funded in part or in whole by the federal government should pay fair wages and benefits, and contractors should pay a living wage and abide by responsible contracting principles.

As we transition to the clean energy economy, it is important that we effectively deploy our varied portfolio of energies and technology. Carbon capture and sequestration (CCS) technology and its deployment can allow us to use coal in a cleaner and more efficient way while creating high-skilled, high-wage jobs for American workers. We are pleased with the direction of the ongoing discussions on the CCS language that is in the legislation and believe that funding should be provided to CCS research, development and deployment. Particular attention should be paid to the technologies that will apply to capturing carbon from existing facilities and that will apply to the steel and cement industries as well as power generation.

CONCLUSION

Climate change is a global problem that requires a global solution. Without passing comprehensive climate legislation that guides the transition to clean energy in the United States, we will not achieve this global solution.

This is our chance to lead.

We appreciate that the Kerry-Boxer bill includes funding to develop markets for American clean energy technologies in developing countries that take part in the global effort to reduce emissions, funding for developing countries to adapt to climate change, and funding to achieve additional emissions reductions by combating deforestation.

These provisions are essential to secure a global climate treaty.

For the United States, this is an opportunity to rebuild our economy and protect our environment for future generations of Americans.

This is an opportunity to remake a stagnant economy and invest in our country's middle class, which was the backbone of prosperity in the 20th century.

This is our opportunity to ensure that the educators, manufacturers, construction and maintenance workers who gave our country its competitive advantage in the 20th century are at the forefront of building a clean energy economy in the 21st.

With legislation like Kerry-Boxer, we will see more examples like the R.E. Burger power plant in Shadyside, Ohio. A coal-fired power plant originally built in the 1940s, Burger needed to be fitted with pollution control equipment to meet necessary standards for coal plants. The equipment proved to be too costly and the owners were moving to close the plant and lay off hundreds of workers in an already economically depressed area. Thankfully, with the help of UWUA Local 350, FirstEnergy decided to retrofit the plant and convert to biomass. This proved to be more cost effective and saved the jobs of over 100 employees on site, and will pave the way for the creation of another 200 jobs. The Burger plant is poised to become one of the largest biomass-fueled plants in the country.

After comprehensive climate legislation is enacted, we will see more and more plants like Burger. Many will be retrofitted with CCS technology and some switched to natural gas. We'll see concentrated solar power plants built where there's never been a power plant before. We'll see wind farms go up alongside oil derricks. We'll see buildings erected that emit zero carbon pollution and produce zero waste.

Most importantly, we'll see American workers building, producing, training and maintaining all of these projects.

We look forward to working with you to pass what could and should be the greatest job-creating bill ever passed by the U.S. Congress. This is a rare opportunity to confront our nation's challenges — energy, economy and climate — and begin to tackle them simultaneously.

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