

Policy Action to Strengthen Manufacturing and Supply Chains

Zoe Lipman

Director, Manufacturing and
Advanced Transportation

BlueGreen Alliance

October 26, 2021

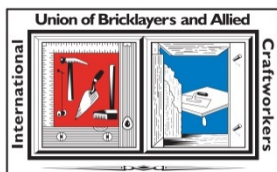


**BLUEGREEN
ALLIANCE**

www.bluegreenalliance.org



BLUEGREEN ALLIANCE



A pro-worker pro-climate agenda is essential



**BLUEGREEN
ALLIANCE**

**Solidarity for
Climate Action**

**Manufacturing
Agenda**

Relief & Recovery

We don't have to choose between good jobs and clean environment, we can and must have both

"We can't rebuild prosperity if we fall behind the rest of the world in building the technologies of the future, or if working people don't see gains from innovation or a clean economy.."

COVID crisis underscored importance of manufacturing and supply chain

Now more critical than ever



Manufacturing, Auto matters

- Jobs, Economy, Innovation, Prosperity.
- Motor vehicles at heart of manufacturing
- Now largest source of emissions
- Essential infrastructure, and to daily life
- Car is second – or first - largest purchase

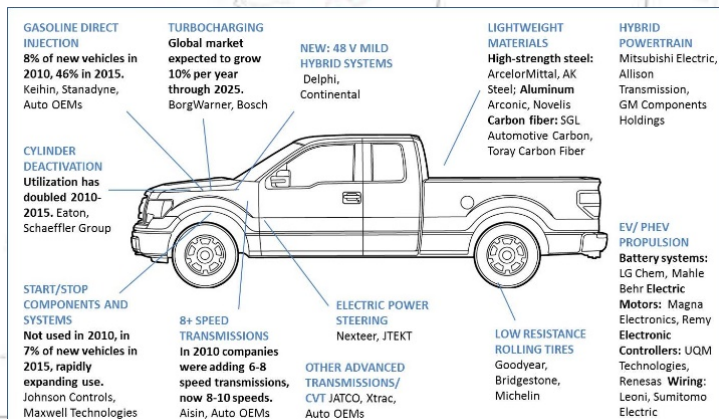


**BLUEGREEN
ALLIANCE**

www.bluegreenalliance.org

Industry is at a crossroads

- Trajectory and shape of of the industry is being determined now
- Competitors are moving fast
- Outcomes not inevitable



- Policy choices we make now matter...

An interactive map of the advanced vehicle supply chain is available at: <https://www.bgafoundation.org/>

The Stakes for Workers

- 220,000 manufacturing jobs hinge on whether shift to EV's happens together with policy to onshore the EV supply chain, and increase domestic share of production

Economic
Policy
Institute

The stakes for workers in how policymakers manage the coming shift to all-electric vehicles

Report • By Jim Barrett and Josh Blivers • September 22, 2021

Executive summary

Rapid technological change, new market dynamics, and global action to mitigate climate change is driving a historic shift toward electric vehicles (EVs) in the automotive sector. Although hybrid electric vehicles have been part of the U.S. vehicle fleet for more than two decades, and some mass-market EVs have been available for over a decade, battery electric vehicles (BEVs), which are powered exclusively by a battery and an electric motor, currently make up a small part of U.S. auto sales. And the batteries and other drivetrain components in BEVs are largely made by non-U.S. suppliers. The coming shift toward BEVs is a transformational change to the industry that is by now inevitable.

Given that this shift is coming, the most important question for policymakers is how the shift will be managed. Smart policy can transform this industry upheaval into a new beginning for U.S. producers and the rebuilding of a foundation for good jobs. If instead policy remains on autopilot through the upcoming transformation, the shift will instead reduce U.S. employment and further batter job quality in the auto sector. The policy actions needed to

SECTIONS

1. Executive summary • 1
2. Potential employment impacts of a shift to EVs: Policy will matter greatly • 3
3. Modeling different scenarios for the rise of EVs • 5
4. Results: Employment impacts under different scenarios • 6
5. Conclusion • 15

