

Mining the Mountains

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Tomblin rejects funding development plan with severance-tax hike

By [Ken Ward Jr.](#)

Staff writer

CHARLESTON, W.Va. — Gov. Earl Ray Tomblin said Thursday he would not take up a proposal to increase West Virginia's coal and natural gas severance taxes to pump money into a trust that would fund long-term economic development, education and infrastructure projects.

"Right now, I think that our severance tax is sufficient," the governor said in a brief interview after a speech to the West Virginia Coal Association's annual mining symposium in Charleston.

Tomblin rejected the proposal floated earlier this week in a report from the West Virginia Center for Budget and Policy. The center said an additional 1 percent severance tax on coal and natural gas could raise \$5.8 billion in revenue over the next quarter-century.

Officials from the center, a progressive think tank, said their proposed "Economic Diversification Trust Fund" would be an investment in protecting the state from volatile energy markets and preparing for the day when West Virginia's mineral resources are played out.

The center's research says that, when tax breaks and other reductions are considered, West Virginia's severance taxes on minerals are less than most other mining and drilling states.

Senate President Jeff Kessler, D-Marshall, has proposed a similar effort he calls the "Future Fund," but rejected the center's version because it includes a tax increase.

"It's not likely in an election year that you'll see a tax increase," Kessler said. "If you try to raise taxes, people will scream."

In its report, the center said Kessler's proposal -- to funnel a share of existing taxes on Marcellus drilling alone -- would generate far less revenue than the tax increase the center proposed.

Kessler and Tomblin spoke Thursday in the second day of the coal association's three-day symposium.

Tomblin praised the association's lobby team, saying its members are "in his office on a regular basis," and promised to continue the state's legal fight against the Obama administration's crackdown on mountaintop-removal mining.

The governor also said he expects to easily win legislative approval for his mine safety legislation, the cornerstone of which is to mandate drug testing for coal miners working in the state.

On Wednesday, coal industry lawyer Erin Magee praised the fact that Tomblin's bill would not require companies to provide drug-treatment programs for miners who develop drug problems.

That language is in keeping with Tomblin's broader policy for dealing with West Virginia's drug-abuse problems, in which the governor rejected his own task force's recommendation that the state increase taxes on tobacco and alcohol to fund additional treatment programs.

Also at Wednesday's symposium sessions, coal association Chairman Gary White said the group is

considering plans for another major public relations campaign, following up on its Friends of Coal and FACES of Coal efforts.

"We have to continue to defend our industry," White said. "We have moved the needle of public opinion. The public knows the size of this industry and the contributions to our economy. What they don't know is that this is an industry that is caring and innovative."

White said that, while the industry will continue to actively oppose tougher restrictions on mountaintop removal and some federal safety initiatives, many mine operators have found plenty of ways to comply with such rules.

"We will continue to find new, innovative and, in some cases, revolutionary ways to seek permits," White said, "despite all of the challenges we face from the regulatory agencies."

The symposium wraps up Friday morning at the Charleston Civic Center.

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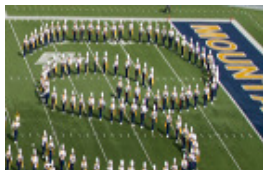
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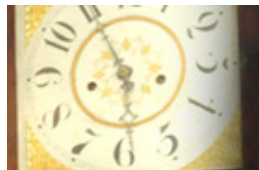
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