

**CECIL E. ROBERTS**

**PREPARED REMARKS**

**MORGANTOWN, WEST VIRGINIA, 6/3/15**

Thank you for those kind words, Danny. You know, I get a lot of credit for a lot of things – and I don't mind that – but the truth is that a lot of people do a lot of work to make me look good. Danny Kane is a strong leader in this union, he does an incredible job looking after your money and making sure it gets spent wisely, and he is a great spokesperson on your behalf in this country and around the world.

He is also very capable if he has to step into my shoes if I get hit by a coal truck or something. Not that I'm looking for that to happen, but if it does I am confident the union would be in good hands. Please give Danny another round of applause.

Brothers and Sisters, in the 125 years this union has been around we have overcome a lot. Just a few miles from where we stand today, the worst industrial disaster in the history of our country occurred when the Monongah mine exploded in 1907. There were officially 357 miners killed in that tragedy but most people think there were many more than that. The hills and valleys all around here, up into Pennsylvania and over in Ohio are dotted with monuments and memorials to miners killed in explosions, fires, roof falls, and other disasters that were once all too common.

One of those monuments is to the 78 miners who were killed just down the road from here in Farmington in 1968. We still gather there every year to remember them. They did not die in vain, however. As a result of that disaster and after a furious campaign by rank-and-file miners and their families, Congress for the first time passed a mine safety law with some teeth in it,

requiring companies to clean up their act and putting inspectors in the mines who had actual enforcement authority.

Over the years American miners have freed themselves from the company towns and the company gun thugs that patrolled them. We won battles to end child labor, establish overtime pay after 40-hours, and write health care benefits for active and retired workers into our contracts. We won the first pensions for blue collar workers. We have consistently defended the rights of workers to have a voice on the job, to be treated with dignity and respect and to have a grievance procedure if we are denied our rights.

As UMWA members, we hold all of those victories precious. The battles those who came before us won allowed our jobs to be as safe as they have ever been, our pay to be the best in our communities, our families to have health care and a decent standard of living. Our retirees and their spouses can enjoy their golden years in dignity.

All of that – all of it – is now threatened. Hard times have come to the coalfields again after many years.

Coal has always been a boom and bust industry. Ask any UMWA member over 50 and they'll tell you about periods of layoffs, searching for other work, worrying about feeding and housing their family.

But in the past, we always knew that the demand for coal would rebound and the jobs would come back. This time, there is no such certainty. Fundamental changes are underway in America and across the world that will have a lasting impact on the coal industry and our jobs.

The news hasn't been good for the coal industry for a few years now. A pattern of generally milder weather has set in over much of the country, reducing electricity demand. The

sudden surge of natural gas production, much of it right around here, has caused natural gas prices to plunge to a point where, on a cost-per-BTU basis, gas is now a cheaper fuel to use to generate electricity than coal. And the glut of gas available to the market means that situation could go on for some time.

There is too much coal sitting around in stockpiles at mines and power plants right now. Exports of steam coal are down over the past few years, and the bottom has fallen out of the worldwide market for metallurgical coal used to make steel. Prices for metallurgical coal are down by more than half just since 2012.

This has left coal companies reeling. Patriot Coal has filed bankruptcy for the second time in four years, and this new one will be much different from the first. The stock prices of nearly every publicly traded coal company in America have seen unprecedented declines. On April 1, 2011, the price of a share of stock in Peabody Energy, the world's largest coal company, was \$72.71. Just over 4 years later, it's selling for \$3.35. Walter Energy, a met coal producer in Alabama, has seen its stock drop from a high of \$141.17 per share in April of 2011 to 45 cents today. Alpha Natural Resources stock was selling at \$60.25 a share in April of 2011; it's at 50 cents today.

Clearly, the market has taken a terrible toll on these companies. But as we all know, there is much more than just market forces at work here. An ever-expanding list of over-reaching government regulations dealing with mercury, carbon and ozone emissions from power plants are already having an impact on the market today, and these regulations are completely reshaping what the market for coal is now and will be in the future.

The Environmental Protection Agency's MATS rule, finalized in 2011, has caused dozens of coal-fired power plants to close. The UMWA filed a lawsuit challenging that rule immediately after it became final, and we continue to pursue the case. It has worked its way up to the Supreme Court, but in the meantime many utilities have chosen to shut down coal plants and burn natural gas rather than invest in the pollution controls needed to comply with this rule. This has cost thousands of coal miners their jobs in just the last year, including UMWA members.

Two other EPA regulations that have not yet been finalized – the New Source Performance Standards for new power plants and the Clean Power Plan for existing plants – will make it just about impossible to either continue burning coal to generate electricity at existing plants or build new coal-fired power plants in the future unless there is a sudden and vast leap in technological development to capture and store carbon emissions.

So when the market for energy fuels rebounds, and natural gas prices return to their historical levels – making coal a cheaper fuel to generate electricity once again – there will be an artificial, government-erected barrier to a stronger coal market that did not exist at the end of past downturns in the coal market.

