



June 20, 2011

The Honorable George Miller
Ranking Member
Committee on Education and the Workforce
U.S. House of Representatives
2101 Rayburn House Office Building
Washington, DC 20515

The Honorable Lynn Woolsey
Ranking Member
Subcommittee on Workforce Protections
Committee on Education and the Workforce
U.S. House of Representatives
2101 Rayburn House Office Building
Washington, DC 20515

Dear Ranking Members Miller and Woolsey:

Thank you again for your May 31, 2011 letter requesting background information on the now finalized acquisition of Massey Energy Company (“Massey”) by Alpha Natural Resources (“Alpha”). As stated in Alpha’s initial response on June 1, 2011, Alpha, on behalf of its affiliates, appreciates the opportunity to share with you how it plans to empower its expanded workforce through the “Running Right” operating philosophy and company-wide safety culture.

You stated in your May 31st letter that “responsibility for safety rests first and foremost with [the Chief Executive Officer and] senior managers.” While you are correct that demanding a constant focus on safety must be a message delivered consistently and without caveat from all levels of corporate management, it has been Alpha’s operational experience that, to be effective, this vigilance for safe working conditions and behaviors must become systemic at all levels of its labor force – management and hourly employees alike. To create a culture of safety as a guiding principle – rather than a simple operational goal like cost or production – takes a visible, tangible, and demonstrable commitment at the highest levels of an organization. It also requires a clear plan or process by which that commitment is managed and upon which outcomes can be continuously improved. Alpha’s Running Right model works to accomplish this goal by promoting a collaborative culture built upon teamwork and fact-based decision making, where all employees have an opportunity to not only contribute, but actually drive Running Right itself – a true bottom-up approach.

While Running Right had its origins in safety, it is now the platform for how Alpha conducts all of its business activities including environmental stewardship and continuous improvement, and generally how Alpha expects employees to treat each other and the communities where our affiliates operate. That is why Running Right training is provided to all employees throughout the company and not just employees involved in operations. Only in this way can Alpha create the culture that will lead to true improvement in all aspects of its business.

Running Right was initially implemented in 2004 and has matured significantly over the years. It is respected by behavior-based safety professionals and employee engagement experts across the company.

Training sessions and employee development is a continuous undertaking and requires a significant commitment by Alpha and its affiliate operations. The first round of Running Right training with the legacy Massey employees will require nearly 600 sessions – 400 sessions for Running Right I training, and 200 sessions for the Running Right II follow-up training. Nine training teams have been created as a direct result of the transaction and are being deployed to ensure the most efficient application of these training sessions possible.

One of the post-training applications of Running Right is the Running Right observation process. This process encourages all employees to participate in conducting safety observations with the goal of eliminating at-risk behaviors. The reporting system is both voluntary and anonymous as both the observer and the observed persons' names are not a part of the process. The objective of the Running Right observation process is to bring issues that need corrected to the attention of management and the operations working group, as well as to reinforce those things that are going well. Prior to the Massey acquisition, over 10,000 employee observations were submitted at Alpha affiliate operations monthly to enhance the safety performance across the entire company.

Once submitted, these observation cards are reviewed by Alpha's Employment Involvement Groups (EIG) at individual operation sites. Generally led by hourly employees, EIG teams work with management to review and respond to anonymous safety observation cards that are completed voluntarily by any employee and placed in secured receptacles at every Alpha mine. Each EIG team meets monthly to discuss all citations, accidents, situations that could have become an issue, observations and any other pertinent safety concerns at their specific affiliated mine, with EIG leaders then presenting their team findings and subsequent preventative actions taken to the appropriate level of management. EIG teams also perform mine-site examinations, review material for safety meetings, and actively encourage the participation of all employees in the safe and at-risk behaviors observation process. The core of its Running Right philosophy is for Alpha to protect the safety and health of its employees by empowering every employee to personally champion the safety process and approach their work as if all accidents are preventable.

As a more specific example of what these trainings and the larger Running Right model entails, Alpha would like to share with you a summary of the steps it is taking in association with its acquisition of Massey, just finalized on June 1, 2011.

In order to lead by example, all senior management at Alpha – more than 140 key management individuals – attended Running Right sessions prior to the acquisition being finalized. Starting the week of June 6, 2011, Alpha began to conduct safety meetings and reviews, as well as a multi-staged Running Right training program, within all Alpha and legacy-Massey business units. Executive leadership has been and will continue to be present at many of these meeting as a clear signal to the importance of and commitment to Running Right.

