

The PORTAL

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Legislators Told Severance Tops \$500 Million



West Virginia Coal Association Senior Vice President Chris Hamilton addresses the first meeting of West Virginia Legislature's House Coal Caucus. Photo by Jason Bostic.

CHARLESTON – A bipartisan group of members of the West Virginia House of Delegates that have joined together to form the Legislative Coal Caucus heard presentations earlier this month from the West Virginia Coal Association about the current status of the industry.

Chris Hamilton, senior vice president of the association, told the legislators that coal severance taxes are at all time highs but that without action to address the on-going issues faced by the state's leading industry production will continue to decline and with it severance collections

"Never before in the state's history has the coal industry been responsible for a greater share of the state tax revenues or prosperity throughout all facets of state and local governments," Hamilton

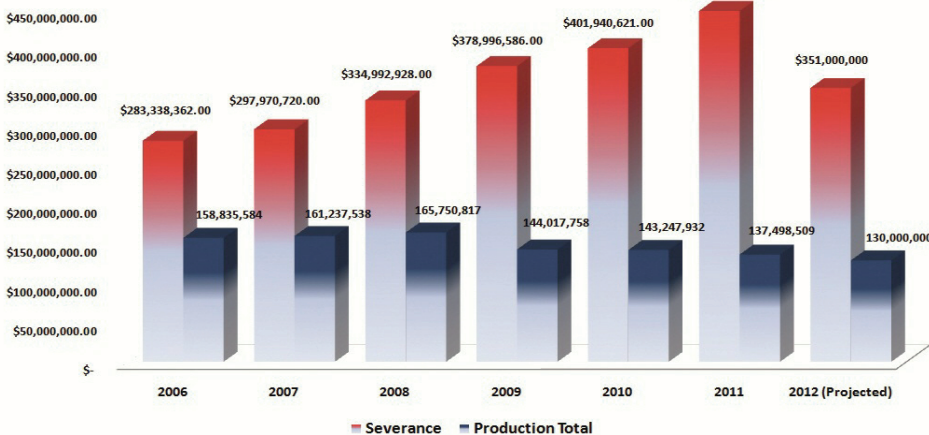
told the Legislators. "According to a report by the West Virginia University and Marshall University business research facilities, the coal industry provides more than \$3.4 billion in wages and a total economic impact of \$26 billion for the state each year.

"As a result of significant and sustained increases in coal severance and other business taxes, the state has been one of a few states to have balanced budgets – and budget surpluses -- during the current recession years from 2008 to today.

"West Virginia's "Rainy Day" has climbed to unprecedented levels because of annual budget surpluses that have been driven in large part by coal severance tax revenues. I say again: This is a fact."

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State Coal Production and Severance 2006-2012



Sources: West Virginia Office of Miners Health Safety and Training, State Treasurer's Office and the WV Coal Association.

DATES TO REMEMBER

- **April 29-May 3** – 12th CEDAR Regional Coal Fair
- **May 1** – Coal Prep, Lexington, KY. Chris Hamilton speaking
- **May 2-5** – WVCA, WVCMI and WVSAC Joint Meeting/Coal Hall of Fame

WHY I AM A FRIEND OF COAL?

"Retired after 22 years and made a good living for my daughters. God bless America and thank all you Veterans ... Coal Miners go deeper," Frank Haught, Carmi, IL.

"I come from a long family line of coal miners!! These men are my heroes!!! I'm from Logan County, West Virginia and I am proud of my family heritage," Rose Getts, Logan, WV.

"My grandfather was a miner for Pocahontas Fuel Co., in McDowell, WV. His hard work made a better life for my dad who in turn made a better life for me. I was the first in my family to graduate college and went on to complete a masters degree. I am proud of my heritage and owe a debt of gratitude to the miners of yesterday as well as today," Roger Boothe, McDowell County, WV.

My whole family has worked in the coal industry. My husband has always wanted to and he finally got in. I hope he continues his career in the coal mines for years to come. It's the only decent job we have here in this state and they are trying to take it all away," Ada Clay, Logan, WV.

