

June 4, 2021

The Honorable Nancy Pelosi
Speaker of the House
U.S. House of Representatives
H-232, U.S. Capitol Washington, D.C.
20515

The Honorable Charles Schumer
Majority Leader
U.S. Senate
S-221, U.S. Capitol
Washington, D.C. 20510

The Honorable Kevin McCarthy
Minority Leader
U.S. House of Representatives
H-204, U.S. Capitol
Washington, D.C. 20515

The Honorable Mitch McConnell
Minority Leader
U.S. Senate
S-230, U.S. Capitol
Washington, D.C. 20510

Dear Speaker Pelosi, Majority Leader Schumer, Minority Leader McCarthy, and Minority Leader McConnell:

The ongoing shift away from coal has caused economic upheaval for workers and communities, and the trend toward clean energy will impact workers and communities dependent on all fossil fuels as we work toward reaching net zero CO₂ emissions by midcentury. As clean energy costs continue to fall and we take bold action to address the climate crisis, we must ensure a thoughtful and planned transition away from fossil fuels so that workers and communities have the resources and support they need to retool themselves, clean up their communities, find new jobs with family-sustaining wages, diversify their local economies, and be part of the clean energy future.

A fair and equitable transition requires a whole-of-government approach with a comprehensive, robust, and sustained set of investments in people and communities that simultaneously invests in local leadership and place-based solutions. A package of new and existing programs must include individual support for dislocated workers, including wage replacement, guaranteed health and pension benefits that workers were promised, free education and training, and support for those disabled by their work. At the community level, federal policy should invest in: local leadership and entrepreneurship; temporary fiscal support for lost public revenues; reclamation and remediation to repair the damage from fossil fuel extraction and combustion when financial assurance is inadequate; local economic planning, development, and diversification; repairing and developing infrastructure; and governmental structures to ensure coordination and access. In addition, operators should be held accountable through bonding reform and safeguards for workers and communities impacted by fossil fuel company bankruptcies

To ensure the federal response is successful, Congress must build on the initial report of the Interagency Working Group on Coal and Power Plant Communities by robustly funding existing federal programs, by codifying a White House Office of Energy Transition to facilitate and ensure cross-agency coordination, and by establishing a community-led advisory board to inform and develop a national transition plan. This plan should ultimately expand to include all workers and communities dependent on fossil fuel production and use. Congress must also fund a new

system of community hubs in transition communities (built upon trusted local institutions) that allow workers and communities to access federal resources directly without navigating the bureaucracy of the federal government. Finally, federal programs should implement prevailing wage, project labor agreements, community benefit agreements, and Buy America provisions to ensure that these investments generate high-quality, family-sustaining, local jobs and build community wealth.

Fortunately, policymakers need not start from scratch. Many relevant bills have been reported out of committee, introduced, or are in the works. Several coalitions have created resources to pull all these priorities together, including the [BlueGreen Alliance](#), the [National Economic Transition](#) coalition, the [Just and Equitable Transition](#) coalition, the RECLAIM coalition, [Reimagine Appalachia](#), and more. This letter builds upon those resources. While this letter details policies that are primarily focused on coal-dependent communities and workers, we include a few specific policies focused on oil and gas workers and communities. Many of these policies are applicable and beneficial to workers and communities that are dependent on the fossil fuel industry in general.

Ensuring that the clean energy economy includes fossil fuel workers and communities will require enhancements and robust and sustained funding to existing federal programs, Congressional authorization of new ones to fill gaps, and dedicated coordination among federal agencies led by the White House. We believe this comprehensive set of priorities is critical to making workers and communities whole in the energy transition. The shift in our energy sector has so far proceeded without much forethought or planning, leading to substantial consequences for affected workers and communities. We owe far more to the people and places who have sacrificed so much.

