

Keep it in the Ground

A Plan to Safeguard the Climate and End Mining of Our Publicly Owned Coal

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MISSION STATEMENT

WildEarth Guardians protects and restores the wildlife, wild places, wild rivers, and health of the American West.

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Responding to mounting controversy and scandal, the U.S. Department of the Interior is moving to reform the way it manages publicly owned coal in the United States. As an initial step, the agency is holding a series of public listening sessions in Washington, D.C. and in the American West.¹ It's a welcome and refreshing acknowledgment of the need for bold change in the federal coal program.

REFORMS MUST ADDRESS CLIMATE CRISIS

Yet any reforms will be wholly inadequate unless and until the climate implications of mining and burning more publicly owned coal

are confronted openly, aggressively, and effectively by the U.S. Interior Department. As Secretary of the Interior, Sally Jewell, has remarked, there is a need to address how to manage the federal coal program in a way that is consistent with our need to reduce carbon emissions and combat climate change.²

Interior is now inviting the American public to be a part of an “honest conversation” about modernizing the federal coal program. Honesty is important. To this end, any conversation must be anchored by the truthful reality that managing federal coal consistent with our climate objectives means it will ultimately have to be kept in the ground.

KEEPING IT IN THE GROUND

The reasons for keeping coal in the ground are all too clear. The Interior Department oversees nearly a trillion tons of publicly owned coal reserves in the lower 48 United States, the vast majority in the American West.³ These reserves are the source of the majority of all the coal mined and consumed in the U.S. In fiscal year 2014 alone, more than 40% of all coal produced in the nation came from publicly owned reserves managed by Interior.⁴

Coal is mined for one reason, to be burned. And the burning of publicly owned coal produces massive amounts of carbon pollution. All told, reports indicate that 11% of all greenhouse gas emissions in the U.S. and 46% of all carbon dioxide emissions from coal combustion can be traced back to the mining of publicly owned coal.⁵ The link between the Interior Department's coal program and carbon emissions has been described as a massive “blind spot” of the Obama Administration.⁶

Combating climate change means transitioning away from fossil fuels, first and foremost coal. Study after study has found that moving beyond coal is the single most important means of limiting carbon emissions. Most

DEPARTMENT OF THE INTERIOR



“ [I]t's time for an honest and open conversation about modernizing the federal coal program.

—Sally Jewell,
Secretary of the
Department of the Interior

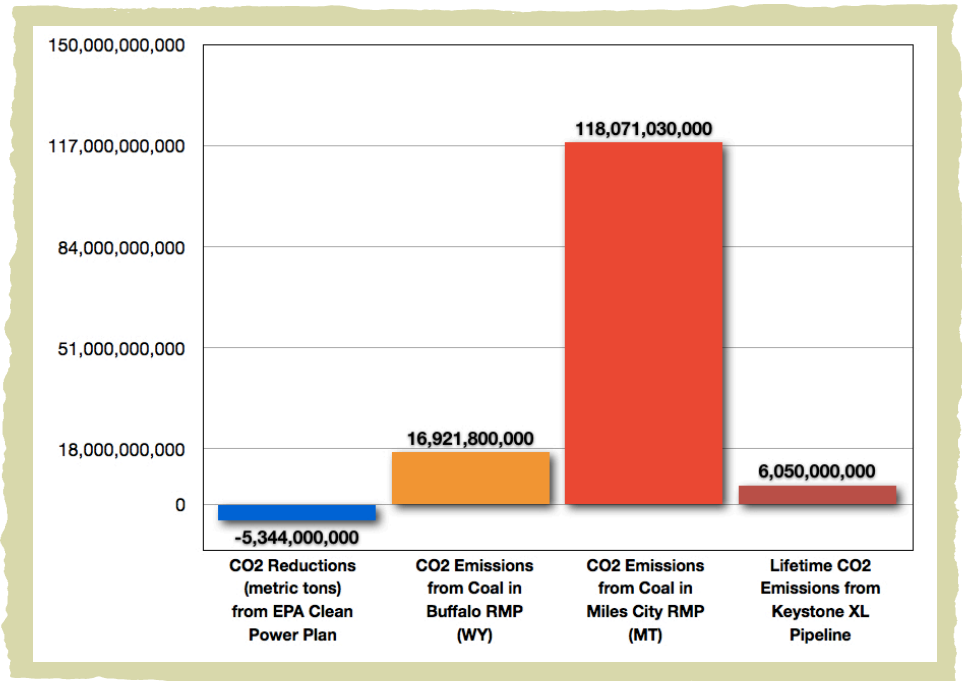
recently, scientists concluded that to meet modest climate targets, the United States must keep 95% of its recoverable coal reserves in the ground.⁷

AN URGENT NEED FOR CHANGE

In spite of this, the Interior Department continues to lease and condone the mining of more publicly owned coal. Since 2009, the agency has auctioned off more than 2.2 billion tons of coal.⁸ This includes the sale of 40 million tons just in June of this year.⁹

And in what may be one of the most significant coal decisions ever made by the Interior Department, the agency proposed in May to make more than 80 billion tons of coal available for leasing and mining just in Montana and Wyoming.¹⁰ If mined and burned, this coal stands to unleash more than 130 billion tons of carbon dioxide.¹¹

The economic and environmental consequences of more carbon emissions are undeniable. As the White House



Carbon emissions from new mining plans in Montana and Wyoming would erase gains made by the Obama Administration's Clean Power Plan and would dwarf emissions from the Keystone XL Pipeline.

has acknowledged, the devastating impacts of extreme weather, rising sea levels, and more threaten the U.S. economy with billions in losses, diminished national security, public health risks, and social unrest.¹² Sally Jewell herself has pointed to the “economic importance” of reducing carbon

pollution to protect our public lands, including our iconic National Parks.¹³

Reports confirm that federal coal production is costing the American public nearly \$80 billion annually because of carbon costs.¹⁴ These costs are based on social cost of carbon estimates prepared by numerous federal agencies, including the U.S. Environmental Protection Agency, Department of Agriculture, and Department of Energy.¹⁵ According to these estimates future carbon emissions will cost even more than present emissions, with estimates as high as \$138 per metric ton of carbon dioxide emissions by 2025. This means more production means costs will mount, likely saddling the American public with trillions of dollars of cumulative climate expenses.

