

The U.S. Employment Plan:
*Ensuring that investments in transit go the distance for our region,
for Minnesota and across the country.*

What is USEP?

The U. S. Employment Plan (USEP) is a toolbox developed by Jobs to Move America (JMA), a coalition of community, faith, civil rights, labor and environmental leaders working to ensure that public transit investments go the distance and invest tax dollars in U.S. workers and domestic manufacturing.

What are the benefits to the Metropolitan Council?

By adopting USEP as a standing policy and implementing it into procurement policy and practices, the Metropolitan Council will strengthen its commitment to:

- Creating and retaining family sustaining jobs.
- Growing manufacturing opportunities for businesses both in Minnesota and across the country
- Expanding workforce training development opportunities for women, people of color and veterans and support Governor Dayton's goals set forth in his executive order establishing the Governor's Workforce Diversity and Inclusion Council.

How will this work?

Suggested policy language calls for the Metropolitan Council to use USEP on all bids requested for the purchase of transit vehicles (light rail vehicles and buses) of more than \$5 million, and to weight this as 15% of the overall total evaluation.

The Metropolitan Council, using customizable JMA templates, would require respondents to Requests for Proposals (RFPs), Requests for Qualifications (RFQs), and any other procurement solicitations to include information on jobs created and maintained, investments in manufacturing facilities, and investments in workforce development programs and hiring that they commit to as part of their bid.

Why Now?

By adopting USEP as standing policy, the Metropolitan Council will be a nationwide leader among transit agencies. The anticipated influx of substantial new resources in the next year and the robust 21st Century transit system's ongoing buildout outlined in the Council's 2040 Transportation Policy Plan creates the ideal opportunity to embrace USEP. Those dollars can deliver maximum value to our regional and national economy, workers and taxpayers.

Is the Federal Transit Administration on board with USEP?

Yes. USDOT Secretary Anthony Foxx issued a memo in February 2016 praising USEP as "an innovative approach to using transportation funds to create jobs."

Have there been any legal challenges to USEP language?

USEP is compatible with federal requirements and Met Council's authorities under state law. There have been no lawsuits over USEP language.

Is USEP a good fit for a mid-sized transit agency?

The Metropolitan Council has ambitious plans for robust expansion of our multimodal transit network. By approving USEP as standing policy, the cumulative effect in coming years and beyond will be significant.

If the Metropolitan Council and Metro Transit work with new businesses and companies, will parts be readily available for repairs/replacement?

This is an issue the manufacturing industry deals with regularly through remanufacturing, where a company will specialize in custom tooling or re-creating parts for replacement. There are already companies doing this work in Minnesota, indicating an opportunity for Minnesota manufacturers.

Will USEP impact staff time and Council resources?

Jobs to Move America has resources available as part of the USEP toolbox to assist transit agency personnel in implementing and using USEP. A manual for evaluation teams and a 16-page workbook on USEP evaluation are available. Other resources include an Excel workbook template that companies can use to report USEP information in their bids and that will allow Met Council staff to straightforwardly evaluate quantitative and qualitative commitments to new and retained jobs, facility investments and training and recruiting diverse workers.

How will USEP impact competition and responses to solicitations?

There has been no reduction in competition in locations where USEP has been used nor higher prices from bidders or higher per-vehicle costs. This is not simply a competition over price – it is broadening what the companies are competing over – by including investments in American jobs and training the workforce of the future. We anticipate that companies seeking to get their foot in the market will use USEP for advantage. USEP creates opportunity for a wider range of businesses committed to high-road manufacturing to respond.

By The Numbers:

- Annual US investment in transit procurement: \$5.4 billion
- Authorized and planned Federal New Starts projects and other transitway projects in the Council's capital program: \$5.33 billion (2016 Unified Budget, p. 22)
- Number of Minnesota businesses who are part of the transit manufacturing supply chain: at least 55
- Number in metro area: at least 28
- Estimated # of workers: 10,000 statewide
- Number of Minnesota workers employed in manufacturing (1990): 338,500
- Percentage of Minnesota's total workforce (1990): 16%
- Number of Minnesota workers employed in manufacturing (2016): 315,875
- Percentage of Minnesota's total workforce (2016): 11%
- Median wage/salary for workers in manufacturing jobs (2016): \$25.19/hour
- Number of estimated new jobs created at New Flyer (St. Cloud) through LA Metro's use of USEP: 150