



To: Office of Manufacturing & Energy Supply Chains  
U.S. Department of Energy  
RE: BlueGreen Alliance Response to the U.S. Department of Energy Request for Information on the Domestic Manufacturing Conversion Grant Program

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The BlueGreen Alliance (BGA) unites 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 Domestic Manufacturing Conversion Grant Program represents a direct opportunity to advance this vision.

We appreciate the opportunity to help shape the impact of this program on the workers and communities it is meant to support. We offer the following guiding principles, which shape our responses to questions from the Office of Manufacturing & Energy Supply Chains (MESC) in the pages that follow.

- 1. The Domestic Manufacturing Conversion Grant Program should first and foremost target auto manufacturing communities supported by the internal combustion engine (ICE) vehicle supply chain – particularly those located in disadvantaged communities, and those at risk of significant job loss due to the acceleration of clean vehicle deployment.**

More than any other Bipartisan Infrastructure Law (BIL) or Inflation Reduction Act program, the Domestic Manufacturing Conversion Grants explicitly function to redress the harms inflicted on auto manufacturing workers and communities by poor trade, labor, and industrial policies of the past. These harms take the shape of disinvestment, unemployment, and stagnation in communities where vehicles and their components were once made (often by workers with good union jobs) before manufacturers seeking lower environmental standards, lower labor costs, and preferential tax and trade environs moved those facilities abroad.<sup>1</sup> The auto manufacturing jobs that have been offshored over the past decades are characterized by high union density, community-supporting wages and benefits, robust training and upskilling opportunities, and ladders to the middle class for people without four-year college degrees. And while the loss of domestic jobs in the ICE supply chain has done acute damage to auto manufacturing communities, the economy-wide ripple effects are significant. The off-shoring of the automotive supply chain has coincided with, and contributed to other major economic trends that have sharpened economic inequality: plummeting union density, sinking average wages despite increased labor productivity, and the hollowing out of the middle class.

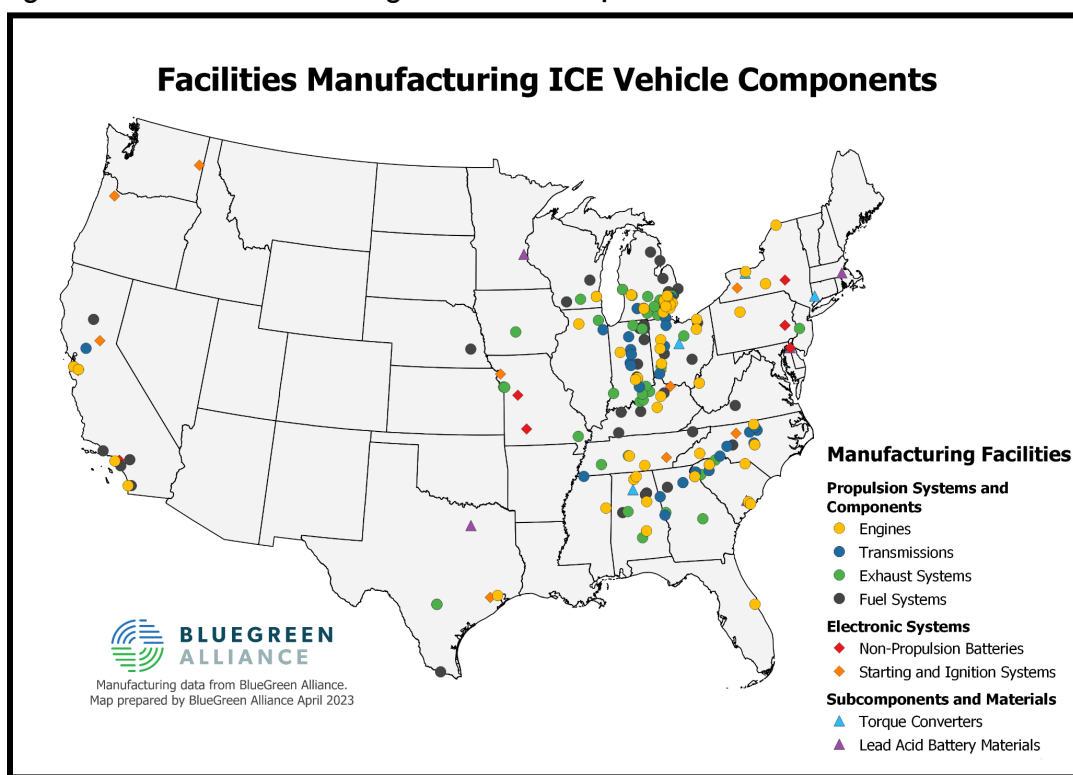
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<sup>1</sup> Economic Policy Institute, "Botched policy responses to globalization have decimated manufacturing employment with often overlooked costs for Black, Brown, and other workers of color," January 2022. Available Online: <https://www.epi.org/publication/botched-policy-responses-to-globalization/>.

