

**JUMPSTARTING MAIN STREET:
BRINGING JOBS AND WEALTH BACK
TO FORGOTTEN AMERICA**

HEARING

BEFORE THE
SUBCOMMITTEE ON ENVIRONMENT
OF THE
COMMITTEE ON OVERSIGHT AND
REFORM
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**JUMPSTARTING MAIN STREET:
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TO FORGOTTEN AMERICA**

Wednesday, June 16, 2021

HOUSE OF REPRESENTATIVES
SUBCOMMITTEE ON ENVIRONMENT
COMMITTEE ON OVERSIGHT AND REFORM
Washington, D.C.

The subcommittee met, pursuant to notice, at 1:07 p.m., in room 2154, Rayburn Office Building, Hon. Ro Khanna (chairman of the subcommittee) presiding.

Present: Representatives Khanna [presiding], Maloney, Tlaib, Gomez, Bush, Norman, Gibbs, Fallon, and Herrell.

Mr. KHANNA. [Presiding.] The committee will come to order.

Without objection, the chair is authorized to declare a recess of the committee at any time. We will recess if there are votes. I don't want any members on the committee to miss votes.

I now recognize myself for an opening statement before turning to our Ranking Member.

The purpose of this hearing is very simple. It is to show that a climate agenda must be, can be, will be additive to communities that are struggling. The President's climate agenda will create jobs and bring prosperity to places across this country, towns across this country, whether in Pennsylvania, or South Carolina, or West Virginia, and will not take away any opportunities. Today we will hear from witnesses about how to create growth for towns and cities that have lost manufacturing and fossil fuel jobs. These losses of jobs are taking place and have nothing to do with our government policy. They are due to automation, in many cases, and de-industrialization, which was driven by mistakes in government policy. But we need to be able to fix that by offering these communities new opportunities, new jobs, that are now available with a strong investment in clean technology.

Unfortunately, jobs have been in decline since the 1980's in manufacturing. Jobs have also been in decline in the coal industry since 1985 when there were 178,000 coal jobs, but because of automation, there are now only 42,500 jobs, with most of the decline happening actually in the 1980's and the 1990's. The pandemic has created another economic crisis. As of May, 9.3 million people were unemployed, and the unemployment rate is still too high at 5.8 percent. There are 7.6 million fewer jobs in the U.S. since the pandemic began, and there are over 20 million workers who are still being harmed to this day by the pandemic. That includes Black

and brown communities that are experiencing unemployment the most and rural communities that have also been particularly hard hit.

You know, in my district, we have over \$10 trillion of market cap in Silicon Valley of companies, and yet in towns, particularly small towns, towns less than 50,000 people, wages have stagnated in this country since 2008 and jobs have declined. That must change. The unemployment rate is four percentage points worse for Black Americans and two points higher for Latinx Americans, a situation that is unjust. Women are leaving the work force at an alarming rate. The work force participation rate for women is 57.4 percent, a level not seen since 1988. One-point-seven-nine million fewer women are in the work force since the pandemic began, almost 2 million jobs lost.

We have little time to act at the same time on the climate crisis. The U.S. and the rest of the world, as everyone knows, must achieve net zero emissions across all sectors of the economy by 2050. This is what the science tells us. This can only be accomplished with immediate mobilization. We must invest in renewable energy, sustainable agriculture, zero-emission transportation, clean industry, and efficient and electrified buildings. These are investments in jobs, and those communities that are struggling must be prioritized. Those communities that are most reliant on the fossil fuel industry must be prioritized. They must be told and promised that we are going to bring new jobs first, that the government policy is going to bring jobs to their communities, not take any jobs away. We can solve the climate and employment crisis at the same time.

According to a study on the THRIVE agenda, an investment of \$1 trillion per year in a clean economy will create 15.5 million jobs, many of those jobs precisely in the communities that have been left behind, jobs in the heartland of our country, jobs in Black and brown communities. These investments would also put the country on track to stay below the 1.5-degree Celsius of warming. They would revitalize forgotten communities that have lost manufacturing and fossil fuel jobs. They must be, in many cases, union jobs. Strong labor and equity standards will ensure that these are good jobs. We can't tell a worker who is making 30 bucks an hour and had benefits that suddenly they are going to be in a job that isn't as good. That is unfair. These jobs must be as good as the jobs that communities have lost, if not better.

The President's American Jobs Plan is a good start to this crisis as is the President's infrastructure plan. Climate is infrastructure because climate is about creating new jobs and building the modern infrastructure in communities that are hurting. The THRIVE Act, which I have co-sponsored, will also provide family sustaining union jobs for 15 million Americans, as will the WATER Act, which I am a proud co-lead on. These bills are the kind of solutions that Congress should implement to address the historic de-industrialization and discrimination that we face as a Nation. I hope that we will have a conversation, and I look forward to hearing from our experts on what we can do to create these new jobs for the 21st century in left-behind communities.

With that, I now recognize the distinguished Ranking Member, Mr. Norman, for his opening statement.

Mr. NORMAN. Thank you so much, Chairman Khanna, for holding this hearing, and thank you to the witnesses for taking your time to appear.

The title of this hearing is, “Jumpstarting Main Street: Bringing Jobs and Wealth Back to Forgotten America.” This is an ironic title for the hearing considering that it is the forgotten who are the ones that are being left behind by this Administration. The President’s American Jobs Plan would place an enormous financial burden on the American taxpayer, and particularly low-income Americans who are suffering disproportionately from spikes in inflation. Ask anybody, have you filled your car up with gas lately?

The American Jobs Plan calls for hundreds of billions of dollars to be spent on reducing climate and energy emissions in order to address climate change as one of the greatest challenges of our time. The plan includes a very vague \$213 billion proposal that will produce, preserve, and retrofit more than 2 million affordable and sustainable places to live. I am very interested to learn more about the plans for spending this massive sum of taxpayers’ money and how that will bring jobs and wealth back to forgotten America. To say that I am skeptical is an understatement.

Over the past year-and-a-half, the world’s economy has essentially been shut down due to the COVID–19 pandemic. However, even with this halt in activity, a recent National Oceanic and Atmospheric Administration, the NOAA, report from April of this year shows that it barely made an impact on the amount of carbon dioxide in the atmosphere. If the most unparalleled shutdown in human activity that closed schools and businesses all around the world barely impacted CO2 levels, it raises serious questions about whether spending massive amounts of the United States’ taxpayer money will actually affect the climate, especially while countries like China and India continue to pollute at record levels.

When Ms. Greta Thunberg appeared before our committee, I asked her what leverage are you going to use with China to incentivize them to cut their emissions. Her only response was we will ask them and we will show through leadership. We are dealing with a communist country, and that is not the type of leverage that makes them respond to whatever we do.

The United States has made great strides when it comes to emissions. The most recent U.S. EPA Annual Air Quality Report shows that we are leading the world in reducing emissions, having reduced more than the next 12 emission-reducing countries combined. Because these reductions have come as a result of innovation and market forces, energy costs have decreased nationwide. The progress made in energy innovation during the Trump Administration is at risk because of the radical ideas the left is proposing. The Green New Deal would damage our economy and do away with affordable energy while destroying millions of jobs, as has occurred in the shutdown of the Keystone pipeline and relying on countries that do not have the best interest of the United States.

Americans all over the country are dealing with the realities of the Biden Administration’s policies. Gas and lumber prices have skyrocketed since January. Lumber prices are up over 400 percent

since this time last year, and in the past few weeks, I have seen hardworking South Carolinians waiting in long lines at the gas station. This is not the American energy dominance that we had seen over the prior four years during the Trump Administration. As representatives, we will continue to support responsible policies that work to solve our problems by promoting innovation and investing in clean energy infrastructure. However, I fear that a premature move away from fossil fuels, particularly for poor areas, means that they will continue to have little access to the type of cheap, reliable energy that enables economic growth.

I look forward to hearing from Mr. Shay Hawkins today from the Opportunity Fund Association to learn more about the work he is doing to help promote opportunity fund investments in distressed rural and urban communities. We should be looking at ideas like opportunity funds to ensure that America is able to help families and businesses respond from the COVID-19 pandemic instead of relying on massive government mandates that will only hamper and basically stop the recovery. The United States has abundant clean energy natural resources. We must use those resources to advance American interests while continuing to lead the world in emissions reductions.

Thank you, Mr. Chairman, and thank you to each of the witnesses.

Mr. KHANNA. Thank you, Mr. Norman. And while we obviously have differences in ideology that are clear, I have always appreciated your willingness to look for common ground on this committee.

I now recognize the distinguished chair of the full committee, which should be a testament to the witnesses as our distinguished chair doesn't join every hearing, so we are really honored that Carolyn Maloney, our chair, is with us. And, Chair Maloney, if you would give your opening statement.

