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Climate Solutions • Grand Canyon Trust • Clean Energy Action  
Montana Environmental Information Center • Western Environmental Law Center**

November 23, 2015

Sally Jewell  
Secretary  
U.S. Department of the Interior  
1849 C St. NW  
Washington, D.C. 20240

**Re: Reject Coal Mine Expansions**

Dear Secretary Jewell:

As the United States readies to engage the world in Paris at the end of this month, it is clear that now is the time for bold action to curb greenhouse gas emissions and protect our future. In rejecting the Keystone XL pipeline proposal, President Obama recently affirmed that “America is now a global leader when it comes to taking serious action to fight climate change,” and that the biggest risk we face on climate is simply not acting.<sup>1</sup> The Department of Interior now has a tremendous opportunity to lead on climate. To this end, we are writing to urge you to use your authority to deny several proposals for coal mining on public lands currently under your review.

Publicly owned coal managed by the Interior Department accounts for 40% of all coal produced in the U.S. When burned in power plants, this coal is linked to more than 11% of all U.S. greenhouse gas emissions.<sup>2</sup> As explained in detail below, the Interior Department holds tremendous authority to influence national coal production and affect our country’s greenhouse gas footprint. We urge you to use this authority to curtail coal production and the inevitable combustion, further limit greenhouse gas emissions, and bolster the United States’ leadership in safeguarding the climate. We urge you to start by rejecting five pending mining plan proposals that are before Interior.

The plans under review would authorize the expansion of five mines in the American West, allowing companies to extract new publicly owned coal reserves that have yet to be disturbed or developed. In total, the plans would open the door for nearly 350 million tons of new coal mining, which when burned, would unleash more than 650 million metric tons of carbon dioxide. This is as much carbon as is released annually by more than 136 million cars,<sup>3</sup>

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<sup>1</sup> President Barack Obama, Statement by the President on the Keystone XL Pipeline (Nov. 6, 2015), available online at <https://www.whitehouse.gov/the-press-office/2015/11/06/statement-president-keystone-xl-pipeline>.

<sup>2</sup> Stratus Consulting, “Greenhouse Gas Emissions from Fossil Energy Extracted From Federal Lands and Waters: an Update,” Final Report Prepared for The Wilderness Society (Dec. 23, 2014), available online at <http://wilderness.org/sites/default/files/Stratus-Report.pdf>.

<sup>3</sup> According to the U.S. Environmental Protection Agency’s greenhouse gas equivalency calculator, available online at <http://www2.epa.gov/energy/greenhouse-gas-equivalencies-calculator>.

and that is before factoring in the methane that would be released as mining unfolds and the carbon dioxide emissions that would be released from direct mining operations and coal transport.

The climate footprint of these mining proposals alone should be reason enough to exercise restraint. However, all indications are that these mining approvals are unnecessary and worse, would promote some of the most destructive coal industry practices. The mining plan approvals include:

- Belle Ayr North: This mining plan modification would authorize Alpha Natural Resources to expand the Belle Ayr mine in Campbell County, Wyoming. According to the Office of Surface Mining Reclamation and Enforcement (“OSM”), the approval would add 1,478 acres of public lands or minerals to the mine, opening the door for 218 million tons of new coal mining and extending the life of the mine by nine years.<sup>4</sup> Alpha, which recently declared bankruptcy, does not hold the reclamation bonds required under the Surface Mining Control and Reclamation Act (“SMCRA”). Although the State of Wyoming ordered Alpha Natural Resources to post a reclamation bond of \$411 million earlier this year, the State recently let the company off the hook by agreeing to accept only a \$61 million “superiority” claim through Alpha’s bankruptcy proceeding, which not only allows the company to forego posting a bond, but pledges only 15% of the company’s total bonding liability.<sup>5</sup> Any approval by the Secretary would condone this seemingly inappropriate bonding scheme, contrary to SMCRA.
- Freedom West: This mining plan modification would authorize Couteau Properties to expand the Freedom mine in Mercer County, North Dakota. According to OSM, the approval would add 960 acres of public lands or minerals to the mine, opening the door for 25.6 million tons of new lignite coal mining and extending the life of the mine by two years. Approval of this plan would not only open the door for Couteau to mine lignite, the dirtiest form of coal, but appears unnecessary. According to OSM, even without the proposed modification, the mine has sufficient coal to operate until 2045.<sup>6</sup> Also disconcerting is that in 2014, the Bureau of Land Management (“BLM”) reduced royalty rates at the Freedom mine from 12.5% to 2.2%, both shortchanging taxpayers and incentivizing dirty energy development.<sup>7</sup> The Secretary should not subsidize such dirty and unnecessary coal mining.

