

Leon Kahn - Morgan City, Louisiana

Thank you, Mr. Reilly. Thank you, Ladies and Gentlemen, for the opportunity of coming – I would like to start back about 1979 when there was a moratorium placed upon any gas-fired plants and from that point on the use of coal was mandatory. At the same time, a study was initiated to determine the consequences of the problems created by coal for our air and pollution it might cause. The conclusion of that study was in 1989 which resulted in the Clean Air Act which I'm sure most of you are familiar with. I don't know if you had the opportunity to read a synopsis of what that report said, and in brief I'm going to give you a few of the things that it did say. First of all, it said that the coal-fired plants were producing the majority of the air pollution which I found very difficult at the time to comprehend because I always thought it was automobiles. But the report said that 15,000 tons of soot was being let go in 1989 into our air. Now, soot has been given a different name by the chemists. They call it "carbon-14". I'll ask you if anybody here knows what "carbon-14" is? It is one of the highest carcinogenics known to man. It is a substance that is used when they are taking and inducing cancer into animals to experiment with cures. And you have 15,000 tons of it being emitted into the air at this time. There was a problem with acid rain which you may recall and we had a problem with Canada. Canada was very upset over the acid rain and we compromised at that point. We paid Canada some money for the destruction of the property and at that time it was 200,000 acres of farmland and woodland per year and they estimated it was even higher if they went into the entire United States. There was a meeting called in Brazil which you may all recall that the United States attended but was unable to do much except to support it financially in an effort to stop production of coal-fired plants. Now, coal-fired plants are a necessity and they are well entrenched because when Carter mandated it, the coal industry went out and got 40-50 year contracts, and if you didn't sign a long-term contract you didn't get the coal. But now in 1989 we know that there are some problems that coal has created. We know that there are scrubbers that are being put on it but there is still not enough to stop the pollution of what is happening in our air. And I am proposing only what the report said – convert to gas-fired plants. Well, at that time, the coal industry spoke up and said that if we are causing a problem we will place a penalty of \$2.00 per ton on ourselves and we will contribute that to the cleanup. Well, the report also

said that the potential damage that was done could be cleaned up at a cost of \$35 billion dollars. Now, that's going to break anybody so I'm not proposing that that would be done. But that's what the report said. Now, that was in 1989 and recently I read an article that I believe to be correct that estimated the damage created by coal would cost \$75 billion dollars today to clean up. Now, the _____ has turned to some degree because now the courts are hearing cases where they are holding the companies who created the problem, responsible. I guess the first one was Johns-Manville who was held responsible for asbestos which was a widely-used product and touted as being one of the best products in the world at the time. Of course, we've got the tobacco industry and, of course, you've got a number of other companies now being sued and I'm not sure I agree with the fact that someone used a gun that the gun industry should be held responsible. But I'm suggesting that with all the problems that have been created by the use of coal that we try to form a lobby group here in the State of Louisiana and join up with Texas, Oklahoma and Mississippi, and I'm sure we can find financial support for it, and publicize that act, publicize that report that said "clean air". You cannot take the coal-fired plants and change them, and I'm not proposing that we do that because that's a whole other ballgame and I'm not an attorney to go into what might be the results of that and I'm sure it would be a long litigation, but it seems to me we can stop the continuation of the pollution, of the problem, by going back to gas-fired plants. Now remember, this report was done in 1989 and it was done at the request of the United States Congress. So, that report exists and I spoke to Rep. Tauzin and Sen. Breaux and the first thing they said was "Leon, you are going to have to find common ground and it is going to have to be led off by the State of Louisiana and once the State gets involved I'm sure you are going to be able to find a number of allies out there". The farmers, for example, in the report said there are fifteen times more skin cancer than there was 25 years ago and a great deal of the blame was placed on "carbon-14". You can find the report - I'm sure Mr. Tauzin can get you a copy. He told me it would cost about \$4,500 for me to have a copy so I decided to bring it to Mr. Reilly and Mr. Reilly invited me here today. But that report basically says that if you want cleaner air you've got to use a cleaner burning fuel and that's natural gas. So, it doesn't seem to make a lot of sense that we don't get out and start pushing it. I'm suggesting that if you feel comfortable and you get the program together and recommend that we form an allegiance with other states, we fund it and ask for funds to support it, get our own

lobby group going primarily to promote natural gas, I think that you will find that when that happens, according to Mr. Tauzin's report, 92,000 jobs will be created in our State the first year. Now, you want to convert 92,000 jobs at an average of \$25,000 a job what that means to the State of Louisiana. How about \$200,000,000 in taxes collected per year and that does not count the cost of the tax that would be brought to the State by the transmission of the gas. So, I'm here to say I think it's time now that our country will say "hey, it's time to stop the pollution".

You've got four excellent examples of some of the strongest companies in the world that have been "hit on the wrist" so to speak. And if you call hitting them on the wrist for several billions of dollars for compensation I think it's time for us to find a compromise where the coal industry has its place in this country but so does natural gas. And it's time for Louisiana, that has a 131 year supply of natural gas – did you know that? Right now, there is a 131 year supply of known reserves. We can supply the entire United States for 130 years with what we already have and we're not using it. And I guess it's because we're not telling the people ourselves what we have here. Thank you.