Congress of the United States
Washington, DC 20515

June 21, 2016

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

Dear Secretary Jewell:

We are writing to thank you for initiating an ambitious and long-overdue process to reform the Department of the Interior's federal coal leasing program. A programmatic and comprehensive review is essential to address the fiscal, environmental, and climate consequences of this outdated program, and we believe your decision to place a moratorium on new coal leases while this review is undertaken to be a thoughtful and prudent step that will have positive consequences for American taxpayers and the planet.

As you know, the existing federal coal program is broken. Study after study has shown that taxpayers are not getting their fair share of revenues from the leasing and mining of federally-owned coal and that environmental issues have gone unaddressed. Concerns raised by the Government Accountability Office,[1] the Interior Department's Inspector General,[2] Members of Congress and the public have made it clear that many of the decades-old regulations and procedures that govern the federal coal program are outdated and do not reflect the realities of today's energy economy, the dynamics of the modern coal market, the effects of coal on our climate, or how it impacts the American taxpayer.

A comprehensive review is crucial to ensure that the American people are receiving fair value for the use of their resources, to increase transparency and accountability, to hold companies responsible for cleaning up mined lands, and to ensure that the federal coal program is not contributing disproportionately to environmental and climate problems.

As your move forward with the programmatic review of federal coal leasing, we hope that it will highlight and work to ameliorate, among other things, the following issues that have plagued the program:

- The low royalty rate and minimum bid for surface-mined coal, as well as the lack of competition during the bidding process;

- The way that the Department of the Interior determines the value of federal coal—at the mine rather than at the point of end use—which shortchanges taxpayers and effectively subsidizes coal production;

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[1] U.S. Government Accountability Office, *COAL LEASING: BLM Could Enhance Appraisal Process, More Explicitly Consider Coal Exports, and Provide More Public Information*, GAO-14-140, December 2013.
[2] Office of Inspector General, U.S. Department of the Interior, *Coal Management Program, U.S. Department of the Interior,* CR-EV-BLM-0001-2012, June 2013.

- The problems with insufficient or nonexistent bonding and reclamation that increase the risk that taxpayers will have to cover the costs of cleaning up mines; and

- The fact that the climate impacts of the federal coal program have been ignored or barely mentioned in the assessment of the market value of federal coal and the cost to mitigate the impacts of coal on land, air, and water resources.

We also want to commend the Department and the Obama Administration for working to transition communities that have relied on coal to a more diverse and vibrant economy. The energy markets are changing, but the workers and communities that are being harmed by these changes cannot be left behind. We urge this administration to work with us and others in Congress to help areas that have relied on coal, and the jobs that come with developing that resource, to move forward in a smarter way.

Given the challenges facing the environment and the federal budget, we are strongly supportive of the Interior Department's proposal to update a federal coal program that is broken, outdated, polluting, and costing taxpayers potentially millions of dollars in lost revenues. The proposed approach is thoughtful and comprehensive, and is expected to provide ample opportunity for public input for how to address the range of issues facing the coal program. We commend you for launching this review and look forward to working with you further as this effort moves forward.

Thank you for your continued attention to this important issue.

Sincerely,

Raúl Grijalva
Ranking Member
House Committee on
Natural Resources

Alan Lowenthal
Ranking Member
Subcommittee on
Energy and Mineral Resources

Jared Huffman
Member of Congress

Sam Farr
Member of Congress

Eleanor Holmes Norton
Member of Congress

Kathy Castor
Member of Congress

Peter A. DeFazio
Member of Congress

Barbara Lee
Member of Congress

Janice D. Schakowsky
Member of Congress

Maxine Waters
Member of Congress

Paul Tonko
Member of Congress

Louise M. Slaughter
Member of Congress

Diana DeGette
Member of Congress

Donald S. Beyer, Jr.
Member of Congress

Jared Polis
Member of Congress

Alan Grayson
Member of Congress

Mark Pocan
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Alcee L. Hastings
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Ted Lieu
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Derek Kilmer
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Frank Pallone, Jr.
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Tony Cárdenas
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Grace F. Napolitano
Member of Congress

Michael M. Honda
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Anna G. Eshoo
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Henry C. "Hank" Johnson
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James P. McGovern
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Zoe Lofgren
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Keith Ellison
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Debbie Dingel
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Bobby L. Rush
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Jim McDermott
Member of Congress

John P. Sarbanes
Member of Congress

John A. Yarmuth
Member of Congress

cc: Christy Goldfuss, Managing Director, Council on Environmental Quality
Neil Kornze, Director, Bureau of Land Management