



The Coal Scoop

Volume 36

March 2011

FIGHTING FOR THE FUTURE OF PA COAL

1200 Maronda Way, Suite 403A
Monessen, PA 15062
www.families4pacoal.org

“Seinfeld” Legislation

Cap-and-Trade Won’t Clean Our Air, Land, and Water

Article Written by Congressman Tim Murphy

There’s an episode of “Seinfeld” where Jerry and George pitch an idea for a sitcom to producers at NBC. As the duo tries to explain what the show would be about, George repeatedly says the show is about “nothing.” When pressed by a producer that a show has to be about “something,” George adamantly declares that it will be about “nothing!”

In Washington, there is a group who is also trying to sell “nothing.” This “nothing” is called “cap-and-trade” and it’s an energy policy that is based on “Seinfeld’s law.” Cap-and-trade legislation would trade “nothing.” In this model, the government would create a market for the trading of so-called carbon credits

between companies seeking to meet newly-imposed limits on emissions. A company that emits carbon from a smokestack can buy a credit from a company that does not. In reality, these Seinfeldian credits represent nothing because no actual goods or services are exchanged.

For example, Company A, which emits carbon, must buy these “Seinfeld credits” from Company B, which does not emit carbon and perhaps has no smokestack at all, in order to offset carbon emissions and comply with the law. Company A competes with other carbon-emitting utilities and manufacturers for these “Seinfeld credits” through a commodities marketplace. The highest bidder purchases these credits, then subtracts the “nothing” from their “something” to become compliant with the law. But nothing has changed – except that if a company decides it costs too much to buy these credits or pay the taxes to continue legally manufacturing a product, the company will move its operations – and the jobs that go with them – overseas to

a country that does not impose a cap-and-trade regime. And, increased costs for electric power generation will be passed onto consumers, creating another disincentive for American manufacturing.

“Seinfeld’s law” would discourage employers from investing in innovation, productivity, and job creation. Manufacturing jobs would move to countries where

products can be made cheaper – but not cleaner. All the while, commodity traders on Wall Street and elsewhere would make billions trading “nothing” back and forth.

Not surprisingly, Spain found its economy collected “nothing” when it lost two jobs for each new job created under a cap-and-trade program. Try to put a carbon credit in

your wallet, in your bank account, under your mattress, or in Fort Knox. It can’t be done. These “Seinfeld credits” won’t clean our air, land, and water. They won’t create the jobs we sorely need. And keep in mind that the emissions produced by other nations will still increase overall worldwide levels.

America does not have to make a choice between coal and clean emissions. We have over 250 years worth of coal in the USA. Let’s solve the challenges of coal, not export it to China. The person who cracks the code on coal and figures out how to get more energy out of coal while cutting emissions to near zero will win the Nobel Prize, become a billionaire, and move America towards economic and strategically necessary energy independence. That is something worth working towards. So let’s invest with research and development for clean coal technologies, and in educating the next generation of scientists and engineers. Let’s tap into the can-do American attitude that made our country great. And then we will reap the benefits of real jobs and a cleaner environment.



2010 Signature Sponsors

18 Karat Inc.

Alliance Coal, LLC

Alpha Natural Resources

Amerikohl Mining, Inc.

BUCYRUS

Burns Drilling , Excavating
& Trucking

C & J Welding &
Construction L.L.C.

CNX Gas Corporation

CONSOL Energy Inc.

Energys/Keystone Mountaineer
Power Systems Inc.

Farnham & Pfile

Fenner Dunlap Conveyor Services

GMS Mine Repair & Maintenance

Jennmar Corporation

Joy Mining Machinery

Kennametal, Inc.

Lee Supply Company, Inc.

Lone Pine Construction Inc.

Pennsylvania Coal Association

Rosebud Mining Company

Strata Worldwide

Xcoal Energy & Resources

Congratulations PA Miners For 2010's Safety Record!

FEATURED COMPANY



The world was a much different place 90 years ago however history and commitment remain the backbone of Fairmont Supply Company.

