

**Remarks of Milwaukee Mayor Tom Barrett  
Mayors' Climate Summit (U.S. Conference of Mayors)  
Seattle  
Nov. 1, 2007**

Thank you for the opportunity to join this important discussion on "Green Collar Jobs." It is truly an honor to be on a panel with such visionary leaders.

As you all know, there are opportunities to link our actions to cut emissions of greenhouse gases and other pollutants while building a strong "new green economy."

I'd like to share a perspective from the Midwest.

First, let me tell you a little about Milwaukee. We're a City of almost 600,000 on the shores of Lake Michigan. Much as Seattle benefits from its location on the West Coast, in Milwaukee we are blessed with our location on the "Fresh Coast."

We took advantage of our lakefront location to produce and ship manufactured goods across the nation and the world. However, over the last generation, much of our manufacturing industry relocated to the South and Southwest, and then out of the country.

The transition from a manufacturing economy to an economy rooted in financial and technological sectors has hurt many workers, including people of color.

But we are moving forward, and there are many opportunities in the green sector for economic growth. My vision of sustainability for the City of Milwaukee includes both improvements to the economy and the environment.

I am serious about reducing greenhouse gas emissions in Milwaukee. When I came into office, I was approached by community leaders who wanted to work with me on greening Milwaukee. They formed the core of my 80 member Green Team and provided specific recommendations for energy reductions.

In response to these recommendations, we have implemented a range of programs, including improving energy efficiency in our own buildings and traffic lighting systems, improving the efficiency of the city vehicle fleet and providing new transportation options for our residents.

I am very excited by a new initiative that will result in both job creation and reduced carbon emissions. We are beginning a project with Joel Rogers of COWS, the UW-Madison-based national think-and-do-tank on high road development, and Doug Foy of the Boston-based Serrafix.

Joel is probably known to some of you already as the co-founder and first chair of the Apollo Alliance, or through his writings and work on the Mayors Innovation Project.

Doug you may know from his time with the Conservation Law Foundation, or as director of economic development under Mitt Romney, or the critical role he's recently played in developing PlaNYC and Cambridge Energy Alliance.

Our goal is, basically, to retrofit the entire Milwaukee building stock — public, private, commercial, residential — and to develop a real business model of how other cities can do this in ways that access private capital markets. This project will meet many of the City's environmental, social and economic goals. It centers on improved energy efficiency in Milwaukee homes.

The project is also bringing together an amazing group of partners including the local electric utility, labor, business leaders, state agencies, community groups and city departments.

Residential energy use accounts for about a quarter of all energy used in our state and in Milwaukee, energy use means coal-fired electric generation and carbon emissions. Residential efficiency improvements are time-tested – they can pay for themselves while providing social benefits of lowered emissions --and include installing fluorescent lights, reducing air leakage, improving insulation and upgrading appliances.

Milwaukee has a housing stock that is prime for retrofitting. Many of our homes are over fifty years old.

Here are some of the benefits:

Savings to homeowners - Energy costs are an increasing proportion of our lower income residents' budgets. COWS initial estimates suggest if you could retrofit nearly all of the existing housing stock, an initial investment of just under \$250 million could result in annual energy savings of over \$80 million.

Private investment and social benefits – This project provides a perfect opportunity for private sector investment to capitalize the improvements. The reduced energy costs would be divided between the homeowner and the investors.

In addition, funds spent on energy efficiency stay in our community and bolster our economy rather than flowing out to pay for imported fuel.

Reductions in electricity and natural gas use and in green house gas emissions.

Jobs and job training for Milwaukee residents – this program will recruit and train Milwaukee for skilled, semi-skilled and unskilled labor positions that will extend beyond the residential retrofit program to other energy efficiency work.

Initial job estimates suggest that for every \$1 million invested, there will be 13 “job years” in installation and construction and 4 “job years” in upstream manufacturing (e.g., building materials).

Coordination of other City programs – the City has several neighborhood and housing improvement programs. This program will build on these efforts and will leverage existing resources. We’ll avoid spending funds on repeat trips to homes for lead abatement, code updates and energy efficiency by focusing programs on specific neighborhoods.

Better housing stock – resulting in higher property values and stronger neighborhoods.

You’re probably thinking, if this makes so much sense – why isn’t it happening everywhere? An old joke has it that an economist who see a \$10 bill on the sidewalk won’t bother to pick it up because he knows it can’t exist in a “perfect” market where unclaimed values aren’t possible.

Energy savings of the sort we’re talking about are a bit like the \$10 bill. The savings wouldn’t exist in the perfect market world of Econ 101 because rational consumers would have already captured them.

As we know, the market is not always perfect. For rental properties, energy savings may slip through the cracks with tenants unwilling to pay for improvements that will not benefit them in the long term and landlords unwilling to make investments.

For homeowner, information on energy savings and opportunities is not always readily available. How do homeowners find out about potential savings and how to accomplish energy efficiencies? Under this proposal, we would package the energy efficiency service for the consumer, arrange for the labor force to do the work, and take away uncertainty about financing.

We’re very excited about this project and will be working with COWS to draft a project timetable and action plan this winter. I look forward to sharing our successes with you as the project gets under way.