



## Newsmaker Interview

# Murray: My Goal To Be Last Man Standing!

**C**oal News: *Murray Energy is the fifth largest U.S. coal producer with production tonnage of 58.2 million tons in 2013 (including mines purchased from CONSOL Energy) or 5.9 % of the nation's coal production. As we celebrate our 10th Anniversary, we are with the founder, Chairman, President, and CEO of Murray Energy, Mr. Robert E. Murray. I know you have a passion for the country, for the industry, and for your employees. Coal News readers would be very interested in your background and how you came to set up Murray Energy in the first instance.*

**Bob Murray:** This is my 58th year in the coal industry. It's all I know. Coal provides the lowest cost, most reliable electricity in America, and is a staple of life. The coal industry is absolutely being destroyed by President Barack Obama and his Democrat followers. So to address my concern for America, I want to do everything I can to keep as much of the coal industry going to survive this onslaught as possible and to provide reliable low-cost electricity in America. With regard to my employees, what is happening is a human issue to me. It has names on it. Those names are my employees. When their job is eliminated, as well as the person next door, if they own anything it is their homes, and when they lose their jobs there is no one to sell that home to. These people, who only want to work in honor and dignity, are being denied the right to work. They are being forced to the negative side of the economic ledger by this Administration and its supporters. This is not the America that I cherish, Bill. I think those are the primary things that motivate me.

I have a decision tree that I have used for decades. First by God, then by family, and then by lenders, by customers, by employees, by the regulators, and by the public in general, in that order. I've usually followed that tree. It has worked for me. We are being so overwhelmed right now by the regulatory rampage of the Obama bureaucrats, and I don't know of a Democrat that

doesn't support him at the national level if you look at their voting records. We've got to do all we can to push back.



Bob Murray

**Coal News:** *Will you describe for us please, Bob, the organization and facilities of Murray Energy today.*

**Bob Murray:** Murray Energy Corporation is the holding company. Every one of our mining operations is under a separate subsidiary company. We are currently operating 13 longwall mining units and 46 continuous mining units to produce, hopefully, what will be about 66 to 68 million tons of clean processed coal this year. All of these mines have a preparation plant as we mine totally by deep mining methods, and produce high heating value bituminous coal from these underground mines. We operate two mines in Utah, two very large ones in Illinois, one in West Kentucky, two in Ohio, and five in West Virginia at the present time. We have a total of 7,300 employees. The Pennsylvania State University has conducted studies that show that, for every one of these jobs that we have in the mines, up to 11 are created for the goods and services for our employees. So we account for about 90,000 jobs in the most depressed areas of America. I take that

responsibility very seriously.

**Coal News:** *Now safety is of great importance to all of us in the coal*

*industry, and you have an emphasis on fire protection. Could you tell us about that, and also your thoughts on safety?*

**Bob Murray:** Bill, I would say this on safety. In the beginning I developed a saying, and it's not grammatically correct, "no pound of coal is worth getting hurt over". I say that repeatedly. When a man is hurt, he's no good to himself, he's no good to his family, he's no good to the company, in that order. I've been around accidents in the mines for 58 years. Just this last Christmas, my son and I were the two that went to the home of a longwall worker that was an employee on the longwall, to give them the bad news that the son and the brother had been killed in a freak accident. I did it myself. I've done it so many times in my career, and it has never gotten easier. We are in a hazardous industry. You must be very totally serious in your safety programs, and we are.

Bill, I've been caught in three mine fires in my life. I'm terrified of mine fires. The federal government through the federal Mine Safety and Health Administration does not put enough emphasis on fire protection and fire prevention. So we in Murray

Energy have gone to great extremes to develop fire brigades on every shift at every mine. We already have 400 volunteer fire departments just in the Murray American Energy, Inc. mines that we just acquired, which are the former Consolidation Coal Company mines, and that number is growing. We have built fire stations underground. We give them training, and we've already prevented mine fires at Murray Energy by these men being trained and going to the fire and putting it out. When you call MSHA over a mine fire, they put an order on the mine and you can't put the fire out. Federal laws and MSHA are upside down in this regard. We do faithfully call MSHA when we are required to and follow the law, but we also dispatch folks to the fire to put it out, and it has been successful.

