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To: Union of Concerned Scientists

From: Lake Research Partners

Re: Support for Expanding West Virginia's Energy Economy & West Virginia Future Fund

Date: June 27th, 2013

A recent survey of likely voters in West Virginia reveals broad-based and remarkably intense support for a proposal to increase the state's tax on the right to mine coal by 1% in order to fund economic development and infrastructure projects, as well as education and worker training programs. West Virginians also want to see the revenue derived from their natural resources dedicated to the benefit of their communities in a new "Future Fund" to promote economic development.¹

In fact, more than two-thirds of voters favor raising the coal tax, and by a massive 50-point margin: 69% favor to 19% oppose, with just 11% undecided. Fully half of all voters statewide support this proposal strongly. Voters in every region of the state—including the heart of coal country—support the proposal. Support reaches 70% in the Charleston/Huntington region, 72% in southern West Virginia, and 69% each in the northern panhandle and the central/ eastern panhandle of the state.

As impressive, support crosses partisan divides, with more than seven in ten Democrats (72% favor) and Republicans (74% favor) backing an increased in the tax in order to invest in the statement's economic future.

Perhaps most shocking given conventional wisdom, voters who either work for coal companies themselves, or who have members of their households working for the coal companies demonstrate a slightly *higher* desire to enact the proposal (72% favor, 18% oppose).

Support for this proposal is incredibly resilient as well. The survey

¹ Lake Research Partners designed and administered this survey that was conducted by telephone using professional interviewers. The survey reached a total of 407 likely voters in West Virginia. The survey was conducted June 12 - 16, 2013. The margin of error for the full sample was +/- 4.9%.

explored a range of arguments for and against the proposal. The counter-arguments characterize it as undermining West Virginia's cheapest and most reliable energy source, trading off with other budget priorities in the midst of a fiscal crisis, and costing middle class West Virginia families their jobs. **These attacks have virtually no impact on support.** By the end of the survey, 69% of voters favor the proposal (including 52% who favor it strongly), while just 20% oppose it.

Text of Proposal	Support
Coal companies pay a tax of about 6.5% on the right to mine coal in West Virginia. There is a proposal to increase this tax by 1% and use the additional money for economic development projects, infrastructure projects, and education and worker training programs, especially in the West Virginia counties and municipalities where the coal is extracted. Do you favor or oppose this proposal, or are you undecided?	69% favor (50% strong) 19% oppose (11% strong) 11% undecided

We also see overwhelming support for the principle that **oil and gas-producing counties and municipalities deserve to benefit from the revenue produced in their area.** Currently the 4.4% tax on the value of oil and gas extracted in West Virginia goes into the state's General Fund and Infrastructure Fund. Under a proposed "West Virginia Future Fund", a portion of the tax revenue would be dedicated for economic development and other programs like infrastructure, education, and public safety, with a focus on that money being returned to oil and gas-producing areas.

West Virginians give strong support to this proposal, with 70% in favor to only 12% opposed. In fact, **those who strongly favor this proposal (43%) outweigh those who are opposed (12%) and undecided (17%) combined.** The proposal has support across party lines, with more than seven in ten Democrats (78%) and Republicans (71%) supporting it. It draws support from 74% of those in the Charleston/Huntington region and the central/eastern panhandle, as well as 67% of those in southern West Virginia and 64% in the northern panhandle. No region has opposition topping 17%.

Text of Proposal (Split)	Support
<p>On another topic, oil and natural gas companies currently pay a tax of about 4.4% of the value of the oil and gas they extract in West Virginia. This money is used in West Virginia's General Fund and Infrastructure Fund, and some of it is sent back to the counties where the resources came from. There is a proposal to use a portion of this money to create the "West Virginia Future Fund," which would be designated solely for the purpose of economic development (split A: and infrastructure projects; split B: education, public safety, and land conservation projects), especially for oil and gas-producing counties and municipalities. Do you favor or oppose this proposal, or are you undecided?</p>	<p>70% favor (43% strong)</p> <p>12% oppose (7% strong)</p> <p>17% undecided</p>

Bottom Line: These numbers underscore a significant attitudinal shift among constituencies that have traditionally been coal's strongest supporters, and undercut the traditional narrative that West Virginians are not ready to embrace a 21st Century economy that prioritizes growth and diversification over rigid allegiance to coal companies. Voters want to re-examine the role of coal, renewables, and economic diversification in West Virginia, and overwhelmingly believe the coal industry should pay its fair share in order to invest in new economic development, infrastructure repair, education and job training programs. Dedicating existing revenue to a "Future Fund" will help promote long term economic development and improve living standards for countless West Virginia families.