



Preserving Coal Country

Keeping America's coal miners, families and communities whole in an era of global energy transition

Introduction

At the end of 2011, nearly 92,000 people worked in the American coal industry, the most since 1997ⁱ. Coal production in the United States topped a billion tons for the 21st consecutive year. Both thermal and metallurgical coal were selling at premium prices, and companies were making record profits.

Then the bottom fell out. The global economy slowed, putting pressure on steelmaking and metallurgical coal production. Foreign competition from China, Australia, India and elsewhere cut into met coal production.

Domestically, huge increases in production from newly-tapped natural gas fields, primarily as a result of hydraulic fracturing of deep shale formations, caused the price of gas to drop below that of coal for the first time in years. As a result, utilities began switching the fuel used to generate electricity from coal to gas. An enlarging suite of environmental regulations also adversely impacted coal usage, production and employment.

By 2016, just 51,800 people were working in the coal industryⁱⁱ. 40,000 jobs had been lost.

Companies went bankrupt. Retirees' hard-won retiree health care and pensions were threatened. Active union miners saw their collective bargaining agreements – including provisions that had been negotiated over decades -- thrown out by federal bankruptcy courts. Nonunion miners had no recourse in bankruptcy courts and were forced to accept whatever scraps their employers chose to throw their way.

Since 2012, more than 60 coal companies have filed either for Chapter 11 reorganization bankruptcy or Chapter 7 liquidation. Almost no company has been immune.

In 2017 and again in 2019, the United Mine Workers of America (UMWA) and its bipartisan allies in Congress, led by Sen. Joe Manchin (D-W.Va.), Sen. Shelley Moore Capito (R-W.Va.) and Rep. David McKinley (R-W.Va.), successfully preserved the retiree health care and pensions that the government had promised and tens of thousands of miners had earned in sweat and blood.

The UMWA was successful in preserving union recognition, our members' jobs and reasonable levels of pay and benefits at every company as they emerged from bankruptcy, but in no case has the contract that came out of bankruptcy been the same as the one our members enjoyed when a company went into bankruptcy

Coal employment falling again

The pain hasn't let up. Coal employment stayed relatively flat from 2016-2019, but coal-fired power plants were still closing at an accelerating pace. A promised rebound in coal production and employment never occurred. Employment in thermal coal slipped, while metallurgical jobs briefly ticked up before nosing down again.

Then came the Coronavirus. The global economy came nearly to a halt. Tens of millions lost their jobs nearly overnight, including thousands of American coal miners. Electricity demand dropped significantly, causing production cuts at thermal coal mines. Worldwide steel production slowed, causing a drop in metallurgical coal prices. Miners were laid off or worked short weeks for months. Some mines closed entirely, and are still shut down today.

By December 2020, U.S. coal employment had fallen to 44,100 jobs, 7,000 fewer than in January of that yearⁱⁱⁱ. Of those 44,100, roughly 34,000 are hourly workers; the rest are upper management, supervisors, foremen, office workers, salespeople, mining engineers and others.

The truth is that rank-and-file coal miners have become scarce in the United States. There are fewer hourly coal miners working in the country today than at any time since the federal government began keeping statistics. The rise of renewable energy – windmills, solar panels, geothermal energy – is transforming the energy marketplace and the jobs that go with it. Further government action in Washington has the potential to dramatically slash coal employment further, and soon.

The devastating impact on families and communities cannot be overstated. Divorce, drug addiction, imprisonment and suicide rates are all on the rise. Poverty levels are creeping back up in Northern and Central Appalachia, the heart of coal country^{iv}. For every one direct coal job that has been lost, four other jobs have disappeared in these communities, meaning a quarter of a million jobs already have been lost.

The communities that have been hit hard by the drop in coal production and employment have received little help from Washington, even though policies developed in the Nation's Capital are to a large degree responsible for coal's depression. Now, that scenario threatens to play out again as policy-makers prepare to quickly reduce coal utilization for power generation without taking simultaneous action to enable workers, families and communities to make a true transition to a brighter future.