These regulations come on top of decades of clean air and clean water regulations coming out of Washington that have already changed our industry and our communities. And while there are perhaps no bigger lovers of woods, waters and air than UMWA members, we also understand that our members' jobs have been and remain on the line. That is why the UMWA has been the most active American labor union in filing suits against EPA and working in

Congress to protect our members' interests. We have filed lawsuits in federal court against three separate EPA rules issued by George W. Bush administration and the Obama administration and we are preparing to file another one.

When the Bush administration's EPA proposed mercury regulations, the UMWA filed suit on the grounds that they unfairly burdened Appalachian and Midwestern coals by giving too large of a share of mercury emission allowances to western coal. The DC Circuit Court ultimately threw out the Bush Administration's proposed mercury rule. We joined the suit that argued against allowing the EPA to regulate greenhouse gas emissions, however the Supreme Court ruled against our side in 2006.

Several climate change bills were introduced in Congress during the Bush administration, including McCain-Lieberman and Warner-Lieberman. These bills proposed major reductions in CO2 emissions that would have led to 75% or greater losses of U.S. coal production. UMWA vigorously opposed these bills in Congress and was successful, with the help of allies such as Senator Byrd, in ensuring that the bills did not pass.

Under the Obama Administration the UMWA sued EPA over the MATS rule, and as we stand here today I assure that our lawyers are preparing to sue the agency again once the Clean Power Plan and New Source rule become final. We have not, and we will not stand by while our members' jobs are under attack from any source, in any administration!

We are also supporting legislative initiatives in Congress that would slow down EPA's headlong rush to destroy the future of coal. Senator Capito introduced a bill, co-sponsored by Senator Manchin and others, that would prohibit any final implementation of the New Source Performance Standards and the Clean Power Plan until the legal challenges to them are decided.

It's called the ARENA Act, Senate Bill 1324. This bill would also give states the ability to opt out of the rule if the governor of that state determines the Clean Power Plan would negatively impact economic growth, negatively impact the reliability of the electricity system or negatively impact electricity ratepayers. Representative Ed Whitfield of Kentucky has filed a similar bill in the House that we support.

We believe this legislation is very important because while the legal process is playing out, states and utilities will have to make decisions about their energy generation mix that will have long-lasting consequences in terms of how much money gets spent on what. These are multi-billion dollar decisions that cannot easily be reversed once they are made.

But I have to report to you that those decisions are already being made right here in our backyard. Proposals to build gas-fired power plants are moving forward right where we live and work. The County Commissioners of Ohio County, Marshall County and Harrison County here in West Virginia have already moved to approve the construction of gas-fired power plants to replace existing coal-fired plants. Several counties in Ohio have done so as well.

Everyone is talking about the EPA's plans and what could happen to coal miners' jobs. Let me tell you, these gas-fired plants are more than talk; they represent the reality of EPA's proposed rule.

We state right here and right now that the UMWA opposes any tax breaks for these plants by any city, county or state because they represent permanent unemployment for coal miners! I have directed our state COMPAC coordinators and I am asking our local union COMPAC committees to direct your efforts to let local elected officials know of our opposition to tax

breaks for any gas-fired generation plants in Appalachia. These politicians need to know where we stand, and we need know where they stand!

One other thing about natural gas. In 1975, in the wake of the Arab oil embargo to the United States, Congress banned the export of oil and natural gas to conserve the resources available to us at that time. We didn't know about the Marcellus Shale or any of these other shale deposits that are providing the glut of gas we have today. But now we have an oversupply of natural gas, leading to artificially low prices. I'm not usually for things that help the gas industry but the truth is that ending the ban on natural gas exports will help eliminate the glut of gas on the U.S. market and cause the price of natural gas to rise. That's a good thing for coal miners, and we need to be talking to our politicians about that.

Those are issues we are going to have to grapple with for years into the future, and rest assured we will be doing just that. But our focus as we gather here is on today, tomorrow, next month and next year.

Our active members are being laid off in numbers we haven't seen in decades. Several major employers of our members either have filed bankruptcy or are on the verge of doing so. This puts the health care benefits for more than 97,000 retirees, dependents and widows at risk.

Our pension plan is in critical status, and we are faced with the real possibility that employers will want to withdraw from it if we can't pass legislation to fix the pension plan's funding issues by the end of 2016. As we prepare to negotiate a new contract in 2016, we expect to be confronted with employers who want to make wholesale changes to decades of improvements in our collective bargaining agreements; attacking job classifications, seniority protections, health care and other benefits, and more.

There is a lot on our plates, Brothers and Sisters. We are working every day on these issues, but the truth is that I can't win any of those fights by myself. These are the union's issues. The union isn't just me or Danny or the other officers and staff who are in this room today. The union is you and your brothers and sisters in your locals. If we are going to take on these challenges and overcome them, you are going to have to be part of the answer.

