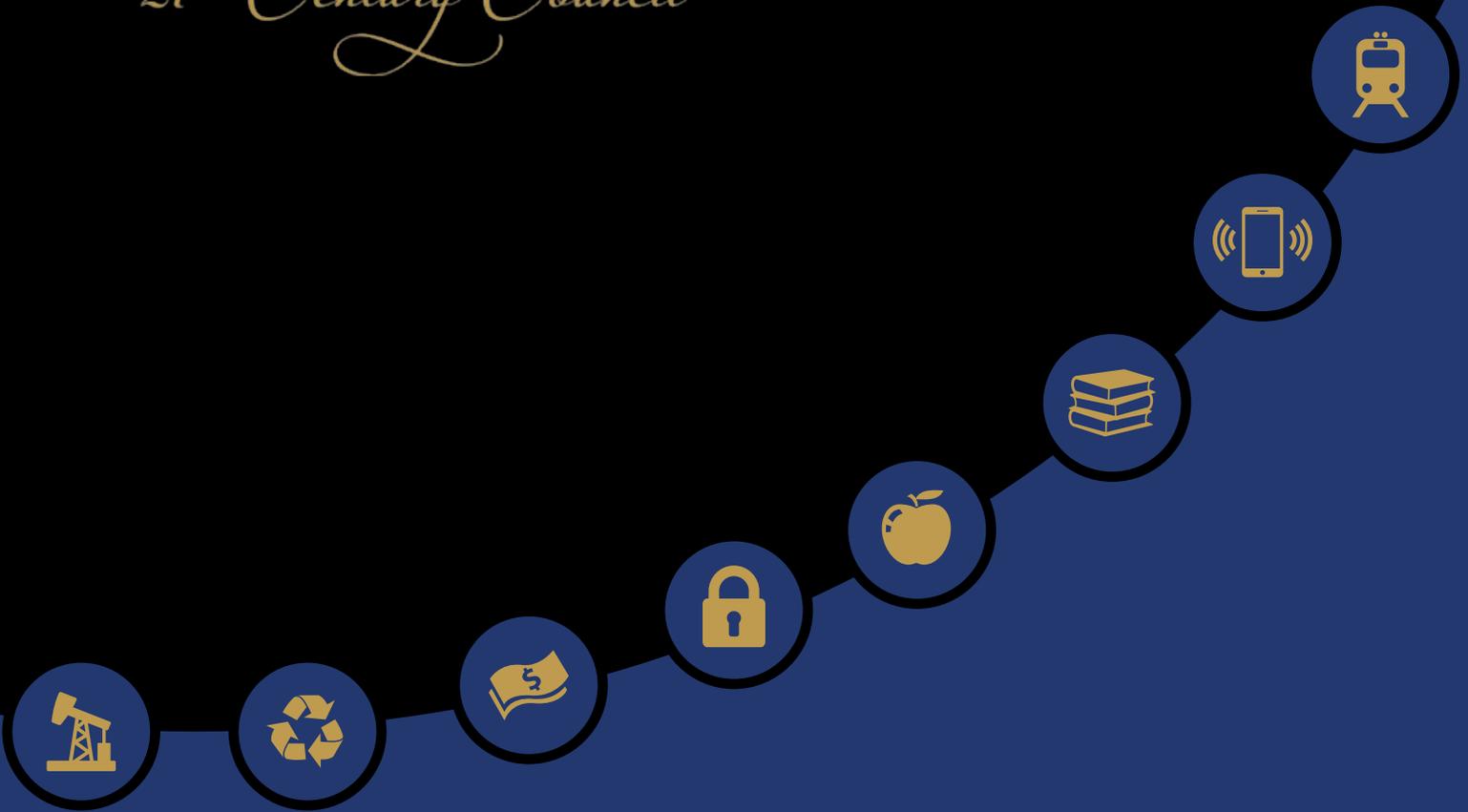


CONGRESSIONAL BLACK CAUCUS INSTITUTE

*21<sup>st</sup> Century Council*



Annual Report  
**2018**



# 21st Century Council

## Executive Committee Leadership

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Chair, CBC Institute

**Congressman James E. Clyburn**  
Honorary Chair, 21st Century Council

**Art Collins**  
Chairman, 21st Century Council

**Vanessa Griddine-Jones**  
Executive Director, CBC Institute

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- Julia Chaney .....Capitol Hill Consulting
- Rudolph Johnson .....Neighborhood House Association
- Tiffany Moore.....Consumer Technology Association

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- Deryck Spooner .....American Petroleum Institute
- Virginia Zigras .....National Cable & Telecommunications Association

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- Patrick Brady.....Society for Human Resource Management
- Kwame Canty .....Edison Electric Institute
- Melvin Clark .....G.W. Peoples Contracting
- Marvin Curtis .....Indiana University South Bend
- Sharon Davies.....Spelman College
- Franklin Davis.....American Beverage Association
- Kyle Dixon .....Time Warner Inc.
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- Steve Hightowers .....Hightowers Petroleum Co.
- John Huff.....Association of Bermuda Insurers and Reinsurers
- Katelyn Jackson .....The Coca Cola Company
- Erica Johnson.....Diageo
- Michone Johnson .....Verizon
- Earle Jones .....Comcast
- Damon Lester .....National Association of Minority Automobile Dealers
- Micheal Lunceford .....Mary Kay, Inc
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- Lance Williams .....BP America Inc.
- Cherie Wilson.....General Motors

# Letter from the Director

February 25, 2018



I'm pleased to present the Congressional Black Caucus Institute's 21st Century Council's ninth Annual Report.

As in previous years, our 2018 Annual Report is the result of the collaboration and tireless work of our Council members, as well as our wonderful staff. The Council's membership comprises participants from the worlds of business, academia, labor, and non-profits.

The Council's work represents a valuable example of what can be achieved when diverse minds and myriad viewpoints come together to address our nation's biggest challenges. This is not an easy task and the feat is even more impressive against the backdrop of what has been perhaps the country's most divisive political environment, and a Congress that must work harder than ever to make the compromises necessary to move important legislation forward.

Despite some differences in method and manner, our members share a common bond: a desire to improve our country by suggesting policies that affect the lives of all despite race, religion, political views or social-economic status. The resulting year-long discussions amongst Council members have created carefully crafted solutions to the critical challenges affecting our nation.

For example, the nation's transportation and broadband infrastructures can be made stronger, to give underserved communities more opportunity to achieve the American dream. Innovative policies for boosting the nation's education system can be explored so that all our children may succeed in a global economy.

We've thought about these and other challenges for the past 12 months. The recommendations we've created in response are delivered to the President of the United States, Cabinet members, the United States Congress, state and local government officials, and the American people. They are categorized as follows:

- National Security
- Financial Services
- Energy
- Environment & Conservation
- Transportation & Infrastructure
- Communications & Technology
- Education
- Wellness & Nutrition

I want to thank each of the Council's members, board members, staff and all the Members of the Congressional Black Caucus for their continued support of the development of this report.

*Vanessa Griddine-Jones*

Vanessa Griddine-Jones,  
Executive Director CBC Institute



# COMMUNICATIONS & TECHNOLOGY

Whether it's broadband or broadcast, communications and technology are essential in today's society. Broadband access eliminates the need to travel long distances for educational opportunities, and paves an easier path to quality health care and global markets. Local radio and television broadcasters provide communities with free over the air content including music, news and sports over the radio, and access to prime-time, day-time, and local programming, including local news and targeted broadcasts representing diverse views of individual communities. This is in addition to vital information, such as emergency warnings, America's Missing: Broadcast Emergency Response (AMBER) alerts and lifesaving weather reports. Protecting these resources is crucial.

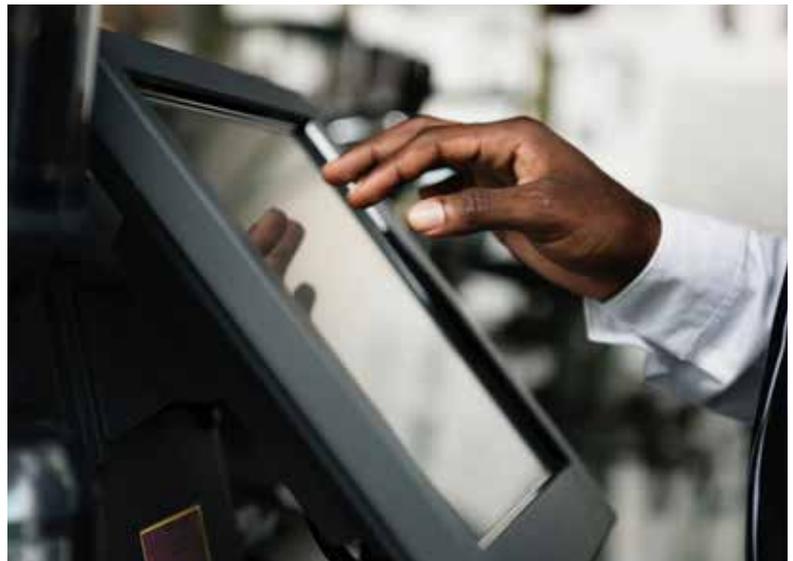
## Broadband Investment and Deployment

Realizing the importance of broadband, U.S. providers invested \$1.6 trillion in broadband networks from 1996 to 2016. In fact, three of the top 10 companies to invest in America for five years in a row (2011-2015) were broadband providers, and hailed by the Progressive Policy Institute as "Investment Heroes" as a result. Undoubtedly, the internet economy has rested on record cycles of investment and innovation by America's broadband providers.

These investments have led to the widespread deployment of some of the world's most advanced broadband networks. The FCC's most recent data from June 2016 states that 93% of Americans have access to speeds of 25 megabits per second downstream and 3 megabits per second upstream from a fixed provider, and 98% of urban populations have such access. This speed, and the even lower speed of 10 megabits per second (Mbps), is easily capable of supporting video calling, cloud data services and television streaming from multiple devices. Further, according to NCTA data, more than 85% of U.S. households have access to networks capable of 100 Mbps. By comparison, the European Commission reports that only 49% of European Union homes have access to these speeds. Such investment, along with the related innovations to support it, has laid the groundwork for the unrivaled internet-based economy that has grown and thrived in the U.S.

In this dynamic environment, the products, services and companies that support or utilize the internet are intensely interrelated, and interference with any part of this ecosystem impacts other areas. The foundation of this ecosystem, however, is provided by America's broadband networks, and actions that limit network investment will therefore unintentionally hinder innovation and economic growth, putting jobs at risk—jobs that are currently abundant.

