



Robert G. Jones
Senior Vice President
Law & General Counsel
Bjones@archcoal.com

December 19, 2012

Office of Chief Counsel
Division of Corporation Finance
Securities and Exchange Commission
100 F Street, N.E.
Washington, D.C. 20549

Re: Securities Exchange Act of 1934 – Section 14(a), Rule 14a-8; Omission of
Shareholder Proposal

Ladies and Gentlemen:

I am writing on behalf of Arch Coal, Inc. (“Arch”) to inform you, pursuant to Rule 14a-8(j) under the Securities Exchange Act of 1934, as amended (the “Exchange Act”), that Arch intends to omit from its proxy solicitation materials for its 2013 annual meeting of stockholders a stockholder proposal (the “Proposal”) submitted by the Comptroller of the State of New York, The Honorable Thomas P. DiNapoli, as the sole Trustee of the New York State Common Retirement Fund and the administrative head of the New York State and Local Employees’ Retirement System and the New York State Police and Fire Retirement System (the “Proponent”). In accordance with Rule 14a-8(j), Arch hereby respectfully requests that the staff (the “Staff”) of the Division of Corporation Finance of the Securities and Exchange Commission (the “Commission”) confirm that it will not recommend enforcement action against Arch if the Proposal is omitted from Arch’s proxy solicitation materials for its 2013 annual meeting of shareholders in reliance on Rules 14a-8(f) and 14a-8(i)(5). Copies of the Proposal and accompanying materials are attached as Exhibit A.

Arch expects to file its proxy solicitation materials for its 2013 annual meeting of shareholders on or about March 12, 2013. Accordingly, as contemplated by Rule 14a-8(j), this letter is being filed with the Commission no later than eighty (80) calendar days before the date upon which Arch expects to file the definitive 2013 proxy solicitation materials.

Pursuant to Staff Legal Bulletin No. 14D (“SLB 14D”), I am submitting this request for no-action relief to the Commission under Rule 14a-8 by use of the Commission’s email address, shareholderproposals@sec.gov, and have included my name and telephone number both in this letter and the cover email accompanying this letter. In accordance with the Staff’s instruction in Section E of SLB 14D, I am simultaneously forwarding by email or facsimile a copy of this letter to the Proponent. The Proponent is requested to copy the undersigned on any response it may choose to make to the Staff.

Arch Coal, Inc.
One CityPlace Drive, Suite 300
St. Louis, Missouri 63141

direct: 314.994.2716
fax: 314.994.2734

archcoal.com

THE PROPOSAL

The Proposal requests that, prior to the next annual board meeting, Arch shall report to its shareholders (i) the conditions resulting from Arch's mountaintop removal operations that could lead to environmental and public health harms and (ii) feasible, effective measures to mitigate the harms associated with mountaintop removal mining.

DISCUSSION

As discussed more fully below, Arch believes that it may properly omit the Proposal from its proxy solicitation materials for its 2013 annual meeting of shareholders pursuant to Rules 14a-8(f) and 14a-8(i)(5), both because (i) the Proponent failed to provide the information necessary to determine its eligibility to submit a stockholder proposal in accordance with Rule 14a-8(b) and (ii) the Proposal relates to operations which (a) account for less than 5% of Arch's total assets at the end of its most recent fiscal year and for less than 5% of both Arch's net earnings and gross sales for its most recent fiscal year and (b) are not otherwise significantly related to Arch's business.

A. The Proponent failed to provide the information necessary to determine its eligibility to submit a stockholder proposal in accordance with Rule 14a-8(b).

Arch may exclude the Proposal under rule 14a-8(f)(1) because the Proponent failed to provide any information regarding its eligibility with regard to the Proposal in accordance with Rule 14a-8(b). Rule 14a-8(b) provides, in part, that "[i]n order to be eligible to submit a proposal, [a stockholder] must have continuously held at least \$2,000 in market value, or 1%, of the Company's securities entitled to be voted on the proposal at the meeting for at least one year by the date [the stockholder] submit[s] the proposal." The Staff has stated in *Staff Legal Bulletin No. 14* (July 13, 2001) that when a stockholder is not the registered holder of the company's securities, the stockholder "is responsible for proving his or her eligibility to submit a proposal to the company," which the stockholder may do by one of the two ways provided in Rule 14a-8(b)(2). Further, the Staff clarified in *Staff Legal Bulletin No. 14F* that the proof of ownership must come from the "record" holder of the stockholder's shares, and that with respect to securities that are held in "street name" and deposited with The Depository Trust Company ("DTC") only brokers or banks that are DTC participants will be viewed as "record" holders of the securities for the purposes of Rule 14a-8(b)(2)(i).