Now, as automakers shift their supply chains and plan new facilities to meet demands for clean and electric vehicles, the Domestic Manufacturing Conversion Grant Program offers an opportunity to 1) ensure that policy does not deepen economic inequality by protecting the good auto supply chain jobs that remain, and 2) reinvest in communities that have seen job loss in the automotive supply chain.

Facilities manufacturing components exclusive to ICE vehicles – such as engines and transmissions – are most at risk of closure and/or precipitous job loss in the coming years. Supply chain research from BGA finds that there are 203 operational manufacturing facilities across the U.S. making parts that are exclusive to ICE vehicles (see Figure 1).

**Figure 1: Facilities Manufacturing ICE Vehicle Components**



The maps and chart below offer additional detail about these facilities, but it should be noted that 60 of them are located in or near Justice40 communities (Figure 2), and 163 of them are located within 50 miles of another ICE vehicle component manufacturing facility—or in ICE manufacturing “clusters” (Figure 3). We highlight these two geographical subcategories because they may support MESC in identifying facilities in communities that will maximally derive economic and employment benefits from a retooling project—communities that are in danger of falling further behind without intentional support from DOE.

Figure 2: ICE Vehicle Component Manufacturing Facilities In or Near J40 Communities

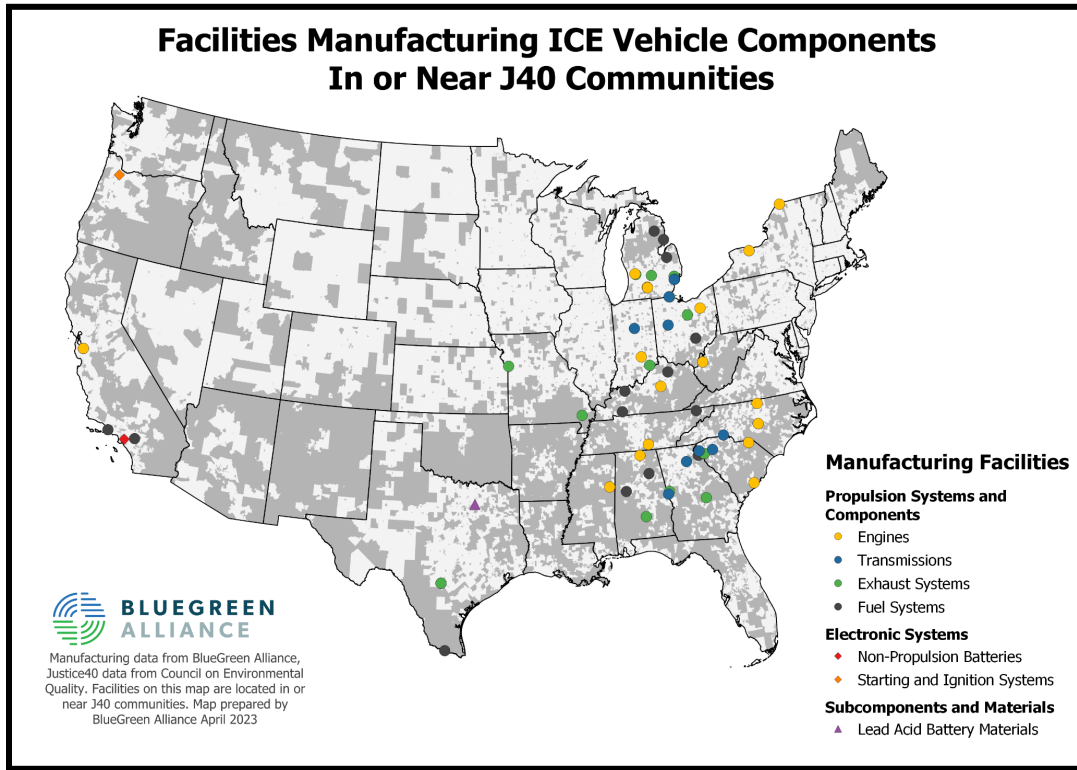
