

**TESTIMONY BEFORE THE
ENERGY AND MINERAL RESOURCES SUBCOMMITTEE
OF THE
UNITED STATES HOUSE OF REPRESENTATIVES
COMMITTEE ON NATURAL RESOURCES**

"Toward a Clean Energy Future: Energy Policy and Climate Change on Public Lands"

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We thank the Members of the Energy and Mineral Resources Subcommittee and the House Natural Resources Committee for inviting me to provide this testimony today.

I am Bob Murray, the Chairman, President and Chief Executive Officer of Murray Energy Corporation ("Murray Energy"), which I founded from a mortgaged home about twenty (20) years ago. Today, Murray Energy operates eleven (11) coal mines in the most economically depressed areas of Ohio, Illinois, Kentucky, Pennsylvania and Utah, which produce thirty-two million (32,000,000) tons of high quality coal per year for America's electric utilities, with about three thousand (3,000) employees. Current studies show that up to eleven (11) secondary jobs are created to provide the goods and services required by our miners. Thus, I am proud of the fact that we are advised that we have created up to 36,000 high-paying, well-benefited jobs in our Country since our inception in May, 1988.

Our principal subject today is the impact of any proposed carbon dioxide emission limits or climate change measures on the coal industry ... its employees ... and its implications for public lands.

UtahAmerican Energy, Inc. ("UtahAmerican"), a Subsidiary of Murray Energy, produces up to about seven million (7,000,000) tons of coal per year, with about five hundred (500) direct employees from Federal coal lands in Carbon and Emery Counties, Utah, and this production and employment will increase by about fifty percent (50%) in the years hence. Let me assure you that these Utahans are very pleased that we have heavily invested in their lives and futures and in this locale, which is where they want to live. You see, Federal lands should not only have adequate stewardship for environmental purposes, but they also should be prudently developed to provide a high standard of living for our citizens. They and I are very threatened and troubled by the so-called "global warming" or carbon emission constraint measures that have been introduced into the Congress that will ration the use of coal, with much worse adverse

consequences to our American citizens than those that I have already experienced in my lifetime as a result of enactment of the 1990 Clean Air Act Amendment legislation.

You see, so-called "global warming" is a human issue to me, not just an environmental one. The unfolding debate over atmospheric warming in the Congress, the news media, and by the pundits has been skewed and totally one-sided, in that they have been preoccupied with possible, speculative environmental disasters of climate change. However, few are giving adequate attention to the destruction that we will definitely see for American working people from all of the climate change proposals that have been introduced in the House and Senate to date.

Today low cost electricity is a staple of life for all Americans, and fifty-two percent (52%) of this electricity is generated from coal. Further, coal-fired electricity is, by far, the lowest cost -- about one-fourth (1/4) to one-third (1/3) of the cost of natural gas-fired electricity. Moreover, the Energy Information Agency states that our electricity consumption in America will rise forty-one percent (41%) between now and 2030. It is projected that, over the next twenty (20) years or so, coal must be counted on to generate fifty-seven percent (57%) of America's electricity, which cannot be replaced by any other form of generation -- not natural gas, nuclear, or water, and certainly not renewables.

America is dependent on our coal because it is abundant, with some of our best deposits located on public lands; it is affordable; and it is critical to our energy security to protect all Americans from the hostile and unstable governments from which much of our Country's energy is currently imported.

While we have been losing high-paying manufacturing jobs in America to foreign countries, can you imagine the havoc that will be wrought on our Country as a result of curbing coal's use, or destroying its potential as a vital domestic fuel, which every single piece of legislation introduced in the Congress to date does, by slapping mandatory controls on carbon dioxide emissions and United States coal utilization? Draconian legislation, such as the McCain/Lieberman or Bingaman Bills, would thoughtlessly impose arbitrary caps on the use of coal, despite the destructive implications to our economy.

The West, where public lands dominate, is one of the regions where the twelve (12) Bills introduced to date to limit carbon dioxide emissions will inflict the maximum damage and destruction to human lives. High wage employment and concomitant benefits, local tax revenues, and the standards of living for our people will be brutally wiped out in many of our western communities, notwithstanding the implications against strengthening America's energy independence. All of the so-called "global warming" Bills introduced to date will throw the prospects for our citizens and their economies in a spiraling reverse. It is a human issue to me, as I know by name many of the thousands of persons whose lives will be destroyed from the current deceitful, hysterical, out of control, rampage perpetrated by fear-mongers in our society and some legislators to mandate carbon dioxide emission limits.

