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Presentation to Just Transition and Environmental Justice Work Group, 9-21-17

Rep. Marsh, Rep. Hernandez and members of the work group:

My name is Barbara Byrd, and I'm Secretary-Treasurer of the Oregon AFL-CIO, which represents 130,000 workers in the state. Thank you for inviting me to speak today on behalf of Oregon workers - all of us have a stake in the work you're doing to address the climate crisis. Before I jump in, I want to acknowledge the presence of Tim Frew, head of the Oregon State Building and Construction Trades Dept., on this work group – Tim will be a great resource for information about how cap and invest as it will affect construction workers.

The Oregon AFL-CIO has worked for a decade or more to make sure that workers' interests are considered in the development of climate policy. With our in-state and regional partners from labor, front-line communities and environmental organizations, we have advocated for a climate policy that guarantees economic health and sustainability as well as equity. We've learned a lot from our allies, and I've learned much, personally, from Maggie Talmadge.

I'd like to add just a bit of additional insight into the meaning of the term "just transition" as Maggie has described it.

Labor has been using the term since the 1990's, when the late Tony Mazzocchi, the visionary leader of the Oil, Chemical and Atomic Workers Union, first wrestled with how his members, who worked in some of the most dangerous and environmentally damaging industries, could contribute to protecting the earth without putting their livelihoods in jeopardy. Sometimes called "a Superfund for workers," sometimes, a workers' GI Bill, Mazzocchi and his union endorsed and promoted a program that came to be known as Just Transition. A Just Transition Fund, as he saw it, **would maintain wages and benefits for workers until they could find new jobs with comparable compensation or reach retirement age; and it would pay for education and training as well as relocation expenses for those who chose to move.**

Just Transition was always meant to include communities that were polluted and exploited by toxic industries; and it was those communities that kept the idea alive after Mazzocchi's untimely death and broadened it in important ways that we now embrace.

Language calling for a Just Transition was included in the Preamble to the December 2015 Paris agreement. Also in December 2015, US Senator Bernie Sanders introduced, and Senators Jeff Merkley and Edward Markey co-sponsored, the "Clean Energy Worker Just Transition Act" to assist workers in fossil fuel industries during the transition to a clean energy economy.

Let me turn now to opportunities that could be created by a cap and invest program moving forward, particular SB 1070.

1. Tying carbon pricing to the creation of good jobs with a future

This is at the heart of the opportunities for labor in a cap and invest system. The shift away from fossil fuels and toward clean energy can create job opportunities for Oregonians in two ways – (1) by facilitating the growth of new clean energy sectors and (2) by encouraging new economic activity in existing sectors. They include solar, wind, geothermal and other renewable energy industries. They include energy efficiency, from home weatherization to retrofits of commercial buildings. And they include jobs in the forests, in agriculture, teaching and monitoring.

We need to assure that **all** these jobs are well-paid, career track, local jobs that contribute significantly to preserving or enhancing environmental quality. Included in our conception is the notion that there should be pathways into these jobs for underrepresented groups. SB 1070 includes provisions requiring the use of project labor agreements and other high road strategies, including registered apprenticeship and responsible contractor provisions on funded construction projects.

One other opportunity: A Climate Investments Grant program that incentivizes the use of domestically produced products could greatly benefit Oregon manufacturers. Let's not sacrifice the opportunity to incentivize our local economy on the altar of low-cost, low-bid.

2. Compliance flexibility to protect Oregon industry against leakage and other adverse impacts

We have advocated for a climate policy that would not only maintain but also grow our existing manufacturing base. The transition to a clean and efficient energy economy can, **if not properly carried out**, pose a threat to this existing base. Heavy manufacturing in particular has already suffered major losses due to unfair trade, offshoring, and other factors. One approach to the

threat of leakage is in SB 1070 – it is to distribute free allowances to “covered entities that are part of an emissions-intensive, trade-exposed industry”, and to more gradually phase in emissions reductions. It will be necessary, of course, to carefully monitor any cap and invest program to assure that this approach is effective, and to adjust it as necessary.

3. A “just transition” for vulnerable workers

Unfortunately, the for some Oregon workers, the term “just transition” conjures up only the specter of job loss. We believe that climate policy must *not* be developed on the backs of these workers, who might suffer economic hardship or insecurity as a result of layoffs due to rising electricity costs or even plant closures. In addition to compliance flexibility, we call as a last-resort for “just transition” provisions for such vulnerable workers, in consultation with the unions that represent them: for financial assistance, including extended unemployment benefits, relocation assistance, and bridges to retirement; and for retraining where appropriate. In spite of my long involvement with the state workforce training system, I do not believe that we can **train** our way out of the issue of job loss – laid-off workers will need much more than a short-term class to rebuild their lives. We will have to establish an adequately resourced just transition fund to accomplish these aims. SB 1070 makes a step in this direction.

4. Equity for communities

We consider part of a worker agenda that assistance to disadvantaged communities be prioritized. Setting aside a part of revenues for these communities is essential, and careful monitoring must assure that these funds are accomplishing the goals set for them.

5. Finally, participation by labor representatives in policy-making and implementation

Our labor community contains many experts in this arena – union leaders who are knowledgeable about manufacturing and construction, about health care, about workforce training and apprenticeship, and about the development of career pathways for low-income Oregonians into good jobs. It is crucial that labor’s expertise be integrated into the development of policy and its implementation and evaluation. SB 1070 includes labor representation on the Oversight Committee, as well as on committees that oversee investments. These are roles for which labor is well-suited, and which we welcome.

Thank you, again, for the chance to present today.