

**Written Statement of Charles “Chuck” Farmer
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Before the U.S. Senate Environment and Public Works Committee
Field Hearing
Beckley, WV
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Impacts of U.S. EPA’s Clean Power Plan on Small Business

Senator Capito, Representative Jenkins – Thank you for inviting me here today to speak about the devastating effects EPA’s MATS and 111(d) regulations have had and will have on small business in West Virginia. You will hear supporters of EPA’s regulations talk about the minimal impact these regulations will have on business. They will tell you that EPA is not responsible for the air of uncertainty that stifles investment and drives the downturn of the coal industry. They will tell you that businesses down here will simply just “adapt.” I am here to tell you, as a small business owner, engineer, and West Virginian, that those statements could not be further from reality, or the truth. If you take the time to look around Southern West Virginia, you can see, first-hand, the impact these regulations are having on our communities. The closed shops, unemployed miners, and stagnant economic growth aren’t just statistics – they are people.

I started Rouster Wire, Rope, and Rigging over 20 years ago with the goal of producing the most reliable and affordable wire, rope, and rigging for mineral extraction industries. My business provides the mining industry with safety slings for operations across the country. From Wyoming to West Virginia, we manufacture and repair the equipment that literally moves mountains to make sure Americans have affordable and reliable electricity. These tow slings are crafted by skilled laborers and generate substantial revenue for the company. Unfortunately, I have had to move cautiously with any new hiring or investments in production material because I am concerned about the impact EPA's regulations will have on the coal industry, my business, and my community.

When I got in to the mining equipment industry, business was good. In 1998, the coal industry produced over 180 million short tons of coal and I had to increase hiring to meet production demands. Today, total coal production in West Virginia has decreased to under 117 million short tons per year. Each year, as coal production decreases, I have to plan for the future and decided if I want to invest or save to avoid shutting down.

Anyone who has worked in the energy industry knows that everyone – from large corporations to small businesses – rely on credit to purchase expensive

machinery. In order to make these investments, small businesses need certainty that EPA will not close their doors, or close the doors of their customers. Many of my customers have had to cut hours, freeze hiring, or lay-off employees altogether.

EPA's standards for new and existing coal-fired power plants expect electrical generating units to invest millions of dollars into updating their plants with unproven technology. These plants have no guarantee that EPA will not simply render their new technology "out of compliance" five years down the road. Power companies will be forced to pass these costs on to the consumer.

As an owner of a small manufacturing shop, I operate on margins where a crippling increase in energy bills would likely force layoffs or even shut us down. My business is already feeling the effects of EPA's Mercury Air Toxics Standards rule, and will certainly feel the brunt of 111(d). For example, say the monthly electric bill for Rouster Wire, Rope, and Rigging is \$10,000. A projected 26% increase in electricity costs would add \$2,600 to my electricity bill per month. That is \$31,200 a year – A salary. How will I adapt? Will I sell more equipment? I won't be able – demand for mining equipment will decrease as decreased demand for coal shuts down mining operations. Further, my customers will feel

the same rising electricity bills and won't be able to afford new equipment or repairs. I will be forced to lay off employees or close my doors after over 20 years of production.

Not only am I an engineer, but I have run a successful business for over 20 years; EPA academics regulating from behind a desk haven't. I grew up in Southern West Virginia, started my business in Southern West Virginia, and raised my family in Southern West Virginia. I want to stay in Southern West Virginia. EPA going forward with these regulations will force the entire coal industry out of business, and with it will go all of Southern West Virginia.