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The Honorable Joe Manchin III
Chair – Committee on Energy and Natural Resources
United States Senate
304 Dirksen Senate Building
Washington, DC 20510

Subject: Response to June 11, 2024 “Letter of Opposition to Senate Bills 4431, 4432” as submitted by Nine Organizations Regarding Signal Peak Energy, LLC (“Signal Peak Energy”) in Musselshell and Yellowstone Counties, Montana

Dear Senator Manchin:

My name is John L. Weiss; presented herein is my response to the letter (“the Letter”) that was submitted jointly by nine identified organizations opposed to S. 4431 and S. 4432 as it relates to Signal Peak Energy and the Bull Mountains No. 1 Mine in Montana.

1. Personal Background

I am a Vice President at John T. Boyd Company, a privately held mining and geological consultancy based in Canonsburg, Pennsylvania (near Pittsburgh) with international offices in Brisbane (Australia); Bogota (Colombia), and Beijing (China). We have provided a wide range of professional advisory services regarding the mining and mineral industries to a diverse client base since 1943 (eighty-one years). Our domestic and international clientele includes mining companies, investors, utilities, financial institutions, attorneys, governmental agencies, reserve owners, equipment manufacturers, railroads, and other participants in the mining and mineral industries. We have performed thousands of coal-related assignments while working in every major coal- producing basin of the US and in more than 90 countries.

I grew up in a coal mining community in Clearfield County, Pennsylvania. I was raised in the home where my mother was born: a patch house on a dirt road that was finally paved when I was in junior high school. My father worked several years in an underground coal mine, and both grandfathers spent their entire working careers as underground miners. My career started as a general laborer in an underground coal mine 43 years ago. After graduation (B.S.

Mining Engineering) from The Pennsylvania State University, I worked underground in Pennsylvania and northern West Virginia for Consolidation Coal Company as an industrial engineer, safety inspector, and foreman. I was the captain of a mine rescue team and directly participated in underground efforts to fight three major coal mine fires.

I joined John T. Boyd Company more than 34 years ago, the past 26 years as Vice President. I have been in more than 300 underground mines in every primary U.S. coalfield and throughout Europe, Asia, Australia, and Africa. My assignments have covered the spectrum of operational evaluations, environmental/permitting, geology/reserves, financial analyses, coal sales/markets, business valuations/transactions, mine safety/accidents, compliance, and other key functions. I have provided expert witness testimony more than 80 times. I am a licensed professional engineer and certified as an underground mine foreman, along with certifications in underground training, dust sampling, dust calibration, and noise sampling.

My experience includes observations of the mining operations at Signal Peak Energy on numerous occasions over the past dozen years. This includes my most recent role over the past three years providing independent semi-annual monitoring of the Mine's safety and environmental functions following Signal Peak Energy's willful violations of mandatory health and safety standards that occurred at the hands of prior senior managers.

While my experience in the industry (and relative to Signal Peak Energy) has been in a professional format, this response to you is not written as a paid employee or as an engaged consultant. Given my strong feelings per the topic at hand, this response is respectfully submitted to you to provide my personal input as a private citizen of the United States.

2. The June 11, 2024 Letter from Environmental Organizations

The nine identified organizations describe Signal Peak Energy in Section I of the Letter as "*a criminal mining company*" with diverse examples of "*the company's lawlessness*" in the form of regulatory and environmental violations. The company, its owners, and executives are portrayed as corrupt and non-compliant; supporting information includes not only governmental documentation, but allegations and amplifications in publications and various media. Per page 5 of the Letter, "*Signal Peak Energy, its executives, and its owners have demonstrated an utter contempt for the law...*" and therefore "*They should not be rewarded by further exempting them from the law pursuant to the provisions of S. 4431 and S. 4432.*"

The nine organizations clearly express the foundation for their adversarial position in Section II of the Letter, citing Signal Peak Energy's alleged "*large scale and extremely*

destructive longwall mining of federal coal” and further claiming that “the mine’s operations are destroying the water resources in the Bull Mountains that the ranchers depend on for the livelihoods.” Another focal point is the portrayal of the mine as “one of the largest sources of greenhouse gas emissions in the United States.” According to these groups: “A close look at the harm that will result from longwall mining of federal coal is precisely what is needed, for ranchers, for communities, for the public, and for the environment.”

