

Arch Coal Reacts to Court's Decision to Stay its Ruling

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St. Louis, Missouri – October 1, 1999 - Arch Coal, Inc. today responded to the decision by the U.S. District Court in Charleston, West Virginia, to stay its recent ruling banning the construction of valley fills during mining. The stay will allow West Virginia coal mines to continue to operate while the state pursues an appeal of the ruling with the Fourth Circuit.

"We are pleased that the court has stayed its decision," said Steven F. Leer, Arch Coal's president and chief executive officer. "While the ruling has placed many responsible mines and thousands of West Virginia jobs at serious risk, by staying the ruling the court has delayed its most immediate impacts pending review by the Fourth Circuit Court of Appeals."

Recently the court had ruled that federal and state agencies had been misinterpreting surface mining laws for more than 20 years. The court's order had prompted the state to impose a ban on the issuance of nearly all new permits for valley fills and to prohibit the further advancement of nearly all existing fills. (Valley fills, which are used to store excess rock and to build water retention structures, are essential for mining in steep terrain.) In response to the court's ruling, Arch Coal had issued Worker Adjustment and Retraining Notification (WARN) Act notices last week to all employees at its Hobet 21 and Ruffner mining complexes, both of which need to extend existing valley fills in the near future in order to continue operating. The company had further indicated that its other West Virginia operations might also be forced to curtail production in the not-too-distant future.

Following the court's decision to stay the ruling and under the assumption that there would be no further court orders or regulatory changes pending a review by the Fourth Circuit, Arch has now withdrawn the WARN notices. "With the stay, we expect these mines to remain open while the appeal is being heard," Leer said. "We are pleased with the short-term reprieve and thankful that many jobs will be preserved in the near term. However, if the ruling is not overturned or if a legislative solution cannot be achieved, then our ability to mine coal in the state in the future will be seriously compromised."

Leer went on to say that the business climate in West Virginia is suffering because of the order. "With so much uncertainty, coal producers cannot justify making the necessary investments to open new mines or expand existing ones," Leer said. "We continue to believe that West Virginia coal has a bright future and an important role to play in the nation's energy equation, but only if a lasting solution to the issues currently before the court can be found soon."

Arch Coal is one of the nation's largest coal producers, with subsidiary operations in West Virginia, Kentucky, Virginia, Illinois, Wyoming, Colorado and Utah. Through these operations, Arch Coal provides the fuel for approximately 6% of the electricity generated in the United States.