

**TESTIMONY BEFORE THE
ENVIRONMENT AND PUBLIC WORKS COMMITTEE
OF THE UNITED STATES SENATE**

**"The Human Consequences of Climate Change Alarmism,
and the Actions and Statements of the Majority Party
and Some Republicans in the United States House of Representatives and Senate"**

THURSDAY, JUNE 28, 2007

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We thank the Members of the Senate Environment and Public Works Committee for the opportunity to provide this testimony today.

The climate change, or so-called "global warming", issue is a human one for American citizens, as the present courses of action being proposed by the United States House and Senate Majority Members and some Republicans will result in little or no environmental benefit, but will definitely destroy the lives or quality of life of millions of working American families and citizens on fixed incomes who depend on low cost electricity for the maintenance of their jobs and living standards. We feel very threatened, and frankly afraid, for these people, who only want to work in honor and dignity and have an acceptable quality of life, from what is going on in the Congress.

Raising energy costs, as this Congress seems intent on accomplishing, will kill American people. A Johns Hopkins University study revealed that replacing three-fourths (3/4) of United States coal-based energy with higher priced energy will lead to one hundred fifty thousand (150,000) extra premature deaths annually, and with no benefit to the global environment.

Reducing carbon dioxide emissions will impact our poorest families the hardest, according to a recent report by the Congressional Budget Office. A fifteen percent (15%) reduction in carbon dioxide emissions under a so-called cap and trade emissions system, a euphemism for politicians and many others who do not understand the subject and that it cannot work, will cost the poorest of our citizens three percent (3%) of their annual household income. The fifteen percent (15%) reduction will cost the poorest twenty percent (20%) of Americans twice as much as the cost to the richest twenty percent (20%), as a percentage of total income.

Usually, you Congressional leaders in the Majority would condemn this as heartless and unconscionable.

Rising energy costs will also cost American jobs. The hysterical and out of control climate change or global warming issue, and the legislation that you have proposed, will lead to the deterioration of the American standard of living and the accelerated exportation of more of our jobs to China and other developing countries, which have repeatedly advised, as recent as last week, that they will not limit their carbon dioxide emissions.

According to a Pennsylvania State University study, replacing two-thirds (2/3) of United States coal-based energy with higher priced energy will cost America three million (3,000,000) jobs, with an upward estimate of possibly four million (4,000,000) American livelihoods.

Albert Gore touts that his role model has always been Rachel Carson, with her picture on his wall, who led the environmental movement to ban DDT. She and her environmental followers killed millions of human beings around the World with the ban on DDT, which has since been found by the World Health Organization to be very safe to humans in controlling global epidemics.

It seems to us that the leadership of this Congress, with the support of the Majority of this Committee and some Republicans, are intent in helping Mr. Gore and those of his ilk in achieving his unquestionable legacy, which will be the destruction of American lives and more death as a result of his hysterical global goofiness, with no environmental benefit. This then will be your legacy, also, as our current Congressional leadership indicates from your statements and actions to date.

We do not know how many members of the Congress, and particularly the Democrat Majority, have actually ever created a job for anyone. I have created three thousand three hundred (3,300) primary jobs and up to thirty-six thousand (36,000) secondary ones, according to The Pennsylvania State University, from a mortgaged home, and I can tell you that it is virtually impossible to do so today in our great Country due to difficulties imposed by our own government at every turn.

From your statements and actions to date, few of our Congressional leaders are giving adequate attention to the destruction that we will see for American working people and for those on fixed incomes from all of the energy and climate change proposals that have been discussed, introduced, or enacted in the House and Senate to date.

We are losing high paying manufacturing jobs in America to foreign countries at a rapid rate. The economic havoc that will be wrought on our Country as a result of curbing coal's use, which accounts for the lowest cost and fifty-two percent (52%) of our electric generation, will be beyond comprehension.

I do not need one of Albert Gore's computer models to tell me this, as I saw what the enactment of the Clean Air Act Amendments of 1990 by this Congress did to the lives of many Americans. It resulted in the closure of one hundred eighteen (118) mines and the elimination of

thirty-six thousand (36,000) primary and secondary jobs in Ohio alone. Some of these impacted communities will never recover. Families separated, some were impoverished, and many lost their homes because of legislation that the Majority in this Congress and the environmentalists call a "success". Again, I did not learn of this destruction from computer models -- I lived it and saw it firsthand. Climate change is a human issue.

