

Sent: Thu, 12 Jun 2014 09:25:57 -0400
From: Dan Weiss <dweiss@americanprogress.org>
To: "Costa, Kristina" <kristina_l_costa@who.eop.gov>, "Podesta, John" <john_d_podesta@who.eop.gov>, "Sepp, Eryn" <eryn_m_sepp@who.eop.gov>, "Podesta, John" <"/o=eop/ou=exchange administrative group /cn=recipients/cn=podesta, john d.d84">, "Costa, Kristina" <"/o=eop/ou=exchange administrative group /cn=recipients/cn=costa, kristina l.f71">, "Sepp, Eryn" <"/o=eop/ou=exchange administrative group /cn=recipients/cn=sepp, eryn m.2e3">
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Daniel J. Weiss
Senior Fellow and Director of Climate Strategy
Center for American Progress
Center for American Progress Action Fund
202-481-8123 O

[REDACTED] - - - - - P6/b(6)
dweiss@americanprogress.org
dweiss@americanprogressaction.org
@DanJWeiss

The Obama Administration's Renewed Workforce Investment in Kentucky by Gov. Ted Strickland, Bracken Hendricks, and Ben Bovarnick

Recently announced Labor Department grants will help Appalachian coal communities and coal industry workers pivot to a new energy future.

<http://americanprogress.org/issues/green/news/2014/06/12/91488/the-obama-administrations-renewed-workforce-investment-in-kentucky>

The Obama administration recently took an important step in confronting the challenges of a rapidly changing national energy landscape by helping Kentucky coal miners navigate the country's ongoing energy transition. On June 4, the U.S. Department of Labor, with strong bipartisan support, [announced that it is committing \\$7.5 million](#) in National Emergency Grant, or NEG, funding for re-employment assistance for Kentucky workers affected by coal-mining layoffs. The NEG award, provided under the Workforce Investment Act, brings the total amount of federal funding for job training and job search programs being carried out across the commonwealth to support its unemployed miners to \$11.3 million. This support for Appalachia's coal country is important and will benefit hard-hit working families and coal-mining communities in some of the poorest counties in America as they pursue new opportunities and seek to diversify local economic development.

Jobs in the coal industry have been steadily contracting in recent decades for several reasons. For one, mining companies have actively pursued technology and operations that require fewer employees. Furthermore, slow economic growth and rising energy efficiency across the economy have slowed demand for electricity overall. Meanwhile, dozens of aging and inefficient coal-fired power plants have been retired. Going hand in hand with these factors is the dramatic rise in abundant and cheap natural

gas from the hydraulic fracturing boom and the increasing commercial viability of renewable energy, which for the first time has created real competition for coal in generating base-load energy.

Even American Electric Power, or AEP, the nation's largest consumer of coal and a major Kentucky electricity provider, has begun converting its coal plants to natural gas. "The math screams at you to do gas," AEP Chairman Michael G. Morris [told *The New York Times*](#) in 2012.

As a result, Kentucky's mining-dependent communities have felt the brunt of these changes for reasons that long predate the Obama administration, and that have nothing to do with climate change.

Kentucky coal industry jobs fell by 56 percent from [38,000 in 1983 to 16,900 in 2012](#). This trend was exacerbated by mechanization and mountaintop removal mining—which involves the bulk excavation of coal through surface mining—that [reduced the number of workers](#) necessary to produce each ton of coal. Between 1973 and 2006, Appalachia coal output declined by only [6.82 percent, while mining employment fell by 43.1 percent](#) due to reliance on machines instead of human labor. In addition, Appalachian coal prices in 2010 ranged from [18 percent to 49 percent](#) more than lower sulfur Powder River Basin coal in Wyoming, making Kentucky coal less competitive in commodity markets.

Moreover, coal is experiencing increased economic pressure from energy competition. According to the [U.S. Energy Information Administration](#), coal plummeted from providing more than half—52 percent—of all American electricity in 2000 to only 37 percent in 2012. At the same time, natural gas used for electricity generation nearly doubled from 16 percent to 30 percent, renewable energy climbed from 9 percent to 12 percent, and nuclear remained stable at 19 percent of total U.S. energy generation. These shifts all took place in the absence of climate legislation, and are the result of a changing market.

Last week's [National Emergency Grant](#) offers much-needed assistance to coal communities as they navigate a changing industry and prepare for a deep and fundamental shift in how America powers economic growth. The grant is an initiative of the Workforce Investment Act, or WIA—America's landmark job training bill. The WIA allows discretionary grants to assist workers experiencing mass layoffs or industrywide contraction, whether due to regional economic distress, major bankruptcies, military base closures, or natural disasters.

Over the years, these grants have been used in a variety of ways to transition dislocated workers into well-paying, long-term jobs. Since the program began in 2000, more than [\\$81 million in NEG funding](#) has been awarded for Base Realignment and Closure-, or BRAC-, impacted communities from Hampton Roads, Virginia, to San Diego, California. In the wake of Hurricane Katrina, Congress and President George W. Bush reached across party lines to use the program to award almost [\\$275 million](#) to help businesses and individuals in the Gulf Coast region to recover. As American automotive and airline industries and industrial manufacturing firms all restructured in the face of global competition, these emergency worker assistance grants came to the rescue—helping the country respond to changing circumstances and aiding individual workers to navigate employment transition.

The bipartisan commitment to worker assistance is a strong American tradition. Rep. Hal Rogers (R-KY) has effectively driven support in Congress for bringing relief to Kentucky workers. Following the announcement of the original NEG award, which funded assistance for 1,000 out-of-work miners through the Hiring Our Miners Everyday, or HOME, program, Rodgers [remarked](#), "Now more than ever before, economic development is vital to our coal mining families who are struggling to find

comparable salaries. I'm especially proud of the H.O.M.E. program and our Community Action Agencies that are working around the clock to assist our coal mining families.”

In addition to promoting re-employment assistance at the local level, Gov. Steve Beshear (D-KY) is working closely with Rep. Rogers to promote the [Shaping our Appalachian Region, or SOAR, initiative](#) to reshape the Kentucky economy with an eye toward regional economic growth. SOAR is catalyzing new investments in high-speed broadband, transportation infrastructure, and building energy efficiency. In addition, it will provide \$2.6 million in loans to finance small businesses—all building momentum for economic diversification in the face of mining industry contraction.

The arrival of a new, cleaner, more efficient, and innovation-led energy economy will bring new jobs, competitiveness, and growth to the United States. As this evolution unfolds, however, many of the very workers and communities that fueled America’s historic growth and prosperity will need transition assistance in order to participate fully in this emerging new energy future. The action taken by Labor Secretary Thomas E. Perez in announcing the grant represents an important step in moving all Americans toward greater opportunity through economic development and diversification. This is a commitment that our nation owes to the workers of Kentucky.

Gov. Ted Strickland is a former governor of Ohio, six-time congressman, and Counselor to the Center for American Progress. Bracken Hendricks is a Senior Fellow at the Center. Ben Bovarnick is a Special Assistant at the Center.