Signed,

Appalachian Citizens' Law Center (Central Appalachia, Kentucky)
Appalachian Voices (Appalachia)
Center for American Progress (National)
Climate Institute (State and National)
Coalfield Development (West Virginia)
Defenders of Wildlife (National)
Defensores de la Cuenca (Chesapeake Bay Watershed)
Defiende Nuestra Tierra (Colorado)
Earthjustice (National)
Environmental Defense Fund (National)
George Mason University Center for Climate Change Communication (National)
GreenLatinos (National)
Hispanic Access Foundation (National)
Hispanics Enjoying Camping, Hunting, and the Outdoors (HECHO) (National with focus on Arizona, Colorado, New Mexico, Nevada, Utah)
Just Transition Fund (National)
Kentucky Conservation Committee (Kentucky)
Mountain Association (Appalachian Kentucky)

National Wildlife Federation (National)
Natural Resources Defense Council (National)
Nature for All (California)
Pacific Environment (National)
Sachamama (Florida)
Sierra Club (National)
The Just and Equitable Transition Coalition (Western States)
The Nuestra Tierra Conservation Project (Regional)
The Praxis Project (National)
The Wilderness Society (National)
Thrive_At_Life: Working Solutions (Ohio)
Tó Nizhóní Ání (Navajo Nation, Arizona)
TribeAwaken
Union of Concerned Scientists (National)
West Virginia Rivers Coalition (West Virginia)
Western Clean Energy Campaign (Western States)
Wilderness Workshop (Colorado)

Note: Examples of legislation included below are provided for reference. Signers of this letter do not necessarily support all pieces of legislation named here.

TRANSITION INVESTMENT PRIORITIES

This document is organized in groups of existing programs (presumed suitable for reconciliation), adjustments to statutory eligibility requirements of existing programs (possibly reconcilable), and new programs needed (which may need to go through regular order). These categories and the investments within each are not listed in priority order. We note that many of these programs are focused on coal communities and workers and emphasize the need to extend support to oil and gas workers and communities.

Increased Funding for Existing Programs

Comprehensive Wage Replacement for Dislocated Workers for Five Years. Comprehensive wage replacement means a worker's full salary to include continued health care coverage and employer-sponsored retirement contributions (which can come through 401(k) or defined-benefit plans). This benefit is essential to providing temporary support to workers and their families as they prepare for new career opportunities. It could be reconcilable if provided through periodic (e.g., monthly) stimulus-like payments.

Educational Benefits. Dislocated workers should have access to a wide range of educational benefits, such as free tuition at 2- or 4-year institutions of higher education, vocational schools, certification programs, or apprenticeships. These benefits should be extended to children of dislocated workers as a way to help alleviate generational poverty. This program would be akin to the GI Bill except that children would be eligible in addition to workers.

Dislocated Worker Support. Increase funding to the Department of Labor's Employment and Training Administration (specifically expanding the National Dislocated Worker Grants to ensure a focus on dislocated workers in coal communities with an additional \$5.4 billion). Workers would be presumed eligible for the program upon closure announcement. A Department of Labor report found that the cost of the existing suite of training resources and programs is approximately \$4,500 (2020 dollars) per worker, and approximately 90,000 people were employed at coal mines and coal-fired power plants in 2019. President Biden's plan would invest \$40 billion over ten years, but more detail is needed to understand the administration's priorities for this funding. Additional programs include OSHA's Susan Harwood Training Grant Program, FEMA's Community Emergency Response Training Program, EPA's Brownfields Environmental Workforce Development and Job Training Grants Program, and the National Institute of Environmental Health Science (NIEHS) Environmental Career Worker Training).

Coal Community Investment. Provide \$10 billion over 10 years for community revitalization and economic development in coal-impacted communities and Tribal Sovereign Nations, including \$4.6 billion for the Economic Development Administration's Assistance to Coal Communities program and the Appalachian Regional Commission's POWER Initiative, Broadband, and ARC Workplace re-entry strategies. Increase funding to relevant programs at the EDA, USDA, EPA, DOE, SBA, DOI and other agencies. These should include specific funding dedicated to increased local government staffing and federal agency capacity for these

programs, as well as requirements for measuring the impacts of investments. Allow for a higher percentage of project grant funding (up to 15-30%) to go toward on-the-ground capacity (e.g., staffing) and technical assistance. Establish robust avenues for resources and funding, similar to those provided by ARC, for coal-impacted communities outside of Appalachia. Attach requirements to grant funding, such as robust stakeholder engagement, sustainability, consistency with a low carbon future, local hiring, project labor agreements, and community benefit agreements. Incentivize hiring of remote workers in coal-impacted areas by extending the Work Opportunity Tax Credit to include employees in coal-impacted communities.

