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LOBBYING: High unemployment puts jobs at heart of U.S. climate debate

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A new brochure from the oil industry's biggest trade group features an array of African-American, Asian, Latino, white and multiethnic faces -- men and women dressed to look like business executives, office workers, doctors, lawyers and blue-collar employees.

It has the feel of a Gap or United Colors of Benetton advertisement. But a sentence above the people pictured on the American Petroleum Institute pamphlet makes clear what it is meant to convey.

"America's oil and gas industry supports over 9 million jobs," it says. "One of them may be yours."

The glossy brochure adds, "This is about new taxes threatening your job. Congress is considering hundreds of billions of dollars of new taxes and fees on the oil and natural gas industry through energy and climate tax legislation that could have a devastating impact on American jobs and businesses. Jobs, and businesses, like yours."

It is the latest volley in the battle to frame the climate policy fight around jobs, an issue used by all sides lobbying on climate legislation. API also is running full-page ads in the Washington Post that trumpet: "9.2 million American jobs, and sound policies could help us create even more. That's the impact of America's Oil & Natural Gas Industry."

Many of the job numbers seen in the climate legislation struggle are flawed or fail to look at all sides of the economic equation, economists say. But analysts say the data, especially when so many are out of work, pack a powerful political punch.

"It's the emotional that dictates people's political behavior more than the statistical data," said Mark Rozell, a political scientist at George Mason University in Virginia. "People are not going to understand the competing numbers put forward by different interest groups. It's the very idea that people could lose their own jobs, that's what matters to them."

The API campaign follows a number of other reports and claims on what climate legislation could mean for jobs on climate. Environmental groups and other supporters of a cap on carbon pollution have argued that it and other policy changes would lead to new jobs in the renewable energy sector. President Obama in his Tuesday speech on jobs at the Brookings Institution ranked "clean energy,"

along with small business and infrastructure, as "areas in which we can put Americans to work while putting our nation on a sturdier economic footing."

Traditional energy sources have countered that those same policies will kill jobs in their industries. The latest API effort works to expand that pool of threatened jobs to a slew of other positions that are linked to oil and gas. The glossy brochure is being distributed "anywhere and everywhere," said API spokeswoman Karen Matusic.

"At a time when we're talking about job creation, it's important that policymakers realize we're an important sector to the American economy," Matusic said.

Coal's biggest trade group, meanwhile, is preparing a new report that will show state-by-state how many jobs are linked to its businesses. The results will be used both when coal industry lobbyists talk to lawmakers and by the American Coalition for Clean Coal Electricity when it works to spread its message among voters in key states.

"What we've been saying all along is let's not swap one set of jobs for another set of jobs," said Lisa Camooso Miller, spokeswoman for the coal group. "The development of clean coal technology creates jobs. We know that green jobs are also clean coal technology jobs." Getting to 9.2 million

The new API campaign is similar to one oil companies used in 2008 when there was talk of windfall profits taxes on businesses that had reported huge financial gains. The industry sponsored ads asking people whether they owned stock in an oil company, then telling them that they probably did if they owned mutual funds in their retirement savings accounts or other investments.

The latest effort by the industry uses a jobs total that comes from a September study for API done by PricewaterhouseCoopers. It uses 2007 data, which it said were the most recent available.

The 9.2 million jobs number it identifies as connected to oil and gas companies equates to 5.2 percent of the nation's workforce.

"The oil and natural gas industry is one of the largest employers in the country, employing millions of Americans in exploring, producing, processing, transporting, and marketing oil and natural gas," the report says in its executive summary. "Millions of jobs in other industries are supported by the oil and natural gas industry's purchases of intermediate inputs and capital goods from other U.S. producers.

"These businesses include equipment suppliers, construction services, management services, food services, and many other types of support services. These supporting businesses, in turn, purchase goods and services, spurring additional economic activities. Further, employees and business owners make personal purchases out of the additional income that is generated by this process, sending more new demands rippling through the economy."

The oil and gas industry is battling to make sure its views are considered if climate legislation moves forward. API was turned down after it asked the White House to let the trade group's chairman, Larry Nichols, attend President Obama's jobs summit last week. The White House did not respond to repeated requests for comment.

"We think that was a missed opportunity when we're a very big employer," Matusic said.

Oil and gas companies that are part of API created 2 million jobs between 2004 and 2006, Matusic said, including some "green jobs." Matusic did not have information on how many of those new jobs were renewable energy positions.

"We're actually creating real jobs, and not jobs that are just jobs on paper. You have to be careful not to promise jobs that you're not going to be able to create," Matusic said. "We're an industry that can create jobs without government handouts."

The PricewaterhouseCoopers report finds that for every person employed directly by an oil and gas business, there are three more jobs tied to the industry, for a total of 9.2 million jobs.

"It certainly is true that any given industry will have jobs depending on it in other industries," said Alan Viard, an economist who is a resident scholar at American Enterprise Institute. But policymakers should not make decisions based on jobs, he said.

Viard is critical, as well, of the job numbers put forward by environmental groups, saying that the argument that climate legislation will create jobs is an "argument available to absolutely any activity under the sun."

"The whole jobs argument on either side is really a smoke screen, a red herring," Viard said, because "spending money on one thing versus another doesn't change the total number of jobs. It just diverts jobs from one sector to another. Jobs would not be the right argument to make."

Instead, he said, policymakers should be looking for "what would provide the greatest benefit to the American people." Criticism of studies

There are many varying numbers in jobs reports, economists said, because different models are used, and each employs different assumptions about what will happen in the future. As well, several said, lawmakers should be looking at the overall economic impact of proposed policies.

"When I look at these job estimates, I don't pay any attention to it," said Hillard Huntington, executive director of the energy modeling forum at Stanford University. "It's someone's attempt to cook the books. I make that argument across the board."

Chris Edward, economist with the **Cato Institute**, a libertarian think tank, said many of the jobs reports use "one-sided accounting."

"Every industry or special interest group only wants to talk about one side of the equation," Edward said, and not how policies affect other industries. As well, he said, "there's no independent auditing of these numbers."

Jobs that are lost in the economy often are picked up in other industries, economists said, although there is a transition period. What the studies fail to do is look at the net jobs picture. There is disagreement over whether climate policies in the end would create a net job gain or loss.

There are positive signs that "clean energy legislation will create jobs," said Pete Altman, a climate campaign director at Natural Resources Defense Council. He cited studies looking at the effect of the House bill and a new one that says investments in green power would create a net job increase.

"We're looking for a way forward, not a way backward," Altman said. "The

industries that want to keep making a case that we shouldn't make a change for our energy systems are going to have a hard time making that fly.

"I would put our stuff up against the other side anytime," Altman added.

While economists question the validity of jobs reports from all sides, political analysts say that the effects of the job numbers is difficult to ignore.

In Ohio, for example, coal is very important because there are mining jobs tied to it and manufacturing jobs indirectly tied to it because manufacturing jobs depend on low-cost electricity, said Paul Beck, political science professor at Ohio State University. In addition, he said, in recent years, there have been major job losses in the area as manufacturers have downsized or left.

"We've seen in the northeast part of the state ... that jobs have indeed moved elsewhere," Beck said. "So people are sensitive to those issues.

"It's the comfort with what we have right now versus the threat of change," Beck said. While there are promises that there would be new, clean-energy jobs under proposed climate policies, he added, "to the industrial worker in the Cleveland area, promising something in the future doesn't really hold much of a candle."

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