



**JOBS TO MOVE
AMERICA**

Making Our Transit Dollars Go the Distance

The Fast Track to Economic Opportunity Through Transit Spending

Minnesota Metropolitan Council Presentation
8/10/2016

Who is Jobs to Move America?

- A national non-profit organization dedicated to ensuring that public spending on transit vehicles results in good manufacturing jobs for U.S. workers and establish career pathways for people facing significant barriers to employment and low-income communities.
- Built a broad-based coalition of community, faith, labor, civil rights, and environmental organizations across the country.

Jobs to Move America Goals

Ensure that public spending on transit vehicles results in manufacturers committing to:

1. Create and retain more good manufacturing jobs for U.S. workers;
2. Invest in new or existing U.S. manufacturing facilities;
3. Establish career pathways for people facing multiple and significant barriers to employment and low-income communities.

Industry Opportunities

- Every year U.S. transit agencies spend \$5 billion on new buses and trains produced by global transit manufacturing firms.
- National spending of this magnitude has the potential to support up to 30,000 good U.S. manufacturing jobs.
- There are dozens of manufacturing-related businesses in MN.



Maria Rothstein, riveter at New Flyer's St. Cloud, MN facility.

Industry Challenges

- While many industry experts credit Buy America with preserving domestic transit manufacturing, significant weaknesses still allow much of this work to happen abroad.
- Buy America also does not capture actual job numbers or standards.
- High-value work primarily takes place outside of the U.S. while American manufacturing jobs are mostly lower-skilled, lower paying final assembly.
- Result: U.S. rail lines tripled while manufacturing jobs declined by 35% over the last 30 years.

Building upon Buy America: The U.S. Employment Plan

- The U.S. Employment Plan (USEP) is a policy that builds upon the foundation Buy America establishes.
- Transit agencies can include the USEP as part of their Requests for Proposals or a standing policy to encourage manufacturers to create and sustain more U.S. jobs and access for communities struggling with poverty and unemployment.

USEP Mechanics

- **The USEP has three key elements**
- **Disclosure:** Requests manufacturers to detail their U.S. job commitments. Companies can strengthen by providing hiring and training plans, and opportunities for underrepresented and low-income workers.
- **Evaluation:** Provides transit agencies with scoring method to evaluate competing proposals from manufacturers. Scoring criteria reward companies for robust commitments to creating or sustaining good U.S. jobs, advancing workforce development, and investing in U.S. factories.
- **Implementation and Enforcement:** The awarded manufacturer's commitments to jobs, training, and pipelines for non-traditional workers become part of the executed contract and is legally binding.

Federal Support



THE SECRETARY OF TRANSPORTATION
WASHINGTON, DC 20590
February 18, 2016

Dear Transportation Stakeholder:

Recently, Congress enacted the Fixing America's Surface Transportation (FAST) Act providing \$305 billion over the next five years for our Nation's highways, bridges, transit, and rail systems. Transportation projects create jobs. The Executive Office of the President's Council of Economic Advisers recently estimated that every \$1 billion invested in Federal highway and transit infrastructure would support 13,000 jobs.

It is important to help communities use innovative ideas and approaches to leverage their transportation funds into jobs. For example, the Department of Transportation has established a pilot program to enable recipients of federal highway and transit funds to utilize innovative contracting requirements that are designed to create jobs that may have traditionally been displaced due to competition concerns. We are also working closely with employers in the transportation industry to partner with State and local workforce development centers, colleges, unions, technical education providers, and others to design skills training with transportation job demand at the State and local level.

There are many innovative ideas and approaches in using transportation funds to create jobs. One example is the Jobs to Move America Coalition developed one such idea, the U.S. Employment Plan for the purchase of rolling stock. The U.S. Employment Plan is a contractual provision that provides incentives for companies to create American jobs in facilities in the United States, and generate opportunities for unemployed workers through recruiting and training efforts. The Department has approved the use of the U.S. Employment Plan for the procurement of rolling stock for the Los Angeles Metropolitan Transportation Agency (for both light rail vehicles and buses) and the Chicago Transit Authority, the Maryland Department of Transportation, and the California High Speed Rail Authority. For more information about the U.S. Employment Plan, you may visit the Jobs to Move America Coalition Web site at www.jobstomoveamerica.com or contact us at info@jobstomoveamerica.com.

The U.S. Employment Plan is only one example of an innovative approach to using transportation funds to create jobs. The U.S. Department of Transportation stands ready to provide technical assistance regarding Federal requirements as you develop and implement new ideas and approaches to using your transportation funding to create jobs. If you have any questions about a particular idea or approach on your federally assisted projects, please contact the appropriate agency funding your project.

Sincerely,

Anthony R. Foxx



Anthony Foxx
U.S. Secretary of Transportation

“an innovative approach to using transportation funds to create jobs”

Has this been done before?

- The USEP has been adopted by multiple agencies, including:
 - Los Angeles Metro
 - Chicago Transit Authority
 - New York Metropolitan Transportation Authority
- Numerous other transit agencies, including small and medium-sized agencies, are considering adopting the USEP.



Cumulative Impacts of USEP

- Large agencies such as Los Angeles Metro and Chicago Transit Authority spend close to \$1 billion on new vehicles every couple years.
- However, dozens of agencies across the U.S. spend closer to the range of \$100-200 million per year to replace railcars and buses.
- If five medium-sized agencies purchased \$200 million worth of vehicles, this would be equal to one of the larger agencies.
- It's important to harness public spending at all agency sizes to support manufacturers for making deep U.S. investments and creating access for disadvantage communities.

Success Stories

- **2011:** Los Angeles Metro piloted the first USEP on light rail vehicle RFP, created 330 jobs for Los Angeles County.
- **2013:** Los Angeles Metro included the USEP on a bus RFP, created 150 new jobs in St. Cloud Minnesota's New Flyer facility and 50 new jobs for Los Angeles County.
- **2016:** Chicago Transit Authority included the USEP on a heavyrail RFP, created 170 jobs and brought a new facility to a neighborhood in South Side of Chicago that hasn't seen rail manufacturing in over 35 years.

Case Study: Los Angeles Metro

- In 2011, Los Angeles Metro released an RFP for light-rail vehicles and later included an amendment with the USEP.
 - Base order of 78 vehicles.
- **Strong competition:** CAF-USA, Kinkisharyo, and Siemens submitted proposals.
- **Increased job commitments without increased costs:** All three companies claimed to have boosted job commitments in response to the USEP and proposal prices came in below the Independent Cost Estimate.
- Kinkisharyo, the second lowest bidder was awarded the contract.

Case Study: Los Angeles Metro

- **USEP and partnerships on the ground resulted in good jobs and access for struggling Angelenos:**
 - Kinkisharyo built a new facility in LA County and created 330 new jobs .
 - Company committed to partnership with labor and community; worked with Black Worker Center, PV jobs, and Homeboy Industries to recruit workers from communities of color and workers facing significant barriers to employment.



Vincent Louque, a material coordinator at Kinkisharyo, was connected to his job through PV jobs and the Black Worker Center.

Make Transit Dollars Go the Distance!

- The USEP can help reward manufacturers who have made deep investments in U.S. jobs and encourage others to bring more work to the U.S.
- Chancy Davis, pictured right, is a welder at New Flyer's St. Cloud, MN facility, a job supported through the USEP.





For more information please contact:
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