Accelerate On-Farm and Rural Adoption of Renewables and Energy Efficiency. Triple USDA mandatory and discretionary funding for the oversubscribed Rural Energy for America Program (REAP) and include a 15 percent renewable grants reserve fund to support deployment of underutilized technologies and direct USDA to substantially increase outreach and education activities, with particular attention to rural small businesses and minority and disadvantaged farmers and ranchers. Expand the scope of the REAP program to include tax exempt entities.

Abandoned Mine Clean-up. According to the Office of Surface Mining Control and Reclamation (OSMRE), it will cost at least \$11.5 billion to reclaim the remaining high priority abandoned mines across the country, but this figure does not include all design and planning costs, and experts say the real cost is likely at least double this amount. Congress should extend the coal excise tax for at least 15 years to support the Abandoned Mine Lands (AML) fund (see Title IV of the Surface Mining Control and Reclamation Act, Rep. Cartwright's [H.R. 1734](#), and Senator Manchin's [S.1447](#)). To make up the expected shortfall for AML cleanup, Congress should also designate an additional \$10 billion to the AML fund as outlined in the American Jobs Plan and as previously proposed by Sen. Booker's Environmental Justice Legacy Pollution Cleanup Act, [S.4617](#). Congress should also commit \$1 billion over five years from the AML fund for economic development on coal-impacted lands (such as through Rep. Cartwright's and Sen. Manchin's RECLAIM Act, [H.R.1733](#) and [S.1455](#)). Reclamation and remediation require a sizable workforce that can immediately mitigate the impact of layoffs and put former coal employees back to work. An annual investment of \$1 billion, could create as many as [13,100 jobs in reclamation](#). In addition, OSMRE should develop program guidance that directs states to aggregate AML reclamation contracts and require prevailing wages.

Pollution Remediation. Increase annual funding for Superfund clean-up to \$20 billion, for Superfund Emergency Response and Removal to \$840 million, for Brownfield Redevelopment to \$3 billion, and for the CARE Program to \$100 million (such as through Sen. Booker and Rep. Ruiz's Environmental Justice Act, [S. 2236/H.R. 3923](#)). Furthermore, pass and fully fund at \$56 billion over 10 years Sen. Booker's Environmental Cleanup Infrastructure Act/[S.1669](#) (115th Congress) to devote an additional \$30 billion to Superfund sites, as well as Sen. Booker's Environmental Justice Legacy Pollution Cleanup Act/[S.4617](#). Local impacts of climate change must be included in Superfund site planning and remediation. To ensure cleanup of coal ash ponds, ensure robust funding for the EPA's enforcement program under the Resource Conservation and Recovery Act (RCRA), the RCRA Corrective Action Program, and the Technical Assistance Services for Communities (TASC) Program.

Temporary Replacement of Lost Local Tax Revenue. Communities will need help plugging gaps in local budgets from the closure of coal mines or coal-fired power plants. Included in the March 2021 COVID-19 relief package is a Treasury program proposed by Senator Wyden called the Local Assistance and Tribal Consistency Program. Local and Tribal governments would be eligible for tax replacement due to negative impacts from implementation or changes to Federal programs. The CLEAN Future Act ([H.R.1512](#)) would create a grant program to offer financial assistance to local governments that have lost significant tax revenue due to the nation's move toward net zero emissions by midcentury.

Broadband Access. [H.R.2](#) (Sec. 31301, 31141) would provide \$100 billion to deliver affordable, high-speed broadband Internet access to every part of the country, prioritizing underserved communities, and the American Jobs Plan would make these investments to ensure that all Americans have affordable broadband access. Congress should reduce or eliminate matching requirements for broadband construction projects in coal-impacted communities. Programs at ARC, EDA, USDA, and NTIA are important tools for increasing access. In low-income areas, the match requirements are prohibitive and limit the number of communities who can apply for funding. Congress should also develop a sliding scale broadband subscription program to make the internet accessible to those who need it most for attending school, finding new work, and taking advantage of the opportunity of remote work.