Mrs. MALONEY. Thank you, Chairman Rho Khanna and Ranking Member Norman, for bringing the subcommittee's attention to this vitally important issue. The United States has a once-in-a-generation opportunity to combat the climate crisis and create millions of good-paying jobs. Crucially, the American Jobs Plan would commit the U.S. to a standards investment in justice approach. Ambitious standards will help to reduce carbon emissions on the timeline science says is necessary to secure a livable climate. Direct investments spurs immediate green deployment and job creation, and justice humanizes every dollar and every agency decision for a generation.

Last Congress, the Oversight Committee and this subcommittee partnered on a series of staff reports called "The Urgent Need for Climate Action." These reports uncovered the staggering cost of runaway pollution in several states and the United States overall, and daunting as the numbers are, I know that one of the key findings from that staff report is that the U.S. will "save lives, reduce illnesses, and save trillions of dollars by acting now at a local, state, regional, and national level." The most immediate benefits will come from eliminating what committee staff reports called the primary impacts of fossil fuel pollution. The carbon emissions that drive global climate change also release deadly gases teeming with

particles that lodge in our lungs and enter the bloodstream, leading to serious health impacts in many communities. And in my own state of New York, reducing emissions at the level consistent with the Paris Agreement would save 400,000 lives simply due to cleaner air.

Because of the climate crisis, drawing down emissions is a top priority, but in tackling this problem, we must ensure we target the pollution crisis equitably, focusing on frontline communities that are hurt first and worst. I am proud to support the THRIVE Act and its sustained investment model. And with the transition to a renewable economy, we can beat back the climate crisis and move forward with more environmental justice. Fundamentally, we need to direct at least 40 to 50 percent of investments to the most impacted communities, meeting and hopefully exceeding the goal set by President Biden in the American Jobs Plan. As we will hear today, these communities are poised to lead the way to a green industrial transformation.

I want to thank you, Chairman Ro Khanna, for having this hearing, and I look forward to working with you as you move forward with proposals to green America, create more jobs, create a healthier environment, and I look forward to the testimony. I yield back.

Mr. KHANNA. Thank you, Chairwoman Maloney. Now I will introduce our distinguished witnesses. Our first witness today is Rick Bloomingdale, president of the Pennsylvania AFL-CIO, who I remember said the key is to always talk about bringing jobs first. Then we will hear from Brandon Dennison, founder and chief executive officer of Coalfield Development in West Virginia, who has really been working with local communities. Next we will hear from Catherine Coleman Flowers, founder of the Center for Rural Enterprise and Environmental Justice in Alabama; again, someone who is grounded and rooted in her community. Then we will hear from Dr. Darrick Hamilton, the Henry Cohen Professor of Economics and Urban Policy at the New School, really one of the most brilliant public intellectuals of our time. Next, we will hear from Michelle Martinez, acting executive director of the Michigan Environmental Justice Coalition, who is doing extraordinary work, and I want to recognize Representative Gomez on our committee for bringing her work to our attention. Finally, we will hear from Shay Hawkins, CEO of the Opportunity Funds Association. Thank you for coming in person.

The witnesses will be unmuted so we can swear them in. Please raise your right hand.

Do you swear or affirm that the testimony you are about to give is the truth, the whole truth, and nothing but the truth, so help you God?

[A chorus of ayes.]

Mr. KHANNA. Let the record show that the witnesses answered in the affirmative. Thank you.

Without objection, your written statements will be made part of our record.

With that, Mr. Bloomingdale, you are now recognized for your testimony.

**STATEMENT OF RICK BLOOMINGDALE, PRESIDENT,
PENNSYLVANIA AFL-CIO**

Mr. BLOOMINGDALE. Thank you, and good afternoon, Chairman Khanna, Ranking Member Norman, and Chairwoman Maloney, and members of the House Oversight Subcommittee on the Environment. Thank you for inviting me to testify today. As was said, my name is Rick Bloomingdale, and I am the president of the Pennsylvania AFL-CIO. We represent over 700,000 union members and more than 50 international unions across the Commonwealth of Pennsylvania. I am here before the subcommittee today to testify regarding job creation in de-industrialized blue collar communities across Pennsylvania as well as America.

Look around your districts. Our people in our lands are struggling all across our Nation. As the past years have progressed, we have gradually experienced the toll that the past and latest recessions are having on our communities throughout the Commonwealth and across the country. We must understand the weight of living paycheck to paycheck that many of our communities carry every single day. We need to target investments in areas of the country that have been de-industrialized and historically disadvantaged by working together to create an economically and environmentally sustainable pathway forward.

Over the past year-and-a-half, Pennsylvania has experienced the highest unemployment rate in any of our lifetimes. We need to understand the importance our infrastructure plays in creating and maintaining good jobs that provide a steady livelihood to hard-working Pennsylvanians. Diversifying our energy work force through the addition of good, innovative jobs can play a critical role in how we build the future our workers and families deserve. We must be clear: environmental sustainability cannot be economically unsustainable. To combat and reverse climate change, we need to evolve how we produce energy, expand energy efficiency for usage and conservation, cleanup our atmosphere through carbon capture and sequestration, as well as many other innovative energy ideas. There is no singular solution, but, rather, with multiple steps, we can create clean jobs that put working people first.

And let me just add that Pennsylvania is an energy exporter. Many people may not know this: the first oil well in America was drilled in Pennsylvania. Before that, we were the major leader in coal production and powered the railroads that built and expanded our Nation. Pennsylvania is proud of its energy history and hopefully our energy future as we move forward in new economic and environmentally sustainable energy industries. It is critical we create good jobs in advance of any actions that cause reductions in unemployment and fossil fuel use. Working families and communities want to know and deserve to know that doing what is necessary to fight climate change won't result in unemployment or a reduced standard of living. Rather than telling people you are going to have to transition, let's make sure jobs are there first, and then the transition happens rather than rolling the dice and putting people out of work before we create the good union jobs that will come to our struggling communities.

The shift to clean energy is a tremendous opportunity to create union jobs. The Federal Government must lead the way by insist-

ing that public dollars are spent on American-made products. This should include renewable energy goods, clean vehicles, and while also ensuring that high labor standards are built into every action and attached to every Federal incentive for clean energy. We deeply appreciate President Biden's call to invest in coal and other fossil fuel communities to create good jobs in new industries and by cleaning up abandoned mines and wells. We call on Congress to support this order with the funding it requires, while doing more to require high labor standards.

And just quickly, a little bit of history about Appalachia and that part of Pennsylvania. The Federal Government—this is nothing new—trying to help in Appalachia, the attempt by the Federal Government to assist struggling communities is not new, as I said. In fact, the AFL–CIO Appalachian Council is an organization governed by the chief executive officers of the AFL–CIO state labor councils in the 13 states of the Appalachian region. Since 1964, the organization has developed and implemented a broad range of social services through various projects designed to lead to full employment, to the extent possible, within a region blighted by poverty and joblessness. The Council also recognized as technological advances and economic forces brought about changes in the workplace, workers would be required to have additional skill sets that had not been necessary in previous generations. Much of this is still true today.

Lately, we have been engaged with a group called Reimagine Appalachia, and while many communities throughout our country have been negatively impacted by de-industrialization, I would like to focus on a strong initiative building out of Appalachia that can serve as a framework for future success as this Administration creates new pathways to build back better. Reimagine Appalachia is a coalition formed of economic and environmental community leaders and grassroots organizations who are working to address the obstacles and propose solutions on rebuilding a local economy that can adequately support workers, communities, and the environment in the face of de-industrialization. Rather than government officials coming into local communities that are hurting and implementing change without leveraging the voices and experiences of the local population, Reimagine Appalachia is unique because it has built forward from the input of local residents, those whose lives are drastically and directly impacted and how they re-imagine their Appalachia. Together, the Coalition has been working to address the problems that these local stakeholders have highlighted, incorporating their voices into creating a blueprint for economically and environmentally sustainable change.

This plan shows how Federal resources can support high-quality jobs and sustainable manufacturing, a modern Civilian Conservation Corps, and by building out the region's broadband infrastructure, which is critical to any growth of any businesses across America. The final report from a study by the Political Economy Research Institute, PERI, at the University of Massachusetts-Amherst, shows that the blueprint has the potential to provide good, sustainable jobs for 250,000 Pennsylvanians every year for the next 10 years. The number is for Pennsylvania alone. The job creation potential equates to hundreds of thousands more jobs for each of

our neighboring states in the Appalachian region. These Federal investments would not only represent a counter force in the economic collapse associated with COVID-19, they would also build the foundation for a more sustainable and vibrant Appalachia moving forward.

