State Building and Construction Trades Council of California

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Chartered by
BUILDING AND CONSTRUCTION TRADES DEPARTMENT
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Via Email

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Climate Action Team
Cap and Trade Subgroup
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Dear Cap and Trade Subgroup of the Climate Change Action Team:

The State Building and Construction Trades Council of California supports California's efforts to reduce greenhouse gas emissions and mitigate the effects of global warming. We are concerned about the adverse effects from global warming which threaten the environment, our communities and our economy. We strongly believe that any plan to reduce greenhouse gas emissions can and must simultaneously protect the environment and jobs in California.

- **Global Warming Damages the Environment and the Economy**

Global warming may increase peak summer temperatures and the duration of hot, dry weather. This could result in reducing the winter snow pack and increasing the frequency and severity of natural disasters such as floods, droughts and fires.

These changes to the environment would have broad implications for the strength of California's economy. Less water will limit the potential for industrial and residential development. Combined with an increase in natural disasters, like the disaster of Hurricane Katrina, the effects of global warming can create major financial burdens that can weaken the economy and destroy hundreds of thousands of jobs.

- **Solutions Must Protect the Environment and Jobs**

To combat the effects of global warming, we support strategies that protect the environment while preserving and creating jobs for working people. California is uniquely well positioned to lead the way to an economy that is both environmentally sustainable and economically just.

We join AFL-CIO President John Sweeney and Sierra Club Executive Director Carl Pope in stating: "The transition in the global energy economy is threatening both workers' rights and the climate. We commit ourselves to crafting together a package of worker friendly domestic carbon emission reduction measures."

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To be successful in the long term, greenhouse gas reduction policies must simultaneously reduce carbon emissions and create employment opportunities in California. Policies that encourage polluters to relocate outside of the state destroy California jobs without any corresponding environmental benefit. Thus, policy solutions must address global warming pollution created outside of California as well as within our own borders. There should be no incentive to simply export jobs and pollution.

- **A Solution for Workers and Environment – Limits on All LSEs**

We have reviewed the Cap and Trade Program Design Options. While we are not certain that a cap and trade program is the best structure for reducing greenhouse gas emissions, we are certain that any regulatory structure for reducing emission from electric generation should include all load serving entities (LSEs) in California. Including all LSEs is essential to ensure that environmental benefits are not undermined and jobs lost by exporting our electricity generation out of state.

If the Cap and Trade Program focused solely on power plants located in California, this would create an incentive to rely on imported electricity. The October 2005 Cap and Trade Program Discussion Draft correctly identifies this problem. These imports are more likely to be from coal fired power plants, which could undermine, and perhaps overwhelm, any reductions in emissions achieved within California.

Along with exporting emissions, California jobs would also be exported, causing the loss of thousands of jobs associated with power plant construction, maintenance and operation in California.

Thus, a cap and trade program that focuses on all LSEs would more effectively reduce greenhouse gas emissions and would more effectively secure jobs in California's energy sector.

- **Conclusion**

California has long been a leader and innovator in protecting the environment and protecting its workers. As California looks to be a leader in the fight against global warming, we support efforts that are implemented in a manner that simultaneously reduces greenhouse gas emissions and increases employment opportunities for the people of California.

Sincerely,

Bob Balgenorth

Robert L. Balgenorth
President

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cc: Marc Joseph