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Testimony

House Subcommittee on Regulatory Reform, Commercial & Antitrust Law
House Judiciary Committee
Hearing On: Triple Threat to Workers and Households: Impacts of Federal
Regulations on Jobs, Wages and Startups

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Chairman Marino, Chairman Goodlatte, Ranking Member Johnson and Ranking Member Conyers, my name is Ryan M. Murray. I am Vice President of Operations at Murray Energy Corporation (Murray Energy), our Nation's largest underground coal mining company. I am here today to discuss the devastating impacts from the Stream Protection Rule proposed by the Office of Surface Mining, Reclamation, and Enforcement (OSM) of the Department of Interior, on the Nation's mining operations, our proud American coal miners and their families, our numerous suppliers, and our communities. While I will focus today on the Stream Protection Rule, or SPR, it is just one of many regulations from this Administration that are destroying our industry's jobs, operations, suppliers, communities, and families.

Murray Energy employs about 6,000 Americans in six (6) states, and currently operates seventeen (17) active underground coal mines in Ohio, Illinois, West Virginia, Kentucky, and Utah. The SPR is the single greatest threat to the jobs and family livelihoods of our employees and suppliers that we have ever witnessed.

Murray Energy and subsidiary companies have over 2,000 employees out of work from our peak employment of over 8,000 employees in May, 2015. Several hundred

of these men and women I hired myself. Due to the destructive and illegal actions of the Obama Administration, our industry is under attack. America's coal miners and their families, suppliers, and entire communities are indisputably being destroyed. Now, with the proposed Stream Protection Rule, our industry will be eliminated for no environmental benefit whatsoever.

The SPR was originally conceived to keep surface mining operations from mining through streams. However, during the six years it took OSM to draft the SPR, the rule was manipulated into a complete rewrite of the Surface Mining Control and Reclamation Act of 1977. This is most likely due to the fact that OSM drafted the rule largely behind closed doors and without meaningful input from primacy state agencies, nearly all of whom dropped out of the formal consultation process with OSM because they deemed it to be a sham, and without input from critical coal industry stakeholders, like Murray Energy.

Now, the SPR will ultimately end all longwall mining in the United States. Longwall mining is the safest, most modern, cost effective, productive, and environmentally friendly method of mining in existence. While this rule appears to only apply to surface mining, by design of those orchestrating this rule, it ends the largest underground mines in our Country. As the diagrams attached to my written testimony show, due to OSM's incredibly broad and unsupported interpretations in the SPR, extremely vast portions of Murray Energy's coal reserves, and those of all coal companies using underground mining methods, will be sterilized if the rule is finalized as proposed. Incredibly, OSM has not even considered the need for a grandfathering provision, which means that primacy states will be required to overturn *existing* permits for which significant time, planning, and resources have already been expended. Simply stated, the SPR eliminates the US coal industry.

The SPR will result in severe financial impacts to the mining industry and employees, including underground mining operators like Murray Energy. For underground

mining operations, the SPR is expected to strand 289 million tons of coal reserves *annually* with a value of at least \$18.2 billion per year. Additional impacts shown by third party analysis include: a decrease in recovery of coal reserves by up to 64 percent; loss of annual contribution to the Nation's GDP of between \$26.7 and \$58.7 billion; and \$3.1 to \$6.4 billion in federal and state tax revenue reductions. This will be devastating for America.

And the financial impacts are by no means limited to these bottom line values.

This is a human issue to me and from a workforce perspective. Layoffs are expected to be dramatic, with between 40,000 and 77,000 coal miners expected to lose their jobs. These estimates completely undercut OSM's ridiculous suggestion that there will be minimal job impacts from the rule because coal mining jobs will be replaced with compliance and government inspector positions. The broader effects of these layoffs will be enormous as suppliers, retailers, and others feel the impact of reduced spending from the mining industry. One outside expert concluded that the SPR could cost 112,757 to 280,809 jobs throughout the United States. Another analysis indicates that there is an even greater ripple effect, where one lost mining job causes a loss of a total of 11 jobs, meaning up to 850,000 lost jobs as a result of the SPR. In Murray Energy, I work with these men and women each day and am very seriously concerned about the livelihoods of their families.

For a coal miner, losing a job, even temporarily, is financially devastating. Most often the major asset owned by many miners is their home. When they lose their job, and have to relocate just to attempt to find work, to whom are they supposed to sell their home? Their community is devastated and there is no one to whom to sell their home. The Administration asserts that these coal miners will simply be retrained for other work within their communities. The reality is that there are virtually no other high paying jobs in these communities. The average wages of a US coal miner are typically double those of the average in their community. Additionally, suppliers to the coal

industry will further be devastated by the SPR. For example, one major equipment supplier to the mining industry who is a world leader in innovation and development of custom designed mining equipment had their first layoff in the company's 80 year history just last month. The SPR will push this innovation and manufacturing to other countries, permanently. Lastly, the impacts on coal mining communities themselves will be significant. Many of these communities rely on coal severance tax revenues to fund critical programs and projects, including local school districts. OSM wholly ignored all of these real world consequences, which disproportionally affect low-income households.

Murray Energy's comments on the SPR include over 14,000 pages of analysis prepared by the Nation's foremost legal and technical experts, which outlines, in great detail, the innumerable flaws and defects in OSMRE's proposal, and provides literature citations that are highly relevant to this rulemaking, which OSMRE either overlooked or intentionally omitted from its supporting record. As Murray Energy's comments demonstrate, the SPR will destroy longwall mining in the United States, cause energy prices to skyrocket, and devastate the jobs and livelihoods of millions of Americans who depend on the economic activity that coal mining generates.

Even after OSMRE released its SPR proposal for a miserly 60-day comment period (subsequently extended only once, for a mere 30 additional days), OSMRE withheld key documents that are essential for the public review and comment process. Indeed, even after Murray Energy submitted a Freedom of Information Act ("FOIA") request for these documents, OSMRE blithely ignored Murray Energy's request. On October 5, 2015, Murray Energy sued OSMRE for its illegal failure to respond. OSMRE cannot possibly hope to win this lawsuit. Instead, OSMRE withheld these documents, and, now that the comment period has ended, the States, industry, and other interested groups will not be able to comment on them. This is the epitome of bad faith, and it is illegal.

Coal miners from Murray Energy attended each and every public hearing convened by OSMRE during the public comment period. Over 1,000 people attended these hearings in opposition to OSMRE's proposal. By sheer numbers, the opposition dwarfed any proponents of this misguided and fatally flawed rulemaking at least ten (10) to one (1), and OSMRE must take note.

The Obama Administration's regulatory assault can best be described as a political power grab for America's power grid. The SPR and the countless other anti-coal regulations such as the Clean Power Plan, Clean Water, Mine Dust, and Ozone Rules are destroying our country's low-cost source of baseload electricity generation. Meanwhile, wind and solar power continue to be propped up by government and tax subsidies. However, for me, this Administration's policies are truly felt at a personal level. I have had the privilege of witnessing many hundreds of our employees improve their standard of living, raise families, send their children to college, and pursue their American dream. It is my sincere hope that Congress will ensure that this American dream stays alive and the devastation wrought by this administration, and particularly the SPR, is stopped.

Thank you for this opportunity to speak on behalf of our coal miners and I will be pleased to answer any questions.