The mobile app economy alone in this country has created more than 1.7 million jobs, according to the Progressive Policy Institute, and investments in wireless broadband infrastructure have created another 1.6 million U.S. jobs since 2007. Broadband also supports jobs in information and communications technology (ICT).



According to US Telecom, broadband supports nearly 10.8 million jobs in the U.S., which includes ICT jobs plus ICT-related jobs in other industries.

While broadband supports many jobs, broadband network providers are significant employers themselves. According to data from the Communications Workers of America and the National Association for the Advancement of Colored People (NAACP), the 15 largest network providers employed 886,000 people in 2016. Network providers are important employers for minority communities in particular. African American workers have a larger share of jobs at network companies at 14%, compared to holding just 12% of jobs nationwide, according to Careerbuilder.

## **Broadband Adoption**

Even with numbers that show the U.S. is the most technologically advanced country on earth, too many people are still without broadband. According to data from the Census Bureau, minorities and those with lower levels of education are less likely to subscribe to broadband at home. 87% of white households subscribe to broadband, while only 77% of African American households and 81% of Hispanic households subscribe. Among households with a college degree, 94% subscribe to broadband, compared to 64% without a high school diploma, and 82% with a high school diploma or some college.

Researchers from the FCC, NTIA, and others have explored the possible causes for this broadband adoption gap. The most widely-cited cause is a lack of digital literacy, including a perceived lack of relevance of the internet; that is, a lack of understanding as to its value or usefulness.

Attacking the digital divide can only happen through relentless, sustained grassroots efforts to educate and engage families at the local level, and is the shared responsibility of multiple stakeholders—including elected officials at all levels, educators, community leaders, non-profits, and businesses. These efforts must offer solutions specifically tailored to communities experiencing low broadband adoption rates, and contain wrap-around solutions that address all drivers of broadband adoption. Private sector programs have made strides to close the digital divide by offering low-cost broadband services—together with digital literacy training via print, online, and in-person sources—to low-income families with school-age children who are not currently connected to broadband internet at home.

## **The Value of Broadcasting**

As a free, ubiquitous service, broadcast television is important in today's media environment. Access to local stations is especially significant for minorities, the elderly and the socially and economically disadvantaged, all of whom disproportionately rely on broadcast television with an antenna. Nearly 8 million African American and Hispanic households do not subscribe to a pay TV service but receive television free with an antenna, and 25% of Asian-American households receive television this way.

According to the FCC, U.S. consumers rely on nearly 27,000 television and radio broadcast stations nationwide to receive their favorite movies, shows, sports, news and entertainment. This includes approximately 25,000 AM/FM stations and nearly 1,800 free local television broadcasters, all of which deliver national and local information to their communities, reflecting the rich diversity of their viewers and listeners.

In an ever-evolving media environment where more choices exist for content than at any time in history, many consumers rely on free broadcast television as an integral part of their daily lives. For African Americans this reliance is disproportionate, and outpacing other population groups. In Baltimore, Memphis, and Norfolk, 49%, 54% and 45% respectively of all homes that solely rely on free broadcast TV are African American. In Detroit, nearly one-third of African Americans homes rely on free, over-the-air TV.

Radio is also a medium that continues to grow in popularity, with 93% of all Americans listening to AM/FM radio every week. According to Nielsen, 270 million Americans tune into radio each week, including 88% of Generation

Z, 93% of Millennials, 95% of Gen Xers, and 94% of Baby Boomers. For African Americans and Hispanics, radio listenership is highest, at 92% and 93%, respectively. This equals 31 million African Americans and 40 million Hispanics who rely on and listen to AM/FM radio every month.

The growing reliance on broadcast television and radio translates into positive national economic impact. Local radio and television broadcasting equal \$1.19 trillion of gross domestic product, and provide 2.49 million jobs annually, according to Woods & Poole Economics.

## **Promoting Broadcast Accessibility and Minority Ownership**

Safeguarding access to free, broadcast radio and television is a priority to help ensure that viewers and listeners, including the most vulnerable communities, have affordable access to information, news, entertainment and services. Broadcasters promote opportunities for minority ownership as well, allowing for the development of television and radio station owners whose signals reach across large populations, and for those whose low-power signals provide targeted community/neighborhood-level broadcasts.

The effort to promote and develop diverse broadcast ownership takes multiple routes, including: calling on Congress to incentivize ownership opportunities, working with the FCC to promote diversity of voices and ownership, and developing financial resources to ensure potential minority broadcasters have access to capital. As a result of these efforts, the ability of local broadcasters to serve their communities can be expanded, and niche stations—including religious broadcasters and smaller independent owners who serve communities of color—will be cultivated and advanced.

Innovation in broadcasting should also be encouraged to provide viewers with new services, including enhanced emergency alerts and connectivity on the go. The transition to Next Generation TV could facilitate these benefits for viewers.

Additionally, policymakers should ensure viewers and listeners who rely on local stations are not unintentionally left in the dark as stations are required to move to new frequencies over the next three years as a result of the broadcast spectrum incentive auction.

## **Recommendations**

- Formulate policies that buoy investment in broadband networks, to continue the economic growth that the broadband industry has created.
- Encourage the FCC to continue prioritizing and promoting broadband deployment, via targeted programs that deploy broadband to unserved rural and disadvantaged communities in a timely fashion.
- Create legislative work groups composed of elected officials, consumers and the business community to set forth recommendations to educate minority communities about the benefits of broadband usage.
- Encourage policies that foster access to free over-the-air broadcasting and ensure disadvantaged communities have continued access to local programming, news, entertainment, information, emergency alerts and community developments.
- Encourage innovation in broadcasting, such as Next Gen TV, and enabling the hardware in mobile devices that can receive free FM signals without relying on a data connection.
- Develop legislative and regulatory priorities that incentivize ownership diversity in radio and television broadcasting.



# EDUCATION

Education continues to be a key component in the advancement of students of color. While strides have been made in test scores, many obstacles still exist, like inadequate funding, and the misperception that African American students have inherent learning disabilities and discipline problems.



## School Funding

While major reforms with strong bipartisan support replaced No Child Left Behind, a gap still exists in the funding formula that affects students of color more than any other ethnic group.

According to *The State of Education for African American Students*, released by The Education Trust, 15% of public school students are African American. Only 35% of African American students with high math scores in fifth grade are enrolled in Algebra in eighth grade, compared to more than 60% of similar white students. Just as bad, 66% of African American students graduate from high school on time, compared with 86% of white students.

Inadequate funding for education on the state level is a major culprit. The Center on Budget and Policy Priorities found that 31 states provided less state funding per student in 2014 than 2008, with at least 15 states cutting funding more than 10%. Important figures, because 46% of K-12 spending nationwide comes from state funds, and even more so in states with large black populations like Louisiana, Alabama, South Carolina and Georgia.

This funding reduction also affects several aspects of education. The Center on Budget and Policy Priorities discovered that the number of public K-12 teachers and other school workers fell by 297,000 since 2008, while the student population rose by 804,000—and the resulting increase in the student-teacher ratio leads to less time teachers can spend developing students individually. Further, spending for Title I is down 11% since 2011, and down 9% for disabled student education. Meanwhile, spending to build and renovate schools is down 37% between 2008 and 2013. The result—deteriorating, overcrowded schools—leads to an environment that can be much harder to focus within, further debilitating the education experience.

## School-to-Prison Pipeline

According to CNN, the cost to educate a student in America ranges from \$5,000 to \$15,000 annually, while the cost to house an inmate is \$15,000 to almost \$60,000—and the cost is rising. In fact, a report by the Center on Budget and Policy Priorities shows that if states spent the same inflation-adjusted amount on corrections now as in the 1980s, \$28 billion more would be available each year to invest in education.

Instead, however, America is investing in a “school to prison” pipeline: policies and practices that push our nation’s most at-risk schoolchildren out of the classroom and into the criminal justice system. We’ve effectively prioritized incarceration over education.

Practices within the educational system are just as guilty as policies. Students requiring discipline are often labeled “behavior disordered” or in need of “special education.” The Council of Great City Schools found that African American and Hispanic youth constitute almost 80% of special education students. Similarly, African Americans make up 20% of students classified as mentally challenged, despite being only 9% of the student population. Once labeled as such, a student will stay in the special education pipeline and not receive adequate support to be successful.

Female minority students have it even worse. For example, the University of Pennsylvania found that African American girls are singled out for more frequent school discipline, making up 45% of school suspensions and 42% of school expulsions.

Instead of being labeled and siloed, we need resources to identify the underlying causes of behaviors that require discipline, so these causes can be dealt with accordingly. Greater funding can lower student-teacher ratios, which also provides the time and attention necessary to provide these analyses and solutions.

## Affordable Childcare

Part of the solution involves starting children out on the right foot, of which childcare can help. Yet many parents don’t have the income to cover pricey afterschool childcare costs. The availability of affordable quality child care benefits everyone. Child Care Aware of America studies indicate that when affordable child care is present, business productivity improves, parents have a greater likelihood of finding and keeping employment, and children do better in school and in life. With a return of \$7 for every dollar spent, according to the National Institute for Early Education Research, investing in widespread affordable childcare is one of the soundest choices we can make for our economy.

## HBCUs

The 101 Historically Black Colleges and Universities (HBCUs) are critical to discussions about American education. They’ve played a vital role in American education for over a century, yet many of them are in dire circumstances after the Great Recession of 2008, having experienced declining enrollment and management pressures.

Their statistics show their worth. HBCUs:

- Award a sixth of all bachelor and professional degrees earned by African Americans. By producing over 16% of degrees while only being 3% of schools, HBCUs have created a productivity factor of over 500%
- Produce 27% of African American students with STEM degrees
- Confer 25% of the bachelor degrees in education to African Americans
- Produce 33% of the nation’s African American engineers



Clearly, HBCUs are effective in producing students who are competitive. By maintaining and strengthening our HBCUs, we protect this critical pipeline for national talent.

Combined, all of these issues explain why education is the key of a door we haven't fully unlocked. In 2015, the No Child Left Behind was replaced with a new law entitled The Every Student Succeeds Act (ESSA). Yet ESSA will not achieve its goal unless educational institutions are fully funded, focused on properly educating not labeling students, and supported.

## **Recommendations**

- States must restore funding to public schools and universities to meet the need of the population and provide an educated workforce for the 21st century.
- Strengthen our nation's child care system by making childcare affordable for working families. A \$15 per hour minimum wage will both help ensure childcare is high quality, and allow more low-income families to take advantage of childcare services.
- Combat the school-to-prison pipeline by preparing teachers and administrators to deal with cultural differences, hiring more African American teachers, and using classroom management that does not label a student for life. Fund tutorial programs, mentors and partnerships with outside groups that can provide a necessary social and cultural climate.
- Recognize and support HBCUs for the vital role they play in producing African American talent, who contribute to the country's competitive advantage in relation to other world powers.



