

Workshop on State and Local Planning

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Three issues were discussed in the workshop on state and local planning: emergency energy economic response programs, institutional roles and contingency planning, and the need for technical information.

EMERGENCY ENERGY ECONOMIC RESPONSE PROGRAMS

If, under federal free-market policies and price decontrols, contingency planners should be planning to mitigate economic hardships rather than identifying petroleum supply shortages and instituting programs such as gasoline rationing and fuel allocation, then who should be responsible for implementing economic hardship programs? Whose hardships should be addressed and what programs are available to meet these hardships?

The federal government needs to clarify its economic response proposals. One current U.S. Department of Energy (DOE) staff proposal is to reduce federal withholding taxes to alleviate some of the economic hardships of wage earners and to send federal block grants to the states to meet their particular economic problems caused by higher energy prices. Sources of federal revenues include the Windfall Profits Tax, which captures an estimated 60 percent of oil price increases or proceeds from sales of the Strategic Petroleum Reserve.

Based on the assumption that the states will receive federal block grants, each state should consider economic hardship relief programs. Existing programs and revenue transfer mechanisms that can be quickly implemented should be relied on.

California has identified the Low-Income Energy Assistance Program as the preferred approach toward mitigating energy-related economic hardships. There are three aspects of this state-administered effort: (a) emergency cash grants to those facing life-threatening energy emergencies, (b) direct cash grants to all eligible applicants, and (c) home weatherization.

If broader coverage is desired to include the working poor, then the state could use the existing food stamp program to administer an energy-related economic hardship program. The primary emphasis on either approach is to quickly respond to the economic hardships caused by higher energy prices and to put the money in the hands of the needy as soon as possible rather than establish a new administrative process that responds to individual needs. Texas also stated that the Low-Income Energy Assistance Program could be used during an energy emergency.

There was a debate about whether transportation providers and other programs should be eligible for federal economic assistance from block grants during an energy shortage to mitigate some of the increased costs. Some workshop participants believed that direct cash payments to low-income individuals and

reductions in federal withholding or other taxes would be the best economic relief responses; others believed that groups such as transportation providers and employers should be eligible for economic assistance as well.

All workshop participants agreed that the free market was preferable, particularly in promoting conservation now. Significantly higher energy costs will help to reduce energy vulnerability and conservation will help to blunt some of the economic hardships during an energy shortage. (For example, if I cut my gasoline costs in half from \$40 to \$20 a month by purchasing a more fuel-efficient car and if oil prices double during an emergency, my gasoline bill will again be \$40 dollars a month; however, I am still better off than those driving gas guzzlers and now paying \$80 a month.)

Some participants pointed out, however, that if ridesharing and transit are saturated or are operating at maximum levels, it will be more difficult to find other ways to cope during an energy shortage. There were a number of concerns about the restrictions on mobility and the impacts caused by reduced mobility because of higher fuel prices.

INSTITUTIONAL ROLES AND CONTINGENCY PLANNING

Many participants believed that there were no incentives to undertake contingency planning at the local level; that either the federal government or the state government needed to define the role of the local government in contingency planning. If energy contingency planning is to be undertaken by local governments, it needs to be integrated into current efforts, such as ridesharing, transit, and employers' programs, and existing mechanisms should be used. One suggestion was to have the U.S. Department of Transportation (DOT), FHWA, and UMTA require transportation providers and metropolitan planning organizations (MPOs) to identify in their overall workplans those actions they would take during an energy shortage and attach them as an addendum to their annual workplans. To be effective, however, contingency planners should have advance agreements with labor, insurance, and fuel supply contractors in place. More than just planning money is needed. There has to be funds available for implementation as well.

NEED FOR TECHNICAL INFORMATION

Probably hundreds of millions of dollars worth of studies have been conducted on energy contingency planning. The best of the studies should be synthesized and made readily available. This is one important way that the federal government could im-

prove the availability of information for local agencies. Also there is a need for a central federal depository of energy contingency planning information, resources, and government contacts. Knowing whom to call for information during an energy emergency is critical. Despite all the federal cutbacks in contingency planning activities and programs, sharing information is an important ongoing function of government that will help to avoid some of the costly mistakes made during past energy shortages.

One of the most important themes of the workshop

and the conference as a whole is the need to improve the exchange of information between the federal government, the states, the state energy offices, local agencies, metropolitan planning organizations, transportation providers, and private sector groups. No single group, government or private, can solve the problems caused by an energy shortage. Sharing information with all the affected groups will allow everyone to be involved in managing the problems, whether on an individual basis or organizationally. This capability needs to be established and maintained.