

**Testimony of
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Before the
Select Committee on Energy Independence and Global Warming
Hearing on
"The Green Road to Economic Recovery"
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Mr. Chairman, Members of the Committee, My name is Fred Redmond and I am the International Vice President for Human Affairs for the United Steelworkers Union (USW). The USW is the largest industrial union in North America with 850,000 members and is the dominant union in the steel, paper, forestry, rubber, plastics, aluminum, chemicals, oil, glass, cement and energy industries.

I am especially pleased to be given the opportunity to testify before the House Select Committee on Energy Independence and Global Warming, on "The Green Road to Economic Recovery", as our Union has long held the belief that good jobs and a clean environment go hand-in-hand.

The United Steelworkers endorsed the "Green Recovery" report released by the Center for American Progress, and we applaud the Center for American Progress for highlighting the economic and employment opportunities that can exist when significant investments are made in the "green" economy. Their report highlights specifically what an investment of \$100 billion can mean for the U.S. economy over a two year period. They estimate that over 900,000 jobs in the construction industry and over 580,000 jobs in the industries that supply goods for wind turbines and building retrofits would be created. They also estimate almost 500,000 jobs would be created in the retail and wholesale industries as a result of increased capital from increased employment. This leads to a total creation of 2 million jobs from a \$100 billion investment.

As our nation continues to experience an economic downturn, with a failing financial market and an unemployment rate of 5.7%, the highest in four years, policies that spur investment in the emerging "green" economy are more critical than ever.

Our Union and our members have experienced devastating job loss first-hand. Over the last ten years over 3.2 million manufacturing jobs have been lost as a result of unfair trade, outsourcing and exporting jobs instead of products. Many of the jobs that have been lost from communities like Cleveland, Ohio, Buffalo, NY, Detroit, MI, and Baltimore, MD have gone to countries like China and India that have abysmal environmental and labor standards.

The USW strongly believes that today's environmental challenges are tomorrow's economic opportunities. Evidence of this fact already surrounds us. In Germany, 1.4 million people are already employed in the "green" sector with about 40,000 people employed in their wind energy industry. Interestingly, more steel is consumed in Germany by the wind energy industry than any other except automotive.

The “green” economy offers an opportunity to not only place the U.S. on a path towards energy independence, but also offers a unique opportunity to revitalize our domestic manufacturing and construction industries. As expressed in the Center for American Progress report, millions of job opportunities exist for our nation’s, steelworkers, machinists, electricians, roofers, drivers and carpenters.

The USW is poised and ready to work to reverse the downward trend in manufacturing by creating new “clean energy” jobs while fighting to save the manufacturing jobs we have left. We believe that we are at a critical point in achieving these goals, as several opportunities exist for the U.S. at this time:

- 1) The opportunity for American businesses to lead the world in clean energy products and services;
- 2) The opportunity for American workers to thrive in a new generation of well paid, green collar jobs;
- 3) The opportunity for American cities to become cleaner, healthier, and more efficient places to live and work;
- 4) The opportunity to stimulate the flow of private and public capital into clean energy and energy efficiency initiatives that create good-paying jobs across a wide spectrum of our economy.

Economic studies that the USW has supported over the past decade have shown repeatedly that well-crafted public policies that move us steadily and predictably toward global warming emissions reductions will have a net positive impact including on manufacturing. A 2002 study produced by the Center for Sustainable Economies and the Economic Policy Institute and released by the United Steelworkers and other unions showed that a menu of renewable energy investments, efficiency measures and carbon reduction mandates in line with the Kyoto targets would have created a net increase of 1.4 million jobs in the economy, including increases in most manufacturing industries.

The USW has worked with a broad coalition of groups including the Sierra Club to support policy initiatives that we believe would encourage these opportunities. One such initiative is working to enact a federal Renewable Portfolio Standard (RPS), which would require large electric utilities to generate a certain percentage of their energy through renewable sources like wind, solar and biomass by a set date. We believe the RPS represents an important economic opportunity on both the state and federal levels to drive demand in the Renewables market.

A study released in 2006 by the Blue Green Alliance, an alliance of the United Steelworkers and the Sierra Club, focusing on the component manufacturing market in the renewable energy industry looked at a 10 year effort to introduce 185,000 megawatts of electricity through renewable sources—the rough equivalent of a 20 percent RPS—found that 850,000 jobs would be created with \$160 billion of investments in manufacturing. This

investment would ripple through 43,000 remaining manufacturers in the U.S. and revitalize the 20 states hardest hit by the decline in manufacturing in the last decade.

Economic models for the state of Ohio show that a federal RPS at 20 percent would generate over 51,000 jobs in renewable component manufacturing, while 34,000 jobs would be created in Michigan.

In 2004 Pennsylvania passed its 18 percent RPS at the urging of PA state officials, USW and others. As a result Gamesa, a Spanish-owned wind turbine company, decided to build its first North American plants in Pennsylvania, because of the demand created by the RPS. Today almost 1000 steelworkers are employed in Gamesa plants outside of Philadelphia building wind turbines on the site of an abandoned U.S. Steel mill. The state RPS drove Gamesa to invest in Pennsylvania and as a result has helped to revitalize a community that was devastated by job loss.

The “green” job chain does not stop at Gamesa. As a result of the demand by the wind industry for steel plate, in 2007 Arcelor Mittal Steel, the world’s largest steel company and largest in the U.S., recalled 250 steelworkers back to work at its Burns Harbor, IN plate mill to work to meet the demand. While these jobs are not specifically “green” in nature, they serve a “green” purpose because the product these men and women are making will be used in wind turbines. Likewise, component parts manufacturing, installation of turbines, maintenance, and the construction of new transmission lines also serve a “green” purpose. This is what we mean when we talk about “green jobs” and the overall “greening” of the U.S. economy. It’s not just creating new jobs, but also spurring growth in existing industries. The Center for American Progress report shows the potential for over 86,000 “green” jobs in Pennsylvania, and over 43,000 “green” jobs in Indiana alone.

In 2006 the USW formed an Alliance with the Sierra Club called the Blue Green Alliance, which was formed around the principles of developing clean energy policy solutions to combat global warming and create jobs, a new vision for trade and advancing green chemistry. We have used this Alliance to take the message of economic opportunity and energy independence to union halls, to the oil refineries where our members work in Houston, to policy debates in dozens of state capitals to planning conferences and International gatherings of NGO’s and the United Nations.

Our Union will continue to work with Congress and a broad coalition including other labor unions, business, environmental and community groups on both the state and federal level to develop and support clean energy policies that will encourage job creation through investment in domestic “green” technologies, energy efficiency and education and training.

We will continue to build power in our quest to achieve good jobs and a healthy environment for our members, their families and their communities, so we can ensure the world we leave for our children will be a clean, healthy and economically prosperous one.

Thank you for the opportunity to testify before your Committee.