BLUEGREEN ALLIANCE

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

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July 15, 2022

Response to Request for Information Relating to the Implementation of the Build America, Buy America Act

Docket No. FR-6331-N-03

The BlueGreen Alliance (BGA) is a partnership of national labor unions and environmental organizations, collectively representing millions of members and supporters. BGA partners unite to solve today's environmental challenges in ways that create and maintain quality jobs and build a clean, thriving, and equitable economy. The BlueGreen Alliance strongly supports the fundamental principles of the Build America, Buy America Act (BABA), which will help grow good, union jobs through domestic manufacturing and can work in tandem with the administration's Buy Clean initiative to reduce industrial emissions and uphold the administrations' priority for racial justice and equity.

BABA Supports and Creates Good Jobs

Executive Order 14052, calls on all federal agencies to prioritize improving job opportunities by focusing on high-road labor standards in the implementation of the Bipartisan Infrastructure Law (BIL).[i] Implementing policies, such as BABA, to increase domestic manufacturing of energy efficiency retrofit products used in affordable housing and water infrastructure projects under HUD's jurisdiction, can help to support and create quality manufacturing jobs.

As the BABA provisions in the BIL come into effect and strengthen the Buy America requirements associated with federal investments, the positive market and employment effects of United States Department of Housing and Urban Development (HUD) programs will be further magnified by supporting U.S. manufacturing jobs.

Manufacturing plays a core role in industrial jobs, employing over 12 million people and contributing $2 trillion a year to the gross domestic product (GDP). Manufacturing also has a massive multiplier effect that drives broader job growth with each full-time job in manufacturing creating 3.4 equivalent jobs in nonmanufacturing industries. [ii, iii, iv] Research by the Economic Policy Institute (EPI) has found that the average wage in manufacturing is 10% greater than comparable jobs in other sectors and the higher share of manufacturing workers who receive benefits raises that premium to 13%.[v] By strengthening and expanding Buy America requirements, BABA will help ensure that taxpayer money goes back into the U.S. economy, supporting workers here at home instead of sending that money overseas.

Domestic Manufacturing and Racial and Economic Inequality

Numerous studies find that the decline in U.S. manufacturing under unfair trade policies has contributed to income inequality.[vi] Laid-off manufacturing workers have been forced to compete for lower-paying service sector jobs, putting downward pressure on middle class wages across the economy. Less reported is the fact that the manufacturing decline and resulting pay cuts have disproportionately impacted Black workers and other workers of color.

A recent report by EPI found that "the loss of manufacturing jobs has been particularly devastating for Black and Hispanic workers and other workers of color, who represent a disproportionate share of those without a college degree, and for whom discrimination has limited access to better-paying jobs."[vii] Timely implementation of BABA will be critical to creating good, family- and community-sustaining job opportunities. With proper targeting, BABA could offer sizable economic gains for workers of color and low-income workers who've been hardest hit by the decline in manufacturing while uplifting those communities, such as through an increased tax base which can increase local school budgets and improve constituent services.

- Supporting new manufacturing jobs is important for Black workers, who have been particularly hard hit by the decline in manufacturing employment under unfair trade deals. Black manufacturing employment has fallen more than 30% since the late 1990s, contributing to the Black-white wage gap.

- Black, Hispanic, Asian American/Pacific Islander (AAPI), and white workers without a college degree all earn substantially more in manufacturing than in non-manufacturing industries.[viii]

How HUD Can Deliver Timely and Targeted Funding

In order to comply with the Bipartisan Infrastructure Law, and Executive Order (EO) 14052, and create unique economic opportunities, it is imperative that HUD fosters and enables BABA uptake among contractors as quickly as possible. There are several resources available to HUD and contractors to help navigate the BABA requirement including The Made in America Office at the United States Office of Management and Budget (OMB) that has developed robust resources and technical expertise to help federal contractors with BABA compliance. For multi-family housing, the BGA Foundation's (BGAF) Building Clean database identifies domestically manufactured products for energy efficiency retrofits and healthy building materials. Our database at BuildingClean.org lists roughly 4,500 domestic manufacturing facilities in nearly every state across the country and also identifies facilities with union workers.

