Federal policies to enable fairness for energy workers and communities

Overview of recent research from RFF and EDF

April 28, 2021
Coal jobs have declined dramatically, while oil and gas workers face volatility and unpredictability.

Support activities for mining (mostly oil and gas)

Oil and gas extraction

Coal mining

Data source: BLS
A new Interagency Working Group has identified 25 “high-priority” coal regions for federal support.
To address climate change, further changes in the energy system will be needed

What are the tools that federal lawmakers have at their disposal that could help to enable fairness for workers and communities in the energy transition?
Our research covers a range of topics and geographies

U.S. Policies
- Economic Development
- Workforce Support
- Public Benefits
- Infrastructure & Environment

European Policies
- E.U.
- Germany
- Poland
- U.K.

Local Case Studies
- Colstrip, MT
- Athens, OH
- Tonawanda, NY

rff.org/fairness-for-workers-and-communities
edf.org/ensuring-fairness-workers-clean-economy
Our reports review 100+ federal programs across four main policy types

<table>
<thead>
<tr>
<th>Economic Development</th>
<th>Workforce Support</th>
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<tbody>
<tr>
<td>Attracting and supporting employers</td>
<td>Job training and career services</td>
</tr>
<tr>
<td>Public services</td>
<td>Labor standards</td>
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<tr>
<td>Capacity building</td>
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<td>Financial services</td>
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<thead>
<tr>
<th>Public Benefits</th>
<th>Infrastructure and Environmental Remediation</th>
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<tbody>
<tr>
<td>Foundational support</td>
<td>Public infrastructure</td>
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<td>Income support</td>
<td>Environmental remediation</td>
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<tr>
<th>Crosscutting Policies and Issues</th>
<th>Research</th>
<th>Planning</th>
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<tr>
<td></td>
<td>Technical assistance</td>
<td>Employer accountability</td>
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</tbody>
</table>

- **Fairness for workers and communities in transition**
Critical Design Element #1
Deploying multiple and customizable policy interventions

• There is no single “silver bullet” solution

• Key policy types:
  • Workforce development
  • Economic development
  • Infrastructure
  • Environmental remediation
  • Public benefits

• Policies will excel when:
  • Tailored to local circumstances
  • Targeted to specific populations

• Policies often excel when tailored and targeted to:
  • Local circumstances
  • Specific populations
  • Key sectors
Critical Design Element #2
Coordinated delivery of services

• Implementing multiple policy types effectively will require extensive coordination
  • Within the federal government (horizontal)
  • Across multiple levels of government and civil society (vertical)

• One-stop shops to streamline service delivery will be important
Critical Design Element #3
Strategic timing and sequencing of policy implementation

Near-term
- Planning
- High-quality jobs, apprenticeships
- Income supports
- Supports for local fiscal solvency
- Reforms to bankruptcy laws

Medium- to long-term
- Workforce training
- Economic diversification
- Infrastructure
- Environmental remediation

Fairness for workers and communities in transition
Critical Design Element #4

Equitable and inclusive policymaking & implementation

• Engaging early and often with communities will be essential

• Policy designed to address history of underinvestment and environmental injustice in low-income and minority communities

• Ensuring programs are accessible and transparent

• Requiring companies to share responsibility for environmental clean-up
### Critical Design Element #5
### Addressing challenges for key public revenue streams

<table>
<thead>
<tr>
<th>Revenue type</th>
<th>Coal</th>
<th>Oil</th>
<th>Natural gas</th>
<th>Primary recipient(s)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Production or severance taxes</td>
<td>🛠️</td>
<td>🛠️</td>
<td>🔥</td>
<td>States, some tribes</td>
</tr>
<tr>
<td>Production on public lands</td>
<td>🛠️</td>
<td>🛠️</td>
<td>🔥</td>
<td>Federal, tribes, states</td>
</tr>
<tr>
<td>Property taxes</td>
<td>🛠️</td>
<td>🛠️</td>
<td>🔥</td>
<td>Local, states</td>
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<td>Program-specific product fees</td>
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<td>🛠️</td>
<td>🔥</td>
<td>Federal, states</td>
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<tr>
<td>Petroleum product taxes</td>
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<td>🛠️</td>
<td>🔥</td>
<td>States, federal, some tribes</td>
</tr>
<tr>
<td>Income taxes (corporate and personal)</td>
<td>🛠️</td>
<td>🛠️</td>
<td>🔥</td>
<td>States, federal</td>
</tr>
<tr>
<td>Sales taxes (direct and indirect)</td>
<td>🛠️</td>
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<td>🔥</td>
<td>Local, states, some tribes</td>
</tr>
</tbody>
</table>
Our findings align with recent report findings and policy initiatives

House Select Committee Majority Staff Report
National Academies
Colorado JT Action Plan
Recent Senate Budget Res. Amendment
White House Climate Executive Order
Administration Coal and Power Plant IWG Report
More research is needed to:

• Assess the scale of the challenge

• Identify metrics to enable adaptive management

• Determine which strategies maximize opportunities for future prosperity

• Continue to find and apply lessons from the past
Thank you!

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