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EPA'S REGULATORY THREAT TO AFFORDABLE, RELIABLE ENERGY: THE PERSPECTIVE OF COAL COMMUNITIES

HEARING

BEFORE THE

SUBCOMMITTEE ON OVERSIGHT AND INVESTIGATIONS

OF THE

COMMITTEE ON ENERGY AND COMMERCE

HOUSE OF REPRESENTATIVES

ONE HUNDRED THIRTEENTH CONGRESS

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[1] Mr. Brock did not respond to submitted questions for the record.
[2] Mr. Horton did not respond to submitted questions for the record.
[3] Mr. Fetterman did not respond to submitted questions for the record.

EPA'S REGULATORY THREAT TO AFFORDABLE, RELIABLE ENERGY: THE PERSPECTIVE OF COAL COMMUNITIES

TUESDAY, OCTOBER 29, 2013

HOUSE OF REPRESENTATIVES,
SUBCOMMITTEE ON OVERSIGHT AND INVESTIGATIONS,
COMMITTEE ON ENERGY AND COMMERCE,
Washington, DC.

The subcommittee met, pursuant to call, at 1:07 p.m., in room 2123 of the Rayburn House Office Building, Hon. Tim Murphy (chairman of the subcommittee) presiding.

Members present: Representatives Murphy, Burgess, Blackburn, Gingrey, Scalise, Harper, Gardner, Griffith, Johnson, Long, Ellmers, Upton (ex officio), DeGette, Braley, Tonko, Yarmuth, Doyle, McKinley and Waxman (ex officio).

Staff present: Charlotte Baker, Press Secretary; Karen Christian, Chief Counsel, Oversight; Brad Grantz, Policy Coordinator, Oversight and Investigations; Tom Hassenboehler, Chief Counsel, Energy and Power; Brittany Havens, Legislative Clerk; Mary Neumayr, Senior Energy Counsel; Sam Spector, Counsel, Oversight; Peter Spencer, Professional Staff Member, Oversight; Tim Wilbur, Digital Media Advisor; Brian Cohen, Democratic Staff Director, Oversight and Investigations, and Senior Policy Advisor; Kiren Gopal, Democratic Counsel; and Kara van Stralen, Democratic Policy Analyst.

OPENING STATEMENT OF HON. TIM MURPHY, A REPRESENTATIVE IN CONGRESS FROM THE COMMONWEALTH OF PENNSYLVANIA

Mr. MURPHY. Good afternoon everyone, and welcome to our subcommittee hearing, Oversight and Investigations, titled "EPA's Regulatory Threat to Affordable, Reliable Energy: the Perspective from Coal Communities."

Before I start, I would just like to lay out our schedule today. We are going to be on a very tight schedule. I am going to have a very quick gavel, so if anybody tries to go over your time, we are going to stop you because at 3 o'clock, we have a hard stop time because of a special ceremony for former Speaker Foley. Also, approximately around 1:30, we will have votes. We will take a quick break at that time and then come back, so I ask that members rush back here after they vote on the floor. I will open up with my statement and then I will recognize Ms. DeGette.

A century ago, when my grandfather came to America, he worked in a coal mine. Things were different back then. Mines were extremely dangerous. Roofs would collapse. Mine injuries and deaths were all too common. Back then, factories, homes, and power plants burned coal without concern for the environment so the skies were dark with soot. Streetlights turned on at noon, and businessmen would take a second white dress shirt to work to change into at midday.

Major changes in environmental practices have cleared the skies and reduced emissions by more than 50 percent even as coal usage tripled. We can always do better, and I support a real commitment to investing in clean coal, but that is made exceedingly difficult under the President's budget, which cuts $230 million from clean-coal research at the National Energy Technology Laboratory. The Administration giving up on clean coal reminds me of the editors of New York Times, who opined in 1903 after a failed attempt at flight by the Wright Brothers, that it would be one million to ten million years before man could fly. On that same day, the Wright Brothers wrote in their diary, "Today we began construction on the airplane."

Instead, the Administration wants to direct billions in subsidies at unproven renewable energy projects. But you can't make windmills without steel and you can't make steel without coal.

Coal is quite literally the bedrock of thousands of communities across the country. Powering 40 percent of our homes and factories, coal touches nearly every aspect of life. It fires the steel mills that have built the Empire State Building and the Golden Gate Bridge, and provides good jobs and paychecks to thousands of Americans.

Today, we are going to hear from workers, local officials and others whose lives and communities depend on coal. In parts of Ohio, Kentucky, Colorado, and 22 other coal-producing States, families are going on the government dole, schools and municipal services are being cut, and communities are being driven into poverty partly because new regulations from the Environmental Protection Agency are destroying the prosperity of these coal towns.

In June 2011, then-Administrator Lisa Jackson told this committee that the EPA does not look at the impact on jobs when they come up with new regulations. Today we will look in the eyes of those whom the EPA says are not important: the workers and families of coal. These are folks who lose their jobs and they get put on unemployment. When the unemployment runs out, they get put on welfare. When they can't afford their home anymore, they are given public housing. When they can't feed their kids, they are given food stamps. They never wanted a handout. All they wanted was a job. These workers bear the immediate cost of the EPA's actions, and this hearing is not about why or how the EPA draws up new regulations or permitting requirements. As part of our oversight responsibilities, we regularly take testimony about the Agency's decisions, and we will continue to do so in the months ahead.

But too often, the practice in Washington is to listen as beltway experts and the EPA explain Agency actions. But this practice doesn't capture the daily impact of Washington on the distant communities where good jobs, with good wages, support a proud way of life.

In my district, the Agency didn't consider the nearly 400 people in Pennsylvania who were put out of work last week at the Hatfield and Mitchell coal-fired power plants in Greene and Washington Counties. This was after the plant's owner spent nearly half a billion dollars making Hatfield one of the cleanest super-critical facilities in the country, only to throw in the towel when the EPA announced new unworkable mandates for 2016. The EPA did not consider the ten people who lost their jobs at Joy Mining in Houston, Pennsylvania last Friday, or the 130 individuals at PBS Coals in Somerset County who were laid off in May, the third round of layoffs at the company in less than a year. These Pennsylvanians joined the nearly 6,000 miners who lost their jobs in 2012 working directly in the coal mining industry and thousands of factory workers, boilermakers, laborers, electricians, operating engineers, steamfitters, plumbers, and machinists, all out of work or under threat of losing their jobs.

Our witnesses today can speak to what the coal industry means to coal-reliant regions like eastern Kentucky, West Virginia, Pennsylvania and western Colorado. They can speak to what the industry has meant in terms of providing a good standard of living and the support for local governments, the schools and services critical to daily life.

This is not an academic debate. For some of these communities, what happens here in Washington is the difference between a decent living and poverty. And when a person grows up in poverty, they are at higher risk of drug abuse, chronic depression, and other medical problems. A recent study by Georgetown University says these families have other risks for obesity, cancer, hypertension, stroke, and cardiovascular disease because of the stresses of poverty and unemployment.

We will hear from some who say coal plants are closing because natural gas is cheaper. Not true. They are closing because the EPA refuses to work out solutions that help coal move forward to be even cleaner than it already is. These plants are closing because the EPA makes it impossible to comply with Agency standards.

Today's hearing, I hope, will help Congress make the right decisions going forward so that more people can benefit from the good and honorable living the coal industry provides.

[The prepared statement of Mr. Murphy follows:]

PREPARED STATEMENT OF HON. TIM MURPHY

A century ago when my grandfather came to America, he worked in a coal mine. Things were different then. Mines were extremely dangerous. Roofs would collapse. Mine injuries and deaths were all too common. Back then, factories, homes, and power plants burnt coal without concern for the environment so the skies were dark with soot. Streetlights turned on at noon, and businessmen would take a second white dress shirt to work to change into at mid-day.

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# # #

Mr. MURPHY. With that, I will end early and recognize Ranking Member DeGette for the purposes of an opening statement.

OPENING STATEMENT OF HON. DIANA DEGETTE, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF COLORADO

Ms. DEGETTE. Thank you very much, Mr. Chairman. I want to welcome all of your constituents, Mr. Doyle's constituents, and even Mr. Lund, who is from Colorado, western Colorado—like me, a Colorado native. We are glad to have all of you here with us today.

You know, Mr. Chairman, I know the witnesses here have really compelling testimony, and I want to thank each and every one of you for coming. I don't take the concerns that you are going to talk about today lightly. I think we do need to think about the economies of all of these communities, and frankly, Mr. Chairman, we need to talk about more than just the EPA regulations. We do also need to talk about the real reality that as natural gas becomes cheaper than coal and more and more other utilities and others transfer to natural gas, it is the invisible hand of the free market. Utilities are moving to natural gas because it makes business sense. So we do need to talk about that, and as we think about what is happening with the loss of jobs in coal country, we need to think about the inevitable hand of the free market and what we do about that.

Something else we need to think about is why the EPA is making these regulations, and they are making these regulations because there is another real threat aside from the loss of these jobs, which is an important issue. We also have a catastrophic issue facing us, and that issue is the issue of climate change. If you look at what happened one year ago today when Hurricane Sandy made landfall in the United States, over 100 people were killed. There was devastation throughout the East Coast. And when you look at what happened in Colorado this summer in my home State where we saw the potential impacts of climate change firsthand with 11,000 people being evacuated from their homes, 19,500 homes being damaged and over 1,500 being destroyed in these catastrophic floods. And so when you look at climate change, you have to say why is EPA making these regulations and what we can do.

And so as we look at this whole issue, we look at, number one, the need to reduce carbon pollution, we need to protect public health and the environment, and we also need to provide assistance to communities and individuals that are hard hit both by the shift from coal and also by climate change so that people can transition to improved technologies that will meet our energy needs.

Mr. Chairman, I am open to any ideas that my colleagues or the witnesses have today about how we can help these communities move forward. We should do more than just have this one hearing. We should do more than just hear one side of the story. We should have hearings also on climate change so that we can hear from witnesses in Boulder and Salina and Jamestown, Colorado, from New York and New Jersey, who have lost their jobs. We need to have a comprehensive look at this and see what we can do.

And with that, I am happy to yield 2 minutes to Mr. Yarmuth, the newest member of this committee, and we are so delighted to have him.

OPENING STATEMENT OF HON. JOHN A. YARMUTH, A REPRESENTATIVE IN CONGRESS FROM THE COMMONWEALTH OF KENTUCKY

Mr. YARMUTH. I thank the ranking member.

According to the title of this hearing, we are going to hear about the perspective of coal communities, but let me assure you, the concerns of residents in the coal communities of Kentucky do not stop after they open their utility bill. They are interested in their health and the harm mountaintop removal mining is doing to their families, friends and neighbors.

Two recent studies found communities near mountaintop removal sites showed elevated risks of birth defects, while adult hospitalizations for chronic pulmonary disorders and hypertension increase in these communities as coal production does. So do the rates of mortality, lung cancer and chronic heart, lung and kidney disease. We must also consider the impact on the communities that are downwind. In Kentucky, one in five adults and one in 10 children suffer from asthma, which is exacerbated by the pollution that results in part from unrestricted carbon emissions.

Mountaintop removal isn't just impacting the residents in coal communities. It is also taking their jobs. The decline in mining jobs did not start 2 years ago or 6 years ago when this President took office. It started more than three decades ago with the advent of mechanized mining and mountaintop removal. During that time, the number of mining jobs in Kentucky declined from approximately 47,000 in 1977 to 12,000 today. Meanwhile, coal production remains steady with the exception of recent drops due to the natural gas surge. In other words, the only ones who benefited from mechanized mining are the coal companies whose profits have remained far, far healthier than the local economies where they operate.

You know, there is a reasonable dispute that we have to address our carbon problem, but we tried to do that in 2009 after the Supreme Court required the government to develop limits on carbon pollution. We passed a Republican idea to create an emissions market, and I worked closely with other coal State members to ensure we wouldn't drive up utility costs to harm our States' economies. Unfortunately, Republicans blocked that legislation, and because of that, we are here today. I yield back.

Mr. MURPHY. Thank you. We now recognize the chairman of the full committee, Mr. Upton, for 5 minutes.

OPENING STATEMENT OF HON. FRED UPTON, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF MICHIGAN

Mr. UPTON. Well, thank you, Mr. Chairman.

You know, when the work underground stops, everyone above pays the price. That observation made by a Boone County, West Virginia, TV reporter back in September of 2012, who succinctly captures the plight of America's coal communities. Over the past 5 years, as the Nation has struggled to emerge from the great recession, we have witnessed an onslaught of EPA rules and proposals that have significantly targeted the Nation's energy and manufacturing sectors, the vitality of which is essential for putting this Nation back on a path to long-term prosperity.

We have conducted a number of hearings looking closely at the regulatory proposals and what they add up to in terms of compliance costs, and ultimately the prospects for people to have access to the affordable energy and the goods and services they rely on. Nowhere have we seen the risks to prosperity more clearly than in the continued accumulation of regulations facing the coal sector of our economy, and our coal communities have suffered greatly.

Today we are going to hear important testimony that is going to provide the perspective of the communities that help provide Americans with the benefits of this abundant resource and the electricity that it produces. The views of the local officials and workers provide a testament to the importance of coal, as a source of good, meaningful work, and as a support for the quality of life that all communities around the Nation strive for. But the testimony also paints a troubling picture about the real damage that occurs when plants shutter, mines close, and people lose their jobs.

It shouldn't have to be that way. I have been calling attention in recent months to the urgent need for ensuring that this Nation can embrace its energy abundance. This requires building the infrastructure and producing the fuels that provide power for our homes and our commerce and our manufacturing. It is only possible with a regulatory structure that encourages production of our diverse and abundant natural resources, including coal.

The great irony is that coal has done so much to ensure affordable, reliable power for the majority of Americans for multiple generations. It has been a core fuel behind the great accomplishments of our manufacturing industry. And to a point underscored by the testimony today, coal has done much to lift so many out of poverty in this Nation. Today's hearing should remind us of these accomplishments that are at risk.

Coal should continue to provide this Nation its tremendous benefits. It is a critical and important part of this Nation's future and a vital source of energy and jobs for millions of people in communities around the Nation. Our work on this committee, through oversight of EPA and through our legislative initiatives, will help to make that happen. We are a nation of opportunity, and while others may want to ban the use of coal, we will keep fighting to ensure that coal indeed remains an important part of our open, all-of-the-above energy plan.

Thank you all for being here. I yield the balance of my time to the gentleman from Virginia, Mr. Griffith.

[The prepared statement of Mr. Upton follows:]

PREPARED STATEMENT OF HON. FRED UPTON

"When the work underground stops, everything above pays the price." That observation made by a Boone County, West Virginia, television reporter in September 2012 succinctly captures the plight of America's coal communities. Over the past five years, as the nation has struggled to emerge from the great recession, we have witnessed an onslaught of EPA rules and proposals that have significantly targeted the nation's energy and manufacturing sectors—the vitality of which is essential for putting this nation back on a path to long-term prosperity.

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# # #

OPENING STATEMENT OF HON. H. MORGAN GRIFFITH, A REPRESENTATIVE IN CONGRESS FROM THE COMMONWEALTH OF VIRGINIA

Mr. GRIFFITH. Thank you, Mr. Chairman. I appreciate the opportunity to have a minute for an opening statement.

I represent deep southwest Virginia, which is also the coal-producing region of the Commonwealth, and I can tell you that we are going to hear some great stories today and we are going to find out what is going on from people on the ground, but every time I am in the area, not here in D.C., I see new mom-and-pop businesses that have closed down because of this war on coal. I see what is happening out there day in and day out. I pick up the newspapers and read reports about different manufacturing facilities, not just the coal mines, but manufacturing facilities in the district that are laying people off or shutting down. It is devastating what is happening, and it is not just the price of the natural gas, because they fluctuate, and a lot of businesses over the years have said we know the prices fluctuate but we are going to stick with coal because long term it makes sense for us, but now with this regulatory environment in Washington, they are saying we can't do that because we know that even if we comply with today's regulations, the EPA and this Administration right around the corner will have another set of regulations that impact us.

So we are bankrupting not only the power companies, as the President said that he would do, but we are bankrupting the mom-and-pop businesses. We are bankrupting car dealerships. We are

bankrupting restaurants. We are bankrupting mom-and-pop businesses all over this country for little gain in the environment, and what we need to do is, we need to make sure that the science leads us on the regulations instead of the regulations forcing people out of business because they don't have time to wait for the science to catch up with the regulations.

I know that for some they are incredulous when you hear things like that but chemical looping, all kinds of things are out there but we can't have the science that people are experimenting with come to fruition in time to meet the EPA's current regulations. And with that, Mr. Chairman, I yield back.

Mr. MURPHY. The gentleman yields back. With that, I now recognize for 5 minutes for an opening statement the gentleman from California, Mr. Waxman.

OPENING STATEMENT OF HON. HENRY A. WAXMAN, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF CALIFORNIA

Mr. WAXMAN. Thank you, Mr. Chairman. It is ironic: Today is the 1-year anniversary of Hurricane Sandy, a terrible tragedy. Rather than pay any attention to that landmark, we are talking about EPA's supposed regulatory threat to coal communities.

We should be talking about the costs of inaction. Hurricane Sandy battered the Mid-Atlantic and the Northeast, killing hundreds and inflicting billions of dollars in damages. And our taxpayers all across the country helped to pay for that. We have had wildfires raging across the West. Floods decimated communities in Colorado. Every week you can find historic, record-setting climate events that are catastrophic.

Now, we have in the audience several people who survived Hurricane Sandy, and I am glad they are here. Their stories are a vivid reminder of the fact that we should be talking about how extreme weather events like these are becoming more and more common because of climate change caused by our failure to reduce carbon pollution.

I have written almost 30 letters to Chairman Upton and the Republican leadership of this Committee and I said we ought to have a hearing on the science. We ought to bring in the leading scientists to talk about the science that would lead to good regulation. Well, we have had a refusal to even hold one hearing with the scientists. Instead, as the threat from climate change becomes more and more dire, and the scientific consensus of the threat becomes even clearer, we are having another hearing focused on the alleged war on coal.

Now, the primary threat to coal is not EPA's mythical war against coal; it is cheap natural gas that is being used as a substitute. It is more affordable, as is renewable energy, and it has reduced coal's market share for electricity generation. This isn't something the government did. This is something that the market dictated.

Now, I know that many of you are here from the coal industry. Let me tell you, I have been in Congress for a long time. When we tried to deal with the acid rain problem, I suggested everybody in the country pay a fee to help pay for the scrubbers to stop the acid-

ity that was going up to the northeast and Canada. And you know what we were told? Forget it; there is no problem. And when President George H.W. Bush signed the law, we required the reduction to be made in the cheapest possible way. And what did they did is they switched to low-sulfur coal and destroyed the high-sulfur coal industry.

In 2009, we proposed giving the coal industry billions to develop coal technology that would remove this problem, and instead, we were told that there is no such problem. We have had many hearings on this issue. We all represent different parts of the country. We need to hear from everybody.

And I want to yield the balance of my time, plus some, to Mr. Doyle.

Mr. DOYLE. Thank you. I appreciate you yielding.

I agree, this is an important topic and we need to explore it, and as a representative from Pittsburgh, I know firsthand the devastating effects of the decline in the coal industry. But if we want to accurately examine this issue, which I believe we should, then we need to look at the facts, not just point fingers at an easy target.

And for starters, I would like to remind my colleagues of a little bit of Congressional history. During this hearing, my colleagues on the other side of the aisle are going to blame the Obama Administration's air pollution regulations that have gone into effect over the last 5 years. The only problem with that is that many of these regulations were begun in the 1990s and the 2000s, not under this Administration.

So what has this Administration actually done that impacts the future of coal? Well, since the beginning of this Administration, the Department of Energy has invested around $6 billion to develop clean coal communities: capture, utilization, and storage. In fact, one of the first votes during the Obama Administration on the stimulus package included $3.4 billion for carbon capture and sequestration. You know how many Republicans voted for that? Zero. Later that same year, this committee worked tirelessly to put together a comprehensive energy strategy, which included multiple provisions to further development of CCS technology to take the burden away from the coal industry and the electric utility industry. That bill received eight Republican votes, only one from this committee.

So I just want to remind my colleagues today that while they are throwing the Obama EPA under the bus, this Administration has given us multiple opportunities to support the coal industry, and we ought to stop the political drama and start working together to retain this industry and our country.

Mr. MURPHY. Thank you. The gentleman's time is expired.

I would now like to introduce the witnesses for today's hearing. Our first witness is Judge Albey Brock. He is the Judge/Executive for Bell County, Kentucky, which is located in the southeastern corner of the State. He has been the Judge/Executive for Bell County since 2007.

Our second witness is Raymond Ventrone. He has been the Business Manager for Boilermakers Local 154 since 1996. Local 154 encompasses Pennsylvania, Ohio, and West Virginia.

Our third witness is Daniel Weiss, who is a Senior Fellow and the Director of Climate Strategy at the Center for American Progress in Washington, D.C., where he leads the center's Clean Energy and Climate Advocacy Campaign.

Our fourth witness is Mr. Roger Horton, a miner by trade. He is the Founder of Citizens for Coal, which is a nonprofit organization dedicated to helping maintain the vitality and productivity of the coal industry in West Virginia.

Next, we have Olen Lund. He is a former County Commissioner for Delta County, Colorado, located in western Colorado. In this capacity, his responsibilities include the appropriations and budget for Delta County.

Our sixth witness is Mayor John Fetterman, the Mayor of Braddock, Pennsylvania, a town 10 miles north of Pittsburgh, an advocate for revitalizing the town by creating youth-oriented programs, attracting artists and pursuing green urban renewal and economic development.

Our final witness is John Pippy. He is the Chief Executive Officer of the Pennsylvania Coal Alliance, which represents the interests of over 250 member companies and 41,500 workers in the coal industry. He also served 16 years in the Pennsylvania General Assembly and in the Pennsylvania State Senate. He is an Iraq war veteran and a graduate of West Point.

