

June 10, 2010

Dear Majority Leader Reid:

**Partner
Organizations**



Thank you for your commitment to move comprehensive clean energy and climate change legislation this year. It is critical to America's economy, energy security, and environment that we act now. American workers especially need this legislation because, done right, it will create roughly 2 million good, American jobs.



We appreciate the work of Senators Kerry and Lieberman in crafting the American Power Act (APA), as well as Senator Bingaman in crafting the American Clean Energy Leadership Act (ACELA). These two pieces of legislation provide a framework for comprehensive legislation that can be combined with other valuable legislative proposals and passed this year in order to create quality jobs and curb dangerous carbon pollution.



As you now move through the process of bringing a package to the floor, we want to call your attention to crucial provisions to preserve and create quality American jobs. The BlueGreen Alliance is eager to work with you to strengthen and pass comprehensive climate and clean energy legislation that includes these vital policies and builds the fair and prosperous clean energy economy that America needs.



Sincerely,

Leo W. Gerard, International President
United Steelworkers



Larry Cohen, President
Communications Workers of America



Mary Kay Henry, President
Service Employees International Union



Randi Weingarten, President
American Federation of Teachers

Michael Brune, Executive Director
Sierra Club

Frances Beinecke, President
Natural Resources Defense Council

Terence M. O'Sullivan, General President
Laborers' International Union of North America

D. Michael Langford, National President
Utility Workers Union of America



Warren S. George, International President
Amalgamated Transit Union



Michael J. Sullivan, General President
Sheet Metal Workers' International Association



David Foster, Executive Director
BlueGreen Alliance

Preserving and Creating Quality Jobs in Comprehensive Climate and Energy Legislation

Investment in the Clean Energy Economy

Investing in clean energy technologies is among the best ways to spur job creation. The carbon pollution limits in the APA are a strong foundation for channeling investment into cleaner, more sustainable technologies. Yet it is critical to accompany such carbon pollution limits with these complementary clean energy policies:

- *Renewable Electricity Standard (RES)*
We appreciate Sen. Bingaman's efforts to pass a first-ever national RES. Comprehensive legislation should increase the RES target to 25 percent renewable electricity by 2025 and ensure that the target is met through renewable sources of energy. Our report, *Building a Clean Energy Assembly Line: How Renewable Energy Can Revitalize U.S. Manufacturing and the American Middle Class*¹, shows that implementation of a strong RES could create more than 850,000 manufacturing jobs across America.
- *Energy Efficiency Resource Standard (EERS) and Building Efficiency*
A separate EERS that mandates 15 percent efficiency gains by 2020, in addition to the RES, would produce cost-effective energy savings and pollution reductions while employing hundreds of thousands of American workers.

Strong building codes are critical for capturing cost-effective efficiency opportunities in new buildings. We also need an ambitious strategy to upgrade existing buildings by authorizing and funding a strong Retrofit for Energy and Environmental Performance (REEP) program that includes quality assurance measures and requires quality operations and management programs to be established after buildings have been retrofitted.

- *State Renewable Energy and Energy Efficiency Programs*
While APA provides support for State Renewable Energy and Energy Efficiency Programs funding from 2013-2021, the funding level is unacceptably low. We urge that comprehensive legislation significantly increases the amount of funding that goes directly to quickly deployable efficiency and renewable energy programs.
- *Industrial Clean Energy and Energy Efficiency*
Our manufacturing sector needs long-term investment to ensure that we are a leader in manufacturing the goods and components throughout the whole supply chains of clean energy industries.

¹ "Building a Clean Energy Assembly Line: How Renewable Energy Can Revitalize U.S. Manufacturing and the American Middle Class," Blue Green Alliance, November 2009. Available online at: http://www.bluegreenalliance.org/press_room/private_publications?id=0019

ACELA offers a positive framework for improving industrial energy efficiency, and the APA includes initial funding for industrial energy efficiency and research and development. We urge that both of these provisions remain in the final, comprehensive product.

Comprehensive legislation should also include and fund Sen. Brown's IMPACT Act (S. 1617), which provides financing to small and medium manufacturers for clean energy manufacturing projects, and gives Manufacturing Extension Partnerships in every state the tools they need to support clean energy manufacturing. The APA provides funding for the latter, but we should work to fund the financing portion as well.