Section III of the Letter concludes that “Signal Peak is a bad neighbor and a bad corporate actor”. It is claimed that longwall mining activities have “torn the landscape and, in numerous cases, dewatered springs and wells,” and that Signal Peak Energy’s supposedly “strongarm tactics ... caused at least one longtime ranch family to sell its operations.” The nine organizations allege that Signal Peak Energy is “forcing ranchers out of the Bull Mountains” and characterizes the entity as “a bad actor and bad neighbor ... who ignore the law and crush everyday Americans who cross their paths.” The ultimate conclusion of the Letter is the recommendation by the nine organizations that you oppose S. 4431 and S. 4432.

3. My Perspective: Section I of the Letter/Criminal Conduct and Violations

As a professional in the mining industry, a licensed engineer, with roots in a coal mining community, I do not condone in any way, shape or form any illegal actions, be it at the Bull Mountains No. 1 Mine or any other mining operation. However, the portrayal of Signal Peak Energy in Section I of the Letter as “a den of thieves” is contrary to what exists today.

The rule of law is not optional in the United States: those who choose to neglect or ignore local, state and federal laws are punished for their actions. This has indeed occurred to the former employees who committed such actions at Signal Peak Energy: those who have broken laws have been punished with fines and even prison sentences in accordance with judicial process. Signal Peak Energy, as an entity, has been placed on federal probation and is monitored by outside entities to ensure it remains fully compliant with all legal obligations.

Signal Peak Energy takes its obligations to comply with the law very seriously. Beyond penalties and punishment, Signal Peak Energy has undertaken wholesale changes to company leadership, arranged for systematic training of managerial and hourly employees regarding workplace ethics, renewed its commitment to open communication: employees are empowered to raise concerns regarding business practices, and revised the manner in which employees are rewarded and held accountable.

Signal Peak Energy's aim is to ensure a corporate culture that is committed to conducting business in accordance with the highest standards of safety, ethics, and integrity. By way of illustration, Signal Peak Energy:

- Terminated all individuals implicated in wrongdoing and replaced numerous senior executives and supervisors to ensure permanent changes to the company's workforce culture.
- Significantly revised and maintains a Code of Business Conduct and Ethics and an Employee Handbook that clearly identify the standards of ethical conduct expected of its employees.
- Conducts significant training for its workforce, including annual ethics training and environmental and safety training for its personnel.
- Instituted a whistleblower helpline hosted by an independent third-party to foster a transparent culture and to permit all employees to report misconduct.
- Restructured its Manager and Site Safety Bonus Programs to incentivize employees to disclose workplace injuries.
- Hired an Ethics and Compliance Officer and developed a values-based Ethics and Compliance program.

I have observed hundreds of coal mines over more than four decades, ranging from small, rudimentary handloading operations to heavily capitalized mining complexes with sophisticated technologies and outstanding management teams. However, I have not previously seen a mine that is as closely and painstakingly managed as what I have observed at Signal Peak Energy in my multiple visits to monitor the Mine's actions and compliance.

This is exemplified by the Mine's safety record, which is outstanding. Accident rates in the past three years are meaningfully below national averages. The safety team has carte blanche to investigate accidents and near misses, and is proactive in training, monitoring, and striving to prevent accidents and injuries.

