

Written Statement of Charles J. Baird, Chairman
Coal Operators and Associates, Inc.
Before the House Committee on Appropriations
Interior, Environment and Related Agencies Subcommittee
March 18, 2015

Chairman Calvert and Ranking Member McCollum:

My name is Charles J. Baird and I am the Chairman of Coal Operators and Associates, a coal industry trade association headquartered in Pikeville, Kentucky. Our association is primarily composed of the small and medium-sized underground and surface coal mining operations remaining in eastern Kentucky along with a number of businesses directly related to or impacted by the coal industry. I appreciate the opportunity to come before you today and present testimony regarding the issues and problems our operators and our communities face daily with the U.S. Environmental Protection Agency. I am here to ask for this Subcommittee's help.

I know that you and your colleagues hear from individuals and businesses on a consistent basis regarding EPA and its overreach or negative impact on their communities or the cost of regulation on a company or an industry. I come to you today to testify about this agency's negative effect and methodical, well-planned destruction of an industry, an entire region of our country and a way of life for thousands and thousands of families. I do not mean to sound dramatic but am simply stating what has occurred and continues to occur across the central Appalachian region of the United States. The economic devastation wrought by this agency is simply incredible and I do not believe that the Congress can continue to let this occur without calling EPA to account, questioning what they do and how they do it and making them answer questions that, quite simply, they have not been asked and cannot answer.

It is important, first and foremost, to understand that the actions undertaken by EPA to substantially reduce or even eliminate the use of coal as an energy source in the United States reflects an agenda, not a well-thought out, researched or debated policy or set of policies. EPA's agenda has had one simple goal – to make the mining of coal and the use of coal prohibitively expensive and, as a result, force the country and consumers to accept over time much higher electricity rates. The agenda is being vigorously pursued by EPA even though it is obviously costing, and will continue to cost, tens of thousands of hard working Americans their jobs and substantially increase electricity rates paid by those who can least afford it. All this without a measurable decrease in so-called “greenhouse or noxious gases”.

EPA has provided huge amounts of money and resources to the environmental advocacy industry to further its agenda of establishing and implementing a war on coal. EPA has proposed or enacted so many regulations on practically every aspect of life in this country that no one person could possibly be familiar with them all. All of these actions were made at the same time EPA came to you and stated everything was “based on science”. EPA’s war on Appalachia and its war on coal have had disastrous effects on the regional and national economies.

Since 2009, Chairman Rogers’ district in eastern Kentucky has lost 9,000 direct coal jobs and many thousands more in other businesses. These same men and women (and their families for many generations) have mined the coal which made the United States what it is today. Every coal job in eastern Kentucky supports about 5 other jobs throughout the economy. These jobs pay, on average, \$60,000 or more a year along with some of the best benefits packages in the country. The loss of this income has had a devastating cumulative impact across the entire region and, quite frankly, we simply do not know the total impact this war has caused throughout the economy. It has impacted communities, schools, hospitals, local governments and every aspect of our way of life throughout Appalachia. All in the name of an agenda.

In appearing before you today, I ask this Subcommittee to help our region, country and economy by thoroughly investigating EPA’s agenda, the coordination of EPA’s agenda with the environmental advocacy industry. These requests for help from this Subcommittee are:

1. Require verification of the basis of an action before issuing regulations and guidance and quantify, through an independent and non-conflicted entity, the real cost of these actions. The verification should apply to enacted, pending and future regulations and policies.
2. Require non-conflicted reviews of the “science” of policies and guidance BEFORE an agency implements regulations or guidance.
3. Determine the extent of EPA’s funding of the environmental advocacy industry. To whom have monies been paid, how much and for what.