BGAF also recently commissioned a report that found that many of the building materials needed for energy efficient retrofits—especially for multifamily housing—are made in the United States. For example, more than 90% of air sealing, wall and attic insulation, and windows and doors are made domestically while almost 75% of heat pumps are also made in the United States. Appendix A of this document provides a summary table of the findings, which show the percent of energy efficiency products made domestically.

Through its Good Jobs initiative, the U.S. Department of Labor (DOL) has established several memorandum of understanding (MOUs) with other federal agencies to support the application of high-road labor standards in the implementation of the BIL. Through this mechanism, HUD should work with DOL to establish contracting and procurement policies that prioritize high-road employers to ensure that these investments support workers and communities and translate into quality, family-sustaining, union jobs as well as accessible jobs for workers of color and other segments of the population historically left out of these jobs. This includes supporting and growing pathways into good union jobs in construction, operations and maintenance, and along the supply chain.

7. Are there any plans in the iron, steel, manufactured products, or construction materials industries to provide documentation regarding materials' compliance with BABA? Are there existing forms of documentation that would demonstrate BABA compliance? How, if at all, will BABA compliance impact energy efficiency efforts pursuant to Executive Order 14008?

BABA Is Good for Jobs, Good for Climate Goals

In EO 14008, President Biden outlined the goal of creating well-paying union jobs to build a modern and sustainable infrastructure, deliver an equitable, clean energy future, and

put the United States on a path to achieve net-zero emissions, economy-wide, by no later than 2050.[ix] Compliance with BABA can help achieve those goals. This is because U.S. factories are among the cleanest in the world in critical manufacturing sectors like those covered by BABA, such as steel. That's the conclusion of a recent report authored by Global Efficiency Intelligence (GEI)—commissioned BGA in partnership with the American Iron and Steel Institute—which compares the carbon intensity of steel production in major steel producing countries.[x]

Taking on emissions in industrial sectors like steel is an essential piece of the climate puzzle. The International Energy Agency (IEA) has calculated that the global industrial sector is the largest source of global greenhouse gas (GHG) emissions—over 40%—after accounting for electricity and heat use. Steel production alone is a major source of global climate emissions. The GEI report found that the steel industry accounts for around 7% of global GHG emissions and around 11% of global carbon dioxide (CO2) emissions. The steel industry also is often a source of air pollution—such as dioxin, formaldehyde, lead particulate matter and sulfur dioxide—that contributes to asthma, cancer, heart disease, and other severe health problems in communities near certain steel mills.

The GEI study finds that the United States produces the second cleanest steel in the world in terms of GHG emissions, trailing only Italy—the second smallest steel producer included in the report. Among the six largest steel producing nations—China, India, Japan, the United States, Russia, and South Korea—which account for 75% of global steel production—the United States has the lowest CO2 intensity by far.

Yet, despite producing some of the lowest-carbon steel in the world, the United States also imports more steel than any other country. More often than not, the steel arrives from countries with lower environmental, health, and labor standards and higher-polluting facilities. Much of this steel used to be made in the United States with less pollution—before the era of outsourcing under unfair trade deals. The steel industry is not alone—due to the outsourcing of aluminum, cement, and other emissions-intensive manufacturing to countries with lower standards, many of our construction materials are now imported and made with higher levels of pollution than when they were made in U.S. factories. This "Carbon Loophole" undercuts our climate goals by contributing to an increase in global industrial emissions while eliminating family-sustaining U.S. manufacturing jobs.

According to a 2018 analysis by GEI, the United States is now the world's largest importer of embodied carbon emissions (the sum of all of the carbon emissions resulting from the production of a product or material), welcoming twice as much carbon pollution across its

borders as any other country.[xi] In fact, the United States imports as much as it produces in industrial climate pollution. Each year, the United States imports manufactured goods with 1.4 gigatons of embodied greenhouse gas emissions—nearly the same amount of climate pollution produced by all factories in the United States combined.[xii]

Many of these imported materials and products used to be made here and could be made here again, with lower emissions. The 2022 GEI report underscores an important fact: sourcing more materials from domestic manufacturers—by implementing BABA—is good for American workers and good for our climate goals.

An expanded Buy America policy that prioritizes domestically-produced infrastructure materials and products is a good foundation to spur demand for cleaner products. Building on that foundation, the federal government also should explicitly channel taxpayer dollars to manufacturers that work to be among the cleanest in the world.

