

EIA-7A: Annual Survey of Coal Production and Preparation

December 2015

(This protocol is a guide – the questions presented here won't necessarily be asked exactly as worded in the protocol or in this order. It is important to note that not all questions will be asked in every interview.)

Research Goals:

- To understand how respondents distinguish between open market sales and captive market sales, and specifically how it ties into dealings with brokers;
- To understand how respondents are calculating their max capacity;
- And, to understand the respondent's response process when calculating revenue.

Part A – Introduction

- Introduce observers and their background

Purpose of visit:

Let me start by telling you a little about what we will be doing today:

- We are asking you some questions about your plant's coal sales, reserves, and other coal information.
- We are attempting to clear up some data problems that we are having on the EIA-7A, 'Annual Survey of Coal Production and Preparation,' and we want to get feedback from people who complete the form before we finalize the survey.
- You were selected because you currently complete the EIA-7A form.
- Ultimately, we are interested in how you understand our questions, how the information we ask for is kept in your records, and the challenges you may face when reporting mine-level data to EIA.
- There are no right or wrong answers, and if something doesn't make sense to you or you have any questions, please ask. It is important for us to know both things that work and don't work so we can improve the form.
- Before we get started, I'd like to audio record this interview so I don't have to later rely on my memory. This session is confidential, which means only persons directly related to this project can listen to your tapes, and the recordings are erased once our report is written. The report combines information from all of our interviews and contains no information that personally identifies you, the mine, or the company at which you work. Is it okay if I record this interview?
- Do you have any questions?

Part B – Background Information

Let's begin by talking about your mine(s):

- How long has this mine been in business?
- What is the primary function of your mine?
- What kinds of activities occur at this mine?

What is your role at this company?

- What is your title?
- How long have you been with the company?
- What are your responsibilities?
- Are you in charge of government reporting?

Do you currently complete any government forms? Can you tell me more about the other forms for which you report?

- (If needed) Do you complete any regulatory forms, State and/or Federal?
- (If needed) Do you complete any other EIA forms?
- Do you generally have the data needed to report for these forms, or do you work with others to gather this data?
- How do you usually submit these other reports? (electronically, fax, mail, email)
- Do you fill out these other forms manually or automatically?
- How many EIA-7A forms do you complete?
- How much time does it take you to complete each form?

Part C – EIA-7A form

In the interest of time, we are going to move past the introductory materials and the contact information in **Part 1** and **Part 2**. If we have time at the end of this meeting, we can come back to them.

Please look over **Question 7** in **Part 3 – Mine Operation Information**.

- How many months was this mine was in operation during the reporting year?
 - o *If needed*, what are some reasons that would cause the mine to stop operation?
 - o *If needed*, on average, how long would the mine be out of operation?
- Does your company operate a surface mine or an underground mine?
 - o *If needed*, how easy or difficult would it be for you to report the average depth of the underground mine(s)?
- Are there any items missing from this list that you collect data on?
- Are there any items on this list that you would take off?
- Can you tell me in your own words what 'Mountaintop Mining' means to you?
 - o What would you include in 'Mountaintop Mining'? What would you exclude?
- Using your own words, can you please tell me what 'Mountaintop Removal' means to you?
 - o Would you consider that the same as 'Mountaintop Mining?' or do they have different meanings to you?
 - o Do you have another name for 'Mountaintop Removal'?
- Does your company currently perform 'Mountaintop Removal'?
 - o *If needed*, how do you currently report that on the EIA-7A?

Let's move on to **Part 5 – Underground and Surface Mine** now.

I would like to read you a question and then ask you some questions to check how understandable the wording is:

Recommended Rephrasing of the Question:

“Given the current market and existing equipment in place, what is the most amount of coal this mining operation could produce during this reporting year? “

- Can you tell me in your own words what you think this question is asking?
- How would you answer this question?
- What does ‘Maximum Annual Capacity’ mean to you?
- If I were to ask you what your ‘Maximum Annual Capacity’ is, how would you answer that question?
- Are you factoring equipment breakdown, market price, and other factors into your capacity estimate?
 - o *If needed*, How are you calculating your maximum annual capacity?
 - o *If needed*, has your production ever exceeded your maximum annual capacity?
 - o *If yes*, what are the reasons that your production would exceed your capacity?

Let’s look at **Question 3**.

- o Does your company keep records on coal bed data?
- o What characteristics about the coal bed does the company track?
- o How easy or difficult would it be to report the BTU content of coal from different seams?
 - If needed, would by coalbed BTU calculations be for clean or raw coal?

Next let’s look at **Question 4**.

- Using your own words, can you tell me what this question is asking for?
- How would you answer this question?
- Can you please explain how you came up with that calculation?
- How frequently do you test BTU content?
 - o *If needed*, how do you test the coal when it’s being mined from different seams?
 - o *If needed*, how easy or difficult would it be to report the BTU content of coal from different seams
- Is this calculated from a before mining estimate or a post mining estimate?
- Are you factoring coal condition into your estimate? Raw vs Cleaned coal?

