



CREATING GOOD JOBS, A CLEAN ENVIRONMENT, AND A FAIR AND THRIVING ECONOMY

WRITTEN TESTIMONY

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Solving the Climate Crisis: Building a Vibrant and Just Clean Energy Economy**

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Thank you Chair Castor, Ranking Member Graves, and distinguished members of the committee. My name is Jason Walsh, and I am the Executive Director of the BlueGreen Alliance, a national partnership of labor unions and environmental organizations. On behalf of my organization, our partners, and the millions of members and supporters they represent, I want to thank you for convening this hearing on how we can build a vibrant and just clean economy while solving the climate crisis.

The BlueGreen Alliance unites America's largest and most influential labor unions and environmental organizations to solve today's environmental challenges in ways that create and maintain quality jobs and build a stronger, fairer economy. Our partnership is firm in its belief that Americans don't have to choose between a good job and a clean environment—we can and must have both.

The world's leading scientific organizations have been unambiguous that climate change is a dire and urgent threat and that the longer we delay, the stronger the action required. Over the last decade, we have witnessed the worsening impacts climate change is having on our communities.

At the same time, our nation is struggling with deep and crippling economic and racial inequality. According to the Economic Policy Institute, "the bottom 90% of the American workforce has seen their pay shrink radically as a share of total income," from 58% in 1979 to 47% in 2015.ⁱ That is almost \$11,000 per household, or \$1.35 trillion in additional labor income. There is a direct correlation with the decrease of worker power over this time, as the share of workers in a union fell from 24% in 1979 to under 11% now.ⁱⁱ

The deck has been stacked even further against people of color. Data point after data point illustrates exactly how unequal our economy is. For example, regardless of education level, Black workers are far more likely to be unemployed than white workers.ⁱⁱⁱ In fact, historically, unemployment rates are twice as high for Black workers. That disparity carries into the workplace as well, with Black workers paid on average 73 cents to the dollar compared to white

workers.^{iv} The wage gap persists regardless of education, and even with advanced degrees Black workers make far less than white workers at the same level. So, it's no surprise that while the poverty rate for white Americans sits at about 8.1%, for Black households it's 20.7%.^v

Of course, we are now in the midst of a third devastating and deadly crisis: the COVID-19 pandemic, which has taken its toll and is nowhere close to done. America has surpassed 4 million cases and 140,000 deaths due to the coronavirus.^{vi} The ten-week total for unemployment claims has surpassed 40 million, suggesting about a quarter of our workforce has lost jobs during the pandemic and projections suggest that even if we start to recover, the unemployment rate will still be around 9.3% by the end of the year.^{vii} And months into this pandemic, workers continue to struggle to stay safe and healthy on the job, particularly as states begin to reopen parts of the economy and state and local government budgets are ravaged, and the Occupational Safety and Health Administration and Mine Safety and Health Administration under President Trump have refused to do their job and issue enforceable emergency standards for workplace safety.

This pandemic has cast a spotlight on and exacerbated all the parts of our society that already weren't working for the American people. With unemployment skyrocketing, those still at work being exposed to unacceptable health risks on the job, and families immediately unable to pay rent and mortgages, we're vividly seeing the impact of workers living paycheck to paycheck and diminished workers' rights on the job. And we're seeing clearly how systemic racism has stacked the deck against people of color, who, historically and persistently fare worse in our existing economy, having lower wages, less savings to fall back on, and significantly higher poverty rates.^{viii} Not only are people of color more economically vulnerable in this crisis, but disproportionately their lives are being put at greater risk. For example, Black Americans represent 22.4% of COVID-19 deaths while making up just 12.5% of the U.S. population.^{ix} And among those aged 45-54, Black and Hispanic/Latino death rates are at least six times higher than for whites. While whites comprise 62% of people in the U.S. in that age group, 1,013 white people have died from COVID-19 (22% of the total) compared to 1,448 Black people and 1,698 Hispanic/Latino people.^x

We've seen clearly just how dangerous the status quo is. We need to move urgently towards economic recovery. At the same time, we know that returning to "normal" is not good enough. We have to do better.

