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4 ``EPA'S REGULATORY THREAT TO AFFORDABLE, RELIABLE ENERGY:

5 THE PERSPECTIVE OF COAL COMMUNITIES''

6 TUESDAY, OCTOBER 29, 2013

7 House of Representatives,

8 Subcommittee on Oversight and Investigation

9 Committee on Energy and Commerce

10 Washington, D.C.

11 The subcommittee met, pursuant to call, at 1:07 p.m., in
12 Room 2123 of the Rayburn House Office Building, Hon. Tim
13 Murphy [Chairman of the Subcommittee] presiding.

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

18 Staff present: Charlotte Baker, Press Secretary; Karen

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19 Christian, Chief Counsel, Oversight; Brad Gantz, Policy
20 Coordinator, Oversight and Investigations; Tom Hassenboehler,
21 Chief Counsel, Energy and Power; Brittany Havens, Legislative
22 Clerk; Mary Neumayr, Senior Energy Counsel; Sam Spector,
23 Counsel, Oversight; Peter Spencer, Professional Staff Member,
24 Oversight; Tim Wilbur, Digital Media Advisor; Brian Cohen,
25 Democratic Staff Director, Oversight and Investigations, and
26 Senior Policy Advisor; Kiren Gopal, Democratic Counsel; and
27 Kara van Stralen, Democratic Policy Analyst.

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28 Mr. {Murphy.} Good afternoon, and welcome to our
29 subcommittee hearing, Oversight and Investigation, titled
30 ``EPA's Regulatory Threat to Affordable, Reliable Energy:
31 the Perspective from Coal Communities.''

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

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

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

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

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

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

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

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96 testimony about the Agency's decisions, and we will continue
97 to do so in the months ahead.

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

103 In my district, the Agency didn't consider the nearly
104 400 people in Pennsylvania who were put out of work last week
105 at the Hatfield and Mitchell coal-fired power plants in
106 Greene and Washington Counties. This was after the plant's
107 owner spent nearly half a billion dollars making Hatfield one
108 of the cleanest super-critical facilities in the country,
109 only to throw in the towel when the EPA announced new
110 unworkable mandates for 2016. The EPA did not consider the
111 ten people who lost their jobs at Joy Mining in Houston,
112 Pennsylvania last Friday, or the 130 individuals at PBS Coals
113 in Somerset County who were laid off in May, the third round
114 of layoffs at the company in less than a year. These
115 Pennsylvanians joined the nearly 6,000 miners who lost their
116 jobs in 2012 working directly in the coal mining industry and
117 thousands of factory workers, boilermakers, laborers,
118 electricians, operating engineers, steamfitters, plumbers and

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119 machinists, all out of work or under threat of losing their
120 jobs.

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

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

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

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

146 [The prepared statement of Mr. Murphy follows:]

147 ***** COMMITTEE INSERT *****

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148 Mr. {Murphy.} With that, I will end early and recognize
149 Ranking Member DeGette for the purposes of an opening
150 statement.

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

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

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170 free market and what we do about that.

171 Something else we need to think about is why the EPA is
172 making these regulations, and they are making these
173 regulations because there is another real threat aside from
174 the loss of these jobs, which is an important issue. We also
175 have a catastrophic issue facing us, and that issue is the
176 issue of climate change. If you look at what happened one
177 year ago today when Hurricane Sandy made landfall in the
178 United States, over 100 people were killed. There was
179 devastation throughout the East Coast. And when you look at
180 what happened in Colorado this summer in my home State where
181 we saw the potential impacts of climate change firsthand with
182 11,000 people being evacuated from their homes, 19,500 homes
183 being damaged and over 1,500 being destroyed in these
184 catastrophic floods. And so when you look at climate change,
185 you have to say why is EPA making these regulations and what
186 we can do.

187 And so as we look at this whole issue, we look at,
188 number one, the need to reduce carbon pollution, we need to
189 protect public health and the environment, and we also need
190 to provide assistance to communities and individuals that are
191 hard hit both by the shift from coal and also by climate
192 change so that people can transition to improved technologies

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193 that will meet our energy needs.

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

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

206 [The prepared statement of Ms. DeGette follows:]

207 ***** COMMITTEE INSERT *****

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208 Mr. {Yarmuth.} I thank the ranking member.

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

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

226 Mountaintop removal isn't just impacting the residents
227 in coal communities. It is also taking their jobs. The
228 decline in mining jobs did not start 2 years ago or 6 years
229 ago when this President took office. It started more than

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230 three decades ago with the advent of mechanized mining and
231 mountaintop removal. During that time, the number of mining
232 jobs in Kentucky declined from approximately 47,000 in 1977
233 to 12,000 today. Meanwhile, coal production remains steady
234 with the exception of recent drops due to the natural gas
235 surge. In other words, the only ones who benefited from
236 mechanized mining are the coal companies whose profits have
237 remained far, far healthier than the local economies where
238 they operate.

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

248 [The prepared statement of Mr. Yarmuth follows:]

249 ***** COMMITTEE INSERT *****

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250 Mr. {Murphy.} Thank you. We now recognize the chairman
251 of the full committee, Mr. Upton, for 5 minutes.

252 The {Chairman.} Well, thank you, Mr. Chairman.

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

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

271 Today we are going to hear important testimony that is

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272 going to provide the perspective of the communities that help
273 provide Americans the benefits of this abundant resource and
274 the electricity it produces. The views of the local
275 officials and workers provide a testament to the importance
276 of coal, as a source of good, meaningful work, and as a
277 support for the quality of life that all communities around
278 the Nation strive for. But the testimony also paints a
279 troubling picture about the real damage that occurs when
280 plants shutter, mines close, and people lose their jobs.

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

289 The great irony is that coal has done so much to ensure
290 the affordable, reliable power for the majority of Americans
291 for multiple generations. It has been a core fuel behind the
292 great accomplishments of our manufacturing industry. And to
293 a point underscored by the testimony today, coal has done
294 much to lift so many out of poverty in this Nation. Today's

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295 hearing should remind us these accomplishments are at risk.

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

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

308 [The prepared statement of Mr. Upton follows:]

309 ***** COMMITTEE INSERT *****

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310 Mr. {Griffith.} Thank you, Mr. Chairman. I appreciate
311 the opportunity to have a minute for an opening statement.

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

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332 So we are bankrupting not only the power companies, as
333 the President said that he would do, but we are bankrupting
334 the mom-and-pop businesses. We are bankrupting car
335 dealerships. We are bankrupting restaurants. We are
336 bankrupting mom-and-pop businesses all over this country for
337 little gain in the environment, and what we need to do is, we
338 need to make sure that the science leads us on the
339 regulations instead of the regulations forcing people out of
340 business because they don't have time to wait for the science
341 to catch up with the regulations.

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

348 [The prepared statement of Mr. Griffith follows:]

349 ***** COMMITTEE INSERT *****

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350 Mr. {Murphy.} The gentleman yields back. With that, I
351 now recognize for 5 minutes for an opening statement the
352 gentleman from California, Mr. Waxman.

353 Mr. {Waxman.} It is ironic: Today is the 1-year
354 anniversary of Hurricane Sandy, a terrible tragedy. Rather
355 than pay any attention to that landmark, we are talking about
356 EPA's supposed regulatory threat to coal communities.

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

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

371 I have written almost 30 letters to Chairman Upton and

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372 the Republican leadership of this Committee and I said we
373 ought to have a hearing on the science. We ought to bring in
374 the leading scientists to talk about the science that would
375 lead to good regulation. Well, we have had a refusal to even
376 hold one hearing with the scientists. Instead, as the threat
377 from climate change becomes more and more dire, and the
378 scientific consensus of the threat becomes even clearer, we
379 are having another hearing focused on the alleged war on
380 coal.