While some want us to believe that the science behind so-called "global warming" is certain, to the contrary, the actual environmental risk associated with carbon emissions is highly speculative. It is a fact, however, that every proposal introduced to date will provide a far more

certain risk that carbon dioxide emission limits will destroy coal and manufacturing dependent communities and inflict great hardships on America's families.

Further, carbon capture, transfer, and sequestration technologies have not been commercially developed, and the needed investment in them must not be thwarted by discussions of "global warming" legislation. Also, I am a skeptic relative to our Country's commitment to gasification, liquification, or other technologies for the use of coal in processes other than pulverized coal combustion. I worked on the Great Plains Coal Gasification project in North Dakota, the only one in the western hemisphere, from 1968 to 1983, and there has not been another one built in the ensuing forty (40) years. Again, carbon emission legislation must not thwart the needed investment in coal utilization technologies.

Some wealthy elitists in our Country, who cannot tell fact from fiction, can afford an Olympian detachment from the impacts of draconian climate change policy. For them, the jobs and dreams destroyed as a result will be nothing more than statistics and the cares of other people. These consequences are abstractions to them, but they are not to me, as I can name many of the thousands of the American citizens whose lives will be destroyed by these elitists' ill-conceived "global goofiness" campaigns.

Also, there are a number of companies that are promoting constraints on coal use to achieve greater profits and/or competitive advantages, which transparent motivations are not in the best interests of Americans. These, in part, include Excelon, Entergy, British Petroleum, Shell Oil, Caterpillar, Alcoa, Dupont and General Electric.

You see, ladies and gentlemen, I have seen the effect of the 1990 Clean Air Act Amendments, the drastic reductions in coal production, and wrenching impact on hundreds of communities as a result of that legislation. In Ohio alone, from 1990 to 2005, about one hundred eighteen (118) mines were shut down, costing more than thirty-six thousand (36,000) primary and secondary jobs. These impacted areas have spent years recovering, and some never will. Families broke up, many lost homes, some were impoverished, because of legislation that the environmentalists call a "success". Again, I did not learn of this havoc from computer models. I lived it and saw it firsthand.

Now, we are glibly discussing mandatory carbon emission reductions, which will have far more sweeping and far deeper reductions in coal production, and will reek much greater economic carnage and reductions in the quality of life and standard of living of many Americans, than the Clean Air Act Amendments. But, the destruction from limiting coal use will not stop there. Natural gas costs will rise, further damaging the agricultural and chemical industries, and the loss of American manufacturing jobs, which depend on low cost electricity, will be accelerated.

Also, the adverse impacts on the economy's jobs and quality of life will not be equal throughout the Country. Rather, the States that depend on coal-fired electricity will be damaged the greatest. Every State in our Country has a "target" on its back from proposed "global warming" legislation, except those on the West Coast and in New England, where much of the hysteria for draconian legislation is originating, and which States already pay the most for their electricity, many twice as much, as shown in the attachment to my testimony.

What will the world-wide environmental gain be from the pain that will be suffered on millions of American citizens? The answer is, very little. Since 1990, U. S. greenhouse gas emissions have increased by eighteen percent (18%), while China's have increased by seventy-seven percent (77%). China's emissions will surpass ours by 2009. By the middle of the century, China and India will emit twice as much carbon as the United States and the European Union, combined.

The G-77 group of developing countries, led by China, which is building about fifty (50) new coal-fired power plants, again reiterated this winter that they will not agree to mandatory carbon emission constraints in a second Kyoto round after 2012, nor have they actually ever reduced any emissions to date. All America will be doing is exporting more of our jobs to these Countries, and widespread hardship will be reeked on thousands of American families as a result of further industrial contraction in our Country.

The so-called Kyoto Treaty commitments by other countries have been a farce. European Union nations, with no population growth, have increased their emissions faster than the United States which has had a one percent (1%) population growth. Canadian emissions have increased twenty-eight percent (28%) since it signed the Kyoto Treaty, and only two (2) of the signatories thereto have achieved their emission reduction commitments.

The climate change science is uncertain, and carbon dioxide capture technology has not been proven on a commercial scale. The Congress must not be stampeded into preempting thorough climate research and the development of carbon capture, transfer, and sequestration technologies with emotionally developed or politically motivated legislation in the current hysterical rampage to enact carbon dioxide emission limitation mandates.

We urge all Members of this Committee and their colleagues in the Congress to consider carefully the impact that climate change Bills will have, not only on the environment, but on the American people, too. This is a human issue as well as an environmental one.

Thank you for your invitation to appear before you today.

Sincerely,

MURRAY ENERGY CORPORATION



Robert E. Murray
Chairman, President and Chief Executive Officer

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Attachment