But first we need to combat negative impacts that will happen to fossil fuel industry workers. There are roughly 64,000 Pennsylvanians working in fossil fuel-based industries, including oil and gas extraction, coal mining, and refineries. The PERI analysis, driven by emissions reductions that come, in part, from reduced energy consumption of high-emission fuels, determined that by the year 2030, there would be 28,702 fewer fossil fuel industry workers, about 1,000 of which each year would retire, but the rest of which would require reemployment. Each year for the next 10 years, roughly 1,800 workers will deserve priority status for reemployment and jobs created via national climate change legislation. The PERI analysis recommends, among other things, income support from supplemental wage insurance for any difference in pay levels that result from moving into cleaner energy industries. Some additional training for new work may also be necessary. For this purpose, Federal funding should be allocated toward union apprenticeship programs providing continuing learning opportunities.

I am going to jump right to the conclusion here because while I can't see the timer, I am guessing my five minutes is almost up, but we do need to invest in the future. This is not an ultimatum to protect either jobs or the climate. We desperately need to do both. We need a vision for the future that centers workers and their families and that includes workers who aren't currently in the energy sector. When we talk about energy, we want to create more jobs. This means creating more work for people already in the industry and a pathway to the good jobs for people who want to be in the energy production industry. There is room for everyone if we do this the right way.

As we look toward building a pathway to a better future for our communities hardest hit through de-industrialization over the past decades, we must create policy that truly centers the vocalized needs from our local work forces in these areas. State policymakers should leverage opportunities for stimulus and recovery. The Federal Government also has a role to play with advancing a just, people's budget for environmental protection and conservation in Pennsylvania as well as the rest of the Nation that helps to put residents back to work while cutting carbon emissions and curbing water pollution.

Actions we can take include passing the PRO Act to ensure good, sustainable union jobs are available as we create new jobs and industries that target infrastructure, rehabilitation, and development moving forward; creating a new grant program that supports intermediary organizations that work with employers to promote quality jobs; leveraging public funds to help employers and labor management partnerships; reduce the cost of training new hires to fill quality jobs and providing funding to discourage further layoffs and, instead, encourage employers to train and redeploy workers into the industries we will be transitioning into; maximizing the creation of good union jobs by requiring project labor agreements

on construction projects receiving \$100,000 or more in Federal funds; bundling small projects into aggregate contracts of at least \$1 million and enabling to form unions and bargain collectively; targeting the benefits of job creation to impacted workers and communities by developing a funding formula that prioritizes communities previously left behind; creating targeted hiring programs using first source hiring systems for historically disadvantaged groups residing within a specific radius of a project.

Mr. KHANNA. Mr. Bloomingdale?

Mr. BLOOMINGDALE. Requiring a percentage of work hours to be completed by apprentices in registered or locally based programs.

Mr. KHANNA. Mr. Bloomingdale? Maybe if you could just wrap up in a sentence or two.

Mr. BLOOMINGDALE. I will finish up right here. Investments and doing this right can lead to concrete, well-paying jobs and help serve as a blueprint for how we sustainably diversify our energy work force over the decades to come. As we map a more sustainable future, we must continue to work to ensure that the working class aren't left behind as we build forward together. Thank you very much, and I apologize for going over the time limit.

Mr. KHANNA. Thank you for your testimony. Mr. Dennison, you are now recognized for your testimony.

**STATEMENT OF BRANDON DENNISON, FOUNDER AND CHIEF
EXECUTIVE OFFICER, COALFIELD DEVELOPMENT**

Mr. DENNISON. Chairman Khanna, Ranking Member Norman, committee members, distinguished guests, thank you for the opportunity to share my perspective from the ground here in West Virginia. My name is Brandon Dennison. I'm a lifelong West Virginian. I'm a proud West Virginian. Even though many make fun of my people, in an era of political correctness, it is still somehow totally acceptable to demean rednecks, hillbillies, trailer park trash, things like that. We can get over the insults, but the deeper damage resulting from America's scorn for Appalachia results from generations of economic extraction, exploitation, and struggle. The addiction epidemic, which was ravaging our hills and hollers even before the COVID pandemic, is directly linked to the economic hopelessness many of us feel, not just here in Appalachia, but throughout rural America.

The country has demanded our natural resources, our high rate of military volunteers, our preserved forests, but the country has not supplied us with the long-term investments necessary to enjoy the kind of wealth that bigger cities have enjoyed. Broken promises have piled up here both from the public and the private sectors. Many communities still lack basic infrastructure, such as clean drinking water or cell service, let alone internet service. Perhaps the most egregious promise and broken promise was the false hope that the coal industry could ever again be the engine of job creation that it once was. But please understand this: even when coal boomed, we still had some of the highest poverty rates in North America here in Appalachia. In too many communities, the coal miners really were the lucky ones. They got some of the few good-paying jobs around. They got to keep their dignity. Our needs in Appalachia are much larger than merely finding a solar job from

a coal job, and they are much more complex. We need large and sustained place-based investment of a magnitude capable of reversing decades of disinvestment and decay.

The organization I founded in 2010, Coalfield Development, is creating new employment-based social enterprises in a diverse array of sectors in order to model what a new and diverse economy can actually look like. We helped start the first solar company in our community, and we launched it out of an old, beat-up, used ice cream truck. We launched a statewide agriculture cooperative that now includes over 100 farmers. It started on a former mountaintop removal site upon which many figured nothing could ever grow again. We hire local workers to revitalize abandoned and dilapidated buildings, and we put new businesses and affordable housing in those old buildings.

The businesses we create purposely hire people who face barriers to employment, more than 300 new jobs so far: those in recovery from substance use disorder, racial minorities, people on public assistance, and former coal miners. These folks work according to what we call our 33-6-3 model; that is, 33 hours of paid work each week, six hours of higher education, and three hours of personal development. We learned early on that job training alone is not enough to build a new post-coal economy. We have to provide people with the training, but also the new job at the same time. It has got to be paid because people can't put their lives on hold to do a training program. They've got families to feed.

Social enterprises are a unique business model that can achieve both the training and the direct employment our people need. They can also demonstrate very tangibly what a new economy actually looks like. We are pioneering new markets for our region. We are not asking for special treatment here in Appalachia. We are asking for a fighting chance. Appalachians have given so much to America, and we still have so much more to give. We have the hands-on skills to literally rebuild a new sustainable economy. We have the skills to retrofit buildings to be more energy efficient, to install solar systems, to reclaim scarred landscapes, to grow local food, and so much more.

Too often, in discussions about a greener economy, it is frustrating when rural extractive economies are sort of thought of as collateral damage, and the idea is we need to get subsidy there to mitigate the damage. I see that as totally backward. I see rural America leading the way on a greener economy. We have the gumption and the grit to do so, and really all that is missing is the investment at a scale that's really necessary, given both the size of the challenge but also the size of the opportunity here in Appalachia and across rural America.

I ask this committee to consider big and bold investments in our region. Thank you very much.

Mr. KHANNA. Thank you, Mr. Dennison. Next, Ms. Flowers, you are now recognized for your testimony.

**STATEMENT OF CATHERINE COLEMAN FLOWERS, FOUNDER,
CENTER FOR RURAL ENTERPRISE AND ENVIRONMENTAL
JUSTICE**

Ms. FLOWERS. Thank you, Chairperson Khanna, Ranking Member Norman, and all the members of the committee for the opportunity to testify. My name is Catherine Coleman Flowers. I serve as the development manager for the Equal Justice Initiative and the founding director of the Center for Rural Enterprise and Environmental Justice in Montgomery, Alabama. I also serve as a practitioner in residence at Duke University, a member of the board of advisors for the Center for Earth Ethics at Union Theological Seminary, as well as the boards of the National Resource Defense Council and the Climate Reality Project.

In 2020, I was awarded a MacArthur Fellowship in environmental health, and I authored the book entitled *Waste: One Woman's Fight Against America's Dirty Secret*. In this book, I uncovered the extent to which rural America has been denied access to sustainable and resilient sanitation infrastructure. I am a proud native of Lowndes County, Alabama, a rural area located between Selma and Montgomery. Like Montgomery, the cradle of the modern-day civil rights movement, or Selma, known for its voting rights history, Lowndes County, too, has a proud history of fighting for equality.

In addition, in the early 1900's, sharecroppers organized for jobs and justice. Many of its sons and later its daughters, including my father, three brothers, and myself, served in the United States military. We have a deep legacy of holding up core democratic values even when they failed us. That failure is exemplified through healthcare disparities, low-wage jobs, unemployment, unsafe mobile homes, high electric bills, straight pipe-in of raw sewage, or failing wastewater systems. I have often taken policymakers and philanthropist to Lowndes County to see the inequalities that exist and to hear from local people what is needed to address them. At the height of the pandemic, Lowndes County had the highest death and infection rate per capita in the state of Alabama. Sadly, as one travels through Lowndes County now, the fresh graves of victims of COVID are a constant reminder of what happens when poverty, failing or no sanitation infrastructure, and climate change comes together.