# ENERGY

When energy is plentiful, so are employment opportunities; when energy is affordable, our nation is more productive, leading to a stronger economy. From nearly every perspective, the American energy industry is prepared to put Americans back to work and facilitate our economic recovery and expansion.

## Workforce Development

Nothing is more important to economic growth than providing future generations with a strong education and jobs. While many factors spur growth in the energy industry, none is more vital than the availability of capable, dedicated human capital. In fact, the energy industry is on the cusp of a dramatic change in the workforce, as new technologies are developed and the current workforce becomes eligible for retirement. As a whole, the electric power industry supports more than 7 million American jobs, equivalent to about 5% of all jobs in the United States. This includes nearly 2.7 million jobs directly provided through electric power industry employees, contractors and supply chain, plus investments, and an additional 4.4 million induced jobs.

These human capital requirements can be met partly by promoting educational and training programs targeted to the growing population of underrepresented minorities. With most children born today being from communities of color, minorities represent a critically vital and available talent pool to help meet the demands of the energy industry. As such, we need to ask how the minority communities of America are prepared to participate and benefit from the energy renaissance.

Industry is working to address this workforce transition. In 2006, electric and natural gas companies formed the Center for Energy Workforce Development (CEWD), a non-profit organization bringing together employers, unions, educational institutions and workforce development stakeholders to build the pipeline of talent needed for the future. CEWD has spearheaded the creation of State Energy Workforce Consortia covering more than 30 states, focusing on the workforce needs of individual states and regions. The work done by CEWD and the State Energy Workforce Consortia has improved curriculum, workforce planning, and reduced the time needed to get people into energy jobs.

Additionally, oil and natural gas companies continue their engagement with America's Building Trades to ensure the union's expanded training facilities are open and accessible to our community.

In order to effectively compete for jobs in the energy industry, young people from communities of color will also require significant improvement in preparation for Science, Technology, Engineering and Mathematics (STEM) related disciplines at the primary and secondary school levels. According to a 2016 report, African American and Hispanic students make up the smallest percentage of computer science and engineer graduates, at 6% and 8%, respectively. This imbalance effectively locks minorities out of the almost one million new jobs in fields ranging from welding and construction, to petroleum and nuclear engineering. These positions pay several times the minimum wage, and provide communities and families the benefits that well-paying jobs harbor. New, targeted training programs must be instituted to help ensure women and people of color can compete for these positions.

## Energy Landscape

Energy in America is abundant, reliable, more affordable, and increasingly cleaner. By converting to more efficient fuels like natural gas, adopting higher efficiency standards, incorporating new technology and improving

operating procedures, America is experiencing an environmental and economic transformation that has us well-positioned to continue our leadership position.

The United States is poised for dramatic growth in many manufacturing industries due to vastly improved energy technologies, innovation, the enormous ongoing financial investments in energy infrastructure and facilities, and the unfailing dedication of millions of men and women who work daily to produce the energy we need to power America forward.

In fact, oil production in the United States continues to grow at an amazing pace, with production growth at levels not seen since the 1970s. The country has helped to counterbalance global markets, driving down our oil imports to the lowest level in fifteen years. Consequently, the policy debate quickly shifted and Congress took the unexpected, but much needed, step of lifting the 40-year-old ban on oil exports. In the past year, the natural gas industry's productivity levels brought the lowest home heating costs to millions of low-income families in more than a generation. The U.S. Energy Information Administration (EIA) determined that the United States surpassed Russia to become the largest producer of natural gas in the world in 2010, and has also passed Saudi Arabia to become the largest producer of oil as well. The country is also an important producer of coal, showing an increase of 45 million short tons in 2017 in response to export demands, according to the EIA.

This dramatic growth in energy production is the result of American ingenuity, engineering and willpower, especially through the application of hydraulic fracturing, or "fracking," and horizontal drilling to deep geologic formations. These technologies have been around for decades but the country is now deploying them so efficiently and successfully that we've become firmly established as an energy superpower. This newfound abundance gives the country the tremendous opportunity to utilize our energy power for national security purpose—not only by reducing our reliance on imports from foreign countries—but also by exporting natural gas and oil to our allies around the globe. This relieves political instability and pressure on our military forces, and drives additional economic growth via increased American energy production.

## **Grid Security**

Electricity production, transmission, and distribution is also vital to the commerce and daily functioning of the United States. A major priority for the electric power industry has been modernizing the nation's power grid—the electric distribution and transmission system—to accommodate current and future uses, along with ensuring the reliable functioning, resiliency and security of the grid. Electric power companies are consistently investing more year over year on the nation's grid infrastructure, reporting more than \$161 billion in new transmission and distribution infrastructure additions from 2013 to 2016. That includes the installation of nearly 71 million smart meters, giving customers across the country more information and choice regarding their usage of electricity.

The industry also partners with government entities to take a proactive approach to protecting the power grid, including:

- Rigorous, mandatory and enforceable reliability standards
- Close coordination among industry and with government partners at all levels
- Efforts to prepare, respond, and recover should power grid operations be impacted

The level of close coordination, including the sharing of threat information between government and industry, has been particularly effective for protecting the electric grid. This cooperation should be encouraged as cyber and physical threats continue to be a major concern across all critical infrastructure sectors.

## **Infrastructure Modernization and Expansion**

The American energy industry is undergoing significant growth and expansion as a result of abundant supplies of domestic fuels—both traditional and renewable—and the advancement of new technologies. For example, more

pipelines are needed to transport oil and gas, and the power grid is integrating more technology and renewable energy sources than ever while ensuring reliability and affordability for all communities. At the same time, the infrastructure that currently exists needs to be upgraded and modernized to make it more efficient, resilient and capable of meeting the energy needs of all Americans, including infrastructure investments required to support electrification and smart communities.

While doing all this, energy must also be increasingly clean without risking affordability and reliability, and measures must be taken to ensure all energy consumers contribute to grid and fixed costs. We must be on guard to protect against any “energy divide” that may develop, and ensure equitable policies exist that are designed to improve the economic standing of our community. We recognize the potential of these investments to create well-paying jobs, make our economy more competitive and make our nation more secure. In order to capitalize on these opportunities, and expedite the hundreds of billions of dollars in investment this build-out and expansion represents, policies must be specifically structured. The policies must allow for the timely review and approval of permits, maintain cost-effective access to capital, and regulations that are structured to responsibly, effectively and efficiently maintain the safety and health of communities and the environment.

## **Innovation and Technology**



While the age of the nation’s existing energy infrastructure is one of the factors driving this massive investment, advancements in technology are playing an equally important, if not larger role. For example, in the transportation sector, importing oil is no longer the only way to respond to current energy challenges. Similarly, the electric industry is building a smarter energy infrastructure that is becoming the emerging platform for new technologies, increasing the reliability Americans expect. New innovations in the energy industry can improve the reliability, flexibility, and efficiency of our energy generation, resulting in proportionately lower fuel inputs and lower energy costs.

For instance, smart grid technology enhances our electrical system by installing two-way communication devices and sensors throughout the power grid, from power plants to transformers to switches. The resulting automation improves efficiency in areas such as sending resources into the field to measure energy usage, locating erroneous activity such as broken transformers or downed wires, and restoring power quickly for customers. Smart grid technology allows the electrical system to send a constant stream of information to other parts of the grid and

to power companies, and utilize programming to conduct on-the-fly adjustments that ensure power is getting to where it is needed efficiently and in real-time. This technology also allows for the greater integration of renewables—an intermittent resource—onto the power grid, as well as the introduction of storage, microgrids, plug-in vehicles, and the proliferation of smart appliances, thermostats and other consumer-facing energy management tools.

The benefits of making investments to modernize our electric grid are numerous and include, among other things, the ability for systems to “self-heal” after power disruptions, enable new products, services and markets, and the ability to improve the operational resiliency of our systems against physical or cyber-attack; all while not sacrificing reliability. Such investments require everyone who utilizes the electric grid, whether to buy or sell electricity, to appropriately fund its continued enhancement.

In the oil and natural gas sectors, advancements in shale production also provide great efficiencies to the energy industry by stimulating the development of domestic natural gas from shale. Horizontal air-drilled shale wells, more efficient down-hole tools, fracture mapping, and operations improvements are just a few examples of innovations that support less costly, more environmentally sound energy development. Companies are also deploying technology such as enhanced oil recovery via steam and carbon dioxide injection that maximizes oil production from older, existing fields. The U.S. Department of Energy notes that advancements in developing natural gas and oil supplies “means additional jobs when wells are drilled, pipelines are constructed, and production facilities are built and operated. Larger volumes of domestic natural gas also translate into lower fuel or feedstock prices for industries that use natural gas to process or manufacture products. As a result, fewer jobs are lost to lower-cost overseas competitors and prices are lower for consumers.”

Such comprehensive, technology-focused approaches to reducing costs and increasing output benefit the American economy and encourage the finding of ever-increasing ways to modernize and advance our energy system. The end-goal is becoming increasingly reachable: to create an energy independent country. America should generate so much excess capacity via efficient energy production and usage that the country can easily afford to become an international supplier. However, policies based upon market realities must be in place that ensure the U.S. is pursuing production of “all-of-the-above” energy sources.

## **Natural Disasters and Extreme Weather Events**

According to the National Oceanic and Atmospheric Administration in 2017, hurricanes, wildfires and other events caused \$306 billion worth of damage to the U.S. economy, factoring in destroyed property and lost business activity in affected areas. The most expensive storm was Hurricane Harvey, at an estimated \$125 billion in costs, followed by Hurricane Maria at \$90 billion, and Hurricane Irma at \$50 billion.

In addition, wildfires burning more than 9.8 million acres caused close to \$18 billion in damage, tripling the previous record. The economic effect is even greater when taking into account lost work days, retailers and restaurants closed due to the devastation, transportation interruptions, and insurance costs.

The more regular occurrence of extreme weather events, be they hurricanes, forest fires, or tornadoes, is causing more stress on our energy infrastructure and requires that we identify ways to fortify our systems to make them more resilient, and easier to repair and restore. While technological advancements can and should be pursued, changes to our regulatory systems and other emergency response policies need to be considered. This is critically important for communities of color and economically disadvantaged communities, which tend to be disproportionately impacted during these extreme events.