I do think that much of our accident prevention and fire prevention has to be self-directed by the companies today. The federal Mine Safety and Health Administration and the Department of Labor, particularly under Barack Obama, have been too engaged in establishing quotas for violations and in politics, and, as a result, hundreds of management personnel that should be involved in mine inspections and in training of miners are diverted to walk around the mines with a federal inspector as he meets his quota. Generally the violation that he finds is not nearly as severe as the need we have for that person who is walking with him to train somebody to work safely. So we would like to think we are about safety, in Murray Energy, but it's becoming harder all the time, as the federal government micromanages our coal mines trying to dictate every move we make. As we all know, the federal government is not good at running people's coal mines.

**Coal News:** *Let's talk about the industry in general. These are tough times, as of course we all know the toughest times you and I have ever seen in our careers. What are the biggest challenges to the industry that you see right now?*

**Bob Murray:** Well the greatest chal-

lenge that we have to the coal industry to America today is the Democrat party, and with that, Barack H. Obama. But, the Republicans have not been sufficiently helpful, either. Now I'm not talking about county commissioners and the local mayors. I'm talking about on the national and state levels. Mr. Obama's followers definitely want to eliminate the use of coal to appease their constituents who get them elected - Hollywood characters, radical unionists, liberal elitists who inherited their wealth or made it the easy way off of somebody else on Wall Street, and radical environmentalists. The problem is, Bill, that there have been numerous near brownouts and blackouts already this year, and the price of electricity has skyrocketed in certain cases, all during the recent polar vortex, because of these policies of closing down coal-fired power plants. Coal-fired electric power is \$0.04/kilowatt-hour. Wind and solar are \$0.22/kilowatt-hour, and it only survives because it gets a subsidy from the taxpayer on top of that. Reliable electricity in our electric power grid is definitely being threatened as Obama has now closed 392 coal-fired power plants. That's a little higher number than you'll hear from others, but I have correctly predicted right along how many it would be, and that's my number in the end. That's 100,000 megawatts. It's worse than that. It's not 100,000 megawatts nationally, it's regional. Because the states have various levels of coal dependency in their electric power generation mix, some areas of the country are going to be devastated and hurt a lot worse than others as Mr. Obama and his bureaucrats attempt to destroy the coal industry.

**Coal News:** *Do you think there are any bright spots at all in the coal industry?*

**Bob Murray:** If there is a bright spot. It's the fact that China has been building a new 500-megawatt coal-fired plant every week for many years. This year, 2014, they will burn 4.320 billion tons, as Obama and

the Democrats have taken the U.S. coal industry from historical 1.2 billion tons a year, where it was for many years, down to the present approximately 950 million tons. So the bright spot is that the world recognizes that there is a need for coal. In addition to that, in India, less than half of the households have one light bulb, and that's for both heat and light. I think one of the cruelest things that the Obama Administration has done is order the Import-Export Bank and the World Bank not to fund coal projects around the world. The only way that the folks in India are going to get a light bulb is through coal. It won't be from wind. It won't be solar. It won't be nuclear. I think this is evil. I think it's cruel in the worst possible terms to deny the most poverty stricken people on this planet a light bulb, but that's Barack Obama and his supporters.

**Coal News:** *With the battles that we have to face, do you think the coal mining industry is properly organized to fight the battles with the Obama Administration?*

**Bob Murray:** No, the coal industry is not effective in battling the Obama Administration. I ran a public company at The North American Coal Corporation, and I understand how a CEO can be diverted to many different issues. You have shareholders. You have sustainability. You have diversity. You have all of these things that take the CEO of a public

company in many directions, as he attempts to satisfy his constituencies. As a result, these CEOs are not able to speak out in some cases, as they must against the destruction of the industry.

