

# Safe Energy Leadership Alliance

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February 1, 2016

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

Dear Secretary Jewell:

We are very pleased with your recent decision to place a hold on new coal leases and to launch a comprehensive review to identify and evaluate potential reforms to the federal coal program. Ensuring that American taxpayers are earning a fair return for the use of their public resources while protecting public safety and the environment is of the utmost importance to the Safe Energy Leadership Alliance (SELA). As members of SELA – a coalition of more than one hundred and sixty local, state, and tribal leaders from across the Pacific Northwest, Montana, Idaho, and Canada – we seek full assessment, disclosure, and mitigation of the economic, cultural, environmental, health, and safety risks posed by increased coal and oil transport throughout our region, and update the Department’s federal coal leasing program accordingly.

While we represent communities large and small, urban and rural, across a vast geographic area, we share a common mandate to protect the health, safety, and welfare of our residents. We have advocated for more comprehensive reviews of proposed coal and oil terminals, particularly the assessment of safety, health, economic, and environmental impacts of associated transport by rail and barge. However, transport is just one piece of the puzzle. To truly understand and address risks and costs to our communities, federal decisions about future coal leases should consider the full range of risks, costs, and impacts from extraction through end use.

Under your leadership, the Department of the Interior (DOI) has taken bold steps in an effort to address climate change, while also working to bring federal regulations into the 21<sup>st</sup> Century. We are grateful for your assistance in initiating the development of new administrative rules to replace the “Coal Production Regions and Lease by Application” program with a new model of leasing that improves transparency, accounts for the full risks and costs of coal mining proposals, and strengthens protections for public health and safety, the economy, and the environment.

This update to the current federal coal program is needed to meet the following goals:

- **Improve Transparency, Coordination, and Comprehensiveness of Environmental Review**

The DOI should strengthen its oversight process to ensure achievement of the Bureau of Land Management’s multi-use mandate. To improve transparency and coordination of environmental reviews, the DOI should: hold at least a 30-day comment period on *all*

federal mine plans coinciding with an environmental analysis under the National Environmental Policy Act; post notices in the Federal Register and on the Office of Surface Mining's website, and notify interested parties.

The DOI should make affirmative findings that the requirements of the Surface Mining Control and Reclamation Act are met in all mining plans approved by the Secretary. Additionally, the DOI should finalize its stream protection rule, including additional protections for water quality and habitat.

The scope of environmental review should assess not only the local impacts of the mining proposal, but also the risks and costs to health, safety, environment, traffic, and the economy in communities along rail and barge transport corridors associated with proposed coal extraction.

- **Ensure Fair Market Value Returned to Public**

The DOI should establish minimum bids for each coal region, as required by current regulations, taking into account geologic conditions, coal quality and supply, and demand for federal coal (including exports). The DOI "pause" on new lease sales is a great first step; new prices for proposed lease modifications should not be established until regional minimum bids are finalized. Further, the DOI should increase the royalty rate for surface-mined coal from 12.5 percent to 18.75 percent for all new leases and lease renewals.

- **Provide Greater Certainty for Reclamation**

The DOI's Inspector General should conduct an audit of the self-bonding program and its use by companies to ensure companies have adequate funds or assets to cover the full cost of reclaiming lands and waters after mining. In doing so, the DOI should also seek independent review of bond amounts by hiring a consultant familiar with mine reclamation costs. This review is especially important for bonds held by the federal government for federal lands and minerals.

It is time to transition the federal coal leasing system from a single-purpose focus on coal extraction to one that assesses and addresses the full costs and risks of coal extraction, transport, and end use on our health, economy, and environment. As members of SELA, we are bridging interests of urban and rural communities, and standing together across borders to defend the health and safety of our people in the face of ever-growing coal and crude oil transport. We ask for your continued leadership in the remaining months of this Administration to move this effort forward. Our communities and the citizens we represent deserve more.

Thank you for your efforts on this important issue thus far, and of your consideration of this these further requests. For more information or to discuss any one of our comments, please contact Rachel Smith, Government Relations Manager, at 206-263-9628.

Sincerely,



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