

POLICY STATEMENT ON CLIMATE CHANGE LEGISLATION

MARCH 2009

In response to deepening economic and climate crises, the Blue Green Alliance and its labor and environmental partner organizations – including the United Steelworkers, Sierra Club, Communications Workers of America (CWA), Natural Resources Defense Council (NRDC), Laborers' International Union of North America (LIUNA) and Service Employees International Union (SEIU) – strongly advocate for domestic energy and climate change legislation that will rapidly put Americans back to work with millions of jobs building the clean energy economy and reducing global warming emissions to a level necessary to avoid the worst effects of climate change. A sound energy and climate change policy can put our country back to work quickly and efficiently and put us on a path for sustained economic growth. No course of action would be more destructive than to continue the energy policies that drove oil prices to \$140 a barrel in 2008, contributed to skyrocketing food prices and global food shortages, and resulted in unsustainable trade imbalances.

Global warming and unsustainable energy dependence are the foremost environmental issues of our time; they are also the signature economic issues of our day, providing enormous risks to future GDP growth and unparalleled opportunities to create jobs and launch a different model of economic development.

Within this context, the Blue Green Alliance and its partners urge the passage of comprehensive cap-and-trade climate change legislation in 2009 based on the following principles:

SCIENTIFIC TARGETS. The best scientific consensus must be continuously updated and inform our policies on greenhouse gas emission reductions. Our goal must be to reduce U.S. emissions by at least 80 percent from 1990 levels by 2050. We also support a renewed U.S. effort to forge a global treaty to reduce worldwide emissions by 50 percent by that same date. In order to meet these important 2050 goals, climate change legislation should reduce U.S. emissions significantly below 2005 levels by 2020. Individual BGA partners advocate targets ranging from 14 to 25 percent below 2005 levels by 2020. This would be supplemented with a combination of domestic and international reductions in uncovered sectors (e.g. forestry and agriculture).

ECONOMY-WIDE ARCHITECTURE. Although different sectors of the economy face different regional and international challenges, we believe that our economy is best served by an economy-wide cap-and-trade system. This architecture will best drive the innovation and investment necessary to transform our energy production and consumption systems. For an economy-wide system to work, however, both regional disparities and international competitiveness issues must be addressed. Otherwise, regions of our country most heavily dependent on fossil fuels will be unfairly penalized, and trade-exposed energy-intensive industries will be driven to less regulated countries.

JOB CREATION AND RETENTION. The creation and retention of millions of new and existing, family-sustaining green jobs, particularly in manufacturing and construction, must be a direct goal of climate change legislation. The recent American Recovery and Reinvestment Act of 2009 provided a meaningful down payment on investments in the green economy, saving or creating 3.5 million jobs. But this down payment could be wasted if we don't make the next installments in the clean energy economy at the scale necessary to convert our country to renewable energy. The wind turbines, solar technologies, geothermal and biomass projects to power our country's infrastructure, along with the new transmission, energy efficiency initiatives, broadband investments and mass transportation systems, have the potential to revitalize our existing manufacturing capacity if we safeguard these investments with appropriate procurement policies. The 1.2 million construction workers laid off in the last 18 months will also be called back to work on these projects while, at the same time, we create millions of new job opportunities in retrofitting the nation's building stock.

REGIONAL DISPARITIES, JUSTICE AND EQUITY. Climate change impacts and higher energy costs that may accompany a policy that puts a price on greenhouse gases will affect different sectors of our population and regions of our country unequally. Climate change legislation must provide a variety of mechanisms that offset rising energy costs to low- and moderate-income Americans and adversely impacted regions of the country. Such mechanisms might include energy efficiency programs, energy rebates and dividends, and tax credits and fiscal incentives for investment in the new energy economy.

INTERNATIONAL COMPETITIVENESS. Global warming is a global problem. U.S. climate change legislation must not cause energy-intensive industries to close their U.S. facilities because of rising energy costs and relocate them to countries that do not take effective action to curb emissions related to products shipped to U.S. markets. Such a result would cost U.S. jobs without curbing global greenhouse gas emissions. Among the mechanisms available to resolve this problem are allowance allocations to energy-intensive industries, border adjustment mechanisms that level the carbon playing field in energy-intensive industries that produce import-sensitive products, and globally measurable and enforceable, sectoral agreements within the framework of an international treaty.