Buy Clean

Buy Clean, a groundbreaking policy spearheaded by BGA and labor and environmental partners, would further supplement BABA's support for reductions in global industrial emissions and growth in clean U.S. manufacturing. Buy Clean promotes spending taxpayer dollars on materials that are manufactured in a cleaner, more efficient, environmentally-friendly manner—reducing industrial pollution and adverse health impacts to workers and communities nearby, supporting good-paying jobs and a stronger manufacturing base, and advancing climate action.

With EO 14057, President Biden launched the nation's first-ever federal Buy Clean program.[xiii] In his EO, President Biden outlined pathways for the federal government to use its vast purchasing power to help achieve his goal of net-zero emissions across the economy by no later than 2050. Buy Clean is a central component of this strategy.

The federal launch of Buy Clean marks an incredible opportunity to build on the strengthened Buy America foundation. Done right, Buy Clean will boost transparency in reporting industrial emissions, invest in clean manufacturing innovation, and direct our public dollars to support low-emissions materials, many of which are made in U.S. factories. Buy America and Buy Clean can work in tandem to help us transform some of the world's most heavily-emitting sectors, allowing us to confront climate change while reinvesting in manufacturing and rebuilding the middle class.

Conclusion

We strongly urge HUD to utilize the resources available to support and expedite the implementation of BABA so that it can function as intended—to create quality job opportunities while supporting clean manufacturing, a more equitable economy and progress towards U.S. climate goals.

Appendix A

% of Energy Efficiency Products Made in America

		% Domestic	
Remodel Category	**Subcategory**	**2010 Report**	**2022 Report**
Air Sealing	Caulk/Adhesives	95.7%	94.39%
	Spray Foam	90.4%	97.21%
Attic Insulation	Fiberglass and Mineral Wool	93.7%	91.37%
Duct Sealing and Replacement	Caulk/Adhesives	95.7%	94.39%
	Duct Sheet Metal	99.4%	99.63%
Wall Insulation	Fiberglass and Mineral Wool	93.4%	91.37%
	Spray Foam	90.4%	97.21%
	Rigid Foam (Polystyrene)	95.9%	88.91%
Crawl Space Insulation	Fiberglass and Mineral Wool	93.4%	91.37%
	Spray Foam	90.4%	97.21%
	Rigid Foam (Polystyrene)	95.9%	88.91%
Fenestration	Vinyl Window & Door Frames	98.4%	93.49%
	Wood Windows & Doors	N/A	94.47%
Heating, Ventilation, and Air Conditioning	Fossil Fuel Furnace	94.2%	74.03%*
	Air/Ground Source AC and Heat Pump	82.3%	74.03%*
	Compressors	N/A	59.42%
	Water Heaters, Non-Air Heating	77.9%	77.73%
	Thermostats	N/A	64.79%

Household Appliances	Household refrigerators and parts	62.3%	53.46%*
	Household clothes washers and parts	76.8%	53.46%*
Lighting	Light Fixtures	N/A	44.69%

[i] Federal Register, Implementation of the Infrastructure Investment and Jobs Act, 2021. Available online: https://www.federalregister.gov/documents/2021/11/18/2021-25286/implementation-of-the-infrastructure-investment-and-jobs-act

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[iv] Third Way, *Industry Matters: Smarter Energy Use is Key for US Competitiveness, Jobs, and Climate Efforts*, 2018. Available online: https://www.thirdway.org/report/industry-matters-smarter-energy-use-is-key-for-us-competitiveness-jobs-and-climate-effort

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[viii] Ibid

[ix] The White House, *Executive Order on Tackling the Climate Crisis at Home and Abroad*, 2021. Available online: https://www.whitehouse.gov/briefing-room/presidential-actions/2021/01/27/executive-order-on-tackling-the-climate-crisis-at-home-and-abroad/

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[xi] Global Efficiency Intelligence, *The Carbon Loophole in Climate Policy*, August 2018. Available online: https://www.globalefficiencyintel.com/carbon-loophole-in-climate-policy

[xii] Ibid.

[xiii] The White House, Executive Order on Catalyzing Clean Energy Industries and Jobs Through Federal Sustainability, 2021. Available online: https://www.whitehouse.gov/briefing-room/presidential-actions/2021/12/08/executive-order-on-catalyzing-clean-energy-industries-and-jobs-through-federal-sustainability/