I will now swear in the witnesses. You are all aware that the committee is holding an investigative hearing, and when doing so has the practice of taking testimony under oath. Do any of you object to testifying under oath? Seeing no one object to that, the chair then advises you that under the rules of the House and the rules of the committee, you are entitled to be advised by counsel. Does anyone desire to be advised by counsel during your testimony today? And no one has asked to be advised by counsel. In that case, would you all please rise and raise your right hand and I will swear you in.

[Witnesses sworn.]

Mr. MURPHY. All witnesses have answered affirmatively. You are now under oath and subject to the penalties set forth in Title XVIII, Section 1001 of the United States Code. You may now each give a 5-minute summary of your written statement. We will start with Mr. Brock.

TESTIMONY OF ALBEY BROCK, BELL COUNTY JUDGE/EXECUTIVE, PINEVILLE, KENTUCKY; RAYMOND C. VENTRONE, BUSINESS MANAGER, BOILERMAKERS LOCAL 154, PITTSBURGH, PENNSYLVANIA; ROGER D. HORTON, FOUNDER, CITIZENS FOR COAL, HOLDEN, WEST VIRGINIA; DANIEL WEISS, SENIOR FELLOW AND DIRECTOR OF CLIMATE, CENTER FOR AMERICAN PROGRESS; OLEN LUND, FORMER COUNTY COMMISSIONER; DELTA COUNTY, COLORADO; JOHN FETTERMAN, MAYOR, BRADDOCK, PENNSYLVANIA; AND JOHN PIPPY, CHIEF EXECUTIVE OFFICER, PENNSYLVANIA COAL ALLIANCE, HARRISBURG, PENNSYLVANIA

TESTIMONY OF ALBEY BROCK

Mr. BROCK. Chairman Murphy, Ranking Member DeGette, members of the committee, thank you for having me here today.

My name is Albey Brock, I am the Bell County Judge/Executive, and I appreciate this opportunity to provide testimony regarding the devastating impact EPA regulations are having on families and our economy in eastern Kentucky I proudly call home.

My position has placed me on the front lines and in the trenches of a battle between the rapidly growing needs in my county as unemployment explodes coupled with shrinking budgets and revenues decrease. The duties of a County Judge Executive are similar to that of a county Mayor. I have the fiscal responsibility for operating all things related to county government—the sheriff's office, the jail, animal control, the road department, and ambulatory services to name a few.

Today I am not here testifying as a bystander, but as an expert witness, a colleague reporting conditions from the field where I live and serve as County Judge.

For the purpose of perspective, I want each of you to understand that eastern Kentucky's economy is more dependent upon coal than Detroit is upon the auto industry. In eastern Kentucky, we have lost 7,000 coal-mining jobs in less than 2 years.

Economists estimate that one coal-mining job supports three and a half other jobs in our economy. That means that beyond the 7,000 coal-mining jobs already lost, an additional 24,500 jobs in our region will be affected. The average family size is three. That means 94,500 people, nearly 20 percent of our entire population in eastern Kentucky, has been directly impacted by coal industry job losses. The average wage of the 7,000 lost coal jobs is just over $78,000 per year. When you multiply that wage by the 7,000 jobs lost, and then multiply the other 24,500 jobs lost by a conservative figure of 20,000, over $1 billion worth of earned wages will be removed from our region's economy. That deserves repeating: $1 billion a year.

Many eastern Kentuckians are leaving their homes, their communities, and their families to work in other parts of the country. What does the future of our region hold for those of us that remain? Already we are seeing dramatic increases in childhood homelessness as families lose their homes. In some schools this fall, nearly 50 percent of the children had at least one unemployed parent as a result of coal layoffs.

These are not young people fresh out of high school about to debate their career path. Every day in my job I am approached by

proud, mature men and women with young families. Workers that feel the effects of time and toll on their bodies and have retirement just within their sights, they approach me almost daily. They both have made choices about their careers, worked hard, made sacrifices and now regardless of what some of you may think, because of recent decisions made by the EPA they face hardship and uncertainty.

I have personally witnessed them selling their life's possessions in yard sales. Their credit is being damaged beyond repair as they are forced to send their kids to school for dependency on free lunch, food stamps, and other government programs in an attempt to get through another week. These are men and women that have believed that basic American promise. They believed that if they worked hard that they could do well enough to raise a family, own a home, and send their kids to college, and put a little away for retirement.

Keeping that promise alive is what President Obama named as the defining issue of our time. I agree with him. Don't we all? Can't we find a way to undo what is being done? What is the future of eastern Kentucky and Appalachia?

Knott County, neighboring Knott County, is representative of our region. In 1960, just before the War On Poverty was declared, 76.5 percent of Knott County citizens lived in poverty. By 2011, only 24.5 percent were living in poverty. Now that the coal workforce in Knott County has suddenly been reduced to half of what it was in 2011, poverty is on the rise again.

I cannot imagine that the EPA calculated the human impact of their decisions that have so negatively impacted the coal industry in eastern Kentucky, put thousands of families and children at risk, and threatened decades of progress. But if they did, they callously disregarded that calculation and violated the most basic moral imperative of our government, which is to protect its people.

Today, energy produced in America by coal is as clean as it has ever been and the technology is in place to make it even cleaner.

I am a resident of Eastern Kentucky, my family is from eastern Kentucky, my friends and my constituents are in eastern Kentucky. I am asking you to please help stem the tide of unemployment and poverty by stopping the EPA regulations that so drastically impact the production of Appalachian coal. As my friend and fellow Bell Countian, Jimmy Rose, has reminded us all recently on the hit show America's Got Talent, coal does keep our lights on. I thank you, and I will be happy to entertain any questions.

[The prepared statement of Mr. Brock follows:]

Testimony Before the Subcommittee on Oversight and Investigations

EPA's Regulatory Threat to Affordable, Reliable Energy: The perspective of Coal Communities

The Honorable Albey Brock

10/29/2013

My name is Albey Brock I'm the Bell County Judge Executive and I appreciate this opportunity to provide testimony regarding the devastating impact that EPA regulations are having on families and our economy in Eastern Kentucky, the place I proudly call home.

My position has placed me on the front lines and in the trenches of a battle between the rapidly growing needs in my county as unemployment explodes and shrinking budgets as revenues decrease. The duties of the County Judge Executive are similar to that of a county Mayor. I have fiscal responsibilities of operating all things related to county government. I'm responsible for the budgets of the jail, sheriff's office, animal control, the road department, and ambulatory services to name a few.

Today I'm here testifying, not as a bystander, but as an expert witness and a colleague reporting conditions from where I live and serve as County Judge.

For the purpose of perspective, I want you to understand that the Eastern Kentucky economy is more dependent upon coal than Detroit is upon the auto industry.

In Eastern Kentucky we have lost seven-thousand coal-mining jobs in less than two years.

Economists estimate that one coal-mining job supports three-and-a-half other jobs in our economy.

That means that beyond the seven-thousand coal-mining jobs already lost, an additional twenty-four-thousand-five-hundred jobs in our region will be affected.

The average family size is three. That means ninety-four-thousand-five-hundred people — nearly twenty percent of our entire population in Eastern Kentucky — have been directly impacted by coal industry job losses.

The average wage of the seven-thousand coal jobs lost is just over seventy-eight thousand dollars per year. When you multiply that wage by the seven-thousand jobs lost, and then multiply the other twenty-four-thousand-five-hundred jobs lost by a conservative annual salary estimate of twenty-thousand dollars per year, it means one billion dollars of earned wages will be removed from our region's economy — every year. That's worth repeating: one billion dollars a year.

Many Eastern Kentuckians are leaving their homes, their communities, and their families to work in other parts of the country. What does the future of our region hold for those that remain?

Already we are seeing dramatic increases in childhood homelessness as families lose their homes. In some schools this fall, nearly 50% of the children had at least one unemployed parent as a result of the coal lay-offs.

These are not young people fresh out of high school debating about their career path. Everyday I am approached by mature men and women with young families. Workers that feel the effects of time and toil on their bodies and have retirement just within their sights also approach me almost daily. They both have made choices about their careers; worked hard, and made sacrifices and now because of recent decisions made by the EPA they face hardship and uncertainty.

I have witnessed them selling their life's accumulated possessions in yard sales. Their credit is being damaged beyond repair as they are forced to dependency on free lunch, food stamps, and other government programs in an attempt to get through another week.

These are men and women that have believed that basic American promise. They believed that if they worked hard that they could do well enough to raise a family, own a home, and send their kids to college, and put a little away for retirement.

Keeping that promise alive is what President Obama named as the defining issue of our time. I agree. Don't we all? Can't we find a way to undo what is being done?

What is the future of Eastern Kentucky?

Knott County is representative of our region. In 1960 — just before the War On Poverty was declared — seventy-six-point five percent of Knott County citizens lived in poverty. By 2011, only twenty-four-point five were living in poverty. Now, the coal workforce in Knott County has suddenly been reduced to half of what it was in 2011 and poverty is on the rise again.

I cannot imagine that the EPA calculated the human impact of their decisions that have so negatively impacted the coal industry in Eastern Kentucky, put thousands of families at risk, and threatened decades of progress. But if they did, they callously disregarded that calculation and violated the most basic moral imperative of our government, which is to protect its people.

Today, energy produced in America by coal is as clean as it ever has been and the technology is in place to make it even cleaner.

I am from Eastern Kentucky, my family is in Eastern Kentucky, my friends, and my constituents are in Eastern Kentucky.

I am asking you to please help stem the tide of unemployment and poverty by curtailing the EPA regulations that so drastically impact the production of Appalachian Coal.
As my friend and fellow Bell Countian, Jimmy Rose, has reminded us all recently on the hit show America's Got Talent: "Coal Keeps Our Lights On."

Thank You

Mr. MURPHY. Thank you.

I now recognized Mr. Ventrone for 5 minutes for your opening statement.

TESTIMONY OF RAYMOND C. VENTRONE

Mr. VENTRONE. Mr. Chairman Murphy, committee members, my name is Raymond Ventrone, Business Manager, International Brotherhood of Boilermakers, Local Lodge 154 in Pittsburgh, Pennsylvania. I represent more than 2,000 boilermakers in western Pennsylvania, Ohio and West Virginia. My members are learning the hard way that the EPA's goal isn't clean air, it is eliminating coal and our way of life.

The boilermakers have always been on the forefront of making the United States' coal-powered power plant fleet the cleanest in the world, and I am here to defend our interests.

The boilermaker trade is vital to the construction industry. We are constantly expanding our manpower and recruitment resources to meet the needs of the industry we serve. We have built our reputation by dispatching trained, skilled, and productive craftsmen to every job site, regardless of its size.

A boilermaker is a tradesperson who possesses a full range of knowledge and skills required to work in the construction industry. The duties of a boilermaker include welding, acetylene burning, asbestos abatement, rigging, scaffolding erection and dismantling, stack work, steel erection, tube rolling, impact machine operating, and such other items regarded as boilermaker journeyman work. The broad scope of the boilermaker trade includes construction maintenance work performed in the field and in industrial and commercial plants, such as power plants, retrofit coal-fired units, steel mills, electric power generation, thermal, nuclear, hydro plants, refineries, oil and chemical, gas turbines, gas processing plants, water treatment facilities, cement plants, fertilizer plants, breweries, pulp and paper mills, and many other industrial and commercial facilities.

The International Brotherhood of Boilermakers has long been a proponent of sensible legislation and regulatory action. However, the Environmental Protection Agency recently proposed rule restricting carbon emissions from new power plants appears to be a calculated move to ensure that coal will no longer be a part of that strategy by setting impossible CO_2 limits for new fossil-fueled plants. Effectively, the EPA's New Source regulations will end future coal-fired power plant construction, despite enormous progress that has been made in recent years with advanced emission-limiting technologies.

Just 3 years ago, hundreds of construction workers and boilermakers from Local 154 installed state-of-the-art pollution control equipment on a 1,700-megawatt coal-fired power plant. More than a half a billion dollars was invested in this plant, proving that coal and clean air were not mutually exclusive. However, despite having invested a half billion dollars to upgrade the power plant, two weeks ago marked its permanent closure because the plant owner cited the new EPA regulations as being too costly to keep the electricity-generating facility operational.

Now, those breakthrough technological upgrades approved by the Environmental Protection Agency only 3 years ago have been deemed insufficient by the very same agency by virtue of new regulations created without a vote in Congress or input from the public. These new regulations forced the shutdown of the Hatfield's Ferry Power Plant, Masontown, Pennsylvania, and Mitchell Power Plant in New Eagle, Pennsylvania, putting hundreds of utility workers and boilermakers out of work.

Typically, 154 manpower is dispatched to the Hatfield Ferry Power Plant in Masontown, Pennsylvania, every spring and fall for maintenance outage work for 6 days a week for an approximate 15-week duration with manpower demand of 400 boilermakers. Consequently, as a direct result of the shutdown at the Hatfield Ferry Power Station, roughly 360,000 Boilermaker Local 154 man-hours will be lost every spring and fall.

Critics of coal malign the thousands of boilermakers, mine workers, and hardworking men and women who earn an honest living in our region from coal. They insult us, calling us polluter, murderers. Pittsburgh press editorials refer to us as coal barons and have made outrageous claims about our livelihood, attacking our integrity, and ignoring the tremendous environmental gains made by coal. In the last three decades, coal usage has tripled but pollutants like sulfur dioxide have fallen by 56 percent.

As stated in the New York Times by Elizabeth Muller, Executive Director of the Climate Research Group, China's greenhouse gas emissions are twice those of the United States and are growing at 8 percent to 10 percent per year. By 2020, China will emit greenhouse gases at four times the rate of the United States, and even if America's emissions were to suddenly disappear, world emissions would be back at the same level within 4 years as a result of China's growth alone.

Clearly, the one-sided reduction of the American coal industry will not solve global change, but will shut down existing investment in new research that holds the key to huge reductions in CO_2 emissions from the coal-fired plants while the rest of the world is free to continue to expand the use of this reliable and economic energy source that has fueled our economy for more than a century.

The skeptics in this debate are those who ignore that coal is used cleanly. The deniers are those who won't acknowledge the true social cost of the EPA's anti-coal agenda and the hundreds of southwestern Pennsylvania families who are losing their paychecks. We can have clean air and keep coal as a vital part of our economy, but we can't do it if the EPA and their allies are allowed to continue waging a devastating war against our jobs.

On behalf of the boilermaker construction industry, I am calling upon Congress to come together to amend the EPA regulation that has blocked future coal-fired power plants construction and has a devastating direct impact on our jobs, our future and our union.

[The prepared statement of Mr. Ventrone follows:]

Testimony of Raymond C. Ventrone, Business Manager
International Brotherhood of Boilermakers Local Lodge 154

My name is Raymond Ventrone, Business Manager, International Brotherhood of Boilermakers, Local Lodge 154, Pittsburgh, PA.

I represent more than two thousand Boilermakers in Western Pennsylvania, Ohio and West Virginia. My members are learning the hard way that the EPA's goal isn't clean air; it's eliminating coal and our way of life. The Boilermakers have always been on the forefront of making the United States coal- powered power plant fleet the cleanest in the world and I am here to defend our interests.

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The broad scope of the Boilermaker Trade includes construction and maintenance work performed in the field and in industrial and commercial plants, such as:

- Power Plants

- Retro-fit Coal-fired Units
- Steel Mills
- Electric Power Generation (thermal, nuclear, hyrdo) plants
- Refineries (Oil, Chemical)
- Gas Turbines
- Gas Processing Plants
- Water Treatment Facilities
- Cement Plants
- Fertilizer Plants
- Breweries
- Pulp and Paper Mills
- And many other industrial and commercial facilities

The International Brotherhood of Boilermakers has long been a proponent of sensible legislation and regulatory action. However, The Environmental Protection Agency (EPA) recently proposed rule restricting carbon emission on new power plants appears to be a calculated move to ensure that coal will no longer be a part of that strategy by setting impossible CO2 limits for new fossil-fueled plants.

Effectively, the EPA's new source regulations will end future coal-fired plant construction, despite enormous progress that has been made in recent years with advanced emission-limiting technologies. Just three years ago, hundreds of construction workers and Boilermakers from Local 154 installed state-of-the-art pollution control equipment on a 1,700 MW coal-fired power plant. More than $500 million was invested in this plant, proving that coal and clean air were not

mutually exclusive. However, despite having invested a half billion dollars to upgrade the power plant, last week marked its permanent closure because the plant owner cited that the new EPA regulations were too costly to keep the electricity-generating facility operational.

Now, those breakthrough technological upgrades –approved by the Environmental Protection Agency only three years ago — have been deemed insufficient by the very same agency by virtue of new regulations created without a vote in Congress or input from the public. These new regulations forced the shut-down of the Hatfield's Ferry Power Plant, Masontown, PA and Mitchell Power Plant, New Eagle, PA, putting hundreds of utility workers and Boilermakers out of work.

Typically, Local 154 manpower is dispatched to the Hatfield's Ferry Power Plant in Masontown, Pennsylvania every Spring and Fall for maintenance outages to work six (6) days per week, for approximate fifteen week duration with a manpower demand of four hundred (400) Boilermakers. Consequently, as a direct result of the shut-down at the Hatfield's Ferry Power Station, roughly 360,000 Boilermaker Local 154 man-hours will be lost every Spring and Fall.

Critics of coal malign the thousands of boilermakers, mine workers, and hard-working men and women who earn an honest living in our region from coal. They insult us — calling us polluters and murderers. Pittsburgh Press editorials refer to us ("Coal Barons"), and have made outrageous claims about our livelihood, attacking our integrity, and ignoring the tremendous environmental gains made by coal. In the last three decades, coal usage has tripled but pollutants like sulfur dioxide have fallen by 56 percent.

As stated in the New York Times by Elizabeth Muller, Executive Director of the Climate Research Group -- "China's greenhouse gas emissions are twice those of the United States and

growing at 8 percent to 10 percent per year. By 2020…China will emit greenhouse gases at four times the rate of the United States, and even if American emissions were to suddenly disappear, world emissions would be back at the same level within four years as a result of China's growth alone."

Clearly, the one-sided reduction of the American coal industry will not solve global climate change, but will shut-down existing investment in new research that holds the key to huge reductions in CO2 emissions from coal fired plants…..while the rest of the world is free to continue to expand the use of this reliable and economic energy source that has fueled our economy for more than a century.

The skeptics in this debate are those who ignore that coal is used cleanly. The deniers are those who won't acknowledge the true "social cost" of the EPA's anti-coal agenda and the hundreds of Southwestern Pennsylvania families who are losing their paychecks. We can have clean air and keep coal as a vital part of our economy, but we can't do it if the EPA and their allies are allowed to continue waging a devastating war against our jobs.

On behalf of the Boilermaker Construction Industry, I am calling upon Congress to come together to call upon Congress to amend the EPA regulation that has blocked future coal-fired power plant construction and has a devastating direct impact on our jobs, our future and our union.

Mr. MURPHY. Thank you.

Mr. Horton, you are recognized for 5 minutes, and I ask everyone to please try and keep within their time. Go ahead, Mr. Horton.

TESTIMONY OF ROGER D. HORTON

Mr. HORTON. Thank you very much for the opportunity to speak here today. My name is Roger Horton. I am now a retired coal miner. I am a member of the United Mine Workers of America and president of Citizens for Coal, a group I formed 5 years ago to provide a voice for the working men and women of the coal industry and their families. I would like to thank each of you for the opportunity to talk with you today and share with you what is happening in communities across the Appalachian coal fields.

Today's hearing is intended to investigate the damage being done to the coal industry by the Obama EPA and their war on coal. Let me say bluntly, there is a war on coal. I have seen it and lived it every day for the past 5 years. Over the past year alone, West Virginia has lost more than 3,500 direct coal-mining jobs and approximately 10,000 more indirect jobs. Using the average wage of coal mining and coal support jobs as the standard, that means that our state has lost an estimated $924 million in wages. That is right, almost a billion ripped from the economy in just the past year.

When you look across the Appalachian coalfields, more than 10,000 coal miners and another 50,000 support workers and people whose jobs depend on coal mining are now unemployed across the coal fields of West Virginia, western Virginia and Kentucky. These people are unemployed today for one primary reason: the anti-coal policies of this Administration.

While it is true that part of the problem in the short term is the artificially and unsustainable low price of natural gas, this Administration and the EPA have made it next to impossible to use coal as a fuel for electric generation or even to mine it in the first place. These factors have led many utility companies to take steps to close older coal-fired power plants, and it appears likely if the policies continue into the future, even newer coal plants will begin closing. Meanwhile, it is almost impossible to get the permits necessary to mine steam coal, which has historically accounted for approximately 60 percent of the area's production.

The result of all this is a steep decline in production from 168 million tons in 2008 to just 110 million tons in 2012 in West Virginia, and an even sharper decline in Kentucky. Employment has fallen just as steeply, with seemingly weekly announcements of another mine closing taking hundreds more jobs with it.

Yet the EPA, the White House, and some of their friends in the media claim there is no war on coal, but even Obama's Science Advisor Daniel Schrag has admitted this war is being waged. He recently said politically, the White House is hesitant to say they are having a war on coal. On the other hand, a war on coal is exactly what is needed. Now you can make the claim, as some do, that other factors have hurt coal, and, yes, that is true, but the bottom line is that the Obama Administration has single-handedly made it nearly impossible to get a permit to mine coal, forced the closure of hundreds of coal-fired power plants as well as now setting the stage for the closure of hundreds more over the next few years, and

now they are trying to make it impossible to export our coal to countries who do not understand the value of cheap, affordable energy. Obama, Schrag and others are determined to destroy the coal industry and have been since Obama took office in January 2009.

Even before the election, Obama said plainly and simply that he would put in place regulations that would bankrupt anyone wanting to build a coal-fired power plant, and sadly that is a promise he has kept.

Today, our electricity grid is strained to meet demand, with rolling blackouts imposed in rural areas of the PJM Connectors district as recently as 3 weeks ago. While these blackouts are couched as a voluntary demand response to meet temporary conditions, the reality is, no matter how you cut it, is that the grid was short of capacity and voluntary rolling blackouts were imposed to cut demand allowing the grid to avoid massive blackouts in urban areas.