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

387 Now, I know many of you are here from the coal industry.
388 Let me tell you, I have been in Congress for a long time.
389 When we tried to deal with the acid rain problem, I suggested
390 everybody in the country pay a fee to help pay for the
391 scrubbers to stop the acidity that was going up to the
392 northeast and Canada. And you know what we were told?
393 Forget it; there is no problem. And when President George
394 H.W. Bush signed the law, we required the reduction to be

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395 made in the cheapest possible way. And what they did is
396 they switched the low-sulfur coal and destroyed the high-
397 sulfur coal industry.

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

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

406 [The prepared statement of Mr. Waxman follows:]

407 ***** COMMITTEE INSERT *****

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408 Mr. {Doyle.} Thank you. I appreciate you yielding.

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

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

423 So what has this Administration actually done that
424 impacts the future of coal? Well, since the beginning of
425 this Administration, the Department of Energy has invested
426 around \$6 billion to develop clean coal communities:
427 capture, utilization and storage. In fact, one of the first
428 votes during the Obama Administration on the stimulus package
429 included \$3.4 billion for carbon capture and sequestration.

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430 You know how many Republicans voted for that? Zero. Later
431 that same year, this committee worked tirelessly to put
432 together a comprehensive energy strategy, which included
433 multiple provisions to further development of CCS technology
434 to take the burden away from the coal industry and the
435 electric utility industry. That bill received eight
436 Republican votes, only one from this committee.

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

443 [The prepared statement of Mr. Doyle follows:]

444 ***** COMMITTEE INSERT *****

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445 Mr. {Murphy.} Thank you. The gentleman's time is
446 expired.

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

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

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

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

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

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467 appropriations and budget for Delta County.

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

473 Our final witness is John Pippy. He is the Chief
474 Executive Officer of the Pennsylvania Coal Alliance, which
475 represents the interests of over 250 member companies and
476 41,500 workers in the coal industry. He also served 16 years
477 in the Pennsylvania General Assembly and in the Pennsylvania
478 State Senate. He is an Iraq war veteran and a graduate of
479 West Point.

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

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490 swear you in.

491 [Witnesses sworn.]

492 Mr. {Murphy.} All witnesses have answered

493 affirmatively. You are now under oath and subject to the

494 penalties set forth in Title XVIII, Section 1001 of the

495 United States Code. You may now each give a 5-minute summary

496 of your written statement. We will start with Mr. Brock.

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|

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

|

506 ^TESTIMONY OF ALBEY BROCK

507 } Mr. {Brock.} Chairman Murphy, Ranking Member DeGette,
508 members of the committee, thank you for having me here today.

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

514 My position has placed me on the front lines and in the
515 trenches of a battle between the rapidly growing needs in my
516 county as unemployment explodes coupled with shrinking

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517 budgets as revenues decrease. The duties of the County Judge
518 Executive are similar to that of a county Mayor. I have
519 fiscal responsibilities of operating all things related to
520 county government-- the sheriff's office, the jail, animal
521 control, the road department, and ambulatory services to name
522 a few.

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

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

530 Economists estimate that one coal-mining job supports
531 three and a half other jobs in our economy. That means that
532 beyond the 7,000 coal-mining jobs already lost, an additional
533 24,500 jobs in our region will be affected. The average
534 family size is three. That means 94,500 people, nearly 20
535 percent of our entire population in eastern Kentucky, have
536 been directly impacted by coal industry job losses. The
537 average wage of the 7,000 lost coal jobs is just over \$78,000
538 per year. When you multiply that wage by the 7,000 jobs lost,
539 and then multiply the other 24,500 jobs lost by a

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540 conservative figure of 20,000, over \$1 billion worth of
541 earned wages will be removed from our region's economy. That
542 deserves repeating: \$1 billion a year.

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

550 These are not young people fresh out of high school
551 about to debate their career path. Every day in my job I am
552 approached by proud, mature men and women with young
553 families. Workers that feel the effects of time and toil on
554 their bodies and have retirement just within their sights,
555 they approach me almost daily. They both have made choices
556 about their careers, worked hard, and made sacrifices and now
557 regardless of what some of you may think, because of recent
558 decisions made by the EPA they face hardship and uncertainty.

559 I have personally witnessed them selling their life's
560 possessions in yard sales. Their credit is being damaged
561 beyond repair as they are forced to send their kids to school
562 for dependency on free lunch, food stamps and other

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563 government programs in an attempt to get through another
564 week. These are men and women that have believed that basic
565 American promise. They believed that if they worked hard
566 that they could do well enough to raise a family, own a home,
567 and send their kids to college, and put a little away for
568 retirement.

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

573 Knott County, neighboring Knott County, is
574 representative of our region. In 1960, just before the War
575 On Poverty was declared, 76.5 percent of Knott County
576 citizens lived in poverty. By 2011, only 24.5 percent were
577 living in poverty. Now that the coal workforce in Knott
578 County has suddenly been reduced to half of what it was in
579 2011, poverty is on the rise again.

580 I cannot imagine that the EPA calculated the human
581 impact of their decisions that have so negatively impacted
582 the coal industry in eastern Kentucky, put thousands of
583 families and children at risk, and threatened decades of
584 progress. But if they did, they callously disregarded that
585 calculation and violated the most basic moral imperative of

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586 our government, which is to protect its people.

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

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

599 [The prepared statement of Mr. Brock follows:]

600 ***** INSERT A *****

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|

601 Mr. {Murphy.} Thank you.

602 I now recognized Mr. Ventrone for 5 minutes for your

603 opening statement.

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|

604 ^TESTIMONY OF RAYMOND C. VENTRONE

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

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

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

621 A boilermaker is a tradesperson who possesses a full
622 range of knowledge and skills required to work in the
623 construction industry. The duties of a boilermaker include
624 welding, acetylene burning, asbestos abatement, rigging,

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625 scaffold erection and dismantling, stack work, steel
626 erection, tube rolling, impact machine operating, and such
627 other items as regarded as boilermaker journeyman work. The
628 broad scope of the boilermaker trade includes construction
629 and maintenance work performed in the field and in industrial
630 and commercial plants, such as power plants, retrofit coal-
631 fired units, steel mills, electric power generation, thermal,
632 nuclear hydro plants, refineries, oil and chemical, gas
633 turbines, gas processing plants, water treatment facilities,
634 cement plants, fertilizer plants, breweries, pulp and paper
635 mills and many other industrial and commercial facilities.

636 The International Brotherhood of Boilermakers has long
637 been a proponent of sensible legislation and regulatory
638 action. However, the Environmental Protection Agency
639 recently proposed rule restricting carbon emission on new
640 power plants appears to be a calculated move to ensure that
641 coal will no longer be a part of that strategy by setting
642 impossible CO2 limits for new fossil-fueled plants.
643 Effectively, the EPA's New Source regulations will end future
644 coal-fired plant construction, despite enormous progress that
645 has been made in recent years with advanced emission-limiting
646 technologies.

647 Just 3 years ago, hundreds of construction workers and

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648 boilermakers from Local 154 installed state-of-the-art
649 pollution control equipment on a 1,700-megawatt coal-fired
650 power plant. More than a half a billion dollars was invested
651 in this plant, proving that coal and clean air were not
652 mutually exclusive. However, despite having invested a half
653 billion dollars to upgrade the power plant, two weeks ago
654 marked its permanent closure because the plant owner cited
655 the new EPA regulations were too costly to keep the
656 electricity-generating facility operational.

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

665 Typically, 154 manpower is dispatched to the Hatfield
666 Ferry Power Plant in Masontown, Pennsylvania, every spring
667 and fall for maintenance outage work for 6 days a week for an
668 approximate 15-week duration with manpower demand of 400
669 boilermakers. Consequently, as a direct result of the
670 shutdown at the Hatfield Ferry Power Station, roughly 360,000

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671 Boilermaker Local 154 man-hours will be lost every spring and
672 fall.

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

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

690 Clearly, the one-sided reduction of the American coal
691 industry will not solve global climate change, but will shut
692 down existing investment in new research that holds the key
693 to huge reductions in CO2 emissions from coal-fired plants

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694 while the rest of the world is free to continue to expand the
695 use of this reliable and economic energy source that has
696 fueled our economy for more than a century.

