



California Labor Federation

AFL-CIO

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David Lanier
Secretary, California Labor & Workforce Development Agency
800 Capitol Mall, MIC-55
Sacramento, CA 95814

Mary Nichols
Chair, California Air Resources Board
1001 "I" Street
Sacramento, CA 95814

RE: Potential Procedures for Certifying Manufacturers' Fair Treatment of Workers for CVRP Eligibility

Dear Secretary Lanier and Chair Nichols:

The California Labor Federation writes in support of the concept paper on procedures for certifying manufacturers fair treatment of workers for the clean vehicle rebate project (CVRP) eligibility. We appreciate the work of staff at both the Labor Agency and the Air Resources Board for doing the research, vetting, and development of this concept to raise worker standards in the electric vehicle industry.

We believe that the transition to electric vehicles will help clean the air for all Californians – a goal we strongly support. We also support the goal of creating and maintaining good, middle-class jobs for auto workers in California and across the country. The U.S. auto industry has been responsible for creating good jobs for generations in our country and as we transition to electric vehicles, we must work to maintain the quality of jobs for auto workers. The goals of a clean environment and a thriving middle class are inseparable for the Labor movement and we are committed to achieving both.

This concept paper helps set a minimum standard for EV auto manufacturers who benefit from the subsidies administered through the CVRP. It tracks the work the Labor movement considers core to our mission – to set basic labor standards for companies that receive taxpayer subsidies. We have helped enact such standards in the film tax incentive, in the Enterprise Zone program, in the CA Competes program, in public works construction programs, and other clean energy work.

This standard for electric vehicles truly is de minimis – companies would submit limited documentation that the company is following existing law in the jurisdiction in which the subsidized EV is built. That submission would provisionally certify the manufacturer as fair and responsible for the purposes of CVRP eligibility for two years. There are no new

requirements, no new regulations, and no new laws that the manufacturer would have to comply with, just proof that they are complying with existing law.

Enforcement of this policy will require participation from stakeholders, with a robust public input process. The public should be able to speak to both the veracity of documentation submitted by a manufacturer, along with issues that workers face that may not be included in such documentation. Allowing workers and other public stakeholders to provide feedback will be key to enforcing a standard that reflects true fair and responsible employer behavior.

There are things in this concept paper that could be improved. The two-year provisional certification is a long time for simply submitting documentation of following the law. The lack of reporting for temporary employees and forced arbitration agreements miss key workers' rights in this industry. The extremely high standard for violations of certain workers' rights potentially leaves significant employer bad behavior from being reported. And the lack of investigation into the manufacturer's supply chain and subcontractors limits us from a complete industry high road for workers.

Yet, we recognize the balance needed for setting standards for workers in the EV industry while not disrupting the marketplace for EV vehicles. We believe this concept paper strikes this balance and will continue to work on its adoption and implementation to guarantee so.

Again, we appreciate the work of the Air Resources Board and the Labor Agency and look forward to our continued work together.

Sincerely,



Angie Wei
Chief of Staff

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