I believe it is vital that we keep our electric generation grid nimble and able to readily switch between fuels, including coal, natural gas, oil and renewables. I remember clearly 5 years ago, before the beginning of the great recession when our economy and the world's economy was humming along, we were screaming out for every ton of coal, every gallon of oil, every cubic foot of natural gas and every other source of energy we could find. Prices of all forms of energy were going out the roof because supply couldn't keep up with demand.

Hopefully, we will find our way out of the current economic downturn and restore our economy and that of the world to something approaching normal and when we do we will once again find our economy needing all sources of fuel. If we retire coal-fired capacity and essentially shut the door to it in the future, we are setting the stage for a major inflationary spiral in our energy costs and with it the downstream costs of every other good in our economy. We need to protect our coal-fired capacity in order to provide for the widest possible fuel choice down the road.

Just a few weeks ago, a group of local Democratics leaders from my State went to Washington to try to discuss the issues with the EPA. They came away believing it might be a new start but those deals fell to the floor this past month when it became clear the EPA would not announce the new regulations that would effectively end the use of coal for electric generation. It is clear that this Administration and the national Democratic Party care nothing for the hardworking men and women who mine coal for a living.

Sitting in the Senate is a basket of bills, already passed by the House of Representatives, that would effectively end the Obama war on coal. However, the bills are being stonewalled by the Obama Administration and its lapdog Senate President Harry Reid.

Mr. MURPHY. The gentleman's time is expired. We need you to wrap up.

Mr. HORTON. In closing, I simply observe that the President speaks a lot about economic justice and hope and promise. I would like to use this hearing to directly ask the President, where is the justice for West Virginia and Appalachia? Where is the hope and justice for our coal-mining families? There are few other career options available for many of our miners, and by his actions, this

President is effectively condemning them to lives of poverty and despair. Again, I ask where is the justice? Why are our families less important to you than others? Why don't we matter to you, Mr. President? Please, let us work and power America.

[The prepared statement of Mr. Horton follows:]

Roger Horton, president, Citizens for Coal
Testimony to be given before the
House Committee on Energy and Commerce
Witness Organization: Citizens for Coal

October 29, 2013

Hello, my name is Roger Horton, a now retired coal miner, member of the United Mine Workers of America and president of Citizens for Coal, a group I formed five years ago to provide a voice for the working men and women of the coal industry and their families.

I would like to thank you for the opportunity to talk with you today and share with you what is happening in communities across the Appalachian coalfields.

Today's hearing is intended to investigate the damage being done to the coal industry by the Obama EPA and their "war on coal."

Let me say bluntly, there IS a war on coal. I have seen it and lived it every day for the past five years. Over the past year alone, West Virginia has lost more than 3500 direct coal mining jobs and approximately 10,000 more indirect jobs. Using the average wage of coal mining and coal support jobs as the standard, that means that our state has lost an estimated $924 MILLION in wages — that's right, almost $1 BILLION ripped from the economy in just the past year.

When you look across the Appalachian coalfields, more than 10,000 coal miners and another 50,000 support workers and people whose jobs depend on coal mining are now unemployed across the coalfields of West Virginia, western Virginia and Kentucky.

These people are unemployed today for one primary reason – the anti-coal policies of the Obama Administration.

While it is true that part of the problem in the short term is the artificially and unsustainably low price of natural gas, the Obama Administration and the EPA have made it next to impossible to use coal as a fuel for electric generation or even to mine it in the first place.

These factors have led many utility companies to take steps to close older coal-fired power plants and it appears likely if the policies continue into the future, even newer coal plants will begin closing. Meanwhile, it is almost impossible to get the permits necessary to mine steam coal – which has historically accounted for approximately 60 percent of the area's production.

The result of all this is a steep decline in production – from 168 million tons in 2008 to just 110 million tons in 2012 in West Virginia, and an even sharper decline in Kentucky. Employment has fallen just as steeply, with seemingly weekly announcements of another mine closing taking hundreds more jobs with it.

Yet the EPA, the White House and some of their friends in the media claim there is no war on coal, but even Obama's Science Advisor Daniel Shrag has admitted this war is being waged.

Shrag recently said. "Politically, the White House is hesitant to say they're having a war on coal. On the other hand, a war on coal is exactly what's needed."

Now you can make the claim — as some do – that other factors have hurt coal, and, yes, that is true, but the bottom line is that the Obama administration has single-handedly made it nearly impossible to get a permit to mine coal, forced the closure of hundreds of coal-fired power plants as well as now setting the stage for the closure of hundreds more over the next few years, and now they are trying to make it impossible to export our coal to countries who DO understand the value of cheap, affordable energy. Obama, Schrag and others are determined to destroy the coal industry and have been since Obama took office in January 2009.

Even before the election, Obama said plainly and simply that he would put in place regulations that would "bankrupt" anyone wanting to build a coal-fired power plant, and sadly that is one promise he has kept.

Today, our electricity grid is strained to meet demand – with rolling blackouts imposed in rural areas of the PJM Connections district as recently as three weeks ago. While these blackouts were couched as a "voluntary demand response" to meet temporary conditions, the reality - no matter how you cut it -- is that the grid was short of capacity and "voluntary" rolling blackouts were imposed to cut demand allowing the grid to avoid massive blackouts in urban areas.

I believe it is vital that we keep our electric generation grid nimble and able to readily switch between fuels, including coal, natural gas, oil and renewables. I remember clearly five years ago – before the beginning of the "Great Recession" – when our economy and the world's economy was humming along. We were screaming out for every ton of coal, every gallon of oil, every cubic foot of natural gas and every other source of energy we could find. Prices of all forms of energy were going out the roof because supply couldn't keep up with demand.

Hopefully, we will find our way out of the current economic downturn and restore our economy and that of the world to something approaching normal and when we do we will once again find our economy needing all sources of fuel.

If we retire coal-fired capacity and essentially shut the door to it in the future, we are setting the stage for a major inflationary spiral in our energy costs and with it the downstream costs of every other good in our economy.

We need to protect our coal-fired capacity in order to provide for the widest possible fuel choice down the road.

Just a few weeks ago, a group of local Democratic leaders went to Washington to try to discuss the issues with the new EPA. They came away believing it might be a new start but those ideas fell to the floor this past month when it became clear the EPA would announce new regulations that would effectively end the use of coal for electric generation. It is clear

that the Obama Administration and the national Democratic Party care nothing for the hard working men and women who mine coal for a living.

Sitting in the Senate is a basket of bills – already passed by the House of Representatives — that would effectively end the Obama War on Coal. However the bills are being stonewalled by the Obama Administration and its lapdog Senate President Harry Reid.

In closing, I simply observe that the president speaks a lot about economic justice and hope and promise. I would to use this hearing to directly ask the President, where is the justice for West Virginia and Appalachia? Where is the hope and justice for our coal mining families?

There are few other career options available for many of our miners, and by his actions, this president is effectively condemning them to lives of poverty and despair. Again, I ask where is the justice? Why are our families less important to you than others? Why don't we matter to you, Mr. President? Please, let us work and power America.

Mr. MURPHY. The gentleman's time is expired. We are going to try and see how fast we can get to the next couple witnesses, depending on how much time. They called a vote. We have 11 minutes left to get to the vote, so Mr. Weiss.

TESTIMONY OF DANIEL WEISS

Mr. WEISS. Thank you, Chairman Murphy, Ranking Member DeGette and members of the subcommittee. Thanks for the opportunity to testify on this important topic.

The Center for American Progress has great respect for the sacrifices that coal miners and their families have made for this Nation. They face working underground with the threat of cave-ins, explosions and fires, all while breathing in toxic pollution. Miners and their families have made genuine sacrifices and deserve real solutions to the economic challenges they face today, not the false hopes based on unsuccessful efforts to block essential public health protections.

The economic challenges of the coal industry are due to the following factors. Productivity has increased, allowing far fewer miners to produce more coal. There were 700,000 miners in 1923 while there are only 89,000 today. Each miner produces 15 times more coal compared to 90 years ago. Coal's competitiveness for electricity generation is declining with the advent of cleaner, less expensive power. Natural gas is only one-third the price it sold for in 2008. Wind and solar electricity has become more cost-competitive without the pollution coal produces. This price competition led to the announced retirement of aging, dirty, and often inefficient coal-fired power plants. The plants scheduled to close in Colorado, Kentucky, Pennsylvania and West Virginia were built an average of more than 50 years ago.

Coal's impact on public health has been widely recognized as hazardous. For instance, an American Lung Association study estimates that soot pollution from coal-fired power plants leads to 13,000 premature deaths annually. Pittsburgh and Harrisburg have the 8th and 19th most soot pollution in the United States. A Harvard Medical School study concluded that "the health damages conservatively doubles to triples the price of electricity from coal."

On the first anniversary of Superstorm Sandy, we must acknowledge the growing human and economic costs from climate change related to extreme weather. A Center for American Progress analysis estimates that federal taxpayers spent $136 billion on climate-related federal disaster recovery efforts over the past 3 years. Coal-fired power plants are the largest source of domestic climate pollution. Coal-fired electricity is only cheap if one ignores the health and economic costs.

There is a positive economic return on pollution rules and fewer job losses than predicted from them. The EPA estimates that for every dollar spent reducing mercury and toxic pollution from coal-fired power plants, it will yield $3 to $9 in health benefits, a return on investment that would make Donald Trump proud.

EPA found that its predictions of significant mining losses under the acid rain program of the Clean Air Act of 1990 did not occur. In 2001, EPA predicted there would only be 50,000 miners by 2010. In fact, there were 89,000 that year. Advances in technology, mar-

ket prices and health factors have increased the risk and price of using coal. These trends are expected to continue, requiring Congress to continue to help families and communities transition to sustainable jobs.

We would respectfully suggest this subcommittee consider two specific actions to increase opportunity for effective people and communities. First, reduce investment uncertainty created by regulatory confusion. By allowing EPA to proceed with commonsense rules to protect public health and the climate, companies will have the certainty they need to make pollution control investments, strategically plan for new business opportunities and cleaner energy technologies, and develop new employment opportunities. The draft bill by Representative Whitfield and Senator Manchin announced yesterday would prolong uncertainty, stalling investments while health and economic damages continue to mount. Second, develop a comprehensive community assistance strategy in order to help identify pathways for a prosperous future for affected families and communities. One important change would allow early vesting in retirement and pension plans for coal workers near retirement age. For younger workers, education and job training assistance should be offered as it was under the Clean Air Act of 1990. For those interested in developing carbon capture and storage technology to burn coal without carbon, the Government Accounting Office says the number one way to make that technology a reality is to have a limit on carbon pollution.

We would welcome the opportunity to work with you to develop these and other ideas, and we hope that you will soon have a hearing on the cost of inaction on climate change on public health and on taxpayers. Thank you.

[The prepared statement of Mr. Weiss follows:]

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Daniel J. Weiss
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Testimony on
"EPA's Regulatory Threat to Affordable Energy: The Perspective of Coal Communities"

House Committee on Energy and Commerce
Subcommittee on Oversight and Investigations
2123 Rayburn House Office Building
October 29, 2013

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Good afternoon Chairman Murphy, ranking member DeGette and the members of the Energy and Commerce Committee's Subcommittee on Oversight and Investigations. I am Daniel J. Weiss, a Senior Fellow at the Center for American Progress, a nonprofit organization dedicated to progressive values and ideas.

The topic of today's hearing is "EPA's Regulatory Threat to Affordable Energy: The Perspective of Coal Communities."

Coal is an important part of the story of Pennsylvania and this nation. It helped drive the industrial revolution, powering trains and steamships. Coal powered the iron blast furnaces used to make steel and weapons during World War II. The job opportunities associated with coal mining drew immigrants from around the world with the hope that their hard work in the mines would yield a better future for their families and the nation.

The Center has great respect for the sacrifices that coal miners and their families make for this nation. The challenges they face working underground, with the fear of cave-ins, explosions and fires, all while breathing in toxic materials that blackens lungs and skin. These individuals and families deserve real solutions to the economic challenges they face today.

These economic challenges are caused by the following factors.

- Increased mechanization and efficiency in coal production led to a significant decrease in the coal-based workforce.
- Coal's impact on public health has been widely recognized as hazardous and expensive.
- Coal competitiveness is declining with the advent of cleaner, less expensive natural gas, efficiency, and renewable energy.
- The evidence shows that there is a positive economic return on pollution regulations, and fewer job losses than predicted.

Advances in technology, market prices, and health factors have increased the risk and price of using coal. These trends are expected to continue, requiring Congress to assist coal communities' transition to cleaner jobs. Historically, these transition costs have been lower than predicted. We ask that the members here today encourage their colleagues to help coal communities adapt to

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the changing energy market with increased retirement options, job training and educational opportunities.

Coal-based employment has been decreasing due to market forces that impact production and use of coal

Over the past 100 years coal mining coal became more mechanized, increasing the productivity of each miner, and enabling coal companies to reduce their workforce. Data from the National Mining Association[1] reflects this change.

- In 1923, there were 704,793 U.S. coal miners that produced 565 million short tons of coal, with average productivity of 801 short tons of coal per miner per year.
- By 1989, one year before the Clean Air Act Amendments of 1990, the number of coal miners had been reduced by 81% from 1923 to 131,497 miners. Meanwhile coal production increased by 74% to 981 million short tons, and productivity increased by 831% to 7,457 short tons per miner per year.
- By 2010, the total number of U.S. coal miners was just over 86,000, representing an 88% drop in coal mining employment since 1923, with total production increasing by 92% since 1923, reaching 1,094 million short tons. Productivity has increased by 1,470% since 1923 with average coal production per miner per year reaching 11,780 short tons.

These productivity advances were responsible for 95 percent of job losses in coal mining according to a 2001 U.S. Environmental Protection Agency (EPA) analysis.[2]

In addition to advances in productivity, market forces in the electric power sector are driving utilities away from coal and towards other fuels for electricity generation. America's recent expansion of low-cost natural gas is a major reason for coal's reduced domestic use. At the *Wall*

[1] National Mining Association, "Trends in U.S. Coal Mining: 1923 – 2011," http://www.nma.org/pdf/c_trends_mining.pdf
[2] U.S. EPA, "Impacts of the Acid Rain Program on Coal Industry Employment," EPA 430-R-01-002, March 2001. http://www.epa.gov/airmarkets/resource/docs/coalemployment.pdf

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Street Journal's ECO:nomics conference in Santa Barbara earlier this year David Crane, CEO of NRG Energy noted that "Natural gas is in the process of wiping out the coal industry."[3]

The following are just a few of the advantages that natural gas-based electricity generation enjoys.

- The price of natural gas as a fuel source for electricity generation became less expensive and more stable. The Henry Hub natural gas spot was $8.86 per million BTUs in 2008. The expansion of shale gas supplies lowered this price to $2.75 per mmBTU last year – a two-thirds price decline.[4] (see figure 1)

- The Energy Information Administration projects that proportion of coal generated electricity will be 2 percent lower in 2020 compared to 2013 under existing policies.[5]

- The U.S. had a stockpile of underutilized gas-based electricity capacity that was quickly able to capitalize on changing commodity costs.

- Natural gas-fired power plants are generally more energy efficient, thus giving them a competitive edge even when gas prices increases. The coal power plants to be retired in Pennsylvania are inefficient and old – they were built an average of 56 years ago.

- New natural gas plants are easier to site and cheaper and faster to build.

- Gas-fired power plants have greater flexibility on start-up and shut down, enhancing their grid integration and reliability value.

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[3] Wall Street Journal, "Natural Gas: Killing Coal and Nuclear, and Maybe the Grid", Cassandra Steel, March 21, 2013. http://blogs.wsj.com/corporate-intelligence/2013/03/21/natural-gas-killing-coal-and-nuclear-and-maybe-the-grid/

[4] Source: U.S. Energy Information Administration, "Henry Hub Gulf Coast Natural Gas Spot Price," available at http://www.eia.gov/dnav/ng/hist/rngwhhdA.htm (last accessed October 29, 2013).

[5] Source: U.S. Energy Information Administration, "Electricity Supply, Disposition, Prices, and Emissions, Reference case," available at http://www.eia.gov/oiaf/aeo/tablebrowser/#release=AEO2013ER&subject=6-AEO2013ER&table=8-AEO2013ER&region=0-0&cases=early2013-d102312a (last accessed October 2013).

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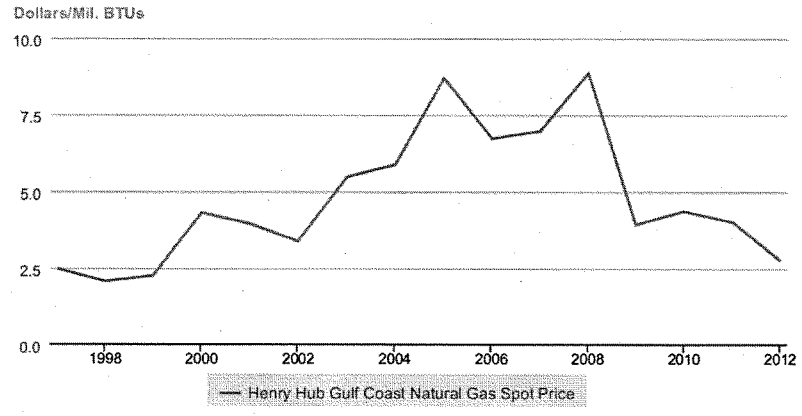
Figure 1

Henry Hub Gulf Coast Natural Gas Spot Price



eia Source: U.S. Energy Information Administration

Coal is also getting outcompeted in the market because of its impact on public health

While the production and combustion of all fossil fuels have environmental impacts, the impact of coal use is most detrimental to the health of Pennsylvanians and other Americans. Compared to natural gas, on a pounds-per-billion BTU of energy input basis, the burning of coal releases:

- significantly greater amounts of toxic mercury pollution;
- 420% more carbon monoxide;
- 397% more nitrogen dioxides;
- almost 260,000% more sulfur dioxides,
- 39,000% more particulate matter, and

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- 78% more carbon pollution.[6]

This is a staggering difference in air pollution, with real public health and economic costs.

A 2011 study published in the American Economic Review – a publication of the American Economic Association- found that the largest industrial contributor to environmental "externalities" – or side effects -- is coal-fired electricity. It is responsible for more than one-fourth of the gross external damages (GED) to the entire U.S. economy. According to the study,

> Increased mortality is by far the largest component of the GED from coal-fired facilities, explaining 94% of the damages. Most of the mortality impacts are caused by SO2 [sulfur dioxide] emissions with a smaller amount due to discharges of PM 2.5 [small particles or soot] and NOx. [nitrogen oxides][7]

A 2011 report from the American Lung Association estimated that soot pollution from power plans causes approximately 13,000 premature deaths annually.[8] A research team led by the late Harvard Medical School Professor Paul R. Epstein examined and quantified the full lifecycle costs of coal and found:

> Each stage in the life cycle of coal—extraction, transport, processing, and combustion—generates a waste stream and carries multiple hazards for health and the environment. These costs are external to the coal industry and are thus often considered "externalities."
>
> We estimate that the life cycle effects of coal and the waste stream generated are costing the U.S. public a third to over one-half of a trillion dollars annually. Many of these so-called externalities are, moreover, cumulative. Accounting for the damages conservatively doubles to triples the price of electricity from coal per kWh generated.[9]

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[6] U.S. Energy Information Agency. "Natural Gas 1998: Issues and Trends." DOE/EIA-0560(98), April 1999. http://www.eia.gov/pub/oil_gas/natural_gas/analysis_publications/natural_gas_1998_issues_trends/pdf/it98.pdf

[7] Muller, Nicholas Z., Robert Mendelsohn, and William Nordhaus. 2011. "Environmental Accounting for Pollution in the United States Economy." *American Economic Review*, 101(5): 1649-75. Quote on page 1669. http://pubs.aeaweb.org/doi/pdfplus/10.1257/aer.101.5.1649

[8] American Lung Association, "Toxic Air: Time to Clean Up Coal-Fired Power Plants." March 2011, http://www.lung.org/about-us/our-impact/top-stories/toxic-air-coal-fired-power-plants.html

[9] Paul R. Epstein, Jonathan J. Buonocore, Kevin Eckerle, Michael Hendryx, Benjamin M. Stout III, Richard Heinberg, Richard W. Clapp, Beverly May, Nancy L. Reinhart, Melissa M. Ahern, Samir K. Doshi, and Leslie Glustrom. 2011. Full cost accounting for the life cycle of coal in "Ecological Economics Reviews." Robert Costanza, Karin Limburg & Ida Kubiszewski, Eds. Ann. N.Y. Acad. Sci. 1219: 73–98. http://solar.gwu.edu/index_files/Resources_files/epstein_full%20cost%20of%20coal.pdf

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Coal fired electricity is only cheap if one ignores the costs of damage to human health.

Pennsylvania suffers from coal-fired electricity related air pollution. The American Lung Association's "State of the Air Report 2013 found significant health threats there posed by it.

- Nationally, Pittsburgh is the 8th most soot polluted city, and 24th for ozone smog pollution.
- The Pittsburgh-New Castle PA metropolitan area has 2.5 million people who breathe this air, including nearly 49,000 children with asthma who can have asthma attacks triggered by breathing air pollution.
- Harrisburg ranked 19th national for its soot pollution.
- Harrisburg has more than 687,000 people, including more than 186,000 suffers from cardiovascular disease that risk heart attacks by breathing this pollution.
- Philadelphia was 10th most polluted with soot, and 20th with ozone smog.
- Allentown ranked 14th most polluted for year-round soot levels.[10]

These sobering facts illustrate a clear market failure – the cost of coal-fired power production does not reflect its true cost to our health or the economy. Economists would say that coal is currently underpriced.

