

The background of the slide features a large, semi-transparent watermark of the UAW logo. The logo is a circular emblem with a gear-like border. Inside the circle, the text "UAW" is prominently displayed in the center. Surrounding "UAW" are the words "INTERNATIONAL UNION OF NORTH AMERICAN AUTOMOBILE WORKERS" and "AEROSPACE AND AERONAUTICAL DIVISION" arranged in a circular pattern.

**The Economic Case
for Fuel-Saving Technology
Creating Auto Industry Jobs**

UAW

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August 4, 2010

CAR Management Briefing Seminars

Traverse City, MI



The Business Case Made Simple

- **The law requires that OEMs increase fuel economy every year until at least 2030**
- **To stay in business selling light-duty vehicles in the U.S. OEMs must meet these requirements**
- **There is no chance that this will change**

What's important to the UAW is where the production and engineering jobs are located



Fuel-Saving Technologies Create Jobs...Somewhere

- Fuel-saving technologies mean “more stuff”
- More stuff creates incremental production and engineering jobs
- The UAW believes this is an opportunity to increase domestic auto industry employment
 - Total employment down 649,000 since 2000 (- 49%)
 - Prior to crash (2007), employment down 319,000

**Government policies will influence
where jobs are created**



Manufacturers' Incentives Support Domestic Jobs

- **EISA Section 136 supports engineering and production jobs; both essential for a strong U.S. motor vehicle industry, and...**
- **Rewards energy security and environmental performance by only supporting the production of products that save oil and reduce emissions**

**Originally proposed by UAW in 2003;
worked to build support until passed in
2007**



Low-Interest Loans Transform U.S. Auto Industry

- **Section 136 provides cash for up-front costs of CAFE; capitalizes certain engineering costs normally paid from cash**
- **Example: Ford gets \$5.9 billion in loans— supports 30,000 hourly and salaried U.S. jobs**
 - Nissan gets \$1.6 billion
 - Tesla and Fisker get essential funding
 - Looking forward to GM and Chrysler approvals



Driving Growth: Incentives Matter

- **Recent study by UAW, NRDC and Center for American Progress estimates that continued Section 136 incentives could result in up to 100,000 additional auto industry jobs in 2020**
- **Advanced conventional technologies provide most fuel savings and most jobs**
- **Near-term job potential highest for powertrain organizations, plants and suppliers**



ARRA Grants Help Create a New Industry Sector in the U.S.

- **Recovery Act Battery and Electric Drive Component Grant Program invests \$2.3 billion in U.S. *production***
- **U.S. will go from 2% of world's advanced battery capacity in 2008 to 40% by 2016**
 - **Similar progress on other electric-drive components**

U.S. finally gets smart and does what other nations do – supports its auto industry



Retooling Loans Support Important National Goals

- **The auto industry is reducing more GHG than any other sector; light-duty vehicles account for just 17% of total emissions**
- **The auto industry is providing the vast majority of future oil savings; light-duty vehicles account for 40% of total oil consumption**
- **Government support for retooling and engineering moves the U.S. forward on climate change, energy security, and jobs**



Standards + Incentives = More Jobs

- **Demand for fuel-saving technology is assured by long-term regulatory certainty; we will soon know the path through 2025**
- **Incremental content creates significant number of production and engineering jobs, which U.S. auto communities need badly**
- **Dedicated stream of funding for manufacturers' incentives is a top UAW goal for any energy or climate legislation**