Some wealthy elitists in our Country and many in our Congressional leadership, particularly from California and New England, and in the entertainment industry, including Mr. Gore, who cannot tell fact from fiction, have demonstrated 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 the statistics and the cares of other people. The consequences are abstractions to them. But, they are not to me, as I can name many of the thousands of American citizens whose lives will be destroyed by these elitists' ill-conceived "global goofiness" campaigns.

It appears that the leadership of this Committee and of this Congress are attempting to export the draconian, so-called "global warming" measures, already enacted in California and proposed in some New England states, to the remainder of America. The residents of these states have not yet realized the cost to them of these actions. When they do, I would not want the legacy that the politicians from these areas, including some from your Majority, seem intent on leaving. The Pennsylvania State University study also shows that if coal production is curtailed by two-thirds (2/3) in America, California, itself, will lose fifty-eight million dollars (\$58,000,000) annually in economic activity, and households will see an income decline of twenty-two million dollars (\$22,000,000) per year. Most especially, three hundred thirty-nine thousand (339,000) Californians will lose their jobs. The nearly one million (1,000,000) person exodus from California last year is just the beginning. No business owner will ever consider choosing to site in California, because we can all, including those producing the economic studies, see the devastating economic decline that is imminent there, as well as in New England, from their actions and proposals.

While California will be adversely affected, the Central United States will be devastated from the curtailing of coal production, as this same study estimates that at least one million five hundred thousand (1,500,000) jobs will be lost in Arkansas, Iowa, Kansas, Louisiana, Minnesota, Missouri, Nebraska, Oklahoma, and Texas, alone. Also, the survival of the entire railroad industry in our Country will be threatened.

The most "inconvenient truth" is that we do not know how to meet current, much less anticipated future, United States and global energy needs with low- and non-emitting technologies. Carbon penalties will suppress economic growth, rather than catapult human civilization into a "beyond petroleum" era. Until markets can actually supply large quantities of affordable, emissions-free energy, Congress should not be debating carbon caps, carbon taxes, or carbon emissions standards. The Majority seems to have taken the position that we do not need science or technology, because we are going to have legislation. Again, we are very threatened and afraid for all Americans on fixed incomes and our workers as a result of many of the statements and actions of this House and Senate. It is time that common sense be introduced into this hysterical, out of control, climate change debate, which alleged phenomenon, to our Nation's

best scientists, is based on faulty science. While the science is uncertain, the Congressional leadership's proposals and statements to date will definitely result in devastating economic hardship to our families' lives.

Remember, China announced last winter, and again June 21, just this past week, that they are not going to do anything about their carbon dioxide emissions post-Kyoto Protocol in 2012, nor have they done anything to date. According to a new study released by The Netherlands Environmental Assessment Agency, China's emissions surpassed those of the United States in 2006. By 2020 China, alone, notwithstanding the other G-77 nations, will consume five (5) times as much coal as the U.S. Thus, all of your proposals will simply export more American jobs to the developing countries, destroy the lives of many Americans, particularly those in manufacturing and on fixed incomes, and actually add more carbon dioxide emissions to the earth's atmosphere. China is currently bringing a new, 500 megawatt, coal-fired power plant on-line every week, and four hundred fifty-five (455) of them are in the planning stages.

Remember, the U.S. economy is uniquely vulnerable to schemes for capping coal use. Europe is not, which explains why Europeans pay little for capping carbon emissions and why they are so eager for us to cap ours. I can understand the incentives of European leaders in the competitive global marketplace. What we cannot understand is the Congressional indifference.

If climate change is really a global issue, what is needed is the serious public investment of several billion dollars per year of taxpayer money over the next two (2) decades in its research. This investment will cost a trifle of any other course of action and will be productive.

While they are at it, the elitists who propose that we make do with less coal should explain the consequences to our national security. We are a Country that is dangerously dependent on foreign energy - and at a time of fierce new competition from foreign rivals for the World's dwindling supply of oil. A decade ago, China was a net oil exporter. Last year, China's oil imports accounted for forty percent (40%) of the entire increase in global oil production.