UMWA ENERGY TRANSITIONS INITIATIVE

The UMWA's principles for a true energy transition that will enhance opportunities for miners, their families and their communities are built around three simple goals: preserve coal jobs, create new jobs, and preserve coalfield families and communities. Here is how that can be done:

Preserve UMWA Jobs

- a. Significantly enhance Carbon Capture and Storage (CCS) R&D funding with a goal of commercial demonstration of utility-scale coal-fired CCS by 2030.
- b. Provide 5-year waivers from zero-carbon mandates for coal-fired utility units that commit to installing CCS.
- c. Build out CCS infrastructure: pipelines, injection wells, etc., as provided in the SCALE Act.
- d. Create incentives to bring basic steel and other metals industries back to US shores to enhance metallurgical grade coal production and energy demand.
- e. Expand non-utility processes for alternative products from coal.

Create New Jobs

- a. Significantly expand 48(C) tax incentives for build-out of renewable supply-chain manufacturing in coalfield areas, provide hiring preference for dislocated miners and families.
- b. Enhance DOE loan program to build out processing/extraction of critical minerals from coal waste, construct facilities on former coal mine property, require prevailing wages for infrastructure construction and union-scale pay for long-term processing jobs.
- c. Provide incentives for development of in-ground combustion of deep coal seams and reinjection of CO₂ while producing hydrogen and other green materials.
- d. Fully-fund all anticipated Abandoned Mine Lands reclamation needs, require states to aggregate contracts for AML reclamation and require prevailing wages so that union contractors can successfully compete for those contracts.
- e. Pass the PRO Act.

Preserve UMWA families, communities

- a. Keep dislocated miners, families whole
 - i. Wage replacement or differential if employed,
 - ii. Family health care coverage,
 - iii. Pension credit/401(k) contribution,

- iv. Tuition for further education for miner and family for Bachelors' degree, Associate degree or Technical/Career certification.
- b. National training program for dislocated miners and spouses, geared to preparing workers to meet jobs associated with II.(a.), above, or other industrial jobs; to be provided by career training centers with proven track record of successfully training miners.
- c. Direct grants to coalfield counties/communities/school districts to replace lost tax revenues for 20-year period.
- d. Targeted infrastructure rehabilitation and development funding to coalfield communities – roads, bridges, broadband, schools, health care facilities.
- e. Secure adequate resources to create a true transition for workers and communities in the coalfields. This cannot be the sort of “just transition” wishful thinking so common in the environmental community. There must be a set of specific, concrete actions that are fully-funded and long-term. The easiest and most efficient way to fund this would be through a “wires” charge on retail electric power sales, paid by utility customers, which would add about two-tenths of one cent per kilowatt hour to the average electric bill. This would amount to less than \$3.00 per month for the average residential ratepayer.

The UMWA successfully argued for the inclusion of a wires charge in the 2010 Waxman-Markey climate legislation to pay for subsidies to utilities that applied CCS technology to coal-fired power plants. This legislation passed the House of Representatives but was not considered by the Senate. Today, the need to both incentivize and accelerate the application of CCS technology and to provide needed resources to coal families and communities demands that significant funding be raised and expanded. The fastest and most equitable way to do that is through a wires charge.

Change is coming, whether we seek it or not. Too many inside and outside the coalfields have looked the other way when it comes to recognizing and addressing specifically what that change must be, but we can look away no longer. We must act, while acting in a way that has real, positive impact on the people who are most affected by this change.

The UMWA is prepared to work with members of Congress, the Biden administration, community organizations, NGOs and other labor unions to achieve these principles. To do otherwise would be to abandon our responsibilities to the people we represent, their families and their communities.

ⁱ U.S. Energy Information Agency, 2011 Coal Report

ⁱⁱ U.S. Energy Information Agency, 2016 Coal Report

ⁱⁱⁱ U.S. Bureau of Labor Statistics, Monthly Employment Report

^{iv} Appalachian Regional Commission, 2019