

## West Virginia Coal Forum



The Forum Begins



Audience Listens Attentively

The coal industry has a long history of surviving dramatic cycles of good times and bad, but most people familiar with the coal industry recognize the current slump as being one of the most challenging in the history of the West Virginia coalfields. This was the primary topic of a meeting of the West Virginia Coal Forum held Thursday July 23 in Bluefield. The West Virginia Coal Forum is a quasi-governmental agency that the state Legislature established in 1986. It represents the interests of both labor and management relating to the state's leading industry.

In conjunction with the Greater Bluefield Chamber of Commerce, the Forum meeting was attended by coal industry and business representatives from both Virginia and West Virginia. The event focused on the causes of the recent decline in the state's coal industry as well as efforts that have been or can be taken to address these problems.

Economist John Deskins, Ph.D., of the West Virginia University Bureau of Business and Economic Research characterized the present situation as "a perfect storm," with the combination of federal environmental regulatory policy, coal reserves in the southern West Virginia coalfields being harder and more expensive to mine, the cost of natural gas being very low and competitive with thermal coal prices combined with declining coal exports.

"Coal has suffered dramatically in recent years," Deskins, a Buchanan County, Va., native said. He explained that in 2008, West Virginia coal production exceeded 160 million tons, but that in seven years, that total has dropped to about 115 million tons. "That's a 34 percent drop in production in West Virginia." He said that the decline in production in the rest of the U.S. has only been 16 percent. "West Virginia and Kentucky have been impacted the worst."

Deskins provided near-future projections for the Central Appalachian Region that were not very bright, as he advanced the possibility of further declines, particularly if the federal administration continued their "War on Coal." "... but coal is still going to be used in base load energy production and coal will still be used in steel production," Deskins said. He explained that while southern West Virginia coal is "cleaner and burns hotter" than any other coal in the state, southern West Virginia coal operations have suffered the worst.

Senate President and GOP Candidate for Governor in 2016 Bill Cole, R-Mercer, said Deskins' predictions are dire, and he said the issue involves real world problems. However, he pointed out: "One thing he can't measure is the heart of the people," Cole said. "We can make a difference. I'm out to see that our industry and our way of life continues." Cole and Speaker of the House Tim Armstead, R-Kanawha, presented a one-two punch of how the state Legislature is working to improve the state's business climate in general and of the coal industry in particular.

"As I look at what's going on in the coal industry and the federal override, it blows me away," Cole said. "Look at Germany and Japan. They're taking solar and nuclear power off the grid. We're sitting here killing ourselves. From the gas standpoint, we're the Saudi Arabia of natural gas, but it can't replace coal." Cole said that the legislative "alliance" between Senate and House has been successful, but he noted that the Coal Jobs & Safety Act will strengthen protections for coal miners and efforts to eliminate a 56 cents per ton severance tax on coal. "We are working as hard as we can on true tax reform," he said.

Cole said that, through the years, "coal's been the loser," because the state has been poor stewards of the funds it has earned from the coal industry. He said that the Legislature should pay attention to the industry "and dance with the one who brought you," he said. Continuing, Cole said that he hopes that Gov. Earl Ray Tomblin will join with the governors of Indiana, Texas and Oklahoma to oppose the SIP (State Implementation Plan) for the Environmental Protection Agency's proposed Clean Power Plan that will require states to enforce new clean air standards as determined by the EPA. "I think we're piling on ourselves," Cole said.

Armstead praised the spirit of cooperation in the Legislature this session, stating that it was the best session in the 18 years he has served in the Legislature. "It was historic," he said. "The real nuts and bolts of it was getting there and getting to work. We have a tremendous team up there. Armstead introduced the members of the House who attended the forum including: Delegates John H. Shott, R-Mercer, Rupert Phillips Jr., D-Logan, Kayla Kessenger, R-Fayette, Lynn Arvon, R-Raleigh and Marty Gearheart, R-Mercer. "They rolled up their sleeves and got to work," Armstead said. In the past, Republicans had advanced a conservative agenda, "but time and time again, we hit a stone wall," he said. Conversely, he said this year, with bipartisan participation and robust debate, "that was exciting."

The Legislature can "work without federal delegation," support Attorney General Patrick Morrisey's initiatives in the courts and speak up when the opportunity arrives, he said. During a trip to Washington as part of the National Council of State Legislatures, Armstead met Gina McCarthy, administrator of the EPA in person. "I looked her in the eyes and told her what these policies are doing to West Virginians," he said. However, when she spoke, "she's in a disconnect," he said. "I don't think she cares what goes on in West Virginia."

Expressing pride in the Coal Jobs and Safety Act, Armstead added that the very first legislation the new Republican majority passed was a repeal of the so-called "Cap and Trade" bill. "Why would West Virginia pass something like that?" he said. He said it has been an honor to represent the state as speaker of the house. "Behind me is the Great Seal of West Virginia. What do we have?" he said. "A farmer and a miner. It really aggravates me when people talk about us as though we're in a post-coal economy. We are not going to give up on coal. Absolutely not going to give up on coal," he said.

Hamilton provided context for all of the speakers, and made the three-hour forum fly by like it took less than an hour. "We want to utilize the forum as an opportunity," Hamilton said. "A means to unite this industry. The times call for all of us to do a little more than we have done in the past."

Mark Dempsey of Appalachian Power, Roger Horton of Citizens for Coal and Bill Raney, president of the West Virginia Coal Association served as panelists. Each provided insights into the future of the coal industry.

“Our biggest concern is to just say no to SIP,” Dempsey said, making reference to the EPA’s Clean Power Plan Program. “When you look at the authority that the EPA has inside, they’re going to limit the run times of coal plants,” He said that “coal is still the backbone” of the nation’s power grid and said it will continue to be an important component of the nation’s energy portfolio.

Horton said that his organization is doing everything it can to support the coal industry. “We’re doing everything we can, but it’s not enough,” Horton said.

Raney agreed and said: “We need more coal miners talking,” but he said he is not in favor of the federal government sending aid down here for retraining. “We’ve got the best coal miners in the world and we’ve got 40 billion tons of coal. The administration in Washington has crippled us,” Raney said.

Bill Reid, Managing Editor, CoalZoom.com praised the Coal Forum and the Greater Bluefield Chamber of Commerce for bringing the meeting to Bluefield but said there should be several hundred present in the room not the 50-60 who turned out. Some 48% of the Bluefield economy is connected to coal and Reid urged everyone in the community to get involved and help coal. “Bluefield, Stand up and support our great coal industry!” he exclaimed.

“You’ve got to see the suffering,” Tucker said. “People don’t give a damn. We all need to be on the team. I’m here to speak for the coal miners. Let’s get serious.”

The Coal Forum in Bluefield was the second in six forums planned throughout the state. The focus of the forums is to draw attention to the U.S. EPA’s Clean Power Plan, state and federal environmental regulations and strategies for confronting these critical issues head on. The next coal forum will be from 11 a.m. to 1 p.m. August 18, at the Olgebay Resort & Conference Center in Wheeling.

*(Adapted, in large part, from an article by Bill Archer of the Bluefield Daily Telegraph, July 24, 2015, plus additional material).*



Chris Hamilton, Co-chairman WV Coal Forum



Marc Meachum, President  
Greater Bluefield Chamber of Commerce





Senate President Bill Cole



House Speaker Tim Armstead



Fred Tucker, Co-chairman WV Coal Forum  
with Del. Rupie Phillips



Dr. John Deskins, WVU Bureau for Business



Mark Dempsey, Appalachian Power



Roger Horton, Citizens for Coal



Bill Raney, President WVCA