Last summer, the BlueGreen Alliance alongside our labor and environmental partners released *Solidarity for Climate Action* a first of its kind platform recognizing that the solutions to economic inequality, racial injustice, and climate change have to be addressed simultaneously. We have to fight climate change, reduce pollution, and create and maintain good-paying, union jobs across the nation all at the same time. With COVID-19 worsening these crises, the vision of *Solidarity for Climate Action* is more important now than ever.

We believe our *Solidarity for Climate Action* Platform and the work of this committee lay out a roadmap to get us there. We can tackle climate change in a way that achieves multiple goals at the same time—we can avoid the worst impacts of climate change, deliver public health and environmental benefits to communities, create and maintain good, unions jobs, address economic and racial injustice head on, and create a cleaner, stronger, and more equitable economy for all.

How do we do this?

Invest in infrastructure and support and retool America’s manufacturing sector

First, we need to invest in common-sense “win-win” solutions that deliver climate benefits while creating and retaining quality jobs and spurring economic recovery.

We cannot address climate change or build a thriving economy with derelict infrastructure. We must move forward with an ambitious plan to rebuild and transform America’s infrastructure. Investing now to repair our failing roads and bridges, water systems, and natural gas distribution pipelines, as well as to modernize our buildings and electric grid, transform our transportation systems, and support our urban and rural communities, will boost our economy and create millions of jobs, while also reducing pollution and combating climate change—paving the pathway to a strong and equitable recovery.

BlueGreen Alliance research has found that investing an estimated \$2.2 trillion in key sectors of America’s infrastructure to improve them from a “D+” grade overall to a “B” grade has the potential to support or create an additional 14.5 million job-years across the U.S. economy, add a cumulative \$1.66 trillion to Gross Domestic Product (GDP) over 10 years, and reduce greenhouse gas pollution and boost climate resilience—versus a business as-usual approach.^{xi}

Making these smart investments will also pay dividends for our environment by reducing air and water pollution and tackling the emissions driving climate change. Take transit: supporting transit ridership increases commensurate with population growth could save nearly 4.4 billion gallons of fuel and avert the carbon dioxide (CO₂) equivalent of 39 million metric tons per year through 2025.^{xii} Currently, transit ridership levels save the equivalent energy of the gasoline used by more than 7.7 million cars a year—nearly as many cars as are registered in Florida, the fourth largest state.^{xiii} Public transit investments can help reduce harmful emissions, which tend to disproportionately impact communities of color and low-income communities. At the same time, transit systems support thousands of high quality jobs directly and provide essential and daily access to jobs and opportunity for millions. Expanding and modernizing our transit systems can boost jobs and cut emissions immediately, and be a key piece of rebuilding clean, livable, equitable, and prosperous communities.

And the return on investment we see from infrastructure spending is far greater than other types of potential policy interventions, like tax cuts for example. Increased federal infrastructure spending has an output multiplier of 1.57 compared to only 1.03 for an across the board tax cut, 1.01 for a nonrefundable lump-sum tax rebate, and only 0.32 for cutting the corporate tax rate.^{xiv} The average rate of return (ROR) on infrastructure investment across dozens of studies examined in a 2017 report was an impressive 16.7%.^{xv}

At the same time, we must reinvest in fortifying and transforming heavy industry and retooling to build more of the products, materials, and technologies of the future here. Manufacturing must be an integral part of any strategy to address the climate emergency. In line with achieving net zero emissions economy-wide by 2050, we have the opportunity to modernize and transform our industrial base to make it the cleanest and most advanced in the world. This industrial transformation can bring dynamic industries back to communities that have been left behind by deindustrialization and under-investment and secure domestic supply chains while spurring the creation of a new generation of good, safe jobs manufacturing clean technology.

This must begin by ensuring that our climate and clean energy goals go hand in hand with policies to support and create good union jobs in the clean economy and secure and bring back manufacturing supply chains. And it means ensuring that all public investments are coupled with high labor standards and robust Buy America/n standards to ensure that these investments support domestic manufacturing. We can also utilize “Buy Clean” and other federal procurement standards that require the federal government to consider the carbon footprint of goods they’re purchasing, and to prioritize manufacturing firms that uphold strong labor standards and create good jobs in low-income communities.