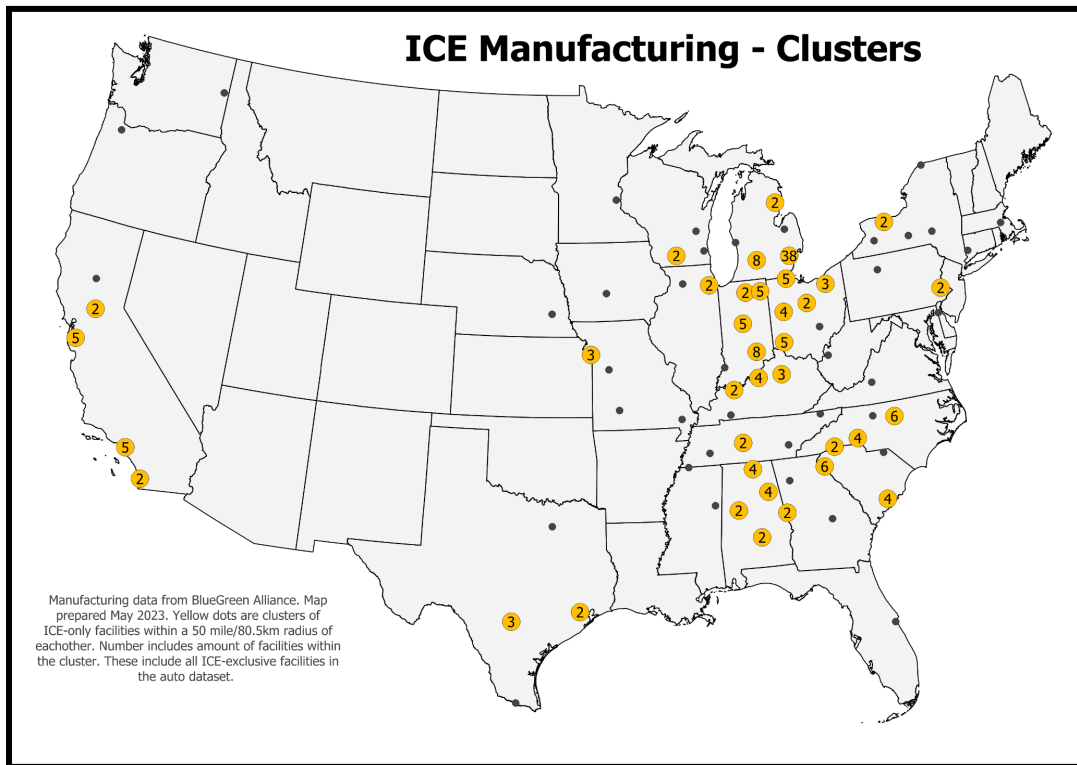


Figure 3: ICE Vehicle Component Manufacturing Facility Clusters



**Table 1: ICE Vehicle Component Manufacturing Facilities by Technology**

	Propulsion Systems & Components	Electronic Systems	Components & Materials	All Tech
J40	64	3	1	60
Cluster				163
<b>All</b>	<b>196</b>	<b>23</b>	<b>12</b>	<b>203</b>

*Note: Some facilities manufacturing more than one type of technology (including technologies within and across categories) are double counted in the chart above. For example, the chart suggests there are 64 facilities manufacturing propulsion systems & components in or near J40 communities, but there are only 60 total ICE vehicle component facilities in J40 communities. This is because some facilities are manufacturing several different technologies categorized as Propulsion Systems & Components. BGA can provide MESC with more granular facility-level data.*

Each of these 203 facilities represents a clear opportunity to execute the core intent of the Domestic Manufacturing Conversion Grant Program: to protect and create jobs in communities that will be impacted by the deployment of cleaner vehicles in the course of the coming years. Meanwhile, the facilities located in or near Justice40 communities, and in ICE manufacturing clusters, comprise an even shorter list that can support MESC’s targeting efforts. BGA is prepared to share more details on these facilities with MESC, including the name of the employer, the address, and particular technologies manufactured.