## **Climate Change**

According to the Intergovernmental Panel on Climate Change, the net effect of climate change related to carbon dioxide causes reduced net food production, increased droughts, and deaths related to weather. Based on data

from the U.S. Environmental Protection Agency (EPA), carbon dioxide accounted for 82% of U.S. greenhouse gas emissions in 2015. However, energy related carbon dioxide emissions fell 1.7% in 2016, which followed a drop of 2.7% between 2014 and 2015, according to data from the U.S. Energy Information Administration. The decline in energy-related carbon dioxide emissions is consistent with a decade-long trend, showing energy-related carbon dioxide emissions 25% below 2005 levels in 2016.

This type of success can continue by working in several areas. Electric generation should come from increasingly cleaner and diverse sources. For example, the U.S. currently has 99 nuclear reactors generating substantial power production and economic growth, including 100,000 high paying American jobs. Since nuclear power is a non-carbon emitting source, the 805 billion kilowatt-hours of nuclear-generated power—roughly 20% of the total U.S. electric output (and more than any other source for seven states)—goes a long way towards helping the nation achieve climate change goals, and diversifying energy to balance power production risks. In 2016, nuclear energy accounted for 59.9% of U.S. emission-free generation.

Additionally, advanced nuclear reactor designs, also known as Gen IV, have the potential to dramatically improve the safety and economic conditions for nuclear reactors going forward. Gen IV designs take advantage of passive inherent safety characteristics and do not emit greenhouse gases. Moreover, they can be manufactured domestically, creating jobs and re-establishing American nuclear excellence. Recent technology development progress in this space indicates that advanced nuclear will play a large role in the country's energy portfolio going forward.

Also, since 2005, more than 65% of carbon dioxide reductions in the electric power sector have come from fuel switching to natural gas. A study by the New England Coalition for Affordable Energy illustrates how the increased use of natural gas benefits the environment, finding that as the fuel mix shifted toward natural gas, regional emissions dropped 56% for nitrogen oxide, 91% for sulfur dioxide and 22% for carbon dioxide between 2006 and 2015.

We must also continue investing in renewable sources, such as wind, solar, and carbon neutral biomass, while retaining the reliability that consumers demand. Renewable resources provide roughly 15% of the country's electric energy, with about 44% coming from hydropower and the rest from wind, solar and other renewables. By the end of third quarter 2017, the United States had nearly 89,944 megawatts of wind power installed in 41 states, plus Guam and Puerto Rico, according to the American Wind Energy Association. Utility-scale solar grew 84% in 2016, and currently more than 26,000 megawatts of utility-scale solar projects are under development.

Further, private-public partnerships must continue to support improvements in technology, research and development, cost effectiveness, and fuel efficiency in transportation—from personal transportation vehicles, to freight rail, airports and ships. Also, exporting our natural gas and intellectual property into the global market will provide opportunities for developing countries to utilize a clean-burning fuel source for their growing economies.

In addition, continued investment in public education will help offset our increase in carbon dioxide emissions. Encouraging and providing transparent incentives to the public, with measurable outcomes to undertake energy efficiency practices such as making homes more energy-efficient, or learning how to read—and use—Energy Star® reports for appliances, can have a positive impact.

## **LIHEAP**

Since 1981, the Low-Income Home Energy Assistance Program (LIHEAP) has helped millions of low-income Americans pay their energy bills. Today, LIHEAP is a widely supported, essential program that delivers critical short-term aid to our nation's most vulnerable citizens, including seniors on fixed incomes and the desperately poor.

To be eligible for LIHEAP assistance, families must have incomes at or below 150% of the federal poverty level—about \$30,000 annually for a family of three—or 60% of the state's median income level. However, the majority

of LIHEAP recipients fall well below the minimum income requirements, and only one out of five LIHEAP-eligible households actually receive energy assistance.

In recent years, LIHEAP funding has been cut severely. In 2011, when funding levels were at \$4.7 billion, only 9 million households received LIHEAP funds. LIHEAP funding for 2017 was cut to \$3.39 billion, forcing states to drop families from the program, reduce benefits, or both.

As Congress faces very difficult fiscal challenges, tough budget decisions will need to be made. However, cutting LIHEAP funding is not the answer, and will deny people the heating and cooling that are basic needs for survival. Without energy assistance, low-income families, the elderly, and the millions of people seeking work could be forced to make painful choices between heating or cooling their homes or paying for other necessities such as food, medicine, and clothing.

## Recommendations

- Strengthen workforce development programs and proactively support implementation of diversity programs that enhance access to business opportunities for African American and other diverse suppliers.
- Support programs at HBCUs and minority-serving institutions that provide early introduction and sustained delivery of curricula focused on the STEM disciplines (Science, Technology, Engineering, & Math) in historically underserved communities.
- Pursue and support opportunities to train minority candidates so they can compete for a rewarding career in the energy sector.
- Pursue affordable, abundant and flexible energy supplies by increasing domestic supply and opening international markets.
- Facilitate cost-effective infrastructure investments, modernization, and expansion by ensuring the timely review and approval of projects. Allow for better streamlining of the regulatory review process and remove impediments from regulations such as the New Source Review that currently hamper significant energy efficiency improvements. Legislate a comprehensive energy policy that addresses issues such as grid modernization, research and development technology, renewable fuels, and climate change.
- Reinforce efforts that support and encourage the continued development of innovative energy technologies.
- Provide energy providers with greater ability to provide safe, reliable, affordable and environmentally responsible gas and electric service to their customers, including ensuring that federal permitting processes are transparent, expeditious and not cost prohibitive.
- Call for federal, state and local energy policies to be equitable and fair to communities of color.
- Provide economically fair mechanisms that protect low income communities from unfairly absorbing infrastructure costs.
- Educate consumers on energy issues and advocate for increased consumer protections.
- Fully fund LIHEAP and preserve this vital safety net for millions of vulnerable Americans.



# FINANCIAL SERVICES

African American households are emerging from the Great Recession with greater optimism and growing affluence, but still face substantial hurdles on their way to full financial security. A focus on increasing access to credit, the ability to generate savings, access to good paying jobs, and maximization of tax refunds all benefit African Americans—and in turn other areas of the U.S. economy—in the push towards a financially healthy community.

The ability to borrow money at affordable prices is a key element to the financial health of the African American community. Whether referring to a mortgage, car loan, student loan, or credit cards, the importance of having wide access to affordable, safe consumer credit products cannot be overstated.

## Alternative Credit Scores

Alternative credit score models, using data from various sources such as VantageScore, have entered the marketplace in a meaningful way to credit score thousands of consumers using the latest technology. These new models offer great promise for the African American community; the up-to-date assessments often result in consumers qualifying for “mainstream” lending products they would’ve been excluded from under older, more traditional techniques. According to one new market entrant, nearly 23% of African Americans are unscorable by conventional models. These updated models not only score more African Americans; they score more African Americans as creditworthy, thus opening up auto lending, credit cards, and other forms of consumer credit that were previously unavailable.

While a key industry is left out of this list—mortgage credit—progress is being made on that front as the Federal Housing Finance Agency (FHFA) and the Department of Housing and Urban Development (HUD) explore using these models. This positive trend is worthy of policymakers’ continued support for widespread use across all forms of consumer credit.

Alternative sources of data are continuing to develop to evaluate creditworthiness, especially in the FinTech industry. Various products assess one’s creditworthiness based on data a company may have on an individual or small business. This data often provides a better picture of the individual or small business—and allows the company to assess the proper risk, while providing access to credit to segments of the population that may not easily access it.

Financial education around credit scores is extremely important, as it helps consumers understand their score, the components that affect it, and empowers people to take control of their financial lives and increase the score.

## Housing Costs and Mortgage Credit

The United States is currently facing an affordability crisis regarding the most basic, but significant expense for African American households: housing. Conventional wisdom offers that most households should spend less than 20% of their income on housing. However, the National Housing Conference estimates that nearly a quarter of African American working households renters are spending more than 50% on rent or mortgage payments, compared to 18.5% of their white peers. This is a significant impediment to growing wealth that demands attention.

Fixes for this crisis are complex and numerous, but several key areas require immediate focus, including expanded opportunities for African American homeownership and the preservation of affordable housing stock for first-time homebuyers or other owner-occupants of modest means.

The first “fix” is the continued support of the widespread availability of low down payment mortgage financing. Due to increased rental burdens, stagnant wages and crushing student loan debt, many African American families have limited savings, but are extremely creditworthy and capable of meeting monthly payments. We must continue to laud the return of safe, sustainable 30-year fixed-rate mortgages requiring as little down payment as 3%, supported by Fannie Mae and Freddie Mac (the “GSEs”), that utilize private mortgage insurance. Its government program alternative, the FHA insurance program, is also a key tool that allows homeowners to purchase with as little as 3.5% down, with a risk-based price subsidy available for lower-credit-score homebuyers. The FHA’s limited resources are best used to serve those who need it most; the private sector has the ability to serve the rest.

In addition, steps must be taken to maintain affordable housing stock. Since the crisis, a proliferation has existed of all-cash sales to investor speculators of modestly priced housing, which would typically be available to first-time homebuyers and families of modest means. In fact, a report by CoreLogic indicates that in the past three years, 30% of home sales have been to all-cash investor speculators who convert the properties into single-family rentals.

While some of this behavior is the “invisible hand” of economics at work, several federal actions can make a difference and free up more of these homes for modest-means owner occupant borrowers. Chief among them is the method with which federal entities dispose of foreclosed or deeply distressed properties. Rather than selling these properties in bulk to non-owner occupant investors, the GSEs and FHA should take extraordinary care to ensure properties are first made available to owner-occupants or community nonprofits who have the ability to facilitate owner occupancy.

Further, replacements must be found for two important mortgage refinance programs set to expire: the Home Affordable Refinance Program (HARP) and Home Affordable Modification Program (HAMP). The FHFA has just started a significant, but small, pilot program that reduces the principal for “underwater” homeowners in default on their loans, to help keep these people in their homes. This pilot program should be expanded, to better determine its usefulness and impact on the market. The FHFA must also devote other serious resources to replacing HAMP and HARP.

## **Auto Loans**

Automobiles are among a consumer’s largest purchases, usually second only to buying a home. For most households car ownership isn’t a luxury; it’s a prerequisite to economic opportunity. It affects where people are able to live, and significantly expands their realm of options for jobs and career advancement. As such, an essential component of wealth building is the increased access to automobile purchase credit.

Invaluably, both the availability of such credit—and the price of that credit—have improved over the last four decades, due to increased competition in the auto finance industry and better information being available to consumers and creditors. Previously, auto financing could only be secured through a dealership or bank. The introduction of multiple sources of financing for automobile purchases—credit unions, savings banks, finance companies and online lending—has created a highly competitive marketplace, resulting in lower rates for all consumers. With information on financing rates so readily available, and with such intense inter-dealership competition, credit sources are forced to offer competitive rates, or risk alienating potential customers.