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<sup>4</sup> OSM, Belle Ayr West Outreach Letter (Sept. 10, 2015), available online at

[http://www.wrcc.osmre.gov/initiatives/belleAyrMine/documents/150904\\_Public\\_Outreach\\_Letter.pdf](http://www.wrcc.osmre.gov/initiatives/belleAyrMine/documents/150904_Public_Outreach_Letter.pdf).

<sup>5</sup> Storrow, B., “Alpha Natural Resources and Wyoming regulators announce self-bonding deal in bankruptcy case,” *Casper Star Tribune* (Sept. 8, 2015), available online at [http://trib.com/business/energy/alpha-natural-resources-and-wyoming-regulators-announce-self-bonding-deal/article\\_a33a5e68-7299-5d61-9b92-d5beb198363d.html](http://trib.com/business/energy/alpha-natural-resources-and-wyoming-regulators-announce-self-bonding-deal/article_a33a5e68-7299-5d61-9b92-d5beb198363d.html).

<sup>6</sup> OSM, Freedom West Outreach Letter (Sept. 10, 2015), available online at [http://www.wrcc.osmre.gov/initiatives/freedomMine/documents/150909\\_FREEDOM\\_WEST\\_Public\\_Outreach\\_Letter.pdf](http://www.wrcc.osmre.gov/initiatives/freedomMine/documents/150909_FREEDOM_WEST_Public_Outreach_Letter.pdf).

<sup>7</sup> According to case recordation data obtained from BLM’s LR2000 database, a royalty rate of 12.5% was originally imposed in 2006 for the lease that would be mined as part of the Freedom West mining plan. This was reduced to 2.2% in 2014.

- Flat Canyon Tract: This mining plan modification would authorize Bowie Resources to expand the Skyline mine in Carbon County, Utah. According to OSM, the approval would add 2,692 acres of public lands or minerals to the mine, opening the door for 36 million tons of new coal mining and extending the life of the mine by 12 years.<sup>8</sup> Skyline has ample reserves to continue operation without this approval. In 2011, a lease modification was approved extending the life of the mine beyond 2020.<sup>9</sup> Further, all indications are that Bowie Resources likely intends to export coal from the Flat Canyon Tract overseas through the Bay Area of California. Bowie currently exports coal through California ports and is investing in a new export facility in Oakland, California.<sup>10</sup> The Secretary should not be approving the export of U.S. coal and global warming pollution.
- Spring Creek: This mining plan modification would authorize Cloud Peak Energy to expand the Spring Creek mine in Big Horn County, Montana. According to OSM, the approval would add 498 acres of public lands or minerals to the mine, opening the door for 48.1 million tons of new coal mining and extending the life of the mine by 3 years.<sup>11</sup> Spring Creek has ample reserves to continue operations without this mining plan approval. According to an analysis by the BLM, as of 2010, the Spring Creek mine had more than 17 years of coal reserves left to mine.<sup>12</sup> Further, Cloud Peak exports coal from Spring Creek through ports in the Pacific Northwest. The company is also attempting to secure new port capacity in Bellingham, Washington.<sup>13</sup> The Secretary should not condone the exporting of U.S. coal.
- Trapper: This mining plan modification would authorize Trapper Mining to expand the Trapper mine in Moffat County, Colorado. According to OSM, the approval would add 2,423 acres of public lands or minerals to the mine, opening the door for 19 million tons of new coal mining and extending the life of the mine by 9 years.<sup>14</sup> Although this review is unique in that it is being undertaken after mining has already started due to a federal court order, the Secretary should not rubberstamp this proposal. The Trapper mine is one of two mines fueling the Craig power plant in northwest Colorado. The other mine, the nearby Colowyo, provides approximately 2.3 million tons of coal to the power plant—

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<sup>8</sup> OSM, Skyline Mine Outreach Letter (Oct. 9, 2015), available online at

<http://www.wrcc.osmre.gov/initiatives/skylineMine/documents/outreachLetter.pdf>.

<sup>9</sup> BLM and Forest Service, “Environmental Assessment, Modification of Winter Quarters Federal Coal Lease (UTU-67939),” (Nov. 2011) at 10, available online at

[https://www.blm.gov/ut/enbb/files/20111123\\_Tt\\_BLM\\_FS\\_Final\\_Skyline\\_Liz\\_EA.pdf](https://www.blm.gov/ut/enbb/files/20111123_Tt_BLM_FS_Final_Skyline_Liz_EA.pdf).