Because I am a country girl, I speak in plain English like I would if I was home speaking to local people. In the town of Hayneville, Alabama, for more than 20 years, Ms. Charlie Mae Holcombe has been telling people about the sewage from a nearby lagoon that has been backing up into her home. Yet the failing infrastructure continues to fail, and she continues to cry for help. She is paying a wastewater treatment fee, yet all the town can provide is a pump truck to pump sewage out of her yard from time to time.

And now a similar design of what we know is not working is playing for the Town of White Hall. This sewage lagoon is sitting next to an elementary school. A member of their water board said that the liability for the septic systems is being transferred to residents where the systems are being placed in 40 homes that will be connected to the lagoon. Yet it begs one to question, how can Federal money be used to buy equipment that does not come with any

service or performance warranties, especially when we know they not only fail in Lowndes County, but throughout Alabama and the Nation? In nearby Montgomery, Alabama, we learned that numerous older Black neighborhoods are not connected to the sewer, yet they pay a flat rate for water and sewer. Many are on failing septic systems that are deteriorating even more frequently because of rising water tables. This is indicative of the sanitation inequity that exists throughout the U.S. I have seen more raw sewage on the streets of Centreville, Illinois, than I have seen in Alabama. In Mount Vernon, New York, people are crying for help, and in Martin County, Kentucky, they are asking for sanitation justice and good-paying jobs as well.

The American Jobs Plan provides an opportunity to deal with the forgotten in rural, Black, brown, and indigenous communities that are experiencing the most severe job losses, untimely deaths, poor living conditions, health crises, and climate injustice. It is an opportunity to right some wrongs and to make America a model of ingenuity where we have clean air, clean water, resilient infrastructure, and good-paying jobs for everyone. With this funding should come guardrails that will ensure that Mrs. Charlie Mae will not get more sewage in her yard and home, lagoons are not built next to schools, and each onsite system or any technology sold comes with some performance and parts warranty we have come to expect from a car, a hot water heater, or a heating and cooling system. The guardrails should include stringent enforcement so that people of Alabama and throughout America would get relief.

I did not set out to be a climate activist, nor did all the civil rights leaders I grew up around that bent the arc toward justice. We all have the power to change our communities for the better and we should, but I also implore our leaders and policymakers to recognize the areas outside of urban areas, especially those urban centers that do not have the privilege to flush and forget. I thank you for this opportunity to speak with you today. It is an honor, and I look forward to continuing conversation about environmental justice and functioning wastewater systems for all Americans. Thank you.

Mr. KHANNA. Thank you, Ms. Flowers. Dr. Hamilton, you are now recognized for your testimony.

**STATEMENT OF DARRICK HAMILTON, PH.D., HENRY COHEN
PROFESSOR OF ECONOMICS AND URBAN POLICY, THE NEW
SCHOOL**

Mr. HAMILTON. Thank you, Chairman. Good afternoon, Chairman Khanna, Ranking Member Norman, Chairwoman Maloney, and other esteemed members of the committee. I am Darrick Hamilton, the Henry Cohen Professor of Economics and Urban Policy and a university professor at The New School, and the director of the Institute on Race and Political Economy.

Stimulus plans championed on both sides of the aisle use tax incentives and deregulation to cajole or bribe a private sector with already low tax bills and record-breaking profits to provide more jobs and rebuild the Nation's crumbling infrastructure. This approach leaves workers vulnerable to the whimsical nature of trickle-down employment as well as the instability of contingent work.

Moreover, it often transfers the value of our public infrastructure assets to corporate interests with no guarantee that the infrastructure will actually be built in the first place. In contrast, a worker-focused industrial policy with direct public hiring ensures not only net new jobs, but net new quality jobs, jobs that build our public, physical, health, and human infrastructure, green our economy, and create a care economy for all Americans.

This form of stimulus directly targets American workers and provides for a more efficient multiplier with fair and balanced growth that promotes our shared prosperity. An EPI report, entitled “The Productivity Pay Gap,” traces the relationship between economic growth and worker compensation since the mid-20th century, and finds that between 1948 and 1979, our Nation’s productivity rose 108 percent, while, at the same time, worker compensation rose a comparable 93 percent. That is almost a 1-to-1 lockstep, balanced relationship. In contrast, from 1979 to 2018, a period of our economy characterized by supply side economics, productivity rose by 70 percent, while real worker compensation rose by only 12 percent.

This concept that I’m describing of building our physical and human infrastructure by way of direct public hiring, it’s not new nor is it radical. It provides a direct source of employment. It triggers a multiplier stimulus effect across a panoply of economic activities. It enables workers, particularly those at the low end of the labor market, to bargain for better wages and benefits without the fear and destitution associated with the threat of unemployment. It structurally changes the U.S. economy away from low-wage work toward more moderate-and high-wage work. It addresses our 21st century physical and human infrastructure needs and reduces our vulnerability to natural disasters resulting from our unnatural climate change. It reduces the adverse effects of job discrimination. It provides an automatic stabilizer that addresses not only cyclical unemployment, but regional unemployment, areas that have been neglected and that suffer from de-industrialization. It provides checks for structural unemployment, recognizing that the private sector has never been adequate to supply enough good jobs for the American people. It eliminates the moral hazard problem associated with the implicit promise of bailout of the too-big-to-fail financial sector in times of economic crisis.

The jobs could range from construction, education, health services, supportive housing, libraries, child and elder care, arts and culture, and projects designed to transform our cities to green, emission-free municipalities that are more sustainable and resilient. The Federal Government, states, Indian nations, local municipalities, community councils would conduct inventories of their needs and develop a job bank of tasks to be done. Priority would be given to the most urgent projects to aid the most distressed communities. The work would address our 21st-century infrastructure needs. Projects would produce tangible public benefits.

The New Deal era shows that government can stimulate economic growth, protect our environment, and build our public infrastructure in a way that directly serves its people. Only this time we should ensure that these investments by both design and implementation are explicitly anti-racist and anti-sexist, and do not ex-

clude anyone. Access to jobs and social insurance programs that protect workers, such as universal childcare, paid leave, elder care, must truly be universal and ensure racial and gender equity.

So in conclusion, we need a 21st century public infrastructure that prioritizes our shared prosperity by centering worker livelihoods as both good labor and industrial policy. Thank you.

Mr. KHANNA. Thank you, Dr. Hamilton. Now we will hear from Ms. Martinez. You are now recognized for your testimony.

STATEMENT OF MICHELLE MARTINEZ, ACTING EXECUTIVE DIRECTOR, MICHIGAN ENVIRONMENTAL JUSTICE COALITION

Ms. MARTINEZ. Thank you, and I want to thank you for the opportunity to present today, and specifically Vice Chair Rashida Tlaib, my Congresswoman where I live in the 13th District, for her leadership in Washington, DC. Thank you, Chairman Khanna, Chairwoman Maloney, Ranking Member Norman, and the other congresspeople present today. Thank you, Representative Gomez, for the invitation.

My name is Michelle Martinez, and I work as the acting executive director for Michigan Environmental Justice Coalition. For 10 years, MEJC has been fighting for equal access to a clean environment and environmental justice with coalitional partners working from the Jimenez principles of democratic organizing. Over the last three years, MEJC has engaged in a powerful campaign with partners, like We Want Green, Too, the Citizens' Resistance Against Fermi 2, Solidarity, Michigan Welfare Rights, and more to do three basic things in Detroit: make energy affordable, healthy, and find community-owned renewable energy pathways.

We feel that everyone, no matter where you live or what the color of your skin, deserves to be able to have access to affordable energy, to breathe clean air, to participate in the renewable energy economy. And what we have encountered is a matrix of corporate power and the politicians that they pay obscuring, obstructing, and denying our pathway to democracy and climate justice. For this reason, Congress needs to jumpstart the renewable energy economy with direct community investments, not just vague and uncertain benefits to areas in Michigan that are hardest hit by the long history of environmental contamination and disinvestment of the industrial sector. Detroit is not special. It's emblematic of the places all over the United States where racial inequality, pollution, and a disproportionate weight of all of the risks, with little to none of the benefits, of the fossil economy reign. A pollution-free economy is an opportunity to course correct from corporate greed to community health and wealth.

Just to give a portrait of what people do in the face of disinvestment and crumbling infrastructure, I turn to testimony given by resident Kiava Stewart to the Michigan Public Service Commission, highlighting the plight of power outages. In Detroit, pre-pandemic, our monopoly utility, DTE Energy, performed over 200,000 shutoffs every year just in the southeast Michigan serviced territory. Detroit experienced death from power outages twice the rate of the suburbs. Ms. Stewart specifically talked about how during power outages, mothers in her community would pool food and redistribute to those who did not have food from refrigeration spoil-

age, going to great lengths to feed kids until the next SNAP benefits came. A recent report by the Georgia Institute of Technology's School of City and Regional Planning stated that a combined heat wave and power outage in Detroit could be worse in fatalities than the magnitude of Hurricane Katrina.

