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**Testimony Before the
Select Committee on the Climate Crisis
U.S. House of Representatives
117th Congress, Second Session**

**Brad Markell, Executive Director
AFL-CIO Industrial Union Council**

**Hearing on Solving the Climate Crisis: Key
Accomplishments, Additional Opportunities, and the Need
for Continued Action.**

December 6, 2022

Thank you Chair Castor and Ranking Member Graves for the opportunity to testify before the committee on "Solving the Climate Crisis: Key Accomplishments, Additional Opportunities, and the Need for Continued Action." This testimony is submitted on behalf of the American Federation of Labor and Congress of Industrial Organizations and the 12.5 million workers represented by its 58 affiliated unions.

The climate crisis affects working Americans in nearly every aspect of their lives, and how we as a nation respond to it will shape our lives for the foreseeable future. The challenges are many. We must succeed in becoming internationally competitive in a wide-range of clean energy technologies and in creating family-supporting jobs in the United States, or we risk not just jobs, but energy security. When these jobs are created, we must be intentional in creating opportunity for everyone, and in supporting the transition of fossil-fuel linked communities with new job-creating investments.

The effects of climate change are quite evidently upon us, across the globe and in the United States, and working people and the less fortunate often bear the heaviest burden. The public's awareness that climate change is making things worse is rising, along with the recognition that the problems are so massive that only government has the scale to address them. We have to find ways to invest in mitigating the effects of climate-induced events on our citizens and our economy— be it fires, floods, droughts, extreme weather, or this year's surprise, to me at least, the Mississippi becoming impassable in spots.

We are beginning to see how investments in new technologies will reshape industries, and the impacts on workers and communities. Electricity produced from solar panels has a different economic footprint than electricity produced from coal, one that may not even be a domestic footprint. The value-chain for electric vehicles is much different than that for internal combustion vehicles. In both cases, making sure that the new jobs being created are as high-quality as the jobs that currently exist is a high priority for the labor movement and for workers in general.

The labor movement has embraced the need to help shape the nation's response to climate change, and to make sure that the needs of workers and their families are at the center of that response. In June 2022, the delegates to the AFL-CIO convention passed a far-ranging resolution titled "Climate Change, Energy, and Union Jobs." The full resolution is attached as a part of my written testimony.

The resolution is a broad roadmap to labor's priorities in climate and energy policies and outcomes. The call for high-quality union jobs in industries that produce and use energy, and for domestic production is prominent in the resolution. But so too is the call for investment in public infrastructure, in schools and health care, and in transportation and housing. Upgrades in these systems must be part of our response to climate change.

Recent Policy Changes Good for Climate Action and Job Creation

The work of this Congress, including the work of this committee in exploring in depth the possible policy responses to the climate crisis, has given the United States the chance to be internationally competitive in clean energy technology. The CHIPS and Science Act, the Bipartisan Infrastructure Law, and the Inflation Reduction Act all contribute to American leadership in the energy technologies of the future.

It is hard to imagine a prosperous America that is not a leader in energy technologies. Taken together, these laws leverage the U.S. advantage in research productivity and quality, fund demonstration and deployment of cutting edge technologies, and incentivize private investment in clean energy and manufacturing. We now have a policy environment that is up to the job of meeting the challenge of China and other competitors, who today dominate global markets for critical emerging clean energy technologies.

I want to underscore the importance of the manufacturing provisions in the Inflation Reduction Act, especially since they have been in the news recently. As technologies like renewable energy and electric vehicles gain market share, at whatever pace, demand for fossil fuels will decline, reducing economic output and employment in those industries, with many workers and communities already severely impacted.

In the clean energy economy, investment and spending that now goes to fossil fuels to power our nation will be flowing to producers and owners of solar panels, wind turbines, batteries, and so many other *manufactured* items. We can't win the clean energy economy if we don't win the manufacturing part of it.

I also want to highlight labor's support for the broad technology-neutral approach embedded in the BIL and IRA. Technologies important to labor, like carbon capture and storage, direct air capture, advanced nuclear and clean hydrogen are on par with other more conventional renewable technologies. These are all industries of the future, and they are all prominent in many of the scenarios that allow us to reduce emissions fast enough to avoid the worst effects of climate change.

The IRA is also notable for its promotion of job quality through the provision of a tax credit for project developers that pay at least the prevailing wage to workers constructing the project. This creates a level playing field for high-road employers, built on the sensible idea that firms receiving public support should create high-quality, family sustaining employment.

Agreements between unions and developers in the offshore wind industry show the potential of the clean energy economy to provide family sustaining jobs. Ørsted and North America's Building Trades Unions have a project labor agreement that covers all of Ørsted's offshore wind projects on the East Coast. Several other offshore wind developers have signed project labor agreements for individual projects. U.S. Wind announced that in addition to project labor agreements, it would partner with the United Steelworkers to develop a manufacturing hub at Sparrows Point in Maryland, historic and hallowed ground that was once home to the world's largest steel mill.

In two short years, the United States has fashioned a policy response to climate change that promotes technology development and incentives for private investment. It explicitly addresses the significant challenge posed by China and others that currently dominate clean energy supply chains. And it puts domestic job creation at the center of what it means to be successful in the fight against climate change.

Converting Policies to Economic Wins and Emissions Reductions

With a job friendly, climate friendly set of policies in place, it is important that Congress maintain stable policies that will allow private capital to commit to investments in clean energy projects at the pace needed to bring emissions down quickly. In the IRA, after all, much of the heavy lifting is done by tax cuts for business to invest in clean energy.