Acknowledgments • 15
Endnotes • 17
References • 18

Policy under debate right now could set a new trajectory

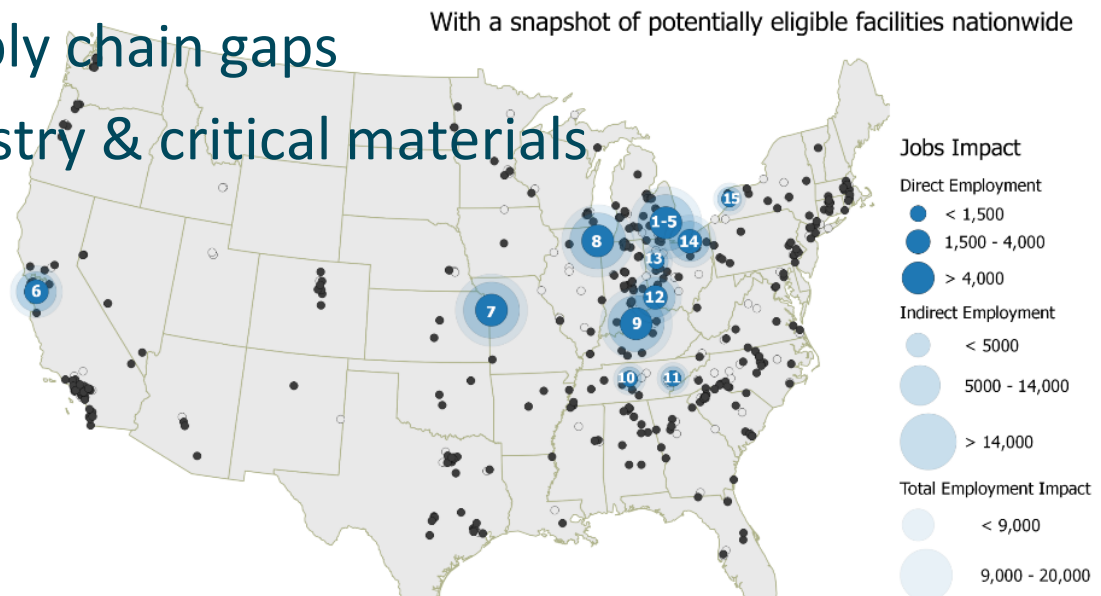


**BLUEGREEN
ALLIANCE**

www.bluegreenalliance.org

Proactive manufacturing agenda

- Invest at scale in manufacturing next generation of vehicles in America
 - Fund urgent manufacturing retooling and conversion
 - Re-shore and fill supply chain gaps
 - Transform basic industry & critical materials production in US
- New and proven tools ...



**BLUEGREEN
ALLIANCE**

www.bluegreenalliance.org

Powerful opportunity for manufacturing in reconciliation package

- Auto manufacturing and retooling investments
 - Expand and fund the ATVM loan program
 - Manufacturing Conversion and Retooling grants
- Spur growth and onshoring of supply chains
 - Expand and Robustly fund 48C
 - Enact new battery and materials supply chain manufacturing tax credits
- Support manufacturing-centered economic development
- Target investments to workers and communities that need it most
- And....Ensure Essential Labor & Domestic Manufacturing Provisions in Energy Deployment tax credits



**BLUEGREEN
ALLIANCE**

www.bluegreenalliance.org

Ensure public investments to boost a strong, clean, fair manufacturing economy in America