Since its inception in 1921, Fairmont Supply Company has steadily grown and modernized over the years to meet the ever-changing needs of its customers in the mining and industrial marketplace. Through progressive management, Fairmont Supply has become one of the most innovative and advanced industrial distributors in the country.

Today, Fairmont Supply Company has grown from a single location in Fairmont, West Virginia to a total of 40 customer service centers and onsite stores management locations throughout the United States, all serving customers in key geographic areas.

Founded for the purpose of distributing mining supplies to coal operations in West Virginia, Kentucky and Western Pennsylvania, Fairmont Supply Company has been proud to be a supportive part of the mining industry for 90 years. In addition to its emphasis on mining and energy, the company has diversified into other key markets to become a significant MRO supplier to many industrial customers across the country. Included in these markets are Chemical, Steel, Aluminum, Glass, Oil and Gas, Paper, and Utilities. Fairmont can present these customers an extensive offering from eight key categories which include General Industrial, Mining, Safety, Industrial Rubber, Pipe, Valves & Fittings, Electrical, Material Handling & Processing, Bearings and Power Transmission.

In addition to the broad spectrum of product offerings, a host of valued-added services continues to differentiate Fairmont Supply from its competitors. Those services include:

- *Proven Materials Management and Stores Management Solutions*
- *Product Training/Seminars*
- *Documented Savings (RSVP- Recorded Savings Value Program)*

- *Business-2-Business online procurement*
- *Operational efficiencies*



- *Logistical Services*
- *Product Technical Expertise*

As a company, Fairmont Supply has always been on the leading edge of innovative material management processes designed to provide customers with the best available services and products. Fairmont Supply's state of the art operating ERP system allows the company to seamlessly communicate with customers and suppliers. This cost effective process eliminates unnecessary administrative costs.

Eye on the Future

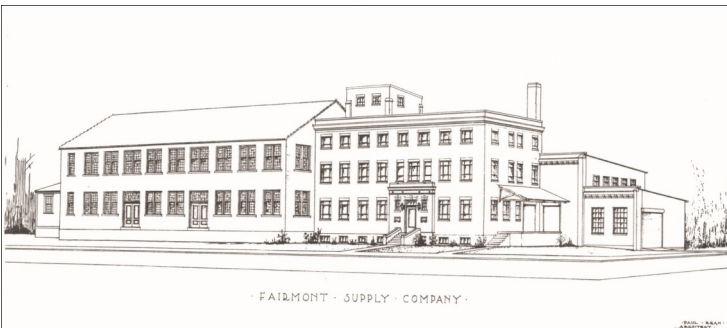
Fairmont's growth strategy for the future is to continue exploring opportunities in all markets across the country. Over the past few years Fairmont Supply has entered key domestic industrial markets by opening a new facility or through acquisition. New markets have included steel production in the Chicago area with the purchase of *Calumet Distribution* in 2006 and chemical processing along the Gulf Coast with the acquisition of *Piping and Equipment, Inc.* in 2007.

In the same year, the purchase of *Brite Stars Sales* in northern Nevada brought Fairmont Supply into the industrial and gold mining market in the western part of the United States.

In 2008, the expanding Oil and Gas industry became a market for Fairmont Supply with the purchase of North Penn Pipe and Supply located in the Northwestern region of Pennsylvania. In July of 2010, Fairmont Supply opened a new facility in Washington, Pa designed to primarily serve it's area Oil and Gas customers in Southwestern PA and Northern WV.

Fairmont's goal is to exceed their customers' expectations and to create a new standard of excellence in the industrial distribution industry. Enduring prosperity and strength over the last 90 years reflects their dedication to conducting business with integrity and respect -- with its customers, employees, and suppliers.

For more information go to www.fairmontsupply.com



FAIRMONT · SUPPLY · COMPANY ·

OFFICES AND WAREHOUSES

Fairmont Supply Company, Fairmont, WV
1929



Upcoming Events

Black Diamond Dinner

April 16th, 2011

Hurricane Classic

September 9, 2011

**WELCOME NEW
F.O.R.C.E. MEM-
BER COMPANY
AND EMPLOYEES**

**MEPCO LLC
Coal Producer**

Keep the Membership Referrals Coming

Last year all new member companies and the person who asked them to join F.O.R.C.E. were entered into a drawing for a pair of Pittsburgh Penguin tickets. We will once again be awarding prizes to one lucky new member company as well as an individual who has referred a company to join F.O.R.C.E. during 2011. So let's keep our numbers growing! Ask any company that you current do business with to fill out a membership application. Remember, there is strength in numbers, so help us increase our number of coal supporters!

