



Newsmaker Interview

Hal Quinn Speaks to Coal News

Coal News: Hal, this is Coal News 10th Anniversary, and we appreciate you participating in our special issue. Our readers, first of all, would be very interested in your background, and how you came to be President and CEO of the National Mining Association (NMA).

Hal Quinn: The answer to that question is I've had the good fortune of working with some exceptional leaders in the mining industry, and it has prepared me to better align our mission and objectives with the industry's business needs. I've also had the equally good fortune of working with a talented and dedicated team here at NMA. Despite the gaps in my own capabilities, they are able to patch and paint those gaps so skillfully it would make even Michelangelo envious.

Coal News: Hal, talking about NMA and the people you have, tell us a little bit about the organization of NMA and also the membership.

Hal Quinn: Well NMA is organized around several core competencies, legal and regulatory expertise, legislative and political capabilities on public policy and legislative policy, and a strong communications media component along with a growing grassroots network, we've been building over the last five years. So we're organized around those core competencies to advance the industry's objectives.

In terms of membership, our members are essentially the front end of the supply chain for energy and minerals that are essential to every aspect of our society. Our members produce about 80 percent of the coal in the United States, a good portion of the uranium, and most of the metals and minerals including precious and, base metals, and industrial and agricultural minerals. Another important dimension of our membership are the manufacturers of mining equipment and technology, and the firms that provide mining services. Geographically, our members do business in every state of the union, and many have operations or do business across the globe.

Coal News: Safety is of vital importance to all of us in the industry, and NMA started the CORESafety Initiative a couple of years or so ago. Can you tell us about that? What kind of results are being achieved?

Hal Quinn: Well CORESafety, Bill, is a comprehensive safety and health management system for the mining industry. A CEO-led task force defined

expectations back in 2010, and the vision was reducing fatalities to zero and cutting injuries in half within five years. The system was then developed by safety professionals, and calls



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upon the best practices and systems that have proven successful in mining globally, as well as other sectors including the nuclear and chemical industries. CORESafety embodies a culture that is proactive and not reactive. It analyzes and anticipates what should be done to safeguard our miners with a systematic approach that identifies safety risks, and applies appropriate resources and measures to address them.

We believe CORESafety is an important piece among several that would be transformative in making the U.S. mining industry the safest in the world. Other pieces of this transformative proactive culture have been shown by leadership of companies across the industry, such as Alpha Natural Resources with its Running Right Academy, CONSOL Energy and its Underground Mine Academy, Murray Energy with its Mobile Fire Training Unit, and that's just to name a few. Recently, in terms of performance, we have achieved the lowest injury and fatality rates in history. Almost 85 percent of all mining operations work an entire year without a lost-time accident. That's not a result of CORESafety per se.

What CORESafety will do is provide a pathway for the industry to achieve continued and sustained improvement in safety performance. Other

industries have borrowed from CORESafety as a model to tailor a system for their needs. SME has recently endorsed the CORESafety management system. NMA is proud that its

leadership can offer something meaningful in a way of being ambitious and proactive in addressing a core value and commitment our entire industry shares. I would encourage your readers to look at CORESafety, and they can do so by accessing the NMA website, nma.org, and take advantage of the resources of the entire system, and tailor it to their needs.

Coal News: Now despite these tough times we are living in, coal is still a very valuable contributor to the nation's economy. The National Coal Council has just issued a new report on the value of the present coal-fired power stations. Please tell us about coal's contribution to our national economy.

Hal Quinn: Well I would say its contribution is invaluable and priceless, and if we put some numbers around it from mine to market, coal generates around 800,000 jobs nationwide. The average pay is almost 70 percent higher than the combined average of all private sector jobs. We know how important a vibrant coal industry is to the communities where we operate, but some might be surprised to learn, Bill, that coal supports almost as many, and sometimes more, jobs in states like California, New York, Florida, and Michigan, than even in some coal mining states. As a primary source of electricity generation nationwide, and the lowest cost at that, coal

has an outsized impact on the economy. Low-cost electricity keeps our manufacturing base competitive globally, and for households it keeps more of their income in their pockets. It is no coincidence that states where coal is the primary source of electricity generation also happen to be the states with the highest concentration of manufacturing. Of course, coal is a key part of our steel and cement industries, and coal is also a part of and all about infrastructure as well.