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

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

710 [The prepared statement of Mr. Ventrone follows:]

711 ***** INSERT B *****

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|

712 Mr. {Murphy.} Thank you.

713 Mr. Horton, you are recognized for 5 minutes, and I ask

714 everyone to please try and keep within their time. Go ahead,

715 Mr. Horton.

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|

716 ^TESTIMONY OF ROGER D. HORTON

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

726 Today's hearing is intended to investigate the damage
727 being done to the coal industry by the Obama EPA and their
728 war on coal. Let me say bluntly, there is a war on coal. I
729 have seen it and lived it every day for the past 5 years.
730 Over the past year alone, West Virginia has lost more than
731 3,500 direct coal-mining jobs and approximately 10,000 more
732 indirect jobs. Using the average wage of coal mining and
733 coal support jobs as the standard, that means that our state
734 has lost an estimated \$924 million in wages. That is right,
735 almost a billion ripped from the economy in just the past
736 year.

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

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

756 The result of all this is a steep decline in production
757 from 168 million tons in 2008 to just 110 million tons in
758 2012 in West Virginia, and an even sharper decline in
759 Kentucky. Employment has fallen just as steeply, with

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760 seemingly weekly announcements of another mine closing taking
761 hundreds more jobs with it.

762 Yet the EPA, the White House and some of their friends
763 in the media claim there is no war on coal, but even Obama's
764 Science Advisor Daniel Schrag has admitted this war is being
765 waged. He recently said politically, the White House is
766 hesitant to say they are having a war on coal. On the other
767 hand, a war on coal is exactly what is needed. Now you can
768 make the claim, as some do, that other factors have hurt
769 coal, and, yes, that is true, but the bottom line is that the
770 Obama Administration has single-handedly made it nearly
771 impossible to get a permit to mine coal, forced the closure
772 of hundreds of coal-fired power plants as well as now setting
773 the stage for the closure of hundreds more over the next few
774 years, and now they are trying to make it impossible to
775 export our coal to countries who do understand the value of
776 cheap, affordable energy. Obama, Schrag and others are
777 determined to destroy the coal industry and have been since
778 Obama took office in January 2009.

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

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

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

801 Hopefully, we will find our way out of the current
802 economic downturn and restore our economy and that of the
803 world to something approaching normal and when we do we will
804 once again find our economy needing all sources of fuel. If
805 we retire coal-fired capacity and essentially shut the door

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806 to it in the future, we are setting the stage for a major
807 inflationary spiral in our energy costs and with it the
808 downstream costs of every other good in our economy. We need
809 to protect our coal-fired capacity in order to provide for
810 the widest possible fuel choice down the road.

811 Just a few weeks ago, a group of local Democratic
812 leaders from my State went to Washington to try to discuss
813 the issues with the EPA. They came away believing it might
814 be a new start but those deals fell to the floor this past
815 month when it became clear the EPA would announce new
816 regulations that would effectively end the use of coal for
817 electric generation. It is clear that this Administration
818 and the national Democratic Party care nothing for the
819 hardworking men and women who mine coal for a living.

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

825 Mr. {Murphy.} The gentleman's time is expired. We need
826 you to wrap up.

827 Mr. {Horton.} In closing, I simply observe that the
828 President speaks a lot about economic justice and hope and

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829 promise. I would to use this hearing to directly ask the
830 President, where is the justice for West Virginia and
831 Appalachia? Where is the hope and justice for our coal-
832 mining families? There are few other career options
833 available for many of our miners, and by his actions, this
834 President is effectively condemning them to lives of poverty
835 and despair. Again, I ask where is the justice? Why are our
836 families less important to you than others? Why don't we
837 matter to you, Mr. President? Please, let us work and power
838 America.

839 [The prepared statement of Mr. Horton follows:]

840 ***** INSERT C *****

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|

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

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|

845 ^TESTIMONY OF DANIEL WEISS

846 } Mr. {Weiss.} Thank you, Chairman Murphy, Ranking Member
847 DeGette and members of the subcommittee. Thanks for the
848 opportunity to testify on this important topic.

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

858 The economic challenges of the coal industry are due to
859 the following factors. Productivity has increased, allowing
860 far fewer mines to produce more coal. There were 700,000
861 miners in 1923 while there are only 89,000 today. Each miner
862 produces 15 times more coal compared to 90 years ago. Coal's
863 competitiveness for electricity generation is declining with
864 the advent of cleaner, less expensive power. Natural gas is
865 only one-third the price it sold for in 2008. Wind and solar

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866 electricity has become more cost-competitive without the
867 pollution coal produces. This price competition led to the
868 announced retirement of aging, dirty and often inefficient
869 coal power plants. The plants scheduled to close in
870 Colorado, Kentucky, Pennsylvania and West Virginia were built
871 an average of more than 50 years ago.

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

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

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889 There is a positive economic return on pollution rules
890 and fewer job losses than predicted from them. The EPA
891 estimates that for every dollar spent reducing mercury and
892 toxic pollution from coal-fired power plants, it will yield
893 \$3 to \$9 in health benefits, a return on investment that
894 would make Donald Trump proud.

895 EPA found that its predictions of significant mining
896 losses under the acid rain program of the Clean Air Act of
897 1990 did not occur. In 2001, EPA predicted there would only
898 be 50,000 miners by 2010. In fact, there were 89,000 that
899 year. Advances in technology, market prices and health
900 factors have increased the risk and price of using coal.
901 These trends are expected to continue, requiring Congress to
902 continue to help families and communities transition to
903 sustainable jobs.

904 We would respectfully suggest this subcommittee consider
905 two specific actions to increase opportunity for effective
906 people and communities. First, reduce investment uncertainty
907 created by regulatory confusion. By allowing EPA to proceed
908 with commonsense rules to protect public health and the
909 climate, companies will have the certainty they need to make
910 pollution control investments, strategically plan for new
911 business opportunities and cleaner energy technologies, and

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912 develop new employment opportunities. The draft bill by
913 Representative Whitfield and Senator Manchin announced
914 yesterday would prolong uncertainty, stalling investments
915 while health and economic damages continue to mount. Second,
916 develop a comprehensive community assistance strategy in
917 order to help identify pathways for a prosperous future for
918 affected families and communities. One important change
919 would allow early vesting in retirement and pension plans for
920 coal workers near retirement age. For younger workers,
921 education and job training assistance should be offered as it
922 was under the Clean Air Act of 1990. For those interested in
923 developing carbon capture and storage technology to burn coal
924 without carbon, the Government Accounting Office says the
925 number one way to make that technology is a reality is to
926 have a limit on carbon pollution.

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

931 [The prepared statement of Mr. Weiss follows:]

932 ***** INSERT D *****

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|

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

938 [Recess.]

939 Mr. {Murphy.} We will commence our hearing here, and
940 now turn to Mr. Lund, recognized for 5 minutes. Go ahead.

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941 ^TESTIMONY OF OLEN LUND

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

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

958 I am here basically to speak on behalf of my neighbors
959 and friends. I want to also note that nobody is paying my
960 way. I came here, and it is a long ways, as Representative
961 DeGette will vouch. I came here on my own. A lot of people

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962 were excited literally that I come here and testify for them.

963 What I want to talk about or try to convey is that there
964 is more than just impact on jobs, there is more than impact
965 on families but really there are impacts on the communities.

966 That is what I want to talk about. Coal mines, there are
967 three coal mines basically. Two of them are in a neighboring

968 county but because of the topography, nearly all of the
969 workers live in Delta County. All of the coal is shipped out
970 by railroad that comes through Delta County, so really, Delta

971 County is the location where the most impact from the coal

972 mines occurs. The one coal mine that is in Delta County is
973 the number one property taxpayer in the county. The

974 interesting thing to note is, after that, the next largest is
975 the railroad company, Union Pacific Railroad Company, which

976 has a spur that serves the coal mines. Although it is not
977 exclusively dedicated to the mines, the vast majority of the

978 freight that the railroad hauls is the coal produced by the
979 mine. The next largest taxpayer is the rural electric co-op,

980 the Delta Montrose Electric Association. So it permeates
981 extensively. It permeates the income of the country.