The American Recovery Plan must be ambitious in its push to invest in the renovation of our energy system with community health and wealth at the center to solve the climate crisis. Detroit wants to go to work to fix the climate problem. As outlined in the THRIVE Act, \$1.138 trillion is the estimated public investment in wind, solar, and geothermal energy that economic modeling shows is necessary to enable a 50-percent decrease in U.S. greenhouse gas emissions by 2030. Detroit wants these investments in our homes and in our schools to replace water systems and put solar on our roofs. But right now, fossil fuel proponents are pushing for false solutions that build out another generation of fracked gas, extend nuclear, extending their power and profit, threatening the most precious resource in the United States, the Great Lakes.

While advocates, tribal leaders, municipalities are leading to shut down the Enbridge Line 5, utilities continue to build fracked gas pipelines, tethering the Great Lakes for another three generations to the risk and the threat of climate-causing methane gas, methane gas 20 times stronger a climate-causing gas and carbon dioxide. And for that reason, we must reject false solutions, like capture technology, credit trading as a solution.

Today we experience such wild inequities in the energy system. University of Michigan researchers found that in Detroit, a city of 85 percent Black and Latinx residents, use energy less. We pay a higher proportion of our income on energy. We're overexposed to fossil pollution, and, as a result, we experience hospitalization and the costs from healthcare bills because of it at a much higher rate. We experience healthcare costs even from high heat events from that of our suburban white counterparts, demonstrating clearly that redlining and white flight that happened over the second half of the last century is defining the early stages of climate inequity. White suburban communities are just not experiencing the impact of energy system the same as Black and Latinx urban Detroit.

The barriers to access renewable energy are big, and Congress must level the playing field with bold, direct community investments to ensure equitable development, equitable deployment of resources, fairness in the rate structure, access to capital, adequate education, job training, work force development, technical assistance, guaranteeing of minority business contracts to sustained resources that will combat the low wages, limited access to training, corporate monopolies, and the racial discrimination baked into the system.

Of course, Detroit needs an increase in LIHEAP moneys. Absolutely we need this in an increasingly unaffordable energy system. But we need fair, affordable funding mechanisms for ownership and wealth creation that are aligned with climate justice. First, Congress can employ a national moratorium on all utilities shutoffs and debt relief, mandate affordable payment systems and levy heavy penalties for stranded assets, and enact a halt on the regressive mechanisms that allow companies to pass the risks of their de-

cision to construct new fossil infrastructure onto rate payers. Next, the Federal Government can alleviate access barriers and reject false solutions with real solutions by offering direct grants, revolving loans to local entities to implement those community-owned solar, distributed energy, and access to battery storage, and offer assistance to residents who are putting their own dime into the electrification of their homes. Our state—

Mr. KHANNA. Ms. Martinez, if you could just wrap up in a couple of sentences.

Ms. MARTINEZ. I'll close here with the investments that Congress need to make right now should address these issues. We need oversight, ensured adoption of the WHEJAC recommendations, including Justice 40 and EJ Mapping Tools. Thank you so much, and we look forward. Thank you for your time today.

Mr. KHANNA. Thank you, Ms. Martinez. I now would like to recognize Mr. Hawkins. You are now recognized for your testimony.

STATEMENT OF SHAY HAWKINS, PRESIDENT, OPPORTUNITY FUNDS ASSOCIATION

Mr. HAWKINS. Thank you, Chairman Khanna, Ranking Member Norman, Vice Chair Tlaib, and Representative Gibbs from Northeast Ohio in my home state, and members of the subcommittee. It is a pleasure to be with you today. This is my fourth time testifying before Congress, but my first time testifying before the Environment Subcommittee here, and so thank you so much for having me.

I am the co-founder and president of the Opportunity Funds Association, a trade association whose members are entrepreneurs, investors, and developers operating in opportunity zones. And this morning, I would like to discuss how opportunity zones are targeting private investment in areas of the country that have been de-industrialized and historically disadvantaged, and how opportunity zones can be expanded to help provide cleaner, more affordable, more secure energy. Further, I want to emphasize the importance of pursuing an infrastructure plan that makes significant investments in traditional infrastructure without crippling tax increases on small businesses and workers that would undermine the historic progress made prior to the pandemic in minimizing minority unemployment, and raising minority incomes.

So prior to founding OFA, I served as the majority staff director for the Senate Finance Subcommittee on Energy, Natural Resources, and Infrastructure, and as tax counsel to Senator Tim Scott, where I helped him champion the Investing in Opportunity Act legislation authored by Senator Scott and Senator Cory Booker that became opportunity zones. And on this side of the Capitol, I was pleased to see that you, Chairman Khanna, as well as Chairwoman Maloney, and as well as Representative Cooper on this subcommittee were all co-sponsors of that legislation. That is very much appreciated.

Recent IRS data shows that \$24 billion has been raised and committed to investment in opportunity zones thus far, with billions being raised in the heart of the pandemic. And a recent report from the Council of Economic Advisers estimates that opportunity zones will lift 1 million Americans out of poverty and reduce poverty in designated zones by 11 percent. We are also seeing key invest-

ments in operating businesses taking root in opportunity zones in critical industries, such as clean energy. There are 475 solar installations producing more than 1 megawatt of activity in opportunity zones, as well as 127 wind farms, and 15 battery plants producing at least the same capacity as what we saw on the solar side. Out in Indiana, Hoosier Solar Holdings is embarking on a large-scale solar build-out project where they are looking to build six utility-scale solar projects across four counties there in Indiana. OBE Power, a Hispanic-led software company based in Miami, recently raised \$300,000 to fund an expansion of electric vehicle charging infrastructure with the goal of having 2,500 stations across the United States operational by 2023.

And so Congress should look to encourage cooperation across opportunity-zone-oriented agencies. They should look to empower CDFIs to take a more direct role in opportunity-zone investing. We should look to make opportunity zones more transparent through legislation, such as the IMPACT Act that was introduced by Senator Sinema and Senator Scott last Congress, and should look to expand opportunity zones and extend that policy more directly. On the infrastructure side, again, we should look to pursue bipartisan infrastructure plans that do not raise taxes, and, instead, look to fund the infrastructure plan through transportation fees and redirecting existing funds to pay for that infrastructure build out.

I appreciate, again, you allowing me to come to speak to the subcommittee, and I look forward to delving even more deeply into ways that we can bring more wealth and jobs to Main Street. Thank you.

Mr. KHANNA. Thank you, Mr. Hamilton. Right on time, as a former Senate staffer.

Mr. HAWKINS. Yes, sir.

Mr. KHANNA. The chair now recognizes himself for five minutes of questioning.

Mr. Bloomingtondale, I was struck by your phrasing that we must create jobs in advance of any reduction in employment, and that we must bring good jobs first before talking about a transition. You have really been in these communities, and I know you are very blunt. How best can we frame a climate agenda to speak to that concern and build the synergy between the climate movement and workers in these communities?

Mr. BLOOMINGDALE. Well, and thank you for the question, Congressman, and I will try to be as brief as I can because it is a complicated question, right, because you are dealing with people's livelihoods, and people, you know—change worries folks, as you well know. And one of our previous testifiers talked about the coal mining jobs, especially the unionized ones, were the good jobs in West Virginia. Folks could live a middle-class lifestyle, and that is the union difference, of course. But when you talk to people about change, it is troubling because, first of all, obviously, they may start to think about, do I have to move and am I going to have to sell a house in an economy where there are no jobs, because my job at the power plant, or at the coal mine, or, back in the 80's, at the steel mill, is going to disappear?

So, you know, it is a conversation that you have got to allay people's fears, and you have got to talk to them about the kinds of jobs

that will be coming to their region, how they can train for those jobs because some of the skill sets that you have as a coal miner are not necessarily transferable to doing, you know, cable installation, although, you know, they are pretty talented men, mostly men, some women, and can easily adapt to those skills, but it will take training. And you have got to show that the jobs are there, not just train somebody for a job that may or may not exist, which is why I say it is important for the jobs to be created first as things start to change.

And, you know, carbon capture is a technology that is, you know, still being developed, but being used in some pilot programs. And, you know, I think if the idea is to reduce carbon emissions, which it is, and how we do that if we still use coal-fired power plants, but with zero carbon or very low carbon, then, you know, that is going to keep those jobs existing. Now, they may eventually disappear because coal will disappear. It is a finite resource, but that is 100 years in the future, but I think that you have to have the conversation. You have to show them. This isn't Missouri, the Show Me state, but you have to show people that you are serious about job creation, and they have to see the jobs exist.

