



Region 5

6500 S. Rosemead Blvd.
Pico Rivera, CA 90660



Phone : (562) 801-1500
Fax: (562) 801-1555

INTERNATIONAL UNION, UNITED AUTOMOBILE, AEROSPACE & AGRICULTURAL IMPLEMENT WORKERS OF AMERICA-UAW

Vance Pearson

Director
(Member, International Executive Board)

Gary Jones
President

Ray Curry
Secretary-Treasurer

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To: Co-Chair Senator Michael Dembrow, Co-Chair Representative Karin Power, Co-Vice Chair Senator Cliff Bentz, Co-Vice Chair Representative David Brock Smith, Members of the Joint Committee on Carbon Reduction: Senator Lee Beyer, Senator Fred Girod, Senator Jeff Golden, Senator Alan Olsen, Senator Kathleen Taylor, Representative Daniel Bonham, Representative Shelly Boshart Davis, Representative Ken Helm, Representative John Lively, Representative Pam Marsh

Subject: HB 2020

On behalf of one million active and retired members of the International Union, United Automobile, Aerospace and Agricultural Implement Workers of America (UAW), we thank you for the opportunity to comment on Oregon's proposal to tackle climate change through a cap and invest program, the Oregon Climate Action Program (HB 2020).

There is no real scientific debate on the connection between fossil fuel consumption, rising carbon dioxide levels in the earth's atmosphere, and the genuine threat of climate change. We must act now to protect our future and the future of our children and grandchildren.

In designing emissions reductions policy, you must look at various sectors that contribute to greenhouse gases, including transportation. Research shows that electric vehicles (EVs) reduce greenhouse gas emissions and reduce dependence on foreign oil. Oregon has already shown leadership in committing to and implementing policies to facilitate adoption of light duty EVs.ⁱ Oregon's EV sales have grown in market share, but EVs represented only around 5% of all vehicle sales in the state in 2018.ⁱⁱ

Barriers to adoption of EVs are partially due to the high cost of the batteries (limited charging station infrastructure and consumer range anxiety are also factors). Although analysts project that electric vehicles will become price competitive with traditional vehicles in about a decade,ⁱⁱⁱ EV sales would need to accelerate on a shorter timeline in order to meet emissions reductions goals.

Consumer subsidies have proven essential to creating a robust market for EVs in the United States and internationally and are critical to achieving a clean energy future. However, developing policies and incentives for EV adoption must simultaneously address economic inequality and ensure high quality jobs for workers to stabilize the middle class. The emerging EV industry will play a key role in determining whether 21st century auto manufacturing jobs are good, livable-wage jobs. Indeed, the EV industry

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presents a unique opportunity to simultaneously reduce our GHG footprint and ensure economic security for working families.

The U.S. auto industry has historically created middle-class jobs for blue-collar workers, elevating working conditions and living standards across the manufacturing sector. Unfortunately, this is no longer the case in many instances. In recent decades, the percentage of workers in the manufacturing sector that enjoy the benefits of unionization – such as fair wages, affordable health insurance, retirement – has declined. Unsurprisingly, over the past fifteen years, U.S. automotive production workers' wages have shrunk dramatically. When adjusting for inflation, final assembly production workers' wages have dropped 29 percent, while along the supply chain, parts production workers' wages have dropped 13 percent. Real wages have dropped despite remarkable increases in productivity.^{iv}

We have thousands of UAW members building electric vehicles like the Chevy Bolt and plug-in hybrids like the Volt. But the electrification of the auto industry is still in its early stages. The next few years will see the introduction of many new EV models, with nearly all major automakers setting ambitious goals for EVs and plans to spend over \$300 billion globally to transition to electric vehicles.^v

In California, the next step in strengthening its greenhouse gas reduction goals is to analyze the workforce development needs to ensure that communities, workers and industries can adapt and transition as the state implements its greenhouse gas reduction targets.^{vi} California has begun to examine the implementation of a quality job guideline for automakers seeking eligibility for EV rebates, through establishing a "fair and responsible" standard,^{vii} which has been drafted by state agencies.^{viii}

To facilitate the transition to clean vehicles and quality jobs, Oregon can spur growth of the EV market through the greening of state and municipal fleets, consumer-side incentives and initiatives to promote the conversion of private fleets. It is critical that any investment of public dollars into EV expansion promote high-road manufacturing, with domestic production, worker health & safety, freedom of assembly, and family-sustaining wages & benefits. HB 2020 would provide additional revenues to expand consumer rebates as well as fleet greening initiatives. We would like to support such a policy that institutes a workforce standard to encourage the creation of high-quality jobs.

Oregon's newly launched electric vehicle rebate program is a step toward stimulating consumer purchases of electric vehicles and plug-in hybrids. Importantly, the program offers more generous subsidies for low income families, for whom the higher cost of EVs is a barrier even as lower income communities also face inferior air quality.^{ix}

We need to ensure these subsidized vehicles provide good, middle class jobs with the safest of working conditions. Therefore, we strongly recommend the current rebate program, and any future Incentive programs, adopt standards that incentivizes high-road manufacturing practices for the assembly line workers building the electric vehicles.

HB 2020 should include a job quality standard for automakers seeking eligibility for EV rebates.

Oregon has the opportunity to develop its cap and invest program with a proactive approach to quality job creation to ensure that we meet our climate goals while building economic resiliency for all communities.

We appreciate the opportunity to weigh in and look forward to working with you.

Please contact Alyssa Giachino (alyssa.giachino@gmail.com) or Victor Quiroz (vquiroz@uaw.net) if you have questions or need additional information.

Sincerely,



Vance Pearson, Director
International Union, UAW Region 5

VP:mg

opeiu494/afl-cio

cc: Josh Nassar

Alyssa Giachino

Victor Quiroz

ⁱ https://www.oregon.gov/gov/Documents/executive_orders/eo_17-21.pdf

ⁱⁱ <https://evadoption.com/ev-market-share/ev-market-share-state/>

ⁱⁱⁱ Bloomberg New Energy Finance, "Electric Vehicle Outlook 2018": <https://about.bnef.com/electric-vehicle-outlook/>

^{iv} https://www.bls.gov/OES/current/oes_stru.htm#51-0000

^v Bloomberg New Energy Finance, "Electric Vehicle Outlook 2018": <https://about.bnef.com/electric-vehicle-outlook/>

^{vi} https://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=201720180AB398

^{vii} https://leginfo.legislature.ca.gov/faces/billTextClient.xhtml?bill_id=201720180AB134

^{viii} <https://www.arb.ca.gov/msprog/aqip/cvrp/2018cvrpconceptpaper-labor.pdf>

^{ix} <https://www.scientificamerican.com/article/electric-car-advocates-want-to-expand-access-to-low-income-communities/>