



*John Arnett fishes with a friend near Stuart Station, where the hot water released from the power plant is known by locals to make for a plentiful catch. (Philip Montgomery for Bloomberg Businessweek)*

## **Forced to Choose Between a Job — and a Community**

As the largest employer in Adams County, Ohio, closes its coal-fired power plants there, politicians and companies have thrown up their hands. Families know that finding work means leaving the place they know.

by Alec MacGillis, May 23, 2018, 6 a.m. EDT

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John Arnett chose Adams County, Ohio, as his home long before he was old enough to vote, drink beer or drive a motorcycle along the Ohio River. After his parents split up, Arnett opted at age 10 to spend most of his time with his grandmother in Adams County, along the river 70 miles southeast of Cincinnati, rather than with his parents in the Dayton area. He liked life on the tobacco farm his grandfather had bought after retiring early from General Motors Co. in Dayton. And his grandmother, who became a widow when her husband died in a tractor accident, welcomed the companionship.

After high school, Arnett joined the U.S. Marine Corps, in 1999. His unit, the 1st Battalion, 7th Marines — the storied Suicide Charley — took him to the other side of the world: South Korea, Japan, Thailand. In the spring of

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Crystal, and started taking classes in criminal justice at the University of Cincinnati, figuring he'd follow the well-worn path from the military to law enforcement. One day, though, Crystal alerted him to an ad in the paper for jobs right in Adams County, at the coal-fired power plants down on the river. He jumped at the chance. The Dayton Power & Light Co. plants had been there for years — the larger, 2,400-megawatt J.M. Stuart Station, opened in 1970 as one of the largest in the country, and the 600-megawatt Killen Station followed 12 years later, 14 miles to the east — and weren't going anywhere: Ohio was getting 80 percent of its electricity from burning coal.

Arnett started out in 2004 making \$12 an hour, handling heavy machinery in the yard where the coal was offloaded from barges coming up the river from mines in southern Indiana and Illinois. He soon moved inside the plant, operating the boiler and turbines, and finally became an operator



water quality, making about \$38 per hour. He got active in the union that represented the plants' 380 hourly employees, Local 175 of the Utility Workers Union of America; eventually he was elected its vice president. He and his wife started a family and in 2009 bought a larger home, a repossessed rancher they got for \$130,000, in Manchester, the



*A barge transports coal to Stuart Station, one of two power plants in Adams County, Ohio that are scheduled to close. (Philip Montgomery for Bloomberg Businessweek)*

community nearest to Stuart. Occasionally he still got out for rides on his Harley, but life was taken over by family and youth sports, which was fine with him. He liked how he could call up his sister-in-law to watch his kids on a snow day when he was at the plant and his wife was in classes for her physical therapy degree. He liked how, at high school football games, he could send his 7-year-old off to buy himself a hot dog. "I can look over to the concession stand and I'll know someone over there," he said.

In mid-November of 2016, a few days after the election of Donald Trump, the president of Local 175, Greg Adams, called Arnett with news: Dayton Power & Light, which had been bought in 2011 by the global energy

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left the county with just a year and change to figure out how it was going to make do without them.

And it provided just a year and change for Arnett and hundreds of other workers — there were more than 100 management employees and 300 contractors in addition to the 380 union workers — to answer the question being asked in other deindustrializing places all over the country: Stay or go?

It was a hard question to confront, one the workers would be left to answer almost entirely on their own. Ohio was facing more retirements of coal-fired power plants than anywhere else in the country. Yet nobody in government — not in the state, not in Washington — was doing anything to grapple comprehensively with the challenge that Adams County and other areas were facing. It wasn't just the economy that was leaving so many places behind.

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America was built on the idea of picking yourself up and striking out for more promising territory. Ohio itself was settled partly by early New Englanders who quit their rocky farms for more tillable land to the west. Some of these population shifts helped reshape the country: the 1930s migration from the Dust Bowl to California; the Great Migration of blacks to the North and West, which occurred in phases between 1910 and 1960; the Hillbilly Highway migration of Appalachian whites to the industrial Midwest in the 1940s and '50s.