And, as I mentioned in my testimony, you can't go from a \$30-, \$35-an-hour job with a pension and healthcare and expect somebody to go into a warehouse job for \$15 an hour. You know, nobody is going to cut their mortgage in half. Nobody is going to cut their gas bill or electric bill in half. Of course the best way to do it is unionize those jobs, but there has got to be a way to make sure that folks aren't losing their economic viability through transition.

Mr. KHANNA. Thank you, Mr. Bloomingdale. You had very powerful testimony that I think we should all hear. I have two minutes left and questions for three of the panelists. I will ask the three questions and ask that you just spend 30 seconds or so on it. Mr. Dennison, if you could speak about what would you want in this infrastructure bill to allow for this new economy to flourish? What would be your bold ask if you could ask the President? Ms. Martinez, you have been such a champion on the THRIVE Act. What would the THRIVE Act and the trillion dollars mean for Detroit? And, Dr. Hamilton, you spoke brilliantly about the divergence between productivity and wages. What would be one or two things that we could do in this infrastructure bill that would help address that divergence so that workers actually were being paid for their productivity? Mr. Dennison, we can start with you.

Mr. DENNISON. Direct job creation for people who face barriers to job creation.

Mr. KHANNA. Terrific. That was succinct. Ms. Martinez?

Ms. MARTINEZ. Wealth creation for communities who have been suffering under the weight of pollution for the last three generations. Community solar, distributed energy, battery technology concentrated in those communities.

Mr. KHANNA. Thank you. And Dr. Hamilton?

Mr. HAMILTON. Direct hiring directly benefits workers, builds up the infrastructure for growth for workers and society, et al., and it disciplines the private sector in a way that says if you are going to hire American workers, you have to pay them at least this and offer them at least these conditions.

Mr. KHANNA. Thank you. Well, that was very well done. I now yield to the ranking member for five minutes of questions.

Mr. NORMAN. Thank you, Chairman. Mr. Hawkins, President Biden's American Jobs Plan will cost American taxpayers \$2.25 trillion, which adds \$5.7 trillion that was just spent on the COVID package. Of that, Biden is demanding hundreds of billions of taxpayers' dollars to be spent on vague climate priorities, such as electric vehicles for the Post Office. He has got dollars for 500,000 EV chargers. He is replacing 20 percent of the school buses with a fleet of electric buses. This is on top of some of the figures I have already cited: lumber prices up 400 percent, gas prices that are through the roof. Is this the best way to boost our economy with the most vulnerable communities having to bear the brunt of this with lower income?

Mr. HAWKINS.[Inaudible.]

Mr. NORMAN. Do you want to put your microphone on?

Mr. HAWKINS. I don't believe that it is, Ranking Member. The most troubling aspect of the plan is in the pay-for. When you look at the taxes that are being proposed in association with the plan, particularly the severe increase in the corporate tax rate, it is troubling because corporations don't actually pay taxes. What they do is they pass those taxes directly on to workers in the form of reduced job opportunities, consumers in the form of higher prices, and shareholders in the form of reduced share prices. So what you are looking at, particularly the impact on consumers is very troubling because consumers are already dealing with the current inflation rate increase of 12 percent. You could look at it as if Congress imposed a 12-percent sales tax on everything that the American consumer and American families need right now, and so we don't want to then hit workers and small businesses with a tax increase on top of that. And so that aspect is very troubling.

Fortunately, there are bipartisan conversations going on right now on an infrastructure project that would be worth, you know, almost \$1 trillion and that would fund a lot of what we look at as traditional infrastructure projects, but would do so through transportation fees and through redirecting existing allocated moneys toward infrastructure. You know, this plan, you know, we look at things, like broadband, you know. We look at \$65 billion for that, \$72 billion for water systems, \$21 billion for safety efforts, you know, et cetera, et cetera, \$56 billion for airports. These are things that can be done without those crippling tax increases that are going to really hit folks hard who can't avoid them.

Mr. NORMAN. And I guess, though, the adage "you can't tax your way into prosperity" is true now, in your opinion?

Mr. HAWKINS. Absolutely. You know, what we were doing prior to the pandemic in trying to minimize counterproductive regulation and minimize the tax burden, particularly on those in the lower end of the tax scale through things like the increase in the earned income tax credit, and you know, doubling the standard deduction, those types of things created arguably the strongest economy that we have seen in a generation. And so we should move back toward that type of approach and avoid crippling tax increases.

Mr. NORMAN. Well, as you say, corporations don't pay tax. The people pay the tax.

Mr. HAWKINS. They just pass it through.

Mr. NORMAN. Right. Well, I applaud you on the opportunity zones. That is where private investment can go into disadvantaged areas. They have offered tax incentives where if you hold the property five years, you get a 50-percent discount on capital gains. If you hold it 10 years, you get 100 percent. That is incentivizing the private sector, so thank you for those type of jobs that you have. I have yet to see one job created from the Keystone pipeline that was canceled that this Administration promised would be there. Have you?

Mr. HAWKINS. I have not.

Mr. NORMAN. OK. Thank you. My time is up. Thank you, Mr. Chairman.

Mr. KHANNA. Thank you. I now yield to our vice chair, who has been really a great partner in this committee, Rashida Tlaib.

Ms. TLAIB. Thank you, Mr. Chair. Welcome to all of our witnesses here today. I am so incredibly proud to see Michigan's own, 13 District's own Michelle Martinez, the executive director of Michigan Environmental Justice Coalition that brings so many amazing organizations together, and she has been a fierce fighter. The first time I was exposed to Ms. Martinez was when she was with Sierra Club Detroit. And I was going door-to-door, and I saw white crosses in front of people's homes, wanted to know what that was about. And it was a campaign that the organization was doing to expose the human impact of doing nothing on climate, and people had white crosses in front of their homes if someone in their home died of cancer, survivor of cancer, was experiencing it, and it was eye opening at that point. I grew up in Southwest Detroit where the community had no idea what was really happening behind the polluted clouds, the odor that was coming through our windows, and now fully understand the really human toll on that.

I really, truly want to talk about the human cost. I know folks are talking about taxes and all those kinds of things, but really the true human cost on the American people on doing nothing about climate crisis. We talk about climate crisis here in Washington all the time, but I really think we always lack the understanding of really the cost. If you want to look at the economy, how the cost to the economy is when we do nothing, and, really, the human cost, to me, is something that we can't look away when we talk about forgotten communities like the one in my district.

And, Mr. Chair, I don't know if you know this. Literally, in the shadows of a Marathon oil refinery, across the street from there is a playground and a rec center where we had one of the committee hearings like this there. And as many of you all celebrate with your community, you know, cutting the ribbon and opening parks, and, you know, public spaces, my community in Boynton in Southwest Detroit, 48217 community, celebrated the installation of a toxic air monitoring station that they finally were able to get an air monitor to monitor the toxic emissions from the residents that were forced to breathe them in. So you understand the human cost of doing nothing. And so I really want to ask Ms. Martinez, you know, what does it truly mean to be forgotten when it comes to policy and when it comes to when you look at budgets that are coming out of Washington, DC, and it leaves communities like ours behind? What

is the human toll on the people that we are supposed to be fighting for here in Congress?

Ms. MARTINEZ. Thank you, Congresswoman Tlaib, and thank you for your leadership in this. It really is taking every single one of us in Southwest Detroit and all over Michigan to, you know, scream from the rooftops that, you know, when you have kids that are being born with asthma, they don't have a fair chance. When you have kids who are locked in their homes, not because of COVID, but because we have been out of attainment, we have had illegal levels of sulfur dioxide since 2008. You know, kids are going to their grandparents' funeral at 60 or 65 years old from ailments associated with pollution, cancer, and heart disease. Families are being robbed of that special connection and grief and trauma is put in its place. And so we have seen now more than ever that, you know, healthy households are the building blocks of a strong and joyful community. Nothing is more apparent than that during COVID.

And so all of our forgotten communities, you know, it really means closing your eyes and saying I don't care where fossil fuels come from, what harm they cause, or where they end up because they come from Southwest Detroit. They run through native lands in the Traverse Bay area. They spill in the Kalamazoo River. And at every point, from fracking to pipeline, to burning petroleum coke in the coal plant, or ending up in oceans as plastic, with each dirty intersection of fossil fuel production, we close our eyes and we try to forget who suffers most for corporate greed, and it is Black, brown, indigenous, Latinx communities.

So status quo, Congresswoman, it means more pollution. It means allowing the rush for gas to be built out in Michigan and poison our Great Lakes. Every time we invest in these false solutions, it is an opportunity cost to our future, to equity, to climate justice. So we really have to understand the scale of the moral question before us, right? Act now and save millions of lives or wait, have it cost 10, 20 times more, and allow those false solutions to take hold, sacrificing humans, millions of non-human people, non-human lives, right? And it is not alarmist, right? This is a well-studied scientific observation from climate scientists. So, you know, urgency of now, right, and going bold is our charge, is our challenge. So, you know, that is our plea from Detroit, right, that we really need this for jobs, for our future, for our kids, and for the Great Lakes.