Clean Water. Build on the \$90 billion for the protection of and improved access to clean water in H.R.2, which included \$40 billion for wastewater, \$25 billion for drinking water, \$22.5 billion for lead service line replacement, and \$5 billion for PFAS clean up, by adding the following: \$22.5 billion (for a total of \$45 billion) for replacing all lead service lines and a \$100 billion infusion into the Clean Water and Drinking Water State Revolving Funds with at least a 20 percent set-aside as grants for disadvantaged communities and at least 20 percent set aside for green infrastructure. Direct an additional \$10.5 billion for the Small & Disadvantaged Communities program, Alaska Native Villages and Rural Communities Water Grant program, US-Mexico Border Water Infrastructure program, Sewer Overflow Grant program, and the Water and Waste Disposal Loan and Grant program. Also, permanently extend the Buy America provision for the Drinking Water State Revolving Fund (see S. 914, the Drinking Water and Wastewater Infrastructure Act of 2021 and Sec. 22110 and Sec. 33104 of [H.R.2](#)). In addition to investment in water and wastewater infrastructure, it is also essential to ensure that households can afford to access these services. Congress should continue to invest in the newly created low income household water assistance program (LIHWAP) at HHS.

Provide Seed Funding for the Appalachian Regional Reforestation Initiative (ARRI).

Currently, ARRI does not have a budget, but partners with state and federal agencies, corporations and nonprofits to pull together funding for reforesting mined lands. Seed funding would allow ARRI to expand reforestation, contributing to job creation, environmental remediation, carbon sequestration and flood mitigation in Appalachia.

RUS Loan Forgiveness. Forgive outstanding debt for rural electric cooperatives' coal-fired power plants in exchange for early retirement, replacement by clean energy, local reinvestment and transitional assistance for workers and communities. The loan program administered by the Rural Utilities Service (RUS) should be funded at \$100 billion.

Changes to Existing Programs

Community Development. Provide full funding in Community Development Block (CDBG) grants at a minimum of \$30 billion annually, including disaster recovery and mitigation subcomponents, and \$2 billion for the Community Development Financial Institutions (CDFI) fund to support equitable and climate-resilient community development and investments in public health and social services to support communities in transition, environmental justice communities, and frontline communities. Consider expanding this program to help energy transition communities plan and fill gaps in the wake of an energy facility closure. It's conceivable that a mechanism like this could allow coal communities to fill in the gap from lost tax revenue to continue provision of education and other public services, similar to CARES provisions that help state and local governments.

Black Lung Disability Trust Fund. The Black Lung Disability Trust Fund, set to be \$15 billion in debt by 2050 (even without accounting for the current resurgence of the disease and future liabilities due to bankruptcies), provides critical benefits and medical care for miners and families. Revenues for the BLDTF come from a small tax on coal sales, but without congressional action, the tax will be cut in half at the end of 2021. Congress should hold coal companies liable for continued contributions to the fund by extending and increasing the coal excise tax for at least 10 years to ensure fund solvency (see Rep. Scott's Black Lung Benefits Disability Trust Fund Solvency Act/[H.R. 3876](#)). Congress should change the fee from an excise tax to a severance fee in order to close the current loophole that allows exported coal (including much metallurgical coal) to go untaxed. To provide immediate economic stimulus to coal communities, Congress should increase the monthly benefits that a miner receives. Currently, a disabled miner receives \$693 a month. Not only are these benefits critical for miners and their families, but they also support local coal community economies.

OSMRE Bankruptcy and Bonding Reforms. In bankruptcy, coal companies are abandoning their permits and associated reclamation responsibilities, but even coal companies that have not filed for bankruptcy are functionally abandoning permits in that there has been little to no coal production or reclamation activity occurring on the permit for months or years. Reforms to the bonding system and to reclamation plans are needed to ensure adequate bond amounts to cover reclamation and water treatment obligations. In addition, regulators must act to ensure that reclamation is occurring contemporaneously with mining rather than delayed, and OSMRE must be equipped with the tools and staff it needs to actively engage in coal bankruptcies and ensure that reclamation standards are upheld even on abandoned permits. OSMRE must also improve agency data collection and databases to better track violations and outstanding coal company liabilities.

Advanced Energy Manufacturing Tax Credit. Reinstate, update, and increase funding for the 48C investment tax credit for domestic clean energy, clean vehicle technology, and industrial emissions reduction technology manufacturing facilities, and target investment to benefit deindustrialized, disadvantaged, and impacted communities. Pass the American Jobs in Energy Manufacturing Act of 2021, sponsored by Sens. Manchin and Stabenow, [S.622](#). The bill would

target at least half of the \$8 billion in funding to communities facing past or future job losses from the decline in the coal industry.