Finally, these facilities are not directly targeted by any other federal funding opportunities, like the Advanced Technology Vehicle Manufacturing (ATVM) Loan Program, the Battery Manufacturing & Recycling Grant Program, or the Battery Material Processing Grant Program. Narrowly tailoring the Domestic Manufacturing Conversion Grant Program to meet the particular retooling needs of facilities in the ICE vehicle supply chain will ensure the program’s success and that the requirements embedded in the program are appropriately designed to protect workers and communities undergoing a very particular transition.

**2. The automotive supply chain of the future should not only be domestic and resilient; it should also be powered by high-quality union jobs with community-supporting wages and benefits.**

Manufacturing investments from the BIL and Inflation Reduction Act have industry-shaping potential. How they are implemented will define what the clean economy of the future looks like—and the quality of the jobs within it. It is essential that the jobs building the vehicles of the future—indeed, jobs that will be essential to meeting climate and EV deployment goals—are desirable, high-quality union jobs, or jobs where workers have the free and fair choice to join a union.

Only employers making strong, legally enforceable commitments to protect the workers and communities they rely on should be considered for Domestic Manufacturing Conversion Grants. Such commitments could include a union neutrality agreement, collective bargaining agreement, labor peace agreements, Memorandum of Understanding with a relevant union, community benefit agreement, community workforce agreement, and/or other workforce-management-community

agreements.<sup>2</sup> Agencies should also prohibit award recipients, or any subrecipient, from directly or indirectly using grant funds, to oppose union organizing. Please see our response to Section B Question 1 for more detail on how to identify high-road employers in the manufacturing sector.

**3. Supporting auto manufacturing communities through reinvestment and restoration of high quality job opportunities is an important pathway to building broad-based support for clean and electric vehicles (EVs).**

Manufacturing facilities are most successful when they have buy-in from the communities in which they are located.<sup>3</sup> MESC should prioritize facilities that are going to be good neighbors—a determination which can only be made by people who work in and live near those facilities. And while the details of what makes a good neighbor should be determined through close coordination between the employer, workforce, and community members, MESC can incentivize applicants to be good neighbors through a competitive scoring process that prioritizes applicants with clean environmental records, strong community engagement plans, enforceable community benefits agreements, and letters of support from community-based organizations.

It is imperative that the deployment of clean and electric vehicles benefits not only the people who drive them and realize fuel savings from them, but also the people who build them and the communities where they are built. Communities with facilities that win Domestic Manufacturing Conversion Grant funds should see improvements to their air and water quality and reinvigoration of their economy—not environmental degradation and community resource exploitation. MESC must carefully select applicants who make meaningful and enforceable commitments to minimize their environmental footprint and maximize their economic one.

To the extent possible within its capacity, MESC should be proactive in reaching out to communities to ensure investments from the Domestic Manufacturing Conversion Grant Program align with already established economic development goals and plans. In particular, MESC should try to target education, outreach, and technical assistance to prioritized facilities—ICE vehicle component manufacturing facilities in or near Justice40 communities, and/or communities that are disproportionately supported by ICE supply chain jobs—equipping them to negotiate community benefits agreements or other agreements with manufacturers that guarantee worker and community buy-in and predetermined economic, health, and environmental benefits.

Thank you for your consideration of our comments and responses below.

**A. Anticipated Program Scope and Details**

*Facility and Operation*

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<sup>2</sup> BlueGreen Alliance, “Best Practices for Implementation: How the Lessons from the Bipartisan Infrastructure Law Can Ensure the Inflation Reduction Act Delivers Good Jobs,” May 1, 2023. Available Online:

<https://www.bluegreenalliance.org/resources/best-practices-for-implementation-how-the-lessons-from-the-bipartisan-infrastructure-law-can-ensure-the-inflation-reduction-act-delivers-good-jobs-and-community-benefits/>.

<sup>3</sup> Good Jobs First, “Community Benefits Agreements.” Available Online:

<https://goodjobsfirst.org/key-reforms-community-benefits-agreements/>.