In spite of subsidies, coal competitiveness is declining

The economic hardship that coal communities face is directly related to coal's inability to cleanly and economically compete with natural gas and other cleaner sources of electricity. This occurs despite ample federal and state subsidies for the coal industry. A 2013 report by the Environmental Law Institute found that the federal government provided over $25 billion in financial support for coal production, transportation, use and waste disposal between 2002-2010, with over $16 billion of these benefits due to preferential tax treatment of coal.[11]

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[10] American Lung Association. "State of the Air 2013," 2013, http://www.lung.org/associations/states/california/assets/pdfs/sota-2013/sota-2013-full-report.pdf

[11] Environmental Law Institute, "Estimating U.S. Government Spending on Coal: 2002-2010", September 2013, http://www.elistore.org/reports_detail.asp?ID=11462

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In Pennsylvania, the purchase and use of coal is exempted from state sales tax, a subsidy valued at almost $120 million during the 12 month, 2011-2012 fiscal year.[12] The purchase of equipment, machinery, parts, foundations and supplies used directly in mining are also exempt from Pennsylvania sales tax, at a cost unknown to the taxpayer.

Public health regulations are historically less costly than expected

In spite of this taxpayer support for the industry, coal is becoming less competitive in the markets and the public concerns about its harm to our health and the economy. EPA's efforts to reduce mercury, carcinogenic and carbon air pollution, hazardous wastes, and water contamination are critical to the health of Pennsylvanians and all Americans.

EPA's safeguards from mercury, toxics, and carbon pollution will internalize some costs for coal fired electricity, but the costs of these rules are far less than the value of the benefits to the public. For example, EPA estimates that for every dollar spent to reduce mercury and other toxic pollutants, Americans receive $3-9 in health benefits in return.[13]

The actual costs of EPA environmental rules have historically been much less than what industry or EPA projected. For instance, the Edison Electrical Institute estimated that EPA's acid rain reduction program to reduce sulfur and nitrogen pollution would cost ratepayers $7.1 billion annually. The Office of Management and Budget evaluated the program in 2003 and found that actual costs were between $1.1 and $1.3 billion per year, with the benefits of the program valued at $118 - $177 billion annually[14] – a return on investment that would make Warren Buffet proud.

In addition, net job loss in the coal sector from the acid rain program implementation ended up to be half of what was initially projected by EPA.[15] The 2001 study predicted that "by 2010, approximately 50,000 coal miner jobs are projected to remain."[16] The Mine Safety and Health

[12] Citizens for Pennsylvania's Future, "Pennsylvania Fossil Fuel Subsidies: An Overview," Christina Simeone, December 2011. http://www.pennfuture.org/UserFiles/File/FactSheets/Report_FossilFuelSubsidy_201112.pdf
[13] U.S. EPA, "EPA Fact Sheet: Mercury and Air Toxics Standards," December 2011, http://www.epa.gov/mats/pdfs/20111221MATSimpactsfs.pdf
[14] The Pew Environment Group, "Industry Opposition to Government Regulation", October 2010. http://www.pewenvironment.org/uploadedFiles/PEG/Publications/Fact_Sheet/Industry%20Clean%20Energy%20Factsheet.pdf
[15] U.S. EPA, "Impacts of the Acid Rain Program on Coal Industry Employment", EPA 430-R-01-002, March 2001. http://www.epa.gov/airmarkets/resource/docs/coalemployment.pdf
[16] Ibid

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Administration reported that there were over 89,000 miners in 2010 – 68 percent more than the 50,000 EPA predicted in 2001.[17]

There is another huge cost of ignoring air pollution from coal-fired power plants. Along with additional death, illnesses, and lost productivity, the cost of climate-change related economic disruption continues to grow. For instance, a CAP analysis estimated that taxpayers spent $136 billion on the clean-up of the most severe climate related extreme weather events in FY 2011-13.[18] This was $400 per household per year.

The disaster relief for Superstorm Sandy, which hit New Jersey and New York one year ago today, cost more than $60 billion in taxpayer dollars alone. According to a peer reviewed paper authored by researchers from the National Oceanic and Atmospheric Administration (NOAA) and National Center for Atmospheric Research, there is increasing trends in both the annual frequency of billion-dollar weather and climate disaster events and in the annual aggregate loss from these events. Their study examined data from 1980 – 2011 found this trend amounts to a 5 percent per year increase in the frequency of billion-dollar disasters, and they further believe that this is likely an underestimation of average loss.[19]

Solutions

Any job loss has real impacts on families and communities. The federal government has an important role to play in working with the affected states to minimize the impacts of these changes. We would like to work with the chairman and other members of the subcommittee to develop strategies and programs to help miners and others displaced from their jobs as the result of changes in our energy use. We would respectfully suggest this subcommittee consider two specific actions to increase opportunities for coal communities.

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[17] U.S. Mine Safety and Health Administration. "Number of Operator Injuries, Injury-Incidence Rates, Average Number of Employees, Employee Hours, and Production by Type of Coal Mined and Work Location." U.S. Department of Labor. January-December 2010. http://www.msha.gov/STATS/PART50/WQ/2010/table1.pdf

[18] Daniel J. Weiss and Jackie Weidman, "Disastrous Spending: Federal Disaster-Relief Expenditures Rise amid More Extreme Weather," Center for American Progress, April 29, 2013, available at http://www.americanprogress.org/issues/green/report/2013/04/29/61633/disastrous-spending-federal-disaster-relief-expenditures-rise-amid-more-extreme-weather/

[19] Smith, A., and R. Katz, 2013: U.S. Billion-dollar Weather and Climate Disasters: Data Sources, Trends, Accuracy and Biases. *Natural Hazards*, DOI 10.1007/s11069-013-0566-5. http://www1.ncdc.noaa.gov/pub/data/papers/smith-and-katz-2013.pdf

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First, reduce investment uncertainty created by regulatory confusion. By allowing EPA to move forward with common sense rules to protect public health and the climate, companies will have the certainty they need to make pollution control investments, strategically plan for new business opportunities in cleaner energy technologies, and develop new employment opportunities for displaced workers.

Pennsylvania is the fourth largest coal producer in the nation and slightly less than half of the electricity Pennsylvania generates comes from coal-fired power plants. However, Pennsylvania employed only 8,665 people in direct coal mining jobs in 2011.[20] In contrast, clean energy provides more opportunities. For example, a 2010 report from the Pennsylvania Department of Labor and Industry found that there were:

- 65,000 jobs in the energy efficiency sector;
- 41,000 jobs in renewable energy and resource sustainability;
- over 30,000 jobs in pollution prevention;
- almost 24,000 jobs in environmental training and compliance;
- 11,600 jobs in environmental cleanup; and,
- 10,522 job in emissions reduction.[21]

All told, this is over 183,000 direct jobs in the clean energy and environmental sustainability sectors. Moreover, the clean energy and environmental sustainability sectors are growing. This is where job opportunities for coal communities could be found.

Second, develop a comprehensive strategy to assist affected communities to help them identify and pursue pathways to a prosperous future. One important change would allow early vesting in retirement and pension plans for coal workers near retirement age. For younger workers, education and job training should be offered. Tile XI, Section 1101 of the Clean Air Act Amendments of 1990 amended the Job Training Partnership Act to create the "Clean Air

[20] U.S. EIA, Table 21. Coal Productivity by State and Mine Type, 2011, 2010. http://www.eia.gov/coal/annual/pdf/table21.pdf

[21] PA Department of Labor and Industry, "The Pennsylvania Green Jobs Survey Report," December 2010 http://www.portal.state.pa.us/portal/server.pt?open=space&name=Dir&psname=SearchResult&psid=7&cached=true&in_hi_userid=2&control=OpenSubFolder&subfolderID=134700&DirMode=1

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Employment Transition Assistance Program" (CAETAP). From 1992-1996, the program invested $83 million to provide training and readjustment aid to 6,366 workers dislocated as a result of their employer's compliance with the Act.[22] This included investing $1.4 million to aid 543 workers in Pennsylvania.[23] As part of a broader strategy, this committee could consider providing greater resources to this program in order to help impacted coal communities.

In Pennsylvania, we have seen communities revitalized through cleaner energy opportunities. Towns like Ebensburg, Pennsylvania – which at was hard-hit by the decline of the U.S. steel industry - saw a resurgence after the Pennsylvania legislature passed a law to promote renewable energy, attracting foreign investors to develop a wind turbine manufacturing plant there.

There are also new job opportunities in Pennsylvania in the natural gas development sector. Rather than importing workers from other states to develop Pennsylvania's shale gas resource, as was done in the early stages of Marcellus Shale development, gas companies are trying to train and develop more local talent[24] in areas such as drilling, heavy equipment operators, general laborers, and commercial truck drivers.

Across the country in Washington State, environmentalists and the owners of the Centralia coal power plant worked together to develop a staged shut-down plan where the coal plants would be taken off line over time, allowing the plant's 250 employees time to transition to other employment. TransAlta, the coal plant owner, also contributed $55 million to help the region diversify its job base and create new opportunities for its workers, with $30 million for a community investment fund for energy efficiency and $25 million to support innovative energy technologies.[25] Coal workers are hardworking, and with the right training and education, they can take advantage of job opportunities in other energy sectors in Pennsylvania.

Many American industries have developed, grown and contracted, with significant consequences for individuals, communities and the economy. Examples range from steel production and auto manufacturing, to video rental stores, photofinishing, newspaper publishing, and more. Thankfully, the ingenuity and entrepreneurial spirit of America always finds new opportunities

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[22] U.S. EPA, "Impacts of the Acid Rain Program on Coal Industry Employment", EPA 430-R-01-002, March 2001 http://www.epa.gov/airmarkets/resource/docs/coalemployment.pdf

[23] Ibid.

[24] American Natural Gas Alliance. "Workforce Development in the Natural Gas Industry." http://www.anga.us/media/content/F7D1441A-09A5-D06A-9EC93BBE46772E12/files/workforce%20development%20in%20the%20natural%20gas%20industry.pdf

[25] Sierra Club, "Kick Coal, Save Jobs Right Now", http://www.sierraclub.org/sierra/201201/kick-coal-save-jobs.aspx

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to transform, prosper and profit. We believe coal communities should receive federal assistance that will empower them to take advantage of growth opportunities that will enable long-term job security. From our perspective, this means understanding the limitations of what the coal sector will offer in the future and providing resource to help these communities explore more attractive opportunities.

Thank you for the opportunity to testify today. I will be happy to answer any questions you may have.

Mr. MURPHY. I think at this point we are going to take a quick break so members can get over and vote and come right back, so we will be as quick as possible. Don't go anywhere, please. We will be back probably within about 10 minutes. Thank you.

[Recess.]

Mr. MURPHY. We will commence our hearing here, and now turn to Mr. Lund, recognized for 5 minutes. Go ahead.

TESTIMONY OF OLEN LUND

Mr. LUND. Thank you. Chairman Murphy and committee members, thank you for the opportunity to speak to you today. I went through my notes here and marked a lot of things off to try and be short and quick but you have already gone and done your thing now, so I can wander on.

My name is Olen Lund. I am a former Delta County Commissioner, so I understand well the impacts that coal mining have on our local economy. For explanation, Delta County is a midsized county in western Colorado with the primary industries of agriculture and coal. I guess it is important to note at this point that neither I nor any member of my family has ever been directly employed by a coal mine. The nearest thing is that when I was in high school, I did some work for an environmental research firm, did some surface environmental air quality evaluation stuff for a new mine that was being set up.

I am here basically to speak on behalf of my neighbors and friends. I want to also note that nobody is paying my way. I came here, and it is a long ways, as Representative DeGette will vouch. I came here on my own. A lot of people were excited literally that I am here and testify for them.

What I want to talk about or try to convey is that there is more than just impact on jobs, there is more than impact on families but really there are impacts on the communities. That is what I want to talk about. Coal mines, there are three coal mines basically. Two of them are in a neighboring county but because of the topography, nearly all of the workers live in Delta County. All of the coal is shipped out by railroad that comes through Delta County, so really, Delta County is the location where the most impact from the coal mines occurs. The one coal mine that is in Delta County is the number one property taxpayer in the county. The interesting thing to note is, after that, the next largest is the railroad company, Union Pacific Railroad Company, which has a spur that serves the coal mines. Although it is not exclusively dedicated to the mines, the vast majority of the freight that the railroad hauls is the coal produced by the mine. The next largest taxpayer is the rural electric co-op, the Delta Montrose Electric Association. So it permeates extensively. It permeates the income of the county. Somewhere between 900 and 1,000 people, which is almost 10 percent of the workforce of Delta County, is employed by those three mines.

Coal production is like any other business that employs people. There are questions, I guess, different numbers that are thrown out, but we figure those dollars turn over seven times within the community, giving the community its wealth. If you close the mine, or the mines, in this case, you not only lose the primary jobs of production, you also lose the jobs that support those primary jobs. In

other words, you lose the banks, the grocery stores, the dry cleaners, car dealerships, the mechanics, parts stores, et cetera. In government services, also, you definitely lose clinics and hospitals. You even lose the gift shops. I had one person I talked to as I was talking to different ones about coming here and what I would say who told me of a gift shop that their family ran, and as long as the coal mines were working, they did well, but as soon as the coal mines faltered, they didn't have the income and the gift shop went out of business. That is the case with a lot of small businesses. I just picked out gift shop because typically you would think of that as more of a tourism-type business.

As I mentioned earlier, I have talked to a lot of people in the past few days and asked them what I should share with you. Almost invariably I have been told that if the mines shut down, it would be devastating to the local society and then our society would dry up. I don't think that that is the most effective way to tell you just what the situation is. I see that I am getting low on time here so I won't go further. I have gotten written testimony to really explain how these things affect the community as a whole, not just those production jobs that are lost.

In summary, I would like to certainly thank the committee for the opportunity to speak here and look forward to answering any questions that I can.

[The prepared statement of Mr. Lund follows:]

MEMO

From: Olen Lund
Subject: testimony to U.S. House Oversight & Investigations Subcommittee of the Energy & Commerce Committee
Date: October 29, 2013

I am a former Delta County Commissioner so I understand well the impacts that coal mining have on our local community. Delta County is a mid-size county in Western Colorado with the primary industries of agriculture and coal mining. The coal mining and agricultural industries in Delta County have always had a symbiotic relationship. Throughout the years the revenue generated by local coal mining has provided many people the opportunity to operate small family businesses, including farming and ranching.

I was born and raised on a family farm, located on the floor of the North Fork River Valley. In recent years over 40% of the coal produced in Colorado has been come from 3 underground mines in the North Fork Valley and goes through our farm on its way to market. Of those 3 mines, the one in Delta County is the largest property taxpayer in the county and the 2 in neighboring Gunnison County are the 2 largest property tax payers there. In fact, with its surface facilities located in Gunnison County, but while mining underground in Delta County, one of the mines was the second largest property tax payer in both counties simultaneously! After the coal mines themselves, the next largest taxpayers are the Union Pacific Railroad Company and the Delta Montrose Electric Association. Even though the railroad spur is not dedicated exclusively to the mines, the vast majority of the freight the railroad hauls is coal produced by the mines. And the largest customers of the rural electric co-op are the coal mines.

The Delta Montrose Electric Association, of which I am currently a director, is looking at a 7% to 8% rate increase for next year simply because the cost of our wholesale power is skyrocketing. By streamlining and downsizing, essentially by reducing the services of our electricity distribution system, we have been able to absorb the increasing wholesale power costs. But now we've exhausted not only our monetary reserves, but also our ability to reduce services any further and yet provide acceptable service. Most of the power we distribute locally is generated by coal, albeit not locally mined coal, but we continue to be constrained by contracts entered into when coal was still the most economical energy source. We now have to charge our customers for the added regulations and mandates placed on coal fired electricity generation. We are allowed to generate only the remaining 5% locally.

Somewhere between 900 and 1000 people (nearly 10% of the workforce) employed by the 3 local mines reside in Delta County. The topography is such that even though 2 of the mines are in Gunnison County, very few of the employees live there. The second largest single employer in the county is the Delta County Joint School District.

Coal production is like any other business that employees people. Those dollars turn over 7 times within the community giving the community its wealth. If you close the mine, you not only lose the primary jobs of production, you lose the jobs that support those primary jobs. In other words

you lose the banks, the grocery stores, the dry cleaners, the car dealerships, the mechanics, the parts stores, the clinics and hospitals, plumbers, all your utilities, and others. Even the gift shops, as I'll explain later. In fact, the mayor of one of the municipalities in Delta County shared with me just Sunday evening how he is concerned that our local economy is already starting to spiral downward. Only 150 miners have been laid off so far, but even now he is looking at having to lay off some city employees. His municipality is already trimmed to where it provides only the basic public works support (water & sewer) and public safety. He is very concerned for the health, safety, and general welfare of his constituents if that downward spiral continues.

Most public infrastructure capital improvement projects in the rural areas of Colorado are funded by severance taxes levied against natural resource production (coal, natural gas, & timber in Delta County). Severance taxes are collected and distributed by the State of Colorado through the Department of Local Affairs.

I've talked to a lot of local people in the past few days and asked them what I should share with you. Almost universally I've been told that the result of the local coal mines shutting down would be "devastating" and that our local communities would "dry up." But I think the most effective way for me to communicate to you the importance of coal mining to our local community is to describe to you the experiences of some of my neighbors. Although I have time for just a couple of stories, please keep in mind that everyone in the community is directly affected.

Originally the mines developed in our valley as a way for the local farmers to generate some winter income. The mines opened up in the fall after the field work was done, and closed again in the spring when the farmers needed to get back in their fields. Although the mines now operate continuously throughout the year, it is still not uncommon for area ranchers and farmers to work in the mines. We jokingly say that that is the only way they can afford their habit!

Some of my neighbors have been able to more than simply support their hobby, but have been able to save and invest their wage income to establish successful business enterprises outside of mining. Several former coal miners now have small, but successful enterprises of their own. One friend worked for several years in the mines and invested his wages so that now he has a thriving "naturally grown" fruit and vegetable business.

The value of the cash infusion to our local community goes further than direct payment of wages from the mines. I have other neighbors that now have a thriving family cattle ranch that they were able to get established by saving their earnings from teaching school. Those school teaching jobs would not have been available without the local economy to support a vibrant school system. In this regard there is nothing special about being employed by the school district. Others have done the same thing by working in local business establishments that would not, in fact could not, exist without the availability of that money generated by the coal mines.

One friend I talked with, told me of the gift shop her mother ran. As long as the coal mines were paying wages, business was good, but as soon as the coal mines hit faltered the gift shop went under. That is the case with nearly every small business in the area. As I stated earlier the local community lives and dies with the fortunes of the local coal mines.

Mr. MURPHY. Thank you, Mr. Lund.

Mayor Fetterman, you are up, and I apologize for saying you are north of the city of Pittsburgh. You are southeast on the beautiful Monongahela River across from Kennywood. Thank you. You are recognized for 5 minutes.

Mr. FETTERMAN. What was that?

Mr. MURPHY. I was just saying when I introduced you before, I had mistakenly said north. I know that you are not north of the city of Pittsburgh.

TESTIMONY OF JOHN FETTERMAN

Mr. FETTERMAN. That is OK. Chairman Murphy and everyone, thank you for the opportunity to share my thoughts today. My name is John Fetterman and I am the Mayor of Braddock, Pennsylvania.

Braddock is a small town on the Monongahela River where both the steel industry and Andrew Carnegie got their start with the founding of the Edgar Thompson steel plant in 1875. Braddock is hardcore blue collar and the quintessential mill town. So much so that Hollywood recently filmed a $40 million movie about life in a mill town starring Christian Bale, Woody Harrelson and Forrest Whitaker that is being released in December.

During the second half of last century, my community sustained a 90 percent population loss and is perhaps the poorest community in the Commonwealth. There is no one testifying today, or any day, before this body that can outflank Braddock in terms of economic hardships, the importance of good jobs, and the lessons of the free market

Many of the people speaking today are paid to present you with what I respectfully believe is a false choice: that we as a society must choose between a healthy environment or healthy industry.

As the parents of two children under the age of 5 and a wife that is expecting a third, my wife and I are grateful the last functioning steel mill in the entire region is in our community, grateful for the jobs it provides, grateful for the tax revenue it provides, grateful for the sense of pride it instills. However, as parents, we are also grateful for the appropriate environmental controls, safeguards and protections that the EPA and other government regulations provide.

You see, my family and I live directly across the street from the Edgar Thompson steel mill, which runs 24/7 365 days a year. My family and I are the living embodiment of healthy coexistence of regulation and industry. Yet another example——

Mr. MURPHY. Is your microphone not working? Mr. Pippy, if you could put your microphone towards him too, that might help.

Mr. FETTERMAN. Coke, of course, is a product of coal. However, it seems that the primary reason—and thankfully, we do not have to choose between jobs and our health, and I don't believe anyone here today has to do the same, especially since the primary reason we believe that the coal industry is facing challenges are due to some of the fundamental free market forces that favor natural gas.

However, do not take this small town mayor's word for it. A much more informed spokesman of it is the president of Consol Energy, the largest producer of coal in the eastern United States, and

on Monday, Consol sold five of their largest coal mines to a private buyer. The company, Consol, based in Pittsburgh said on a conference call with reporters that five mines being sold to the privately held Murray Energy in the transaction are worth $3.5 billion to $4.4 billion, and they are a "very profitable business and a very stable business." Furthermore, from the New York Times, Consol is planning to increase natural gas production 30 percent a year for the next 3 years, and in the next 10 years will invest $14 billion in developing Marcellus shale in West Virginia and nearly $8 billion in Marcellus shale in Pennsylvania along with, of course, retaining $2.5 billion in Pennsylvania coal mines that it is retaining. Thus, according to Consol, the largest producer of coal in the eastern United States, not only are they drastically ramping up their investment in natural gas to the tune of $22 billion, their current book of business is "a very profitable, very stable," readily found a buyer and are retaining billions in coal holdings in my home State of Pennsylvania.

Very respectfully, this does not sound like an industry under siege. Instead, it sounds like an industry responding to the free market, something traditionally considered a virtue, particularly for our friends across the aisle. Increasing our domestic energy production and moving towards energy independence is something we as Americans can all be proud of. Government should not be in the business of picking industry winners and losers; that is the job of the free market. Government should be in the business of protecting its citizens with sensible environmental legislation, including regulating carbon.

