

**Diane Rehm Show**  
**October 29, 2009**  
**Guest host: Frank Sesno**  
**Interview with Hilda Solis, U.S. Secretary of Labor**  
**Excerpts**

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**Frank Sesno**: Well, let me ask you specifically about that unemployment rate. It continues to rise. As I understand it, about 30 percent of factory capacity remains idle. Inventories have been down. It's one of the reasons people think there may have been a push in this last quarter. What exactly is the prospect for the job, the job outlook?

Secretary Solis: Well, my feeling is that it's going to take a while for our investments to solidly hit home. Part of it is relaxing credit so that businesses can draw down on credit to expand and improve their supplies and inventory, and be able to make a comfortable decision about hiring new people. That seems to be one of the critical areas right now that we're facing. Some businesses are reluctant to expand because they're not able to access capital and credit markets. So financing at our banks and other institutions is very important.

The federal government has also made very lucrative loans available, for example, earlier, I believe this week, Vice President Biden talked about investments from the Department of Energy to help restart, jump start an old factory up in Delaware and to put people back to work -- a group of employees there that could be easily trained now and converted into helping produce hybrid electrical vehicles.

**Sesno**: Do you think the recession is over?

**Solis**: I couldn't say that. I mean, I think that's something for the economists to say. When I think about the recession, I think about the high number of people who are unemployed. And when I go out around the country, and I continue to see very high numbers, and I just came from California, the numbers are very high, as well as in Las Vegas. I do now that we have to do more, and we're not going to stop. This administration will not stop until we start adding jobs to the economy.

**Sesno**: What then is the outlook for the next several months for jobs. We had a report today that says the economy has started growing. The economists say we will probably still see unemployment rising, at least for a time.

**Solis**: And that will happen, because I think the job market is contracting. I think that there are some businesses that have lost...or let go of a lot of their employees because they find perhaps they are going to perhaps work a little bit harder with a "meaner" workforce, in some cases I've actually heard that.

In other instances I think there are going to be new opportunities too. For example, yesterday a visit I had in Las Vegas with Nevada Energy, through the smart grid we're making moneys available, \$138 million, to help jump start a new infrastructure there that will allow consumers in that state to be able to monitor and meter their use of energy, electricity, which means a great deal for Nevada because, you know, the extreme hot weather there during the summer and also right now as we get into winter, obviously cooling trends. But if people can have information to be available to know how they're using, consuming energy and how they work to reduce those high costs themselves, that's a big incentive for all of us.

**Sesno:** I want to talk more about the whole smart grid and green energy and all of that in a moment, but you mentioned Nevada. Nevada has been slammed, of course, because the property values there have just fallen through the floor, home sales have been stifled, and the tourism industry has taken a big hit because of the rest of the economy as well. So with that particular example, that money you were talking about, does that create in the short term more jobs for Nevada?

**Solis:** Well, it will, because there will be at least 200 jobs that will be created for individuals who'll need to be trained in the reading of these new meters that are going to be ....

**Sesno:** ...That's a start...

**Solis:** ...situated

**Sesno:** But that's still a drop in the bucket

**Solis:** No. Well, it's a start, but what happens is there's additional retail activity that has to happen, or will happen, because people will be purchasing different pieces of equipment that you can attach to your refrigerator that will serve as a thermostat, and that will happen. There will be accountants that have to be hired. There will business managers, there will have to be warehouse people hired, people in trucking industry, they'll have to help us transport.

In addition, the workforce is aging. I've heard in the whole electrical energy area that they call it a "white tsunami," (*laughs*) that they're going to see a whole bunch of people that are going to be retiring, just like teachers are, we're going to see that also in this industry. We need to have people ready to be trained for that. And we're giving job training dollars to do that as well.

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**Sesno:** How about manufacturing? People worry that we're continuing to lose manufacturing jobs, our industrial base is continuing to move overseas, undermining not just the employment picture but our national security. What are the trends you're seeing there?

**Solis:** We'll, I'm hopeful that we'll see more investments made in renewable energy. Just to let you know in visiting plants like Sharp Industries [Sharp Electronics] in Tennessee, they're actually helping to assemble – not manufacture, assemble – solar panels that will be issued throughout the country. And there's a growth in that sector and we're seeing it happen. We're hopeful that... We do have the technology to finally see those items manufactured here on our ground instead of importing, so I think that that trend will occur and we will see more job creation.

And we certainly have a workforce that's ready to go and can be easily trained. So if you were an autoworker you can manage to get those skills transferred over into new hybrid technology.

**Sesno:** So if I'm an autoworker and come up to you, and I know this has happened, and say to you, when I'm going to get my job back, you say?

**Solis:** I say I'm going to direct them to one of our one-stops and let them know where to go and to get involved in the process of identifying where either the job is or where the training program appropriately is available for them.

**Sesno:** We're talking with the Secretary of Labor, Hilda Solis. I'm Frank Sesno, filling in for Diane Rehm. Stay with us.

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**Sesno:** We were talking earlier about where the new jobs are being generated from, where they may be coming, you said, health care, you said, technology. I asked you about the manufacturing sector, and you said, well, you know, people can get retrained, and you're hopeful that in the energy sector, that's going to be absorbing some other jobs soon.

But there's a lot to the manufacturing sector that we didn't talk about: There's the auto industry, there's the steel industry, there's the energy sector, there's the construction sector, you know, making things for construction, and any number of other things in this country, even though lots of jobs have gone overseas, the machine tool industry, all of that. What's happening in this country's factories now?

**Solis:** Well...

**Sesno:** Are we still downsizing?

**Solis:** To a certain extent, there's been a lot of continued contraction in some areas. But again, I have to point to some of the resources that we've made available in the automobile industry, to go back and look at some of these plants that have recently been closed, and putting incentives there to help create new hybrid vehicles. So that just happened, for example: a loan that was provided to I believe it was Fisher [ed: actually Fisker] Automotive that will be creating one of the few hybrid vehicles in the United States that will put people back to work. But it's not just there, it's in other parts of the country, in California, Michigan. And so you see that this is happening.

It's not all going to happen overnight.

And, in addition, we didn't even talk about the infrastructure money, for road construction, sewage infrastructure, rail systems, high-speed rail, all that money is coming out. And of course you know it takes time to go through the permitting process, to get local government to also help provide the match, and all that is starting to come to fruition, so I believe once we start up in January you're going to see a lot of activity around the country.

**Sesno:** At what point then do we start seeing the unemployment rate come down, the weekly filings for unemployment rates stop?

**Solis:** You know, Frank, I don't have a crystal ball, and that's a really hard one to predict right now. I will tell you that in recessions in past decades indicate that the lagging indicator is always the unemployment rate. And there's an adjustment that's going, there are people who obviously may have given up, they're discouraged, but we want to give them positive signs. That's why I think it's important to talk about some of these new exciting activities, new job opportunities, job training opportunities, and what I see happening across the country, 'cause I do believe that the American spirit and ingenuity is what's going to take us across this mountain that we have to climb.

And I see it happening. Yesterday, when I visited, when I was in Nevada and Nevada Energy, we talked about the smart grid, I met with several IBEW workers who are so excited to hear, you know what, we didn't get laid off in the two years during the recession, I still have a job and I'm learning new technology, new technique, to restart up our new energy system here that's going to provide more efficiency, lower costs in energy consumption and hopefully help to clean the plant.