Rule 14a-8(e) provides that, for a regularly scheduled annual meeting held within 30 days of the date of the previous year's annual meeting, the deadline for submitting stockholder proposals is not less than 120 days before the first anniversary of the date of the applicable company's proxy statement released to stockholders in connection with the previous year's annual meeting. In accordance with Rule 14a-8(e), Arch set the deadline as November 16, 2012, 120 days before the first anniversary of the date of its proxy statement released to stockholders in connection with its previous annual meeting. To inform its stockholders of this deadline, Arch's

proxy statement dated March 16, 2012 stated the following under the heading “Stockholder Proposals for the 2013 Annual Meeting”:

“If you wish to submit proposals for possible inclusion in our 2013 proxy materials, we must receive them at our principal executive offices no later than the close of business on November 16, 2012. Proposals should be addressed to Robert G. Jones, Senior Vice President-Law, General Counsel and Secretary, Arch Coal, Inc., One CityPlace Drive, Suite 300, St. Louis, Missouri 63141.”

Arch held its 2012 annual meeting of stockholders on April 26, 2012 and expects to hold its 2013 annual meeting of stockholders on April 25, 2013. Because Arch intends to hold its 2013 annual meeting of stockholders within 30 days of the date of its 2012 annual meeting of stockholders, the November 16, 2012 deadline for submission of stockholder proposals for inclusion in Arch’s proxy materials for the 2013 annual meeting of stockholders was properly set in accordance with Rule 14a-8(e)(2).

The Proposal was set forth in a letter to Arch from the Proponent reflecting a date of November 13, 2012 (the “Proposal Letter”). The Proponent transmitted the Proposal Letter to Arch via facsimile in the afternoon of November 14, 2012, as evidenced by the facsimile transmission information at the top of each page of the Proposal Letter. The Proponent stated in the Proposal Letter that a letter from J.P. Morgan Chase, the Proponent’s custodial bank, verifying the Proponent’s ownership of Arch’s common stock would follow. No such letter or other confirmation of the Proponent’s requisite ownership of Arch’s common stock in accordance with Rule 14a-8(b) was received by Arch prior to the deadline for submission of stockholder proposals at the close of business on November 16, 2012. Further, no such proof of the Proponent’s requisite ownership of Arch’s common stock in accordance with Rule 14a-8(b) has been received by Arch as of the date of this letter. Arch has confirmed that, according to the records of Arch’s stock transfer agent, the Proponent does not appear as a registered stockholder of Arch.

Rule 14a-8(f)(1) provides that a company may exclude a stockholder proposal if the proponent fails to provide evidence of eligibility under Rule 14a-8, including the proof of beneficial ownership requirements specified in Rule 14a-8(b), provided that the company notifies the proponent of the deficiency in the proponent’s submission within 14 calendar days of the company’s receipt of the proposal (unless the deficiency cannot be remedied, such as if the proponent fails to submit a proposal by the company’s properly determined deadline) and the proponent fails to correct the deficiency in accordance with Rule 14a-8(f)(1). Because the Proposal Letter was received by the Company only two days prior to the deadline for submitting stockholder proposals for inclusion in Arch’s 2013 proxy materials, with the Proposal Letter containing an affirmative statement that the evidence of eligibility was forthcoming, such deadline passed before the deadline for Arch to submit any notice of the deficiency to the Proponent. Accordingly, Arch was not required to provide any notice of the deficiency to the

Proponent under Rule 14a-8(f)(1) because it became impossible for the Proponent to remedy the deficiency just two days after the Proponent transmitted the Proposal Letter to Arch.