Thank you.

[The prepared statement of Mr. Fetterman follows:]

Testimony of Mayor John Fetterman
Before the Subcommittee on Oversight and Investigations
"EPA's Regulatory Threat to Affordable, Reliable Energy: The Perspective of Coal Communities"

My name is John Fetterman and I am the Mayor of Braddock, Pennsylvania. I chose to spend eight hours of driving time, at my own personal expense, to share a few minutes of testimony with you today.

Braddock is a small town on the Monongahela River where both the steel industry and Andrew Carnegie got their start with the founding of the Edgar Thompson steel plant in 1875.

Braddock is hardcore blue collar and the quintessential mill town. So much so, that Hollywood recently filmed a $40 million dollar movie about life in a mill town starring Christian Bale, Woody Harrelson and Forrest Whitaker that is being released in December.

My community sustained a 90% population loss and is perhaps the poorest community in the commonwealth. There is no one testifying today, or any day, before this body that can outflank Braddock in economic hardship, the importance of good jobs, and the lessons of the free market.

Many of the people speaking today are paid to present you with a false choice; that we as a society must choose between a healthy environment and healthy industry.

As the parents of two children under the age of 5 (and expecting our 3rd), my wife and I are grateful the last functioning steel mill in the entire region is in our community. Grateful for the jobs it provides. Grateful for the tax revenue it provides. Grateful for the sense of pride it instills.

However, as parents, we are also grateful for the appropriate environmental controls, safeguards and protections the EPA and other governmental regulations provide.

You see, my family and I live directly across the street from the Edgar Thompson steel mill, which runs 24/7/365. My family and I are the living embodiment of healthy coexistence of regulation and industry. Thankfully, we do not have to choose between jobs and our health and neither do you today.

This specially true because the primary reason the coal industry is facing challenges are due to fundamental free market forces that favor natural gas.

However, do not take this small town mayor's word for it. A much more informed spokesman on the coal industry is Mr. Nicolas DeIuliis who is the president of Consol Engery, the largest producer of coal in the eastern United States on Monday, sold five large coalmines to a private buyer.

"Consol, which is based in Pittsburgh, said in a conference call with reporters that the five mines being sold to the privately held Murray Energy in the transaction, worth $3.5 billion to $4.4 billion, were "a very profitable business, a very stable business."

Furthermore, according to the New York Times:

"Consol is planning to increase its natural gas production by 30 percent a year for the next three year... and in the next 10 years will invest $14 billion in developing the Marcellus Shale field in West Virginia and nearly $8 billion in the Marcellus Shale field in Pennsylvania, along with $2.5 billion in Pennsylvania coal mines that it is retaining."

Thus, according to Consol, the largest coal producer in the Eastern US, not only are they drastically ramping up investment to the tune of $22 billion in natural gas, their current book of coal business was "very profitable and very stable", readily found a buyer, and are retaining billions in coal holding in my home state of Pennsylvania.

This does not sound like an industry under siege. Instead, it sounds like an industry responding to the free market, something traditionally considered a virtue, particularly for our friends across the aisle.

Increasing our domestic energy production and moving towards energy independence is something we as Americans can all be proud of. Government should not be in the business of picking industry winners and losers; that is the job of the free market.

Government should be in the business of protecting its citizens with sensible environmental legislation, including regulating carbon.

Thank you.

Mr. MURPHY. Thank you.

Mr. Pippy, you are recognized for 5 minutes.

TESTIMONY OF JOHN PIPPY

Mr. PIPPY. Thank you, Chairman Murphy, Ranking Member DeGette, members of this House Subcommittee. It is a privilege to be here with you today. As you heard, my name is John Pippy. I have the privilege of being the CEO of the Pennsylvania Coal Alliance. I will give you a little snapshot of Pennsylvania coal. We represent the bituminous side. Pennsylvania ranks fourth when it comes to coal mining in the country. We have over 41,000 jobs, a $7.5 billion impact, and we have a significant role in the electricity production in our Commonwealth, over 42 percent. A lot of people talk about jobs and living wages and the economy. Well, a coal miner in Pennsylvania averages about $75,000 a year. That is $30,000 more than your average other job in the Commonwealth, which is $45,000.

We are very proud of what we have in Pennsylvania. We have a very robust natural gas industry. Many of the members of my coal alliance actually have holdings on that side because of Marcellus shale is underneath the bituminous shale or the bituminous coal in western Pennsylvania, so there is a synergy there, and there are market forces. We don't shy away from that, and we would actually tell you that by 2017, the Department of Environmental Protection in Pennsylvania says that our CO_2 levels will be below our 2005 CO_2 levels. That will be a 17 percent reduction. By the way, ironically, that is exactly what the President is asking for in his carbon reduction plan. So if you get out of our way, we could actually get it done with our market forces.

One of the things we like to argue and talk about many times is that coal right now is suffering with three challenges. The first two are normal. One is the economy. No one is arguing that we are out of the recession yet, and that is having a tremendous impact on the metallurgical and the export markets but it is also having a tremendous impact in the energy usage side. So that is the market. Natural gas right now is at one of the lowest it has ever been, and no one is arguing again, although I would point to, 2010 natural gas was at about $2.50 something MCF. Last year it was about $3.50 MCF. Once it hits $4, you start dispatching coal. In 2013, coal has seen an increase of 8 percent in the United States over natural gas. But that is a market fluctuation. No one argues that. We expect it. We anticipate we can deal with it.

The third part of what we are here to talk about today, which is the regulatory burden that the EPA in particular is putting on us, but most egregiously right now is the new standards that would limit CO_2 emissions to a level that is not reachable with current technology. Now, back in 1992 when I was at West Point, I was the first class to graduate as an environmental engineer. It was an up-and-coming field. I believe in technology and it can help make the world a better place and help us deal with the legacies we have had in the past. However, we have to recognize what is occurring.

My friends will say that natural gas is going to continue to be cheaper. That is just not true. Use your own numbers from the EIA. Right now they are anticipating this year will be about $4

MCF. By 2020 it will be over five, coal will still be under four. By 2030, it will be $8. By 2040, it will be $12 MCF. In 2040, coal is predicted to be at $5. So you either want to have twice the cost of energy or we can have a balanced portfolio, which I would argue is in the best interest.

Now, I was going to originally talk about Greene County in particular, but because of limited time, I will just address some of the challenges that we are facing and some of the comments that have been said. Greene County is our largest coal-producing county. They make about 85,000. You can read the testimony. Some have argued, we have people in the room today that we deserve to get involved with the climate change. I would argue 100 percent. As an environmental engineer, we need to have that debate. But when you have that debate, you have to tell the people the truth. You have to tell them that U.S. coal emissions are less than 3 percent of manmade emissions, which are less than 3 percent of total greenhouse gases, that if we completely eliminate CO_2 from our coal producing, we would have a minimal impact on the global greenhouse gas emission. And these are all numbers that aren't coming from the Coal Alliance. They are coming from your own government. So I would argue that if you care about global climate issues, we would be looking at a global solution. I am OK with the hand of the free market being engaged. That is normal. That is innovation. That is technology. That is what American is made of. What I am concerned about is the sledgehammer of government slamming us with a regulation that is not achievable with current technology. Please look at your own numbers and you will see that even they are predicting that we won't be able to get there until 2025 at the earliest. If we get there in 2025, give us a regulation in 2025, not right now.

I appreciate the opportunity to testify, and thank you so much for your time.

[The prepared statement of Mr. Pippy follows:]

Testimony Before the House Subcommittee on Oversight and Investigations

RE: EPA's Regulatory Threat to Affordable, Reliable Energy: The Perspective of Coal Communities

Tuesday, October 29, 2013
2123 Rayburn House Office Building
2:00 p.m.

John Pippy
CEO
Pennsylvania Coal Alliance
pacoalalliance.com

Good afternoon.

Mr. Chairman and members of the House Subcommittee on Oversight and Investigation, my name is John Pippy and I am CEO of the Pennsylvania Coal Alliance.

PCA is the principal trade organization representing underground and surface bituminous coal operators in the Commonwealth and the businesses that service and supply the industry.

PCA appreciates this opportunity to provide our perspective on the potential effects of EPA's regulatory actions on jobs and the local economies of Pennsylvania's coal communities.

SNAPSHOT OF PENNSYLVANIA COAL

Coal remains a primary energy industry in Pennsylvania:

- The Commonwealth is the 4th leading coal producing state in the nation with total annual production of about 68 million tons. Most of this production comes from 40 underground and 291 surface bituminous coal mines located in southwestern Pennsylvania.

- The mining industry is a significant contributor to Pennsylvania's economy with an annual economic worth valued at over $7 billion.

- It is a jobs creator responsible for 41,500 direct and indirect jobs with a payroll totaling over $2.2 billion per year. These are high-paying family sustaining jobs. The average annual average wage of a coal miner totals $75,000 per year, easily outpacing the state's average private sector salary of $45,000 per year. Taxes on these wages alone netted more than $700 million to the coffers of federal, state and local governments.

- Through technical technological advancements coal has become an increasingly cleaner source of electricity. According to Pennsylvania DEP data, electric generating units in Pennsylvania slashed their emissions of SO2 by 58 percent and NOx by 41 percent during the 2000-2010 time period. Pennsylvania DEP even predicts CO2 emissions to decrease by 17 percent below 2005 levels by 2016.

- By any standard of measurement, coal mining is safer today than at any point in its history. With management and employees working in tandem and through advances in mining technology and safety practices, we have been effective in reducing the frequency of accidents and fatalities in our underground mines. Indeed, Pennsylvania has not sustained a fatality at any of its permitted underground mines since July, 2009.

- Eighty percent of the coal produced in Pennsylvania is used to generate electricity. Coal remains the fuel choice for Pennsylvania's electric generating units, accounting for 42% of the states total electric generation last year. Indeed, coal remains our most affordable, reliable and time-proven source of electricity.

- Finally coal is our nation's largest indigenous fossil fuel. The demonstrated US coal reserve base has been estimated by the EIA to be 496 billion tons geographically distributed among 31 states with 27 billion tons remaining in Pennsylvania.

COAL'S CHALLENGE

To be sure, there are challenges facing our industry today that at times appear daunting.

These challenges include weaker market conditions and historically low natural gas prices that are impacting the demand for coal. Operators, however, know how to deal with market conditions as they have repeatedly demonstrated throughout the historically cyclical nature of the mining industry.

There is a third challenge that has nothing to do with market conditions and is beyond the realm of industry control.

This factor relates to the challenges being faced by coal's major customers – the operators of coal-fired electric generating power plants. Specifically, these challenges pertain to cost and, in some cases, the availability of technology associated with complying with an array of recent and pending EPA environmental mandates.

Although electric rates at existing coal-fired units are lower than or competitive with other sources of electricity, the added compliance costs for recently adopted EPA policies and the regulatory uncertainty about the scope and level of future regulations, have led some generators to rethink their fuel options.

As a result, a number of Pennsylvania-based coal-fired units, like the Hatfield's Ferry Power Station, are prematurely being retired, in part due to current or pending air quality regulations, displacing jobs and coal production and negatively impacting all levels of the economy. Other Pennsylvania-based power units designated for retirement include Mitchell, Elrama, Armstrong, New Castle, Portland, Titus and Shawville. The retirements of these units total over 5,000 MW of electricity, or about ten percent of Pennsylvania's currently installed electric capacity. This loss of capacity also stresses the electric grid and results in additional price volatility in electric markets.

The impacts of these retirements will be felt by local communities and electric ratepayers and will undermine the stability of the grid.

IMPACT ON LOCAL ECONOMIES

A case in point is the local economy of Greene County where coal has long been its lifeblood.

Last year Greene County produced 35 million tons of coal or almost 65 percent of the state's total coal production.

The six major coal mines located in Greene County – Bailey, Enlow Fork, Cumberland, Emerald, 4 West and Blacksville #2 – directly employ about half the state's total mining workforce with a payroll exceeding $300 million per year.

The direct annual capital expenditures made by these mines are estimated at $1.2 billion; the direct and indirect economic benefits $3.7 billion per year including the creation of almost 16,000 indirect jobs.

Three of the top four major employers in Greene County are mining companies and the average annual salary for a Greene Country miner totals $88,633. By contrast, the average county wage for all occupations is $42,880, or less than half of what a Greene Country miner on average annually earns.

In addition, the mining industry accounts for 25 percent of the county's total employment.

Tax revenue and money for local services are impacted as well. Taxes from coal mining operations, which dominate Greene County's industrial base, account for 40 percent of the county's budget. Coal currently constitutes 31 percent of the county's total property valuation.

Frankly any local company that supplies the coal industry or whose business is dependent on money from a miner or plant worker's paycheck is impacted in some way by coal mining. This runs the gamut from construction worker to equipment manufacturer, truck driver to barge operator, engineer to tradesman, car dealers, restaurant owners and local grocery stores.

With coal reserves pegged at over four billion tons and the finest workforce in the country, Greene County can remain a critical player in powering our economy.

CONCLUSION

You cannot simply jettison coal from our generation mix without damaging a significant part of western Pennsylvania's economy and still expect to have an affordable and reliable source of electricity to help foster a growing economy.

There are environmental and pricing challenges inherent with using any existing energy source. If we shy away from using any of our domestic resources merely because they post challenges, we will find ourselves with fewer, more expensive and less reliable energy options.

The true path towards energy security and economic prosperity is a balanced energy policy that wisely utilizes all of our indigenous resources, including coal, through market driven choices to satisfy demand.

Thank you.

Mr. MURPHY. Thank you, and I appreciate all the witnesses speaking here today. I am going to yield myself 5 minutes and we will go back and forth with some questions for everyone.

Judge Brock, thank you for your testimony. Now, you are responsible for making sure that the county and all its services have the money to operate. Am I correct on that?

Mr. BROCK. Yes, sir, that's correct.

Mr. MURPHY. So could you tell us how have the coal layoffs you cite affected your budget?

Mr. BROCK. Well, a large majority of our budget comes back through coal severance tax, a tax charged on the per-ton rendered, and what we have seen over the course of the last 18 months is up to 25 percent decrease in those revenues. Ultimately, it is going to have a negative impact on public safety because with the large number of folks that are unemployed, the tax revenue, just general tax revenues down, when that coal severance, which is affected by production, is down, it is going to affect how we fund our jails, our ambulance services, our animal control. It will lead to even more layoffs within government. So it is really—Congressman Waxman said that a hurricane had hit. I could say to him if he were here, we are facing an economic tsunami in southeastern Kentucky and throughout Appalachia as a result of this.

Mr. MURPHY. Now, you also witnessed homelessness. How does the county provide for the homeless now with declining budgets, and has that population grown?

Mr. BROCK. Fortunately, we supplement that. Some of the things that we fund are in whole, some are in part. We have local missions that have picked up the slack and assist us with our homeless shelters. We use coal severance funds as line items within the state budget to supplement those homeless shelters. Now, once that supplement is gone or diminished we will have it pretty bad as it applies to homeless.

Mr. MURPHY. Mr. Ventrone, you said you are the business manager for about 2,000 boilermakers. How much do boilermakers make on average? What is their annual income in general?

Mr. VENTRONE. About $75,000 a year during the good times.

Mr. MURPHY. During the good times. Mr. Weiss had talked about other training opportunities, perhaps they can get other jobs, et cetera. Do you have any comments on that and what that would mean to some of your boilermakers to start new careers, other training and move on to other things?

Mr. VENTRONE. Training for new jobs? At this point what kind of jobs? I mean, these guys have been boilermakers. That is all they know. I wouldn't even know where to send them for new jobs. These are great-paying jobs that are going by the wayside. That is all we have done all our lives. I mean, I have been at this for 40 years and I wouldn't even know where to send these guys. We chased the steel industry out of the country. We chased the auto industry out of the country. Now we are going to send the power industry out of the country. I just don't understand. We need to be put on an even playing field. We are selling our coal to China and India, and they are not held at the same standards yet we are going to shut down our coal-fired power plants and send all our

jobs out of the country. I don't understand what we are thinking about.

You know, this is my President. I voted for Obama. I went door to door and asked people to vote for this President. All I want is it to be put in the hands of Congress. I think that this is Congress' job to put a bill and let them debate what should go on here, not the EPA. I don't think the EPA should be setting the standards for what is going on right now. That is why I am here today.

Mr. MURPHY. I have about 1 minute left. I am going to ask each of you one question and I want you to make it extremely short like a 5-second sentence. In the past we had the Director of the EPA here. She said she did not look at the impact upon jobs of regulations. If each of you just had one thing you could say to her very briefly, what would it be.

Mr. BROCK. Shame on you.

Mr. MURPHY. Mr. Ventrone, what would you say to—with regard to looking at jobs and issue of EPA regulations, what would you say to her?

Mr. VENTRONE. Shame on you, that is a good one.

Mr. MURPHY. Mr. Horton, what would you say to her?

Mr. HORTON. It is unconscionable.

Mr. MURPHY. Mr. Weiss?

Mr. WEISS. I would say work with the Congress to develop a plan to help people in the situations that we have been hearing today while we protect public health.

Mr. MURPHY. Thank you. Mr. Lund?

Mr. LUND. I would say how can you not consider that. Isn't that what government's job is?

Mr. MURPHY. Mr. Fetterman?

Mr. FETTERMAN. I would also agree that jobs are an important consideration.

Mr. MURPHY. And Mr. Pippy?

Mr. PIPPY. I would say you have to accept the reality of what is occurring in the world and make decisions based on that.

Mr. MURPHY. In the interest of time and moving forward, I am going to yield now to Ms. DeGette for 5 minutes.

Ms. DEGETTE. Thank you very much, Mr. Chairman.

Mr. Weiss, coal's share of U.S. power generation has been in decline for years, long before the EPA regulations started to come into effect. Is that correct? Yes or no.

Mr. WEISS. Yes, it is.

Ms. DEGETTE. And can you tell us briefly about the market forces that have caused this to happen in our economy?

Mr. WEISS. Well, the biggest thing is another American innovation, which is the development of hydraulic fracking which, although it needs a lot more environmental oversight, as I know that you are familiar with, has opened up the possibility of producing shale gas. We have got a huge increase in supply. The price has dropped. The Henry Hub price for natural gas was $2.75 yesterday.

Ms. DEGETTE. Now, Mr. Pippy said that over time, though, that these economic factors won't continue and that in fact coal will become economically superior to natural gas. Do you agree with those statistics?

Mr. WEISS. I believe that coal is not economically superior to natural gas and never will be until you incorporate the cost of the health care damage and global warming damage from burning coal into the cost of the coal.

Ms. DEGETTE. Now, speaking of that, Mr. Weiss, natural gas also has advantages in terms of environmental impact. Can you explain very briefly what those advantages are?

Mr. WEISS. Yes. Burning natural gas produces almost no mercury, almost no sulfur, less nitrogen oxide, almost no soot particles, which Mr. Pippy's town has the 18th worst amount of soot particles in the country and that can trigger asthma attacks and harm people who have heart conditions.

Ms. DEGETTE. Well, but you know, somebody—I forget who, I think it was Mr. Pippy—I don't mean to pick on you, Mr. Pippy—has testified that the amount of pollution from coal is actually very small in this country. Do you agree with that?

Mr. WEISS. No. Burning coal for electricity is a source of one-third of all the climate change pollution in the United States. I think the point that he was making is that it is such a small share of the worldwide emissions that why bother regulating it. But in fact, any single source is a small share. In fact, we need—the United States has already led on fuel economy standards. Now we need to lead on clean electricity. Then we can get other countries to follow and hopefully make the technologies they are going to use to——

Ms. DEGETTE. So it can go around the world?

Mr. WEISS. That is right.

Ms. DEGETTE. Thank you. I yield the balance of my time to Mr. Doyle.

Mr. DOYLE. Thank you. I appreciate that.

I don't sit on this particular subcommittee but I wanted to waive on to the committee today because this is an important issue, and we have three distinguished Pittsburghers on this panel. I have known Ray Ventrone a long time. He is a great labor leader in Pittsburgh. He fights for his workers, and Ray, believe me, we share your concerns. Our mayor, John Fetterman from Braddock, my dad worked at Edgar Thompson for 32 years and I grew up near that town, and John Pippy, also another good friend.

Energy never used to be a partisan issue in this Congress. I have been here 19 years. It is not a Democrat or Republican issue. We need energy to power this country. And Ray, you said something that I agree 100 percent with. This should be Congress's responsibility to do this, and what is frustrating to a lot of members in my party is that we tried to do this comprehensively 2 years ago and we just couldn't get any support. We couldn't get bipartisan support to pass a bill that would help give coal a future. We dare not put all our eggs into the natural gas basket. I want to say that right now. That is a dangerous prescription for the future. We need the whole breadbasket. We need coal. We need natural gas. We need nuclear. We need renewables. We need them all. And if we become too dependent on any one source of energy, that is going to be very dangerous for our country. But for coal to have a future, we need to invest in the technologies that allow us to burn that coal cleaner.

Just like in nuclear, we have got to solve the disposal problem. Nuclear emits no greenhouse gases but we have a debate over what to do with Yucca Mountain or how to dispose. These are technology questions, and what this Congress should be doing is a mission to the moon project on research on how to deal with this issue. Maybe the answer is at the front end of the coal before it goes into the furnace. We don't know because we have not made this important enough to put our best and brightest people on it.

In the cap-and-trade bill, which we weren't able to get passed in Congress, that I sat on this committee and supported, we were going to have $10 billion allocated to do clean coal demonstration projects and technology to give coal a future in this country so that we could coexist environmentally and keep the jobs in the country. That is what I want to see this Congress start to do. But now we are in a sequester, and what that means is, is that the discretionary part of our budget that funds research is being greatly curtailed. So while we are in the sequester, the idea that we could generate the money or get the votes to spend the money to do this is very questionable.

So I think what we need to do as a Congress is Democrats and Republicans need to work together and find the technology solutions that allow us to have this breadbasket of choices: coal, nuclear, natural gas, renewables, and that is in the best interest of this country and that is what people like myself and both parties ought to be about.

Thank you, Mr. Chairman, for your courtesy.

