

**DOCKETED**

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**UAW comment on pilot line proposal**

*Additional submitted attachment is included below.*



## Region 6

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

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October 9, 2024

**Re: Docket 23-ERDD-01, California Battery Pilot Manufacturing Line Concept**

Dear California Energy Commission Commissioners and Staff,

The United Auto Workers represents over 120,000 members in California and over 1 million workers nationally. We write to provide feedback on the proposed California Battery Pilot Manufacturing Line Program concept presented at the September 20<sup>th</sup> California Energy Commission (CEC) scoping workshop.

UAW members are fighting for a just transition to ensure that changes in the US automotive industry and broader fossil fuel-based energy system result in high quality jobs that benefit dislocated workers and historically excluded communities. UAW is one of the fastest growing industrial unions and we are committed to creating high quality jobs for the next generation of workers who will build the solutions to the climate crisis. UAW members have been working in all aspects of the auto, aerospace, and agricultural implement supply chains for over 80 years. Our members build batteries, assemble vehicles, make vehicle parts, build engines, do warehouse and logistics work, perform maintenance and skilled trades work in plants, and do research and development for zero emissions vehicles and all related technology.

The UAW supports a CEC battery pilot manufacturing line concept that fosters a high road manufacturing ecosystem and a high road approach to technological and productivity innovation. Publicly funded pilot lines present a significant economic development opportunity for California workers and communities while creating very generous public supports to private industry. CEC should not miss the critical opportunity to use publicly funded pilot line investments to encourage and promote high road manufacturing approaches and especially unionization, which support company productivity, leapfrogging innovation, high quality jobs, equity for disadvantaged communities, and action towards addressing the climate crisis.

Susan Helper, a leading manufacturing and industrial economist at Case Western Reserve University and former Industrial Policy lead for the Biden White House, characterizes the value proposition of high road manufacturing approaches in the following way:

“High-road” firms remain in business while paying far higher wages than their competitors do, because highly skilled workers help firms achieve high rates of innovation, quality, and fast response to unexpected situations. The resulting high productivity allows firms to pay high wages to workers while still making profits that are acceptable to owners. In stamping, as in most manufacturing, direct labor costs are a small portion of total costs (usually far less than 20 percent). Strategies other than minimizing direct labor cost (such as avoiding downtime and introducing innovative products and processes) can thus be key sources of competitive advantage. Shop-floor workers can play an important role in these areas by participating in continuous improvement activities...These activities increase the return to having skilled and motivated workers, so are most effective if accompanied by above-average wages.<sup>1</sup>

The clearest way for CEC to leverage high road manufacturing approaches to pilot line development is to include application requirements that proposers must partner with both labor *and* workforce development entities on their operational plans and in community benefit agreements. Labor or workforce participants alone cannot provide the training, productivity, equity, and long-term career ladders that emerge when labor union participation and workforce training are paired together. The UC Berkeley Labor Center concisely conveys the value of pairing these two vital aspects of high training together:

Having the above three elements in place [labor and company industry leaders, durable partnership commitments, and worker voice] allows industry leaders to then collectively identify the most relevant ways to train, develop, and support workers to succeed for the specific jobs and needs they have identified. Note that the order of this process is important. Decisions around education and training programs are dependent on the industry first determining the needs, and then problem solving together to uniquely shape what will be developed and delivered. This upends the traditional approach to workforce development because it allows the industry to pull in the education and training resources it needs rather than have the workforce development or community college system try to push out solutions they believe may work for those industries and workers.<sup>2</sup>

Evaluations from California’s own successful High Road Training Partnerships workforce program bear out this imperative to integrate labor and company participation into training programs.<sup>3</sup> In addition to labor and management training partnerships, proposers should also demonstrate high-quality job outcomes, worker voice outcomes, high road training outcomes, and community benefit outcomes. These workforce

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<sup>1</sup> [https://www.brookings.edu/wp-content/uploads/2016/06/0222\\_manufacturing\\_helper\\_krueger\\_wial.pdf](https://www.brookings.edu/wp-content/uploads/2016/06/0222_manufacturing_helper_krueger_wial.pdf)

<sup>2</sup> [Taking the High Road -- High Road Training Partnerships: A Path to Reimagine and Rebuild Our Economy \(berkeley.edu\)](https://labor.berkeley.edu/taking-the-high-road-high-road-training-partnerships-a-path-to-reimagine-and-rebuild-our-economy/)

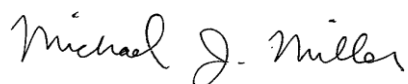
<sup>3</sup> [https://labor.ucla.edu/wp-content/uploads/2021/05/Eval\\_FINAL-REPORT-2.pdf](https://labor.ucla.edu/wp-content/uploads/2021/05/Eval_FINAL-REPORT-2.pdf)

and community benefit approaches should be modeled on and adapted from the progressive approach of CEC's PowerForward program, and the scoring and weighting criteria developed for that program.<sup>4</sup>

UAW is well-positioned to participate as a labor and workforce partner in a public infrastructure pilot line, and we have been in early discussions with likely industry and non-profit proposers about high road value additions we can make to such a program. Our UAW 501(c)(3) organization, the UAW Center for Manufacturing a Green Economy (CMGE), was created to lead the union's recruitment and training for careers in climate manufacturing, empowering a well-trained, mission-driven green workforce to meet the growing needs of manufacturing operations. We believe any proposer for this project would be well-served to partner with our industry-leading workforce program which is specifically tailored to fostering high road battery industry development.

If you have any questions, please do not hesitate to contact Sam Appel, Region 6 Policy Director at [sappel@uaw.net](mailto:sappel@uaw.net).

Sincerely,

A handwritten signature in black ink that reads "Michael J. Miller". The signature is written in a cursive style with a large initial "M".

Mike Miller  
Director  
UAW Region 6

MM:gf  
opeiu494afl-cio

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<sup>4</sup> [https://powerforwardgrant.org/documents/PowerForward\\_Application%20Manual.pdf](https://powerforwardgrant.org/documents/PowerForward_Application%20Manual.pdf)