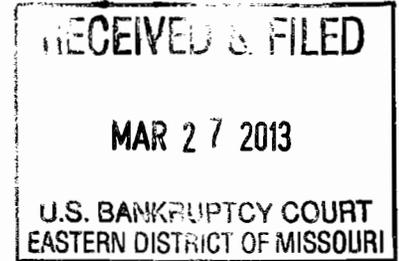


**Johnny R. Smith**  
**5140 U S Hwy. 60 W**  
**Morganfield, KY 42437**  
**(Cell) 270.952.4111**



March 22, 2013

Honorable Kathy A. Surratt-States  
Thomas F. Eagleton U.S. Courthouse  
111 South Tenth Street, Fourth Floor  
St Louis, MO 63102

Re: Case No. 12-51502

Dear Honorable Judge Surratt-States:

Thank you for giving me this opportunity to write you and tell you a little about the company I have worked for since 1974 when I was nineteen years old. I am a fifth generation coal miner and grew up in Eastern Kentucky.

When I was first employed with Peabody Coal Company, our health care was managed by the United Mine Workers of America with Peabody paying the union for our health benefits and we had 100% coverage. While UMWA managed our healthcare, they built hospitals and clinics throughout the Appalachian region. In the mid 70's, Peabody took over management of our healthcare through collective bargaining and they promised they would provide health coverage for the employees and retirees. After Peabody took over the healthcare, no more clinics or hospitals were built and we now have a co-pay for doctor visits and for our prescriptions.

In the 70's, I worked in an underground mine. In the 80's, I worked at a strip mine and coal preparation plant which cleaned and shipped the coal. For most of my mining career, the coal Peabody produced was sold to TVA. There were three underground mines and two preparation plants at our Peabody complex. It was owned by TVA and Peabody was operating and managing it for \$50 a ton plus costs. At the time, coal's market price was \$18 a ton. TVA audited the company and there were discrepancies in all departments. For example, there were people on the payroll that was not working for the company, barges of coal went missing going to the power plants. So TVA closed down the complex due to all the discrepancies. Afterward, Peabody agreed to mine the coal for \$18 a ton. The union and Peabody worked together to reopen the complex with the ownership going to Peabody.

In 1993, we went on strike for seven months as Peabody wanted to do away with our healthcare and benefits. In the early 2000's, Peabody was shutting down union mines

and opening up nonunion mines to mine the same coal reserves. In late 2006, Peabody moved all of its union mines over to Patriot Coal. They are continuously filling coal contracts with their nonunion subsidiary companies. Peabody, today, owns billions in coal reserves.

I've been employed with Peabody for 40 years and I've seen them manipulate the market, their employees and now they are trying to manipulate the court system. My step-father and brother are both retired from Peabody with disabilities. I will be retiring within the next 18 months and because of Peabody's duplicity and desire to shirk its responsibilities, my family and I may not have health coverage in our years of retirement. If Peabody Coal is allowed to walk away from its responsibilities to its employees and retirees by forming a new company and transferring and overburdening this new company with its past debts, I fear this will set a precedent. How can a company be allowed to declare bankruptcy when its parent company has the resources to pay its debts? What will prevent other companies that are trying to get out from under labor unions, contractual obligations, and debts from doing the same thing Peabody is trying to do?

Thank you for taking the time to read this account of my history with Peabody Coal Company, and please, for my sake, my family's sake, all Peabody retiree's sake, and for the sake of all American workers, do not allow this atrocity to happen.

Respectfully,

A handwritten signature in black ink that reads "Johnny R. Smith - president Local 2470". The signature is written in a cursive, flowing style.

Johnny R. Smith

Johnny R. Smith  
5140 US Hwy 60 W  
Morganfield, KY 42437

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CLERK, US BANKRUPTCY COURT  
EASTERN DISTRICT  
ST. LOUIS, MISSOURI - MR

Honorable Kathy A. Surratt-States  
Thomas F. Eagleton U.S. Courthouse  
111 South Tenth Street, Fourth Floor  
St Louis, MO 63102

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