One thing everyone should take note of is our coal exports. U.S. coal exports have been increasing, and they are now double the level they were just five years ago. We are the only energy source in the United States that makes a positive contribution to the nation's balance of trade. Last year, NMA did a study on the value of U.S. coal exports, and we found that for every 1 million tons of coal shipped overseas, 1,300 jobs are created in the U.S. economy. Now do the math. In 2012, we exported over 125 million tons of coal. That's a lot of jobs and that's a lot of economic value just from the coal export franchise. Many of the states getting the economic benefits of coal exports are not the ones who are considered coal states. There are states along the East and Gulf Coast with a vast infrastructure for shipping the coal around the globe.

Coal News: The coal industry, however, is under great challenges right now. Let's have a look at your views on the EPA New Source Performance Standards and the imminent standards for existing plants as well. Could you tell us, what harm they will do to the industry if enacted?

Hal Quinn: I think it's important to start with what's already happened based on some earlier rules. We've already seen the harm inflicted by EPA's mercury rules. Our analysis suggests that those rules will induce the retirement of 20 percent of the coal baseload capability in the country with most of the impacts in the East and Midwest. Our analysis also shows that the coal capacity that survives will be on average larger and more competitive, but we've already seen this past winter that those rules place the electric grid on the edge of breaking two years before most of the retirements will actually occur. Any question about the value of coal-based electricity was answered this winter when 90 percent of the coal plants, planned for closure in the next two years, were running full

out. From the cost standpoint, Southern Company reported recently that having coal plants in their system saved their customers over \$100 million just in the first quarter of this year.

The carbon dioxide emission standards EPA is proposing for existing power plants could be the ones that break the grid. We are on a dangerous path of making our electricity supply less diverse, less reliable, and more expensive. So this is not simply about what happens to the coal industry; it's all about what happens to our entire country. Fuel competition is a friend to the consumer but EPA policies have been all about reducing competition by removing low-cost electricity sources to make way for less reliable and more expensive ones. Several EPA officials have been saying that they see this rule as an opportunity to transform the nation's electric grid. Well, that experiment didn't work very well in Europe as it turns out. I believe it was Winston Churchill who once said, "You can always count on Americans to do the right thing after they have tried everything else." Well, our challenge is to show and persuade policymakers that our country already has it right, and we don't need to gamble with our energy and economic future with unbalanced policies that do not produce material and environmental benefits.

Coal News: Well I know that NMA is working very hard on all these challenges, and so is the industry. Could you describe some of the things that are taking place to overcome these challenges?

Hal Quinn: Well, Bill, we have action plans in place that we are executing to address both pending rules for new power plants and the rules that will be proposed soon for existing power plants. Our plans integrate regulatory, legal, legislative, media, and grassroots components. Bill, the infrastructure and our objectives are aligned. The coal community must mobilize and engage in a process with their elected leaders at the state and federal levels. They need to ask their business partners and neighbors to engage. Everyone just needs to be in on this. Failure is not an option. You can get engaged through Count on Coal by going to CountonCoal.org, get engaged with Friends of Coal, and answer calls from the National Mining Association and the state associations to take action with their elected representatives. This is not an inside

the Beltway strategy. This is an outside-in approach, and that's why it is so important for the coal community to be fully engaged.

Coal News: *There are at least 800,000 people in the U.S. whose livelihoods depend on coal. My question is, are we properly harnessing the power of the people to influence public opinion about the need for coal.*

Hal Quinn: I think we are, but we know we need to step it up in order to deliver the successful outcomes from the challenges we face. We've made great strides over the past years in raising awareness and mobilizing what I call the Coal Nation. We actually by our count brought close to 5,000 coal miners, their families, and other members of the coal community to Washington, D.C. for the ***Energy Jobs Rally*** at the foot of the U.S. Capitol.

Frankly, I don't think our industry has ever before harnessed that much people power here at the nation's capital, but we also need to be aware that has also been replicated in the state capitols and towns in West Virginia, Pennsylvania, Kentucky, Virginia, Ohio, Indiana, Colorado, and elsewhere. We are doing this through NMA's Count on Coal campaign, Friends of Coal, ACCCE, state associations, coal and manufacturing companies, and everybody in the supply chain. I would say the alignment among those organizations has never been better in terms of objectives, strategies, and tactics. The intensity is

there, and we need to sustain it and aim it at the right places like our elected leaders at both the federal and state level.

