

Newsmaker Interview

Stuart Sanderson Talks to Coal News

Coal News: *We're with Stuart Sanderson and this is his 19th year as President of the Colorado Mining Association. Stuart, our readers are very grateful for you taking the time to talk to readers of Coal News and we would be interested in how you got started in the first instance.*

Stuart Sanderson: Well number one I want to thank you, Bill, for your long-standing steadfast coverage of our conference these past many many years and I just want to say that I read *Coal News* every month, and it is just one of the premier newspapers on coal in the country. You always have really good information. I know the travel has got to wear on you, but I appreciate what you do. I started in this industry 25 years ago working for



the American Mining Congress on issues mainly related to coal, and six years later in 1994 I took the job here at CMA. I'm actually in my 20th season. I'll celebrate my 20th Anniversary on the job on October 1 of this year. Needless to say, it has been a really great experience. It has been a long wild ride. I have gotten to see the ups and downs in the industry. I have seen the mining industry grow. I have seen CMA grow, and I'm really pleased that our membership now stands at slightly more than 1,000 with over 200 sustaining or corporate members for the first time in our modern history. So this is a really good conference. I'm particularly pleased that the 116th National Western Mining Conference, notwithstanding the downturn and commodity crisis in general, the fall in gold prices from 2012 and 2011 prices, notwithstanding the fact that coal production fell substantially in Colorado last year, and also fell by a lesser amount throughout the nation, our attendance drew the largest attendance in many many years, and more than 1,000 signed up for this conference. We've have already

exceeded by more than 10 percent the record level that we achieved two years ago, the last time that CMA held this event as a standalone conference.

Coal News: *If I could go back to your membership just for a minute. Tell us a little bit about your coal membership, and the people supplying product and services and the operators in the coal industry.*

Stuart Sanderson: Certainly. We have nine coal mines in Colorado, eight of which are currently in operation. These mines produce clean, high-quality, Colorado coal, some of the cleanest, highest Btu coals produced anywhere in the world; coal that is finding its way to export markets, but also still anchors Colorado's electricity portfolio. Colorado still gets 64 percent of its electricity from coal, and a large portion of that is Colorado coal. The industry is also a major purchaser of goods, services, and supplies. That is why we are so blessed to see 110 exhibitors, a 33 percent increase over our 2012 conference. The coal industry alone purchases nearly \$300 million in supplies each year, because it is a capital intensive industry. It must utilize equipment, engineering, and technological services in order to operate the mines. The other great thing about our mines is that they are often the largest taxpayers in the counties in which they do business and in which they operate. The amount of federal royalties paid comes back to support the public school system. Severance taxes help support local and state governments, so it's a great industry. Our wages and benefits for coal mine workers is approximately \$115,000 annually. That is basically tops among industrial workers in our state.

Coal News: *Now the Coal Association has quite an interesting history. Tell us about that if you would.*

Stuart Sanderson: Well the Colorado Mining Association actually represents all mining in Colorado, and Colorado is the eleventh leading producer of coal, the fourth leading producer of gold, and the leading producer of molybdenum. In fact, the Climax Molybdenum mine is the largest primary producer of "moly" in the world. We are also home to the only significant deposits of pure sodium bicarbonate which is used in animal feed and household products like toothpaste, and also to reduce power plant emissions; limestone used in



concrete and durable structures; gypsum used in wall board. The list goes on and on and on. However, coal mining really anchors our association, and we have more coal mines than we have operations mining any other commodity in Colorado. Colorado is such a rich, diverse, mineral producing state that these other minerals are also very important in the energy mix.



Coal News: *Let's turn now to safety. You're giving a bunch of safety awards here. You've always considered safety as one of your most important things that you do.*

Stuart Sanderson: Absolutely. This year, we are going to honor several mines including Mountain Coal Company's West Elk Mine for outstanding safety performance. In fact, the West Elk Mine was our top safety performer in 2013 with an incident rate that represented a significant improvement even above the 2013 record performance. We are also going to be honoring mines which have not had lost time accidents in years, such as American Gypsum's Eagle Gypsum Mine, along with Western Fuels Colorado's New Horizon Mine in Montrose County. Also making the list this year are about nine individuals who have worked for more than 30 years without a lost-time accident, as well as two companies, Peabody Energy and Colowyo, whose teams will receive five separate awards for innovative safety practices and performances. So the industry has leaders in both the coal and the hard rock sectors in safety performance. This year, unfortunately, and this didn't arise in con-

nection with coal, there were two fatalities at a small gold mine that had recently opened in Southwestern Colorado, and of course MSHA is investigating that accident and identifying essentially what went wrong. That was a really sad moment, because not only did it involve the loss of human life which was the greatest tragedy of all, but it also was the first fatality of a hard rock, a non-coal mining operation in my nearly 20 years on the job out here.

Coal News: *Let's turn now to the issues in coal, particularly in Colorado. Could you tell us some of the major issues and some of the things that you're doing about these issues.*

Stuart Sanderson: Colorado has become ground zero for a variety of measures that I think could set a precedent for the nation, and not an altogether fortunate one. Four years ago, the General Assembly passed House Bill 1365, the so-called Clean Air, Clean Jobs Act. That legislation has or will result in the shutdown of 1,000 megawatts of coal-fired generation along the Front Range Denver area, or will require the conversion of these plants to natural gas. That is now the law of Colorado. All legal challenges have been exhausted and we are going to have to move forward from there recognizing that about 4 million tons of coal sales into that market will be lost over the next several years. Coal production hit a near 20-year low last year in 2013 compounded by the cessation of operations at the Elk Creek Mine which had to shut down because of heating event. Had it not been for that particular incident, our production would have been at about a four-year low. The other measures that could impact us going forward include the New Source Performance Standards, as well as those standards yet to be promulgated that would apply to Existing Power Plants. This has the potential to write coal completely out of the energy mix and to ensure that no new coal-fired power plants will ever be built in the United States. We are also concerned about possible additional emissions regulations here in Colorado. There is also a controversy over fracking and shale gas. While that doesn't directly impact us, several measures have been proposed for the fall election ballot that could spill over to mining, in fact to all business activity, essentially giving local governments the right to shut

down any operations or any business regardless of whether that business is operating in compliance with state law. We of course support any coalition efforts to oppose those measures We tried to tell the gas industry before that we are the competition, and not the enemy. Now, following the conclusion of the Beyond Coal Campaign, the environmental groups have gone after and want to go Beyond Natural Gas. We knew they were next!

Coal News: *One final question. Stuart, this is our 10th year at Coal News, a very important year for us, and it is your 20th, which is a very important year for you too! With all that experience behind you, how do you see the future of coal?*

Stuart Sanderson: I think there will



always be a future for coal. I think that we may be looking at more limited domestic markets in the United States near term, but energy use is going to continue to grow, and power plants will have the capability of operating at increased generation capacity. The passage of time will also allow power plants to incorporate the new clean coal carbon emissions technologies, and give them time to develop. So I am still hopeful for continued coal use. There is no other source that exists in sufficient abundance to meet our energy needs, Of course while we have been through a rough eight years, which seems like thirty with the Obama Administration, the fact is that politics and political regimes do change. Throughout the world, coal is the fastest growing fuel for electricity generation so I think there is reason for optimism.

Coal News: *Well thank you very much for having me here on our 10th Anniversary, and congratulations to you on your 20th Anniversary to you, Stuart.*

Stuart Sanderson: Well thank you, Bill, and congratulations on a successful 10 years.