To help empower consumers in the car buying process, the Consumer Financial Protection Bureau (CFPB) developed the Know Before You Owe initiative—consisting of an “auto loan shopping sheet,” a step-by-step guide, and additional online resources—to help consumers shop for an auto loan. The shopping sheet helps consumers

see the total cost of a loan and make apples-to-apples comparisons among loan products. The Know Before You Owe auto loan initiative also walks consumers through each step of the auto finance process to help them decide how much they can afford to borrow and what options are right for them.

The FTC, in partnership with industry stakeholders, also developed tools to better educate consumers about auto financing options. Such tools include an outline of the differences between direct (via a financial institution) and indirect (via a dealership) vehicle finance options, and the key considerations consumers should assess before making a decision to acquire a new vehicle. Additionally, various vehicle finance companies have also developed and executed a variety of financial literacy programs targeted at the car buying and leasing process. Consumers armed with this level of information are better prepared to negotiate the best deal in relation to their individual buying power. Yet not everyone is aware of this assistance. These financial education programs must be expanded, so people in need of assistance can take advantage of the learnings.

## Credit Cards and Payments

Americans of all races rely on credit cards to purchase basic necessities, including medical expenses, groceries, utilities, and even education. Yet when credit cards are used improperly or offered at predatory terms, they impose significantly higher rates than other assistance programs for these types of expenditures, especially for minority borrowers. While U.S. Census Bureau data suggests that African Americans' individual credit card debt is less, on average, than their counterparts, it raises the troubling concern that such reductions are the result of more onerous terms, rather than more responsible use.



Great strides have been made under legislation to rectify this, such as the CARD Act and others, but no uniform “ability to repay” standard exists for credit cards. The Consumer Financial Protection Bureau’s (CFPB) enforcement of the CARD Act should be strengthened to continue promoting transparency in the industry, and to protect against unfair practices such as interest-rate hikes and unreasonable late fee policies.

Debit cards, meanwhile, have become an increasingly popular payment method. These cards are subject to regulations capping the amount merchants must pay, per transaction, to the cardholder’s bank to offset the risk of fraud. This cap was the subject of fierce debate on Capitol Hill, and the consequent law was passed on the assumption that the savings made by merchants would be passed on to consumers. Unfortunately, plenty of evidence exists that this has not happened, and, indeed, that consumers have had to shoulder an additional burden: higher bank fees as banks try to recoup significant losses. These higher fees could lead to an increase in the number of unbanked Americans in communities across the board. Merchants derive real and tangible benefits from electronic payments, ranging from guaranteed payment, fraud protection and “ticket lift” (that is, consumers using electronic payments generally spend more, as they are not limited to the cash they have to hand). With this in mind, any efforts by merchants to expand interchange caps to credit cards should be examined very carefully before given any support.

Credit cards’ “cousins,” the prepaid debit card, gained regulatory attention by the CFPB in 2015 with the proposal of sweeping regulations aimed at standardizing this rising form of financial transaction. However, the CFPB recently announced that it will be delaying the effective date of its prepaid card rule. That rule must be implemented, and

financial education programs expanded, so those in need of assistance can understand and choose from less expensive products to meet their needs.

## **Student Loans**

According to the CFPB, African American college graduates are twice as likely to incur student debt as their peers, and at a significantly higher interest rate. Affordable student loans are a necessity, both to ensure access to educational opportunities that lead to higher lifetime earnings, and for larger accumulated savings. With greater savings, consumers are better positioned to endure employment changes, health crises, and even entry into homeownership.

Policy responses must account for the vital role that student loans play in providing access to higher education and better employment opportunities, plus address the resulting debt-to-income ratios that prevent student loan holders from qualifying for homeownership. While recent steps taken by the FHA's progressive view of student loan debt are heartening, the GSEs need to make similar accommodations to meet the needs of African American households.

Additionally, educating consumers on the federal student loan repayment programs, as well as enhancing those programs, will help college graduates reduce debt in the long term.

## **Savings and Retirement**

The long-term economic security of African American households requires the ability to save for retirement. According to Prudential's recent survey, only 74% of African Americans contribute to an employer-sponsored retirement plan. In fact, the entire nation faces a serious retirement security crisis which must be addressed. Retirement savings are below an acceptable level and fewer workers have access to employer-provided pensions. Policies are necessary that increase the availability of employer-sponsored retirement plans, including secure defined benefit plans, provide the necessary education about the plans, and incentivize participation. Further, strong consumer protections must continue to exist to prevent the type of financial crises that weaken the value of the retirement savings workers have spent their lifetimes amassing.

## **IRS Free File**

According to the Bureau of Labor Statistics, the median household income for African Americans is only \$35,481, far below the \$53,657 median for all households. For many of these households, their tax refund is their largest paycheck of the year and it's depended on for major financial decisions such as budgeting, covering household expenses, and paying down or eliminating debt.

The IRS Free File Program allows individuals making under \$66,000 to file their taxes free, meaning they keep 100% of their tax refund—and 22 states plus Washington, D.C. allow these individuals to file state returns free as well. People can even choose the best free service to match their needs, as 13 companies donate their software through the program. Even better, the IRS ensures this is a consumer safety zone, meaning no fine print, cross marketing nor selling. This year, they even included new innovative technologies to eliminate tax time fraud.

The IRS Free File Program is an excellent example of a successful, fiscally sound public-private partnership. It amplifies and extends the work being done under the IRS Restructuring and Reform Act of 1998, and the Volunteer Income Tax Assistance (VITA) and Tax Counseling for the Elderly (TCE) programs. It's a complimentary effort by the private sector focused on producing a public good.

Yet many low income households don't know this program exists, and instead fall prey to payday lenders and other enterprises that take a large portion refunds in exchange for immediate cash. More promotion of the program is necessary to help protect these consumers from predators and the potential for fraud, identity theft and the associated cyber crimes.



## Access to Good Paying Jobs

Access to full-time jobs and a living wage are major indicators of well-being for African American families. Healthy job growth and increased incomes and wages make it easier for families to share in financial security. However, as we continue to build an economy that works for all, it's important to remember that many African Americans continue to face racial economic inequalities. These inequalities commonly cause higher unemployment rates and result in lower hourly wages, household income, and family net worth.

According to the Economic Policy Institute, African American workers have the highest unemployment rate nationally at 7.5%, followed by Hispanic (4.9%), Asian (3.7%), and Caucasian workers (3.5%). While the African American unemployment rate is at or below its pre-recession level, it still exceeds Caucasian unemployment rates by double. African American workers also lag behind in wages and income. An Economic Policy Institute reports that the average African American worker earns 75% of what a Caucasian worker does in hourly wages (\$14.92 for African Americans, \$19.79 for Caucasians). Worse, African American households earn 61% of the yearly income a Caucasian household does in a year (\$39,490 for African American households, \$65,041 for Caucasian households); and the value of net worth for African American families was just 10% of the value of Caucasian families (\$17,600 for African Americans, \$171,000 for Caucasians).

Such trends have profound consequences for living standards and financial prosperity. An economy must be built that gives African American families the opportunity to acquire skills, tools, and knowledge to find good jobs or move up in their career and to earn a better living. After all, the vast majority of Americans rely on their paychecks to make ends meet. African American workers must have a fair shot to earn a living wage. For these families, wages and employer-provided benefits comprise the bulk of income, followed by other income sources linked to market performance, such as wage-based tax credits, pensions, and social insurance. The clear connections between wages, income, and living standards mean that progress in reversing inequality, boosting living standards, and building an economy that works for everyone will be extraordinarily difficult without addressing wages and benefits.

## Technology and Finance

Data and data-driven innovation are the fuel driving economic growth, creating opportunity for American consumers and small businesses. Technology that harnesses these benefits can also be utilized to protect these segments.

For example, with the delay in processing refunds in the PATH Act, innovative technology can help scale the needs of Earned Income Tax Credit and other tax credit eligible taxpayers at no cost, so they don't fall prey to predatory and unscrupulous and fly-by-night tax preparers. The technology sector has also developed tools to help people better manage their finances, gain access to capital, and start and grow businesses, thereby enhancing economic growth in communities across the country. Plus, technology gives people a better opportunity to control their own destiny, by eliminating traditional barriers to entry and reducing start-up costs associated with opening a small business.

With this myriad of benefits, we must promote and protect innovative, consumer-friendly technology solutions.

## Recommendations

- Support the adoption of new, updated, and alternative credit-scoring models for all forms of consumer and small business credit, including mortgage finance.
- Preserve the consumer benefits associated with the CARD Act and support the CFPB's efforts to improve the prepaid card industry, while increasing financial education programs.
- Promote and protect technology solutions that enable greater access to free tax preparation programs, empowering people to improve their financial literacy and maximize their refunds.
- Promote responsible data policy that facilitates access to credit for small businesses, simplifies their payroll and tax compliance, and connects individuals with beneficial government services such as Free File and EITC.
- Fight for the right of all workers to have the freedom to jointly determine their wage, benefits, and working conditions through negotiation with employers.
- Pass workplace policies that offer greater flexibility to meet family needs. Provide tax incentives to employers to invest in workforce training and education, and offer apprenticeships to new workers.
- Increase federal funding for the Department of Labor's Innovation and Opportunity Network (ION) which supports state and local workforce development boards, system professionals, and employers to successfully implement the vision of the Workforce Innovation and Opportunity Act (WIOA).
- Ensure that startups and small business can compete and prosper. Companies should also be encouraged to expand leadership opportunities for African Americans to help shape policies that affect their work. This benefits businesses by better utilizing talent and making management even more responsive to employees and customers.



# ENVIRONMENT & CONSERVATION

According to the U.S. Environmental Protection Agency (EPA), carbon dioxide emissions have increased 7% since 1990, despite efforts to be more environmentally sound. Meanwhile, the water system in Flint, Michigan has been a mess. This can't stand. We must take ardent strides to protect our environment, which ultimately protects ourselves.

## High Lead Levels

The dramatic failure of Flint's water system highlights the need to intensely examine the basic infrastructure that ensures public health and safety. The Safe Drinking Water Act (SDWA) is intended to ensure every American can drink water from the tap without fear of being poisoned.

Yet underfunding systems, and denying the resources and attention needed to ensure they work properly, has resulted in conditions that are beyond dangerous. Documented health effects from polluted drinking water are not what Americans expect of their governments at any level.

The SDWA has been subject to one-off amendments in the last 15 years, including an exemption in 2005 for re-injected fluids from fracking operations. As a result, the General Accounting Office raised warnings about the EPA's inability to keep up with the potential threats to our drinking water. Meanwhile, Michigan's Congressional delegation introduced legislation to require better reporting of polluted drinking water.