Establishing robust, high-road, domestic production of clean technology can capture the economic benefits of the clean economy in the United States. Last month, the BlueGreen Alliance released a manufacturing platform that lays out a national blueprint for how we do this.^{xvi}

Invest at the scale this crisis demands, and do it right

This should begin with prioritizing equitable rebuilding and investments in those workers and communities that need it most, especially low-income communities, communities of color, and deindustrialized communities. Low income communities and communities of color are hit the hardest and are less able to deal with the impacts of both COVID-19 and climate change. For example, these communities are more likely to be in neighborhoods with more air pollution. A 2019 report found that Black and Hispanic Americans live in neighborhoods with more pollution but produce less, whereas white communities are less polluted but white people produce more

pollution.^{xvii} The Fourth National Climate Assessment states that exposure to pollution “results in adverse respiratory and cardiovascular effects, including premature deaths, hospital and emergency room visits, aggravated asthma, and shortness of breath,”^{xviii} conditions which in turn increase the risk of COVID-19 infection.

Generations of economic and racial inequality have disproportionately exposed communities of color to low wages, toxic pollution, and climate threats. We must inject justice into our nation’s economy by ensuring that solutions support the hardest hit workers and communities. We must also ensure that our investments tackle economic inequality and deliver family-sustaining jobs. Manufacturing, infrastructure, environmental restoration, and clean energy are significant drivers of job creation and economic growth, but our investment won’t be effective unless we ensure it supports and creates local jobs with fair wages and benefits and safe working conditions, creates economic opportunity for all people in the communities in which they reside, and meets forward-thinking environmental standards to ensure resiliency.

We have examples of good jobs being created in the clean energy economy—whether that is the tradespeople that built the Block Island offshore wind project off the coast of Rhode Island, autoworkers building cleaner cars and trucks, or high-skilled jobs in energy efficiency retrofitting. These are all good, union jobs building a clean energy and climate-resilient economy today.

However, not enough new jobs created or promised in the clean energy economy are high-quality, family-sustaining jobs. There are differences across sectors when it comes to union density, wages, and benefits. In addition, these new jobs are not always in the same communities that have seen the loss of good-paying, union jobs, and if there are new clean energy projects, they are often less labor intensive.

We can’t afford to invest in ways that double down on the crises we’re facing and further exacerbate inequality. We have to ensure that this investment supports and creates good jobs.

That means a commitment to:

- Increase union density across the country through strong support of the right to organize throughout the economy—including in the clean technology sectors;
- Apply mandatory labor standards that include prevailing wages, safety and health protections, project labor agreements, community benefit agreements, local hire, and other provisions and practices that prioritize improving training, working conditions, and project benefits;
- Raise labor standards in the non-construction sectors through improved wages and benefits and the prioritization of full-time work that eliminates the misclassification of employees and misuse of temporary labor;

- Invest in training, equipment, preparedness, plan development, and other tools including through registered apprenticeship programs to ensure a robust, skilled, and well-prepared workforce to address extreme weather events and other impacts caused by climate change; and
- Utilize community benefit, workforce, and other similar agreements that improve access to jobs and career paths, and identify and implement mechanisms to mitigate and improve local economic and environmental impacts

Ensure fairness for workers and communities

We must also recognize that even if we are successful in retaining jobs while creating new, good jobs, communities impacted by the ongoing energy transition will still be hurting. Since 2014, U.S. power generators retired nearly 62,000 MW of coal-fired generation capacity, 13,703 MW, of coal capacity retired in 2019. Another 26,947 MW of retirements are expected through 2025.^{xix} America is already in the middle of an energy transition. We need to have a conversation about getting ahead of this transition, and we need to do this now.

