



Pennsylvania Coal Association

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**House Creates 68-Member Coal Caucus
As Study Underscores Industry Economic Contributions
*\$7.5 Billion, More Than 41,000 Jobs for Pennsylvania a Year***

PITTSBURGH, Pa. – Families Organized to Represent the Coal Economy (F.O.R.C.E.) and the Pennsylvania Coal Association today applauded the creation of a new Pennsylvania House Coal Caucus, developed to recognize and support the coal industry for its major economic contributions to the Commonwealth. Sixty eight House members already have joined this bi-partisan caucus.

A just-released study on the economic impacts of coal mining in Pennsylvania, issued by the Pennsylvania Economy League of Southwestern Pennsylvania, reveals that the coal industry annually contributes more than \$7.5 billion and 41,500 jobs to the Commonwealth.

“The League’s study underscores how important the coal industry is to the economic vitality of Pennsylvania,” said Jeanine Rainone, manager of F.O.R.C.E. “It clearly demonstrates the contribution to jobs, exports, competitive electric rates, taxes and other revenues, which all are especially critical in this period of economic uncertainty.”

Representative R. Ted Harhai (D-58th District, Westmoreland and Fayette counties) and Representative Jeffrey P. Pyle (R-60th District, Armstrong and Indiana counties) are chairing the bi-partisan House Coal Caucus. Representatives Harhai and Pyle are the majority and minority chairs of the Mining Subcommittee of the House Environmental Resources and Energy Committee.

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“Our constituents are clear in a call for their elected representatives to create and preserve jobs while minimizing their energy costs. The coal industry plays a significant role in helping us meet those goals as well as energy security goals,” said Representative Harhai.

“How we deal with coal industry issues has a direct impact on many households and an indirect impact on every household in our state, through keeping electric rates as affordable as possible,” said Representative Pyle. “The House Coal Caucus understands the broad impacts of the coal industry and the need to carefully weigh legislative and policy issues that will affect it.”

Rainone pointed out, “Beyond the coal industry’s 9,000 direct jobs and 32,500 indirect jobs, there are another 15,000 related jobs in utility power generation and distribution, with more than half of the electricity in the state coming from coal. Fifty-nine of our 67 counties have coal-related businesses, while coal equipment and machinery is one of the few growth industrial sectors in the state.”

“We expect to work constructively with the House Coal Caucus to maximize our coal resources which provide significant economic benefits, while maintaining affordable electricity rates,” said George Ellis, president of the Pennsylvania Coal Association. “Now more than ever, abundant, low-cost energy is crucial to every household and business in Pennsylvania.”

Representative Pyle noted, “The House Coal Caucus also will be active on issues regarding advancing coal technologies, such as carbon capture and storage, to ensure Pennsylvania is competitive in emerging energy and environmental technologies.”

“We also must carefully weigh how the cost of new energy technologies is balanced against cost impacts on our households and businesses,” Harhai said. “The Caucus will have a major interest in this issue, one that can have a more direct impact on our economic competitiveness than it will in many other states.”

The League analysis warns energy policy makers to weigh the environmental benefits of actions against the adverse effects of increased costs for electricity and other goods, and the study also cautions that target dates for implementation of technology must be realistic, especially given coal’s relationship to the health of Pennsylvania’s economy.

FACT SHEET
Economy League of Southwestern Pennsylvania
The Economic Impact of the Coal Industry in Pennsylvania

- The coal industry generates about 41,500 full- and part-time jobs, including nearly 9,000 directly in the industry. Each direct coal industry job creates an additional 3.77 indirect jobs in Pennsylvania.
- The \$7.5 billion annual economic impact in Pennsylvania, the fourth largest coal producing state, includes \$3.2 billion of direct impact from the coal industry.
- Although production in Pennsylvania has remained relatively steady, the number of fatal incidents has declined significantly, with incidents lower than the national average for underground mining.
- In 2008, Pennsylvania produced more than 76 million tons of coal used primarily for electric generation, industrial production (including steel) and export.
- Pennsylvania coal is exported to 30 other states, and nearly \$1 billion (\$984 million) worth of the state's coal and mining products were exported abroad in one year.
- Exports increased by 709 percent since 2003, with mining products the second-fastest growing export in the commonwealth.
- Half of Pennsylvania's counties have coal industry businesses, and some have more than 30 company locations (Somerset and Schuylkill counties).
- Companies in industry sectors that provide services primarily to the coal industry have locations in 59 counties.
- Pennsylvania has the largest mining machinery and equipment manufacturing industry in the nation, with the more than 3,000 employees accounting for more than one-fourth of the United States employment in this sector. Coal machinery and equipment is one of the few growing manufacturing sectors in the state.
- More than half (54 percent) of Pennsylvania's electricity generation comes from coal, and it is the most affordable source at \$5.70 per kilowatt hour, although the benefit of having the most affordable electric source was not factored into the League's economic analysis.
- In 2007, Pennsylvania generated 226 million megawatts of electricity, making it the second- largest producer of electricity in the United States and the largest net exporter of electricity in the nation.
- The electric power generation, transmission and distribution industry employs more than 15,000 people in the state. However, these employees also were not included in the League's jobs analysis.

- Coal industry-related businesses pay property taxes, including on the value of the coal, as well as corporate taxes and other taxes. Estimates from the National Mining Association for the industry's federal, state and local personal income and payroll tax revenues in Pennsylvania is about \$750 million for 2007 alone.
- Other income sources to the state include revenue from 2006 federal legislation extending and revamping a federal law mandating reclamation fees on each ton of coal produced in the country. Pennsylvania will receive \$1.4 billion over the life of this funding stream.
- The commonwealth is home to two of the largest coal research facilities in the country – the National Energy Technology Laboratory, and CONSOL Energy Research & Development, which together account for nearly \$500 million in coal-related research and development annually.
- If costs for new technology, such as carbon capture and storage, fall on industries that consume coal, this will increase electric rates, as well as goods production.
- Re-mining, as technology makes once-abandoned seams mineable again, results in significant abandoned mine reclamation and pollution abatement at no cost to taxpayers or the industry-supported Abandoned Mine Land Reclamation Trust. Companies conduct reclamation after re-mining at their own cost.
- From 1970 to 2007, coal use has increased by 225 percent, while regulated emissions have dropped by more than 70 percent (sulfur dioxide emissions decreasing by 79 percent and nitrogen oxide emissions decreasing by 70 percent).

Read the complete study on <http://www.families4pacoal.org/resources.cfm>

About F.O.R.C.E. (www.families4PAcoal.org)

The mission of Families Organized to Represent the Coal Economy (F.O.R.C.E.) is to be a unified voice in support of Pennsylvania coal, the families and businesses whose livelihoods depend upon it and the importance of a healthy coal industry to our regional, state and national economies.

About the Pennsylvania Coal Association (www.PaCoalAssn.com)

The Pennsylvania Coal Association (PCA) is a trade organization representing surface and underground coal operators that produce bituminous coal mined in the Commonwealth. In addition, PCA represents companies whose livelihood depends in whole or in part on a robust coal industry by providing essential services to the coal industry, ranging from engineering and consulting to financial, insurance and the sale of mining equipment.