However, the SDWA has not seen a full overhaul since 1996. It's clearly past due for a renewal. With the help of the Government Accountability Office and the Administration, this Congress should do the research now to set the stage for a thorough overhaul.

## Socially Responsible Investing

The best support environmental causes can receive is investment. In turn, the best way to encourage investment is to create easy, understandable opportunities for large groups to do so. A group such as government employees numbers almost three million people.

Currently, most federal employees, retirees and contractors are not given the ability to choose a socially responsible portfolio for their retirement investments. The Office of Personnel Management may be able to change this fact, but it could definitely be changed by Congress. Options for investment could include "fossil free" securities, securities from companies and jurisdictions that lead the fight against discrimination and for community reinvestment, or other socially and environmentally relevant criteria.

## Toxic Chemicals and Concentrated Pollution

The EPA and CDC must continue to update precautionary limits on the concentration of pollutants, to keep up with scientific evidence. The EPA, in consultation with wildlife agencies, can use its mandate of protecting endangered species to protect humans as well; environmental dangers that affect animals are also early warnings of issues that can harm humans too. Congress should modernize these authorities and strengthen these laws.



## People Need Parks

Connectivity with parks is one of the best ways to let nature and the human health system do their most efficient work. Outdoor exercise in areas that offer clean air and space helps restore and maintain human health and happiness. Proper connectivity keeps an eye towards preventing invasive species, and facilitates native and desirable species. A lack of connectivity leads to the loss of species diversity, and thus the loss of balance and environmental sustainability.

Via an Executive Order or by Congress in a stand-alone bill, we should direct the EPA and the Departments of Interior, Commerce, Agriculture and Transportation to assist communities in restoring and connecting greenways at all levels, from urban parks and gardens to small farms in rural landscapes. Such an act encourages beneficial biological diversity and its services, such as pollination, natural pest control, predator-prey balance, resistance to invasive species and diseases, and mitigating, as well as adapting to, climate change.

Connectivity can be further achieved by reviving the Civilian Conservation Corps. Legislation can extend unemployment benefits for individuals—particularly in high unemployment areas—who work through the Corps to restore natural areas, community gardens and parks.

## NEPA

The National Environmental Policy Act (NEPA) promotes the enhancement of the environment and established the President's Council on Environmental Quality (CEQ). Often referred to as an "environmental Magna Carta," NEPA created procedural requirements for all federal agencies to prepare environmental assessments and impact statements.

The CEQ has issued guidance directing all federal agencies to address the impact of greenhouse gas emissions and climate change when preparing major actions. Yet the decay of urban infrastructure—from water pipes in Flint, Michigan to public transit in Washington, D.C.—demands that agencies more thoroughly assess how existing older infrastructure can be repaired or replaced, whenever construction of a new extension or system is proposed. The "benign neglect" of not weighing the costs of inaction is a denial of environmental justice from the start.

The CEQ and the Office of Management and Budget should combine the NEPA mandate with the Government Performance and Results Act (GPRA), so clear annual goals can be established for each agency. Doing so can make

federal agencies more accountable for ensuring states and cities maintain current infrastructure prior to using limited federal funds to expand them.

## **Trade Agreements**

The President and Congress should fast track only those authorities and free trade agreements that lift up workers and consumers alike, and insist that these government components require full compliance with international and domestic environmental laws.

Other countries should be encouraged to impose tariffs, embargoes and associated controls to support such laws—as the U.S. has for years in the Pelly Amendment of the Fisherman’s Protective Act, which bans importing products whose creation undercuts international wildlife treaties, and the Lacey Act that bans interstate trade in stolen timber and wildlife. Our trading partners should be required to present a reasonable showing of legality before their goods are exported to the U.S. For example, the ban on the interstate trade of illegally harvested plants and timber has been deployed against importers whose flooring products are made from illegal sources. Its successful enforcement demonstrates that we can protect natural resources via environmental laws and trade controls.

## **Recommendations**

- Overhaul the Safe Drinking Water Act so the crisis in Flint, Michigan becomes a rare exception, not a rule. Provide assistance to Flint to help it overcome the dire health and economic effects of its water crisis.
- Revise federal retirement procedures to provide government employees, contractors and retirees with options for investing their retirement funds in socially responsible portfolios.
- Integrate environmental protections affirmatively into international trade agreements via tariffs, embargoes and other controls.
- Enhance parks by injecting federal resources into their development and restoration, thereby maintaining the positive effect on human health systems.
- Provide proper federal assessments that focus on all impacts of a proposed or modified government initiative, including the duty to repair and maintain safe, healthy infrastructures first.



# TRANSPORTATION

Transportation is the backbone of the U.S. economy. It allows Americans to commute to their jobs and personal destinations. Businesses thrive when they can move their goods and personnel in a safe and timely manner. Yet key areas exist to improve how our transportation itself is delivered and operated.

## Dealer Diversity

The automotive industry offers an excellent opportunity to enhance diversity and equal opportunity—especially within the dealership network. At the end of 2016, there were only 263 African American new car dealerships out of 18,000 or 1.46%. As it relates to the entire ethnic minority dealer body African American, Hispanic, Native American and Asian Pacific Islander totaled 1,112 out of 18,000 or 5.74% of the 18,000.

The low percentage is mainly a result of the Great Recession of 2008 in which over 400 dealerships were lost. Another issue that's effecting growth is the lack of access to capital.

Only 4 manufacturers have minority dealer development programs (General Motors, Honda, Toyota, and Ford) that requires an individual have a minimum ownership percentage, day-to-day managerial control over dealership operations, and the opportunity to gain 51% ownership of the business over time.

Common ownership structures include trusts, holding companies and multiple individual investors. However, Small Business Association (SBA) rules for ownership and control penalize the dealer's ownership structure, preventing individuals from achieving Minority Business Enterprise (MBE), Airport Concessions Disadvantaged Business Enterprise (ACDBE), and Women's Business Enterprise (WBE) status. In turn, the lack of status makes it hard for dealers to ever achieve that 51% ownership target. Therefore, participation in MBE, ACDBE or WBE certification programs is very limited, and the opportunity to participate in government or private sector fleet business is diminished too, due to not meeting MBE/WBE certification requirements. The SBA also needs increased funding for 504 and 7a loans, which can help minority dealers fund acquisitions and land purchases.

## Transportation Innovation

New trends—such as active safety technologies, highly automated vehicles (HAVs) or self-driving cars, ridesharing and car sharing, connectivity, and propulsion—will have a transformational impact on the industry, creating jobs and economic opportunities. These trends will also make mobility safer, more accessible, more affordable and more environmentally friendly. Most impressively, they can help facilitate transportation solutions for low-income, urban and underserved communities, plus bring transportation independence to disabled and elderly communities. HAV technology, in particular, has the most potential to benefit consumers, commuters, city planners, and governments.

According to the Global Health Observatory, 1.25 million people are killed and 50 million are injured globally in vehicle crashes each year, with 2.3 million injured in U.S. alone. The National Motor Vehicle Crash Causation Survey indicates more than 90% of these crashes are caused by human error. HAVs can dramatically increase public safety because their automated system removes human error. Additionally, from an operational efficiency perspective, the U.S. Department of Transportation expects HAVs will play a key role in reducing transit operating costs, improving highway efficiency, and freeing up existing parking infrastructure.

Controlled projects are the next step in widespread HAV usage. In these projects, the vehicles are available through ride-sharing applications in defined geographic areas, letting manufacturers collect real world data and allowing the public to experience automated vehicle technology without a significant financial investment. These projects also encourage partnership with state and local governments.

Regulation of HAV design, construction and performance should occur at the federal level because NHTSA has authority to promulgate and enforce Federal Motor Vehicle Safety Standards (FMVSS), and has more expertise in this area than state legislatures and agencies. States should continue in their traditional regulatory role of enforcing traffic laws, vehicle registration, liability, insurance and vehicle titling, among others. Federal regulation of HAV design, construction and performance also creates uniform standards, preventing a 50-state patchwork of regulation that would impede innovation.

Existing Federal Motor Vehicle Safety Standards (FMVSS) don't contemplate unique and rapidly-changing HAV technology. Legislation can direct NHTSA to issue HAV-specific FMVSS, and to do so quickly (finalize within 18 months) to keep pace with this rapidly evolving technology.

While NHTSA develops HAV-specific FMVSS, legislation should expand existing exemptions from federal regulatory requirements for HAVs that can prove equivalent safety. These expanded exemptions enable the industry and government to keep pace with the rapid development of new technologies, while still ensuring consumer safety. NHTSA already has the discretion to grant exemptions to manufacturers in limited circumstances, and the FAST Act exempts established manufacturers from certain regulatory requirements for vehicles used for testing and evaluation purposes. Expanding these exemptions specifically for HAV developers must be achieved through legislation. Last year, in fact, the House of Representatives passed the SELF-DRIVE Act, which would accomplish many of these objectives. The Senate must complete work on their companion bill so this important legislation can be signed into law without further delay.

## **Fuel Economy Regulations**

In an effort to reduce the conflicting fuel economy requirements facing automakers at the federal and state levels, the One National Program was introduced in 2009. The affected regulatory programs included:

- The NHTSA Corporate Average Fuel Economy (CAFE) program
- The EPA's vehicle carbon dioxide (fuel economy) reduction program
- A similar greenhouse gas reduction program overseen by the California Air Resources Board (CARB)

In 2012 when the 2017-2025 requirements were created, attempts were made to harmonize the various programs as fully as possible. In fact, the Regulatory Announcement of August 2012 stated that "Continuing the National Program ensures that auto manufacturers can build a single fleet of U.S. vehicles that satisfy requirements of both federal programs as well as California's program."

However, the One National Program still amounts to three separate regulatory programs, created under three separate statutes, managed by three separate regulatory agencies. As a result, the mechanics of the three programs and the flexibilities permitted in each are different. Compliance with one federal program does not guarantee compliance with all. This disparity, if not adequately addressed, will impact consumers already recovering from the recession by creating higher costs for new vehicles.

As automakers assess product development and future customer demands, they anticipate problems managing compliance with the different programs. It's now likely many automakers will actually comply with the more environmentally stringent higher miles per gallon requirements under the EPA, but because of the different structure of the CAFE program, these automakers could be subject to fines from NHTSA for the same product portfolio. A key reason for the harmonization concern is the inconsistent treatment of "credits" earned for exceeding the fleet requirements in a given model year between EPA's and NHTSA's treatment of credits.