Keeping these policies in place for the rest of the decade will spur a wave of investment that promises to be a significant source of economic growth and job creation, as well as significant source of emissions reductions and American competitiveness.

The AFL-CIO and the Energy Future Initiative work together as the Labor Energy Partnership to produce policy analysis on energy and climate related topics. Our modeling of the IRA, with some small differences from what ultimately passed, show substantial employment growth, increases in disposable income, and a tripling of emission reductions between 2022 and 2030 – because of the investment-inducing nature of the IRA.

The study projects that if these policies are left in place, including the domestic-content incentives, employment will be 1.46 million higher in 2030, with most of the gains in the construction and manufacturing sectors. Emissions in 2030 would be 37% below 2005 levels, while residential energy costs would drop by 1.4%. An overview is submitted as part of this testimony.

The climate-related policies in the Bipartisan Infrastructure Law are also important for investments in how we produce, transport and use energy. The investments in electric power and vehicle charging infrastructure will compliment private investment in electricity production and electric vehicles induced by the IRA. The Department of Energy's investments in demonstrating new technologies, such as the recent announcement of awards in the advanced battery supply chain, are critical in spurring investment in emerging technologies, in industries that will be at the center of this century's economy.

This large deployment of public resources is the proper response to the scale of the climate crisis and the competitive challenge posed by China and others. However, beyond the economic and climate benefits, these investments also reduce security risks and geo-political risks. Dependence on potential adversaries for new energy technologies would be as risky to the United States as dependence on foreign oil, and increasing domestic capacity to produce these items is the key strategy to reduce that risk. In short, the policies of the BIL and the IRA give us the tools to succeed in managing the economic and security risks of the emerging 21st century energy supply chain.

What Still Needs to be Accomplished

Permitting Reform is Needed. While these policies can make the U.S. internationally competitive and speed the deployment of clean energy technologies, we still have work to do to make sure that these investments are brought online quickly and efficiently. Simply put, this is critical to meeting our climate goals.

Although it is an often difficult discussion, we must find a way to permit many more large- scale energy projects faster than we have in the past. This is especially acute in

the case of transmission for electricity, which is needed to support the growth of renewables and the electrification of transportation and buildings. Effective reform likely requires Congressional action, and additional resources, but need not compromise the quality or integrity of environmental reviews.

Trade Policy Impacts our Climate Goals. As the global clean energy economy develops, we still have significant challenges related to strategic competitors and international trade flows. How helping Europe meet its energy needs affects the domestic price and availability of natural gas remains to be seen as we head to winter. How we deal with the carbon-intensity of traded goods is a long way from being sorted out, even as the E.U. barrels toward the imposition of a Carbon Border Adjustment Mechanism, while other nations flood the world market with carbon-intense products.

And perhaps no industry illustrates the kind of trade issues we have to resolve more than the solar industry. Three times in the last decade two different U.S. presidents placed tariffs on solar products from China, and just last week the International Trade Commission found that four companies representing over half of our solar imports are circumventing those tariffs and should have significant tariffs imposed.

As solar developers suffer an acute shortage of solar panels, an unknown but significant portion of solar panels shipped to the United States have been held at the border because the importers are unable to prove that they weren't produced in part by forced labor, in violation of the Uyghur Forced Labor Protection Act.

Clear and consistent enforcement of our trade laws, including tariffs when appropriate, is needed to create the conditions for a domestic solar manufacturing industry, from the polysilicon on up. Photovoltaics are poised to become an iconic 21st century industry, and success in the clean energy economy almost certainly requires a healthy domestic solar industry.

Resilience and Adaptation Efforts Must Increase. The United States National Climate Assessment (NCA) has clearly and consistently called for more attention and investment in response to the effect of climate change. Although the Bipartisan Infrastructure Law dedicates funds for resilient infrastructure and power system upgrades, and for improvements to water systems, America is not investing at the scale needed to protect its citizens from the effects of climate change.

The NCA describes resilience and adaptation efforts as local and regional by their nature, and recommends a process that begins with local awareness and assessment. Local governments are ill-resourced to carry out much of this work, especially outside of large cities with substantial budgets. Now that we have policies that address emissions mitigation, it is time for Congress to seriously examine our how we can develop and implement resilience measures. A deeper understanding of what investments and policies will and won't help citizens exposed to climate risks avoid catastrophic losses can help shape policy responses that we will need to deploy for decades.

Conclusion: We Must Solve for Multiple Goals

The changes coming to our economy as we confront the climate crisis are profound and present an opportunity not seen since the rise of the industrial economy a century ago to address the troubling trends of the past few decades. The creation of whole new industries in whole new geographies offers the chance to reverse the crippling inequality that has become a feature of the American economy, not a bug.

We have a chance to invest in communities that have been lacking job-creating investment for decades, or where the fossil fuels will no longer be produced or used. Clean energy investments can more easily be steered to communities of color, creating opportunities and with intent to alleviate the racial disparities in economic opportunities.

The climate crisis calls for an urgent response, but presents an opportunity to right past wrongs, and to create opportunity for a cleaner, more prosperous nation. That is what is before us if we are able to seize it, and I thank the committee for its work toward that goal, and for the opportunity to speak with you today.

Additional resources:

<https://laborenergy.org/wp-content/uploads/2022/08/8-6-22-IRA-Impact-Analysis-V14.pdf>

<https://aflcio.org/resolutions/resolution5>