In recent years, though, Americans have grown less likely to migrate for opportunity. As recently as the early 1990s, 3 percent of Americans moved across state lines each year, but today the rate is half that. Fewer Americans moved in 2017 than in any year in at least a half-century. This change has caused consternation among economists and pundits, who wonder why Americans, especially those lower on the income scale, lack their ancestors' get-up-and-go. "Why is this happening?" New York Times columnist David Brooks asked in 2014. His answer: "A big factor here is a loss in self-confidence. It takes faith to move." Economist Tyler Cowen wrote last year that "poverty and low incomes have flipped from being reasons to move to reasons not to move, a fundamental change from earlier American attitudes."

The reluctance to move is all the more confounding given how wide the opportunity gap has grown between the country's most dynamic urban areas and its struggling small cities and towns, a divide driven by a mix of

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million have seen growth of 11.6 percent, while areas with fewer than 250,000 residents have lagged far, far behind, with only 0.4 percent growth. The question has taken on a stark political dimension, too, given how much Trump outperformed past Republican candidates in those left-behind places.

For policymakers, the low rates of migration to opportunity present a conundrum. Should there be a wholesale effort to revitalize places that have lost their original economic rationale? Or should the emphasis be on making it easier for people in these places to move elsewhere?



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Top: A scene from downtown Manchester in Adams County, Ohio. Bottom: The crowd during a track meet at Manchester High School. (Philip Montgomery for Bloomberg Businessweek)

The country has a long tradition of place-based investment, most notably the New Deal, which, through the Tennessee Valley Authority and similar grand-scale projects, sought to raise up Appalachia and the South. Yet there's strikingly little support these days for similar efforts, anywhere on the political spectrum. Kevin Williamson put it most caustically in a March 2016 essay in *National Review*. "So the gypsum business in Garbutt ain't what it used to be," he wrote. "The truth about these dysfunctional, downscale communities is that they deserve to die." Paul Krugman was more charitable, but hardly effusive, in a blog post last year. "There are arguably social costs involved in letting small cities implode, so that there's a case for regional development policies that try to preserve their viability," he wrote. "But it's going to be an uphill struggle."

Some calls are easier than others. It's hard to argue that, say, a town that sprang up for a decade around a silver mine in Nevada in the 1870s needed to be sustained forever once the silver was gone. Where does one draw the line, though? If all of southern Ohio is lagging behind an ever-more-vibrant Columbus, should people there be encouraged to seek their fortunes in the capital? What would it look like to write off an entire swath of a state?

This has all become particularly urgent in places that are home to coal-fired power plants. These utilities get less media attention than actual coal mines, but they are far more widespread, employ almost half as many — some 20,000 — and are experiencing a much more immediate decline. Whereas coal mines have been shedding jobs for decades, coal-fired plants are experiencing their biggest crisis right now, squeezed by both competition from cheap natural gas and government constraints on their

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Adams County is a classic example. The plants dominate the landscape not just the towering stacks along the river but also the moonscapes that have been carved out of the nearby land to hold waste from the plants in so-called ash ponds. The good-paying jobs at the plants — a total \$60 million in annual payroll — drew skilled workers to the county and to Maysville, Kentucky, the picturesque former tobacco hub across the river. The plants fattened the tax base. Despite the high poverty rate, the Manchester schools became some of the state's best-funded, with high teacher salaries and an ambitious football program.

In theory, once the plants were closed, Adams County could revert to farm country. But it hadn't been farm country for almost a half-century.

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After Arnett got word from Greg Adams of the planned closure, they went to Stuart Station to discuss it with the operations manager, Mark Miller. The two men say Miller asked them to keep word of the closure to themselves. The reason seemed plain to Arnett and Adams: The company didn't want so many workers leaving for new jobs that the plants would lack manpower to operate in the interim. They had no intention of observing the request. They found it irksome that the plants had recently hired new workers away from other jobs, some of them from hundreds of miles away, despite the imminent closure. The union leaders knew other colleagues who were on the verge of buying new trucks or farms, assuming their jobs were safe as ever.

So that same day, they gathered workers in the vast parking lot outside Stuart Station and, speaking from the back of a pickup, told them what was happening. Some in the crowd scoffed openly, saying it was surely a tactic for upcoming labor negotiations. In the months that followed, though, the reality became undeniable. AES began moving management employees to other locations around the country. Needed repairs started going unattended. And in the spring of last year, the company signed off on a final agreement with state regulators that gave it the rate hike it was seeking and also required it to provide some transition funding for workers and the county: a grand total of \$2 million.