982 Somewhere between 900 and 1,000 people, which is almost 10
983 percent of the workforce of Delta County, is employed by

984 those three mines.

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985 Coal production is like any other business that employs
986 people. There are questions, I guess, different numbers that
987 are thrown out, but we figure those dollars turn over seven
988 times within the community, given the community its wealth.
989 If you close the mine, or the mines, in this case, you not
990 only lose the primary jobs of production, you also lose the
991 jobs that support those primary jobs. In other words, you
992 lose the banks, the grocery stores, the dry cleaners, car
993 dealerships, the mechanics, parts stores, et cetera. In
994 government services, also you definitely use clinics and
995 hospitals. You even lose the gift shops. I had one person I
996 talked to as I was talking to different ones about coming
997 here and what I would say told me of a gift shop that their
998 family ran, and as long as the coal mines were working, they
999 did well, but as soon as the coal mines faltered, they didn't
1000 have the income and the gift shop went out of business. That
1001 is the case with a lot of small businesses. I just picked
1002 out gift shop because typically you would think of that as
1003 more of a tourism-type business.

1004 As I mentioned earlier, I have talked to a lot of people
1005 in the past few days and asked them what I should share with
1006 you. Almost invariably I have been told that if the mines
1007 shut down, it would be devastating to the local society and

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1008 then our society would dry up. I don't think that that is
1009 the most effective way to tell you just what the situation
1010 is. I see that I am getting low on time here so I won't go
1011 further. I have gotten written testimony to really explain
1012 how these things affect the community as a whole, not just
1013 those production jobs that are lost.

1014 In summary, I would like to certainly thank the
1015 committee for the opportunity to speak here and look forward
1016 to answering any questions that I can.

1017 [The prepared statement of Mr. Lund follows:]

1018 ***** INSERT E *****

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|

1019 Mr. {Murphy.} Thank you, Mr. Lund.

1020 Mr. Fetterman, Mayor Fetterman, you are up, and I

1021 apologize for saying you are north of the city of Pittsburgh.

1022 You are southeast on the beautiful Mon River across from

1023 Kennywood. Thank you. You are recognized for 5 minutes.

1024 Mr. {Fetterman.} What was that?

1025 Mr. {Murphy.} I was just saying when I introduced you

1026 before, I had mistakenly said north. I know that you are not

1027 north of the city of Pittsburgh.

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1028 ^TESTIMONY OF JOHN FETTERMAN

1029 } Mr. {Fetterman.} That is okay. Chairman Murphy and
1030 everyone, thank you for the opportunity to share my thoughts
1031 today. My name is John Fetterman and I am the Mayor of
1032 Braddock, Pennsylvania.

1033 Braddock is a small town on the Monongahela River where
1034 both the steel industry and Andrew Carnegie got their start
1035 with the founding of the Edgar Thompson steel plant in 1875.
1036 Braddock is hardcore blue collar and the quintessential mill
1037 town. So much so that Hollywood recently filmed a \$40
1038 million movie about life in a mill town starring Christian
1039 Bale, Woody Harrelson and Forrest Whitaker that is being
1040 released in December.

1041 During the second half of last century, my community
1042 sustained a 90 percent population loss and is perhaps the
1043 poorest community in the Commonwealth. There is no one
1044 testifying today, or any day, before this body that can
1045 outflank Braddock in terms of economic hardships, the
1046 importance of good jobs, and the lessons of the free market

1047 Many of the people speaking today are paid to present
1048 you with a false choice: that we as a society must choose

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1049 between a healthy environment or healthy industry.

1050 As the parents of two children under the age of 5 and a
1051 wife that is expecting a third, my wife and I are grateful
1052 the last functioning steel mill in the entire region is in
1053 our community, grateful for the jobs it provides, grateful
1054 for the tax revenue it provides, grateful for the sense of
1055 pride it instills. However, as parents, we are also grateful
1056 for the appropriate environmental controls, safeguards and
1057 protections that the EPA and other governmental regulations
1058 provide.

1059 You see, my family and I live directly across the street
1060 from the Edgar Thompson steel mill, which runs 24/7 365 days
1061 a year. My family and I are the living embodiment of healthy
1062 coexistence of regulation and industry. Yet another example-
1063 -

1064 Mr. {Murphy.} Is your microphone not working? Mr.
1065 Pippy, if you could put your microphone towards him too, that
1066 might help.

1067 Mr. {Fetterman.} Coke, of course, is a product of coal.
1068 However, it seems that the primary reason--and thankfully, we
1069 do not have to choose between jobs and our health, and I
1070 don't believe anyone here today has to do the same,
1071 especially since the primary reason we believe that the coal

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1072 industry is facing challenges are due to some of the
1073 fundamental free market forces that favor natural gas.

1074 However, do not take this small town mayor's word for
1075 it. A much more informed spokesman of it is the president of
1076 Consol Energy, the largest producer of coal in the eastern
1077 United States, and on Monday, Consol sold five of their
1078 largest coal mines to a private buyer. The company, Consol,
1079 based in Pittsburgh said on a conference call with reporters
1080 that five mines being sold to the privately held Murray
1081 Energy in the transaction is worth \$3.5 billion to \$4.4
1082 billion, and they are a ``very profitable business and a very
1083 stable business.'' Furthermore, from the New York Times,
1084 Consol is planning to increase natural gas production 30
1085 percent a year for the next 3 years, and in the next 10 years
1086 will invest \$14 billion in developing Marcellus shale in West
1087 Virginia and nearly \$8 billion in Marcellus shale in
1088 Pennsylvania along with, of course, retaining \$2.5 billion in
1089 Pennsylvania coal mines that it is retaining. Thus,
1090 according to Consol, the largest producer of coal in eastern
1091 United States, not only are they drastically ramping up their
1092 investment in natural gas to the tune of \$22 billion, their
1093 current book of business is ``a very profitable, very
1094 stable,'' readily found a buyer and are retaining billions in

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1095 coal holdings in my home State of Pennsylvania.

1096 Very respectfully, this does not sound like an industry
1097 under siege. Instead, it sounds like an industry responding
1098 to the free market, something traditionally considered a
1099 virtue, particularly for our friends across the aisle.

1100 Increasing our domestic energy production and moving towards
1101 energy independence is something we as Americans can all be
1102 proud of. Government should not be in the business of
1103 picking industry winners and losers; that is the job of the
1104 free market. Government should be in the business of
1105 protecting its citizens with sensible environmental
1106 legislation, including regulating carbon.

1107 Thank you.

1108 [The prepared statement of Mr. Fetterman follows:]

1109 ***** INSERT F *****

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|

1110 Mr. {Murphy.} Thank you.

1111 Mr. Pippy, you are recognized for 5 minutes.

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|

1112 ^TESTIMONY OF JOHN PIPPY

1113 } Mr. {Pippy.} Thank you, Chairman Murphy, Ranking Member
1114 DeGette, members of this House Subcommittee. It is a
1115 privilege to be here with you today. As you heard, my name
1116 is John Pippy. I have the privilege of being the CEO of the
1117 Pennsylvania Coal Alliance. I will give you a little
1118 snapshot of Pennsylvania coal. We represent the bituminous
1119 side. Pennsylvania ranks fourth when it comes to coal mining
1120 in the country. We have over 41,000 jobs, a \$7.5 billion
1121 impact, and we have a significant role in the electricity
1122 production in our Commonwealth, over 42 percent. A lot of
1123 people talk about jobs and living wages and the economy.
1124 Well, a coal miner in Pennsylvania averages about \$75,000 a
1125 year. That is \$30,000 more than your average other job in
1126 the Commonwealth, which is \$45,000.

