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DATE June 03 2011

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June 2, 2011

To: Chair and Advisory Committee, 2011-2012 Investment Plan for the Alternative and Renewable Fuel and Vehicle Technology Program, California Energy Commission

Re: Worker Training Funds, Public Transit, and Focus on Manufacturing

Dear Chair and Advisory Committee:

The California Labor Federation supports the Committee Draft Report of the 2011-2012 Investment Plan for the Alternative and Renewable Fuel and Vehicle Technology Program. We believe that it is important to identify and build upon existing industries and training programs that have been weakened by the economic downturn instead of focusing resources on unproven, new upstarts and programs.

Workforce Training and Public Transit:

Workforce development and training is a critical component of the investment plan, and so we are encouraged to see that there is \$6.5 million set aside for this purpose. The funding reflects the understanding that workforce training should be funded on a continual basis rather than sporadically. The state and local agencies and groups engaged in the training collaboration understand that now, when the economy is in recession, is the best time to re-skill and update the skills of employed workers. This will ensure industry competitiveness in a changing economy and mitigate layoffs; incumbent worker training is the best layoff-aversion strategy; in fact, this strategy is being used by other industrialized nations that are at the forefront of the cleantech revolution, such as Germany. Continued funding for incumbent worker training will help California industry produce quality products and be internationally competitive.

We are very excited about the Green Public Transit Project that was awarded to the California Labor Federation through the Employment Training Panel to support joint labor-management training programs in public transit and believe that investments in training for regional transit is a wise investment with many benefits for workers, transit agencies, the environment, and the general public. The funding will provide advanced technology training for about 900 bus and rail technicians and mechanics working with energy efficient and green transportation vehicles and equipment. Our three transit partners on this project include: the Los Angeles County Metropolitan Transportation Authority (LA METRO), Sacramento Regional Transit District (SACRT) and the Santa Clara Valley Transportation Authority (Santa Clara VTA).

The demand for such training is immense and we hope to expand the program during the next year. The ETP funding process includes strong placement, accountability, and leveraging requirements and should continue to be used to administer training funds.

Manufacturing and Regional Planning:

“Encouraging manufacturers of PEVs and their components to locate or expand their operations in California has the potential to create thousands of green jobs and bring substantial benefits to the state’s economy.” (pg. 127)

We support the investment of \$8 million in manufacturing for the reason cited by the investment plan (see above). As mentioned in the report, California recently experienced the closure of one of the premier automotive plants in America, the New United Motor Manufacturing, Inc. (NUMMI). Until the facility’s closure in April 2010, the Fremont plant employed 4,500 high-skilled union laborers, who were members of the International United Automobile, Aerospace and Agricultural Implement Workers of America (UAW), as well as up to 35,000 supply chain workers in a joint venture between GM and Toyota. Communities across northern California, from Alameda and the Bay Area to the Central Valley, are still reeling from the impact of this loss of jobs and revenues.

The Energy Commission should bolster the efforts of the DOE’s Advanced Technology Vehicle Manufacturing program in supporting manufacturing in our state but should make every effort to promote hiring laid-off NUMMI workers who already have many of the skills needed to make the new companies competitive. Applicants who promise to hire from within the pool of former NUMMI workers should be given additional points in determining the final scoring.

The NUMMI case is a prime example of why labor union representatives need to be involved in the regional planning process. According to the 2011-12 Investment Plan, the Energy Commission will allocate \$2 million to fund three to five regional industry cluster of opportunity planning and development projects, which may include the San Francisco, Central Valley, Sacramento and three Bay Area regions. I would suggest that a significant amount of these resources be used to bring together regional partners to assess the viability of building upon the NUMMI supply chain for alternative fuel vehicles. Also, regional partners should explore the viability of wind turbine component part and high-speed rail car manufacturing in the region. In addition to labor unions and local workforce investment boards, the Silicon Valley Leadership Council should be part of these planning efforts.

We encourage the Energy Commission and its partner agencies to engage in more collaboration with unions and signatory employers so that California will emerge from the economic downturn with a skilled, competitive workforce.

Sincerely,

A handwritten signature in black ink that reads "Peter Cooper". The signature is fluid and cursive, with the first name "Peter" and last name "Cooper" clearly distinguishable.

Peter Cooper, Senior Program Manager
Workforce and Economic Development Program, California Labor Federation