The Staff has consistently concurred that a stockholder proposal may be excluded from a company's proxy materials when the proponent failed to provide satisfactory evidence of eligibility to submit the stockholder proposal in accordance with Rule 14a-8(b). For example, in *Visa Inc.* (October 24, 2012), the Staff concurred with the exclusion of a stockholder proposal under Rule 14a-8(f) where the proponents failed to supply documentary support sufficiently evidencing that they satisfied the minimum ownership requirement for the one-year period required by Rule 14a-8(b). *See also, Yahoo! Inc.* (March 24, 2011); *Cisco Systems, Inc.* (July 11, 2011); *I.D. Systems, Inc.* (March 31, 2011); *Amazon.com, Inc.* (March 29, 2011); *Time Warner Inc.* (February 19, 2009); and *General Motors Corp.* (February 19, 2008).

With regard to the Proposal, the Proponent, which is not a registered stockholder of Arch, failed to provide any documentary evidence of ownership of Arch's securities in accordance with Rule 14a-8(b). As a result, the Proponent has not demonstrated its eligibility to submit a stockholder proposal in accordance with Rule 14a-8. Accordingly, we ask that the Staff concur that the Company may exclude the Proposal from its 2013 proxy materials pursuant to Rule 14a-8(b) and therefore that it will not recommend any enforcement action to the Commission if Arch excludes the Proposal for the reasons stated above.

B. The Proposal relates to operations which are not significantly related to Arch's business.

Rule 14a-8(i)(5) permits the exclusion of a stockholder proposal relating to operations which (i) account for less than 5% of a company's total assets at the end of its most recent fiscal year and less than 5% of both the company's net earnings and gross sales for its most recent fiscal year and (ii) are not otherwise significantly related to the company's business.

The Proposal requests that Arch report to its stockholders regarding its mountaintop removal mining operations. Under the Surface Mining Control and Reclamation Act of 1977, as amended, and the regulations promulgated thereunder, "mountaintop removal mining" is defined as the following:

"Mountaintop removal mining means surface mining activities, where the mining operation removes an entire coal seam or seams running through the upper fraction of a mountain, ridge, or hill, except as provided for in 30 CFR 824.11(a)(6), by removing substantially all of the overburden off the bench and creating a level plateau or a gently rolling contour, with no highwalls remaining,

and capable of supporting postmining land uses in accordance with the requirements of this section.”¹

As of December 31, 2011, Arch had 23 active mining complexes.² None of the mining operations run by these mining complexes employed mountaintop removal mining operations. As a result, mountaintop removal mining operations did not account for any of Arch’s total assets as of December 31, 2011 or any of Arch’s net earnings or gross sales for the fiscal year ended December 31, 2011.³ Furthermore, mountaintop removal mining operations are not expected to account for any of Arch’s total assets as of December 31, 2012 or any of Arch’s net earnings or gross sales for the fiscal year ending December 31, 2012.⁴ As such, the Proposal is not related to Arch’s business.

The Staff historically has permitted companies to exclude stockholder proposals, such as the Proposal, which are unrelated to the companies’ respective businesses. For example, in *Arch Coal, Inc.* (January 19, 2007), a stockholder submitted a proposal requesting a report on how Arch was responding to rising regulatory, competitive, public pressure to reduce carbon dioxide and other emissions from its current and proposed power plant operations. Arch indicated to the Staff that it did not have any power plant operations and that it had no plans to pursue power plant operations in the future. Arch also explained that because its primary business was to mine, process and market low sulfur coal through its active mining operations, the proposal did not relate to any of its assets, net earnings or gross sales and was, therefore, irrelevant to its operations under Rule 14a-8(i)(5). Accordingly, the Staff stated that it would not recommend enforcement if Arch excluded the proposal. Similarly, in *The Proctor & Gamble Co.* (August 11, 2003), two shareholders submitted a proposal requesting that The Proctor & Gamble Company (“P&G”) adopt a new policy forbidding human embryonic stem cell research. P&G sought to exclude the proposal pursuant to Rule 14a-8(i)(5). P&G indicated that it did not conduct human embryonic stem cell research and that it had no plans to conduct such research in the future. On that basis, the Staff stated that it would not recommend enforcement if P&G excluded the proposal.