1127 We are very proud of what we have in Pennsylvania. We
1128 have a very robust natural gas industry. Many of the members
1129 of my coal alliance actually have holdings on that side
1130 because of Marcellus shale is underneath the bituminous shale
1131 or the bituminous coal in western Pennsylvania, so there is a
1132 synergy there, and there are market forces. We don't shy

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1133 away from that, and we would actually tell you that by 2017,
1134 the Department of Environmental Protection in Pennsylvania
1135 says that our CO2 levels will be below our 2005 CO2 levels.
1136 That will be a 17 percent reduction. By the way, ironically,
1137 that is exactly what the President is asking for in his
1138 carbon reduction plan. So if you get out of our way, we
1139 could actually get it done with our market forces.

1140 One of the things we like to argue and talk about many
1141 time is that coal right now is suffering with three
1142 challenges. The first two are normal. One is the economy.
1143 No one is arguing that we are out of the recession yet, and
1144 that is having tremendous impact on the metallurgical and the
1145 export markets but it is also having a tremendous impact in
1146 the energy usage side. So that is the market. Natural gas
1147 right now is at one of the lowest it has ever been, and no
1148 one is arguing again, although I would point to, 2010 natural
1149 gas was at about \$2.50 something MCF. Last year it was about
1150 \$3.50 MCF. Once it hits \$4, you start dispatching coal. In
1151 2013, coal has seen an increase of 8 percent in the United
1152 States over natural gas. But that is a market fluctuation.
1153 No one argues that. We expect it. We anticipate we can deal
1154 with it.

1155 The third part of what we are here to talk about today,

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1156 which is the regulatory burden that the EPA in particular is
1157 putting on us, but most egregiously right now is the new
1158 standards that would limit CO2 emissions to a level that is
1159 not reachable with current technology. Now, back in 1992
1160 when I was at West Point, I was the first class to graduate
1161 as an environmental engineer. It was an up-and-coming field.
1162 I believe in technology and it can help make the world a
1163 better place and help us deal with the legacies we have had
1164 in the past. However, we have to recognize what is
1165 occurring.

1166 My friends will say that natural gas is going to
1167 continue to be cheaper. That is just not true. Use your own
1168 numbers from the EIA. Right now they are anticipating this
1169 year will be about \$4 MCF. By 2020 it will be over five,
1170 coal will still be under four. By 2030, it will be \$8. By
1171 2040, it will be \$12 MCF. In 2040, coal is predicted to be
1172 at \$5. So you either want to have twice the cost of energy
1173 or we can have a balanced portfolio, which I would argue is
1174 in the best interest.

1175 Now, I was going to originally talk about Greene County
1176 in particular, but because of limited time, I will just
1177 address some of the challenges that we are facing and some of
1178 the comments that have been said. Greene County is our

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1179 largest coal-producing county. They make about 85,000. You
1180 can read the testimony. Some have argued, we have people in
1181 the room today that we deserve to get involved with the
1182 climate change. I would argue 100 percent. As an
1183 environmental engineer, we need to have that debate. But
1184 when you have that debate, you have to tell the people the
1185 truth. You have to tell them that U.S. coal emissions are
1186 less than 3 percent of manmade emissions, which are less than
1187 3 percent of total greenhouse gases, that if we completely
1188 eliminate CO2 from our coal producing, we would have a
1189 minimal impact on the global greenhouse gas emission. And
1190 these are all numbers that aren't coming from the Coal
1191 Alliance. They are coming from your own government. So I
1192 would argue that if you care about global climate issues, we
1193 would be looking at a global solution. I am okay with the
1194 hand of the free market being engaged. That is normal. That
1195 is innovation. That is technology. That is what American is
1196 made of. What I am concerned about is the sledgehammer of
1197 government slamming us with a regulation that is not
1198 achievable with current technology. Please look at your own
1199 numbers and you will see that even they are predicting that
1200 we won't be able to get there until 2025 at the earliest. If
1201 we get there in 2025, give us a regulation in 2025, not right

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1202 now.

1203 I appreciate the opportunity to testify, and thank you
1204 so much for your time.

1205 [The prepared statement of Mr. Pippy follows:]

1206 ***** INSERT G *****

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|

1207 Mr. {Murphy.} Thank you, and I appreciate all the
1208 witnesses speaking here today. I am going to yield myself 5
1209 minutes and we will go back and forth with some questions for
1210 everyone.

1211 Judge Brock, thank you for your testimony. Now, you are
1212 responsible for making sure that the county and all its
1213 services have the money to operate. Am I correct on that?

1214 Mr. {Brock.} Yes, sir, that's correct.

1215 Mr. {Murphy.} So could you tell us how have the coal
1216 layoffs you cite affected your budget?

1217 Mr. {Brock.} Well, a large majority of our budget comes
1218 back through coal severance tax, a tax charged on, you know,
1219 the per-ton rendered, and what we have seen over the course
1220 of the last 18 months is up to 25 percent decrease in those
1221 revenues. Ultimately, it is going to have a negative impact
1222 on public safety because with the large number of folks that
1223 are unemployed, the tax revenue, just general tax revenues
1224 down, when that coal severance, which is affected by
1225 production, is down, it is going to affect how we fund our
1226 jails, our ambulance services, our animal control. It will
1227 lead to even more layoffs within government. So it is
1228 really--Congressman Waxman said that a hurricane had hit. I

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1229 could say to him if he were here, we are facing an economic
1230 tsunami in southeastern Kentucky and throughout Appalachia as
1231 a result of this.

1232 Mr. {Murphy.} Now, you also witnessed homelessness.
1233 How does the county provide for the homeless now with
1234 declining budgets, and has that population grown?

1235 Mr. {Brock.} Fortunately, we supplement that. You
1236 know, some of the things that we fund are in whole, some are
1237 in part. We have local missions that have picked up the
1238 slack and assist us with our homeless shelters. We use coal
1239 severance funds as line items within the state budget to
1240 supplement those homeless shelters. Now, once that
1241 supplement is gone or diminished, you know, we will have a
1242 pretty bad as it applies to homeless.

1243 Mr. {Murphy.} Mr. Ventrone, you said you are the
1244 business manager for about 2,000 boilermakers. How much do
1245 boilermakers make on average? What is their annual income in
1246 general?

1247 Mr. {Ventrone.} About \$75,000 a year during the good
1248 times.

1249 Mr. {Murphy.} During the good times. Mr. Weiss had
1250 talked about other training opportunities, perhaps they can
1251 get other jobs, et cetera. Do you have any comments on that

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1252 and what that would mean to some of your boilermakers to
1253 start new careers, other training and move on to other
1254 things?

1255 Mr. {Ventrone.} Training for new jobs? At this point
1256 what kind of jobs? I mean, these guys have been
1257 boilermakers. That is all they know. I wouldn't even know
1258 where to send them for new jobs. These are great-paying jobs
1259 that are going by the wayside, you know. That is all we done
1260 all our lives. I mean, I have been at this for 40 years and
1261 I wouldn't even know where to send these guys. You know, we
1262 chased the steel industry out of the country. We chased the
1263 auto industry out of the country. Now we are going to send
1264 the power industry out of the country. I just don't
1265 understand. We need to be put on an even playing field. We
1266 are selling our coal to China and India, and they are not
1267 held at the same standards yet we are going to shut down our
1268 coal-fired power plants and send all our jobs out of the
1269 country. I don't understand, you know, what we are thinking
1270 about.

1271 You know, this is my President. I voted for Obama. You
1272 know, I went door to door and, you know, asked people to vote
1273 for this President. All I want is it to be put in the hands
1274 of Congress. I think that this is Congress's job to put a

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1275 bill and let them debate what should go on here, not the EPA.

1276 I don't think the EPA should be setting the standards for

1277 what is going on right now. That is why I am here today.

1278 Mr. {Murphy.} I have about 1 minute left. I am going

1279 to ask each of you one question and I want you to make it

1280 extremely short like a 5-second sentence. In the past we had

1281 the Director of the EPA here. She said she did not look at

1282 the impact upon jobs of regulations. If each of you just had

1283 one thing you could say to her very briefly, what would it

1284 be.