Ms. TLAIB. Thank you so much. And, Mr. Chair, I would love to share with our colleagues some of the fraudulent activity of opportunity zones by billionaires who have gotten their areas designated, even though they didn't meet the Census requirement, Mr. Chair. That is something I would love to be able to fully investigate when a billionaire can use our opportunity zone that was supposed to be meant for poor communities being used in wealthy communities like downtown Detroit where it isn't helping communities like ours. Thank you. I yield.

Mr. KHANNA. Thank you, Vice Chair Tlaib. I now recognize Mr. Gibbs for his five minutes of questions. If panelists could just mute.

Mr. GIBBS. Thank you, Mr. Chairman. Other than Mr. Hawkins and my colleague, Mr. Norman, everybody else has seemed to have

forgotten that before the pandemic, we had the lowest unemployment in years. We had the lowest unemployment in our minority communities. We had the highest real wages, most discretionary income in our lifetimes. And since then with the pandemic, which obviously caused a lockdown and a lot of things happened, but we did have bipartisan solutions last year that saved lots of jobs and lots of businesses that was passed on a bipartisan basis. And now what we have seen happen since then, when the economy is coming out, the lockdowns are ending, we have about 9 million jobs in this country that aren't filled.

The thing I hear from businesses all the time is we can't get workers. We can't get workers. They are paying extra, they are signing bonuses, they are doing everything they can because they are all in very a competitive position fighting for workers. And what has happened now, we have had an Administration on the other side of the aisle, they have killed, well, I guess, probably millions of jobs, but at least thousands of jobs, when they killed the Keystone pipeline. They are also hurting the environment because that oil field in Canada is still going to get produced. It is going to be trucked out or trained out, railroaded out, instead of a pipeline, killing the border wall that killed a lot of steel workers' jobs and the impact of that. So right there were thousands of jobs that were killed in just a matter of months.

And now we have seen inflationary pressure. We have seen a tax now on our lower-income people because of inflationary pressures, of higher gas prices, over \$3 a gallon, higher food prices. Their cost of living is going up. And now they are talking about increasing taxes in an economy that is just struggling to come out of a very unprecedented episode of the pandemic. One way, at the 50,000-foot level, we can get out of this and help people get back to their lives is don't continue the policies we had to do last year on a bipartisan basis because the stimulus checks were needed then, but now they are causing people an incentive not to go to work. The extended unemployment is killing jobs—not killing jobs—killing people not to come back to work, and there is suffering in our business community, and these policies have to change. And I think we always need to remember what the situation with the economy was before the pandemic, and, fortunately, since our economy was so strong before the pandemic, it has actually helped us, I believe, to get through the pandemic now as we claw our way out of it.

Mr. Hawkins, opportunity zones, I am really excited about it. My friend, Senator Tim Scott, you guys worked on that and got that done. Can you explain a little further, you know, how that actually works, how it brings capital investment into certain areas, and what has been the impact since it has been instituted?

Mr. HAWKINS. Sure. Thank you, Representative Gibbs. What we did there is we gave Governors the ability to designate one-quarter of the distressed communities in their states as opportunity zones, as places that were eligible for this particular type of investment. And every opportunity zone is going to have a poverty rate that is greater than 20 percent, and is going to have an average income that is less than 80 percent of the state average. And so, you know, opportunity zones themselves, you know, have the effect of being disproportionately minority and disproportionately areas that were

affected by, you know, de-industrialization, part of what we are looking at in this hearing.

And so we gave Governors, you know, sort of three non-binding criteria. We asked them to look for areas where there was significant social disruption and economic disruption. We asked for them to look for areas where there was significant opportunity, a chance for a potential investor to turn a dollar into \$10, and, finally, areas where there were mutually reinforcing state, Federal, and local programs that could really put the policy on a strong footing. And Governors did a very good job, whether Democrat or Republican, in selecting areas according to what the needs of their state were and the aspects of the—

Mr. GIBBS. But it really did streamline investment capital coming into those areas, right?

Mr. HAWKINS. Absolutely.

Mr. GIBBS. Because you can't grow jobs, you can't grow businesses if you don't have capital, right?

Mr. HAWKINS. Absolutely, and one of the other witnesses specifically pointed out the importance of place-based investing, and, you know, opportunity zones is not a panacea, but it is a great example of very thoughtful place-based investing.

Mr. GIBBS. I am out of time, but, like I said, we could do a lot of things, but some of the policies that have been enacted have been disastrous to the economy in just a few short months. I yield back.

Mr. KHANNA. Thank you, Mr. Gibbs. I now want to recognize Mr. Gomez, who was very helpful in inviting some of the panelists and conceiving of this hearing. Mr. Gomez?

[No response.]

Mr. KHANNA. OK. Do we have Ms. Bush here? I know they are going to call votes soon. Is Ms. Bush on?

[No response.]

Mr. KHANNA. There is Ms. Bush. Ms. Bush, are you ready to have your five minutes of questioning?

Ms. BUSH. Yes, I can go.

Mr. KHANNA. Thank you. You are recognized.

Ms. BUSH. Here we go. OK. Sorry. I couldn't get my mute off. St. Louis and I thank you, Chairman Khanna, for convening this timely hearing. The earth has already warmed about 1 degree Celsius above pre-industrial levels. If we are going to stay below the catastrophic level of 1.5 degrees Celsius of warming, we must immediately decrease greenhouse gas emissions. This is an issue that hits so close to home for me. In the past, I have been unable to afford air conditioning in a city with sweltering summers that are hotter than ever before with 11 more 90-degree days per year than when I was born. We are already paying for climate change in our community year after year from extreme heat, high energy bills, and pervasive gun violence. As a single mother that has lived in my car with two kids, I know that people, predominantly Black, brown, and indigenous people, are suffering right now. We need to take bold action. We need a green new deal.

The greenhouse gas effect is not a switch that we can simply turn off, and it will take years of sustained investment—we know this—years to fully decarbonize our economy. The amount of car-

bon dioxide in the atmosphere reached a record high in May at 419-parts-per-million, far more than what scientists estimate to be the upper limit of a safe level for carbon dioxide, which is, we know, no more than 350-parts-per-million in the atmosphere. Every increase represents additional fossil fuels burned in our communities, elevating the risk of asthma, cancer, and other illnesses. This is a racial justice issue. Ms. Flowers, how is climate change already disproportionately affecting Black communities?

Ms. FLOWERS. Well, thank you for the question, Congresswoman Bush. I can just start off by talking about, you know, what I am seeing firsthand. We are seeing in this area, I mean, right now there is a tropical depression off the coast of, you know, of the Gulf, and I am in Alabama. And what happens in communities of color oftentimes or poor communities or rural communities, people are living in mobile homes, they are already dealing with high power bills because of heat. I mean, it is in the 90's. It has been in the 90's here for a number of days. I am sitting up here now with air conditioning on to keep from sweating, you know, but what about those people that are living in these rural communities, these mobile homes that don't have access to that? And we are also seeing that people that have issues with asthma being compounded by the pollen in the air. I mean, I probably will continue to wear a mask myself because I have respiratory issues. One of the things that I have learned during COVID and wearing a mask is that I have fewer respiratory problems if I wear a mask, but what does this say about our air?

Ms. BUSH. Right.

Ms. FLOWERS. And what does this say about a lot of people that don't have access to that? So we are seeing lots of illnesses that have been exacerbated. In our communities, we are seeing tropical diseases that you normally don't see in the United States, like hookworm and other tropical parasites. So I think that through poor communities, communities of color, we are going to see a disproportionate amount of healthcare disparities.

Ms. BUSH. Right.

Ms. FLOWERS. If we look at it through a lens of health, we will see that it is very devastating in communities that have already been left behind. But if I could just get a moment of privilege here to talk about opportunity zones.

Ms. BUSH. Yes. Can I come back to you? I have a couple more questions I need to get—

Ms. FLOWERS. OK. I am sorry. I am jumping at the bit to—

Ms. BUSH. No, I am ready to hear it. Thank you. President Biden has pledged to slow the climate crisis, and the original American Jobs Plan offers a great start. However, I am very concerned that this bipartisan compromise will water down the plan, especially when its current level is a fraction of the investment needed to create millions of climate jobs and take the crisis on, at scale. Dr. Hamilton, does the American Jobs Plan call for enough investment to dramatically reduce emissions from fossil fuels?

