

Statement of Thomas Murphy

Mayor

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**Before the House Committee on Natural Resources
on Creating American Jobs by Harnessing Our Resources: Domestic Mining
Opportunities and Hurdles**

September 12, 2011

Thank you, Chairman Hastings, for the opportunity to testify about American job creation. I am Tom Murphy and I am the Mayor of Gillette, Wyoming. Gillette is a small city in northeast Wyoming that sits upon a substantial coal reserve in the Powder River Basin. This coal provides nearly 10% of America's electrical power generation. My community of 30,000 people helps provide the electricity for 30,000,000 Americans.

The discussion of jobs is very personal to me - for up until December of 2009, I was vice-president of a company that employed 150 employees with annual revenues of 64 million dollars. As the economy weakened, I was laid off and began looking for work. Presently, I work at a car wash. My story is no different than many Americans – our present economic climate has tremendously impacted my family and me.

Last August, the Dry Fork Power Station just north of Gillette came online and will provide the electricity for 300,000 homes. It is one of the last coal-fired power plants that will be built in America for several years. If we started today it would take six to eight years to build one like it. China is turning on one power plant every month.

With no long-term energy policy, and extensive bureaucratic regulations, American companies are not going to invest billions of dollars into energy production. For several years, the University of Wyoming, in partnership with GE, invested heavily in a coal gasification project to convert coal to gas. A project both groups recently put on hold because of the uncertainty of future regulation. I am sure the people regulating our energy industries are well-intentioned, hard-working people, but I believe they are making the regulations based upon their inexperience in the field, as well as the expectation that accountability on their part will never be required.

If there is no investment in power plants, who will invest in the technology to continue improving the process? This is akin to being in a space race and not bothering to build any rockets. This is a critical time for our country, and we are falling behind. I am not arguing against sustainable energy sources either, because this country will need to make use of every resource it has. However, coal is our simplest, best option.

The price of coal has not fluctuated dramatically over the past 20 years in comparison with other energy sources. Which is good because the last thing this country needs right now is expensive electricity. As I listened to President Obama's speech I was encouraged by his solutions for small businesses. The last time I checked nearly every business had at least one light switch, one computer and one coffee pot. If we want to grow our economy, keeping the cost of electricity affordable will help the bottom line of every American small business.

Since 1950, coal-based generation has increased 1,100%, consistently producing half of America's electricity while our population grew by 150 million. Life expectancy increased by 10 years, infant mortality declined eighty percent, and GDP increased by 550%.

Coal provides the power for lights, appliances, machines, buildings and everything that our children and grandchildren plug in and charge at night.

The energy companies in America need an energy policy. Why would any investor want to invest in electrical power generation without a clear plan? China has a plan. China's projected energy needs will rise 75% by the year 2035. They are preparing to increase their imports of coal - Wyoming coal - to feed their new power plants. Our industries are not building new power plants, and now we are shipping coal, a precious natural resource, as well as a strategic resource, to our primary competitor.

Wyoming has abundant natural resources, and the extraction of these resources can help revitalize our nation's economy. And Wyoming is just one of many states that have resources ready to be utilized.

Critics argue that mining destroys the environment, but one way I could supplement my income would be to drive people to a mine site and bet them a thousand dollars that they can't tell which side of the road has been mined and which has not. That is because our coalmines do a great job of reclamation and environmental rehabilitation. All of you are invited to come see for yourselves.

Our coal mines employ over 5,900 people - which doesn't include the thousands of workers who support the mining industry by providing equipment, materials and maintenance. With the recent opening of new coal leases in the Powder River

Basin, announced last spring by Secretary of the Interior Salazar, we are poised to continue our role as “The Energy Capital of the Nation.”

Not only does northeast Wyoming have coal, it has natural gas, oil, uranium and other rare earth minerals, and our industries can and will responsibly extract them, but with continued regulation it will become more and more difficult for us to do so. Our part of the country can help the nation’s manufacturing and other industries get back on track. So that when we go to the store, the tag on the bottom reads Made in America, not somewhere else. Thank you.

For more information:

Considine, Timothy J. (2009) Powder River Basin Coal: Powering America. Final Report to The Wyoming Mining Association. 37 pp.

Online Resources:

Number of homes served by Dry Fork Station – Basin Electric records.

URL: http://www.basinelectric.com/Projects/Dry_Fork_Station/index.html

China power plant construction – NY Times article

URL: http://www.nytimes.com/2009/05/11/world/asia/11coal.html?_r=1&ref=science

Coal fluctuation vs. other energy sources – Wyoming Mining Association (pg. 23)

URL: http://www.wma-minelife.com/coal/Powder_River_Basin_Coal/PRB_Coal.htm

Quality of Life increases since 1950s – Energy-Facts.org (September 8, 2011)

URL: <http://energy-facts.org/>

China’s projected energy demand rises 75% by 2035 – International Energy Agency (pg 7)

URL: <http://www.iea.org/Textbase/npsum/weo2010sum.pdf>

China imports Wyoming coal – stltoday.com

URL: http://www.stltoday.com/business/local/article_c721c19d-55a6-5fe6-9d83-606f1926a67c.html