Desperate to save their members' jobs, the local union leaders, as well as their counterparts at the national level, began to seek a buyer for the plants. This did not seem out of the question. The plants were still making money, they had been upgraded with expensive scrubbers just a decade ago and the company had recently cleared out a whole hollow above Stuart Station for a new ash pond.



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*A view of Stuart Station from the Ohio River (Philip Montgomery for Bloomberg Businessweek)*

was part of a deal involving Ohio's largest utilities, under which those companies agreed not to oppose AES's recent request to state regulators for a rate hike in exchange for AES closing Stuart and Killen, thereby removing competition from the field. Asked about its reasons for shuttering the plants, the company said simply, "It became clear that, without significant changes in market conditions, the plants would not be economically viable beyond

mid-2018."

Meeting with so little success on this front, the union leaders reached out to their elected representatives. In May 2017, a half-dozen of them drove to Washington, where they were joined by two Adams County commissioners. The group met with both Ohio senators, Republican Rob Portman and Democrat Sherrod Brown, and what struck Arnett was how similar they were in their unsatisfying responses. "If you put them in a room, you couldn't tell a difference, Republican or Democrat," he says. "Both of them had their people coming in saying they had another meeting." Three months later, County Commissioner Ty Pell, whose father had worked at Stuart Station, returned to meet with Vice President Mike Pence and several cabinet secretaries. But the one who would've been the most helpful to meet with, U.S. Secretary of Energy Rick Perry, was in Houston, where flooding from Hurricane Harvey had become a crisis. Once back in Ohio, Pell and others made repeated attempts to reach Perry, to no avail.

More confounding, though, was the response they met with closer to home. If they couldn't stop the plants from closing, they concluded, they could at least start making the pitch to the state of Ohio for the single best substitute: a pipeline (at an estimated cost of \$25 million) to hook up the county to natural gas, which now bypasses it, making it far less appealing for potential employers. Despite months of trying, neither the workers nor county officials could get a meeting with Gov. John Kasich, a Republican, even though Ty Pell had been county chairman of his gubernatorial campaign. They settled for one meeting with Kasich's policy director, which produced nothing tangible.

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forestall the closing or, failing that, to ease the transition for the county. He described to him what a huge impact the closing would have, not least on his kids' schools.

He was startled by the advice Uecker offered in response: "You need to move," the senator said. Uecker confirms this exchange: "I did say, 'Sometimes you have to do what's best for your family.'" The man elected to represent Arnett's community was telling him the most responsible thing he could do was leave it.

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It took no time for the fallout to hit. In late 2016, as plant workers were getting word of the closures, the county found out its own way: The state alerted it that the valuation of the plants had dropped by \$56 million because of the planned closure. This meant a loss of \$218,400 in tax revenue for the county general fund, which has an annual budget of about \$8 million to pay for public works, the sheriff's office, the jail, the courthouse, and social services, along with much else. The next valuation reduction came late last year, and a third is expected late this year. All told, the annual loss for the general fund is expected to be \$787,800.

County officials are planning to make up some of that by using a final influx of money from a statewide Medicaid managed-care sales tax. That money will be gone in 2019. They are finding efficiencies wherever possible — the county treasurer is sharing an employee with the county recorder, an election board employee is filling a vacancy in the commissioner's office — but at some point, the math just doesn't work. A third of the county budget now goes toward the sheriff's office and jail. Both already operate at levels bordering on negligence. The jail, built to hold a maximum of 38 inmates, often houses as many as 75, the result of both the opioid epidemic that's beset southern Ohio and the state government's push to cut its own budget by putting more inmates in county jails. Not infrequently, one officer monitors more than 60 inmates.

The county spreads over 583 square miles. To patrol that territory, there are only 22 public safety officers between the sheriff and the five municipal police departments. During certain shifts, Sheriff Kimmy Rogers has only two deputies on duty to cover the entire county. At his small, windowless office inside the jail, where he keeps a cardboard box of battered toys by his desk to give to needy kids, he contemplates what he could possibly spare to help make up a huge drop in tax revenue from the plants. "I just don't know how I could cut," he says. "We're bare-bones." That's a standard line from department heads. In this case, it seems hard to deny.



