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H.R. 4526

“21st Century Energy Workforce Development Jobs Initiative Act of 2014”

CONGRESSIONAL TESTIMONY

HOUSE COMMITTEE ON ENERGY AND COMMERCE

SUBCOMMITTEE ON ENERGY AND POWER

CHAIRMAN ED WHITFIELD

RANKING MEMBER BOBBY RUSH

SEPTEMBER 17, 2014

TESTIMONY BY

HARRY C. ALFORD, PRESIDENT/CEO

Chairman Whitfield, Minority Leader Rush and distinguished members of this committee thank you for inviting the National Black Chamber of Commerce to participate in this most important hearing. The NBCC proudly represents the fastest growing segment of the American economy, Black Owned Businesses. When we were incorporated in May, 1993 the US Census Bureau stated that there were 300,000 Black owned businesses doing \$30 billion in sales annually. Today, the US Census Bureau states that there are 1.9 million Black owned businesses doing over \$137 billion annually. This fantastic growth has swelled our membership and has made us the largest Black business association in the world. We have over 170 local chapters of which 70% are located throughout the United States. Our database of Black owned firms exceeds 60,000 within the United States.

Likewise, there has been an unprecedented growth in this country's energy industries in the last decade. The development and production of natural gas and oil has increased dramatically with the widespread use of hydraulic fracturing. The U.S. has moved from being a country that imports natural gas to one that has the capacity to export it. In fact, natural gas production in the U.S. is expected to continue to grow, increasing 56% between 2012 and 2040. This type of growth directly translates into jobs, often well-paid jobs with Fortune 500 companies. In fact, according to the U.S. Energy Information Administration, jobs in the oil and gas industries have outpaced all others in the private sector. Without a doubt, minorities should be competing for and landing these jobs.

According to a March 2014 IHS study, the U.S. oil and gas industry and the petrochemical industry together employed a total of 1.2 million people in 2010. Of those jobs, African American workers held **98,000** of them in 2010, accounting for 8.2% of the total employment. According to that same IHS study, there will be a total of almost **1.3 million** direct job

opportunities over the 2010-2030 periods in the oil & gas and petrochemical industries. Of those job opportunities, IHS projects that African American and Hispanic workers will account for nearly **408,000** jobs, or **32%** in 2030. IHS also estimates that African American and Hispanic workers are projected to make up nearly **20 %** of the management, business, and financial job opportunities through 2030.

One of the most significant ways that we as a minority community can take advantage of the employment boom in energy sectors is to support local development of energy-related projects and development within our local communities. A good example of such a partnership is The Mississippi Power Company's construction of a power plant in Kemper County, which began in 2010. The power plant will have carbon capture and sequestration (CCS) technology, providing for lower-emissions generation. The facility is projected to create more than 12,000 construction jobs and 1,000 permanent jobs, generating more than \$75 million in state and local tax revenue. The Kemper facility has contracted with **22 minority-owned businesses** for **\$96.7 million** in business opportunities.

Another important topic in this discussion is the impact of energy-related jobs on the education and training of minorities. It is imperative that lawmakers support science, technology, engineering and mathematics (STEM) education at all levels of schools. According to a 2013 study by the National Science Foundation, 33% of recent African American STEM PhDs obtained their undergraduate degrees from Historically Black Colleges and Universities (HBCUs). Also, 8 of the top 10 colleges whose African American graduates went on to get PhDs in science fields were HBCUs. This is great news for HBCUs; nevertheless, African American students continue to be underrepresented in STEM and energy jobs. More needs to be done.

The energy industry can partner with local communities and schools to bring more resources to educating and training African American students for these types of jobs. For example, Mississippi Power has committed to awarding several scholarships to minority students in energy related fields like computer science, mechanical engineering and chemistry. Lawmakers can connect schools, colleges and universities with members of industry, government and other organizations to provide them with more opportunities to identify and understand the skills and training needed for energy related jobs.

SUMMARY

The purpose of this bill is to provide a pathway to employment for minorities and other historically underrepresented communities in the energy sector. This bill outlines a comprehensive strategy for initiating collaboration between the Department of Energy, Education, and Labor, as well as industry, schools, community colleges, universities, labor unions, workforce development organizations, and other stakeholders in order to engage, inform, train and recruit minorities for the energy jobs of the present and future.

The Secretary of Energy shall:

Make the objective of educating and training minorities and other workers for the 21st century energy jobs a national priority.

Collaborate with the Secretary of Education, or his designee, and the Secretary of Labor, or his designee, to develop guidelines for educational institutions of all levels, including K-12 schools,

community colleges, undergraduate, graduate, and post graduate university programs that would help develop the energy workforce for the 21st Century.

Work with organized labor and community based workforce organizations to help identify candidates, including from historically underserved communities such as minorities, women, and veterans, to enroll into training apprenticeship programs leading to full union membership.

Seek to encourage and foster collaboration, mentorships, and partnerships between organizations (unions, industry, schools, community colleges, workforce development organizations, universities) that currently provide effective job training programs in the energy field and institutions (schools, community colleges, workforce development programs, universities) that seek to establish these types of programs in order to share best practices and approaches that best suit local, state, and national needs.

I commend Representatives Rush, Whitfield and Johnson on their introduction of this important legislation. The bill provides for an overall strategy to connect representatives from industry, education, and government, and other stakeholders in an effort to engage, inform, train and recruit minorities for the energy jobs of the present and the future.

With these types of efforts, we can educate, train and employ African Americans and other minorities so that they, too, can enjoy the economic benefits of the American energy boom.