Running Right I sessions will be held at all operations using nine designated training teams. These initial training sessions will include eight-hour sessions with all legacy-Massey employees who now work for Alpha – management, hourly, and support staff. Held offsite on non-production time, these trainings will occur during the weeks ahead and production will be shut-down on a rotating basis as needed to eliminate

any work-related scheduling conflicts. As a major component of this process, EIG teams will be created, safety observation and engagement tracking processes will be established or reemphasized, and best practices (including employee recognition) will be shared among operating affiliates.

Within an eight-to-twelve week window of the initial training modules, Running Right II sessions will be held. Comprised of another eight-hour training, these sessions will be required for all management employees down to front-line foremen. Continuous Improvement coordinators have already been selected for each business unit and, along with safety professionals and operation heads, will be providing follow-up reinforcement of the Running Right training process as each business unit completes its initial training requirements.

In addition to these internal training sessions, Alpha will also be conducting external trainings starting in mid-June at the Mine Safety and Health Administration (MSHA) Mining Academy in Beckley, West Virginia. Coordinated with and open to MSHA staff, 50 Alpha and legacy-Massey mine supervisors will be brought to the Mining Academy for each two-day session. The session itself will be comprised of one day in the mine lab to complete hands-on, examination standards training, and a second day focused on leadership and management skills. By the end of 2011, all 1,500 Alpha affiliated mine supervisors will undergo this two-day external training session.

Alpha would welcome your participation, or the participation of your Education and Workforce Committee colleagues, at any of these training sessions should you have an interest to gain a first-hand perspective of this safety training and the Running Right model. In addition, Alpha would welcome any visits you or your colleagues would like to make to its affiliate mining operations in order to discuss with Alpha's proud workforce their – and the larger company's – commitment to safety.

With respect to operational audits, safety compliance reviews will also begin in mid-June at each business unit to identify any mine-specific safety concerns. Short- and long-term action plans will then be developed to address and remedy those concerns. These reviews will prioritize any changes needed in physical systems as well as personnel requirements. As an example, ventilation surveys and modeling, as well as comprehensive roof control reviews, have already begun. To ensure there is no delay in executing these various safety trainings and reviews, a targeted staffing increase of approximately 20 new safety experts is being undertaken to supplement an already robust Alpha safety team. Alpha also conducts routine facility structural audits using structural engineering groups. Sites previously operated by Massey Energy will be added to this audit schedule.

Technical support staffing and systems are also being bolstered. Alpha's geology group currently includes geographically-assigned geologists who provide such support activities as geologic hazard mapping, exploration, modeling, and troubleshooting at individual mine sites. Alpha's engineering group currently includes mining engineers with ventilation expertise who provide such support activities as ventilation surveys, modeling, and troubleshooting at individual mine sites, as well as a geo-technical engineer who works with the geologists to provide roof and rib control support. In order to meet recent operational growth, Alpha's affiliates intend to hire additional experts in each of these technical categories.

While in no way does Alpha profess its system – or its results – are perfect, the company has been able to demonstrate continuous improvement in outcomes. As such, Alpha believes it has begun to realize the potential benefits and success story of Running Right. The system has worked well for the company through significant growth over the years and Alpha continues to refine it to better respond to internal needs and external requirements. It should be emphasized however that creating an effective and consistent safety culture takes time, as well as a significant investment in both financial resources and human capital. Alpha is absolutely committed to doing just that and, as such, asks for patience and support as it undertakes this critical endeavor within the context of this latest operational growth period.

In response to the individual questions included in your May 31st letter, please see Alpha's, on behalf of its affiliates, answers below:

1.) Are the statements cited above accurate excerpts from Alpha's due diligence examination of Massey Energy? If not, could you please provide a copy of Alpha's due diligence review?