Unilaterally restricting our reliance on coal takes us exactly in the wrong direction. It is naïve and irresponsible for policymakers to think that an energy-dependent Country like ours will not be vulnerable to foreign influence in the decades ahead.

Coal production is fundamental to the United States economy. Another Pennsylvania State University study found that, in 2015, if left alone, coal could contribute one trillion dollars (\$1,000,000,000) to the United States economy and provide six million eight hundred thousand (6,800,000) jobs and three hundred sixty-two billion dollars (\$362,000,000,000) in household income.

Unfortunately, there are a number of American companies, through the so-called U.S. Climate Action Partnership, that are promoting constraints on coal use and an irrational cap on carbon dioxide emissions to achieve greater profits and other competitive advantages, which transparent motivations are not in the best interests of American citizens.

These Companies include: General Electric, DuPont, Caterpillar, American International Group, General Motors, Dow Chemical, Johnson & Johnson, PepsiCo, Marsh, Boston Scientific, Alcoa, Alcan, Siemens, British Petroleum, Shell Oil, ConocoPhillips, Excelon, Entergy, PG&E, and PNM Resources.

Their proposed "cap and trade" scheme will not work and will be devastating for our Country. "Cap and trade" would depend on an honest global emissions trading market where other countries will not cheat. It is "smoking opium" to think that our competitors will not cheat, as they already have under the farce called the Kyoto Protocol. Remember, leaders, the issue here is supposed to be "global warming", not "U.S. warming".

Again, these Companies have demonstrated the willingness to devastate the overall American economy for their own short term gains. Americans who are on fixed incomes or who depend on low cost electricity for their jobs to be competitive in the global marketplace had better be wary of these other American companies and their profit and competitive advantage motives.

In addition to these un-American Companies, we also have (1) nuclear power and natural gas producers looking for a larger share of coal's electricity market; (2) environmental groups hoping deceitful alarmism will scare gullible, guilt-ridden consumers and entertainers into filling their coffers; (3) news media fear mongers seeking higher ratings and newspaper sales; and (4) academics and think-tank know-it-alls eager to climb aboard the latest grant money train no matter where it is headed.

Carbon dioxide is a combustion product vital to how civilization is powered. It cannot be legislated or regulated away. Without drastic technological breakthroughs, it is not possible to stabilize atmospheric carbon dioxide emissions, even if it were necessary, and meet global energy demands. The only way to reduce emissions over the next two (2) decades, according to the most reliable sources, is to force Americans to use less energy than at present, much less.

Even the Bingaman/Specter legislation proposed will cut U.S. coal-fired electricity generation by two-thirds (2/3), according to the Energy Information Administration in a report published this year. The policy being advocated to prohibit coal fired power plants without carbon capture and sequestration technology will simply result in future blackouts and severe job destruction in our Country. In a recent study by the Massachusetts Institute of Technology entitled "The Future of Coal", it is estimated that it will take eight (8) years and up to two hundred million dollars (\$200,000,000) just to demonstrate the economic, environmental and technical performance of large scale carbon capture and storage technology. The study also shows that, at best, coal use will be less than half that of a no-cap case, and this would be disastrous.

We need to be realistic. The one billion five hundred million (1,500,000,000) tons of carbon dioxide, which likely is not contributing to any global warming, produced in the United States each year is equivalent to three (3) times the weight and one-third (1/3) the volume of all natural gas transported by the United States pipeline system. Our Country does not have, and cannot have, the infrastructure to support the carbon capture, transportation and sequestration

technology advocated by virtually every bill introduced in the Congress to date. Also, the liability and property rights issues that will be generated for the carbon dioxide sequestration will make it impossible to implement, again, with no environmental benefit.

We can tell you for certain that your global warming debate in the Congress, unfortunately for our Country, has already very adversely affected the perceptions of and investment in the United States coal industry. We are being weakened daily by these discussions, and America cannot be without the lowest cost fifty-two percent (52%) of our electricity that the industry provides. No doubt, many coal producers will not survive the discussions of the draconian regulations that are taking place. You cannot legislate the policy cart before the technology horse, which you are trying to do.