1285 Mr. {Brock.} Shame on you.

1286 Mr. {Murphy.} Mr. Ventrone, what would you say to--with

1287 regard to looking at jobs and issue of EPA regulations, what

1288 would you say to her?

1289 Mr. {Ventrone.} Shame on you, that is a good one.

1290 Mr. {Murphy.} Mr. Horton, what would you say to her?

1291 Mr. {Horton.} It is unconscionable.

1292 Mr. {Murphy.} Mr. Weiss?

1293 Mr. {Weiss.} I would say work with the Congress to

1294 develop a plan to help people in the situations that we have

1295 been hearing today while we protect public health.

1296 Mr. {Murphy.} Thank you. Mr. Lund?

1297 Mr. {Lund.} I would say how can you not consider that.

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1298 Isn't that what government's job is?

1299 Mr. {Murphy.} Mr. Fetterman?

1300 Mr. {Fetterman.} I would also agree that jobs are an
1301 important consideration.

1302 Mr. {Murphy.} And Mr. Pippy?

1303 Mr. {Pippy.} I would say you have to accept reality of
1304 what is occurring in the world and make decisions based on
1305 that.

1306 Mr. {Murphy.} In the interest of time and moving
1307 forward, I am going to yield now to Ms. DeGette for 5
1308 minutes.

1309 Ms. {DeGette.} Thank you very much, Mr. Chairman.

1310 Mr. Weiss, coal's share of U.S. power generation has
1311 been in decline for years, long before the EPA regulations
1312 started to come into effect. Is that correct? Yes or no.

1313 Mr. {Weiss.} Yes, it is.

1314 Ms. {DeGette.} And can you tell us briefly about the
1315 market forces that have caused this to happen in our economy?

1316 Mr. {Weiss.} Well, the biggest thing is another
1317 American innovation, which is the development of hydraulic
1318 fracking which, although it needs a lot more environmental
1319 oversight, as I know that you are familiar with, has opened
1320 up the possibility of producing shale gas. We have got a

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1321 huge increase in supply. The price has dropped. The Henry
1322 Hub price for natural gas was \$2.75 yesterday.

1323 Ms. {DeGette.} Now, Mr. Pippy said that over time,
1324 though, that these economic factors won't continue and that
1325 in fact coal will become economically superior to natural
1326 gas. Do you agree with those statistics?

1327 Mr. {Weiss.} I believe that coal is not economically
1328 superior to natural gas and never will be until you
1329 incorporate the cost of the health care damage and global
1330 warming damage from burning coal into the cost of the coal.

1331 Ms. {DeGette.} Now, speaking of that, Mr. Weiss,
1332 natural gas also has advantages in terms of environmental
1333 impact. Can you explain very briefly what those advantages
1334 are?

1335 Mr. {Weiss.} Yes. Burning natural gas produces almost
1336 no mercury, almost no sulfur, less nitrogen oxide, almost no
1337 soot particles, which Mr. Pippy's town has the 18th worst
1338 amount of soot particles in the country and that can trigger
1339 asthma attacks and harm people who have heart conditions.

1340 Ms. {DeGette.} Well, but you know, somebody--I forget
1341 who, I think it was Mr. Pippy--I don't mean to pick on you,
1342 Mr. Pippy--has testified that the amount of pollution from
1343 coal is actually very small in this country. Do you agree

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1344 with that?

1345 Mr. {Weiss.} No. Burning coal for electricity is a
1346 source of one-third of all the climate change pollution in
1347 the United States. I think the point that he was making is
1348 that it is such a small share of the worldwide emissions that
1349 why bother regulating it. But in fact, any single source is
1350 a small share. In fact, we need--the United States has
1351 already led on fuel economy standards. Now we need to lead
1352 on clean electricity. Then we can get other countries to
1353 follow and hopefully make the technologies they are going to
1354 use to--

1355 Ms. {DeGette.} So it can go around the world?

1356 Mr. {Weiss.} That is right.

1357 Ms. {DeGette.} Thank you. I yield the balance of my
1358 time to Mr. Doyle.

1359 Mr. {Doyle.} Thank you. I appreciate that.

1360 I don't sit on this particular subcommittee but I wanted
1361 to waive on to the committee today because this is an
1362 important issue, and we have three distinguished
1363 Pittsburghers on this panel. I have known Ray Ventrone a
1364 long time. He is a great labor leader in Pittsburgh. He
1365 fights for his workers, and Ray, believe me, we share your
1366 concerns. Our mayor, John Fetterman from Braddock, my dad

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1367 worked at Edgar Thompson for 32 years and I grew up near that
1368 town, and John Pippy, also another good friend.

1369 Energy never used to be a partisan issue in this
1370 Congress. I have been here 19 years. It is not a Democrat
1371 or Republican issue. We need energy to power this country.
1372 And Ray, you said something that I agree 100 percent with.
1373 This should be Congress's responsibility to do this, and what
1374 is frustrating to a lot of members in my party is that we
1375 tried to do this comprehensively 2 years ago and we just
1376 couldn't get any support. We couldn't get bipartisan support
1377 to pass a bill that would help give coal a future. We dare
1378 not put all our eggs into the natural gas basket. I want to
1379 say that right now. That is a dangerous prescription for the
1380 future. We need the whole breadbasket. We need coal. We
1381 need natural gas. We need nuclear. We need renewables. We
1382 need them all. And if we become too dependent on any one
1383 source of energy, that is going to be very dangerous for our
1384 country. But for coal to have a future, we need to invest in
1385 the technologies that allow us to burn that coal cleaner.

1386 Just like in nuclear, we have got to solve the disposal
1387 problem. Nuclear emits no greenhouse gases but we have a
1388 debate over what to do with Yucca Mountain or how to dispose.
1389 These are technology questions, and what this Congress should

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1390 be doing is a mission to the moon project on research on how
1391 to deal with this issue. Maybe the answer is at the front
1392 end of the coal before it goes into the furnace. We don't
1393 know because we have not made this important enough to put
1394 our best and brightest people on it.

1395 In the cap-and-trade bill, which we weren't able to get
1396 passed in Congress, that I sat on this committee and
1397 supported, we were going to have \$10 billion allocated to do
1398 clean coal demonstration projects and technology to give coal
1399 a future in this country so that we could coexist
1400 environmentally and keep the jobs in the country. That is
1401 what I want to see this Congress start to do. But now we are
1402 in a sequester, and what that means is, is that the
1403 discretionary part of our budget that funds research is being
1404 greatly curtailed. So while we are in the sequester, the
1405 idea that we could generate the money or get the votes to
1406 spend the money to do this is very questionable.

1407 So I think what we need to do as a Congress is Democrats
1408 and Republicans need to work together and find the technology
1409 solutions that allow us to have this breadbasket of choices:
1410 coal, nuclear, natural gas, renewables, and that is in the
1411 best interest of this country and that is what people like
1412 myself and both parties ought to be about.

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1413 Thank you, Mr. Chairman, for your courtesy.

1414 Mr. {Murphy.} Thank you. I now turn to the gentleman
1415 from Georgia, Mr. Gingrey, for 5 minutes.

1416 Dr. {Gingrey.} Mr. Chairman, thank you.

1417 I just want to make note, Mr. Weiss just a second ago
1418 mentioned the large amount of pollutants released into the
1419 air by burning coal. Well, none of the pollutants that he
1420 mentioned, to my knowledge, are what we would call greenhouse
1421 gases, and indeed, the coal industry in response to EPA rules
1422 and regulations under the Clean Air Act I think has done a
1423 great job of reducing these classical pollutants, sulfur
1424 dioxide, particulate matter, all these things. But what the
1425 EPA has done basically is, they keep moving the goalpost, and
1426 all of a sudden because of the Supreme Court allowing them to
1427 do that, greenhouse gases, which could result in global
1428 warming, are pollutants. You know, I am putting out a lot of
1429 CO2 right now and I hope I am not making any of you sick.
1430 But that is what we are talking about here, and it is making
1431 it absolutely impossible for this industry.

