

# CITY OF NEW ORLEANS

November 3, 2022

Secretary Janet Yellen  
Internal Revenue Service  
United States Department of the Treasury  
Ben Franklin Station  
P.O. Box 7604, Room 5203  
Washington, D.C. 20044

Commissioner Charles Rettig  
Internal Revenue Service  
United States Department of the Treasury  
Ben Franklin Station  
P.O. Box 7604, Room 5203  
Washington, D.C. 20044

**RE: REQUEST FOR COMMENTS ON PREVAILING WAGE, APPRENTICESHIP, DOMESTIC CONTENT, AND ENERGY COMMUNITIES REQUIREMENTS, NOTICE 2022-51**

Dear Secretary Yellen and Commissioner Rettig:

This comment is submitted in response to Request for Comment Notice 2022-51.

The City of New Orleans welcomes the opportunities created by the Inflation Reduction Act that will guide transitions in the energy sector, spur public and private investment, create jobs, develop new educational pipelines, and make our region more resilient.

New Orleans has experienced firsthand the impacts of climate changes, with increasing frequency and severity of major hurricanes. Nowhere is the urgency for equitable access to reliable and renewable energy sources more apparent than south Louisiana, where residents lived weeks without power following Hurricane Ida.

Further, New Orleans and surrounding communities already have the energy infrastructure that is poised to redeploy for growth in the renewable energy sector. New Orleans also boasts a rich ecosystem of post-secondary educational institutions, economic development assets, as well as access to ports, waterways, and air transportation. New Orleans also has a proven track record of advanced manufacturing. Additionally, many of our local universities including Tulane University, Loyola University, and the University of New Orleans, and Delgado Community College have developed institutional partnerships that will transform renewable energy and our shared future.

Historically disadvantaged communities in New Orleans are also well positioned to seek opportunities in the Inflation Reduction Act that improve health outcomes, lower energy costs, and create jobs. New Orleans has battled poverty for centuries, where poverty rates average around 25% of residents. Unemployment for 2021 was 8.5% within the metropolitan statistical area (MSA) with significant employment participation in the mining, quarrying, and oil and gas extraction industries.

In order to fully leverage the Inflation Reduction Act in order to serve intended communities, it is paramount the guidance:

- Include data sources or sources of information certified by the U.S. Census Bureau, including American Communities Survey (ACS) data. The ACS provides information on the number of individuals employed in “mining, quarrying, and oil and gas extraction”. This data point can determine whether a metropolitan statistical area (MSA) or non-MSA meets the threshold of 0.17 percent or greater direct employment related to the extraction, processing, transport, or storage of coal, oil, or natural gas. Treasury may find that other data points are also useful.



- ACS and other U.S. Census Bureau data can determine whether or not the MSA unemployment rate is at or above the national average unemployment rate for the previous year.
- The U.S. Census Bureau already provides a definition of “metropolitan statistical area” (MSA). This definition is transparent, accessible, and predictable and therefore the best definition for Treasury’s use.

For example, the City of New Orleans interpretation of the statutory language is such that it should qualify as an "Energy Community" under the Inflation Reduction Act based on the following criteria:

1. According to 2021 ACS data the unemployment rate for the New Orleans-Metairie MSA was 8.5%; AND
2. According to the 2021 ACS data, the MSA has 564,653 people employed, with 5,625 of those being in “mining, quarrying, and oil and gas extraction” -- or roughly 1% of all employment from that sector.

These numbers differ slightly from BLS QCEW data which shows that the MSA has 508,266 people employed with only 3,444 people in NAICS 21: Mining, quarrying, and oil and gas extraction. Therefore, using the BLS data, the percentage of employees in this industry falls from 1% based on ACS data to 0.67%. Differences like this demonstrate why the Secretary should accept data from multiple federal sources: taking an inclusive approach will ensure that all the communities with the greatest needs can qualify.

Thank you for your thoughtful leadership to implement the Inflation Reduction Act. We remain your steadfast partner and welcome further engagement.

Respectfully Submitted,



LaToya Cantrell  
Mayor, City of New Orleans