

House Majority Policy Committee's hearing on Emerging and Re-emerging Industries and Opportunities for Job Creation in Carbon County.

DATE: September 18, 2012

LOCATION: Carbon County Courthouse, 11 am

Presenter: Richard (Rusty) Taylor, President / CEO

Lehigh Anthracite Coal, LLC

I come to you with 32 years in the coal mining industry. I started as a rock truck driver at \$5 an hour, out of necessity due to wife and new child. As the company grew, my opportunities increased. I eventually became a mine foreman, which lasted for 7 years, then VP-Environmental, working on permitting, exploration, property acquisition, reclamation and bond release activities, dealing with the State and Federal government all along the way. I have seen the coal mining industry from all sides both bituminous and anthracite. Before starting my coal mining career I briefly worked for the US government (US Forest Service) and the State government in PA (Bureau of State Parks). My experience in the mining industry has been with companies under private ownership, entrepreneurs willing to put their money at risk, provide jobs and opportunities and hopefully create a profit. No guarantees, no safety net, many unknowns, many challenges, some successes, some failures, it is a wild ride. Getting up early every morning, 10 hour days, no time clock, just work that needs to be done, no matter how long it takes. This is the work ethic that made the foundation of this country strong. I am now President / CEO of Lehigh Anthracite Coal, LLC, in Tamaqua with 90 employees. Approximately \$60k per year in local taxes. Average wage, before benefits, is ~\$60k per year. We started mining activity in May of 2011, on the former Lehigh Coal and Navigation property which straddles Schuylkill and Carbon Counties. Majority of our employees live in one of those counties.

Being in the coal business I feel like a freshman football player at Penn State, paying for the sins of the past, the only difference is that my sanctions don't go away after 4 years. In the coal business, you are guilty until proven innocent. Without coal, PA and the US would be very different today.

Let me instead take the high road here...

I didn't come to you today to complain about all the Environmental rules and regulations and how they dampen business and therefore job growth, that certainly would be a good topic for another day, but let's stay on track and discuss Emerging and RE-emerging Industries and opportunities for job creation in Carbon County. The anthracite mining industry falls into the re-emerging category to be sure. Anthracite coal is so much more than just "old fashioned" home heating coal, it is more of an industrial mineral being used in the steel making process and the municipal water filtration business due mainly to its high carbon nature.

Biggest challenges? As stated above – Environmental rules and regulations and let me add, overlapping and redundant Federal and State oversight i.e. EPA, OSM, MSHA and DEP.

Biggest advantages? Superior coal quality and a work force that is rooted in this region and proud of their heritage.

Policy suggestions? My suggestion is not necessarily policy related but I would suggest a fundamental change in our education system. For decades, the public education system has bombarded students with environmental slanted teaching to the point where most students know more about Rachel Carson than what it takes to make a MW of electricity. (1 MW = 1,340 hp) PJM base load ~50,000 MW, 67,000,000 hp. The saying "if it can't be grown, it has to be mined" doesn't even register in their thinking.

The energy industry employs engineers, electricians, equipment operators, blasters, accountants, safety directors, lab technicians, purchasing agents, salesmen, truck drivers, geologists, mechanics, just to name a few. In a state that is blessed with coal, oil, gas, abundant water, wind and solar opportunities, we need to take advantage of all in a responsible, safe and forward thinking manner. This nation and this economy depends on abundant / affordable energy, we need to bring all our domestic resources into play.