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incomprehensible. The district — essentially a single campus serving K-12 — was carved out from the countywide school system in 2004, when tax revenue from the plants was flowing freely. Until recently, it spent about \$12,000 per pupil, among the highest in the state. As a result of



*Inmates of the Adams County jail in West Union, Ohio. The jail was built to hold a maximum of 38 inmates but often holds as many as 75. (Philip Montgomery for Bloomberg Businessweek)*

the plant closures, the district is expected to lose at least \$4.5 million of its annual funding, more than a third of its \$11 million budget. Under Ohio rules, the state will ramp up its funding for Manchester, which will become, in a flash, a high-needs district: State funding will jump to 80 percent of its total budget, from 20 percent now. But the state will make up only so much of the loss; spending in the district will drop to \$8,000 per pupil, among the lowest in the state. The loss of enrollment as a result of the closure will mean even less per capita funding. To begin to adjust to the new reality, the district has laid off several employees, cut its school psychologist back to part time (which Rau already regrets), barred the band and cheerleaders from traveling to distant away games, and, to Rau's chagrin, started favoring less experienced teachers in job searches, since they cost less.

That's easy compared with the 1996 bond issue hanging over the district. Rau sketches out different scenarios for paying off the debt if plant revenue vanishes. Under one scenario, residents would see their property taxes quintuple in the final year of the bond, 2021. "It's ludicrous," Rau says.

Lee Anderson, director of governmental affairs at the national Utility Workers Union, has spent years trying to get elected officials around the country to grapple with what's happening in places such as Adams County. But there's just no political will, he says. There's support on the left for public investment in struggling areas, but less so, he says, when it comes to communities that are increasingly voting Republican — Adams County among them — and whose decline is linked to fossil fuels. On the right, he says, there's no appetite for public investment, period. Not to mention that the scale of the challenge is so huge and the potential solutions so expensive.

But this doesn't mean inaction is excusable or that it's enough to tell people to find work elsewhere, Anderson says. "The problem here is trying to treat people like interchangeable widgets," he says. "They're not.

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the next town, and they go to church there. Just picking people up and relocating them, it doesn't work like that. And on the flip side, even if it did work out for an individual, consider what you left behind: What is the ramification for your family and community, now that you're gone for good?"

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One by one, the plant workers started leaving — to a natural gas plant in Huntington Beach, California, to coal-fired plants in Kentucky, Oklahoma and Hawaii. Some of them had little farewell meetups at a bar. Others just vanished.

Randy Rothwell left with his wife, Tiffany, and their two sons last summer, after landing what seemed like a dream offer: a high-paying federal job with great benefits at the Grand Coulee Dam in Washington state. It wasn't easy leaving Adams County, where their older son had recently started kindergarten, where Tiffany had belonged to a church for 25 years, where the boys' cousins were their best friends. The Grand Coulee job was hard to pass up, though. The Rothwells managed to sell their house — thereby overcoming one of the major hurdles in leaving a struggling area such as Adams County — and moved in late July.

They lasted half a year. The job was fine, but they didn't realize just how much they'd miss Adams County. The landscape of central Washington state was more desolate than they were prepared for. The nearest Walmart and McDonald's were almost an hour away. Flights back home were expensive. Tiffany had almost no contact with other adults when Randy was at work.

Late last year, Randy got word of a job at Adams County's second-largest private employer, an engine-testing facility for GE Aviation. He applied and got an offer. The position was nonunion and paid only \$22 per hour, half of what he was making in Washington state and also much less than the \$35 per hour he made at Killen Station. He took it anyway. The family came back to Adams County in a rented truck and, because they'd sold their house, moved in with Tiffany's mother while they looked for a place.

It was different being back now, without a home of their own and with Randy bringing in so much less. Tiffany might have to find work, which won't be easy. "That sense of security is gone," she says. Still, they're confident moving back was the right thing to do. "I know some people think, 'What are you thinking?' For us, it was family, wanting our children to grow up knowing their family and not being strangers to everyone

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achieving mobility — about moving up, even if that meant moving out.