Prior to closing the acquisition on June 1, 2011, Alpha Natural Resources and Massey Energy Company operated as independent entities. In mid-January 2011, after signing a confidentiality agreement with Massey, Alpha gained access to certain confidential Massey information – but not any information that Massey regarded as legally privileged. At that time, Alpha continued its preliminary due diligence investigation of Massey as part of its risk assessment related to the proposed acquisition. Alpha's preliminary due diligence investigation included legal, financial and regulatory documentation due diligence, as well as a cross sampling of site visits. Alpha's due diligence report referred to certain issues identified by its due diligence teams, including the excerpts referred to in your May 31, 2011 letter, and was based on a limited investigation of a limited number of sites. Alpha has since begun a comprehensive business review of all Massey sites that will include, but not necessarily be limited to, an assessment of the safety performance, mine conditions, environmental compliance, and equipment maintenance of each site. As outlined in more detail above and ahead of the business review, Alpha will first and foremost begin implementing its own Running Right philosophy and associated safety training programs at all legacy-Massey operations while this comprehensive review is ongoing. As stated above, Alpha will then use the completed review to supplement and focus additional attention, energy, and resources as appropriate.

2.) Massey's General Counsel, Shane Harvey, has contended that the accident at UBB was caused by a massive and unforeseeable outburst of methane of natural gas from a crack in the mine floor. However, the GIIP's report found that "the footprint left behind tells the story of an explosion that started with the ignition of a small amount of methane gas and then was fueled by coal dust that had been allowed to build up for miles through the mine." MSHA has reported the same findings based on its year-long investigation. Do you believe, based on your due diligence, coupled with the reports from the GIIP and MSHA's preliminary findings, that this explosion was an unforeseeable act of nature?

With federal and state inspections, as well as in internal review, still pending, it would be premature for Alpha to formulate any firm conclusions regarding what was likely a complex set of factors leading to the Upper Big Branch disaster. Although Alpha did not operate the Upper Big Branch mine at the time of

this tragic explosion, it feels strongly that the families of the fallen miners are owed a complete and final explanation of the circumstances surrounding it. That full picture will come from many sources, including both the independent probe by former MSHA Assistant Secretary of Labor J. Davitt McAteer commissioned by the State of West Virginia, as well as the yet-to-be-released MSHA and West Virginia Office of Miners' Health, Safety and Training (WVOMHST) reports. Alpha has consistently stated pre- and post-acquisition of Massey Energy that it intends to fully cooperate with pending government investigations. That has not changed. Alpha also plans to conduct its own review into the events at the mine with all of the information available to it. Alpha's primary goal in this regard is to understand what happened at Upper Big Branch so that steps can be proactively taken to prevent another such tragedy in the future.

As Alpha has already done publicly, it would also like to take this opportunity to once again emphasize that Alpha Natural Resources did not commission or authorize the June 3, 2011 release by former Massey Energy Company Board of Directors Chairman, Admiral Bobby R. Inman, of a document entitled "Massey Energy's Preliminary Report of Investigations of the Upper Big Branch Explosion." More so, Alpha was not given the opportunity to review either the report or the accompanying cover letter before their public release and felt it gravely inappropriate to release any report purporting to contain Massey's assessment of the cause of the Upper Big Branch explosion before Alpha had an opportunity to fully understand and assess the situation.

The loss of 29 miners in the Upper Big Branch explosion was a devastating tragedy to the families of the fallen miners. The shockwaves of this tragedy were felt by every family comprising the mining industry workforce, including the Alpha Natural Resources family, the community, and the nation. Alpha voluntarily provided seven mine rescue teams and a staff of key managers to help in the Upper Big Branch recovery. During the rescue and recovery efforts, Alpha executive management (including its Chairman of the Board of Directors along with its Chief Executive Officer, also a Director) visited its mine rescue teams stationed at Upper Big Branch to show support for their extraordinary efforts. Following the Upper Big Branch explosion, Alpha Natural Resources also conducted a "Safety Stand Down" at all Alpha Natural Resources affiliated operations, extending pre-shift meetings at all mine sites to involve every employee. Accident and Explosion Prevention plans were reviewed at all mine sites and, at Alpha's West Virginia operations specifically, production was halted for a complete 24-hour period and replaced with a safety plan review, as well as additional workplace and equipment examinations. In addition, and prior to any external requirement, Alpha voluntarily added an internal requirement to all of its underground affiliates to add additional rock dust in order to reach an 80 percent level of incombustibility.