Mr. MURPHY. Thank you. I now turn to the gentleman from Georgia, Mr. Gingrey, for 5 minutes.

Mr. GINGREY. Mr. Chairman, thank you.

I just want to make note, Mr. Weiss just a second ago mentioned the large amount of pollutants released into the air by burning coal. Well, none of the pollutants that he mentioned, to my knowledge, are what we would call greenhouse gases, and indeed, the coal industry in response to EPA rules and regulations under the Clean Air Act I think has done a great job of reducing these classical pollutants, sulfur dioxide, particulate matter, all these things. But what the EPA has done basically is, they keep moving the goalpost, and all of a sudden because of the Supreme Court allowing them to do that, greenhouse gases, which could result in global warming, are pollutants. You know, I am putting out a lot of CO_2 right now and I hope I am not making any of you sick. But that is what we are talking about here, and it is making it absolutely impossible for this industry.

I want to thank Chairman Murphy for holding the hearing, educating members of the subcommittee on the impact of the Obama Administration's continued, and make no mistake about it, war on coal is what it is, is having on local communities, and we have heard that from several of our witnesses. I want to thank each of the witnesses here today for providing your unique perspective on how these looming regulations will harm your communities.

Mr. Chairman, like many of the panelists, my home State of Georgia has been negatively impacted by these EPA regulations. Earlier this year, Georgia Power, the main subsidiary of the Southern Company, they serve 2.4 million customers in Georgia out of

10 million in almost every county of our State. They announced that they were closing 15 coal and two oil-fired plants as a result of these recent EPA regulations. This alone has significantly impacted almost 500 jobs. Since the EPA has announced these heightened regulations, 303 coal-fired units in 33 States will be closing in addition to the potential increase in energy costs for these local communities, and it may take a few years, yes, when the price of natural gas goes back up. I would like to focus on the further economic impact that these plant closures will have on these communities. So therefore I am going to direct my questions to Mr. Brock and Mr. Lund, and I would like to go into further depth of how these EPA regulations have impacted your local economies.

Given your roles, how have these regulations and plant closures impacted the local tax base with regard to sales and property taxes?

Mr. BROCK. Well, naturally, when you don't have any competition for the purchase of a home, that is going to have declining value on property valuations, and we are seeing that. Furthermore, we are seeing that those laid-off individuals, whether they be miners or someone that is involved in the support industry are having a hard time paying their property taxes which directly impacts the bottom line in the fact that they just can't do it. They have to make choices between, do we buy medicine and groceries or do we pay our property tax and I think if any of us were faced with those decisions, it would be a no brainer; we are not going to pay our property tax.

Mr. GINGREY. Mr. Lund?

Mr. LUND. I would echo the same sorts of things. I would point out that certainly the direct income from the mines is a very important thing to the economy but there is still that multiplier of seven there of the rest of the community and how the rest of the community survives when the coal mines are gone, how do those individuals pay their property taxes. That is also a very big concern in the country.

Mr. GINGREY. In follow-up to both of you, we can all agree that these regulations have impacted the private sector. At the same time, through the loss of jobs in your local areas, what has been the subsequent impact on essential public services as a result of the reduced tax base? Mr. Lund, you start, and then Mr. Brock.

Mr. LUND. The essential services, depending on what you call essential, I suppose, have had to decrease. I am no longer a commissioner. I was term-limited. I was not allowed to run again. But during my tenure as county commissioner basically our responsibility was finances for the country. There were a lot of things that we had to cut through that time, and really, we left things pretty thin, cut pretty thin, pretty spare when I left office last fall, and now that they are beginning to be closures of the mines, it basically is devastating as I said in my earlier summary.

Mr. GINGREY. I am not going to go back to Mr. Brock, because in the last seconds I have got left, I want to make a comment.

The federal government has this bad tendency of torching a village to kill a gnat, and I think that is the real problem here, and I yield back.

Mr. MURPHY. Thank you. The gentleman's time is expired. Now to Mr. Yarmuth. You are recognized for 5 minutes.

Mr. YARMUTH. Thank you, Mr. Chairman.

First of all, let me thank all the witnesses and particularly Judge Brock. It is good to see a fellow Kentuckian here, and I want to stress that I don't think there is anyone on either side of the aisle that doesn't have a great deal of sympathy for those miners and boilermakers and others who have lost their jobs for whatever reason, and I have spent a lot of time over the years, first as a journalist looking at the situation in Appalachia and particularly in Kentucky, and have enormous affection for that region and the people in it.

When we are talking about EPA, we are talking about a variety of issues here and its effect on actually the burning of coal and in your particular case, Judge Brock, it is the mining of coal, and certainly there is a connection but it is a different kind of dynamic that is at work here because you are mining coal. People mine coal when there is a demand for coal and when the price is right, when they can sell it at a profit and keep people working. So if you look at the employment factors under the Obama Administration in coal mining, actually the coal mining from 2009 until 2013, the latest figures we have, is significantly higher than it was during the Bush Administration, and in fact, the period from 2011 to 2012, that 2-year period, according to Mining Safety and Health Administration, was the highest employment in coal mining in the last 15 years. So if he is actually engaged in a war on coal as it affects coal miners, he is not doing a very good job of it because coal mining employment has actually improved.

So my question to you is, for the sake of the question, if we stipulate the argument that coal mining has been at relatively high levels over the last 4 or 5 years, even though there are blips, there is no question about that, and I know there have been significant layoffs in the last few weeks in Kentucky, would you not accept the argument that there is a regional aspect to this and a geological aspect to it as well, that the nature of the mining operation has something to do with the economics of it, and that while in eastern Kentucky recently there have been a lot of jobs lost, in western Kentucky, there have been no jobs lost. In Wyoming, there have been no jobs lost. Employment has held relatively high levels there. So wouldn't that indicate that the EPA's actions are not necessarily the prime factor, even much of a significant factor, in coal-mining jobs?

Mr. BROCK. First, I certainly don't agree with that assessment. What I believe you—what you are trying to say is that it is OK to pick winners and losers, that we are going to have regulations that cause a coal-fired power plant to be shut down, that by necessity needed low-sulfur, low-ash coal that is mined in Appalachia. Those that are still operating, they are scrubbing their coal, so that is why you see the western Kentucky-Illinois basin——

Mr. YARMUTH. Well, that is actually one of the points I made.

Mr. BROCK. But if that is allowed to continue, if you can continue that string, where are we going to be?

Mr. YARMUTH. But my point——

Mr. BROCK. If we all move to western Kentucky, Appalachia will dry up.

Mr. YARMUTH. My point is, as Mr. Doyle also said, back in 2009 we knew that the EPA or Congress had to do something about carbon emissions and coal-fired plants. We knew that then. And yet coal-mining employment still increased from 2009, 2010, 2011, 2012. So I think we need to look for other reasons than EPA regulations for the current situation with coal-mining employment.

Mayor Fetterman, I just want to ask you one question. Your situation is not unlike Judge Brock's.

Mr. FETTERMAN. Correct.

Mr. YARMUTH. What innovative steps that you have used in terms of revitalizing the economy that might be applicable to Judge Brock and Bell County?

Mr. FETTERMAN. I would just piggyback off my friend, Congressman Doyle's sentiments. I was closely involved with the Environmental Defense Fund to help pass cap-and-trade legislation, which again, I would point out is a conservative ideal in order to work towards removing carbon, and as Congressman Doyle pointed out, there were a lot of provisions for clean coal, and that is one of the reasons why—you know, it pains me to hear those power plants closing. I know better than anybody perhaps what is like to lose that amount of jobs, but we need a comprehensive solution and we need a bipartisan solution, and again, I thought Congressman Doyle hit the nail, you know, on the head there. It is time for both sides to work closer together.

Mr. YARMUTH. Thank you. I yield back, Mr. Chairman.

Mr. MURPHY. Mr. Harper for 5 minutes, and we are really pressed for time here.

Mr. HARPER. Thank you, Mr. Chairman. I want to thank each of you for being here, and I think it is important to realize where we were when the President was sworn in in January of 2009, that gas prices, the average for a gallon of gas was $1.84. I can't remember it being under $2 a gallon but history tells us that it was, and so this is not just about coal. This is a fundamental war on energy by this Administration. Coal is just one of the components of that. You see what we tried to do with the Keystone XL pipeline and the inability to get something as basic as that done, even when the Secretary of State's department has determined the environmental impact studies are OK, that there is no reason not to do that. You see what we have tried to do on nuclear energy with the basically removing Yucca Mountain as a place for the storage of spent nuclear fuel, and you see particularly what is happening to many of you in the room as we look at the impact on coal, and coal is an important part of our overall energy portfolio. It is important for what we do for our citizenry. You have to have affordable, cheap fuel sources in this country. We are one of the few countries that won't use all of their own natural resources. This is something that we can do. We can do it in an environmentally safe manner. We need to try to that and, you know, improve where you can improve but the regulatory burden that is upon the coal industry is really second to none, and it is impacting many of you here and those who you represent and work with.

So, coal means jobs, and jobs means you can support your family, and you remove that and you see the impact across the country, and it is something we need to do, and the regulatory burden that the Environmental Protection Agency has put on us has been very difficult.

And so Mr. Ventrone, in your testimony you mentioned that just 3 years ago, hundreds of construction workers and boilermakers from Local 154 installed state-of-the-art pollution control equipment on a 1,700-megawatt coal-fired plant, and this reflected a significant investment, I believe more than $500 million in the plant. Is that correct?

Mr. VENTRONE. Yes, sir.

Mr. HARPER. And these upgrades were up to EPA's standards 3 years ago. Is that right?

Mr. VENTRONE. Right.

Mr. HARPER. But what has happened to the plant?

Mr. VENTRONE. It shut down.

Mr. HARPER. And that is despite the upgrades?

Mr. VENTRONE. Right.

Mr. HARPER. And why do you believe that is the case?

Mr. VENTRONE. Because now they are under the new standards. They are not going to put the money that——

Mr. HARPER. Exactly.

Mr. VENTRONE. They are not going to put that money into the plant because they can't recoup it.

Mr. HARPER. The goalposts get moved constantly. You think, OK, we are going to make a good-faith effort to meet the regulatory requirements. You do it, and guess what? It is a new game, an additional cost, and you say is there ever an end, and we go back to the philosophies that we see from this Administration and from this President when he was on the campaign trail that he would make it so expensive on the regulatory end that he would basically shut down the industry, and we are seeing it. I think he meant it when he said it. And now you are left dealing with this issue of how do you make sure that you are a good citizen and you are in compliance, you spend a fortune, you are less profit, less economical, and then guess what? You are no longer in compliance even though you thought you were or were going to be.

Mr. MURPHY. Could the gentleman yield for one second?

Mr. HARPER. So these are difficult—I will yield.

Mr. MURPHY. We only have 2 ½ minutes left.

Mr. HARPER. How about if I yield back?

Mr. MURPHY. Because I would like to see if Gardner——

Mr. HARPER. I will yield to Mr. Gardner the remainder of my time.

Mr. GARDNER. Thank you, Mr. Chairman, and thank you, Mr. Harper as well. I just appreciate the witnesses for being here. It is great to see Mr. Lund from Colorado here, and thank you. And Mr. Pippy, we worked together in the State legislature. Great to see you as well.

Mr. Lund, just real quick and then I will yield to Mr. Griffith, a couple things that you would like to have at the EPA listening session tomorrow in Denver, just a brief comment that you hope to share with the EPA listening session in Denver tomorrow.

Mr. LUND. Well, I hadn't thought through that so I guess basically I would like to say that I have had a manager, and in particular I will say this as an example. One manager spoke to me just the other day and said really, we are not looking for favors, we are just looking to be able to compete, just to have, as Congressman Harper said, the goalposts not be moved on us. That is what we are looking for. All these issues of compliance and such are really different from what we are producing in our area because we are producing a super-compliant coal, very clean coal. Basically it has been almost used as a niche market for blending with other coals to bring the quality up, to be able to meet the emissions requirements that they have to have. Now the market for that is going away. Where they are going now to try and sell their coal is overseas. That is where they are shipping their coal out. That has now become the big issue of ports and how they do that.

Mr. GARDNER. Thank you, Mr. Lund.

Mr. MURPHY. Mr. Griffith, you have 30 seconds and then we are hitting the gavel.

Mr. GRIFFITH. Thank you, Mr. Chairman. I appreciate it.

Judge Brock, Mr. Horton, some of the comments that you made are the same things that my district, which adjoins your area, Judge Brock, is very close to yours, Mr. Horton. Our economy is being hammered the same way that yours is. We are doing everything we can here. I appreciate you all being here and making comments on that.

Mr. Lund, we opened up a coal-fired power plant. It was the cleanest in the world when it opened up about a year and a month ago in my district, and we cannot meet the new regulations if they are applied, and I know they aren't, but if they were being applied to existing facilities, that new plant that did everything right wouldn't meet the regs. I yield back.

Mr. MURPHY. Thank you. I wish we had more time for other folks here, but there is a special ceremony now for former Speaker of the House Tom Foley, who sadly died a few days ago, and out of respect to my colleagues, we will end this hearing here.

However, Ms. Ellmers, Mr. Johnson, if there are questions you want to submit and have the witnesses answer those, we will do that.

In conclusion, I want to thank all the witnesses today and members that participated in today's hearing. I remind all members they have 10 business days to submit questions forthe record, and I ask the witnesses if you would all please agree to respond to them promptly.

With that, this committee is adjourned.

[Whereupon, at 2:59 p.m., the subcommittee was adjourned.]

[Material submitted for inclusion in the record follows:]

THE COMMITTEE ON ENERGY AND COMMERCE

MEMORANDUM

October 25, 2013

TO: Members, Subcommittee on Oversight and Investigations

FROM: Committee Majority Staff

RE: Hearing on "EPA's Regulatory Threat to Affordable, Reliable Energy: The Perspective of Coal Communities"

On Tuesday, October 29, 2013, the Subcommittee on Oversight and Investigations will hold a hearing entitled "EPA's Regulatory Threat to Affordable, Reliable Energy: The Perspective of Coal Communities." As part of the Committee's ongoing oversight of the economic impacts of the Environmental Protection Agency's regulatory actions, this hearing will take testimony focused on the perspective of communities particularly reliant on coal-related employment and industry.

I. WITNESSES

One panel of witnesses will testify:

Albey Brock
Bell County Judge/Executive
Pineville, KY

Raymond C. Ventrone
Business Manager
Boilermakers Local 154
Pittsburgh, PA

Roger D. Horton
Citizens for Coal
Holden, WV

John Pippy
Chief Executive Officer
Pennsylvania Coal Alliance
Harrisburg, PA

Olen Lund
Former County Commissioner
Delta County, CO

John Fetterman
Mayor
Braddock, PA

II. BACKGROUND

Coal is one of America's most abundant and affordable sources of energy, and for generations has been essential for the supply of reliable, affordable electricity to American households and businesses, ranging from manufacturing, agriculture, and transportation to telecommunications and other energy intensive industries. In the United States, power plants continue to generate more electricity using coal than any other energy source to meet the Nation's electricity demand – accounting for around 40% of electricity generation, and roughly 93% of coal use. Coal's industrial uses – accounting for an estimated 7% of total domestic consumption – include steel making, cement production, combined heat and power, and process heating.

Based on review of Energy Information Administration (EIA) data, industry analysis shows that energy consumers in 21 States, on average, generate more than half their electricity from coal, pay an average of 8.8 cents per kilowatt-hour, which is 11% less than the national average and some 30% lower than the 21 States that generate less than 9% of their power from coal.[1] As the National Mining Association (NMA) has testified, "it is no coincidence that these states [that rely on coal] also have the highest concentration of manufacturing."[2]

Coal is mined across 25 states. Wyoming is the largest coal-producing State, followed by West Virginia, Kentucky, Pennsylvania, and Texas. In addition to its vital role in providing the nation's electricity, U.S. coal mining accounted for 204,580 direct jobs in 2011 and an estimated 806,000 indirect jobs, according to the NMA.[3] However, NMA reports the number of jobs directly supported by coal mining – the mine workers, support activities and transportation – declined by some 6,000 in 2012, with mine closures and layoffs.

As the Congressional Research Service notes, there are two major reasons generally for the recent decline in coal use in power generation, and related impacts on coal communities: the expectation of a dramatic rise in natural gas supplies, and the impact of environmental regulations on coal-fired power plants.[4]

The rise of domestic natural gas production has changed the energy landscape in the United States, including as a supply for base-load electricity generation. While natural gas production has contributed to the economic forces leading to switching from coal in power generation, it has not occurred in a regulatory vacuum. Since 2009, the EPA has pursued a suite of new regulations affecting the nation's coal-fired power plants that collectively impose tens of

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[1] See "Coal Facts," American Coalition for Clean Coal Electricity, July 2013.
[2] Testimony of Hal Quinn, National Mining Association, May 5, 2011.
[3] See "The Economic Contributions of U.S. Mining (2011)," National Mining Association, September 2013.
[4] See "Prospects for Coal in Electric Power and Industry," Congressional Research Service, February 2013. (R42950)

billions of dollars in new compliance costs and that have contributed to plant shutdowns.[5] These rules have included EPA's Utility MACT Rule, Cross State Air Pollution Rule, revised air quality standards for sulfur dioxide and particulate matter, proposed Coal Ash Rule, proposed Cooling Water Intake Structures Rule, proposed revised Effluent Guidelines for power plants, regional haze implementation plans affecting power plants, and other rulemakings. EPA also has proposed greenhouse gas standards for fossil fuel-fired power plants, and is expected to propose additional greenhouse gas regulations for existing power plants next year.

Recent EPA regulations have been cited as a factor in the closure of over 303 individual coal-fueled electric generating units across 33 States, representing over 45,000 megawatts of electric generating capacity. The resulting closures in terms of units and power production occur in large numbers, for example, in Ohio, Pennsylvania, Georgia, Indiana, West Virginia, Virginia, North Carolina, and Kentucky.[6]

The change in power-generation, recent regulatory activity, and the prospects of additional EPA regulation is impacting many communities, including those reliant on coal for employment. For example, according to an August 2013 Kentucky Quarterly Coal Report, employment at Kentucky coal mines has declined to the lowest level recorded since 1927, when mining employment statistics were first kept.[7] Between July 2011 and June 2013, employment at eastern Kentucky's coal mines dropped by almost 42% (5,725 jobs).[8]

It is against this backdrop that panel witnesses will provide perspective on the impact of changing demand for coal, coal services, and coal-fired power on their communities.

III. ISSUES

The following issues may be examined at the hearing:

- The role of coal in providing affordable, reliable electricity to localities;
- Impacts of regulatory actions on county and community public services;
- Impacts of regulatory actions on local jobs, local economy, and consumers.

IV. STAFF CONTACTS

If you have any questions regarding this hearing, please contact Peter Spencer or Karen Christian of the Committee staff at (202) 225-2927.

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[5] See, for example, link to selected final rules and EPA cost estimates.
[6] See "Coal Unit Shutdowns," October 15, 2013, American Coalition for Clean Coal Electricity
[7] http://energy.ky.gov/Documents/Kentucky_Quarterly_Coal_Report_2013Q2.pdf
[8] *Id.*

FRED UPTON, MICHIGAN
CHAIRMAN

HENRY A. WAXMAN, CALIFORNIA
RANKING MEMBER

ONE HUNDRED THIRTEENTH CONGRESS

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Minority (202) 225-3641

November 19, 2013

The Honorable Albey Brock
Bell County Judge Executive
101 Courthouse Square
P.O. Box 339
Pineville, KY 40977

Dear Judge Brock:

Thank you for appearing before the Subcommittee on Oversight and Investigations on Tuesday, October 29, 2013, to testify at the hearing entitled "EPA's Regulatory Threat to Affordable, Reliable Energy: The Perspective of Coal Communities."

Pursuant to the Rules of the Committee on Energy and Commerce, the hearing record remains open for ten business days to permit Members to submit additional questions for the record, which are attached. The format of your responses to these questions should be as follows: (1) the name of the Member whose question you are addressing, (2) the complete text of the question you are addressing in bold, and (3) your answer to that question in plain text.

To facilitate the printing of the hearing record, please respond to these questions by the close of business on Tuesday, December 3, 2013. Your responses should be mailed to Brittany Havens, Legislative Clerk, Committee on Energy and Commerce, 2125 Rayburn House Office Building, Washington, D.C. 20515 and e-mailed in Word format to brittany.havens@mail.house.gov.

Thank you again for your time and effort preparing and delivering testimony before the Subcommittee.

Sincerely,

Tim Murphy
Chairman
Subcommittee on Oversight and Investigations

cc: Diana DeGette, Ranking Member, Subcommittee on Oversight and Investigations

Attachment

Attachment —Additional Questions for the Record

The Honorable Tim Murphy

1. As you have had time to reflect on your hearing testimony, do you have anything you wish to clarify or to elaborate relating to your testimony or in response to issues discussed at the hearing?

2. Have you or anyone you know been able to attend one of EPA's public listening sessions this Fall, during which EPA is attempting to solicit ideas and input from the public and stakeholders about 'the best Clean Air Act approaches to reducing carbon pollution from existing power plants?' If yes, please specify the date and location of that session. If you will not be able to attend one of EPA's ongoing public listening sessions, do you have any questions or feedback on this topic that you would like to take a moment now to share with EPA?

3. What would higher electricity costs mean to people living in your community and surrounding communities? What do higher energy prices mean for manufacturing?

The Honorable Rene Ellmers

1. While the ash from coal combustion is a waste by-product, I know that it provides great benefit with concrete mix designs – supporting the development of higher strengths and better performance. My understanding is that despite the efforts of EPA to attempt to continue to permit such beneficial use of fly ash in their new ruling, the concrete industry remains concerned about liability risks associated with the handling and use of what will now be declared a hazardous material. Could you address these liability concerns and your personal perspective on the impact of this ruling on beneficial use of fly ash, if any?

