



July 25, 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:

Thank you for your leadership and the work of the Bureau of Land Management (BLM) to undertake the first comprehensive review of the federal coal leasing program in 30 years. We also appreciate your decision to put a hold on new coal leases while BLM conducts this review and develops recommended reforms to the federal coal program.

We are writing as elected leaders and members of the Safe Energy Leadership Alliance (SELA), a coalition of more than 160 local, state, and tribal leaders from across the Pacific Northwest, Montana, Idaho, and Canada who are jointly advocating for full assessment of the risks and costs of coal and oil export. 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 full and transparent assessment public safety, health, traffic, economic, and environmental impacts of proposed coal and oil export terminals, including 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 mining, transport, and burning as fuel.

Historically low royalty rates are effectively a public subsidy that has wide-spread negative impacts on our health, air and water quality, traffic, and economic development. As we've seen from coal export facility proposals across the Pacific Northwest, the impacts of coal extraction in places like the Powder River Basin do not stop at a county or state boundary line. Movement of coal by rail in mile-and-a-half long trains delays rail transport of agricultural and manufactured products, snarls traffic at at-grade crossings, and burdens hundreds of communities with coal dust. Ultimately, the burning of coal in Asia sends pollutants back to the West Coast, impacting our air and water quality and health.

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. 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 21st Century.

With respect to the scope of review for the Programmatic Environmental Impact Statement (PEIS), we request that it address the following goals:

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

We support the assessment of whether American taxpayers are receiving a fair return from these publicly-owned resources. In doing so, BLM should take a big-picture view of “fair return,” and factor in the full range of risks and costs borne by the public. This includes externalities such as the health, traffic, economic, and air and water quality impacts and risks from both rail and barge transport and the end use of coal.

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), and increase the royalty rate for surface-mined coal in all new leases and lease renewals to ensure fair return. BLM’s review of policies, pricing, and royalty rates for public coal should factor in the market reality that much of the coal mined from public lands today and planned in the future is destined for export to other countries. We should not be subsidizing the for-profit export of a finite public energy resource, particularly one with negative impacts on our health, economy, and environment.

- **Provide Greater Certainty for Reclamation**

Coal leasing policies and pricing should ensure that private investors, not the general public, bear the economic and environmental risks from public coal leases. National and international coal markets are collapsing. In 2015, US coal production was 10 percent lower than in 2014, and the US Energy Information Administration projects that it will fall by another 12 percent in 2016. At the same time, The Office of Surface Mining, Reclamation, and Enforcement estimates that there is more than \$3.6 billion in outstanding self-bonded reclamation liability in the United States.

Our concern is that U.S. taxpayers will be left with the bill for restoring public lands and waters damaged by mining. Updates to the federal coal leasing program should provide certainty that the private corporations that profited from public coal will repair damages to public lands and waters, and that the burden would not be shifted to taxpayers. The DOI’s Inspector General should conduct an audit of the self-bonding program and its use 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.

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

We are grateful that you are considering new 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.

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.

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.

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

Sincerely,



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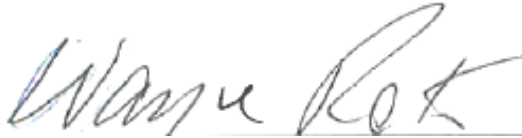
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Chris Roberts
Mayor, City of Shoreline, WA

cc: BLM_WO_Coal_Program_PEIS_Comments@blm.gov.
The Honorable Patty Murray, U.S. Senate
The Honorable Maria Cantwell, U.S. Senate
The Honorable Ron Wyden, U.S. Senate
The Honorable Jeff Merkley, U.S. Senate
The Honorable Greg Walden, U.S. House of Representatives
The Honorable Earl Blumenauer, U.S. House of Representatives
The Honorable Suzanne Bonamici, U.S. House of Representatives
The Honorable Peter DeFazio, U.S. House of Representatives
The Honorable Kurt Schrader, U.S. House of Representatives
The Honorable Suzan DelBene, U.S. House of Representatives
The Honorable Rick Larsen, U.S. House of Representatives
The Honorable Jamie Herrera-Beutler, U.S. House of Representatives
The Honorable Dan New House, U.S. House of Representatives
The Honorable Cathy McMorris Rodgers, U.S. House of Representatives
The Honorable Derek Kilmer, U.S. House of Representatives
The Honorable Jim McDermott, U.S. House of Representatives
The Honorable Dave Reichert, U.S. House of Representatives
The Honorable Adam Smith, U.S. House of Representatives
The Honorable Dennis Heck, U.S. House of Representatives
The Honorable Jay Inslee, Governor, State of Washington
The Honorable Kate Brown, Governor, State of Oregon
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