Okay let’s move on to **Question 5**.

I would like to read you a question and then ask you some questions to check how understandable the wording is:

As of December 31st of the reporting year, what is the estimated amount of coal in the reserves that is feasible (economically/technologically) to extract.

- Using your own words, what is this question asking for?
- Can you tell me in your own words what ‘Recoverable Reserves’ means to you?
- What is your understanding of the phrases “Technologically feasible or economically feasible?”

- How would you answer this question? What would you include in your answer? What would you exclude?
- How do you currently track Recoverable Reserves in your system?
- How do you track the previous' year's recoverable reserves?
- For what reasons would you need to adjust the prior year's recoverable reserves?
- How easy or difficult would it be to report/confirm last year's recoverable reserves figure?
- How easy or difficult would it be provide an explanation if the prior reserves figure had to be adjusted?
- How do you track your in-place coal resource?
- How easy or difficult would it be to report your in-place coal resource?
 - o If needed, on land covered by your lease or permit?

Now let's look at **Question 6**, and tell me in your own words what this question is asking for?

- What does 'Recovery Rate' mean to you?
- How are you currently calculating the recovery rate in your records?
- How did you determine this figure? Is it an industry standard? Is it unique to your company? Or to this mine?
- Do you use this recovery rate in any other parts of the survey form?

Please review the following:

In-place coal resource X Recovery Percentage = Recoverable Reserves

- Using your own words, explain what this equation means to you?
- In your own words, what does in-place coal resource mean to you?
- Do you have another term to refer to in-place coal resource?
- How does this equation affect your understanding of recovery percentage?

Please look at **Question 7** part **A, B** and **C**.

- Is there overlapping information between these three groups (A,B,C)?
- Can you tell me about how your company currently tracks sales in your system?
- Do you currently report your raw coal or clean coal?
- Do you have another term for raw coal? Clean coal?
- Can you tell me in your own words what 'Open Market Sales' means to you?
- How do you calculate your open market sales?
- Do you include any sales to brokers in your open market sales?
- What does 'Captive Market Sales' mean to you?
- How do you calculate your captive market sales?
- Are you including any sales to brokers in your captive market sales?
- Do you have another name for 'Captive Market Sales'?
- Does your company currently export any coal?
 - o If yes, how do you currently track coal that is exported?
 - o If needed, do you know if coal that leaves your mine will be eventually exported?
- How similar or different is this figure compared to the number reported to the IRS for exception from the Black Lung excise tax?
 - o If needed, can you please explain the 'IRS Black Lung excise tax'?

- o Is that figure readily available to you?
- Would you consider Open Market Sales/Captive Market Sales/Export Sales to be mutually exclusive?
 - o Do you track them in your system this way?
 - *If needed*, how do you currently distinguish between these sales in your system?
- Does your company use a coal trader or broker to facilitate coal sales?
 - o *If needed*, is this an internal broker within your company or is this an outside broker?
 - o *If yes*, would you know if a broker was going to export the coal?
- Do you know of any complete list of U.S. brokers?
- How do you track coal trader or broker sales in your data system?
 - o What term would you use to describe a non-consuming coal trader?
 - o Is there another term you use for coal broker or coal trader?
- Are you able to determine if the sales are domestic sales or international sales?
- Where would you include your broker sales for this question?
- Do you have another name for sales made through a broker?
- How easy or difficult would it be to report broker sales in a separate category?
 - o How easy or difficult would it be to separate broker sales into domestic and export sales?
- How easy or difficult would it be to report your broker contact information to EIA?
 - o *If needed*, this would be for frame maintenance only and would not be released to the public.
- When reporting short tons in the sales section of the form, are you reporting raw coal or clean coal?
- If EIA asked for your export custom district, how easy or difficult would it be to provide that information to us?
 - o Would you be able to provide the percent breakout of coal going to various export ports?
 - How easy or difficult would it be for you to provide that information?
 - o What if we asked for your export port, how easy or difficult would it be for you to provide that information to EIA?
 - o How easy or difficult would it be for you to provide the country of destination to EIA?
 - Is that something that is currently tracked in your records?

Now let's look at the revenue portion for **Question 7**.

- How do you currently track revenue in your system?
- How do you calculate your revenue for **Question 7** on the EIA-7A?
- Do you sell both metallurgical coal and non-metallurgical coal?
 - o If needed, How do you currently distinguish between met coal and non-met coal sales in your system?
 - o If needed, How easy or difficult would it be for you to report metallurgical coal and non-metallurgical coal sales separately as asked in the question?
 - o If needed, Is there any way we can make this clearer?
- Now looking at Question 7, overall, can you please explain to me in your own words what you would include in each of the sections?
- Are there any sales that you would include in multiple sections?
- How helpful or not helpful do you find the text included in Question 7?

Wrap Up

- Overall, what do you think of this survey?
- Is there any information not being asked on this form that you would find useful?
- Do you have any suggestions to improve this survey?

Thank you for your time today.