2. Many believe the impact of EPA regulation of CO2 through the CAA will have a more significant negative impact on rural communities. Rural consumers use more coal fired generation (in many cases natural gas pipelines are not nearby) and coal reserves are close, readily available, thus more economical to use. Rural utilities including electric cooperatives built those plants for the right reasons. Rural communities produce coal so jobs will be impacted, a previously cheaper source of fuel will be more difficult to use and more expensive. It's a double whammy. Can you explain the residual effect this will have on agriculture, small business and the tax base (schools, local government services) of these local rural communities?

The Committee has received no response to these questions at the time of printing.

FRED UPTON, MICHIGAN
CHAIRMAN

HENRY A. WAXMAN, CALIFORNIA
RANKING MEMBER

ONE HUNDRED THIRTEENTH CONGRESS

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November 19, 2013

Mr. Raymond C. Ventrone
Business Manager
Boilermakers Local 154
1221 Banksville Road
Pittsburgh, PA 15216

Dear Mr. Ventrone:

Thank you for appearing before the Subcommittee on Oversight and Investigations on Tuesday, October 29, 2013, to testify at the hearing entitled "EPA's Regulatory Threat to Affordable, Reliable Energy: The Perspective of Coal Communities."

Pursuant to the Rules of the Committee on Energy and Commerce, the hearing record remains open for ten business days to permit Members to submit additional questions for the record, which are attached. The format of your responses to these questions should be as follows: (1) the name of the Member whose question you are addressing, (2) the complete text of the question you are addressing in bold, and (3) your answer to that question in plain text.

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Thank you again for your time and effort preparing and delivering testimony before the Subcommittee.

Sincerely,

Tim Murphy

Tim Murphy
Chairman
Subcommittee on Oversight and Investigations

cc: Diana DeGette, Ranking Member, Subcommittee on Oversight and Investigations

Attachment

SUPPLEMENTAL STATEMENT OF

Mr. RAYMOND C. VENTRONE,

BUSINESS MANAGER-SECRETARY TREASURER,

LOCAL LODGE 154

THE INTERNATIONAL BROTHERHOOD OF BOILERMAKERS,

IRON SHIP BUILDERS, BLACKSMITHS, FORGERS & HELPERS,

IN RESPONSE TO ADDITIONAL QUESTIONS SUBMITTED BY

THE HONORABLE TIM MURPHY

THE HONORABLE RENE ELLMERS

ENERGY AND COMMERCE COMMITTEE,

UNITED STATES HOUSE OF REPRESENTATIVES

On Tuesday, October 29, 2013 I had the privilege of appearing in front of the House Energy and Commerce Committee – specifically, the subcommittee on Oversight and Investigations, chaired by the Honorable Tim Murphy (PA-18). The hearing sought to address: "EPA's Regulatory Threat to Affordable, Reliable Energy: The Perspective of Coal Communities."

I am submitting for the record answers to additional written questions by the Honorable Tim Murphy and the Honorable Rene Ellmers.

The Honorable Tim Murphy

Question 1: As you have had time to reflect on your hearing testimony, do you have anything you wish to clarify or elaborate relating to your testimony or in response to issue discussed at the hearing?

Answer 1: We have experienced job losses due to the shutdown of coal plants in response to the EPA's new mercury rule and the lower price of natural gas. More than 50,000 megawatts of coal capacity will be shut down, which will represent the largest job loss in the history of the Clean Air Act. The recently proposed EPA rule on new power plants effectively closes the door on construction of new coal plants and already endangers our future as a highly skilled construction craft.

The arbitrary CO2 emission rate targets imposed on states will force a lot of additional plant closures and job losses. CO2 emissions from coal plants are down 23% from 2005 levels, and will be further reduced as more plants are shut down. U. S. coal generation is only 4% of global energy-related CO2 emissions, so every major reductions would not have any meaningful future impact on global climate.

Our job losses will accelerate in 2015 and 2016 when the mercury rule takes effect. We along with other unions involved in the maintenance, fuel supply, and operation of coal plants, will lose tens of thousand of high-paying, high-skilled jobs that will not be made up if more natural gas replaces coal. **We need Congress to pass bipartisan coal legislation that will take our country in the best practical direction for dealing with global warming.**

Question 2: Have you or anyone you know been able to attend one of EPA's public listening sessions this Fall, during which EPA is attempting to solicit ideas and input from the public and stakeholders about "the best Clean Air Act approaches to reducing carbon pollution from existing power plants?" If yes, please specify the date and location of that session. If you will not be able to attend one of EPA's ongoing public listening sessions, do you have any questions or feedback on this topic that you would like to take a moment now to share with EPA?

Answer 2: I am scheduled to participate in the Department of Environmental Protection listening session on Monday, December 16, 2013 in Harrisburg. My primary concern about EPA's existing source guidelines for CO2 reduction is finding ways to avoid the loss of jobs at plants that have just invested billions in retrofit controls. We know that the

new rules effectively closed the door on the construction of new coal plants and already endanger our future as a highly-skilled construction craft.

The Honorable Rene Ellmers

Question 1: While the ash from coal combustion is a waste by-product, I know that it provides great benefit with concrete mix designs – supporting the development of higher strengths and better performance. My understanding is that despite the efforts of EPA to attempt to continue to permit such beneficial use of fly ash in their new ruling, the concrete industry remains concerned about liability risks associated with the handling and use of what will now be declared a hazardous material. Could you address these liability concerns and your personal perspective on the impact of this ruling on beneficial use of fly ash, if any?

Answer 1: I am submitting for the record our union's statement in support of H.R. 2218, the Coal Residuals Reuse and Management Act of 2013. With respect to specific liability issues or concerns, I would defer your office to the utilities that operate coal-fired electric generating units (EGUs) and to the cement manufacturing industry, upon whom the liabilities would rest. The Boilermakers represent workers in both industries and have consistently expressed strong concerns that a hazardous or near-hazardous designation of fly ash would have negative consequences for our members in both sectors.

As you know, the EPA is considering 2 different options for regulating fly ash, and was recently ordered by U.S. District Court for the District of Columbia to submit a plan for finalizing its long-delayed coal combustion residual rulemaking process within 60 days. We remain hopeful that a more sensible approach to the handling and use of fly ash, such as H.R. 2218, can be passed by both the House and Senate in the near future.

Question 2: Many believe the impact of EPA regulation of CO2 through the CAA will have more significant negative impacts on rural communities. Rural consumers use more coal fired generation (in many cases natural gas pipelines are not nearby) and coal reserves are close, readily available, thus more economical to use. Rural utilities including electric cooperatives built those plants for the right reasons. Rural communities produce coal so jobs will be impacted, a previously cheaper source of fuel will be more difficult to use and more expensive. It's a double whammy. Can you explain the residual effect this will have on agriculture, small business and the tax base (schools, local government services) of these local rural communities?

Answer 2: I am not an economist or a statistician and cannot offer empirical data with respect to the harmful effects the closure of coal-fired power plants have had, and will have, on rural communities. However, having worked in the utility sector in western Pennsylvania and other parts of Appalachia my entire adult life, I can offer some personal observations and perhaps some logical conclusions about the effects of these closures.

In many rural areas, power plants are one of, if not the only, major employer for the local residents. From the direct jobs at the plants and at the mines that supply the coal, to the local businesses that rely on these workers and their decent wages to help support the

local economy, the closure of these plants will inevitably have a negative effect, much as the closure of mills and manufacturing plants have had throughout the country over the past 30-40 years. And in many areas, these good-paying jobs are only being replaced by low-wage service jobs with little to no health or pension benefits, if anything at all.

While I have no direct knowledge of the impact on agriculture, the power plants themselves are typically major revenue contributors to both state and local governments in the form of sales and property taxes, licenses, and permit fees, for example. Add to this the job losses from a plant closure and the potentially higher cost of providing those communities with power not locally sited; the result must certainly be a diminished quality of life for many residents of these areas.

For more details on the direct impact on rural communities from the closure of power plants and mines, I strongly recommend you contact the United Mine Workers of America who can provide far more information on this topic.

FRED UPTON, MICHIGAN
CHAIRMAN

HENRY A. WAXMAN, CALIFORNIA
RANKING MEMBER

ONE HUNDRED THIRTEENTH CONGRESS

Congress of the United States
House of Representatives
COMMITTEE ON ENERGY AND COMMERCE
2125 RAYBURN HOUSE OFFICE BUILDING
WASHINGTON, DC 20515–6115
Majority (202) 225-2927
Minority (202) 225-3641

November 19, 2013

Mr. Roger D. Horton
Citizens for Coal
P.O. Box 642
Holden, WV 25652

Dear Mr. Horton:

Thank you for appearing before the Subcommittee on Oversight and Investigations on Tuesday, October 29, 2013, to testify at the hearing entitled "EPA's Regulatory Threat to Affordable, Reliable Energy: The Perspective of Coal Communities."

Pursuant to the Rules of the Committee on Energy and Commerce, the hearing record remains open for ten business days to permit Members to submit additional questions for the record, which are attached. The format of your responses to these questions should be as follows: (1) the name of the Member whose question you are addressing, (2) the complete text of the question you are addressing in bold, and (3) your answer to that question in plain text.

To facilitate the printing of the hearing record, please respond to these questions by the close of business on Tuesday, December 3, 2013. Your responses should be mailed to Brittany Havens, Legislative Clerk, Committee on Energy and Commerce, 2125 Rayburn House Office Building, Washington, D.C. 20515 and e-mailed in Word format to brittany.havens@mail.house.gov.

Thank you again for your time and effort preparing and delivering testimony before the Subcommittee.

Sincerely,

Tim Murphy

Tim Murphy
Chairman
Subcommittee on Oversight and Investigations

cc: Diana DeGette, Ranking Member, Subcommittee on Oversight and Investigations

Attachment

Attachment—Additional Questions for the Record

The Honorable Tim Murphy

1. As you have had time to reflect on your hearing testimony, do you have anything you wish to clarify or to elaborate relating to your testimony or in response to issues discussed at the hearing?

2. Have you or anyone you know been able to attend one of EPA's public listening sessions this Fall, during which EPA is attempting to solicit ideas and input from the public and stakeholders about 'the best Clean Air Act approaches to reducing carbon pollution from existing power plants?' If yes, please specify the date and location of that session. If you will not be able to attend one of EPA's ongoing public listening sessions, do you have any questions or feedback on this topic that you would like to take a moment now to share with EPA?

The Honorable Rene Ellmers

1. While the ash from coal combustion is a waste by-product, I know that it provides great benefit with concrete mix designs – supporting the development of higher strengths and better performance. My understanding is that despite the efforts of EPA to attempt to continue to permit such beneficial use of fly ash in their new ruling, the concrete industry remains concerned about liability risks associated with the handling and use of what will now be declared a hazardous material. Could you address these liability concerns and your personal perspective on the impact of this ruling on beneficial use of fly ash, if any?

2. Many believe the impact of EPA regulation of CO2 through the CAA will have a more significant negative impact on rural communities. Rural consumers use more coal fired generation (in many cases natural gas pipelines are not nearby) and coal reserves are close, readily available, thus more economical to use. Rural utilities including electric cooperatives built those plants for the right reasons. Rural communities produce coal so jobs will be impacted, a previously cheaper source of fuel will be more difficult to use and more expensive. It's a double whammy. Can you explain the residual effect this will have on agriculture, small business and the tax base (schools, local government services) of these local rural communities?

The Committee has received no response to these questions at the time of printing.

FRED UPTON, MICHIGAN
CHAIRMAN

HENRY A. WAXMAN, CALIFORNIA
RANKING MEMBER

ONE HUNDRED THIRTEENTH CONGRESS

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November 19, 2013

Mr. Daniel J. Weiss
Senior Fellow and Director
of Climate Strategy
Center for American Progress
1333 H Street, N.W.
Washington, D.C. 20005

Dear Mr. Weiss:

Thank you for appearing before the Subcommittee on Oversight and Investigations on Tuesday, October 29, 2013, to testify at the hearing entitled "EPA's Regulatory Threat to Affordable, Reliable Energy: The Perspective of Coal Communities."

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Thank you again for your time and effort preparing and delivering testimony before the Subcommittee.

Sincerely,

Tim Murphy

Tim Murphy
Chairman
Subcommittee on Oversight and Investigations

cc: Diana DeGette, Ranking Member, Subcommittee on Oversight and Investigations

Attachment

1333 H Street, NW, 10th Floor
Washington, DC 20005
Tel: 202 682.1611 • Fax: 202 682.1867

www.americanprogress.org

December 3, 2013

The Honorable Renee Ellmers
426 Cannon House Office Bldg.
Washington, DC, 20515

Dear Representative Ellmers:

Thank you for submitting questions to me as a follow up to the Oversight and Investigations Subcommittee hearing on Tuesday October 29, 2013. My responses to your questions are in the attached document.

Sincerely,

Daniel J. Weiss
Senior Fellow and Director of Climate Strategy

Enclosure

Cc: Chairman Fred Upton
Ranking Member Henry Waxman
Subcommittee Chair Tim Murphy
Ranking Member Diane DeGette

Response to questions by Rep. Rene Ellmers by Daniel J. Weiss

1. **While the ash from coal combustion is a waste by-product, I know that it provides great benefit with concrete mix designs - supporting the development of higher strengths and better performance. My understanding is that despite the efforts of EPA to attempt to continue to permit such beneficial use of fly ash in their new ruling, the concrete industry remains concerned about liability risks associated with the handling and use of what will now be declared a hazardous material. Could you address these liability concerns and your personal perspective on the impact of this ruling on beneficial use of fly ash?**

Coal ash from burning coal in power plants for electricity generation contains many toxic contaminants that harm human health and the environment. This waste has some of the most poisonous substances known to humans, including arsenic, lead, mercury, cadmium, chromium and selenium. These pollutants can cause birth defects, learning disabilities, and cancer. Coal ash is the second largest industrial waste stream in the United States, after mining waste.

North Carolina generates 5.5 million tons of coal ash annually – the ninth most in the United States. This is more than 1,100 pounds of coal ash per North Carolinian per year – a staggering amount. Typically, power plants store their coal ash in dumps or dams, which are prone to leaking their toxic contaminants into nearby surface and below ground drinking water. North Carolina has the highest concentration of high-hazard coal ash dumps in the nation. The North Carolina Department of Environment and Natural Resources rated 29 of its coal ash dams as posing a "high hazard," and two more have been rated "intermediate hazard." A high hazard rating means that pond failure will probably cause human fatalities, economic loss, environmental damage and damage to infrastructure. An intermediate hazard rating indicates that a failure at the pond can cause economic loss, environmental damage, or damage to infrastructure.

There are growing indications of the threat posed by coal ash to North Carolinians. On November 23, 2013 the *Charlotte Observer* reported that

> Links growing between coal ash and contamination.
>
> Duke Energy, for the first time, has agreed to pay for a new water source to a Wilmington community threatened by groundwater contamination from its coal ash…Duke Energy is beginning to waver on its long-held assertion that coal ash stored at its North Carolina power plants doesn't threaten public health.

Response to questions by Rep. Rene Ellmers by Daniel J. Weiss

> Duke agreed last month to pay up to $1.8 million for a water line to a low-income community in the path of groundwater contamination from its Wilmington plant.

The *Observer* also reported that "it was the first time in North Carolina that Duke has agreed to provide alternative water because of ash contamination." Duke was also "ordered to supply water to a home near the Asheville plant."

To address these and other health threats posed by toxic coal ash, the Environmental Protection Agency (EPA) has proposed to regulate it with federal minimum requirements under the Resources Conservation and Recovery Act. This is the most effective method to safeguard people from the contamination of air and water from toxic coal ash pollution.

Under EPA's proposed rule, the concrete industry could continue the "beneficial reuse" of coal ash, which includes the encapsulated use of fly ash and/or bottom ash in concrete, bricks, and asphalt. These uses would remain completely unregulated under both of the two options that EPA proposed for the disposal and management of "coal combustion residuals" or CCRs.

Even under the most stringent proposed option, EPA makes it clear that "encapsulated" coal ash locked in another product would continue to be allowed without further regulation.

> Coal ash destined for beneficial use would retain the current Bevill exemption, and so would not be subject to regulation under RCRA [Resource Conservation and Recovery Act] Subtitle C. Thus, coal ash used in concrete and other products would not fall within the scope of EPA's proposal to "list" coal ash, either during or after the useful life of the concrete product. When the concrete product is discarded at the end of its useful life, it would be treated the same as any other solid waste.

It appears that there will be no increase in the risk of liability for reuse of coal ash under the proposed EPA rule. Concerns regarding liability risk associated with the handling and use of coal ash as a hazardous or non-hazardous waste are unfounded since under either of the two regulatory scenarios that EPA could pursue, coal ash that meets the definition of "beneficial use" would not be affected. This includes fly ash used in concrete, FGD gypsum for wallboard, or ash used as road bed aggregate. Although the option preferred by affected citizens and the public health community is regulation under the subtitle C proposal as "hazardous waste," the Agency has signaled that it is leaning

Response to questions by Rep. Rene Ellmers by Daniel J. Weiss

towards a Subtitle D, non-hazardous waste designation. In the preamble of a related proposed water rule the EPA indicated that

> EPA's current thinking is that, the revised risks, coupled with the ELG [Effluent Limitations Guidelines] requirements that the Agency may promulgate, and the increased Federal oversight such requirements could achieve, could provide strong support for a conclusion that regulation of CCR disposal under RCRA Subtitle D would be adequate.

The bottom line is that the EPA is required by law to issue standards under RCRA to govern the safer disposal of coal ash waste. On October 29, 2013, the U.S. District Court for the District of Columbia ordered the agency to give the court an update on the status of the rule by December 29, 2013 as well as a schedule for finishing the long-overdue standards. These are common sense standards that citizens across the nation have been demanding for five years to protect them from air and water contaminated by toxic chemicals in coal ash.

2. **Many believe the impact of EPA regulation of CO2 through the CAA will have a more significant negative impact on rural communities. Rural consumers use more coal fired generation (in many cases natural gas pipelines are not nearby) and coal reserves are close, readily available, thus more economical to use. Rural utilities including electric cooperatives built those plants for the right reasons. Rural communities produce coal so jobs will be impacted, a previously cheaper source of fuel will be more difficult to use and more expensive. It's a double whammy. Can you explain the residual effect this will have on agriculture, small business and the tax base (schools, local government services) of these local rural communities?**

Climate change poses a significant health and economic threat to rural residents and their local economy. The National Climate Assessment draft, based on the work of hundreds of scientists, warned that

> Rural Communities are highly dependent upon natural resources for their livelihoods and social structures. Climate change related impacts are currently affecting rural communities. These impacts will progressively increase over this century and will shift the locations where rural economic activities (like agriculture, forestry, and recreation) can thrive.
>
> Rural communities face particular geographic and demographic obstacles in responding to and preparing for climate change risks. In particular, physical

Response to questions by Rep. Rene Ellmers by Daniel J. Weiss

> isolation, limited economic diversity and higher poverty rates, combined with an aging population increases the vulnerability of rural communities. Systems of fundamental importance to rural populations are already stressed by remoteness and limited access.
>
> .
>
> Responding to additional challenges from climate change impacts will require significant adaptation within rural transportation and infrastructure systems, as well as health and emergency response systems. Governments in rural communities have limited institutional capacity to respond to, plan for, and anticipate climate change impacts.

For instance, the record 2012 drought had a severe impact on agriculture productivity. The U.S. Department of Agriculture reported that

> The 2012 drought destroyed or damaged portions of the major field crops in the Midwest, particularly field corn and soybeans. This led to increases in the farm prices of corn, soybeans, and other field crops and, in turn, led to price increases for other inputs in the food supply such as animal feed. Though we saw some price increases for meats and animal-based products in the fourth quarter of 2012, most of the impacts on retail food prices were expected to occur in 2013.

Inside Climate News, a Pulitzer Prize winner, warned that the recent droughts suggest a pattern of hotter, more arid weather. It reported that "The years 2011-2013 reveal worsening conditions year after year, a pattern that is similar to the devastating droughts of the 30s and 50s."

Coal-fired electricity is only inexpensive if one ignores its impacts on public health, and air and water quality. A 2011 study by The Center for Health and Global Environment at Harvard Medical School estimated that the climate change impacts of burning coal were $62 billion in 2008 alone. If this huge cost – borne by those who suffer from additional smog, heat waves, extreme weather and other climate impacts – were included in the price of electricity, it would raise it by 17 cents per kilowatt hour (kWh). This is one and a half times more than the average price of 12 cents per kWh. Thus, the total cost of coal fired electricity to all Americans is much higher than the price at the meter.

In short, climate change directly threatens rural residents and their livelihoods. Those who express concern about the people and businesses in rural areas ought to strongly support carbon pollution reductions to slow the onset of climate change. EPA's future proposal to reduce carbon pollution from power plants will *benefit* rural areas because these facilities are biggest climate polluter in the United States.

Response to questions by Rep. Rene Ellmers by Daniel J. Weiss

The biggest threat to coal dependent communities is the recent increase of low cost natural gas, and not a nonexistent rule to reduce carbon pollution from coal fired power plants. The *Charleston Gazette* in West Virginia recently noted that

> Cheaper natural gas hurts West Virginia's coal industry. Low-cost gas is capturing a larger share of the power plant market. Coal production in Central Appalachia (southern West Virginia and eastern Kentucky) keeps shrinking as easy-to-reach seams are mined out and cheap Wyoming coal undercuts Appalachian prices.
>
> Statistician Jeff Green of Workforce West Virginia says natural gas employment is rising and coal employment is declining as market factors take effect.

Meanwhile, EPA will not propose its carbon pollution reduction rule for seven months, and it won't be final until mid-2015. It is difficult to demonstrate that this nonexistent rule contributes to economic problems today in coal communities.

When EPA finally proposes its rule, it will be a cost-effective system that enables emitters to adequately protect people from pollution at a reasonable cost. Fortunately, there are number of cost-effective compliance options to help rural communities reduce power plant pollution. For instance, USDA has a proposed program to help rural communities save energy by working directly with their local rural electric cooperatives.