Comprehensive legislation should also include an increase in funding for the Advanced Energy Manufacturing Tax Credit. The original program, funded at \$2.3 billion, was oversubscribed by a ratio of 3 to 1.² In addition, this program should include domestic job creation in the selection criteria as proposed in Sen. Brown's SEAM Act (S. 3324).

- *Clean, Efficient Transportation*

Robust investment in our nation's transportation infrastructure will create millions of good jobs and reduce carbon emissions from an economic sector responsible for two thirds of America's oil dependence and nearly a third of global warming pollution.

These investments must be maximized if the United States is going to realize the job creation potential of the legislation, and be done in such a way that does not dilute the integrity of the Federal Highway Trust Fund. In addition, for the millions of workers and families who depend on public transportation to get to work and school, flexibility for funding day-to-day transit operations will preserve jobs and help Americans move affordably and efficiently. To reduce the climate change threat from transportation activity, revenues derived from transportation fuels under the American Power Act must not be diverted from improving the efficiency of our transportation infrastructure, which would undermine our ability to build and operate an infrastructure platform that makes America more competitive in the global economy.

We also support APA's inclusion of funding for advanced vehicle technology and manufacturing, but hope that these levels can be increased to what they were in the House-passed ACES.

Worker Training and Labor Standards

It should be an overarching goal of comprehensive climate legislation to create good quality jobs. First, legislation should ensure that our workforce has the necessary tools and knowledge for the jobs of the clean energy economy, and that our businesses have the skilled workers they need to compete. Second, legislation must support jobs that provide for family-sustaining wages and benefits.

- *Worker Training*

Legislation should provide training for the skills required by new clean energy jobs, specifically by investing allowance value in the existing Green Jobs Act. Legislation should also provide full support and re-training for workers and communities that need assistance in this transition, modeled on the framework crafted by Sen. Casey (S.2742).

² <http://www.whitehouse.gov/the-press-office/fact-sheet-23-billion-new-clean-energy-manufacturing-tax-credits>

In addition, comprehensive legislation should help prepare students and workers for careers in the new economy. The APA authorizes three programs that would help achieve this: clean energy curriculum development grants, an information clearinghouse for vocational education and job training for renewable energy sectors, and a clean energy construction careers demonstration project.

- *Labor Standards*

All new jobs funded in part or in whole by the Federal government should pay fair wages and benefits, and contractors should be required to pay local prevailing wages and abide by responsible contracting principles.

The APA does not include the appropriate application of prevailing wage laws (the Davis-Bacon Act) to billions of dollars in federally-assisted construction activities. This includes the significant allowance value allocated for deployment of clean energy technologies, facilities to manufacture clean vehicles, and natural resource adaptation. Comprehensive climate legislation must require that all federally-assisted construction jobs be subject to prevailing wage laws.

International Leadership

- *Preventing Carbon Leakage*

We appreciate the provisions in the APA to ensure that manufacturers, both large and small, have a level competitive playing field. These include provisions for local electric and gas utilities to supply rebates and energy-efficiency programs to their industrial and commercial customers, as well as to residential customers. Also included are rebates to energy-intensive, trade-exposed (EITE) industries to prevent leakage of jobs and carbon pollution. While further improvements can still be made, we recognize the solid progress made to ensure these industries stay whole.

We also appreciate the inclusion of a border adjustment measure, to come into effect if needed to prevent leakage and to encourage other countries to adopt comparable policies to curb their industrial carbon emissions. Further improvements need to be made to ensure proper structure and implementation of the measure. We look forward to working with you to reach this goal.

- *International Financing*

U.S. leadership is essential to building a successful and equitable global effort to prevent the worst impacts of global warming. Legislation should arm our country with three vital tools to meet international needs, consistent with our commitments under the Copenhagen Accord. Funding is needed to help develop markets abroad for American clean energy technologies, to assist the most vulnerable countries to adapt to the impacts of climate change that we cannot avoid, and to help achieve additional emissions reductions by combating the ravages of deforestation.

CC: Members of the United States Senate