Governor Tom Corbett recently appointed CONSOL's Mr. Craig Neal to be a member of the Coal Bed Methane Review Board. Congratulations Craig!

Legislative Update

Coal Caucus Reconstituted

Recognizing the crucial role that coal mining plays as an essential component of a strong and growing economy, the Pennsylvania House of Representatives' Legislative Coal Caucus reorganized in February with a commitment to educate their colleagues about the importance of coal as a source of affordable and reliable electricity.

The panel, which numbers 88 members, will be led by their two co-chairs – state Representative Jeff Pyle (R-Armstrong) and state Representative Ted Harhai (D-Westmoreland).

The next meeting of the Caucus, which will include a briefing on the economies of coal mining, is tentatively set for April 5th.

House Acknowledges Mine Safety Record

Among its first order of business this year, the Pennsylvania House of Representatives unanimously adopted a resolution (HR55) commending the Pennsylvania Coal industry for its mine safety record in 2010.

Noting that there were no coal mining related fatalities in the Commonwealth's mines last year, the resolution congratulates all the men and women within the industry who contributed to this significant achievement.

Pennsylvania Senate Passes Well "Spacing" Bill

Speaking before a joint session of the Pennsylvania General Assembly, Governor Tom Corbett delivered his first budget today proposing a \$27.3 billion spending plan for the 2011-12 calendar year.

Among the highlights of the governor's proposal

The Pennsylvania Senate unanimously passed legislation (SB265) drafted in concert between the shale gas and coal mining industries that would create workable and safe distance requirements between the location of well "clusters" within workable coal seams.

The measure sets a 2,000 feet minimum spacing requirement between the location of well clusters and also provides a dispute resolution process to resolve certain contested well location claims.

According to Senator Mary Jo White (R-Venango), the prime sponsor of SB265, the measure is designed to provide for the orderly development of both the shale gas and coal resources.

The bill now goes to the House for consideration.

Governor Delivered Proposed Budget

Speaking before a joint session of the Pennsylvania General Assembly, Governor Tom Corbett delivered his first budget today proposing a \$27.3 billion spending plan for the 2011-12 calendar year.

Among the highlights of the governor's proposal

- Balanced with no tax or fee increases.
- Represents a decrease of \$866 million, or 3.1 percent, from 2010-11. Overall, state spending is reset to near 2008-09 levels.
- Eliminates 103 appropriation line items – cutting nearly \$850 million in annual spending. It reduces funding for more than 150 appropriations and consolidates an additional 55 appropriations to streamline government.
- Reduces administrative spending by more than 2 percent and over 1,500 complement positions are eliminated.
- Consolidates and streamlines economic development programs to focus on job creation and attracting businesses to Pennsylvania.
- Reinstates the Basic Education Funding subsidy to the 2008-09 level, the last year before federal stimulus funds were available.

Committees Approve Walker and Krancer Nominations

The nominations of C. Alan Walker as Community and Economic Development Secretary, and Michael Krancer as Environmental Protection Secretary were approved by the respective Senate standing committees.

Information Provided by George Ellis, President of the Pennsylvania Coal Association

COAL Generating Power For America And Jobs For PA



Pennsylvania has the largest mining machinery and equipment manufacturing industry in the country, accounting for 27 percent of the country's sector employment.

Economic Impact Study



No other energy source can replace coal. It would take 1,150 nuclear plants to produce the energy generated by coal and the U.S. currently has only 104.



Energy Efficiency Tip: Put window air conditioners on the north side of a building. According to the Department of Energy, "a unit operating in the shade uses as much as 10% less electricity than the same unit operating in the sun."

www.kilowattours.org



Fighting for the Future of PA Coal



Fighting for the Future of PA Coal

Monessen, PA 15062

www.families4pacoal.org