These inconsistencies in the treatment of credits earned in the EPA and NHTSA fuel economy programs must be addressed, starting with both agencies acting on the petition to harmonize changes the agencies can make under their current authority. Proposed legislative changes regarding credit life, credit transfer cap, and NHTSA provision of comparable credits should also be enacted.

## **Infrastructure Investment**

The American people pay a high price for the lack of federal investment in transportation. One only need look at the latest Report Card for America's Infrastructure issued by The American Society of Civil Engineers (ACSE):

Aviation score: D

Bridge score: C+

Inland Waterways score: D

Ports score: C

Rail score: B

Roads score: D

In 2015, Congress passed the Fixing America's Surface Transportation (FAST) Act. The first long-term surface transportation bill in a decade which ensured the streamlining of environmental permits, reforms of transportation programs, and funding to address solvency of the Highway Trust Fund. The nation continues to make progress on infrastructure investment and there remains a unique opportunity to seek "transformative action from congress, states infrastructure owners, and the American people" according to the ACSE.

Fortunately, America's freight railroads are one segment of the transportation infrastructure that does not suffer from a lack of investment thanks to partial economic deregulation over 30 years ago. The railroads have reinvested record amounts—of their own funds, not taxpayer funds—back into their infrastructure and equipment, investing \$22 billion into their networks in 2017 alone and over \$100 billion in the last four years. This investment has resulted in a national rail network that is reliant, efficient and has experienced record levels of safety in recent years.

Our highway transportation infrastructure's traditional funding source—the Highway Trust Fund (HTF)—is funded through state and federal gas taxes. Unfortunately, the gas tax has not produced enough revenue to fund authorized infrastructure spending for several years, requiring \$140 billion since 2008 from the Department of Treasury's general fund. According to the Congressional Budget Office, HTF revenue will be insufficient to meet its obligation by 2021.

Further complicating the health of our roads and bridges are efforts to allow heavier trucks on the interstate highway system. In 2016, the U.S. Department of Transportation assessed the impact of heavier trucks, concluding that without enough available data, no change should be made to current truck weights. Currently, trucks pay an estimated 80% of the infrastructure damage they cause. Allowing heavier trucks could result in trucks only paying for 50% of that damage, forcing taxpayers to cover the rest. These trends seriously erode the user pay principles of the Highway Trust Fund and exacerbate the damage done to the nation's roadways.

Additionally, more must be invested in seaports and freight corridors because they handle exports from manufacturers in rural areas. These rural manufacturers compete globally and support direct jobs, plus the multiplier impact of suppliers and local businesses supporting them. Investing in freight corridors improves the efficiency of shipments to and through seaports and supports rural manufacturers, which are often the sole economic engines that drive local economies. Public-private partnerships are not likely to invest in rural freight projects, which means federal spending is critical to the effort to connect goods made in rural America to global customers.

Ensuring that all Harbor Maintenance Trust Fund revenues collected on imports are spent on harbor maintenance reduces the backlog of port maintenance and dredging projects, allowing for more efficient ports that can also accommodate the larger Post-Panamex ships that allow companies to access new global trade lanes with their products.

## Transportation and a Healthy Economy

Clearly, the U.S. needs to make long-term investments in a safe, modern intermodal transportation system. Due to the system's aforementioned dire need for repair and modernization, major gridlock in our passenger and freight transportation networks threatens U.S. global competitiveness. This lack of public investment and attention to our transportation system has not only inconvenienced passengers; it has also severely weakened business' ability to move product, creating a costly impact on the U.S. economy.



A symbiotic relationship exists between the economy and long-term investments in the transportation system. Passenger rail and transit systems transport people to their employment sites, where—in turn—money is earned to feed back into the economy. Millions of business people rely on air transportation for business travel. Products are distributed by way of the world's best private freight rail network, as part of an integrated transportation system that includes interstate highways and inland waterways. Efficient seaports are needed to import and export products in this global economy; currently, most of our seaports transport freight from a cargo ship inland via on-dock rail, which can be improved.

Yet, whether freight is moved by rail or truck, great care should be taken to ensure infrastructure improvements respect—and mitigate potential disruptions to—neighboring communities.

In addition, transit-oriented development (TOD)—community development that includes a mixture of housing, office, retail and other amenities integrated into a walkable neighborhood located within a half-mile of quality public transportation—creates better access to jobs, housing and opportunity for people of all ages and incomes. Successful TOD provides people from all walks of life with convenient, affordable and active lifestyles and create places where our children can play and our parents can grow old comfortably.

## **Public Transportation Diversity**

Another challenge is to ensure contracts are awarded to more than just a select few “preferred” businesses to make the immense fixes and improvements necessary to our transportation network. We need to promote and design actions that ensure opportunities also exist for small and disadvantaged businesses in railroad infrastructure construction. The Federal Railroad Administration (FRA) and its federal rail programs have no statutory authority—and no program—to provide for the inclusion of small and disadvantaged businesses.

The government must ensure fairness and diversity among the projects receiving taxpayer dollars, and demand accountability from all recipients of those funds. After all, what’s good for every other agency within the U.S. Department of Transportation (DOT) should be good for the FRA. This is not just a pragmatic political stand; it’s also good public policy and practical business sense. The Fixing America’s Transportation (FAST) Act required the Transportation Secretary to conduct a nationwide disparity study of intercity rail passenger transportation, scheduled to be completed by the end of 2016, and that study must not languish.

In a similar vein, while the DOT’s Disadvantaged Business Enterprise (DBE) program requires transportation agencies receiving federal funds to spend a percentage with women and minority-owned businesses, an inequity exists in the application of DBE participation goals. Large prime contractors, including many public railroad construction contractors, exhibit an entrenched reluctance to use non-traditional disciplines to fulfill DBE participation goals.

DBE participation goals must be established for each phase of a project—including engineering, design and construction—and for each discipline, not just for the entire project. Actions limiting minority participation to “traditional” trades disregard the true intent of the DBE program: to redress discrimination and barriers to the full participation of DBEs within all contract opportunities, across the board, in all areas of work. By properly expanding the DBE program, billions of dollars and thousands of jobs will result for minority communities.

Towards this goal, an opportunity exists to improve the skills and job options available for disadvantaged Americans—who can in turn contribute to economic success and improve the country’s infrastructure. Tax credits can be expanded, accelerated and facilitated to incentivize the hiring of these target groups on transportation infrastructure projects that involve federal dollars:

- Veterans
- Ex-felons
- Food stamp recipients
- Temporary Assistance for Needy Families recipients
- Supplemental Security Income recipients
- Summer youth employees
- People unemployed for at least 27 weeks

Likewise, the DOT’s Mentor-Protégé program requires support and expansion. The program encourages private-sector relationships by identifying and responding to the developmental needs of small and disadvantaged businesses, to increase their success in receiving DOT contract and subcontract awards. It also fosters long-term

business relationships between small businesses and prime contractors, which leads to greater innovation, opportunities for joint ventures for small businesses, and the development of strong business capabilities for small businesses.

Furthermore, the current DOT small business size standards should be compatible with the US Small Business Administration (SBA). Currently, the SBA caps the three-year average revenue for small businesses at \$36.5 million while U.S. DOT standard for small business is roughly \$12.5 million lower. This is a simple fix to a big problem; in the interest of fairness, consistency and the survival of small minority owned business, the U.S. DOT should use the SBA's size standards when making determinations with regard to small business status.

## Recommendations

- Create an exception in SBA ownership & control eligibility for the automotive retail sector, due to the unique and historic nature of the ownership structures. Minority and women-owned automotive dealerships can then gain better access to MBE/WBE certification and the opportunity to participate in fleet contracts, the lifeblood of the industry.
- Ensure the benefits, experiences and acceptance of HAVs become widespread faster. This can occur by: supporting nationwide controlled ride-sharing projects, keeping NHTSA regulations up-to-pace by issuing HAV-specific FMVSS in a relatively quick timeframe, and maintaining regulatory and legislative uniformity by making federal law preempt state law.
- Address inconsistencies in the treatment of credits earned in the EPA and NHTSA fuel economy programs by encouraging EPA and NHTSA action on the petition to harmonize changes the agencies can make under their current authority.
- Create a sustainable funding source for the Highway Trust Fund and transition to a more equitable system that supports the maintenance of our roads, highways and bridges through mechanisms like vehicle miles traveled or a weight distance fee.
- Allow transit agencies flexibility on how federal monies are spent, including on operating functions such as labor, operations, maintenance, and fuel.
- Mandate inclusion of minority and disadvantaged groups across all federal government contracts, including the FRA. Establish DBE participation goals for each phase of projects to encourage exceeding the minimum percentage, not merely meeting it. This includes freight, and transit-oriented development. Expand the DOT's Mentor-Protégé program and merge it into DBE activities. Increase the personal net worth (PNW) ceiling for DBE certification.
- Provide grants to train minorities in STEM positions and expand tax credits to incentivize the hiring of disadvantaged citizens on infrastructure projects involving federal dollars.



# PUBLIC WELLNESS & NUTRITION

Society inundates us with health news—the latest obesity rates, studies about the ill (or miracle) effects of various foods or beverages, even new diets and exercise crazes. Parents, professionals and policymakers alike wrestle to break through this clutter, trying to understand the real issues so attainable and sustainable solutions can be found. Yet signs of encouraging progress exist, and we can utilize a variety of tools to work toward even greater health.

## Obesity

By most accounts, the clear way to tackle obesity involves a mix of changes: reduce portion size, increase exercise, decrease high-calorie food and beverage consumption, and expand access to nutrition information. As anyone who has dieted knows, however, these solutions must take a realistic picture into account to help combat a case of “easier said than done.” Options must exist that work for a variety of people in a variety of situations.

According to the Center for Disease Control (CDC), over a third of U.S. adults are obese—a problematic percentage for a number of reasons. Harmful conditions associated with obesity include some of the leading causes of preventable death, such as heart disease, stroke, type 2 diabetes and certain types of cancer. In addition, the costs of obesity significantly affect the economy. The CDC estimates that medical costs related to obesity in the U.S. exceed \$140 billion annually.

Plus, despite recent declines in obesity rates among preschoolers, the rates of overall childhood obesity are still high. According to the CDC, nearly 12.7 million children are obese. Childhood obesity also affects certain racial and ethnic groups at a higher rate: 22.4% for Hispanics and 20.2% for African Americans, versus 14.1% for whites.

## Causes of Obesity

America’s growing waistline is due to two main factors: spending more time in front of a screen than we’re spending exercising, and an increased amount of consumed calories.

Data from the U. S. Department of Agriculture (USDA) suggests that the average daily calorie intake for Americans rose by almost 25% between 1970 and 2000. This rise is linked to people eating outside their home more frequently, and eat more, higher-calorie foods when they do.