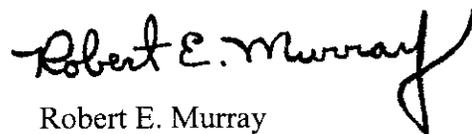
We are already seeing the adverse affects of your global warming policies in the ethanol debacle, the use of which this Congressional majority, this past week, demanded be drastically increased. Yet, ethanol from corn is twenty-six percent (26%) fuel inefficient, as it takes 1.26 times as much fossil fuel energy to make a gallon of cellulosic ethanol than that which we get out of it. Also, it depends on a fifty-one cent (\$0.51) per gallon subsidy from the taxpayer. As a result, you in Congress have now raised the cost of steaks by five and one-half percent (5.5%) from a year ago, and chickens are up seven and seven-tenths percent (7.7%). According to a new survey by the Food Marketing Institute, more than forty percent (40%) of American consumers are changing their food buying habits in response to high energy prices. People are being forced to make the decision between the purchase of food or heat. The real cost of ethanol is far higher to Americans than the fossil fuels that you are attempting to eliminate and with no environmental benefit.

The American family is about to be a victim of one of the biggest con jobs in the history of this Republic. Congress could soon arbitrarily restrict the use of coal, our Nation's most abundant and affordable fuel for generating electricity. This leadership does not appreciate the pain that such a program will inflict on ordinary Americans, but when they start feeling it, it will be your legacy.

For the many reasons provided herein, and others that could not be presented today, the errant leadership of the U.S. Congress must stop the dishonest, hysterical, out of control campaign to enact the currently proposed climate change legislation that will result in no environmental benefit, but will destroy the very lives of our citizens on fixed incomes and America's working families.

Respectfully submitted,

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REM/bjb

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An econometric model was applied to a hypothetical regulatory case study, whereby U.S. coal was replaced by alternative higher-cost fuels such as natural gas for the purpose of electricity generation. The model was used to estimate the premature mortality associated with increased unemployment and reduced personal income. The adverse impacts on household income and unemployment due to the substitution of higher-cost energy sources were estimated to result in 195,000 additional premature deaths annually.

The results from this hypothetical case study may be scaled to apply to specific policy initiatives affecting the U.S. coal-based electricity generation sector. For example, the U.S. Department of Energy's Energy Information Administration ("EIA") estimates that climate change bills currently before the U.S. Congress - such as Senate Amendment No. 2028, rejected by the Senate in 2003 and again in June, 2005 - could result in the displacement of up to 78% of U.S. coal-based electricity generation with higher-cost energy sources. The methodology employed here suggests that, absent any direct mitigation measures to offset expected decreases in employment and income, implementation of such measures could result in an annual increase of premature mortality rates by more than 150,000 Americans.

- The Penn State study (Rose, A.Z., and Wei, D., "The Economic Impact of Coal Utilization and Displacement in the Continental United States, 2015," The Pennsylvania State University, July, 2006) found the following:

Assigning equal weight to each of the two energy price scenarios, we estimate the U.S. coal-fueled electric generation in 2015 will contribute:

- \$1.05 trillion (2005 \$) in gross economic output;
- \$362 billion in annual household incomes; and
- 6.8 million jobs.

We also estimated the prospective net economic impacts of the "displacement" of coal-fueled electricity generation at assumed levels of 66% and 33% from a projected 2015 base.

These levels of displacement are consistent with some of the potential impacts of major environmental policy initiatives in climate change or other areas. In these cases, we again calculated backward linkage and price differential effects to determine potential negative impacts on each state's economy.

Additionally, we calculated potential positive economic benefits due to the operation of replacement electricity generation of various types. In all states, the net effect of

displacing coal-based electricity was negative for the "high-price" scenarios, and, in nearly all states, the net effect was negative for the "low-price" scenarios.

Assigning equal weight to the high- and low-price scenarios, we estimate the average impacts of displacing 66% of coal-fueled generation in 2015 at:

- \$371 billion (2005 \$) reduction in gross economic output;
- \$142 billion reduction of annual household incomes; and
- 2.7 million job losses.

Assigning equal weight to the high- and low-price scenarios, we estimate the average impacts of displacing 33% of coal-based generation in 2015 at:

- \$166 billion (2005 \$) reduction in gross economic output;
- \$64 billion reduction of annual household incomes; and
- 1.2 million job losses.

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