**1. What types or categories of existing manufacturing facilities and related infrastructure do you think would be appropriate for this program?**

MESC should target facilities manufacturing components exclusive to internal combustion engine (ICE) vehicles—such as engines and transmissions—for Domestic Manufacturing Conversion Grant Program funding. These facilities are the most likely to see near-term job loss from the increased deployment of clean and electric vehicles (EVs), and are less likely to benefit from other manufacturing investment opportunities from the Bipartisan Infrastructure Law (BIL) and Inflation Reduction Act, namely the Advanced Technology Vehicle Manufacturing (ATVM) Loan Program, the Battery Manufacturing & Recycling Grant Program, the Battery Material Processing Grant Program, the 48C Advanced Manufacturing Tax Credit, and the 45X Advanced Manufacturing Production Tax Credit.

BGA research finds that there are 203 individual facilities manufacturing components that are exclusive to ICE vehicles (see Figure 1 and Table 1). Of these facilities, 60 are located in or near Justice40 communities (Figure 2), and 163 are located in ICE manufacturing “clusters,” defined as areas where there are at least two ICE vehicle component manufacturing facilities within 50 miles of each other (Figure 3).

**2. How would you define a facility “that has recently ceased operation or will cease operation in the near future?” What metrics could allow for companies, unions, and/or communities to identify these facilities?**

The two largest unions in the auto industry and supply chain are the United Auto Workers (UAW) and the United Steelworkers (USW). DOE should coordinate closely with these two unions.

**3. How could DOE streamline applications or align application and reporting requirements with requirements for other similar programs?**

DOE and MESC should draw from the Regional Clean Hydrogen Hubs (H2Hubs) Program Funding Opportunity Announcement when crafting its competitive application process—particularly the sections relating to labor and community engagement.

We recommend that MESC incorporate elements of the application requirements and scoring frameworks laid out in the H2Hubs Funding Opportunity Announcement (FOA), with minor adjustments to ensure applicants meaningfully engage with both labor *and* community-based organizations.<sup>4</sup> These elements include:

- The requirement that all applicants submit a Community Benefits Plan as a part of their application, which shall include, at minimum:
  - Letters of support from labor unions and community-based organizations, and to promote accountability, federal agencies should include reference checks in their review process for applications;
  - Description of if and whether the applicant or sub-applicants have existing collective bargaining relationships and/or plans to negotiate agreements, such as Collective

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<sup>4</sup> U.S. Department of Energy, “Bipartisan Infrastructure Law: Additional Clean Hydrogen Programs (Section 40314): Regional Clean Hydrogen Hubs Funding Opportunity Announcement.” Available online: <https://oced-exchange.energy.gov/Default.aspx#Foald4dbbd966-7524-4830-b883-450933661811>

Bargaining Agreements, Community Benefits Agreements, Good Neighbor Agreements, Project Labor Agreements, etc.;

- Description of plans to provide above average pay, such as a living wage, and prevailing benefits to properly classified employees in both the construction and ongoing operations phases and support the rights of workers to a free and fair choice to join a union;
  - Description of plans to retain and train the existing workforce in new manufacturing processes, including regular training to keep workers up to date on hazards and controls to prevent illness or injury;
  - Descriptions of plans to fill remaining workforce needs with a skilled, qualified, local and diverse workforce (for both construction and ongoing manufacturing roles); and
  - Workforce impact projections (e.g. projected numbers and descriptions of new permanent and temporary jobs being created or supported by the project).
- The incorporation of a robust Community Benefits Plan as a part of the “Go/No-Go” criteria for project selection;
  - Dedicated scoring criteria that separately weight and evaluate plans to comply with labor standards and community engagement, and;
  - The extension of the above requirements to all subcontractors, employers of temporary employees, and any other project partners making use of DOE funds.

However, MESC should also keep in mind that the H2Hubs Program FOA targets the creation of *new*, high-quality jobs in manufacturing and construction, while the Domestic Manufacturing Grant Program must focus on the preservation and protection of an *existing* workforce. This key difference should be reflected in the Domestic Manufacturing Conversion Grant Program’s application process and in MESC’s application review criteria.