Meanwhile, Americans are exercising less. CDC studies indicate that only one in five adults are meeting the Physical Activity Guidelines, while less than three out of 10 high school students get at least 60 minutes of physical activity per day. Also, inactive behavior is more prevalent among certain racial and ethnic demographics: only 23% of white adults meet the Physical Activity Guidelines for aerobic and muscle-strengthening activity, 18% of African Americans and 16% of Hispanics. This is especially true in lower-income communities where fewer physical activity resources exist.

The benefits of physical activity must be better promoted, especially in low-income communities, and resources made available. This is highly important for achieving good health in general, and for losing weight or maintaining a healthy one. A constant reminder is necessary that physical activity helps reduce high blood pressure, risk for type 2 diabetes, heart attack, stroke and several forms of cancer, plus can reduce depression and anxiety.

Such an information campaign includes educating the populace about healthy habits that don’t require an

investment in additional resources, like adding a brisk walk to the morning schedule, taking the stairs at work, even running with a pet.

## Progress on Obesity

Amid the negative headlines, USDA research offers good news: Americans are starting to make healthier decisions about their diets, by taking better advantage of available nutrition information, consuming less calories from fat and cholesterol, and eating more fiber.

Many of these improvements are the result of people once again beginning to eat at home more. A Robert Wood Johnson Foundation study indicates that this translates into people consuming 130 less calories per day, and eating three fewer meals and 1.5 fewer snacks per month.



The study also found more progress. In recent years, the national obesity rate remained steady, instead of rising, for ages 2 through 9—a good start to build on. Plus, prevalence of obesity among children ages 2 through 5 has actually dropped.

A number of factors have contributed. More states, cities and districts across the country are engaging their communities in healthy eating and physical activities, including supporting biking-to-work programs, working with local restaurants and food distributors to better share nutrition information, and bringing more supermarkets to underserved areas.

The business community is also getting involved, developing a number of private-public partnerships that have a substantial impact. For example, by working with the Alliance for a Healthier Generation, the non-alcoholic beverage industry set a bold goal to reduce beverage calories consumed per person by an additional 20% by 2025. This Balance Calories Initiative is a voluntary, long-term commitment to creating a healthier nation by changing how Americans buy and consume the industry's products.

Moreover, due to voluntary changes by the food and beverage industry, nutrition information is now much more widely accessible and easier to understand, and more lower-calorie options are available than ever before.

This progress shows how a diverse set of common-sense, pragmatic actions can tackle the challenge of obesity. Working together—families, communities, businesses and governments—we can cut through the thicket of headlines and fads and make steady, lasting impact on America's health.

## Malnutrition

Malnutrition isn't the opposite of obesity. In actuality, malnutrition is defined as being a diet that lacks the proper amount of essential nutrients—meaning it can occur in a person considered obese, of normal weight, or underweight.

It's a costly, and common, problem. Research published in the *Journal of Parenteral and Enteral Nutrition* estimates the economic burden of disease-associated malnutrition as more than \$157 billion annually. Further, the study finds that up to 51% of hospital patients suffer from disease-related malnutrition.

Malnutrition can also negatively impact health outcomes in the acute care hospital setting. It can lead to increased mortality, risk of falls, length of stay, infections, and hospital readmissions. The Agency for Healthcare Research

and Quality found that African Americans are disproportionately affected by malnutrition, with the highest rate of hospitalization across all identified types of malnutrition.

## Senior Malnutrition

Older adults are at even greater risk of malnutrition, due to the long-term effects of chronic disease. In addition, chronic disease often disproportionately impacts minority populations, according to the study *National Blueprint: Achieving Quality Malnutrition Care for Older Adults*, which adds to the burden of insufficient nutrition among these populations and contributes to increased health disparities.

These adults also often have a lower protein intake, increasing their risk of losing muscle and lean body mass more quickly. Physical trauma or stress, such as disease, surgery, infection or injury can significantly speed up the loss of lean body mass and further increase the risk for malnutrition. Practical, cost-effective solutions do exist, such as oral nutrition supplements, which evidence suggests can help reduce the rate of mortality along with cost of care.

## Infant Nutrition

Good nutrition is just as important at the other end of the age spectrum, and is especially critical from early pregnancy through a child's second birthday. For this very reason, the next federal Dietary Guidelines for Americans will include specific nutrition recommendations for pregnant women, infants, and young children. Even still, more understanding of the complexity and unique limitations of infant nutrition research is necessary, so balanced guidelines can be developed addressing the full spectrum of infant feeding and are practical for new parents to utilize.

With more mothers—including more African American mothers—choosing to breastfeed, dietary guidance should support breastfeeding. At the same time, parents who do not breastfeed also need guidance. Future dietary guidelines should provide culturally competent information and counselling to maintain the healthy growth and development for all infants, whether the mother is exclusively breastfeeding, using donor milk, exclusively formula feeding, or breastfeeding and supplementing with pumped breast milk, donor milk and/or infant formula.

Another way to help parents is to support the emerging science on specific caloric and other infant nutrient needs, to ensure these innovations are available to all families—including those served by the Special Supplemental Nutrition Program for Women, Infants, and Children (WIC).

## Recommendations

- Encourage the expansion and funding of new and existing programs that promote healthier lifestyles, particularly in urban areas.
- Support efforts to find innovative programs that encourage healthier habits through positive reinforcement, not bans, restrictions and punishment.
- Increase access to affordable health services, as well as grocers that offer healthier food options such as fresh produce, in low-income communities.
- Recognize malnutrition as a preventable occurrence across healthcare systems, and support appropriate screening, assessment, diagnosis, and intervention efforts, including the adoption of malnutrition-related quality measures in federal quality reporting programs.
- Provide research and counseling so parents can make appropriately informed and effective infant nutrition decisions.



# NATIONAL SECURITY

The United States is at the forefront of military readiness, prepared to protect its citizens and defend our allies. In fact, over the past decade, the DOD and Air Force have seen unmatched reliability and success launching the country's most secure and exquisite national security payloads. These essential payloads provide soldiers in the field with information that makes them better prepared and equipped to protect our homeland and defeat foreign adversaries. However, despite our strengths, improvements can still be made that result in even more successful capabilities.



## National Security Space Launch

The Department of Defense (DOD), including the Air Force and the National Reconnaissance Office (NRO), along with the National Aeronautics and Space Administration (NASA), spend over a billion dollars each year on space launch. These launches include satellites, probes, and cargo capsules critical for carrying out government functions such as:

- Protected military communications
- Missile warning
- Navigation
- Intelligence collection
- Scientific discovery
- Weather
- Supply delivery to the International Space Station

The Air Force acquires most launch services for the military and NRO missions through its Evolved Expendable Launch Vehicle (EELV) program. NASA acquires launch services for civil sector spacecraft missions through its NASA Launch Services Program.

## **National Security Satellite Types**

The military launches several types of satellites that contribute to national security.

Space Based Infrared System (SBIRS) are considered one of the nation's highest priority satellites. They're designed to provide global and persistent infrared surveillance capabilities to meet 21st Century demands in four national security areas: missile warning, missile defense, technical intelligence, and battlespace awareness.

Advanced Extremely High Frequency (AEHF) satellites are jam-resistant and provide vastly improved global, survivable, protected communications capabilities for strategic command and tactical warfighters operating on ground, sea and air platforms. These capabilities include real-time video, battlefield maps, and targeting data considered vital for an optimized military. In addition, AEHF satellites ensure communications links are critically protected for national leaders such as the President and Joint Chiefs of Staff in all levels of conflict. AEHF satellites also serve international partners including Canada, the Netherlands and the United Kingdom.

Mobile User Objective System (MUOS) is a next-generation tactical satellite communications system that significantly improves ground communications for U.S. forces on the move. MUOS provides military users more communications capability over existing systems, including simultaneous voice, video and data—similar to the capabilities experienced today by civilians using smart phones.

Global Positioning System (GPS) satellites serve and protect our warfighters by providing navigational assistance for U.S. military operations on land, at sea, and in the air. Civilian users around the world also use and depend on GPS for highly accurate time, location, and velocity information. All GPS satellites have launched on Atlas V, Delta IV, and their heritage vehicles.

## **Other High-Priority National Security Satellites**

Launches also support satellites for the NRO. These launches include spy satellites capable of:

- Monitoring the proliferation of weapons of mass destruction
- Tracking international terrorists, drug traffickers, and criminal organizations
- Developing highly accurate military-targeting data and bomb-damage assessments
- Supporting international peacekeeping and humanitarian relief operations
- Assessing the impact of natural disasters, such as earthquakes, tsunamis, floods, and fires

## **Issues**

The competitiveness of U.S. commercial space launch companies is affected by higher launch prices than those charged by companies in other countries and by U.S. export controls, which affect U.S. companies' ability to sell services abroad. The U.S. government has responded to foreign competition by providing the U.S. launch industry with research and development funds, use of federal launch facilities, and indemnification for a portion of third-party claims.

Price, however, should not be the only factor in the government's decision about space launch technology. Remarkably, even in 2017, despite the incredibly intricate and dangerous nature of space technology, newer entrants to the commercial marketplace refuse to use highly skilled unionized laborers to manufacture their rocket engines and assemble their launch vehicles.



The same split often seen in other industries is also present in missile launch. Established commercial spaceflight companies often have a unionized workforce and maintain a good relationship with it, while newer organizations affiliated with existing Silicon Valley technology companies and well-known technology CEOs avoid working with skilled labor just as much as they do in their other endeavors. The results—including the lower wages that lead to decreased economic impact by workers within their local economies—are definitely a matter of concern.

Similarly, the management and executive ranks of these newer, “disruptive” commercial space companies have an absolute lack of diversity among their ranks. The same is true at their board of director and investor levels. This is in stark contrast to industry peers who are unionized at every level and understand that a diverse management and executive structure leads to better business decisions and results.

A verifiable safety benefit also exists when launch engines and vehicles are built by unionized workers with a diverse management. Unionized employees with a record of safety and product success should be rule rather than defaulting to a simple Lowest Price-Technically Available (LPTA) standard, which was never intended for a DOD mission as important as spaceflight.

## Recommendations

- Support our nation’s most critical space assets, especially those built with the support of tax dollars and launched for NASA and the Air Force, by having these launch vehicles built by the most skilled, unionized craftsmen and women.
- Work with the Air Force in the coming year to eliminate the LPTA standard’s use for evaluating commercial and non-commercial space contracts.
- Expand the diversity drive to demand more diversity in the management, executive and board/investor-level at all companies; especially commercial space companies affiliated with Silicon Valley.

# 2017 Photo Gallery







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Washington, DC 20003  
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