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**Keynote Address**  
**Utah Mining Association**  
**92<sup>nd</sup> Annual Meeting**  
**Park City, Utah**

**August 23, 2007**

**Thank you very much. It is great to be with you all.**

**When I first accepted your invitation to speak, I had no idea that I would be speaking in the aftermath of another dramatic mining accident—and certainly not one here in Utah.**

**Yet here we are again, as an industry, trying to deal with the aftershocks of a mine accident that captured nationwide attention and that created very mixed emotions in most Americans.**

**On the one hand, people marveled at the dedication, skill and courage of the miners and the safety officials involved in the rescue operation -- at the way we pulled together as an industry attempting to save the lives of a few of our fellow miners.**

**But those same Americans probably wondered whether coal mining is a safe business, or an anachronism – a relic of another era when death and injury were accepted as a cost of doing business. Were they also wondering whether this is a business on which they want to depend for so much of their energy?**

**I am a fourth generation miner and I am from Utah. I knew someone who was hurt very badly in the rescue effort at Crandall Canyon.**

**Like every American, I was saddened by the loss of life. I know how devastating such accidents are to the families of those who were killed or hurt and I know how it impacts the communities where they live.**

**However, I hope you forgive me if I also say that, like most Americans, I was very frustrated by the outcome as well. It was a tragedy that I wish had never happened.**

**But it did happen.**

**How our industry deals with the issue of mine safety going forward may very well determine the future of the industry. Not just mining underground, but the future of coal in our nation's energy mix.**

**Today the coal industry suffers from what some management experts call a reputation-reality gap. In our case, the gap refers to our current safety record compared with the public's perception of our industry's safety record.**

**Notwithstanding the accident here in Utah, our industry has made substantial progress in reducing fatal injuries and in lowering the overall accident incidence rate. Our results far exceed those of many other industries or sectors of the economy. Mining does not even make the Bureau of Labor Statistics 10 most dangerous jobs list. Commercial fishing is the most dangerous job in the United States.**

**Yet, look what happened when Crandall Canyon, or the Sago or Alma accidents occurred.**

**The media coverage of the coal industry and the tone of the discussion among legislators and regulators would have you believe that the U.S. coal industry had made no progress in safety for the last 100 years. That people still died by the thousands every year. That coal mining was “dark, dirty, and dangerous.”**

**We are shackled by the media not just to these recent mine accidents, but to all the mine tragedies of the last 100 years. The result has been that our progress in mine safety in the last 50 years seems always clouded by the events of the past.**

**I am not being critical of the news media. Their job is to cover the news and Crandall Canyon was news. Their job is to provide perspective on the news. And the recent history of accidents in the U.S. mining industry is part of the perspective. But it is only a partial perspective.**

**For example, at the same time that the Crandall Canyon accident was unfolding, 172 Chinese miners were trapped and were likely all killed when their mine was inundated with water. China’s coal mine fatality rate is 13. 13 PER DAY!**

**Because our progress in safety is often overshadowed when a high profile event such as Crandall Canyon occurs, our views are often ignored as they were for the most part during the legislative reviews that follow. This was the case with the passage of the MINER Act at the federal level and the numerous legislative and regulatory actions that took place at the state level.**

**Some of the provisions of MINER Act I were ill-conceived and probably contributed little to improving safety in the mines, but they were enacted because political leaders felt compelled to “do something.”**

**And now that the accident at Crandall Canyon has occurred, we will be faced with more Congressional hearings and the possibility that Congress will pass a MINER Act II before we have had time to fully implement MINER Act I.**

**Let me say that it may very well be that further revision to the basic federal safety statutes is required. If a change truly advances safety in the mine, I support it.**

**However, if Congress intends to legislate; let me suggest several things that need to be done.**

**First, they need to visit mines. They need to understand that every mine is different. Every mine has its own defining geology risks and mining methods to eliminate that risk. They need to understand that generalizing a provision of law for all mines from events at a single mine will not always yield the expected results or advance the cause of safety.**

**Second, Congress should resist the temptation to bully MSHA into writing more violations. The current mine inspection system is an important tool in the drive to make mines as safe as possible. If operators have conditions that can result in unsafe situations, such situations should be noted and corrected immediately.**

**But any inspection and enforcement system requires inspectors to exercise their judgment regarding conditions or situations they encounter. Our experience has been that when inspectors feel forced to “write more paper” in order to insulate themselves from criticism, the focus is shifted from truly enhancing safety to the**