1432 I want to thank Chairman Murphy for holding the hearing,
1433 educating members of the subcommittee on the impact of the
1434 Obama Administration's continued, and make no mistake about
1435 it, war on coal is what it is, is having on local

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1436 communities, and we have heard that from several of our
1437 witnesses. I want to thank each of the witnesses here for
1438 providing your unique perspective on how these looming
1439 regulations will harm your communities.

1440 Mr. Chairman, like many of the panelists, my home State
1441 of Georgia has been negatively impacted by these EPA
1442 regulations. Earlier this year, Georgia Power, the main
1443 subsidiary of the Southern Company, they serve 2.4 million
1444 customers in Georgia out of 10 million in almost every county
1445 of our State. They announced that they were closing 15 coal
1446 and two oil-fired plants as a result of these recent EPA
1447 regulations. This alone has significantly impacted almost
1448 500 jobs. Since the EPA has announced these heightened
1449 regulations, 303 coal-fired units in 33 States will be
1450 closing in addition to the potential increase in energy costs
1451 for these local communities, and it may take a few years,
1452 yes, when the price of natural gas goes back up. I would
1453 like to focus on the further economic impact that these plant
1454 closures will have on these communities. So therefore I am
1455 going to direct my questions to Mr. Brock and Mr. Lund, and I
1456 would like to go into further depth of how these EPA
1457 regulations have impacted your local economies.

1458 Given your roles, how have these regulations and plant

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1459 closures impacted the local tax base with regard to sales and
1460 property taxes?

1461 Mr. {Brock.} Well, naturally, when you don't have any
1462 competition for the purchase of a home, that is going to have
1463 declining value on property valuations, and we are seeing
1464 that. Furthermore, we are seeing that those laid-off
1465 individuals, whether they be miners or someone that is
1466 involved in the support industry or having a hard time paying
1467 their property taxes which, you know, directly impacts the
1468 bottom line in the fact that they just can't do it. They
1469 have to make choices between, do we buy medicine and
1470 groceries or do we pay our property tax and, you know, I
1471 think if any of us were faced with those decisions, it would
1472 be a no brainer; we are not going to pay our property tax.

1473 Dr. {Gingrey.} Mr. Lund?

1474 Mr. {Lund.} I would echo the same sorts of things. I
1475 would point out that certainly the direct income from the
1476 mines is a very important thing to the economy but there is
1477 still that multiplier of seven there of the rest of the
1478 community and how the rest of the community survives when the
1479 coal mines are gone, how do those individuals pay their
1480 property taxes. That is also a very big concern in the
1481 country.

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1482 Dr. {Gingrey.} In follow-up to both of you, we can all
1483 agree that these regulations have impacted the private
1484 sector. At the same time, through the loss of jobs in your
1485 local areas, what has been the subsequent impact on essential
1486 public services as a result of the reduced tax base? Mr.
1487 Lund, you start, and then Mr. Brock.

1488 Mr. {Lund.} The essential services, depending on what
1489 you call essential, I suppose, have had to decrease. I am no
1490 longer a commissioner. I was term-limited. I was not
1491 allowed to run again. But during my tenure as county
1492 commissioner basically our responsibility was finances for
1493 the country. There were a lot of things that we had to cut
1494 through that time, and really, we left things pretty thin,
1495 cut pretty thin, pretty spare when I left office that fall,
1496 and now that they are beginning to be closures of the mines,
1497 it basically is devastating as I said in my earlier summary.

1498 Dr. {Gingrey.} I am not going to go back to Mr. Brock,
1499 because in the last seconds I have got left, I want to make a
1500 comment.

1501 The federal government has this bad tendency of torching
1502 a village to kill a gnat, and I think that is the real
1503 problem here, and I yield back.

1504 Mr. {Murphy.} Thank you. The gentleman's time is

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1505 expired. Now to Mr. Yarmuth. You are recognized for 5
1506 minutes.

1507 Mr. {Yarmuth.} Thank you, Mr. Chairman.

1508 First of all, let me thank all the witnesses and
1509 particularly Judge Brock. It is good to see a fellow
1510 Kentuckian here, and I want to stress that I don't think
1511 there is anyone on either side of the aisle that doesn't have
1512 a great deal of sympathy for those miners and boilermakers
1513 and others who have their jobs for whatever reason, and I
1514 have spent a lot of time over the years, first as a
1515 journalist looking at the situation in Appalachia and
1516 particularly in Kentucky, and have enormous affection for
1517 that region and the people in it.

1518 When we are talking about EPA, we are talking about a
1519 variety of issues here and its effect on actually the burning
1520 of coal and in your particular case, Judge Brock, it is the
1521 mining of coal, and certainly there is a connection but it is
1522 a different kind of dynamic that is at work here because you
1523 are mining coal. People mine coal when there is a demand for
1524 coal and when the price is right, when they can sell it at a
1525 profit and keep people working. So if you look at the
1526 employment factors under the Obama Administration in coal
1527 mining, actually the coal mining from 2009 until 2013, the

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1528 latest figures we have, is significantly higher than it was
1529 during the Bush Administration, and in fact, the period from
1530 2011 to 2012, that 2-year period, according to Mining Safety
1531 and Health Administration, was the largest--was the highest
1532 employment in coal mining in the last 15 years. So if he is
1533 actually engaged in a war on coal as it affects coal miners,
1534 he is not doing a very good job of it because coal mining
1535 employment has actually improved.

1536 So my question to you is, for the sake of the question,
1537 if we stipulate the argument that coal mining has been at
1538 relatively high levels over the last 4 or 5 years, even
1539 though there are blips, there is no question about that, and
1540 I know there have been significant layoffs in the last few
1541 weeks in Kentucky, would you not accept the argument that
1542 there is a regional aspect to this and a geological aspect to
1543 it as well, that the nature of the mining operation has
1544 something to do with the economics of it, and that while in
1545 eastern Kentucky recently there have been a lot of jobs lost,
1546 in western Kentucky, there have been no jobs lost. In
1547 Wyoming, there have been no jobs lost. Employment has held
1548 relatively high levels there. So wouldn't that indicate that
1549 the EPA's actions are not necessarily the prime factor, even
1550 much of a significant factor, in coal-mining jobs?

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1551 Mr. {Brock.} First, I certainly don't agree with that
1552 assessment. What I believe you--what you are trying to say
1553 is that it is okay to pick winners and losers, that we are
1554 going to have regulations that cause a coal-fired power plant
1555 to be shut down, that by necessity needed low-sulfur, low-ash
1556 coal that is mined in Appalachia. Those that are still
1557 operating, they are scrubbing their coal, so that is why you
1558 see the western Kentucky-Illinois basin--

1559 Mr. {Yarmuth.} Well, that is actually one of the points
1560 I made.

1561 Mr. {Brock.} But if that is allowed to continue, if you
1562 can continue that string, where are we going to be?

1563 Mr. {Yarmuth.} But my point--

1564 Mr. {Brock.} If we all move to western Kentucky,
1565 Appalachia will dry up.

1566 Mr. {Yarmuth.} My point is, as Mr. Doyle also said,
1567 back in 2009 we knew that the EPA or Congress had to do
1568 something about carbon emissions and coal-fired plants. We
1569 knew that then. And yet coal-mining employment still
1570 increased from 2009, 2010, 2011, 2012. So I think it is
1571 probably--I think we need to look for other reasons than EPA
1572 regulations for the current situation with coal-mining
1573 employment.

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1574 Mayor Fetterman, I just want to ask you one question.

1575 Your situation is not unlike Judge Brock's.

1576 Mr. {Fetterman.} Correct.

1577 Mr. {Yarmuth.} What innovative steps that you have used
1578 in terms of revitalizing the economy that might be applicable
1579 to Judge Brock and Bell County?