GREEN-COLLAR OPPORTUNITY. Recent studies by the Center for American Progress and University of Massachusetts have demonstrated that the most commonly needed job skills for global warming solutions are already held by millions of Americans, many of them standing in unemployment lines. Clean energy and global warming solutions will put them back to work. The scope and scale of the work to be done also will provide our country with an historic opportunity to set a new urban and rural social agenda to bring jobs and opportunity to marginalized communities. Climate change legislation should directly link its solutions to a broad agenda for economic opportunity that engages the communities with high unemployment rates first and funds our training and transition needs at a level commensurate with success.

ALLOWANCE ALLOCATION. Allowances should be auctioned or used for public purposes, while avoiding windfall profits. This will maximize the investment of public revenues in public “goods” such as creating jobs, minimizing leakage due to international competition, upgrading technology in vital industries, revitalizing research and development, investing in clean energy, broadband and transportation infrastructure, and supporting equity programs that help transition workers and vulnerable communities.

COMPLEMENTARY REGULATION. We strongly support an approach to climate change legislation that includes regulatory measures such as standards for power plant emissions, low-carbon fuels, renewable electricity, energy efficiency resources, fuel efficiency and appliance efficiency. Such approaches have proven to be effective market-building tools that attract investment and create jobs.

RESEARCH AND DEVELOPMENT. Investments in research and development are critical to the efficient transformation of our nation to a clean energy economy. R & D investments should include a wide range of technologies, including carbon, capture and sequestration technology.

INTERNATIONAL INVESTMENT. Any effective domestic climate change legislation must recognize our country’s opportunity and responsibility to help fund a clean energy economic development model for developing and emerging economies. We recognize that the old model based on extraordinary U.S. trade deficits and energy dependence on the Middle East was both environmentally and economically unsustainable. The transfer of clean energy and energy efficiency technologies and the preservation of the world’s significant rain forest carbon sinks must happen in a way that effectively raises international standards of living, protects the rights of indigenous peoples, provides decent work and promotes a consumption model of economic development in the developing world. The results of both technology transfer and rain forest preservation must be measurable, reportable and verifiable.

ADAPTATION. In both the U.S. and other countries, global warming is already having negative impacts on economies, jobs, communities, natural resources and natural habitats. We recognize that a significant portion of the revenues raised through cap-and-trade legislation in the U.S. must be used for adaptation measures that provide solutions to those immediately impacted by global warming both domestically and internationally.

FINANCING THE CLEAN ENERGY TRANSITION. We believe in the basic responsibility of government to lead in funding the transition to a clean energy economy. Cap-and-trade auction revenues are one source of those funds. However, just as in the current financial crisis some banks have been considered essential assets, our atmosphere is “too big to fail.” Just as we believe that scientific goals must be continuously reevaluated according to emerging data, so, too, the scope of our investments must be continuously revisited to see if they are adequate to succeed.

CONCLUSION. We recognize the range of debate within our country today on the targets, timetables, and policy mechanisms to implement comprehensive climate change legislation. We do not claim to have unique solutions, nor to have the only path to successful resolution of the climate crisis. We do, however, share a common conviction that any successful climate change legislation must be guided by two overriding principles – the best scientific advice on the reduction targets and implementation mechanisms that rapidly put Americans back to work, building the solutions to reach those targets.

The Blue Green Alliance is a national partnership of labor unions and environmental organizations dedicated to expanding the number and quality of green jobs in the United States. Launched by the United Steelworkers and the Sierra Club in 2006, BGA has since grown to include the Communications Workers of America (CWA), Natural Resources Defense Council (NRDC), Laborers’ International Union of North America (LIUNA) and the Service Employees International Union (SEIU), uniting more than six million union members and environmentalists in pursuit of good jobs, a clean environment and a green economy.