



VIEWS & VISIONS

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The Future of Kentucky Coal

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Bill Bissett is president of the Kentucky Coal Association. He was previously employed as the chief staff/senior vice president for communications of Marshall University, located in Huntington, West Virginia.

Prior to working for his alma mater, Mr. Bissett served as vice president of public relations for Charles Ryan Associates, an integrated marketing firm with offices in Charleston, West Virginia, and Richmond, Virginia. During his tenure at Charles Ryan Associates, he was instrumental in the establishment of the Friends of Coal campaign.

A native of West Virginia, he previously served as director of communications for both the West Virginia Department of Agriculture and the West Virginia Department of Transportation. He also has experience in television marketing and advertising and was a columnist for *The Charleston Gazette*.

In addition to receiving a commission in the United States Army, Mr. Bissett earned bachelor's and master's degrees from Marshall University. He currently is pursuing a doctoral degree in education.

As a trade association that represents and advocates for the production and use of Kentucky coal, the Kentucky Coal Association (KCA) and its members are in uncertain times.

With the reelection of President Barack Obama in 2012, we have witnessed this Administration pivot its actions in its first term against the production of coal, especially in Appalachia, to a second-term strategy of moving the United States and the rest of the world away from the use of coal by any means at the Administration's disposal.

President Obama knows well that Congress and, in many cases, the court system has not been supportive of his "cap-and-trade" proposal or other legislative and regulatory initiatives designed to move our country away from coal usage. An additional concern is President Obama's indirect actions against coal usage on a global scale, which were made plain during his speech at Georgetown University on June 25, 2013:

"Today, I'm calling for an end of public financing for new coal plants overseas unless they deploy carbon-capture technologies, or there's no other viable

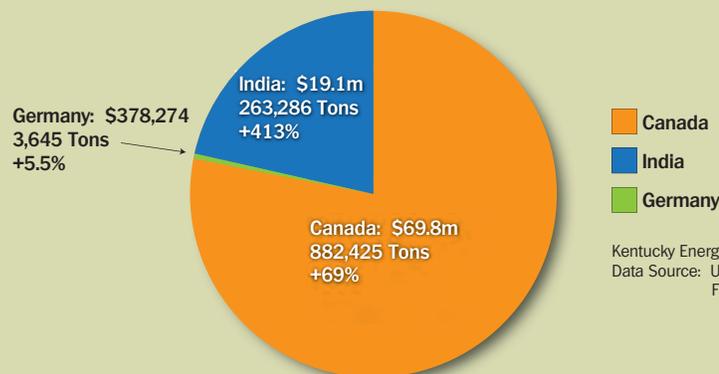


way for the poorest countries to generate electricity. And I urge other countries to join this effort."

While many KCA members are supportive of carbon-capture technologies, this technology is, at best, still in the testing phase and far from application at this time. Much like the Obama Administration's actions against current and future coal-fired power plants, the real message from the White House is a ban on new coal plants and the closing of existing plants.

In my opinion, President Obama, his appointed bureaucrats and anti-coal activists have succeeded in harming the viability of Appalachian coal, but they now turn their attention nationally to removing the domestic market for coal, as well as targeting coal use in the rest of the world. As one of my board members

Kentucky Coal Foreign Exports 2013



Kentucky Energy Database, EEC-DEDI, 2014
Data Source: US Department of Commerce
Foreign Trade Division

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asked me, “We might be able to mine all the coal we can, but where will we sell it?”

So, is the rest of the world listening to President Obama and following his lead of doing away with coal as an electricity source? No, they are not. Emerging economies, such as India, China and across the countries of Africa, as well as traditional economies, such as Spain, Germany and Japan, are embracing coal-fired electricity as quickly as they can.

Emerging economies will experience growth, much like the United States did, through coal-fired electricity. With the traditional economies, the movement towards coal from other forms of energy production is due to the development of “energy poverty” from more expensive and less reliable forms of generation, in addition to the recent disaster with the Fukushima Daiichi nuclear plant in Japan.

So, with the rest of the world ignoring not only President Obama’s words, but also his domestic actions against coal, what does this information mean to Kentucky’s coal miners? Should KCA and numerous other groups fail to stop President Obama from dismantling our current coal fleet and preventing the construction of new coal plants, there is an international market for steam (or electricity-producing) coal growing in numerous countries across this planet. Combined with the fact that the United States has the largest coal reserves in the world, we believe that if our country does not want our product, other countries

will grow their economies through low-cost and reliable coal-fired electricity.

In Kentucky, we are already seeing an increasing international interest in our coal. The accompanying chart, from Kentucky’s Department of Energy Development & Independence, shows recent growth in foreign exports and this trend is expected to continue.

As a native West Virginian who now works in Kentucky, I am passionate about our coal miners and the important work that they do to power our country. I also worry that the strong public support that our coal industry enjoys in both states will be eroded if people in other countries are getting the economic benefit of our natural resources.

While I remain hopeful that the KCA and other pro-coal advocates can stop or delay President Obama’s plan to end coal use in the United States, it is good to know that other markets want our product and understand its importance to their economies, and also recognize coal and electricity’s connection to longevity, health care, education, communication, and food preparation and preservation. As one analyst suggested to me, “People in developing countries will literally jump from the 19th century to the 21st century, because of coal-fired electricity.”

Perhaps President Obama means well, as he devastates the economies of Kentucky and West Virginia, with his actions in

the name of climate change. Man-made carbon emissions from coal-fired power plants in the United States account for only three percent of the world’s total man-made carbon, so, even if President Obama would succeed in closing every coal-fired power plant in the United States, the development of similar plants in other countries would quickly nullify his actions.

President Obama’s unilateral course of action regarding coal use fails to recognize this reality and sacrifices the competitive advantage of low-cost and reliable electricity that powers every facet of our lives. While our opposition to President Obama and his administration remains resolute, it is also a fact that the United States will have a new president in two years. At that time, it is likely that energy and coal will continue to be a major political issue in this country, much as it is in the 2014 United States Senate race in Kentucky. ❧