The Staff also has historically adhered to the proposition that proposals that are ethically significant in the abstract but have no meaningful relationship to the company’s business may be

¹ 30 CFR 785.14(b)

² See attached Exhibit B, the list of Arch’s mining complexes from Arch’s Annual Report on Form 10-K for the period ended December 31, 2011.

³ See also attached Exhibit C, page 31 from Arch’s proxy statement dated March 16, 2012, where Arch also indicated to its stockholders that none of its mining operations employed mountaintop removal mining.

⁴ See attached Exhibit D, which lists Arch’s active mining complexes as of the date hereof, together with a strike-through of each mine listed on Exhibit B that has been closed since December 31, 2011. The only new mining operation not listed on Exhibit B is one underground mine at the Tygart Valley mining complex.

excluded. *See e.g., Hewlett-Packard Company* (January 7, 2003) (Israeli operations and land owned in Israel were not otherwise significantly related to the company's business despite revenues related to Israeli operations accounting for nearly 3.5% of the company's total net revenues for the previous fiscal year); and *Merck & Co. Inc.* (January 4, 2006) (the company's practice of obtaining and distributing gifts obtained from the Peoples Republic of China to participants in its Partnership for Giving Campaign was not otherwise significantly related to the company's business). In the case of the Proposal, while concerns regarding any environmental and public health harms that might be associated with mountaintop removal operations may be ethically significant to certain parties, that type of operations is wholly unrelated, and has no meaningful relationship, to Arch's business as currently conducted or as Arch expects it to be conducted in the future.

For these reasons, we ask that the Staff concur that the Company may exclude the Proposal from its 2013 proxy materials pursuant to Rule 14a-8(i)(5) and therefore that it will not recommend any enforcement action to the Commission if Arch excludes the Proposal for the reasons stated above.

STAFF'S USE OF FACSIMILE NUMBERS FOR RESPONSE

Pursuant to Staff Legal Bulletin No. 14C, in order to facilitate transmission of the Staff's response to our request during the highest volume period of the shareholder proposal season, our facsimile number is (314) 944-2734, and the Proponent's facsimile number is (212) 681-4468.

CONCLUSION

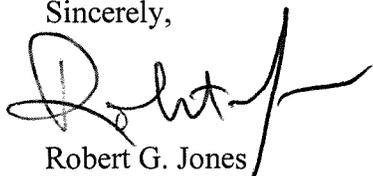
Based upon the foregoing analysis, Arch believes that the Proposal may properly be omitted from its proxy solicitation materials for its 2013 annual meeting of shareholders under Rule 14a-8(b) because the Proponent failed to provide the information necessary to determine its eligibility to submit a stockholder proposal in accordance with Rule 14a-8(b) and under Rule 14a-8(i)(5) because the Proposal relates to operations which are not significantly related to Arch's business.

Arch respectfully requests that the Staff concur that it will not recommend enforcement action against Arch if Arch omits the Proposal from its proxy solicitation materials for its 2013 annual meeting of shareholders. If the Staff does not concur with the positions of Arch discussed above, we would appreciate the opportunity to confer with the Staff concerning these matters prior to the issuance of its Rule 14a-8 response.

Office of Chief Counsel
Division of Corporation Finance
December 19, 2012
Page 7

If you have any questions or require any additional information, please do not hesitate to contact me at (314) 944-2716.

Sincerely,

A handwritten signature in black ink, appearing to read "R. Jones", with a long horizontal flourish extending to the right.

Robert G. Jones
Senior Vice President – Law, General Counsel and Secretary

Enclosures

cc: Patrick Doherty
State of New York, Office of the State Comptroller

EXHIBIT A

AVCL

State of New York
OFFICE OF THE STATE COMPTROLLER

Patrick Doherty
Director - Corporate Governance
633 Third Avenue - 31st Floor
New York, NY 10017

Tel- (212) 681-4823
Fax- (212) 681-4468

To: Robert Tomer

Phone Number:

Fax Number: 314-994-2734

Date: 11/13/12

Pages to follow: 4

Message: _____

THOMAS P. DINAPOLI
STATE COMPTROLLER



STATE OF NEW YORK
OFFICE OF THE STATE COMPTROLLER

PENSION INVESTMENTS
& CASH MANAGEMENT
633 Third Avenue-31st Floor
New York, NY 10017
Tel: (212) 681-4489
Fax: (212) 681-4468

November 13, 2012

Mr. Robert G. Jones
Senior Vice President- Law,
General Counsel, and Secretary
Arch Coal, Inc.
One City Place Drive, Suite 300
St. Louis, MO 63141

Dear Mr. Jones:

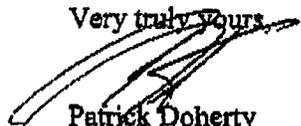
The Comptroller of the State of New York, The Honorable Thomas P. DiNapoli, is the sole Trustee of the New York State Common Retirement Fund (the "Fund") and the administrative head of the New York State and Local Employees' Retirement System and the New York State Police and Fire Retirement System. The Comptroller has authorized me to inform Arch Coal, Inc. of his intention to offer the enclosed shareholder proposal on behalf of the Fund for consideration of stockholders at the next annual meeting.

I submit the enclosed proposal to you in accordance with rule 14a-8 of the Securities Exchange Act of 1934 and ask that it be included in your proxy statement.

A letter from J.P. Morgan Chase, the Fund's custodial bank, verifying the Fund's ownership, continually for over a year, of Arch Coal, Inc. shares, will follow. The Fund intends to continue to hold at least \$2,000 worth of these securities through the date of the annual meeting.

We would be happy to discuss this initiative with you. Should the board decide to endorse its provisions as company policy, we will ask that the proposal be withdrawn from consideration at the annual meeting. Please feel free to contact me at (212) 681-4823 should you have any further questions on this matter.

Very truly yours,


Patrick Doherty
pd:jm
Enclosures

Whereas, Arch Coal, Inc. , is primarily engaged in the production of coal and operates mines employing mountaintop removal mining, and

A growing body of peer-reviewed scientific studies documents increases in disease among residents living in proximity to mountaintop removal mining. Peer-reviewed research also documents significant adverse impacts on the environment resulting from this mining technique.

Residents of regions where mountaintop removal mining is practiced have significantly higher mortality rates from cardiovascular disease compared to non-mining areas (Esch, Lara and Micheal Hendryx The Journal of Rural Health 27 (2011) 350-357). This effect increased in relation to increased levels of mountaintop removal mining.

A study of live births in counties affected by mountaintop removal mining found, after controlling for other risk factors, increased incidence of birth defects compared with non-mining areas or areas impacted by other forms of mining (Ahern, Melissa M., et al. Environmental Research (2011) doi:10.1016/j.envres.2011.05.019).

Residents of counties where mountaintop removal is practiced experience significantly more days of physical and mental illness, as well as more days of activity limitation and poorer self-rated health, when compared to other counties (Zullig, Keith J. and Micheal Hendryx. American Journal of Public Health Vol. 101 No. 5 (2011) 848-853).

A 2010 study found: declines in biodiversity in watersheds affected by mountaintop removal mining; unhealthy concentrations of pollutants in impacted waters; mine-derived toxic substances in affected domestic water supplies; and that efforts to restore impacted streams were not effective (Palmer, M.A., et al. "Mountaintop Mining Consequences" Science, Vol. 237, January 2010). The study concludes that current regulations are ineffective, and calls for a moratorium on permit issuance until new effective regulations

The harm documented in this research is a source of potential liability for the company. The scientific documentation of environmental and public health damage associated with mountaintop removal mining has drawn increased regulatory attention. On January 13, 2011 the U.S Environmental Protection Agency (EPA) denied five valley fills at the Mingo Logan Spruce 1 mine, restricting mining operations at this site. In addition, the EPA issued strengthened guidance addressing mountaintop removal on July 21, 2011.

Resolved, that Shareholders request that prior to the next annual board meeting, Arch Coal shall report to shareowners: (1) the conditions resulting from the company's mountaintop removal operations that could lead to environmental and public health harms and (2) feasible, effective measures to mitigate the harms associated with mountaintop removal mining. The report should be done at reasonable cost and omit proprietary information.

