



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

August 24, 2021

The Honorable Joseph R. Biden, Jr.
President of the United States
The White House 1600 Pennsylvania Ave NW
Washington, D.C. 20006

The Honorable Charles E. Schumer
Majority Leader
U.S. Senate
Washington, D.C. 20510

The Honorable Nancy Pelosi
Speaker
U.S. House of Representatives
Washington, D.C. 20515

Dear President Biden, Speaker Pelosi, and Majority Leader Schumer:

As a coalition of some of the nation's largest labor unions and environmental organizations, collectively representing millions of members and supporters, the BlueGreen Alliance urges you to ensure the budget reconciliation package addresses the intersecting crises of climate change, income inequality, and racial injustice while creating high-quality, good-paying jobs and delivering a more equitable and cleaner economy.

Building back better is America's path toward a clean, thriving, and equitable future. We need a recovery that addresses our nation's persistent and unacceptably high levels of income inequality by creating millions of high-quality jobs in clean manufacturing, clean energy, restoration and resilience, the care economy, and upgrading our infrastructure and buildings. Importantly, these investments must be prioritized for communities that need it the most; especially low-income communities, communities of color, communities facing environmental injustice, and deindustrialized communities, in which workers face far higher rates of unemployment than national and state averages.

The time to act is now. The Infrastructure Investment and Jobs Act (*IJA*) is the start, not the end, of what we need to build back better. Congress must act boldly and invest the full \$3.5 trillion in the Senate budget resolution to build a clean, thriving, and equitable economy.

Voters do not want to wait. In six key states (MI, MN, OH, PA, WV, and WI), Democratic, Republican, and independent voters overwhelmingly (90%) said repairing and modernizing the nation's physical infrastructure and rebuilding and retooling American manufacturing and modernizing our factories to build products and technology in the United States is very or fairly important to them.¹ These voters also placed a high priority on strengthening America's social infrastructure, public services, and human service workforce (84%). Increasing the production of clean energy and investing in innovative clean technologies was widely supported (72%).

Our organizations believe a transformative pro-worker, pro-climate budget reconciliation package must include the following key priorities:

- 1. Ensure High-Road Labor and Domestic Content Standards:** Economic recovery spending should include labor standards, domestic content requirements, community benefit standards, and a commitment to directing at least 40% of investments to disadvantaged communities. This should include prevailing wage and Buy America standards as well as protections for organized labor, similar to the PRO Act, to ensure working people have opportunities for high-quality jobs. This includes restoring and enhancing tax deduction for union dues, reducing worker misclassification, and establishing civil penalties for unfair labor practices.
- 2. Invest in Clean Energy Projects that Deliver Good Jobs:** We need strong investment in the clean energy economy in order to reach net zero carbon emissions by 2050. These federal investments must support high-quality, union jobs while also accomplishing our climate goals. A reconciliation package needs to provide robust funding for clean energy projects built with high-road labor standards and domestic content, specifically through clean energy and EV tax credits, in order to achieve our climate and economic recovery goals.
- 3. Boost Investments in Critical Water Infrastructure:** Congress must fill the remaining \$30 billion funding gap for lead service line replacement - the IJA only provided \$15 billion. BGA has called for a total \$45 billion in funding to replace every lead service line in the U.S. There is also a gap of \$163 billion for clean and drinking water infrastructure, \$80 billion for low-income water assistance, and funding gaps in other critical water infrastructure programs such as EPA's Small and Disadvantaged Communities Program that will need to be filled in reconciliation. Additional water infrastructure investments will boost our economy, address environmental injustice, create and sustain thousands of jobs while ensuring communities have safe water and water systems resilient to climate change.
- 4. Upgrade our Schools & Buildings:** A reconciliation package must include investment in schools - \$130 billion over 10 years (\$100 billion in grants and \$30 billion in bonds - consistent with the Reopen and Rebuild America's Schools Act (RRASA) and \$52 billion over 10 years for the testing and remediation of lead, PCBs and other legacy toxins consistent with the Get Toxic Substances Out of Schools Act of 2021. These investments will help to address gaps in funding for repair and replacement of our crumbling school infrastructure. Reconciliation must also bolster long term investments in schools and other buildings which are the largest emitting sector, including Municipal Buildings, Universities, Schools, Hospitals (MUSH) buildings. Though the IJA makes some investments in building efficiency programs, it is not nearly enough to address the \$1 trillion in deferred maintenance of these buildings or to capitalize on reducing emissions

of energy intensive buildings while making them safer and more resilient for their occupants.