## **B. Worker and Community Benefits**

### *Community Benefits Plans*

- 1. How can projects funded under the domestic manufacturing conversion grant program meet the goals of creating good union jobs and work opportunities for local residents in both the construction phase and in the long-term operations phase of the project? How should progress towards these goals be assessed?**

MESC can leverage the competitive grant process to facilitate a race-to-the-top for job quality and community impacts associated with projects and facilities funded by the Domestic Manufacturing Conversion Grant Program. Through the application process (including MESC’s evaluation of the Community Benefits Plan), MESC should prioritize funding for employers and projects with the following attributes:

- Community Benefits Plans that *separately* outline applicants’ commitments to engage with labor and community-based organizations, and include, at minimum, the following elements (as outlined in Section A Question 3):
  - Letters of support from labor unions and community-based organizations, and to promote accountability, federal agencies should include reference checks in their review process for applications;
  - Description of if and whether the applicant or sub-applicants have existing collective bargaining relationships and/or plans to negotiate agreements, such as Collective



Bargaining Agreements, Community Benefits Agreements, Good Neighbor Agreements, Project Labor Agreements, etc.;

- Description of plans to provide above average pay, such as a living wage, and prevailing benefits to properly classified employees in both the construction and ongoing operations phases and support the rights of workers to a free and fair choice to join a union;
  - Description of plans to retain and train the existing workforce in new manufacturing processes, including regular training to keep workers up to date on hazards and controls to prevent illness or injury;
  - Descriptions of plans to fill remaining workforce needs with a skilled, qualified, local and diverse workforce (for both construction and ongoing manufacturing roles); and
  - Workforce impact projections (e.g. projected numbers and descriptions of new permanent and temporary jobs being created or supported by the project).
- Manufacturing workers' right to join a union is demonstrated by a legally enforceable agreement—not a statement of intent;
  - The explicit intent to preserve or improve the quality of jobs, and working conditions, experienced by the manufacturing workers employed in the new facility;
  - A demonstrated commitment to cooperate with MESC's accountability measures to ensure meaningful labor and community engagement, including reference checks; and
  - No reported history of engagement with union avoidance firms.

## **2. What are challenges to encouraging worker organizing and collective bargaining in manufacturing conversion?**

Bad-faith employers remain a challenge for worker organizing in manufacturing conversion projects. Employers continue to fight worker organizing efforts through union avoidance activities, including hiring union-busting consultants, holding required anti-union meetings, delaying union elections, and more. With the National Labor Relations Board being short-staffed and underfunded, these illegal activities are very difficult to stop in a timely manner.

## **3. What tools could domestic manufacturing conversion projects utilize to provide opportunities for employment?**

MESC should prioritize job retention and protection of the incumbent workforce—or in the case of a recently-closed facility—the recently-laid off workforce. MESC should require applicants to provide data on the nature and quality of jobs associated with the incumbent or recently-laid off workforce, including permanent/part-time/contract status, wages, benefits, and union status.

Even more crucially, MESC must ensure that the Domestic Manufacturing Conversion Grant Program preserves or improves the *quality* of manufacturing jobs in the domestic auto sector. Requiring formal collaboration with labor unions and community-based organizations is the most critical step to achieving this. These key stakeholders have the deep expertise, community trust and relationships, and infrastructure to ensure that the job opportunities created by the program—from the project-based construction jobs to the permanent manufacturing jobs—are desirable positions filled by a trained and locally representative workforce.

## **4. Are there roles that various labor partners could play in implementing projects funded under the domestic manufacturing conversion grant program?**



Coordination with labor can support MESC's efforts to 1) identify facilities that are primed for program funding, 2) train incumbent and new manufacturing workers in new processes, and 3) hold awardees/grantees accountable to their commitments to labor and communities.

On facility identification: Labor partners who are embedded in the auto supply chain, including the United Auto Workers and the United Steelworkers, can help lift up facilities that are at risk of closure, or have recently closed.

On training: Unions can be critical workforce development partners with this program. Industrial unions work with their employers on a variety of structures for labor-management training programs (some are registered apprenticeship programs) that provide a combination of classroom and on-the-job skills training. These programs provide workers with job training and career development opportunities to help them gain new skills and advance their careers. Registered apprenticeship and pre-apprenticeship programs can also be important tools. A registered apprenticeship program is a training program that combines on-the-job training and classroom instruction. Apprenticeships are sponsored by employers, industry groups, or labor-management training committees. Registered apprenticeship programs are overseen by the U.S. Department of Labor or a DOL-recognized State Apprenticeship Agency. A pre-apprenticeship program is a training program designed to prepare individuals for entry into an apprenticeship program. These kinds of programs promote workforce development and ensure that workers receive appropriate training and education. They can also help to promote equity and fairness in the workplace by providing opportunities for individuals from underrepresented groups to access training and career advancement. Additionally, the use of these programs can help to promote a more skilled and capable workforce, supporting the economic development and prosperity of communities across the country.