Supporting Statement: We find the body of literature documenting the environmental and public health damage caused by mountaintop removal mining to be persuasive.

Continuation of this practice, without substantial changes to mitigate associated harms, poses unacceptable reputational, regulatory and liability risks to the company. In the requested review, the company should consider the effects of: changes to hydrology; toxic substances released to the air and water; leachate emanating from mine spoils; and physical hazards such as slides, flyrock and traffic accidents.

EXHIBIT B

The following table provides a summary of information regarding our active mining complexes at December 31, 2011, the total sales associated with these complexes for the years ended December 31, 2009, 2010 and 2011, the total reserves associated with these complexes at December 31, 2011 and the Company's total unassigned reserves as of December 31, 2011. As indicated by the footnotes included in the table below, certain of the mining complexes listed below were acquired by us on June 15, 2011 as a result of our acquisition of International Coal Group, Inc. The amount disclosed below for the total cost of property, plant and equipment of each mining complex does not include the costs of the coal reserves that we have assigned to an individual complex. The information included in the following table describes in more detail our mining operations, the coal mining methods used, certain characteristics of our coal and the method by which we transport coal from our mining operations to our customers or other third parties.

Mining Complex	Captive Mines ⁽¹⁾	Contract Mines ⁽¹⁾	Mining Equipment	Railroad	Tons Sold ⁽²⁾			Total Cost of Property, Plant and Equipment at December 31, 2011 (\$ in millions)	Assigned Reserves (Million tons)
					2009	2010	2011		
					(Million tons)				
Powder River Basin:									
Black Thunder	S	—	D, S	UP/BN	81.2	116.2	104.9	\$1,147.4	1,298.0
Coal Creek	S	—	D, S	UP/BN	9.8	11.4	10.0	155.5	176.2
Western Bituminous:									
Arch of Wyoming	S	—	L	UP	0.1	0.1	0.1	22.7	—
Dugout Canyon	U	—	LW, CM	UP	3.2	2.3	2.2	140.5	15.0
Skyline	U	—	LW, CM	UP	2.8	2.9	2.9	189.3	15.2
Sufco	U	—	LW, CM	UP	6.6	6.1	6.1	232.1	48.6
West Elk	U	—	LW, CM	UP	4.0	4.8	5.7	480.0	88.3
Appalachia:									
Coal-Mac	S	U	L, E	NS/CSX	2.9	3.2	3.3	188.1	28.3
Cumberland River			L, CM,						
Lone Mountain	S, U(2)	U(3)	HW	NS	1.6	1.5	2.2	181.3	28.5
Mountain Laurel	U(4)	—	CM	NS/CSX	2.2	2.1	2.4	249.6	34.4
			L, LW,						
	U	S(2)	CM	CSX	4.4	5.1	4.0	489.4	78.0
Eastern*	S, U	—	L, E, CM	CSX	N/A	N/A	0.8	61.6	8.4
Hazard/Flint Ridge*	S(4), U	—	L, S, CM	CSX	N/A	N/A	2.2	132.0	65.2
Knott County/Raven*	U(5)	—	CM	CSX	N/A	N/A	0.7	110.4	30.2
East Kentucky*	S	—	L	NS	N/A	N/A	0.3	25.5	1.2
Beckley*	U	—	CM	CSX	N/A	N/A	0.6	85.6	27.5
Vindex*	S(4), U	—	L, S	CSX	N/A	N/A	0.6	76.4	18.0
Patriot*	S	—	L	NS/CSX	N/A	N/A	0.3	29.2	4.1
Imperial*	U	—	CM	CSX	N/A	N/A	0.3	23.6	26.3
Sycamore No. 2*	—	U	CM	CSX	N/A	N/A	0.2	9.9	9.3
Sentinel*	U	—	CM	CSX	N/A	N/A	0.6	48.8	14.2
Tygart Valley*	—	—	CM, LW	CSX	—	—	—	77.5	166.0
Illinois:									
Viper*	U	—	CM	—	N/A	N/A	1.1	66.7	30.0
Totals					118.8	155.7	151.5	\$4,223.1	2,210.9 ⁽³⁾

S = Surface mine D = Dragline UP = Union Pacific Railroad
U = Underground mine L = Loader/truck CSX = CSX Transportation
S = Shovel/truck E = Excavator/truck BN = Burlington Northern-Santa Fe Railway
NS = Norfolk Southern Railroad
LW = Longwall
CM = Continuous miner
HW = Highwall miner

* Mining complex acquired on June 15, 2011 in connection with our acquisition of International Coal Group, Inc. The above table only shows tons sold from these mining complexes after June 14, 2011, and does not include tons sold by the prior owner in 2009, 2010 or 2011.