- 3.) *The GIIP report found that Massey's "S-1, P-2" safety model was honored in the breach. Instead, production came ahead of safety and when MSHA sought to hold Massey accountable, senior management adopted a belligerent attitude toward mine safety regulators. For example, the GIIP found senior management officials showed a "reckless disregard" for worker safety when, in January of 2010, they told a foreman "to ignore a citation the mine received for faulty ventilation." In a conference call with Alpha on January 31, 2011, Baxter Phillips said he would work with Alpha "to reduce regulatory impediments." The GIIP expressed concern that this "suggests the new company well may continue past campaigns*

against the agencies that regulate coal...” How can Alpha’s safety program credibly cure the rampant defects in Massey’s culture, as detailed in the investigation, if Alpha is retaining executives who authorized a confrontational approach with safety regulators?

It is first important to note that after the closing of the acquisition on June 1, 2011, the pre-closing Alpha board of directors and the pre-closing Alpha executive leadership team remains the post-closing Alpha board of directors and executive leadership team. No member of the pre-closing Massey board of directors has a seat on the post-closing Alpha board of directors and no pre-closing Massey employee serves as a member of Alpha’s executive leadership team. In addition, Baxter Phillips will not be joining Alpha as an employee – Mr. Phillips will provide consultation services on commercial matters to Alpha under a two-year consulting contract under which he will devote no more than 40 hours per month. Alpha would also once again emphasize that its Running Right philosophy is an employee-driven, people-based approach that enables, and frankly requires, every employee to personally champion the safety process. Within Running Right, employees are strongly and consistently encouraged to identify at-risk behaviors or unsafe conditions before they become hazards or citations. Running Right is not a program or even a priority, it is a value that becomes part of the culture — and one that is ingrained in everything that Alpha does. As explained above, this system has been in place at Alpha since 2004 and it continues to be refined in response to dynamic working and regulatory environments.

The Running Right culture empowers all employees to do the right thing and to champion safe behaviors without fear of reprisal or adverse consequences. Running Right in safety means following all procedures and not cutting corners for the sake of production; it means not taking chances with your own life or the lives of others; it means being responsible for each other and being willing and empowered to speak up if one sees something that is questionable. At each step in its process of selecting individuals to comprise its leadership team, Alpha and its affiliates review their decisions to ensure they are consistent with the Mission, Vision and Values embodied in its Running Right philosophy. Alpha expects that all employees of the company and its affiliates will appropriately adopt the Running Right philosophy. Alpha intends to cooperate with authorities and take immediate action to change any potentially dangerous behaviors that might be ongoing. Alpha is committed to the highest standards of legal and ethical behavior and it expects the same commitment from its employees.

4.) To what extent did Massey’s safety record figure in the decision to place Mr. Adkins, Massey’s Chief Operating Officer, as the co-lead of Alpha’s safety program, “Running Right?” To what extent did Massey’s production record figure in this decision?

As confirmed publically on June 2, 2011, former Massey Chief Operating Officer Chris Adkins will not be part of the senior management team at Alpha Natural Resources.

Alpha also takes this opportunity to once again clarify that its Running Right model is not solely a safety program. While a series of safety-related and people-based training programs are certainly at the core of Running Right, the Running Right philosophy extends to every aspect of the company structure – including but not limited to ethical and transparent management practices; the reliability and quality of its products and services; and the environmental stewardship with which Alpha works to minimize and reclaim environmental impacts at its production sites.

5.) The GIIP report found that Chris Blanchard and Jason Whitehead, President and Vice President of Performance Coal, the subsidiary that operated Massey's UBB mine, allowed the mine to operate without adequate ventilation or rock dusting and perpetuated a culture of intimidation. They have refused to answer questions from federal and state investigators, having asserted their Fifth Amendment right against self-incrimination. Is it the case, as alleged in a recently unsealed Petition to the West Virginia Supreme Court, that, as part of the merger deal, you were asked and ultimately agreed to offer employment to these specific mine operators?