The Letter points out gross numbers of violations and statistics in an attempt to shock the reader, without reference to (and likely without knowledge of) comparability across the industry. My site visits to and observations of the surface and underground areas of the mine confirm that the conditions of the Bull Mountains No. 1 Mine workings are simply outstanding: the levels of upkeep, overall cleanliness, and attention to detail are unrivaled. Additionally, my personal analysis over the past three years is that the number of citations issued by the U.S. Mine Safety and Health Administration (MSHA) at the Bull Mountains No. 1 Mine is at the lowest (best) end of industry norms. I have monitored citations,

including those designated as “significant and substantial” (S&S), at coal mines throughout my career, and I am not aware of any large mine in the US (+1 million tons annual production) that has as low a rate (as a percentage S&S citations out of total citations, or when measured in terms of “violations per inspector shift”) as Signal Peak Energy.

As I have described in the semi-annual monitoring reports that I have prepared regarding Signal Peak Energy, the management team and the mining operation have made a complete transition to that of industry leader in safety and compliance. The operation, as it exists today, is a showpiece that bears absolutely no resemblances to the troubling situation that was present several years ago. Signal Peak Energy is NOT the corrupt organization that the authors of the Letter would have you believe.

4. My Perspective: Section II of the Letter/Longwall Mining and Environmental

As a West Virginian, you are aware that the Pittsburgh No. 8 Seam of coal in southwestern Pennsylvania, eastern Ohio, and northern West Virginia is the most valuable mineral deposit in the United States. There has been more longwall mining in this seam than in any other coal basin in the country. While most areas are rural, considerable mining has been conducted in and around populated areas. The contribution of the mining industry to the local economy – including many thousands of high-paying jobs – is unquestioned. Similarly, the growth of affluent suburbs above undermined areas continues. As an experienced engineer, I was fully cognizant that I built my own home in a location situated directly above underground mine workings in the Pittsburgh No. 8 Seam.

The Bull Mountains No. 1 Mine is remote and the region is sparsely populated. The impact of longwall mining in this region is largely unnoticed, and the mine is not perceived as destroying the environment as the nine organizations would have the reader believe.

The nine organizations are not only opposed to longwall mining; they are fully opposed to any fossil fuel production or consumption. Thus, the role of Signal Peak Energy as a source of greenhouse gas emissions is noted. What is not said in the Letter is the simple fact that essentially 100% of the Signal Peak output is exported to Asia for consumption there. However, the elimination of Signal Peak Energy or the Bull Mountains No. 1 Mine (the true desire of the nine organizations) would have zero impact on global emissions. Instead, every ton that is NOT produced by Signal Peak would instead be replaced by output from other coal-producing countries that are without meaningful environmental standards regarding mining/reclamation. In a nutshell, the globe will become dirtier if these nine organizations have their way.

5. My Perspective: Section III of the Letter/Ranchers “Forced Out”

The lands and resources of the United State can be owed by private landowners (individuals or entities) or by governmental landowners. States and municipalities comprise a portion of this governmental ownership, but most governmental land is in the hands of the United States via the Department of the Interior (managed by the Bureau of Land Management).

Signal Peak Energy, and likewise all commercial entities, makes operational and business decisions and pursues strategic directions that are intended to enhance their financial performance while complying with regulations and mandatory standards. They may indeed make offers, reject offers, or enter negotiations. However, contrary to the Letter, property owners in Montana (and throughout the United States) have property rights. Accordingly, property owners, such as the ranchers described in the Letter, cannot simply be “forced out” by mining companies wishing to take over the land against a landowner’s will.

6. My Conclusion

Per the directions and recommendations of the Letter, the nine organizations are seeking further restrictions and punishment to prevent Signal Peak Energy from mining coal, principally because it is a mining company that extracts fossil fuels. Their request is for you to oppose S. 4431 and S. 4432.

In contrast, I respectfully ask you to consider the diligent and meaningful managerial and compliance efforts that have taken place at Signal Peak Energy, including their adherence to mandatory health and safety standards beyond what is observed elsewhere in the mining industry. Upon doing so, I respectfully request that you evaluate bills S. 4431 and S. 4432 based on the merit of the bills, rather than as an opportunity to inflict further punishment upon Signal Peak Energy.

Respectfully submitted,



John L. Weiss