

**John Deskins, Ph.D., Director,
West Virginia University, Bureau of Business & Economic Research**

**Testimony before the Committee on Energy and Commerce,
Subcommittee on Oversight and Investigations,
Hearing on the mission and future of the U.S. Environmental Protection Agency**

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Chairwoman DeGette, Ranking Member Griffith, and members of the Committee, I serve as Director of the Bureau of Business & Economic Research at West Virginia University. Thank you for inviting me to appear before you to discuss the mission and future of the EPA.

I begin by acknowledging that I have never worked for the EPA and I have no insight into the Agency's inner workings. Rather I am here to speak to the importance of ensuring that the future EPA fully studies any potential economic impacts of policies under consideration.

It is imperative to fully weigh the costs of any policy that might affect fossil fuel usage against the policy's benefits. And for policies that are ultimately deemed to move forward despite generating an adverse impact on communities reliant on coal and gas, the costs should be fully highlighted. This acknowledgement will help promote investments in those areas to help the affected people and communities survive an economic shock and ultimately thrive.

The point that I stress is not new by any means: For instance, Section 321(a) of the Clean Air Act requires that the EPA conduct employment impacts analyses as part of its policy analysis program.

I want to illustrate the economic hardship that many coal-producing communities have endured over the past decade or so. I come here from West Virginia, a state, which by any objective measure, is an energy state. For example:

- Energy accounts for 14 percent of economic output in the state, making it the state's largest industrial super sector.
- Energy jobs are among the highest paying jobs in the state, often by far.
- Coal and natural gas are two of our key export commodities.
- Severance tax revenue from coal and gas is important to our state and local governments to fund schools and other public services.

The deep decline in coal production in recent years, combined with a lack of industrial diversification, has had a devastating effect on our state's economy. Coal production has fallen by approximately one-half from its 2008 high. This has led to a loss of around 15 thousand coal jobs and a direct loss of \$3.5 billion in economic output.

These losses ignite a vicious cycle where we see out-migration of our younger men and women, an aging population, drug abuse, and so on, making it even more challenging to attract new business, thus continuing the cycle.

Some may read the numbers associated with declining coal output and imagine that the losses are spread across the coal-producing regions of our nation. We have seen a national drop in the demand for coal, but the effect of this drop in demand has been felt most strongly in Central Appalachia, which includes Southern West Virginia.

The concentration of these job losses created a Great Depression in six southern West Virginia counties. At one point in the past decade, payrolls contracted at rates between 25 and 33 percent in each of these counties. In addition, despite the observed bounce in coal between 2017 and 2019, employment levels have increased only slightly for many of these struggling areas.

Consider Boone County, which had been the state's largest coal-producing county for many years: There coal production and employment stand at around 20 percent of their 2010 levels. Statistics also show other job losses in the county as less money is flowing to other local businesses – grocery stores, entertainment venues, etc. Losses in coal severance tax revenue have led to severe public school layoffs in the county.

The industrial mix in these counties also lends to the crisis. In Boone County in 2010, coal accounted for 55 percent of all of the jobs in the county, making it difficult, if not impossible, for many laid-off coal miners to find alternate employment locally.

My point is that the heavy concentration of losses in coal output and employment is far worse than would be the case if the losses were widely dispersed. The current situation gives rise to the question of whether these affected communities are sustainable over the long-run.

Many call for industrial diversification as the solution to West Virginia's economic crisis. I myself make this call routinely in speeches and discussions across the state. It is crucial for West Virginia to cultivate strength in manufacturing, tourism, and other industries. However, industrial diversification is a long-term and multifaceted proposition.

A more viable path for West Virginia's economy in the short-term is through maintaining our state's energy sector. And while many of the factors affecting energy in West Virginia are outside of the reach of policymakers, I hope that the information provided today can help make for better policy to move West Virginia and similar communities forward.

Again, I urge you to ensure that a future EPA fully considers statistics like these that describe how coal communities in West Virginia and other parts of rural America are affected when fossil fuel jobs disappear.