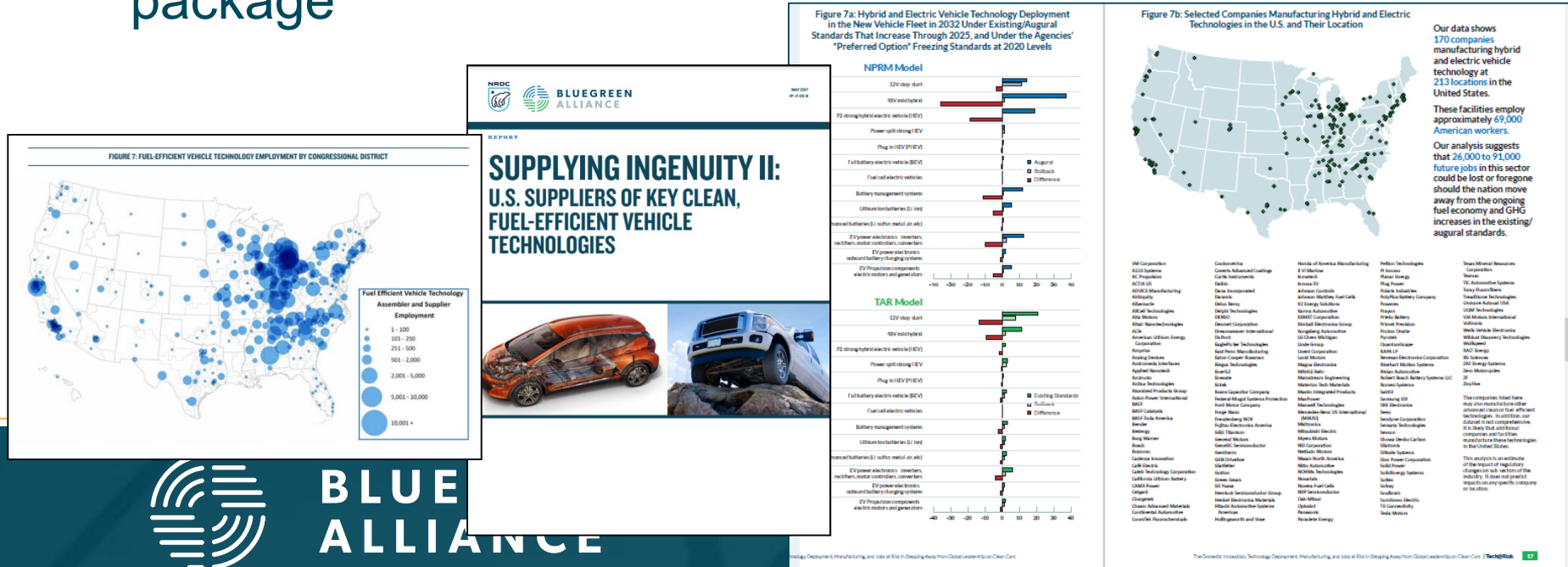
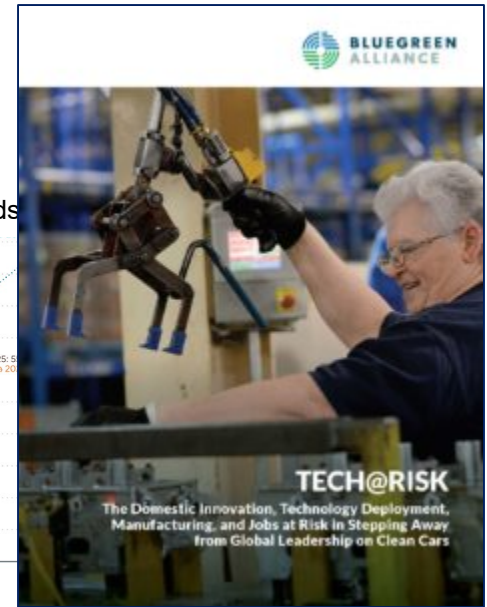
- Infrastructure
- Tax Credits
- Faster & Fairer



Build-in manufacturing, good jobs, equity at every point

- Create family-sustaining jobs across the clean economy and across the manufacturing supply chain;
- Maximize benefits to workers and communities that need it most;
- Systematically strengthen domestic clean technology and materials manufacturing and supply chains;
- Reduce pollution and make our communities and workplaces safer and more resilient; and
- Invest in training and jobs together; increase and improve pathways into family-supporting manufacturing and technical careers.

- Key Driver
- Details matter
- Works hand in hand with rebuilding manufacturing
- Part of a comprehensive package



Moving Forward

- Enact policies we need to make US a leader in deployment and manufacturing
- Incentivize reinvestment in America and in workers
- Make sure EV production and deployment works for all
- Hugely popular w public
- Recipe for meeting climate and recovery priorities



BLUEGREEN
ALLIANCE