That’s why— alongside partners and allies from coal communities across the country—the BlueGreen Alliance participated in the development of the National Economic Transition platform.^{xx} The platform is the product of a year-long collaboration, bringing together local, tribal, and labor leaders with public, private, and non-profit partners to develop a policy framework and priorities to invest in communities and workers hit hard by the decline of the coal industry. It calls for “the creation of an inclusive national transition task force, tasked to create a national action plan, and the development of a new federal Office of Economic Transition, guided by an advisory board reflective of affected stakeholder groups and communities” and recommends these new entities address economic transition through seven pillars.^{xxi}

1. Invest in local leaders and long-term economic development planning. Building the capacity of community-based leaders and organizations provides communities with the resources and incentives to plan early for and respond to coal facility closures. These investments ensure communities are prepared for a transition that protects workers and is responsive to local needs.
2. Expand investments in entrepreneurship and small-businesses in new sectors to help communities diversify and strengthen their economies. Investing in small businesses in diverse sectors of the economy—like health care, renewable energy, sustainable agriculture, and remote work opportunities—grows not just resilience, but stronger, healthier communities.

3. Provide bridge support and pathways to quality in-demand, family-sustaining jobs for workers. By providing a bridge of support for workers affected by closures, comprehensive workforce development efforts, and skills training for in-demand jobs, leaders can create a pathway to effective and equitable access to high-quality jobs in the public and private sectors.
4. Reclaim and remediate coal sites to create jobs while cleaning up the environment. Initiatives to reclaim, remediate, and reuse coal sites and clean up coal ash requires a sizable workforce and immediately creates jobs for workers while curbing public health and environmental risks.
5. Improve inadequate physical and social infrastructure. Investing in critical infrastructure, like improved connectivity, stimulates economic development and builds community resiliency. Infrastructure projects create jobs, reduce inequities, and help boost investment in healthy, livable communities.
6. Address the impact of coal company bankruptcies on workers, communities, and the environment. Holding companies accountable to financial regulations and bankruptcy laws when closing operations helps protect worker pay and benefits, while also ensuring polluted sites are reclaimed for new development.
7. Coordinate across programs to ensure communities have access to the resources they need. Launching an interagency grants program helps ensure affected stakeholders have a voice and empowers local communities with federal resources.

The state of Colorado has advanced legislation that provides a model for achieving these goals. It passed landmark legislation, House Bill 1314, during the 2019 state legislative session. The legislation, which was envisioned and championed by the BlueGreen Alliance and our partners, created the first State Office of Just Transition, and mandated creation of a statewide Just Transition plan for coal workers and communities. A 19-member advisory board will present their draft plan on August 1st along with staff of the new office, partners like the BlueGreen Alliance, and state agencies.

The Colorado Just Transition plan recommends structural improvements to how the state supports rural communities where coal mining or power plants are likely to close. Key to Colorado's plan will be developing worker support programs that assist impacted workers in transition to new work. The plan will also recommend state policies that reduce the impact of tax loss on communities, enhance economic development, develop entrepreneurial talent, dedicate capital to improve community infrastructure and ensure coal site cleanup, and secure financing

for expanding businesses in coal transition communities. Several states are watching Colorado’s implementation of House Bill 1314, and considering similar initiatives.

Any plan advanced by forward-looking states will have to be supported and supplemented by additional Federal resources. Federal funding, especially as the COVID-19 pandemic stretches already thin state and local budgets, will be vital to giving coal communities the resources and tools they need to diversify their economies and support their workers through transition.

Working people should not have to suffer economically due to the shift to cleaner, cheaper forms of energy, but a transition that is fair for workers and communities isn’t something that will happen organically. Prioritizing workers and fossil fuel-impacted communities needs to be a deliberate choice. A fair and equitable transition and the creation of good-paying, union jobs need to be baked into our solutions on climate change.

Rebuild the public sector and provide long term support and protections for workers to ensure we are prepared for crises

Lastly, we need to rebuild the capacity of the public sector, the health care system, public health agencies, education, and community-based services to prepare for and respond to disasters like COVID-19 today, and to keep our communities safe and stable for the future. Workers and communities cannot deal with crises alone, whether they are global pandemics or extreme weather events caused by climate change. We also must rebuild and expand the social safety net—including pensions, healthcare, and retirement security—and ensure and enforce worker and community health and safety.