<sup>10</sup> Maffly, B., “Utah coal: California here it comes—and not everyone is happy,” *Salt Lake Tribune* (April 25, 2015), available online at <http://www.sltrib.com/home/2425141-155/utah-coal-california-here-it-comes>

<sup>11</sup> OSM, Spring Creek Mine Outreach Letter (Oct. 13, 2015), available online at

[http://www.wrcc.osmre.gov/initiatives/SpringcreekMineTR1/documents/Public\\_Outreach\\_Letter.pdf](http://www.wrcc.osmre.gov/initiatives/SpringcreekMineTR1/documents/Public_Outreach_Letter.pdf).

<sup>12</sup> BLM, “Environmental Assessment for Spring Creek Coal Lease Modification MTM069782 and Amendment to Land Use Lease MTM-74913” EA No. MT-BOI-BLM-MT-020-2010-20 at 1-5 (April 2010), available online at

[http://www.blm.gov/style/medialib/blm/mt/field\\_offices/miles\\_city.Par.15531.File.tmp/springcreekEA.pdf](http://www.blm.gov/style/medialib/blm/mt/field_offices/miles_city.Par.15531.File.tmp/springcreekEA.pdf).

<sup>13</sup> Storrow, B., “Cloud peak energy, betting coal will rebound, buys port stake,” *Casper Star Tribune* (Aug. 20, 2015), available online at [http://trib.com/business/energy/cloud-peak-energy-betting-coal-will-rebound-buys-port-stake/article\\_d958b906-4a4b-5411-bbd7-c7c8c5212608.html](http://trib.com/business/energy/cloud-peak-energy-betting-coal-will-rebound-buys-port-stake/article_d958b906-4a4b-5411-bbd7-c7c8c5212608.html).

<sup>14</sup> OSM, Trapper Mine Outreach Letter (Oct. 13, 2015), available online at

<http://www.wrcc.osmre.gov/initiatives/trapperMine/documents/finalTrapperOutreachLetter.pdf>.

48% of its total consumption.<sup>15</sup> However, Colowyo is permitted to extract up to six million tons of coal annually and could therefore supply the Craig power plant if the Trapper plan is rejected. A rejection would not immediately shut down the power plant, but it will limit future coal availability and help spur a transition away from dirty energy.

In reviewing whether to approve mining plans, the Secretary must, at a minimum, take into account the environmental consequences of additional coal mining and compliance with SMCRA and other federal laws and regulations. Here, rejection of the mining proposals outlined above is squarely justified given the significant climate implications of expanded coal production. The fact that mining approvals are likely to fuel coal exports is especially disconcerting. However, other factors, including a lack of SMCRA compliance, years of existing coal reserves at these mines, and the public interest bolster the case for disapproval. Under the Mineral Leasing Act and SMCRA, the Secretary has authority to deny mining plans.<sup>16</sup> We urge you to exercise your authority to do so in these instances.

There is no denying that delaying action to reduce carbon and combat climate change stands to cost our nation dearly.<sup>17</sup> In your capacity as Secretary of the Interior, you have acknowledged this, affirming a need to ensure the federal coal management program is consistent with our nation's climate objectives. With the Clean Power Plan and the rejection of the Keystone proposal, President Obama made it abundantly clear that we must act on climate: "If we want to prevent the worst effects of climate change before it's too late, the time to act is now. Not later. Not someday. Right here, right now."<sup>18</sup> We agree. Now is the time for action. Please take the steps needed for the Obama Administration to make good on its carbon reduction commitments and leave a meaningful legacy of climate solutions. Please reject the five pending mining plan proposals that are before the Department of the Interior. Thank you.

Sincerely,

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<sup>15</sup> OSM, "Colowyo Coal Mine South Taylor/Lower Wilson Permit Expansion Area Project Federal Mining Plan Modification Environmental Assessment" (July 27, 2015) at 3-17, available online at [http://www.wrcc.osmre.gov/initiatives/colowyoMineSouthTaylor/documents/South\\_Taylor\\_EA\\_20150831\\_508\\_Co\\_mpliant.pdf](http://www.wrcc.osmre.gov/initiatives/colowyoMineSouthTaylor/documents/South_Taylor_EA_20150831_508_Co_mpliant.pdf).

<sup>16</sup> Specifically, the Secretary must "approve or disapprove the plan or require that it be modified." 30 U.S.C. § 207(c).

<sup>17</sup> Executive Office of the President, "The Cost of Delaying Action to Stem Climate Change" (July 2014), available online at [https://www.whitehouse.gov/sites/default/files/docs/the\\_cost\\_of\\_delaying\\_action\\_to\\_stem\\_climate\\_change.pdf](https://www.whitehouse.gov/sites/default/files/docs/the_cost_of_delaying_action_to_stem_climate_change.pdf).

<sup>18</sup> President Barack Obama, Statement by the President on the Keystone XL Pipeline (Nov. 6, 2015), available online at <https://www.whitehouse.gov/the-press-office/2015/11/06/statement-president-keystone-xl-pipeline>.

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