**procedural aspects of compliance. It draws the inspector's and management's time away from activity that would do far more to advance safety and focuses it on the procedural processes involved in reviewing and adjudicating violations. At this point, safety intent and compliance diverge.**

**Third, Congress should understand that safety is not about big mines or little mines; union-free mines or union-represented; eastern mines or western mines. Safety is primarily about attitude. Attitude of the management of the company; attitude of the managers at the mine; and the attitude of the work force. And attitude is much harder to address through legislation.**

**Fourth, Congress ought to focus on communications technology.**

**After the Sago accident, CONSOL, in cooperation with MSHA, NIOSH and others, tested a number of available technologies at our McElroy Mine in West Virginia.**

**Some of the systems we looked at were not mine-worthy, meaning that we did not think the equipment could hold up to the rigors of use in an underground mine environment.**

**Some technologies worked in certain situations but not in all situations. Mining conditions such as the depth of cover or the types of rocks above the coal seam often determined what worked or what did not.**

**Our main conclusion was that there was no silver bullet technology yet available – meaning that no one technology worked in all situations. True “through the earth” wireless technology does not yet exist.**

**In CONSOL's case, we are in the process of installing a communications system known as a “leaky feeder” in our West Virginia mines because we believe it is the best of what is available. But there is no doubt that there is a need for better technology in the industry.**

**Unfortunately, we are not in the communications technology business. We depend on others to develop technologies which we then adapt to our needs or to develop technologies specifically designed to meet our needs.**

**Congress has mandated the deployment of communications technology in the mine. That mandate, however, may need to be coupled with incentives to equipment manufacturers to develop better systems for the mine environment.**

**In addition, Congress should be open to proactive suggestions on accident identification and prevention. Improving the technology to monitor critical systems will expand the human effort to detect potentially dangerous situations before they become problems. I would rather focus our efforts on preventing accidents than on deploying systems to deal with the aftermath of an accident.**

**Finally, Congress should consider how it can help with training. Changing rules and a large number of new employees in our work force make training a critical component of safety but a challenging task to accomplish.**

**The blows to our industry's reputation created by high profile mine accidents impact the safety regulatory environment in which we operate. But I also believe that our poor reputation for safety – however undeserved we think it is – impacts our ability to manage other issues of equal importance to us.**

**Remember the scene from the movie “The Godfather?”**

**Don Corleone explains why he must say no to the drug dealer who wants the Don's political protection. He says, “It's true I have many friends in politics. But they wouldn't be my friends for long if they knew my business was drugs, because....frankly...drugs is a dirty business.”**

**If we are perceived as “a dirty business” when it comes to safety, why would our friends in Congress or the agencies work with us on other important issues.**

**This perception even jeopardizes our role as a key provider of energy to the U.S. economy.**

**This past Sunday, for example, Thomas Sowell, the noted conservative economist at the Hoover Institute, wrote that the U.S. could reduce mine accidents if we had more nuclear generated power and less coal-fired power.**

**The message should be clear to all of us. Eliminate the problem.**

**The best way for the industry to close the reputation-reality gap is to eliminate accidents. To be at zero.**

**All of us need to be there. Only when key stakeholders know that mine accidents are the exception rather than the rule will we truly be able to effectively manage the many public policy issues we face.**

**My great-grandfather was a member of the industry's first mine rescue team. I believe in the importance of safety. I recognize that expecting coal to be a zero-accident industry might be seen as tilting at windmills. But I believe that if we commit ourselves to this goal, we can reach zero. It is within our grasp.**

**Moreover, we owe it to the men and women who go into the mines everyday to produce America's energy. We owe it to them, and we owe it to their families. We also owe it to the country -- because America needs us. We mine America's energy resources.**

**For our part, CONSOL Energy will not wait for others in the industry. We are taking action now.**

**I believe it is axiomatic that safe mines are productive mines.**

**As many of you know, CONSOL is predominantly an underground mining company. We operate 20 mining complexes including nine very large underground mines – eight in Northern Appalachia , one in Central Appalachia as well as several smaller underground mines such as our Emery Mine here in Utah.**

**In 2006, we had three mines that each produced more than 10 million clean tons of coal.**

**Those of you familiar with underground mining know that mines that size require a tremendous effort to coordinate people and equipment to keep the coal moving.**

**Of our six largest underground mines, which account for more than two-thirds of our total production, four had accident incidence rates below 2.00 per 200,000 man-hours.**

**By way of reference, the U.S. industry average for underground coal mines is about 7.00.**

**Of course, safety and compliance costs money. We expect to spend as much as \$45 million through the end of 2009 on the equipment related requirements of the new federal and state safety statutes, on the replacement of seals in abandoned areas, and on additional employees hired to meet the new training and testing requirements.**