In a conversation I had with Admiral Bobby R. Inman on October 1, 2010 – nearly four full months prior to signing the acquisition agreement – Admiral Inman suggested that Alpha would be well-served if, as part of any transaction, it hired certain Massey employees that Admiral Inman believed were highly qualified. Admiral Inman did not seek, and I did not offer, any commitment with respect to those employees. Moreover, I did not seek, much less obtain, any agreement from Admiral Inman that Alpha would receive any benefit from hiring any Massey employee, in connection with Alpha's efforts to acquire Massey. At no time between October 1, 2010 and closing of the acquisition did I and Admiral Inman again discuss retaining any specific Massey employees in connection with the acquisition. Alpha did not have any obligation or make any commitment to offer employment to Mr. Blanchard or Mr. Whitehead. The decision to offer Messrs. Blanchard and Whitehead a position in the post-closing company was based in part upon Alpha's integration review of the two companies – a process that was checked at each step of the way to ensure consistency with Alpha's Mission, Vision and Values embodied in its Running Right philosophy. This process included discussions with Messrs. Blanchard and Whitehead, a review of their credentials, qualifications and skills, and Alpha's assessment of their ability to successfully adopt and cultivate its Running Right philosophy. Alpha notes the Committee's concern regarding Messrs. Blanchard's and Whitehead's cooperation with government regulators and investigators to date. It is untrue that the acquisition involved any quid pro quo agreement, or transaction-based contingency, to hire any specific director, officer or other employee of Massey, much less an agreement specifically involving Messrs. Blanchard and Whitehead. As noted above, Alpha intends to cooperate with authorities and take immediate action to change any potentially at-risk behaviors that might be ongoing. Alpha is committed to the highest standards of legal and ethical behavior and expects the same commitment from its employees, including Messrs. Blanchard and Whitehead. It should also be noted that Mr. Blanchard and Mr. Whitehead are currently employed in technical and support roles at Alpha and neither has been given any "direct line" oversight responsibility with respect to coal mining operations.

6.) What standards, if any, will be in place to remove managers and executives at the combined company for inadequate safety performance? What standards will be in place to remove them for inadequate production performance?

Alpha and its affiliates do not have a prescriptive policy in place to remove management or executives for production shortfalls or safety performance at individual mine sites. Through its Running Right philosophy, Alpha strives to consistently raise the bar of its safety goals and subsequent performance and will not tolerate an employee at any level who willingly ignores or fails to adhere to Alpha's safety-first

approach. The absolute focus and prioritization of safety at all of Alpha's operations is a never-ending pursuit and its safety performance is largely dependent upon the effectiveness of the trainings and re-trainings it internally requires of its management, supervisors, and hourly employees.

Alpha's commitment first and foremost is to operate its affiliated coal mines in the safest manner possible, including but not limited to compliance with external safety standards and requirements. To the extent that management of Alpha or its affiliates do not act in accordance with these principles, Alpha will take the appropriate steps to address that matter immediately. Again, Running Right is not a suggestion, but rather the guiding value by which Alpha approaches every aspect of its work.

Alpha's places the utmost importance on its responsibility to its coal miners and its larger stakeholder community. The executive leadership team at Alpha, including its board of directors, holds the safety and well-being of Alpha's workforce in the highest regard – without them, Alpha would not exist. Coal miners and their families are the fabric of America and it is through their sweat in large part by which this nation was built. Coal miners have earned the commitment of everyone in this industry to uphold and protect the nobility and proud heritage of their profession by creating the safest work environment possible.

We hope you will consider our invitation to visit Alpha's operations and the currently ongoing training sessions as suggested. There is simply no better way to understand Alpha's commitment to safety than by witnessing firsthand the comprehensive preparations the company undertakes to ensure all personnel approach their work through the lens of Running Right. Should you want to arrange such a visit, or if you have any further questions regarding the information shared here, please direct your comments to Michael Peelish, Alpha's Executive Vice President and Chief Administrative Officer, or Philip Cavatoni, Alpha's Executive Vice President and Chief Strategy Officer.

Again, thank you for the opportunity to respond to your inquiries and to the extent that you may find further discussion beneficial, Alpha would suggest that your or other members of the committee arrange to do so with Alpha's senior management team. As stated in Alpha's initial June 1, 2011 response, Alpha and its affiliates place no priority higher than that of creating a culture of safety at all levels of its organization. Driven by this commitment, and guided by its Running Right philosophy, Alpha will continue to strive for an accident-free workplace and work to ensure every employee of Alpha Natural Resources is empowered to help us achieve it.

Sincerely,



Kevin Crutchfield
Chief Executive Officer
Alpha Natural Resources, Inc.

Cc: The Honorable John Kline, Chairman, House Committee on Education and the Workforce
The Honorable Tim Walberg, Chairman, Subcommittee on Workforce Protections