

The Department of Mines Minerals and Energy in general concurs with the Department of Planning and Budget's Economic Impact Analysis statement for DMME's Board of Coal Mining Examiners Certification Requirements, 4 VAC 25-20.

DMME believes that the finding in the Estimated Economic Impact section that the new requirements governing reciprocity of certified persons would decrease the number of available persons with certifications and thereby cause wage increases is based on economic conditions that are not be found in the southwestern Virginia, eastern Kentucky, and southern West Virginia labor market.

Without the new certification requirements governing reciprocity, Virginia would no longer be able to accept reciprocal certifications from neighboring states. The agency has found that persons with reciprocal certification do not have the required knowledge of Virginia's Coal Mine Safety Act and reporting requirements to safely serve as certified foremen, electricians, and in advanced first aid. No longer accepting any reciprocal certifications would decrease the pool of available certified persons. Therefore, the option DMME has selected for reciprocal certifications will serve to increase reciprocal certifications and have the opposite effect of what was considered in the Economic Impact Analysis.

Additionally, wages for certified persons are affected by many factors. Other factors such as prevailing wages for other jobs in the area and mining wages paid in the southwest Virginia, West Virginia and Kentucky labor market would more than offset any affect the proposed certification regulation would have on wages.

The Localities Particularly Affected section states that the proposed regulation will affect all localities in Virginia. The businesses affected by the regulation are located in seven coal producing counties in southwest Virginia. The proposed regulation should therefore not affect all counties or localities in the Commonwealth.

The Projected Impact on Employment section concludes that the regulation could have a negative impact on employment in Virginia's coal mining industry. The proposed reciprocal certification requirements will enhance mine safety and health and increase productivity. Accidents cause considerable loss in productivity and increased costs to mine operators. These increased costs due to accidents have caused mines to close. Actions to reduce accidents typically have a positive economic impact and increase the mines' asset value and preserve mining jobs. Operating a mine safely also results in lower worker's compensation costs. Taken together, these should result in a positive economic impact and positive effects on employment.

In conclusion, the economic impact report projects that adding reciprocity requirements and limiting the ability of certified underground electricians to work at surface locations could raise the cost of operations and lower the asset value of private firms engaged in coal mining. This conclusion ignores the economic impact of ensuring qualified persons are completing these specialized tasks on coal mines. In addition, the EIA does not reflect the positive impact that having safer mines and controlling risks can positively affect the

health and safety of mine workers, thus leading to increased value and use of private property.