Payment in Lieu of Taxes (PILT). The PILT program should be extended and funded for the next 10 years with mandatory funds to ensure a predictable and sustainable funding stream for counties. Additionally, Congress should add a “gateway community dividend” to compensate counties for the benefits that protected lands provide the country, particularly in gateway communities that require extra infrastructure and services to support tourism and outdoor recreation. Rather than being incorporated into the existing formula, the gateway community dividend should be tacked on as a bonus to the formula in the form of a 50% premium for every acre of permanently protected public lands in a county up to 2 million acres. This would provide additional payment to counties that have protected public lands within their jurisdiction, particularly those lands that restrict extractive activity, such as wilderness areas and national parks. It is worth noting that if fossil fuel revenue-sharing or timber revenue sharing is ended for states and counties, PILT payments in some counties will automatically increase. That means that fossil fuel and timber communities would see an increase in revenue over past years under this plan. To ensure that some small population counties do not lose out recouping those funds, Congress should also add an amount equivalent to lost mineral payments to the population limit for counties.

New Programs

White House Coordinating Office. Build on the initial work of the Interagency Working Group on Coal and Power Plant Communities by codifying a White House Office of Energy and Economic Transition to facilitate cross-agency coordination and by establishing a community-led advisory board to inform and develop a national transition plan. The transition office will assist transitioning communities, helping community leaders access resources for economic development and community revitalization efforts, as well as advise government agencies, lawmakers, and the administration on new programmatic needs. Advisory board members should represent the diverse experience of coal-impacted communities including those in Appalachian mining regions, western mining regions, and Tribal Nations, as well as those in communities with coal power plants that have already closed and those that are yet to close, and communities with abandoned mine sites and coal ash disposal sites. Relevant legislation includes Sen. Duckworth’s Marshall Plan for Coal Country Act of 2020 ([S.4306](#), 116th), Rep. DeGette’s Clean Energy Innovation and Deployment Act of 2020 ([H.R.7516](#), 116th), Rep. Cartwright’s Transforming Hiring in Rural Industries and Vital Economies Act of 2020 ([H.R.5762](#), 116th), and Colorado’s [H.B.19-1314](#), Creating a Just Transition Advisory Committee.

Locally Based Transition Hubs. Establish local transition hubs to service as local resources for community leaders and affected workers. Hubs will coordinate directly with the Office of Energy and Economic Transition and advisory board, providing on-the-ground support for communities accessing resources coordinated by the transition office and serving as a conduit for the two-way information stream between government leaders and impacted communities. Hubs will ideally be built upon existing trusted local or regional institutions, and will provide resources and services such as grant writing, planning, technical assistance, grant implementation, workforce training

coordination, job placement, mentorship, and budgeting services. (Relevant legislation is noted in the previous section on the White House Office of Energy Transition.)

Capacity Development for Communities and Local Leaders. One important piece of the National Economic Transition platform is the need for building local capacity and for local leadership development. These efforts could potentially be funded through Community Development Block Grants (see above) or through a Title 36 corporation like Neighbor Works. A major gap for coal communities is connecting local plans and needs to resources through federal programs. The National Academies of Science deep decarbonization report recommends creating a National Transition Corporation to coordinate government support designed to reach local transition hubs and assist communities and workers in the shift to clean energy, funded at \$20 billion over the first ten years.

Carbon-Targeted Clean Electricity Tax Credit for New Generation. Offer technology-neutral, refundable tax credit for clean generation deployed in the most carbon-intensive states, tribes, and territories as a supplement to existing/extended federal clean energy tax credits. Facilities may choose either an investment tax credit or production tax credit.

Workforce Development in Low-Income Communities. Provide immediate support to contractor businesses to afford online training in home energy performance (such as through Reps. Welch & McKinley's [Hope for Homes Act](#) or Rep. Rush's Blue Collar to Green Collar Jobs Act/[H.R. 1315](#)). Workforce development more broadly should be provided through funding to promote high-quality, family-sustaining, environment- or infrastructure-related jobs in communities that need them the most (such as through Rep. Bass' Build Local, Hire Local Act, [H.R.4101/S.2404](#) or Rep. Rush's Blue Collar to Green Collar Jobs Act/[H.R. 1315](#)).

