

# Enabling Fairness for Fossil Fuel Workers and Communities in Transition

**A report series from Resources for the Future and Environmental Defense Fund lays out a framework and key principles for coordinated federal action to support fossil fuel communities in the energy transition.**

In recent years, an energy transition has begun taking shape in the United States. Through a combination of market forces and public policies, natural gas and renewable energy have become more competitive, while coal production and consumption have declined. As policymakers consider approaches to tackling climate change, many of these trends are expected to accelerate. Amidst this transition, prioritizing fairness for workers and communities historically reliant on fossil energy economies—what many refer to as a “just transition”—will ensure that a shift to clean energy does not leave these workers and communities behind.

Furthermore, the COVID-19 pandemic has brought the issue to the forefront for workers, communities, and state and local governments across the country. It has

exacerbated recent trends of job losses, public health crises, and other hardships in coal-dependent regions, and the oil and natural gas industry has also been hit hard by low energy demand.

This report series identifies four crucial areas of federal policy intervention to enable a just transition: workforce development and labor standards, economic development, environmental remediation and infrastructure, and public benefits. An assortment of case studies lend specific examples to these policy options.

Finally, a culminating report, published on March 25, distills lessons from more than 100 federal policies into a framework for federal action, including a set of essential principles for federal lawmakers.

## About the Series

### **Culminating Report**

#### **Policy Area Deep-Dives**

- **Workforce Development and Labor Standards**
- **Economic Development**
- **Environmental Remediation and Infrastructure**
- **Public Benefits**

#### **Case Studies**

- **Colstrip, Montana** (Assessing energy uncertainty in an isolated, resource-dependent community in southeastern Montana)

- **Athens County, Ohio** (Analyzing whether, and to what extent, federal development assistance has supported the region)

#### **Upcoming Publications**

- A case study on the closure of the Huntley coal plant in Tonawanda, New York
- A series of reports on just transition efforts and policies in Poland, Germany, the United Kingdom, and the European Union
- A report on the POWER Initiative, a multi-agency effort to assist coal communities in decline

## Essential Principles for Lawmakers

These five cross-cutting lessons for policymakers are distilled from our culminating report, which builds on our review of more than 100 federal programs—as well as some state and international programs—that are relevant to a just transition.

- **Multiple and customizable policy types:** “Silver bullet” attempts to target one piece of energy transition are unlikely to succeed. Policymakers will need to assemble a package that includes each of the policy types included in the graphic below. Additionally, different regions and populations will experience transitions differently, requiring policies to be customized to local circumstances and specific demographics.
- **Effective coordination:** Policies must be well coordinated across local, state, tribal, and federal levels, as local experts can help guide federal funding and resources. The Appalachian Regional Commission, which bolsters economic development across 13 states and combines federal, state, and local leadership, is a good example.
- **Strategic timing and sequencing:** The sequencing of just transition policy implementation will impact efficacy and cost. Early actions include efforts to convene stakeholders to proactively plan; ensure workers receive pensions and benefits; implement programs to shore up local tax revenues; and strengthen job training and supportive services for displaced workers.
- **Equitable and inclusive policymaking:** Policies should address a legacy of underinvestment and environmental injustice in low-income communities and communities of color, and transparently engage affected workers and communities.
- **Sustaining local government revenue:** Federal lawmakers will need to provide funds to support state and local governments reliant on fossil fuel production for revenue. These funds could come from investments in additional local tax base, transfers from general funds, or new federal revenue sources, such as a carbon price. States can help localities by providing them with more autonomy over their financial decisions.

To read the reports and commentary by the authors, please visit [rff.org/fairness-for-workers-and-communities/](https://rff.org/fairness-for-workers-and-communities/) or [edf.org/ensuring-fairness-workers-clean-economy](https://edf.org/ensuring-fairness-workers-clean-economy). To learn more or speak to the study authors, contact RFF Senior Advisor Jennifer Michael ([jmichael@rff.org](mailto:jmichael@rff.org)) or EDF Associate VP of Federal Affairs Toby Short ([tshort@edf.org](mailto:tshort@edf.org)).

**Resources for the Future** (RFF) is an independent, nonprofit research institution in Washington, DC dedicated to providing research insights and policy solutions leading to a healthy environment and thriving economy.

One of the world's leading international nonprofit organizations, **Environmental Defense Fund** (EDF) creates transformational solutions to the most serious environmental problems.

# Policy Approaches to Ensure Fairness for Workers and Communities in Transition

## Economic Development

### **Attracting and Supporting Employers**

Attract and support employers

*Examples: New Markets Tax Credit, DOD Office of Local Defense Community Cooperation programs*

### **Capacity Building**

Support professional skills development and new technology investment for public and private entities

*Examples: ARC POWER Initiative, USDA Rural Development Partnership*

### **Key Design Elements**

- Coordination across government agencies and collaboration with local stakeholders
- Increasing the scale of existing economic development programs for affected communities
- Identifying affected workers and communities, then tailoring policy interventions appropriately

### **Public Services**

Improve public services in communities through federal funding

*Examples: USDA Rural Utilities Service, Secure Rural Schools*

### **Financial Services**

Support entrepreneurs with limited access to credit

*Examples: Small Business Administration loan guarantee programs, CDFI Fund*

## Workforce Development

### **Job Training and Career Services**

Train workers and help them find jobs

*Examples: Post 9/11 GI Bill, DOL-ETA state grant programs*

### **Foundational and Income Support**

Supplement income and/or support basic needs like housing

*Examples: Unemployment Insurance, Trade Readjustment Allowance*

### **Key Design Elements**

- Centralization and integration of service delivery
- Inclusion of “wraparound” services such as childcare or substance abuse therapy
- Identifying affected workers and communities, then targeting and tailoring policy interventions appropriately
- Close collaboration with private sector to improve timing and design of services

### **Labor Standards**

Increase the quality of jobs available

*Examples: Davis-Bacon Act, Fair Labor Standards Act, Occupational Safety and Health Act*

## Public Benefits

### **Foundational Support**

Offer compensation for specific needs, including health care and food

*Examples: Medicaid, Supplemental Nutrition Assistance Program*

### **Key Design Elements**

- Strengthening of automatic stabilizers to respond swiftly to shocks
- Expansion of eligibility, access, and utilization of social safety net programs
- Reform to industry-specific programs that rely on excise taxes or are easily avoided by companies in bankruptcy processes

### **Income Support**

Provide direct cash payments or tax credits to low-income households

*Examples: Unemployment Insurance, UMWA Pension Fund*

## Infrastructure and Environmental Remediation

### **Public Infrastructure**

Support access to transportation, clean water, broadband for affected workers and communities

*Examples: Clean Water and Drinking Water State Revolving Funds*

### **Key Design Elements**

- Focusing on environmental justice and communities in transition
- Supporting local employment in targeted regions
- Improving public health through cleaner air and water

### **Environmental Remediation**

Clean up a large legacy of pollution, particularly in coal communities and environmental justice communities

*Examples: Abandoned Mine Land Program, Superfund Program*

## Crosscutting Policies and Issues

The policy categories above are overlapping and nonexhaustive. We identify four issues that intersect multiple categories.

### **Research**

Federal research across many policies and programs enables informed decisionmaking.

### **Technical Assistance**

Federal technical assistance, coordination, and knowledge sharing can support local efforts across program types.

### **Planning**

Across programs, federal planning assistance can facilitate locally developed initiatives.

### **Employer Accountability**

Federally established rules for business operation can facilitate business growth and protect workers and their benefits.