



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

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**United States Senate Subcommittee on Multilateral International Development,
Multilateral Institutions, and International Economic, Energy, and Environmental
Policy**

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Thank you Chairman Young, Ranking Member Merkley, and members of the Subcommittee for inviting me here today. My name is Kimberly Glas, and I am the executive director of the BlueGreen Alliance. On behalf of my organization, our national labor unions and environmental partners, and the millions of members and supporters they represent, I want to thank you for holding this hearing today.

The BlueGreen Alliance brings labor union members and environmentalists together around three key areas:

- Innovating, building and installing the clean economy—clean energy, energy efficiency, safe chemicals, and clean vehicles—which protects the environment, creates quality jobs, and ensures the health of workers and the environment;
- Repairing America’s infrastructure to create quality jobs, protect the health of workers and communities, reduce the emissions driving climate change, and build stronger, more resilient systems for the future; and

- Supporting fair trade practices.

I appreciate the hearing discussion today and want to start out by acknowledging and agreeing that we need to take a holistic approach to ensuring American industries are competitive in the global marketplace. A national strategy is needed to address the illegal, unfair and predatory trade practices that deprive the American people of their economic and national security. This includes but is not limited to:

- The use of prohibited subsidies, dumping, overcapacity of steel and aluminum in countries with weak environmental laws;
- Non-reciprocal market access rules that have denied U.S. firms the ability to compete on a level playing field;
- Denial of national treatment and refusal to open market access to U.S. firms;
- Forced technology transfer and intellectual property infringement; and
- The denial and enforcement of internationally recognized workers' rights and environmental standards.

These and other practices drive down labor costs, increase offshoring and job loss, and at the same time contribute to the erosion of our environment and increase pollution.

This Subcommittee's attention and discussion about a more comprehensive, thoughtful and coordinated strategy comes at an important time. It's critical that we work together

to find solutions that combat predatory trade practices that have exacerbated our the U.S. trade deficit, undermined our national security, driven inequality by suppressing wages and workers' rights, and harmed our environment.

Other nations are making long-term economic plans to dominate the global economy. That is why it is vital that we develop our own comprehensive, strategic plan to ensure we level the playing field for American workers and protect our environment for generations to come. If we fail to plan, we will lose the race for jobs in clean energy technology, clean vehicles, and the materials that go into them like steel and aluminum, among other industries.

We cannot allow that to happen.

We believe that the issues of fair trade, workers' rights, and the health of our environment are inextricably linked to America's success. We must set aside the race to the bottom that weakens workers' rights and environmental standards. Instead, we must make sure that our trade partners rise up to meet our standards on a level playing field.

Trade agreements should have strong enforcement mechanisms and include strong and binding labor and environmental protections—including wage and environmental standards—in their core text. These standards must be enforced to level the playing

field. We cannot have fair trade agreements if they do not adhere to the concept that working people ought to earn a fair day's wage for a fair day's work in a job that is safe and healthy, or if we allow other nations to ignore environmental standards in an attempt to undermine our markets.

As we all know, many energy-intensive, trade-exposed industries in the United States, like steel, aluminum, cement, paper, and many others, have been under siege as a result of predatory trade practices. The offshoring of these industries to countries with weak or unenforced labor and environmental laws has exacerbated carbon pollution and environmental degradation and is crippling both our economy and environment, as well as the environment of our trade competitors.

According to a well documented report:

“For years, U.S. factories recycled used car batteries, which contain lead – a neurotoxin that can cause learning problems for children and heart disease in adults. In 2009, the U.S. Environmental Protection Agency increased U.S. air quality standards to protect communities from toxic exposure to lead.

Instead of complying with the new, hard-fought protections and limiting their pollution, corporations started exporting used car batteries—and the associated

pollution—to Mexico, where lead standards are one-tenth as strong and poorly enforced. Immediately after enactment of the new U.S. regulation, lead battery exports to Mexico spiked. Over the next six years, they quadrupled. NAFTA ensured the corporations could export their polluting batteries to Mexico free of charge.

For the U.S., this effort to evade domestic lead standards spelled a loss of jobs as U.S. battery-recycling factories shut their doors. Today no more than eight such companies remain in the U.S.

For Mexico, it meant an influx of imported lead pollution. In 2010, more than six metric tons of lead were reportedly released into the air at just one of the plants in northern Mexico that processed the flood of imported lead batteries. By comparison, that is 33 times the amount of lead that a battery-processing plant in South Carolina—owned by the same company—was expected to emit.

In the Mexican communities that now process used lead batteries from the U.S., reports of learning disabilities, kidney damage, and other symptoms of lead poisoning have become all too common. One recent academic study finds that the boom in lead battery imports is causing babies in such communities to be born underweight, with high lead levels in their blood. The authors conclude,

‘unbalanced stringency in environmental standards may spur flows of pollution intensive activities to countries with lax environmental standards.’ⁱ

American jobs were lost and lead pollution in Mexico has risen dramatically, all because certain companies chose to seek out weak or non-existent environmental protections in other countries.