Mr. HAMILTON. The answer is “no,” but I like your framing that it is a good start. And this hearing is about not just ensuring we have an adequate environment, but how we do it, the manner in which we do it. And, you know, building on my colleague, Cath-

erine Flowers, the point is opportunity zones as a mechanism to bribe capital to come in and develop underdeveloped communities, it is not the best way to do it. It siphons off that resource in an indirect way, and a question is, who benefits? Who benefits from that? Those that already have existing capital. It hastens gentrification and still leaves workers vulnerable to the imbalance of power, only this time the state is facilitating this imbalance of power. So we juxtapose that against an analysis where the public is directly investing in these communities and ensuring that the assets remain in those communities and still protect us against our inevitable climate change that is a result of our inactions.

Ms. BUSH. Thank you for that. Congress must pass a true and comprehensive climate and infrastructure package that immediately invests in public renewable energy. I will leave it there. Thank you, and I yield back.

Mr. KHANNA. Thank you, Ms. Bush. I now want to recognize Mr. Fallon for his five minutes of questioning.

Mr. FALLON. Mr. Chairman, thank you for your graciousness. I appreciate it. Oh, the currency of identity politics. If we want to talk about creating jobs in this country, we have to unleash the American capitalistic tiger. We have been paying people to stay unemployed for far too long, and anytime you subsidize something and incentivize it, it is not a miracle at all that you are going to get more of it. The Federal unemployment payments are continuing until September 6th, and if some of my colleagues on the other side of the aisle had their way, they would extend them even further when what we need to do is eliminate them forthwith, right now, immediately. And I have a great idea. Let's stop paying people to be unemployed and incentivize them to go out and not exist, but live.

Our country has reached the end of the COVID pandemic. If anybody wants a vaccine, it is available and it is free, and I would highly advise anyone, any adult in this country to get it. I got immunized the old-fashioned way. I had COVID and it was awful. It damn near killed me. It was terrible. I don't want anybody to go through an experience like that. Over 52-and-a-half percent of the country has received at least one dose of the vaccine, our mask mandates have been rescinded, and we are finally returning to normal.

Things about the identity politics that have bothered me is I have seen over the last several months in Texas and here in D.C. people accusing COVID of being racist. Fossil fuels today apparently is racist, and now the climate is racist. I was unaware of these things as a problem ever, but apparently some people believe they are. So let's look at some data and some facts. Our African-American brothers and sisters in 1900 had an average life expectancy of 33 years of age, and then through the next 120 years of further industrialization and apparently pollution, that life expectancy pre-COVID-19 was 74 years of age, a 224-percent increase. And before COVID, Blacks and Latinos had a very similar life expectancy. For whites, it was 47 years in 1900, so a huge disparity between Blacks for sure, and it was raised pre-COVID to almost 80 years of age. So we are doing something right in this country.

Let's not be fooled. The American Jobs Plan is another massive Biden spending plan that will yield not the results that we are being promised. And I believe in the American people, and I believe in entrepreneurialism, and I believe capitalism is the one economic system that has ripped mankind, humankind out of poverty. Socialism didn't do it. Communism didn't do it. Kinship gathering didn't do it. Merkleism didn't do it. Nothing did it. Capitalism did it, and now we are splitting hairs because we are not a perfect country.

Mr. Hawkins, how much capital has been raised for investments through the opportunity zones?

Mr. HAWKINS. So far, according to the IRS, \$24 billion, with a "B," has been committed to opportunity funds, the vehicles for making these investments. It is estimated that about \$75 billion will come into the zones over the next 10 years, and so we are on track for that \$75 billion. And, again, you know, the Council of Economic Advisers estimates that 1 million Americans will be lifted out of poverty as a result of the policy. One thing that is important to note is that this policy is not a panacea for eliminating poverty. What it is, is it is a tool in the toolbox of community development. It is a particularly sharp tool, and it is a tool that has broad bipartisan support. So the Biden Administration and the HUD Secretary, as well as the folks at EPA and other areas have expressed support for opportunity zones. And the opportunity zones policy is the only aspect of the Tax Cuts and Jobs Act that have seen bipartisan amendments after tax reform.

Mr. FALLON. And real quick, Mr. Hawkins, can you explain how opportunity zones help target investments to historically disadvantaged communities?

Mr. FALLON. Yes. So what you are looking at is specific standards that were developed in line with the former new markets tax credit, basically where areas have high poverty rates and low income. And so from those areas, Governors were able to choose the areas within their states, 25 percent of those designated communities as opportunity zones.

Mr. FALLON. Thank you. Mr. Chairman, I yield back.

Mr. KHANNA. Thank you. And I see Mr. Gomez has made it. Thank you for joining us, Mr. Gomez, and your help in planning this hearing. You are now recognized.

Mr. GOMEZ. Mr. Chairman, thank you so much for having this important hearing. I was reading the title, "Jumpstarting Main Street: Bringing Jobs and Wealth Back to Forgotten America," and I was thinking, I said, this America was never forgotten. It was the fact that corporations, and politicians, and decision-makers viewed this part of America as the dumping ground for their businesses, for their industries, and then they went out of their way to target these communities. I represent the East Side of Los Angeles. A battery plant, operating 30 years called Exide under a conditional-use permit that bled out lead and contaminated the properties surrounding Exide, impacting Boyle Heights and impacting East L.A. Decision makers tried to put an incinerator where? In Boyle Heights and East L.A. They tried to put a prison where? Boyle Heights and East L.A. They didn't forget about this part of America. They saw this part of America as their dumping ground that they could pollute at will with no repercussions.

So we have to take hard steps to right these wrongs, to right what has occurred, not for years, but for generations. And when I say “policymakers,” when they were deciding where to put highways, where did they put them? Not on the rich side of the city. Not in an affluent part of the city. They put them where the working class and the poor live and destroyed communities in the process. So we need to look at this infrastructure not only as a way to bring back jobs, but to fix and address the wrongs that have been committed for generations. But we have to do that in a way that addresses the economic disparities that exist, but also helps clean up our air and our water, and brings things forward. In California, we did some moving in the right direction on climate change. So much more to do.

Ms. Martinez, I believe in a disproportionate investment of resources into these communities. I actually did a bill when I was in the legislature that said 50 percent of all greenhouse gas emission funds should go to these communities to address climate change, poverty, pollution. We only got 35 percent, but that is the benchmark for Biden’s 40-percent mark. What do you think of this process of focusing on equity and real investment? Not just fair investment, but equitable investment?

Ms. MARTINEZ. Thank you, Congressman. Yes, you are absolutely right. One of the seminal documents written by environmental justice scholars is “Toxic Race and Waste,” when they researched where toxic waste sites were located all over the United States, found disproportionately located in Black and brown communities across the United States. And when they revisited that same body of research 25 years later, they had found that the problem of toxic waste, hazardous materials had actually gotten worse, not gotten better over one or two generations. So, indeed, we absolutely need to correct and course correct for the harms done in the past. Those toxins live in our body, and we have been paying with them, not only with our healthcare costs, but also with our housing values and the depression of our home values in our communities.

So right now, we have scholars, like Nicky Sheats, Ana Baptista, Paul Mohai, who have followed the road of California in helping establish cumulative impact assessments that look not only at race, income, but also where those who are hardest hit by environmental contamination live. Where is that concentrated? In our communities, and we can pinpoint with some certainty exactly where folks are most vulnerable to environmental contamination and pollution. And once we understand the geography of that poisoning of communities, we can indeed utilize tools, like the Justice 40 initiative, to target direct investment to those communities.

To Ms. Flowers’ and others’ testimonials, making sure that elite capture doesn’t happen is the key there, so we have corporations that come in and swoop in, taking advantage of those funds that are meant to go to create jobs for low-income households, to rebuild schools, to make sure that we have adequate housing and education, and they go toward corporate profits and corporate investments for billionaires. So developing not only the safeguards for that, but absolutely directing those straight to our community for community direct investment with strong oversight to make sure that those jobs really land in the communities that are hardest hit.

So absolutely, the tools are there. They have been vetted by states all over the United States, and they are ready for deployment by the Federal Government. Thank you.

Mr. GOMEZ. Thank you, Ms. Martinez. I am passionate about this issue because people see policy on if it is working or not, with how it impacts their own personal lives and what they see on the ground. Not just statistics on a page, but what occurs in their own living rooms and dining room tables, in their own communities. So I think this is an important discussion to have, but we want to make sure that this investment in infrastructure and combatting climate change gets to the people that need the most help.

With that, I yield back, Mr. Chairman.

Mr. KHANNA. Thank you, Mr. Gomez. In closing, I want to thank all our panelists for their remarks, and I want to thank Ranking Member Norman and all my colleagues for participating in this important conversation.

With that, without objection, all members will have five legislative days within which to submit additional written questions for the witnesses to the chair, which will be forwarded to the witnesses for their response. I ask our witnesses to please respond as promptly as you are able.

Mr. KHANNA. And I appreciate, again, your taking the time to testify before our subcommittee.

This hearing is now adjourned.

[Whereupon, at 2:47 p.m., the subcommittee was adjourned.]