Taken together, the U.S. Interior Department's federal coal



NOPPADOL PAOTHING



program can no longer continue to condone and facilitate the extraction of more coal and the production of more carbon. It's time for Sally Jewell and the Department to chart a deliberate and expeditious path toward ending the program and keeping publicly owned coal in the ground for good.

MILESTONES FOR SAFEGUARDING THE CLIMATE

To set about this path on the right foot, the Interior Department should move to adopt and implement five key milestones:

1. A moratorium on leasing publicly owned coal. Interior is currently weighing whether to lease billions of tons of new coal. In the Powder River Basin of northeastern Wyoming, the largest coal producing region in the nation, the agency is considering offering six new coal leases totaling more than two billion tons.¹⁶ No reforms will be effective if Interior continues to sell the rights to mine publicly owned coal and close the door on options to rein in coal production. In the past, the Interior Department has imposed moratoriums on leasing to address controversy and scandal around the federal coal program.¹⁷ Former Interior

Department officials have echoed the call for a moratorium, including former Bureau of Land Management Director, Jim Baca, and former Deputy Interior Secretary, David Hayes.^{18, 19}

2. Retiring existing coal leases.

Federal coal leases that have produced in the past, but have not produced coal in the past two years should be terminated by the U.S. Interior Department. The Interior Department should also reject all pending preference right coal lease applications, or applications to lease lands under permits issued prior to 1976. Leasing conveys a right to mine. It is incumbent upon Interior to ensure these rights are relinquished so as to not incentivize companies to restart mining or otherwise use leases as assets to game coal markets. The Interior Department has the authority to terminate leases where continue operation is not maintained pursuant to 43



“*Whatever is mined is going to get burned, and whatever is burned is going to go up into the atmosphere and somebody jolly well better be thinking about the impacts.*

—U.S. District Court Judge R. Brooke Jackson]

C.F.R. § 3483.2. Further, under 43 C.F.R. § 3430.5, preference right coal lease applications can only be approved where there are commercial quantities of coal.²⁰

3. Recovering carbon costs.

Interior should move within the year to adopt and implement a carbon cost recovery program. Such a program should seek to recover funds sufficient to offset the cost of carbon emissions resulting from burning publicly owned coal, as estimated using the federal government's social cost of carbon protocol.²¹ Such cost recovery has been described as imposing a "carbon adder" and has been endorsed by former Interior Department officials.²²

4. Honestly report to the American public.

Interior should move to prepare an analysis of the full amount



of present and reasonably foreseeable carbon emissions associated with the ongoing implementation of the federal coal program. Already, federal courts have reprimanded the Department for ignoring the

climate impacts of coal mining.²³ Such an analysis should be prepared pursuant to the National Environmental Policy Act and aim to shine a bright spotlight on the total carbon emissions that the Department is responsible for enabling. Such transparency is critical for building public and political awareness and support for ending the federal coal program.

5. Help communities transition.

The Interior Department can and must start to play a leading role in helping communities dependent on publicly owned coal transition to more sustainable and prosperous economies. The agency should work to ensure that existing programs, such as the POWER Initiative, are utilized to help coal communities transition.²⁴ The Department should also work to secure authorization to direct carbon cost recovery

Publicly Owned Coal Leases at a Glance

According to the U.S. Interior Department...

- The agency manages 310 leases.
- These leases total more than 470,000 acres in 10 states.
- Of these leases, 74 are not associated with mines that are currently producing.
- There are 62 new leases pending approval totaling more than 128,000 acres.
- Peabody Energy owns 39 leases, more than any other company.
- Arch Coal has more than 68,000 acres under lease, more than any other company.

monies toward coal communities to facilitate economic planning and development. Interior Department staff and expertise should also be made available to communities to aid them transition. As part of this, the agency should ensure that reclamation of mines is a top economic development priority for communities. To this end, Interior must guarantee coal company clean up bonds are sufficient for full restoration of land, water, wildlife, and clean air.²⁵

A NECESSARY PATH FORWARD

This approach to keeping it in the ground will assure that companies producing from existing federal coal leases will be able to continue mining, that jobs and communities will stay intact as a transition is made,

“ *The federal coal program is clearly no longer serving our nation’s economic or environmental interests. For the sake of the American taxpayer and the climate, it’s time for Interior to start leading.*

—Jim Baca, former Director of U.S. Interior Department’s Bureau of Land Management]

that our electricity supply will not be disrupted as the nation moves away from coal, and that carbon emissions linked to publicly owned coal will begin to be meaningfully reduced. Ultimately, this approach will ensure that all publicly owned coal is fully kept in the ground over the next 10-25 years.

Keeping coal in the ground won’t be easy, but it will be all the more difficult to accomplish if the Interior Department does not commit to meeting these

key milestones. Honest, careful, and deliberate planning are key to ensuring that the federal coal program is brought to a timely end and in a manner that both fully safeguards our climate, our energy needs, and communities.

It is time for an honest conversation about how best to keep publicly owned coal in the ground. And only by adhering to five milestones above can this conversation lead to the right path forward for our climate and our future.



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