Another chilling example can be found in the depths of rare earths mines, which produce minerals critical to the manufacture of high tech devices such as solar panels, batteries, smart phones and wind turbines. Utilizing significant subsidies and ignoring massive environmental degradation, Chinese production of rare earth minerals skyrocketed over the last thirty years from producing 27 percent of the world’s minerals to now over 90 percent.ⁱⁱ

The U.S. used to produce a majority of these minerals, mostly out of its Mountain Pass mine in California, which was subject to our environmental laws and safeguards as rare earth mining can be a highly toxic effort. It should be noted that the mine was not always perfect, but it still had to abide by our laws. It should be noted that the mine was not always perfect, but it still had to abide by our laws.ⁱⁱⁱ China eschewed even the most basic safeguards and its people and land have suffered, while the Mountain Pass mine closed because it could not compete.^{iv}

We have lost so much to other nations already; it is time to stand up for our workers, industries, and the environment.

This is why we must defend and advance policies that reward companies that play by the rules. The BlueGreen Alliance has long supported “Buy America” and other procurement policies that support our workers and industries. One such procurement policy that is complementary to Buy America policies has been passed into law in California. The policy—called “Buy Clean”—promotes spending taxpayer dollars on infrastructure supplies and materials that are made in a cleaner, more efficient and climate-friendly manner.

As many of you may be aware, the San Francisco Bay Bridge reconstruction project procured steel from a Chinese manufacturer instead of an American company. The BlueGreen Alliance Foundation research found that an estimated 180,000 tons of carbon emissions would have been averted—equivalent to taking 38,000 cars off the road for a year—had the steel been procured from a U.S. supplier.^v It also would have shifted the purchase of steel to an American company, rather than the foreign competitor.

There is a large difference in the amount of pollution generated by our industries

compared to that of many other nations. The amount of greenhouse gases that come from China's steelmaking alone is massive. By roughly extrapolating from the Intergovernmental Panel on Climate Change's 5th Assessment Report^{vi}, steel production from China alone accounts for roughly four percent of global emissions. According to the Stockholm Environmental Institute,^{vii} Chinese steel produces 2.4t of CO₂ per ton of steel. This is among the worst CO₂ intensity in the world, alongside Russia and the Ukraine.

The story about the Bay Bridge project led the State of California to establish first of its kind "Buy Clean" procurement criteria to incentivize the use of more cleanly produced materials in infrastructure investment. These criteria will not only result in significantly lower emissions, but fairer competition, improved safety and overall decreases in cost. We strongly support replicating this model in other places across the country.

Policies like "Buy Clean" at the state or national level would help ensure manufacturers who operate the most polluting plants would no longer be given a "free pass" for their pollution and manufacturers who have invested in reducing their pollution would see the returns. Procurement policy is just one tool, but not the only tool, to help level the playing field for both workers and the environment. There are many other enforcement mechanisms that could be deployed in conjunction with these policies to help level the playing field for American workers and the environment.

We are glad that both the chair and ranking member are taking action on this issue and amplifying the need to develop a broader, more comprehensive plan to ensure that our own industries are safeguarded, supported and allowed to flourish in the global economy. There is a lot of work to do and we welcome the opportunity to work with you.

In closing, Chairman Young, Ranking Member Merkley, and members of the Subcommittee, allow me to again thank you for your important work and for granting me the opportunity to appear at today's hearing. I know that you—like the BlueGreen Alliance—are working every day to achieve the goals of building a robust, sustainable American economy that provides opportunities for businesses to thrive, American workers to prosper, and a cleaner economy to protect the public and the environment.

ENDNOTES

ⁱ Sierra Club, *NAFTA 2.0: For People or Polluters*. Available at:

<https://www.sierraclub.org/sites/www.sierraclub.org/files/uploads-wysiwig/NAFTA%20and%20Climate%20Report%202018.pdf>

ⁱⁱ U.S. Geological Survey, *China's Rare-Earth Industry*. Available at:

<https://journalistsresource.org/wp-content/uploads/2011/07/China-Rare-Earth.pdf?x20117>

ⁱⁱⁱ High Country News, *Why Rare Earth Mining in the West is a Bust*. Available at:

<https://www.hcn.org/issues/47.11/why-rare-earth-mining-in-the-west-is-a-bust>

^{iv} The Guardian, "Rare Earth Mining in China: The Bleak Social and Environmental Cost."

Available at: <https://www.theguardian.com/sustainable-business/rare-earth-mining-china-social-environmental-costs>

^v Greenhouse gas calculation made using the U.S. Environmental Protection Agency's Greenhouse Gas Equivalencies Calculator. Available at:

<https://www.epa.gov/energy/greenhouse-gas-equivalencies-calculator>

^{vi} Intergovernmental Panel on Climate Change, IPCC 5th Assessment. P. 757 and 749. Available at: https://www.ipcc.ch/pdf/assessment-report/ar5/wg3/ipcc_wg3_ar5_full.pdf

^{vii} SEI International, *International Trade and Global Greenhouse Gas Emissions*. Available at:

<https://www.sei-international.org/mediamanager/documents/Publications/SEI-ProjectReport-EricksonP-InternationalTradeAndGlobalGreenhouseGasEmissions-2013.pdf>