As you know, we have a convention coming up in July, and I expect these issues will be the main topics of discussion there. The delegates to that convention will decide the path our union takes for the next several years. If you are a delegate to the convention, then I'm warning you now that you should come prepared to work. If you are not a delegate, then I suggest you talk to those who are representing you from your local union and let them know what your thoughts are.

We need to work to preserve our retirees' pensions and health care by passing legislation that would pull the pension fund out of critical status and keep America's promise to these retired miners. We will be implementing a grass-roots effort over the next several months to help get support from every coalfield Congressperson and Senator and we will need your help to make that happen.

We are dealing with the second Patriot Coal bankruptcy, which will be much different from the first. While retirees' health care will not be in immediate jeopardy due to our success in 2013, our active members' jobs will be. Our members who work at Federal 2, Hobet and other union Patriot operations are not wanted by the Wall Street financiers who seek to buy Patriot's assets.



Within the next month, they will go before a bankruptcy judge in Richmond, Virginia and ask that our contract be thrown out at union operations. They want to break the company up into pieces, shut the union operations down and then sell them off to someone who will try to open them up nonunion. We've seen this script before. If we follow the path laid out for us by the Wall Street sharks who are now in charge at Patriot, there is no future for our members at those mines.

But I believe there can be a different outcome, which means that once again we must make our own path at Patriot. It's going to require the support of every member working at a Patriot mine and the support of every other UMWA member as well to make the kind of strong, united stand we need to take to send a message that can be heard all the way in New York.

We did that the last time we took Patriot on, it's going to take that kind of effort once again.

And we must begin our preparations for bargaining a new contract. Our current contract expires at the end of next year. We were able to avoid a strike in our last negotiations in 2011, but the situation is a lot different now. What happens over the next several months will set the tone for those negotiations.

As always, the key to winning a decent contract is your unity and solidarity. When 5,000 of you marched through the snow in Waynesburg, Pennsylvania on April 1, 2011, you sent a powerful message of strength and solidarity that the companies could not ignore. Their entire tone at the bargaining table changed from one of "no, no, no" to "let's talk."

When thousands of us repeatedly rallied and marched in St. Louis, Charleston, Fairmont and Henderson, Kentucky, first Patriot and then Peabody Energy and Arch Coal changed their

tune and reached an historic agreement with us. Nobody has ever done what the UMWA accomplished in a bankruptcy situation. We went to the bargaining table and made 52 changes in a judge's order. We preserved pension benefits. And we won \$400 million for retiree health care from companies that at first refused to even acknowledge that they were liable for a dime of that.

UMWA members have shown over and over what the power of solidarity can do. It's time rise once more, brothers and sisters. I'm not going to lie to you: It won't be easy. You can count on the employers to say anything, do anything to divide us, especially as we get closer to decision time about a contract.

But I have faith in the collective strength of the UMWA. I have confidence in the collective wisdom of our members. I know that just as we have each other's back at the mine, so we will during the fight for a new contract.

So as you leave here today, I have some tasks for you. First of all, go back to your mines and local union meetings and let the members who couldn't be here today know what we talked about. Job One is for every active, laid-off and retired member to write a letter to their county commissioners letting them know that you oppose any tax breaks for constructing new gas-fired power plants where you live. Local unions should pass resolutions about this and send them to the county commissions.

Next, contact your members of Congress and tell them you want their full support for House Bill 2403, the Coal Healthcare and Pension Protections Act of 2015, introduced by Representative David McKinley. As of today there are 30 co-sponsors of this legislation from both parties; we need every coalfield member of Congress on this bill. There will be a companion Senate bill introduced shortly by Senators Manchin and Capito and we will contact

your COMPAC committees with that bill number. Protecting the pensions and health care of current and future retirees is so incredibly important to our union and our ability to take on and win other battles. We have to get this done.

Next, call your U.S. Senators and tell them to support Senate Bill 1324, Senator Capito's bill, co-sponsored by Senator Manchin, that would delay the Clean Power Plan and give states the ability to opt out if they need to. This is the best legislation out there right now and we need everyone's voice raised in support of it.

Next, the best opportunity for our brothers and sisters who work at mines that produce metallurgical coal to keep their jobs or get recalled from layoff is for the market for steel to come back. The best way to do that is for our nation to again invest in rebuilding our nation's roads and bridges. America's infrastructure is crumbling all around us. It will take billions of dollars to fix the problems, and millions of blue collar workers will be put to work, including thousands of coal miners. I need you to tell Congress you want them to stop kicking the bill to fund transportation improvements down the road and take action right away.

Finally, go back to your local unions and start getting ready for winning a fair contract in 2016. That's not going to be easy, and it will require continuous solidarity and unity every single day moving forward from here on out.

It's time to get fired up, Brothers and Sisters! Join the fight for our jobs! Join the fight for our retirees! Join the fight for a secure future for our families! And join the fight for a fair contract in 2016!

Together, we can do anything.

Thank you, God bless you, and God bless the United Mine Workers of America!