I've been asked whether we will ever be able to gather close to half a million people here in Washington. That remains to be seen since it's a tremendous logistical undertaking, but I think the recent rally last fall was indicative that there's potential to keep bringing that intensity from outside the Beltway to inside the Beltway. It's important that everyone know that they can engage and that they don't have to be in Washington to engage effectively. They can engage back home with their elected leaders and community leaders. Their elected leaders come home to listen. This should include the state leaders who influence the elected leaders here in Washington.

The challenge here really is, while we talk about the coal community, the challenge right now is increasing awareness and mobilizing those who are the beneficiaries of low-cost coal power that our industry supplies all day and every day. I think we are making progress there as well. We have formed the Partnership for a Better Energy Future, that's comprised of over 130 business organizations representing over 80 percent of the economy, and so this coalition presents a broad, united front across all economic sectors in a battle for balanced and reasonable energy policies for our country. All the members of the part-

nership work together, and we were able to push over 1 million comments to EPA on the power plant regulations for carbon dioxide emissions. We hope to replicate that as they roll out the new proposal for existing regulations.

So we're widening the circle of voices. Right now we're recruiting third party validators to speak up and attest to the true value of coal to our nation as well as to talk about, how in order for our country to be successful, coal must succeed. So we are looking to business leaders, community leaders, and elected leaders to stand up and step out on this.

Here are some developments that I think your readers would be interested in, and provide some indication that we are having success in raising awareness with our efforts. In April, Rasmussen did a poll that revealed that almost two-thirds of Americans know that coal is the principal fuel source for electricity nationwide. About 60 percent said they would not be willing to pay higher utilities bill to reduce America's use of coal to generate electricity. Recently, NMA commissioned a Harris poll, and that shows that three out of four Americans are concerned that EPA rules on power plants will result in higher utility bills. An almost equal level of concern is that EPA's rules could result in blackouts and brownouts this summer; so the message I think is taking hold. Now we need to ensure that our law-

makers and policymakers know who will be held accountable if we end up with policies that do not serve either our communities or our nation well.

Coal News: *Hal, is how do you see the future of coal both here and around the world?*

Hal Quinn: Well, globally, coal's centrality to the developing world's prosperity, I think is indisputable. It's been the fastest growing energy source for over the past decade. The fundamentals and trends we see in terms of industrialization, urbanization, and a steady march in the developing world towards energy access secures coal's future, and underpins the continuation of one of histories' transformative moments lifting up hundreds of millions from poverty to prosperity. Some might say that China's extraordinary growth over the past 25 years may be a once in a century event, but even if that's so, a slower growth in China on top of a larger economic base that is sustained on a coal backbone for electricity, steel, cement, and coal to chemicals still leaves tremendous headroom for coal's growth. And China is just one chapter of a larger story with India close behind and other developing nations eager to follow the same path.

In the United States we face several headwinds, a slowly recovering economy, unsustainably low natural gas prices and poor public policies. The first two I think self-correct. We've already seen natural gas prices rise

from the pressure of carrying so many saddlebags for power generation, home heating, manufacturing feedstock, and even more to come with expanded use in the transportation sector and eventually LNG exports; but the third, public policy, is probably the most troubling since they become a permanent fixture to deny our country the value of possessing the largest single energy resource on the globe with a proven track record of low-cost and reliability. In the end, it will be the strength of our coal resource base and the value it provides to all Americans, the skill of our workforce, and new technology that will secure coal's future in the United States. After all, those are the elements that worked for us successfully before, and I see no reason why they would not keep us on a path to a brighter future tomorrow.

Coal News: *Well, Hal, thank you very much for talking to readers of Coal News. We certainly appreciate it, particularly as we celebrate our 10th Anniversary, so thank you to you, Hal, for talking to us, and thank you to the National Mining Association for defending our great coal mining industry.*

Hal Quinn: Well, Bill, I just want to thank you, and Happy Anniversary at Coal News. My view is the entire coal community has been well-served by you and your publication. So again we are very grateful.

Coal News: *Thank you so much Hal!*