Conservation Service Corps. Support 500,000 workers over the next five years for one of several proposals to create a Climate Corps, reinstate the Civilian Conservation Corps, or invest in existing conservation service corps and other stewardship organizations (see Rep. Neguse's 21st Century Conservation Corps for Our Health and Our Jobs Act/[H.R. 7264](#)). This program should fund work on climate resilience, restoration of degraded lands, and natural infrastructure, among other projects, and ensure partnerships with unions and with quality workforce training programs, such as pre-apprenticeship pathways into registered apprenticeship programs and other union training programs as well as community colleges and non-profit organizations. It should also include strong protections against private and public sector job displacement. Land restoration efforts should be coordinated with abandoned mine and orphan well clean-up programs, pollution remediation, and watershed restoration to improve water quality in polluted communities. This new program should center equity at its core, ensure a living wage for workers, and ensure greater opportunity and career pathways for women and people of color.

Green Bank. Establish a new financial organization or agency to invest in clean energy, infrastructure, clean technology manufacturing, and resilient communities, with a focus on underserved communities, such as [the National Climate Bank](#) through Sec. 33192 of H.R.2 or Rep. Dingell's National Climate Bank Act/[H.R.5416](#), the [Healthy Communities and Resilient Infrastructure Fund](#), and other state, tribe, and territory financing vehicles. Ensure labor standards and domestic content requirements.

Orphan Well Clean Up and Bonding Reform. Establish an orphan well cleanup fund to plug and reclaim dangerous and polluting orphan oil and gas wells. Because oil and gas producing regions often overlap geographically with coal producing regions, oil and gas reclamation jobs benefit coal-dependent communities as well. Federal bonding, idle well, and idle well transfer reform should also be included either through administrative action, separate legislation (such as Rep. Lowenthal’s Bonding Reform and Taxpayer Protection Act/[H.R. 1505](#)), or legislation that includes both orphaned well funding and bonding reform (such as Sen. Bennet’s Oil and Gas Bonding Reform and Orphaned Well Remediation Act/[S.4642](#), and Rep. Leger Fernández’s Orphaned Wells Cleanup and Jobs Act of 2021/[H.R. 2415](#)) to ensure the program is not an industry bailout and addresses both the existing population of orphan wells and the drivers of potential future orphan wells.

Abandoned Hardrock Mine Clean-up. Reform the 1872 mining law and end patenting; require a fair royalty for mining on public lands as well as a displaced materials fee; and use both to create a reclamation fund addressing hardrock clean-up (see Rep. Grijalva’s Hardrock Leasing and Reclamation Act of 2019/[H.R. 2579](#) and Sen. Udall’s Hardrock Mining and Reclamation Act/S.1386). Pair reform with \$5 billion investment to begin tackling an EPA-estimated \$50 billion dollar backlog. H.R.2579’s CBO score generates \$3.4 billion over 10 years.

Fossil Fuel Revenue Sharing. To provide western communities with reliable, secure revenue as oil and gas markets transition and revenue declines, we should replace the fluctuating fossil fuel revenue sharing programs with a guaranteed lump-sum payment. To do this, we should start by ending revenue sharing with states in full and direct revenues from leasing and production from fossil fuel development on federal lands to the federal treasury. A disbursement buyout program would offer energy-producing states a major, lump-sum advance payout to quickly fill budget gaps, invest in local services, and make up for diminishing fossil fuel disbursements. This process could end revenue sharing payments from a number of programs with declining revenues, including the MLA and the Gulf of Mexico Energy Security Act (GOMESA). Congress must offer an opportunity for energy-producing states to separate their state budgets from an industry in decline in order to build back better with sustainable and diverse economies.

Oil and Gas Community Worker and Community Assistance Program. Reaching net zero emissions by midcentury will ultimately affect a broader swath of workers and communities in the fossil fuel industry. We recognize that many of the programs outlined above for coal communities will need to be extended to oil and gas communities, including individual worker supports, business development loans, community development grants and other support for individuals, businesses, communities.