Others keep leaving, bound for Wyoming, Florida and Nebraska. Those left behind are keenly aware not only of the sheer tally but also of the kinds of people leaving. Over the years, the plants had brought a new cohort of families to the county, led by the sort of skilled workers who were able to get good-paying jobs at the plant. The kids from those families tend to share their parents' traits and habits. Now those sorts of people are leaving and will no longer be arriving. "You're going to lose a lot of your brightest youth," says Rogers, the sheriff. "We've got a lot of bright kids here, and I'd hate to see them leave. But it will happen." Chris Harover, executive vice president at one of the two local banks, shares the same worry. "You're going to lose a big influx of good people," he says. "There's going to be no more moving in."

At the plants, the departures were causing a more immediate problem: There were barely enough people left to keep things running. By February the unionized head count had dropped from 380 to less than 260. Under the union's safety standards, there are supposed to be eight power plant operators for each of the four shifts at Stuart, for a total of 32; by February there were only 15 total.

A couple of groups of potential buyers came by to tour the plants, but nothing seemed to be coming of it. The company sent official notice that it wasn't planning to put any power on the grid after June. A proposal by Rick Perry to subsidize ailing coal-fired plants was shot down by the Federal Energy Regulatory Commission; given the imminence of the plants' closure, it would likely not have helped anyway.

Meanwhile, county officials were getting no answers from the company or state officials about the plans for the plants and ash ponds after the closure. Because fly ash isn't categorized as hazardous, the moonscape could in theory remain a blot along the river in perpetuity. The company, which owned seven miles of riverfront, started ceding hundreds of acres to land conservancies. This handoff sounds benign, but if the company did so with all 5,000 of its acres, it would wipe it all from the tax base for good.

By early March, the union and county still hadn't even gotten a firm closure date from AES. "We have no dialogue between the company and the county at all," said Pell, the county commissioner.

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open house there, with a state employee tasked with explaining how to apply for unemployment and representatives from several local technical schools. There was a chance the workers could qualify for federal trade adjustment assistance, which would help pay for tuition.

About 100 plant workers showed up. There were free “OhioMeansJobs” tote bags and a spread of sandwiches, pasta salad and banana pudding. There was also a door prize: a thumb drive. Officials from Shawnee State University, in nearby Scioto County, were promoting their video game design program. The Southern Hills Career & Technical Center advertised training for nursing assistants. A woman from the Kentucky Career Center had a list of available jobs that included Hampton Inn receptionist, Dollar General sales associate and Domino’s Pizza driver.

The workers milled about uncertainly. Dean Toller expressed some interest in a six-month welding program in Kentucky that cost \$15,000. Brandon Grooms said he was thinking of moving to North Carolina to work for a friend who sold engines for private jets. Missy Hendrickson, the controller for the two plants, was desperately hoping to transfer to another AES facility — she had been with the company 26 years, and if she didn’t make it to 30, she’d lose almost half her pension.



*Inside Dayton Power & Light Company's "transition center" facility in Manchester (Philip Montgomery for Bloomberg Businessweek)*

John Arnett was there, too. He said he and his wife were still torn about what to do. They were very worried about what the closure would mean for the Manchester schools, which their kids attended. But it was still painful to contemplate leaving. They were as deep in the local rhythms as ever. Youth baseball season was starting up. Soon it would be turkey hunting season, followed by squirrel season, then deer season — the whitetail was legendary in Adams County. “It’s just home,” he said. “I’ve been a bunch of different places, different countries. I’ve been across the equator. And now this is where I want to be, or I’d have stayed somewhere else. It’s the most beautiful place in the world, these hills.”

All these thoughts had led Arnett to lean toward trying to get transferred to one of AES’s jobs as a lineman in the Dayton area, even if it came with a pay cut and meant driving almost two hours to work. Many other workers

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get one of the 100-odd jobs that would remain at Killen if it stays open, but taking a job as a lineman in Dayton seemed safer than banking on a new owner with zero experience in running a coal-fired plant.

He wasn't sure about the lineman job, though, so at the open house, he drifted over to the man pitching the Kentucky welding program. The man talked about how much demand there is for welders and how good the money is. Arnett asked if there were jobs to be had here, in Adams. Not so much, the man conceded — although, he added brightly, one could do pretty well by traveling elsewhere for temporary stints, several weeks or months at a time.

Arnett turned away, unconvinced. “The issue is traveling,” he said under his breath. “I'd be able to get a job. I'm not concerned about that. But that doesn't help the community.”



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