1580 Mr. {Fetterman.} I would just piggyback off my friend,
1581 Congressman Doyle's sentiments. I was closely involved with
1582 the Environmental Defense Fund to help pass cap-and-trade
1583 legislation, which again, I would point out is a conservative
1584 ideal in order to work towards removing carbon, and as
1585 Congressman Doyle pointed out, there were a lot of provisions
1586 for clean coal, and that is one of the reasons why--you know,
1587 it pains me to hear those power plants closing. I know
1588 better than anybody perhaps what is like to lose that amount
1589 of jobs, but we need a comprehensive solution and we need a
1590 bipartisan solution, and again, I thought Congressman Doyle
1591 hit the nail, you know, on the head there. It is time for
1592 both sides to work closer together.

1593 Mr. {Yarmuth.} Thank you. I yield back, Mr. Chairman.

1594 Mr. {Murphy.} Mr. Harper for 5 minutes, and we are
1595 really pressed for time here.

1596 Mr. {Harper.} Thank you, Mr. Chairman. I want to thank

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1597 each of you for being here, and I think it is important to
1598 realize where we were when the President was sworn in in
1599 January of 2009, that gas prices, the average for a gallon of
1600 gas was \$1.84. I can't remember it being under \$2 a gallon
1601 but history tells us that it was, and so this is not just
1602 about coal. This is a fundamental war on energy by this
1603 Administration. Coal is just one of the components of that.
1604 You see what we tried to do with the Keystone XL pipeline and
1605 the inability to get something as basic as that done, even
1606 when the Secretary of State's department has determined the
1607 environmental impact studies are okay, that there is no
1608 reason not to do that. You see what we have tried to do on
1609 nuclear energy with the basically removing Yucca Mountain as
1610 a place for the storage of spent nuclear fuel, and you see
1611 particularly what is happening to many of you in the room as
1612 we look at the impact on coal, and coal is an important part
1613 of our overall energy portfolio. It is important for what we
1614 do for our citizenry. You have to have affordable, cheap
1615 fuel sources in this country. We are one of the few
1616 countries that won't use all of their own natural resources.
1617 This is something that we can do. We can do it in an
1618 environmental safe manner. We need to try to that and, you
1619 know, improve where you can improve but the regulatory burden

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1620 that is upon the coal industry is really second to none, and
1621 it is impacting many of you here and those who you represent
1622 and work with.

1623 So, you know, coal means jobs, and jobs means you can
1624 support your family, and you remove that and you see the
1625 impact across the country, and it is something we need to do,
1626 and the regulatory burden that the Environmental Protection
1627 Agency has put on us has been very difficult.

1628 And so Mr. Ventrone, in your testimony you mentioned
1629 that just 3 years ago, hundreds of construction workers and
1630 boilermakers from Local 154 installed state-of-the-art
1631 pollution control equipment on a 1,700-megawatt coal-fired
1632 plant, and this reflected a significant investment, I believe
1633 more than \$500 million in the plant. Is that correct?

1634 Mr. {Ventrone.} Yes, sir.

1635 Mr. {Harper.} And these upgrades were up to EPA's
1636 standards 3 years ago. Is that right?

1637 Mr. {Ventrone.} Right.

1638 Mr. {Harper.} But what has happened to the plant?

1639 Mr. {Ventrone.} It shut down.

1640 Mr. {Harper.} And that is despite the upgrades?

1641 Mr. {Ventrone.} Right.

1642 Mr. {Harper.} And why do you believe that is the case?

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1643 Mr. {Ventrone.} Because now they are under the, you
1644 know, the new standards. They are not going to put the
1645 money, you know, that--

1646 Mr. {Harper.} Exactly.

1647 Mr. {Ventrone.} They are not going to put that money
1648 into the plant because they can't recoup it.

1649 Mr. {Harper.} The goalposts get moved constantly. You
1650 think, okay, we are going to make a good-faith effort to meet
1651 the regulatory requirements. You do it, and guess what? It
1652 is a new game, an additional cost, and you say is there ever
1653 an end, and we go back to the philosophies that we see from
1654 this Administration and from this President when he was on
1655 the campaign trail that he would make it so expensive on the
1656 regulatory end that he would basically shut down the
1657 industry, and we are seeing it. I think he meant it when he
1658 said it. And now you are left dealing with this issue of how
1659 do you make sure that you are a good citizen and you are in
1660 compliance, you spend a fortune, you are less profit, less
1661 economical, and then guess what? You are no longer in
1662 compliance even though you thought you were or were going to
1663 be.

1664 Mr. {Murphy.} Could the gentleman yield for one second?

1665 Mr. {Harper.} So these are difficult--I will yield.

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1666 Mr. {Murphy.} We only have 2-1/2 minutes left.

1667 Mr. {Harper.} How about if I yield back?

1668 Mr. {Murphy.} Because I would like to see if Gardner--

1669 Mr. {Harper.} I will yield to Mr. Gardner the remainder
1670 of my time.

1671 Mr. {Gardner.} Thank you, Mr. Chairman, and thank you,
1672 Mr. Harper as well. I just appreciate the witnesses for
1673 being here. It is great to see Mr. Lund from Colorado here,
1674 and thank you. And Mr. Pippy, we worked together in the
1675 State legislature. Great to see you as well.

1676 Mr. Lund, just real quick and then I will yield to Mr.
1677 Griffith, a couple things that you would like to have at the
1678 EPA listening session in Denver, just a brief comment that
1679 you hope to share with the EPA listening session in Denver
1680 tomorrow.

1681 Mr. {Lund.} Well, I hadn't thought through that so I
1682 guess basically I would like to say that I have had a
1683 manager, and in particular I will say this as an example.
1684 One manager spoke to me just the other day and said really,
1685 we are not looking for favors, we are just looking to be able
1686 to compete, just to have, as Congressman Olson said, the
1687 goalposts not be moved on us. That is what we are looking
1688 for. All these issues of compliance and such are really

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1689 different from what we are producing in our area because we
1690 are producing a super-compliant coal, very clean coal.
1691 Basically it has been almost used as a niche market for
1692 blending with other coals to bring the quality up, to be able
1693 to meet the emissions requirements that they have to have.
1694 Now the market for that is going away. Where they are going
1695 now to try and sell their coal is overseas. That has now
1696 become the big issue of ports and how they do that.

1697 Mr. {Gardner.} Thank you, Mr. Lund.

1698 Mr. {Murphy.} Mr. Griffith, you have 30 seconds and
1699 then we are hitting the gavel.

1700 Mr. {Griffith.} Thank you, Mr. Chairman. I appreciate
1701 it.

1702 Judge Brock, Mr. Horton, some of the comments that you
1703 made are the same things that my district, which adjoins your
1704 area, Judge Brock, is very close to yours, Mr. Horton. Our
1705 economy is being hammered the same way that yours is. We are
1706 doing everything we can here. I appreciate you all being
1707 here and making comments on that.

1708 Mr. Lund, we opened up a coal-fired power plant. It was
1709 the cleanest in the world when it opened up about a year and
1710 a month ago in my district, and we cannot meet the new
1711 regulations if it is applied, and I know they aren't, but if

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1712 they were being applied to existing facilities, that new
1713 plant that did everything right wouldn't meet the regs. I
1714 yield back.

1715 Mr. {Murphy.} Thank you. I wish we had more time for
1716 other folks here, but there is a special ceremony now for
1717 former Speaker of the House Tom Foley, who sadly died a few
1718 days ago, and out of respect to my colleagues, we will end
1719 this hearing here.

1720 However, Ms. Ellmers, Mr. Johnson, if there are
1721 questions you want to submit and have the witnesses answer
1722 those, we will do that.

1723 In conclusion, I want to thank all the witnesses today
1724 and members that participated in today's hearing. I remind
1725 all members they have 10 business days to submit questions to
1726 the record, and I ask the witnesses if you would all please
1727 agree to respond to them promptly.

1728 With that, this committee is adjourned.

1729 [Whereupon, at 2:59 p.m., the subcommittee was
1730 adjourned.]