

Washington Utility and Transportation Commission,

At our meeting on June 27th with Commissioners Sidran, Oshie and Jones, Commissioner Sidran asked for information that addresses the loss of jobs in Washington related to higher energy prices. Our Energy Library has provided the following resources which should be helpful in clarifying the consequences of higher prices on Washington manufacturing. In addition, a google search uncovered a report compiled by the AFL-CIO Industrial Union Council entitled: *Analysis of the Role that Trade Plays the Manufacturing Job Loss* . Job losses are, of course, directly impacted by increasing the non-competitiveness of Washington manufacturing versus other exporting countries. Escalating energy costs are important contributing factor.

If you have any questions or require any further information, please let me know.

Best Regards,

John Ryan

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The Washington State Aluminum Industry Economic Impact Study, Prepared for the Pacific Northwest Aluminum Industry, August 2000

[www.bpa.gov/power/pl/aluminumstudy/ImpactConway.pdf](http://www.bpa.gov/power/pl/aluminumstudy/ImpactConway.pdf)

Excerpt:

Employment. Including the indirect impact, 29,600 jobs (wage and salary employees and proprietors) in the state depended upon the aluminum industry. This represented 0.9 percent of total state employment in 1998.

Virtually all of the indirect jobs were in nonmanufacturing industries and government. The implied employment multiplier was 3.9 ( $=29,600/7,510$ ), indicating that for every job in the aluminum industry there were 2.9 supporting jobs in the rest of the economy. The wage and salary employment multiplier, which does not count proprietors, was 3.4 ( $=25,480/7,510$ ).

I talked to the policy folks and Greg Nothstein of CTED Energy Policy sent his recent report titled

“Energy Prices and Economic Consequences.” (attached) He says: I estimated high energy costs were taking an additional \$5.6 billion out of our states \$244 billion economy. He said if you call him he can tell you about the difficulties of relating this to job losses. When seriously pressed he comes up with a ballpark figure of about 30,000 jobs. Very rough.

<<Energy Prices and Economic Consequences\_Oct\_04.doc>>

“Posed for Profit,” Climate Solutions, Nov. 2001. This focuses more on renewables and economic opportunities.

<http://www.climatesolutions.org/> (choose Publications)

From the Association of Washington Businesses

“High energy costs have resulted in the closure of a number of aluminum and industrial facilities resulting in direct job losses upwards of 5,000 people.”

2002 Legislative Objective, Energy Policy

<http://www.awb.org/policy/2002lo/energypolicy.html>

AFL CIO Study- *Analysis of the Role that Trade Plays the Manufacturing Job Loss*