**Despite the cost in dollars and in management time, ensuring the safety of our employees is our number one priority.**

**The underground environment is constantly changing. Proper planning, continuous observation, and immediate correction of potentially unsafe conditions all are essential to the prevention of accidents.**

**The human element also is involved. We emphasize the importance of safety to every employee through training and through activities that continuously create safety awareness. We have built a new training center that allows us to provide year-round training for both current and new employees.**

**But the physical and human elements of safety are not management's responsibility.**

**They are not the employees' responsibility.**

**They are OUR responsibility.**

**They are EVERYONE'S responsibility -- from the guy mining coal at the face, to the accountant at headquarters, to me.**

**We are all responsible and we are all accountable for the safety of ourselves and that of our fellow employees.**

**Our goal is ZERO Accidents.**

**One of our young interns this summer asked whether I thought CONSOL could actually achieve zero accidents. His preconception was that ZERO was a nice idea, but not a very practical one.**

**My answer to the question was yes. Yes, we can achieve zero accidents. We have a number of operations already there. Our goal is to get EVERY operation there.**

To achieve our goal, we will need to join the science of safety with a culture of safety.

The science of safety is technology-driven. We use technology to help us monitor conditions, to provide early identification of problem areas, to improve communications between sites underground or between the underground and the surface, and to enhance the safety of equipment.

By deploying technology to augment the efforts of our employees, we can minimize physical conditions in a mine as a source of accidents. We are great engineers, and we intend to engineer our mines so that the physical conditions in the mine are as predictable as those inside this room.

The culture of safety, on the other hand, involves engaging the mind of every employee. We want to make safety their core value. You do that in many ways: with constant training regarding safe work practices, with regular discussion of safety issues -- both at work and at home, and with programs that acknowledge and reward safe work practices and safety achievements.

We have a good safety record at CONSOL, but it is not zero. As I said, we can reach zero, but not if we continue along our traditional path.

Our traditional approach to safety has been to set a goal each year and then strive to achieve it. The next year, we set a new goal -- say 10% better than the previous year. This is a well-established corporate approach to many things -- incremental, steady improvement.

The problem with the approach is that we never get to zero. We approach zero incrementally, slicing off some percentage of the remaining increment. We get better, but we never get to zero.

And that has real consequences.

Our incident rate last year was less than 3.00 company-wide. We were very proud of that record. But, in human terms, it equated to 236 individuals being injured out of 7500 employees. So if we improve our safety record this year by 20%, it still means that 189 of our people will get hurt this year.

If we accept this incremental approach, we had better be prepared to ask for the 189 volunteers who want to get hurt this year.

So we have rethought our approach. We are in the process of instituting a new approach to safety awareness and training that we believe will accelerate our drive to zero accidents throughout the company. We will start with the premise that our normal state of operation is no accidents. An accident is an abnormality that is unacceptable. Accidents are an exception to our core values.

Our approach means safety trumps everything else we do. It trumps production, it trumps profits, it trumps all other rules, policies or procedures.

**It empowers every employee, whether hourly or salaried, to stop the normal course of operation if he or she believes that safety is being compromised. And it makes every employee accountable for his or her own safety performance.**

**There will, of course, be some challenges with this approach.**

**It will take time to convince employees that they have the right, without suffering a consequence, to interrupt work in the name of safety.**

**It will take time to convince front-line managers that employees should be empowered in this way.**

**And it will take time to demonstrate to investors that profits will be enhanced in the long run even if the result in the short run is to increase costs.**

**But I firmly believe it is possible for CONSOL to achieve “zero-accidents” performance at every CONSOL facility and we intend to achieve those results within the next five years.**

**We have created four groups consisting of senior managers as well as other salaried and hourly employees, to examine everything from safe work procedures to incentive compensation. We have sent a questionnaire to every employee to solicit their opinions. And we report back to our employees as we make decisions based on the recommendations of our working groups.**

**Some of you may say that this is a very risky decision from a business perspective. But I say the greater risk to the company and its reputation will be if we fail to eliminate accidents.**

**We need to change the paradigm and we need to change it now. There is no one sitting in this room today who wants to see an employee get hurt. Our past is recorded and set. The future of safety is ours to decide.**

**What industry must change is our incremental approach to safety improvement because it creates an unintended level of tolerance to accidents. We need to get to zero. Let’s get to zero NOW!**

**Thank you.**