



For Immediate Release: October 2, 2009

Contact: Gary Hubbard, 202-778-4384, 202-256-8125, ghubbard@usw.org

USW Cites New Report on Needed Provisions in Senate Clean Energy Bill ***4.1 million workers at risk without international competitiveness measures***

Washington, DC (Oct. 2, 2009) – Leo W. Gerard, International President of the United Steelworkers (USW) joined an environmental leader, a U.S. Senator and manufacturing advocates yesterday to unveil a new report on what is needed in climate change legislation to protect American manufacturing jobs as the U.S. Senate gets underway with completing work on a new bill.

The report from the Economic Policy Institute (EPI) showed a state-by-state breakdown of 4.1 million jobs could be at risk unless Congress maintains international competitiveness by enacting measures to help energy-intensive and trade sensitive manufacturers dealing with new climate change standards and to prevent what is called carbon leakage.

Gerard said, “The 4 million vulnerable jobs in this report are not just in the Midwest, but spread out among all 50 states.” He adds, “Two states most at risk of losing jobs are Texas and California. We must recognize it’s not Pittsburgh warming, or Chicago warming, but global warming.” He explained the issue of carbon leakage as the effect of other countries who don’t have environmental standards and use the economic advantage as a subsidy to steal U.S. jobs.

Speaking on the day after introduction of the climate change bill in the U.S. Senate, he emphasized, “We’re very concerned about any bill that doesn’t have a comprehensive set of policies to prevent carbon and job leakage. Such a package must include border adjustments to prod other countries into sharing the responsibility to address climate change, as well as transition assistance rebates and access to capital that will allow at-risk manufacturers to become more energy efficient.”

The EPI report, ‘Climate Change Policy: Border Adjustment Key to U.S. Trade and Manufacturing Jobs,’ identifies the most vulnerable U.S. manufacturing industries in terms of carbon emissions, and details the extent of employment in these industries and their supply chains in each of the states.

The top ten most energy-intensive industries are steel, pulp and paper, basic chemicals, nonmetallic mineral products, petroleum refining, glass, clay, textiles mills, cement, and aluminum production. When combined, these industries employed 1.2 million workers in 2006 and emitted 813 million tons of carbon. Approximately 1.7 million manufacturing jobs are supported by production in these industries.

In total, more than 4.1 million jobs are supported by these carbon-intensive industries, undermined by unfair trade agreements where imports exceeded 15 percent of domestic output

for seven of them.

The report found climate change legislation that creates a level playing field for American manufacturing could create more than one million new jobs in the two years following passage, with millions more in the following years.

Joining Gerard in a press call to announce the EPI report were U.S. Sen. Sherrod Brown (D-OH); Robert Scott, EPI senior economist and author of the report; Scott Paul, executive director of the Alliance for American Manufacturing (AAM); and Carl Pope, executive director of the Sierra Club.

Sen. Brown said, "We need to maintain a level playing field for American manufacturing. For a clean energy bill to be successful, it must also be a jobs bill. Done right, efforts to reduce carbon emissions can revitalize our nation's manufacturing base to create new clean energy jobs. But that means a bill that invests in the economic competitiveness of domestic manufacturing and prevents jobs from moving to countries with weaker environmental standards."

Sierra Club's Pope stated the report was a useful stakeholder document, adding, "We need to prevent rogue countries that don't play by the rules from becoming a magnet for energy intensive industries. Climate change legislation must level the playing field."

Also citing the report, AAM Executive Director Paul said it "shows that emission allowances, border adjustment and other competitiveness provisions are essential to achieving the goals of carbon emission reduction worldwide and job creation in America."

The 800-page Senate bill was introduced Sept. 30 by Sens. Barbara Boxer (D-CA) and John Kerry (D-MA) as the 'Clean Energy Jobs and American Power Act.' Described as a starter bill under the cap and trade system, there are some differences with the House version passed in June.

The U.S. House approved H.R. 2454, 'The American Clean Energy and Security Act (ACES),' which would cap emissions of greenhouse gases beginning in 2012 and seek to reduce them 17 percent by 2020, relative to emissions in the base year of 2005. The USW helped get passage of the House bill that included a comprehensive international competitiveness package.

The full EPI report can be found at: <http://www.epi.org/publications/entry/bp241/>.

The USW is North America's largest industrial union, representing 850,000 actively employed workers in metals, mining, pulp and paper, rubber, chemicals, glass, auto supply and the energy producing industries.

###