I only speak out myself because we are a private company. I was almost forced to go public numerous times, desperate to stay alive as an entity, but I never went public. I ran one, and I've stayed private for that reason, so I'm able to push back and say what I believe when my associates in the industry sometimes can't. I do not think our trade associations are nearly as strong as they should be. I think they hire too many people from inside the Washington Beltway who don't know enough about coal mining or what we do. So, I don't think that our trade associations are doing enough.

**Coal News:** *Is it a question of money?*

**Bob Murray:** No, it's not a question of money in my opinion. It's a question of focused-training and being more aggressive. Being more aggressive is the main thing. As a result of the polar vortex, we are having and have had severe electric power grid reliability issues already this year. The price of electricity in some instances, and natural gas, which is in short supply, skyrocketed, and that's what Obama said he wanted. I don't know why, because, to me, low-cost electricity is a sta-

ple of life. I grew up poor, and, when he destroys coal, he destroys low-cost electricity for the poorest people in our America for whom I have much compassion. But what he is doing is hurting them the worst because the highest percentage of their disposable income is going to electricity. So he's really hurting the people that he politically says he supports. He's also destroying our ability to sell products around the world because low-cost electricity is essential for the competitiveness of any manufacturer of a product that competes in a world marketplace.

**Coal News:** *God willing you and I will be around for a long time, but how would you like to be remembered in the coal industry? What contributions to the industry are you most proud of?*

**Bob Murray:** I think there are two words that summarize what I would like my legacy to be. To many these two words have the same meaning. To me, they are a little bit different. Those words are integrity and credibility. I've tried in my entire life to never give up my integrity and my credibility, and, as you get older, it becomes even more precious to you. I've lost a lot of deals in my career, but I never gave up my integrity and credibility. As a person, that's what I want to be remembered for. On a broader scale, as I said, there are 90,000 families depending on me. If there are 4 people in each house, that's

360,000 people in the most depressed areas of the United States that are depending on me for their livelihoods, and I take that responsibility totally seriously.

**Coal News:** *Well, as we come to the end of this interview, my final question is how do you see the future of coal in America?*

**Bob Murray:** I see the United States coal industry being destroyed. He's already, according to my numbers, closed 392 coal-fired plants. That's 100,000 megawatts. Before Obama, coal was providing 52 percent of our electricity. We are down to 37 percent. Many say it will go on down to 35 percent. In my opinion, it will go down to 30 percent or less as electricity becomes very very expensive as we try to make it out of windmills and solar panels. It will also become scarcer. America only reacts to a crisis. When that young person who votes with Obama and the Democrats realizes that there is no electricity to charge his smartphone, then you'll see a shift in this country towards the support of reliable low-cost electricity supplies and an understanding of what it means. This country has built a wonderful electric power grid over decades. Yes, it is being torn down, it has been a very reliable grid, and electricity has been low-cost. There will be a point where they have to run the coal-fired power plants that are base loaded in this fleet of power plants in this country and the

grid to keep the lights on and the buildings cool or heated. I don't think though that is going to happen until the industry is probably at 30 percent or less of electric generation from the 52 percent that we once enjoyed. My goal is to be the last man standing as the U.S. coal industry is destroyed.

**Coal News:** *Well, Bob, I want to say that we very much appreciate you taking time to talk to Coal News readers, particularly as we celebrate our 10th Anniversary.*

**Bob Murray:** Bill, I've known you for a long time. I remember when you came from Scotland to our country. I must say that you've been one of the best immigrants I've ever known. You've run major companies in this country, and the greatest thing I can say about you, is when you decided to retire from the mining machinery business aspect of our industry, you have such a passion for the people in our industry and for what we do that you've stayed on, remained extremely active, and are publishing a newspaper, *Coal News*, that I think is the best trade publication available in coal today. You did that all yourself. You did it out of compassion for the industry and interest in the industry. The quality of the publication itself speaks for that.

**Coal News:** *Thank you very much indeed for your very kind words and for talking to us.*