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DID YOU KNOW...

- Every car in a coal train holds approximately 100 tons of coal. Unit trains, which carry coal to market, are usually 100 to 150 cars in length, which means that every train carries between 10,000 and 15,000 tons of coal to market.
- A typical 500 MW coal power plant produces 3.5 billion KWH of electricity per year. That is enough energy for 4 million light bulbs to operate year round.
- States that use coal to generate electricity have lower electricity rates. In fact, states that produce 10 percent or less from coal pay 12.7 cents per KWH while people in states that get 60 percent or more of their electricity from coal pay approximately 8.7 cents per KWH – 32 percent less.

40th Annual Mining Symposium Huge Success



CHARLESTON – The 40th Annual West Virginia Coal Association Mining Symposium was held March 6-8 at the Charleston Civic Center.

The event featured more than 40 vendor companies and once again set a record for attendance with more than 2,000 people attending throughout the three-day event.

Attendees heard from state and federal leaders as well as industry experts about a variety of issues.

Gov. Ear Ray Tomblin was joined by West Virginia's delegation to the U.S. House of Representatives – Reps. Capito, Rahall and McKinley who discussed the issues in Washington, DC.

Other presenters looked at various environmental and safety issues and production issues, including a presentation on railroad transportation by representatives of NS and CSX.

Main Award Winners

More than 50 mining operations were honored for excellence in safety and environmental efforts during ceremonies at the 40th Annual West Virginia Coal Association Mining Symposium.

Key award winners included:

Elk Run Coal Co.'S Republic Energy taking the Bart B. Lay Award.

McElroy Coal Company's McElroy Mine taking the Eustace Frederick Award.

Consolidation Coal Company's Turkey Gap Refuse Impoundment taking the Greenlands Award.

Coal-Mac Inc.'s New Ridge East Surface Mine taking the Wild Turkey Habitat Award.

See the complete list online at www.wvcoal.com.

Leaders Speak Out to Support Mining at Symposium

The PORTAL Will Bring You Quotations to Showcase Our Friends in High Places

A.G. Pat Morrissey

"This is where we begin to develop the legal theories to make sure the EPA is going to be adhering to the rule of law much more carefully. I think the people realize that West Virginia's Attorney General's office is going to be far more aggressive than you've seen previously."



March 7, 2013 at West Virginia Mining Symposium.

Rep. Shelley Moore Capito

"We face a White House that is just against us. Obama said he would bankrupt coal and he has done everything possible to do so. Now a carbon tax is back, circling around in D.C. I believe economic impact must be considered in policy decisions."



March 7, 2013 at West Virginia Mining Symposium.

Rep. David McKinley

"What we have to deal with in Washington is the irrational far left. In hearings almost weekly, we have to endure comments from people who don't understand about coal. We need people to realize that carbon cycles happen and that when you pick on coal all you are doing is hurting the working man."



March 7, 2013 at West Virginia Mining Symposium.

Severance (cont. from page 1)

West Virginia's coal severance tax is levied based on the sale price of coal, so naturally those revenues reflect the cyclic nature of market pricing. But even with that lack of predictability, coal severance collections alone have more than doubled from 2007 to 2012 to an all-time record high of \$500 million last year. Property and income taxes from coal have made similar gains during this period.

Even with current losses and predictions of revised downward adjustments in collections, overall taxes from coal remain higher than ever before.

In addition to severance tax revenues, coal and electric utilities account for over 60 percent of all business taxes. Distribution of coal severance dol-

lars to all 55 counties funds education and social programs – and that's after the first \$22 million goes to infrastructure projects.

"Clearly, the positive impact coal has on West Virginia's economy is well-demonstrated, and it should be respected," Hamilton said.

The group began meeting in early February and have continued to meet weekly since to develop and ensure passage of legislation designed to preserve and protect the state's coal industry and the 63,000 jobs it provides to West Virginians.

During the first meeting of the group, Legislators heard a presentation from the West Virginia Coal Association, outlining the industry's current challenges and opportunities.