- 5. Support & Retool America's manufacturing sector:** A reconciliation package must make a major investment in modernizing our energy-intensive industrial sector. It should include \$6 billion over 10 years for widespread deployment of industrial efficiency and emissions reduction projects at energy-intensive industrial facilities nationwide, \$15 billion to enable strategic energy intensive facilities to deploy technology that deeply cuts greenhouse gas and conventional pollution, and safeguards critical industries and jobs in the U.S., and \$100 million for a grant program to support small and medium-sized manufacturers to develop environmental product declarations. The inclusion of robust clean technology manufacturing provisions will also be critical to securing and creating good manufacturing jobs in the United States. A reconciliation package must provide significant funding for the 48C tax credit for targeted clean technology manufacturing and industrial emissions reduction, fill the \$2-5 billion funding gap for the Advanced Technology Vehicle Manufacturing (ATVM) loan program, and address the greater than \$25 billion in funding needed for manufacturing production and investment tax credits to fill clean technology supply chain gaps and for urgently needed manufacturing conversion grants to reopen, retool, and expand existing factories to build the clean vehicle technology of the future.
- 6. Ensure Fairness for Workers and Communities:** America's energy transition is well underway, but a transition that is fair for workers and communities isn't something that will happen organically. Prioritizing and targeting federal resources to workers and communities in places impacted by this shift must be a deliberate choice. The reconciliation package needs to include a major investment in dislocated energy worker support, revenue replacement for state/local revenue impacted, and additional funding for the Appalachian Regional Commission and Economic Development Administration. Finally, the reconciliation package must extend the black lung excise tax for 10 years to maintain the funding that provides critical benefits to miners and families. These investments are crucial to support workers and communities who have borne and will continue to bear the brunt of job loss in this energy transition.
- 7. Rebuild the Public Sector and the Care Economy:** Congress must include \$650 billion for the care economy, with \$400 billion for Medicaid Home and Community Based Services (HCBS). This funding would support workforce development, expand access to services, and equip those providing and receiving care in the community with tools necessary for crisis preparedness. These workers play an indispensable role in ensuring the health and resilience of our communities. The public sector, including our frontline health care workers, home caregivers, social workers, teachers, and other public servants play an indispensable role in ensuring the health and resilience of our communities.
- 8. Prioritize Community and Worker Resilience:** Congress should expand funding for programs that provide technical assistance, capacity building, and finance projects targeted to hazard mitigation and climate adaptation. This includes providing \$7.7 billion over the next 5 years for FEMA's Building Resilient Infrastructure and Communities

(BRIC) program, and prioritizing a set-aside within BRIC for low-income, frontline, and BIPOC communities that often lack the capacity to apply for grant funding. Congress should also allocate \$80 billion in funding for the Department of the Interior to support efforts to reduce drought conditions and wildfire risks, support local economies, create jobs, invest in resilience and restoration, and adequately address Tribal needs. Finally, the reconciliation package needs to include an investment of \$10 billion for a reinvigorated Civilian Climate Corps to work on projects building climate resilience, ensuring partnerships with unions, labor representation, and strong protections against private and public sector job displacement.

9. Invest in Transportation Systems: At least \$50 billion federal investment in school bus deployment is needed to support a full-fleet transition, encompassing the price differential, workforce training, and charging infrastructure. Safely and equitably transitioning the nearly 500,000 school buses on the road today to electric buses requires significant federal investment in deployment, as well as labor provisions for all workers impacted by the transition. Congress should also make additional investments in transit funding to meet transit needs and bolster the jobs and economic growth supported by transit. While transit funding received a significant investment of \$39 billion in the IJA, more is needed to meet the current \$176 billion backlog in transit needs. We need additional funding to fully meet the commuting needs of all Americans, including funding to support transit-oriented development and programs to reconnect communities, while continuing to spur regional economic development and create good jobs in operations and American transit manufacturing.ⁱⁱ

10. Support the Buildout of Energy Infrastructure: A reconciliation package should provide a federal investment of \$40 billion over 10 years in the form of loan guarantees and tax credits to leverage additional private sector investment in transmission projects. The IJA included only \$2.5 billion for transmission build out, which is far below what is needed to build and upkeep new and existing lines. Congress should also revitalize the Smart Grid Investment Grant Program, increase funding for the Energy Storage program and Smart Grid Research and Development program in the DOE's Office of Electricity Delivery to \$9 billion over 10 years, building on the track record of partnering with the private sector and increasing emphasis on collaboration with utilities. Finally, a reconciliation package should build on the success of the Energy Storage Technology Advancement Partnership and provide \$50 million in funding over 10 years to DOE for competitive grants to communities for the installation of energy storage technologies—prioritizing disadvantaged or underserved communities and at critical facilities—such as hospitals and fire stations.

If we invest now at the scale needed to truly build back better, we can build a stronger, fairer, and cleaner economy that creates and sustains the high-quality jobs of the future and makes our communities and workers more resilient to crises.

Sincerely,



Jason Walsh
Executive Director
BlueGreen Alliance

ⁱ BlueGreen Alliance, Voters Across Six Key States Support Investments in Infrastructure, Manufacturing, Clean Energy, and Care Economy to Rebuild Economy, May 21, 2021. Available online: <https://www.bluegreenalliance.org/survey>

ⁱⁱ BlueGreen Alliance, “Visualizing the Clean Economy: The Transit and Rail Sector,” Interactive mapping and data available at: <https://www.bgafoundation.org/programs/transit-and-rail-manufacturing-database/>