> USDA through the Rural Utilities Service (RUS) [will] establish policies and procedures to implement energy efficiency loan programs aligned with USDA's Rural Economic Development Energy Efficiency (REDEEE) effort, which is designed to create jobs in the energy efficiency industry, and builds upon the work that Rural Development has done in providing funding and support for improving the energy efficiency of single and multi-family housing, businesses, farms, and utility companies.

This program should be finalized this fall.

Rural communities would also benefit from a shift from dirty, polluting coal to cleaner electricity sources. Many rural places have significant resources for wind, solar, and other forms of clean electricity. For example, the Department of Energy estimated that if 5 percent of the nation's energy comes from wind power by 2020, rural America could see $60 billion in capital investment. Farmers and rural landowners would derive $1.2 billion in new income and see 80,000 new jobs created over the next two decades. A

Response to questions by Rep. Rene Ellmers by Daniel J. Weiss

reduction in carbon pollution from power plants would increase incentives to invest in rural-based clean energy technologies.

The Department of Agriculture's support for energy efficiency efforts provided significant assistance to rural families to cut energy waste and save money. USDA

> Carried out more than 6,600 projects to help thousands of rural small businesses, farmers, and ranchers improve their bottom line by installing renewable energy systems and energy efficiency solutions that will generate/save more than 7.32 billion kWh– enough energy to power 680,000 American homes annually.

There have been proposals to assist communities facing economic decline due to the changing energy mix. The American Clean Energy and Security Act, by the House of Representatives in 2009, would have supplied $60 billion to help power plants continue to burn coal while permanently storing most of their pollution underground. Unfortunately, that measure did not pass in the Senate due to unanimous opposition by Republican senators.

As noted, there are opportunities to generate farm income via deployment of renewable energy, or save money by reducing electricity waste. Nonetheless, this could be a tough transition for coal-dependent workers and communities, and we support providing help to them. As I testified at the Subcommittee on Oversight and Investigations on October 29th, there ought to be federal assistance for workers and communities that face economic challenges due to changes in our energy mix.

> Any job loss has real impacts on families and communities. The federal government has an important role to play in working with the affected states to minimize the impacts of these changes. We would like to work with the chairman and other members of the subcommittee to develop strategies and programs to help miners and others displaced from their jobs as the result of changes in our energy use. We would respectfully suggest this subcommittee consider two specific actions to increase opportunities for coal communities.
>
> First, reduce investment uncertainty created by regulatory confusion. By allowing EPA to move forward with common sense rules to protect public health and the climate, companies will have the certainty they need to make pollution control investments, strategically plan for new business opportunities in cleaner energy technologies, and develop new employment opportunities for displaced workers
>
> Second, develop a comprehensive strategy to assist affected communities to help

Response to questions by Rep. Rene Ellmers by Daniel J. Weiss

them identify and pursue pathways to a prosperous future. One important change would allow early vesting in retirement and pension plans for coal workers near retirement age.

For younger workers, education and job training should be offered. Title XI, Section 1101 of the Clean Air Act Amendments of 1990 amended the Job Training Partnership Act to create the "Clean Air Employment Transition Assistance Program" (CAETAP).

From 1992 -1996, the program invested $83 million to provide training and readjustment aid to 6,366 workers dislocated as a result of their employer's compliance with the Act.

As part of a broader strategy, this committee could consider providing greater resources to this program in order to help impacted coal communities

Many American industries have developed, grown and contracted, with significant consequences for individuals, communities and the economy. Examples range from steel production and auto manufacturing, to video rental stores, photofinishing, newspaper publishing, and more.

Thankfully, the ingenuity and entrepreneurial spirit of America always finds new opportunities to transform, prosper and profit. We believe coal communities should receive federal assistance that will empower them to take advantage of growth opportunities that will enable long-term job security. From our perspective, this means understanding the limitations of what the coal sector will offer in the future and providing resource to help these communities explore more attractive opportunities

As I said in my testimony to the Subcommittee, I am interested in working with you and other members of the Subcommittee to develop common sense assistance to the most economically stressed workers and communities due to America's changing energy mix.

FRED UPTON, MICHIGAN
CHAIRMAN

HENRY A. WAXMAN, CALIFORNIA
RANKING MEMBER

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Majority (202) 225-2927
Minority (202) 225-3641

November 19, 2013

Mr. Olen Lund
13190 Crawford Road
Paonia, Colorado 81428

Dear Mr. Lund:

Thank you for appearing before the Subcommittee on Oversight and Investigations on Tuesday, October 29, 2013, to testify at the hearing entitled "EPA's Regulatory Threat to Affordable, Reliable Energy: The Perspective of Coal Communities."

Pursuant to the Rules of the Committee on Energy and Commerce, the hearing record remains open for ten business days to permit Members to submit additional questions for the record, which are attached. The format of your responses to these questions should be as follows: (1) the name of the Member whose question you are addressing, (2) the complete text of the question you are addressing in bold, and (3) your answer to that question in plain text.

To facilitate the printing of the hearing record, please respond to these questions by the close of business on Tuesday, December 3, 2013. Your responses should be mailed to Brittany Havens, Legislative Clerk, Committee on Energy and Commerce, 2125 Rayburn House Office Building, Washington, D.C. 20515 and e-mailed in Word format to brittany.havens@mail.house.gov.

Thank you again for your time and effort preparing and delivering testimony before the Subcommittee.

Sincerely,

Tim Murphy
Chairman
Subcommittee on Oversight and Investigations

cc: Diana DeGette, Ranking Member, Subcommittee on Oversight and Investigations

Attachment

Olen Lund
13190 Crawford Road
Paonia, Colorado 81428

The Honorable Tim Murphy
Chairman
Subcommittee on Oversight and Investigations
U.S. House of Representatives
Committee on Energy and Commerce

Dear Mr. Murphy,

Thank you for the opportunity to testify before your subcommittee in Washington D.C. and now the opportunity to answer some further questions.

In answer to The Honorable Tim Murphy:

1. As you have had time to reflect on your hearing testimony, do you have anything you wish to clarify or to elaborate relating to your testimony or in response to issues discussed at the hearing?

    a. I would like to add that since I testified in Washington one of the 3 large coal mines in my community has shut down completely. Laid off employees are now scrambling to find ways to support their families without having to go on unemployment.

2. Have you or anyone you know been able to attend one of EPA's public listening sessions this Fall, during which EPA is attempting to solicit ideas and input from the public and stakeholders about 'the best Clean Air Act approaches to reducing carbon pollution from existing power plants?' If yes, please specify the date and location of that session. If you will not be able to attend one of EPA's ongoing public listening sessions, do you have any questions or feedback on this topic that you would like to take a moment now to share with EPA?

    a. My flight from Washington D.C. back to Denver was too late for me be able to attend the EPA public listening session in Denver, but I have several friends that travelled across the state of Colorado to attend.

2. What would higher electricity costs mean to people living in your community and surrounding communities? What do higher energy prices mean for manufacturing?

    a. As I stated in my testimony, I am from a clean coal producing community, not a manufacturing community. I am on the board of directors of our local rural electric co-op and our largest load demand, by far, is the coal mines themselves. So even if

these coal producers could find a market, their cost of production is increasing dramatically. And higher electricity costs for residents of an already economically depressed community are difficult to pay.

In answer to The Honorable Rene Ellmers:

1. While the ash from coal combustion is a waste by-product, I know that it provides great benefit with concrete mix designs – supporting the development of higher strengths and better performance. My understanding is that despite the efforts of EPA to attempt to continue to permit such beneficial use of fly ash in their new ruling, the concrete industry remains concerned about liability risks associated with the handling and use of what will now be declared a hazardous material. Could you address these liability concerns and your personal perspective on the impact of this ruling on beneficial use of fly ash, if any?

    a. I have no expertise or experience with the use of fly ash in concrete mix designs, but I know the results of reduced markets for our coal. It is devastating to our community.

2. Many believe the impact of EPA regulation of CO2 through the CAA will have a more significant negative impact on rural communities. Rural consumers use more coal fired generation (in many cases natural gas pipelines are not nearby) and coal reserves are close, readily available, thus more economical to use. Rural utilities including electric cooperatives built those plants for the right reasons. Rural communities produce coal so jobs will be impacted, a previously cheaper source of fuel will be more difficult to use and more expensive. It's a double whammy. Can you explain the residual effect this will have on agriculture, small business and the tax base (schools, local government services) of these local rural communities?

    a. The elimination of coal mining in my area will all but kill agriculture in my area. Historically both industries support the infrastructure necessary to sustain our local community. Commercial agriculture in my area, both organic and conventional, is being replaced by "boutique" gardens whose emphasis is on popular culture, not production. Consequently locally owned small businesses and our local schools are dwindling. Even "boutique" businesses are failing because there is not a general community to support them.

Thank you again for the opportunity to testify before your subcommittee and this opportunity to speak to some further questions.

Sincerely,
Olen Lund

FRED UPTON, MICHIGAN
CHAIRMAN

HENRY A. WAXMAN, CALIFORNIA
RANKING MEMBER

ONE HUNDRED THIRTEENTH CONGRESS

Congress of the United States
House of Representatives
COMMITTEE ON ENERGY AND COMMERCE
2125 RAYBURN HOUSE OFFICE BUILDING
WASHINGTON, DC 20515-6115
Majority (202) 225-2927
Minority (202) 225-3641

November 19, 2013

The Honorable John Fetterman
Mayor
City of Braddock, PA
P.O. Box 609
Braddock, PA 15104

Dear Mayor Fetterman:

Thank you for appearing before the Subcommittee on Oversight and Investigations on Tuesday, October 29, 2013, to testify at the hearing entitled "EPA's Regulatory Threat to Affordable, Reliable Energy: The Perspective of Coal Communities."

Pursuant to the Rules of the Committee on Energy and Commerce, the hearing record remains open for ten business days to permit Members to submit additional questions for the record, which are attached. The format of your responses to these questions should be as follows: (1) the name of the Member whose question you are addressing, (2) the complete text of the question you are addressing in bold, and (3) your answer to that question in plain text.

To facilitate the printing of the hearing record, please respond to these questions by the close of business on Tuesday, December 3, 2013. Your responses should be mailed to Brittany Havens, Legislative Clerk, Committee on Energy and Commerce, 2125 Rayburn House Office Building, Washington, D.C. 20515 and e-mailed in Word format to brittany.havens@mail.house.gov.

Thank you again for your time and effort preparing and delivering testimony before the Subcommittee.

Sincerely,

Tim Murphy
Chairman
Subcommittee on Oversight and Investigations

cc: Diana DeGette, Ranking Member, Subcommittee on Oversight and Investigations

Attachment

Attachment—Additional Questions for the Record

The Honorable Rene Ellmers

1. While the ash from coal combustion is a waste by-product, I know that it provides great benefit with concrete mix designs – supporting the development of higher strengths and better performance. My understanding is that despite the efforts of EPA to attempt to continue to permit such beneficial use of fly ash in their new ruling, the concrete industry remains concerned about liability risks associated with the handling and use of what will now be declared a hazardous material. Could you address these liability concerns and your personal perspective on the impact of this ruling on beneficial use of fly ash?

2. Many believe the impact of EPA regulation of CO2 through the CAA will have a more significant negative impact on rural communities. Rural consumers use more coal fired generation (in many cases natural gas pipelines are not nearby) and coal reserves are close, readily available, thus more economical to use. Rural utilities including electric cooperatives built those plants for the right reasons. Rural communities produce coal so jobs will be impacted, a previously cheaper source of fuel will be more difficult to use and more expensive. It's a double whammy. Can you explain the residual effect this will have on agriculture, small business and the tax base (schools, local government services) of these local rural communities?

The Committee has received no response to these questions at the time of printing.

FRED UPTON, MICHIGAN
CHAIRMAN

HENRY A. WAXMAN, CALIFORNIA
RANKING MEMBER

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November 19, 2013

Mr. John Pippy
Chief Executive Officer
Pennsylvania Coal Alliance
1200 Maronda Way, Suite 403A
Monessen, PA 15062

Dear Mr. Pippy:

Thank you for appearing before the Subcommittee on Oversight and Investigations on Tuesday, October 29, 2013, to testify at the hearing entitled "EPA's Regulatory Threat to Affordable, Reliable Energy: The Perspective of Coal Communities."

Pursuant to the Rules of the Committee on Energy and Commerce, the hearing record remains open for ten business days to permit Members to submit additional questions for the record, which are attached. The format of your responses to these questions should be as follows: (1) the name of the Member whose question you are addressing, (2) the complete text of the question you are addressing in bold, and (3) your answer to that question in plain text.

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Thank you again for your time and effort preparing and delivering testimony before the Subcommittee.

Sincerely,

Tim Murphy
Chairman
Subcommittee on Oversight and Investigations

cc: Diana DeGette, Ranking Member, Subcommittee on Oversight and Investigations

Attachment

John Pippy
CEO
Pennsylvania Coal Alliance

December 3, 2013

Response to Questions for the Record from the Oversight and Investigations hearing entitled, "EPA's Regulatory Threat to Affordable, Reliable Energy: The Perspective of Coal Communities.

The Honorable Tim Murphy

Question #1:

As you have had time to reflect on your hearing testimony, do you have anything you wish to clarify or to elaborate relating to your testimony or in response to issues discussed at the hearing?

Answer:

The true path toward energy security and economic prosperity is a balanced energy policy that wisely utilizes all our indigenous resources through market driven choices to satisfy demand.

Instead of deliberately seeking to eliminate coal from the nation's generation mix, government should work collaboratively with all energy stakeholders to encourage the development of even more effective clean coal technologies. The win-win result would move us toward zero emissions, while taking advantage of coal's abundance, reliability and affordability and maintaining economic competitiveness.

Sound energy policy is about finding a way to produce cleaner, more efficient power while maintaining jobs and economic competitiveness. Our policies need to be aligned with those goals in securing our energy future.

Question #2:

Have you or anyone you know been able to attend one of EPA's public listening sessions this fall, during which EPA is attempting to solicit ideas and input from the public and stakeholders about 'the best Clean Air Act approaches to reducing carbon pollution from existing power plants?' If yes, please specify the date and location of that session. If you will not be able to attend one of EPA's ongoing public listening

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PACOALALLIANCE.COM

sessions, do you have any questions or feedback on this topic that you would like to take a moment now to share with EPA?

Answer:

I testified before the Public Listening Session that was held in Philadelphia on November 8, 2013.

The most troubling aspect of the Sessions was the fact that none of the hearings were remotely located close to the coalfields.

For example, Philadelphia is a good six hour drive from Pennsylvania's bituminous coal communities.

It seems as if EPA deliberately selected the most inaccessible sites for the hearings to discourage participation by coalfield residents, whom would be most impacted by regulation changes, and avoid receiving input that conflicts with EPA's predetermined solutions.

As a result, I do not believe that the session achieved their goal of receiving critical and diverse input from key stakeholders.

Question #3:

Why do energy prices tend to be lower, on average, in large coal-producing states than in states where coal plays a smaller role?

Answer:

Because of transportation costs in delivering the coal to power plant sites. To minimize transportation costs, many of Pennsylvania's bigger coal-fired power plants were deliberately sited close to coal mines. These are referred to as "mine-mouth" plants.

The Honorable Rene Ellmers

Question #1:

While the ash from coal combustion is a waste by-product, I know that it provides great benefit with concrete mix designs -- supporting the development of higher strengths and better performance. My understanding is that despite the efforts of EPA to attempt to continue to permit such beneficial use of fly ash in their new ruling, the concrete industry remains concerned about liability risks associated with the handling and use of what will now be declared a hazardous material. Could you address these liability concerns and your personal perspective on the impact of this ruling on beneficial use of fly ash?

Answer:

In June 2010, EPA proposed a rule to regulate the disposal of Coal Combustion Residuals (CCRs) from electric utilities and independent power producers under the Resource Conservation and Recovery Act (RCRA). This proposed rule contained two options for regulation of CCRs disposal:

- a hazardous waste regulatory option under Subtitle C and
- a non-hazardous waste regulatory option under Subtitle D.

The proposed rule does not address the placement of CCRs in minefills nor non-minefill uses of CCRs at coal mine sites. However, because of the actual written language and provisions in the proposed rule, the application to the mining industry is clouded and uncertain.

What is certain is that RCRA Subtitle C, establishes strict controls on the management of hazardous wastes from their point of generation, through their transportation and treatment, storage and/or disposal. Because Subtitle C requires controls on hazardous waste generators (origin), transporters, and treatment, storage and disposal facilities--the facilities that ultimately treat or recycle the hazardous waste--the liability for the material is "cradle to grave." The liability for a coal mine operator, or anyone, to ensure proper strict management of this material once it is out of their actual control, is tremendous. The program also demands stringent recordkeeping and reporting requirements on generators, transporters, and operators of treatment, storage and disposal facilities handling hazardous waste.

While EPA cites the need for national management criteria of CCRs was emphasized by the December 2008 spill of CCRs from TVA's Kingston, TN surface impoundment[1], it is difficult to understand EPA's June 10, 2010 reaction given they extensively evaluated whether CCRs should be subject to Subtitle C in 1988 and 1999 Reports to Congress, indicating this material does not exhibit any of the four characteristics of a hazardous waste. And then in 1993 and 2000, EPA again found no reason to regulate under Subtitle C. Regulation under either of these Subtitles does not preclude a structural integrity accident from occurring.

Given this material does not meet any of the criteria of a hazardous waste, and given the possibility of our members' coal mining operations that use and manage CCRs being subject to onerous, costly and inappropriate RCRA Subtitle C hazardous waste regulations and subsequent liability, PCA submitted comments on this proposed rule supporting a non-hazardous waste regulatory option under Subtitle D.

It is our belief the Office of Surface Mining and Enforcement (OSM) and the Pennsylvania Department of Environmental Protection (PA DEP) are the appropriate agencies to regulate CCRs from coal mining and reclamation operations because of their

[1] http://www.epa.gov/solidwaste/nonhaz/industrial/special/fossil/ccr-rule/index.htm

years of experience. For over 25 years, Pennsylvania has had a successful program for the beneficial use of coal ash at mine sites in an environmentally responsible manner requiring material certifications and extensive sampling, monitoring and testing. Historical mining has left many areas needing reclamation, and abandoned mine reclamation is the primary beneficial use of coal ash in Pennsylvania. Without this beneficial use, CCRs are headed to landfills and less reclamation occurs due to cost.

Although abandoned mine reclamation is the primary beneficial use of coal ash in Pennsylvania, beneficial use of coal ash plays a role in other purposes. These include: the manufacture of concrete, as an asphalt additive, in structural fills, as an anti-skid material in road and airport runway sub-base construction, and in various other highway and construction applications.

I am aware that EPA recently indicated in their June 7, 2013 Federal Register notice regarding Effluent Limit Guidelines for the Steam Electric Power Generating industry that the final risk assessment for CCRs is not complete, and that their analysis could possibly provide support for a regulation under non-hazardous RCRA Subtitle D. However, the uncertainty for our industry, and other industries like the concrete industry, still exists, and the prolonged discussion around this issue fueled by inaccuracies, is slowing down recycling.

According to the American Coal Ash Association's recently released annual 2012 Production and Use Survey, 51.9 million tons of Coal Combustion Products were beneficially used in 2012 – down from 56.6 million tons in 2011 and considerably below the 2008 peak of 60.6 million tons. In the specific category of fly ash used in concrete, utilization was at 11.8 million tons, again below the 12.6 million tons in 2008.[2]

According to the Pennsylvania Department of Environmental Protection, in 2012, CCRs usage in coal mines was approximately 7 million tons. In 2008, it was 11 million tons.[3]

PCA also agrees with The Environmental Council of the States (ECOS) Resolution 08-14 dated September 22, 2008, which concluded an energetic market for coal ash would lead to better waste management than a new regulatory scheme that is duplicative. ECOS noted that regulation of CCRs as hazardous waste is unwarranted, the existing state framework is adequate for regulating coal ash, and EPA should instead partner with the states to promote beneficial use of CCRs.

There is no better way of encouraging a successful program like beneficial use of CCRs than by providing support for a free market to grow versus putting up regulatory roadblocks that impedes its growth.

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[2] http://www.acaa-usa.org/associations/8003/files/News_Release-Coal_Ash_Production_and_Use_2012.pdf

[3] Email dated October 21, 2013 from PA DEP to PCA.

Question #2

Many believe the impact of EPA regulation of CO2 through the CAA will have a more significant negative impact on rural communities. Rural consumers use more coal-fired generation (in many cases natural gas pipelines are not nearby) and coal reserves are close, readily available, thus more economical to use. Rural utilities including electric cooperatives built those plants for the right reasons. Rural communities produce coal so jobs will be impacted, a previously cheaper source of fuel will be more difficult to use and more expensive. It's a double whammy. Can you explain the residual effect this will have on agriculture, small business and the tax base (schools, local government services) of those local rural communities?

Answer:

PCA recently completed a case study on the economic impact of coal to Greene County, Pennsylvania, a patchwork of rural boroughs and townships that is the largest coal producing county in the state.

Essentially, the study found that in these rural communities any company that supplies the mining industry or whose business is dependent on money from a miner or plant worker's paycheck is affected by the fate of coal mining. This is not surprising since coal has long been the economic lifeblood of rural areas, driving growth and development and delivering huge social benefits.

Among the findings from our Greene County Study:

- Mining accounts for 25 percent of the county's total employment.
- It directly employs 3,544 workers with a payroll exceeding $300 million per year.
- Three of the top four major employers in the county are mining companies.
- The average annual salary for a Greene County miner totals $88,633. By contrast, the average county wage for all occupations is $42,880, or less than half of what a Greene County miner on average annually earns.
- The direct annual capital expenditures made by coal mines located in Greene County are estimated at $1.2 billion; the direct and indirect economic benefits are $3.7 billion per year, creating almost 16,000 jobs.
- Taxes from coal mining operations, which dominate Greene County's industrial base, account for 40 percent of the county's budget. Coal currently constitutes 31 percent of the county's total property valuation, with the industry paying about $3.5 million per year in property taxes alone. Any loss of coal production or shuttered mines will impact municipal and school district budgets, straining their ability to provide basic services for their residences.