On accountability: Labor unions, justice organizations, and workforce development organizations can be essential partners to MESC as evaluators and validators of applicants' commitments to labor and communities, as laid out in their Community Benefits Plans. MESC should include reference checks in the application review process to confirm that applicants have interacted with the labor, social justice, and workforce development organizations they have claimed to work with in their applications. This fosters collaboration and responsibility among applicants and guarantees that they are working with pertinent organizations to promote fairness and generate employment opportunities.

5. **In what ways, if any, do you anticipate IRA section 50143 impacting the workforce? For example:**  
a) **To what extent do you anticipate job creation, loss, or changes in job quality?** b) **To what extent do you anticipate the creation of construction jobs? Ongoing operations and maintenance jobs? Other jobs across the supply chain?**

### **For Auto Manufacturing Workers**

As outlined in Section B Question 3, the Domestic Manufacturing Conversion Grant Program has the potential to not only secure domestic auto supply chain jobs, but also to preserve and improve the quality of these jobs. Absent intentional defensive efforts from grantmaking agencies like DOE, however, the quality of auto manufacturing jobs in the United States is in danger of significant degradation. Where the auto manufacturing sector has historically been characterized by high union density, community-supporting wages and benefits, and pathways to the middle class, the shift to electric vehicle manufacturing has corresponded with the loss of many of these qualities. Increasingly, companies engaging in rent-seeking behavior are establishing new facilities—particularly battery manufacturing facilities—in locales like

“right-to-work” states where they can avoid a union workforce, provide lower-than-average wages and benefits, and circumvent legal protections that ensure a safe and diverse work environment.

The shift to clean vehicles must not equate to a reduction in auto manufacturing jobs, or further degradation of job quality. Research from the Economic Policy Institute finds that clean vehicle deployment can actually result in an *increase* in the number of jobs in the automotive supply chain, if policy functions to increase the share of American-made vehicles sold in the U.S. market, as well as the domestic content of all vehicles made here.<sup>5</sup> Programs like the Domestic Manufacturing Conversion Grant are precisely what is needed to secure and reshore auto manufacturing jobs. The careful selection of projects to facilitate a race-to-the-top in terms of the *quality* of those jobs is up to MESC and DOE.

### **For Construction Workers**

The project-based construction work that will be needed to retool facilities funded by the Domestic Manufacturing Conversion Grant Program should also be characterized by high standards of wages & benefits, safety, equity, and diversity. For construction work that cannot be completed by the applicant’s direct employees, a Project Labor Agreement (PLA) between a labor union and the applicant provides legally-enforceable protection to the construction workers who will bring retooled facilities to life. As with the manufacturing jobs described above, even the temporary work created by this program should be desirable, high-quality, and union.

#### **6. In a competitive labor market, what is needed to attract, train, and retain a skilled workforce for clean vehicle manufacturing and supply?**

It is essential that manufacturing workers here in the U.S. receive the training/retraining they need to build the clean vehicles of the future, and the facilities where they will be made. It is equally important, however, that employers - particularly those benefiting from federal support - can be relied upon to provide community-supporting wages and benefits in safe, equitable, representative, and democratic work environments.

And while some employers do succeed at creating positive work environments and establishing high quality career pathways for their employees, the best way to guarantee that workers are adequately trained and truly protected is to secure their right to negotiate a collective bargaining agreement. That is why our recommendations for the implementation of this program stress the importance of a competitive award process that rewards manufacturers who have demonstrated their ability to work collaboratively with labor unions.

Thank you for the opportunity to comment.

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<sup>5</sup> Economic Policy Institute, “The stakes for workers in how policymakers manage the coming shift to all-electric vehicles,” September 22, 2021. Available Online: <https://www.epi.org/publication/ev-policy-workers/>.