With regard to the first request, the debate surrounding the environment has been overtaken by zealots who have determined that questioning climate change, global warming and the other buzz words mean the questioners are ignorant or uninformed. My understanding of the term “scientific method” involves questioning and debating not only the conclusions reached but the methods used in reaching the conclusion. The questioning of the actual cost of EPA actions falls into the same category. It seems prudent to have independent and non-conflicted reviews done on these actions and

proposals before they are implemented to determine and quantify the direct and, more importantly, the indirect costs associated with an action. What are the benefits? Most importantly, the methodologies and information used by both the agency and the requested independent non-conflicted reviewers must be made public. Many of the problems associated with the debates or questions about EPA actions is its refusal to make available the methodologies and background information used to develop or create justifications for a particular regulation or guidance.

If you examine EPA's website, there are pages and pages of statements concerning EPA's "determinations" regarding numerous sources of "pollution" and how it intends to eliminate the pollutants. The only problem is there is no "back up" to support the determinations and EPA is unwilling to let anyone know, including Congress, how the determinations were made. The standard answer to the media, at hearings, public addresses, etc. is that "the debate is over" and the "science is uncontroverted". Congress needs to determine the difference between the "agenda" and "reality". Make EPA verify the determinations. One suggestion would be to take all of the predictions made by the environmental advocacy industry and/or EPA beginning in the early 1980s through the present and "grade" them on the accuracy of their predictions, assign a grade from "A to F" and the members of this Subcommittee can see for yourselves these folks don't graduate to the next grade.

The second request of this Subcommittee is for it to insure the "science" claimed to be the basis for EPA's actions is actual non-conflicted scientific fact instead of creating "science" to validate a chosen path. For the past few years, EPA has continuously utilized Science Advisory Boards to review its proposals and policies. In so doing, EPA officials come to Congress and testify that its decisions are "science-based". The reality, however, is one of creating the science after a policy has been developed. How many regulations or guidance documents have gone into effect before review by a Science Advisory Board? Once a board is convened, does anyone question the conflicts of interest that exist on these boards? Does anyone question the number of members on these boards that are also recipients of EPA grant funds? How can an honest review of the science of a particular policy be accomplished by someone who receives payments from EPA? Many in the environmental advocacy industry have raised these same questions about research paid for by a particular industry. Shouldn't the same concerns raised by these people be asked of EPA. Congress, through this Subcommittee, must stop this travesty as its very usage undermines the validity of any review unless and until these entities become truly "science based", comprised of true experts (both industry and academic) and non-conflicted. Only then can a reasonable person expect unbiased review.

The previous two requests lead to the final request. Congress should evaluate the environmental advocacy industry and its relation to the EPA and determine how much is spent by all agencies of government on an annual basis to formulate, encourage and institutionalize this agenda. Congress should develop tools to have independent non-conflicted analysis of this agenda's cost to the American consumer and the American taxpayer. I've not heard one EPA official talk about the economic effects to eastern Kentucky due to the loss of 9,000 direct coal mining jobs in 4 years. I've not heard one EPA official talk about the cumulative impacts on the economy, the loss of wages on these families, the negative impacts to indirect beneficiaries of that income such as local businesses, schools and local governments. Tens of billions of dollars have been spent by the federal government on the issues of global warming, climate change, etc. How much and to whom have these monies been paid, and what was obtained as a result of these expenditures? What was the assignment? Who reviewed the results and what input did EPA have in the entire process?

If one looks at the energy costs across the country, it is clear that electric generation costs of the west coast and the northeast United States are much higher than the generation costs of the mid-west and the south. The intent of EPA policies, it seems, is to drive up the costs to the mid-west and the south UP instead of working to bring generation costs down in the west and northeast. What is the actual cost to the economy for doing that? These are all questions that must be asked and answered if Congress, as our elected representatives, is to fulfill its constitutional role and create and provide the laws under which the country operates.

I feel certain that if the requested changes are implemented by Congress, the economy of eastern Kentucky and other coal producing areas will show dramatic improvement. I know you realize how important these issues are. The future of the country depends on it. We need to put people back to work in real jobs with real wages and restraining the EPA will be a significant step in doing so.

I want to thank each of you for your time and attention to this important matter and for the opportunity to present this testimony. I know each of you on this Subcommittee work very hard to represent your constituents in the best manner possible and I appreciate your service and efforts on behalf of your districts.