(1) Amounts in parentheses indicate the number of captive and contract mines at the mining complex at December 31, 2011. Captive mines are mines that we own and operate on land owned or leased by us. Contract mines are mines that other operators mine for us under contracts on land owned or leased by us.

EXHIBIT C

Table of Contents

In its 2009-2010 *Corporate Social Responsibility Report*, Arch Coal used Global Reporting Initiative (GRI) guidelines to report its environmental impacts. However, the information Arch presented was partial and not verified by GRI.

Resolved: Shareholders request a report, prepared at reasonable cost within six months after the 2012 annual meeting, omitting confidential information, on the company's efforts to reduce environmental and health hazards associated with its Appalachian mining operations, and how those efforts may reduce legal, reputational and other risks to the company's finances. The report should include complete, detailed information for these GRI performance indicators:

- Total water withdrawal by source.
- Water sources significantly affected by withdrawal of water.
- Percentage and total volume of water recycled and reused.
- Total water discharge by quality and destination.
- Total weight of waste by type and disposal method.
- Identity, size, protected status, and biodiversity value of water bodies and related habitats significantly affected by the reporting organization's discharges of water and runoff.

ARCH'S STATEMENT IN OPPOSITION TO PROXY ITEM NO. 4

While Arch recognizes the importance of environmental issues such as the ones raised in the proposal and the public interest in environmental matters associated with coal companies in general, the Board believes that it would be inappropriate for Arch to engage in the requested study at this time for a variety of reasons, including those set forth below.

Preparing the Requested Report Would Be Overly Burdensome and an Inefficient Use of Company Resources

The stockholder proposal requests a report on the Company's efforts to reduce environmental and health hazards associated with its Appalachian mining operations, specifically addressing certain GRI performance indicators related to water usage and water and waste disposal. The primary reason the proponents are requesting additional reporting is certain surface mining activity in the Appalachian region. Particularly, the proponents cite the recent veto by the Environmental Protection Agency ("EPA") of the Clean Water Act Section 404 permit for our 2,300-acre Spruce No. 1 Mine in West Virginia, as well as make statements regarding communities located around mountaintop removal mines.

We believe that the requested additional reporting would be overly burdensome and would represent an inefficient use of the Company's resources. Out of 46 mines in Arch's 23 active mining complexes, only 13 mines, located in seven of the mining complexes, are Appalachian surface mining operations, and none of them are mountaintop mining operations as that term is defined in the Surface Mining Control and Reclamation Act ("SMCRA") and regulations promulgated pursuant to SMCRA.

EXHIBIT D

<u>Mining Complex</u>	<u>Captive Mines ⁽¹⁾</u>	<u>Contract Mines ⁽¹⁾</u>
Powder River Basin:		
Black Thunder	S	—
Coal Creek	S	—
Western Bituminous:		
Arch of Wyoming	S	—
Dugout Canyon	U	—
Skyline	U	—
Sufco	U	—
West Elk	U	—
Appalachia:		
Coal-Mac	S	U
Cumberland River	S, U(2)	U(3)
Lone Mountain	U(4)	—
Mountain Laurel	U	S(2)
Eastern	- S, U	—
Hazard/Flint Ridge	S(4), U	—
Knott County/Raven	- U(5)	—
East Kentucky	- S	—
Beckley	U	—
	S(4)(3)	
Vindex	U	—
Patriot	- S	—
Imperial	- U	—
Sycamore No. 2	—	U
Sentinel	U	—
Tygart Valley	U	—
Illinois:		
Viper*	U	—