Conclusion

The solutions to the crises we’re facing—climate change, and economic and racial inequality—are as interconnected as their causes and we are happy to see that many of those solutions are included in the staff report released by the House Select Committee on the Climate Crisis. The report is far-reaching and we look forward to working with you on a climate plan that launches an economic recovery that provides solutions to create a stronger, cleaner, and more equitable economy that works for all Americans.

Thank you again for the opportunity to speak today.

ⁱ Environmental Policy Institute (EPI), “What labor market changes have generated inequality and wage suppression?” December 12, 2019. Available online: <https://www.epi.org/publication/what-labor-market-changes-have-generated-inequality-and-wage-suppression-employer-power-is-significant-but-largely-constant-whereas-workers-power-has-been-eroded-by-policy-actions/>

ⁱⁱ Ibid.

ⁱⁱⁱ EPI, “Black workers face two of the most lethal preexisting conditions for coronavirus—racism and economic inequality.” June 1, 2020. Available online: <https://www.epi.org/publication/black-workers-covid/>

^{iv} Ibid.

^v Ibid.

^{vi} Google News, COVID-19 Dashboard. 2020, Available online: <https://news.google.com/covid19/map?hl=en-US&gl=US&ceid=US:en>

^{vii} Washington Post, “Federal Reserve predicts slow recovery with unemployment at 9.3 percent by end of 2020.” June 10, 2020. Available online: <https://www.washingtonpost.com/business/2020/06/10/fed-forecasts-economy/>

^{viii} EPI, “Black workers face two of the most lethal preexisting conditions for coronavirus—racism and economic inequality.” June 1, 2020. Available online: <https://www.epi.org/publication/black-workers-covid/>

^{ix} Ibid.

^x Brookings, “Race gaps in COVID-19 deaths are even bigger than they appear.” June 16, 2020. Available online: <https://www.brookings.edu/blog/up-front/2020/06/16/race-gaps-in-covid-19-deaths-are-even-bigger-than-they-appear/>

^{xi} BlueGreen Alliance, *Making the Grade 2.0 Investing in America’s Infrastructure to Create High-Quality Jobs and Protect the Environment*. 2017. Available online: <https://www.bluegreenalliance.org/wp-content/uploads/2017/09/MakingTheGrade-2.pdf>

^{xii} Ibid.

^{xiii} Ibid.

^{xiv} EPI, *The potential macroeconomic benefits from increasing infrastructure investment*. July 18, 2017. Available online: <https://www.epi.org/publication/the-potential-macroeconomic-benefits-from-increasing-infrastructure-investment/>

^{xv} Ibid.

^{xvi} BlueGreen Alliance, *Manufacturing Agenda: A National Blueprint for Clean Technology Manufacturing Leadership and Industrial Transformation*. June 2020. Available online: <https://www.bluegreenalliance.org/resources/manufacturing-agenda-a-national-blueprint-for-clean-technology-manufacturing-leadership-and-industrial-transformation/>

^{xvii} Proceedings of the National Academy of Sciences *Inequity in consumption of goods and services adds to racial–ethnic disparities in air pollution exposure* March 2019. Available online: <https://www.pnas.org/content/116/13/6001#:~:text=The%20total%20disparity%20is%20caused,pollution%20inequity%20has%20remained%20high>.

^{xviii} U.S. Global Change Research Program, *Fourth National Climate Assessment, Chapter 13: Air Quality*. November 2018. Available online: <https://nca2018.globalchange.gov/chapter/13/>

^{xix} S&P Global Markey Intelligence, “US power generators set for another big year in coal plant closures in 2020.” January 13, 2020. Available online: <https://www.spglobal.com/marketintelligence/en/news-insights/latest-news-headlines/us-power-generators-set-for-another-big-year-in-coal-plant-closures-in-2020-56496107>

^{xx} Just Transition Fund. *National Economic Transition Platform*. June 2020. Available online: <https://nationaleconomictransition.org/>

^{xxi} Ibid.