

*Via E-mail Attachment*

July 28, 2014

Sally Jewell  
Secretary of Interior  
1849 C St., NW  
Washington, D.C. 20240  
[feedback@ios.doi.gov](mailto:feedback@ios.doi.gov)

**Re: Imminent Sale of Spruce Stomp Coal Lease Sale in Colorado to Fuel Exports,  
Undermine Public Interest**

Dear Secretary Jewell:

The undersigned organizations are writing to express our deep concerns over the Bureau of Land Management's ("BLM's") plans to move forward with selling a new coal lease by application in western Colorado that appears clearly intended for the export market. The sale of the Spruce Stomp coal lease appears imminent and we call you on you to direct the BLM to cancel this sale in order to provide an opportunity for the Agency to fully address the economic and environmental implications of coal exports.

Investigations by the Interior Department Inspector General and the Government Accountability Office have both criticized the BLM's failure to account for exports when leasing federal coal. This raises serious questions over whether the value of coal is being accurately appraised and whether the full scope of environmental impacts—particularly climate impacts, including carbon costs—are being taken into account before leasing. Given that coal leasing can only occur if it is in the public interest (*see* 43 C.F.R. § 3425.1-8(a)(3)), full consideration of the economic and environmental implications of exports is critical.

In response to both the Inspector General and the Government Accountability Office, the BLM committed to making changes to ensure effective consideration of coal exports.

Despite this commitment, the BLM has provided notice of its intent to sell the Spruce Stomp coal lease by application in Colorado on July 30, 2014 (*see* 79 Fed. Reg. 37345 (July 1, 2014)). The 8.02 million ton Spruce Stomp lease was applied for by Bowie Resources to expand the company's Bowie No. 2 mine in western Colorado. Reports from the company clearly indicate that coal from the Bowie No. 2 mine is currently being exported through ports in California and that the company intends to increase its exporting abilities by securing additional port capacity on the West Coast.<sup>1</sup>

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<sup>1</sup> *See* Williams-Derry, C., "Unfair Market Value: By ignoring exports, BLM underprices federal coal," Report prepared by Sightline Institute in collaboration with Northern Plains Resource Council, Powder River Basin

Yet in approving and now proposing to sell the Spruce Stomp lease, the BLM appears to have completely overlooked the potential for exports. In fact, in approving the lease, the BLM stated in its Environmental Assessment that one of the purposes was to, “give the nation a greater assurance of meeting its national energy objective.” Neither the environmental analysis nor the Decision Record for the Spruce Stomp lease makes any mention of coal exports.

This oversight is especially troubling in light of revelations that coal companies are likely obtaining federal leases at low prices based on domestic sales and selling the coal overseas at higher rates, reaping windfall profits.

However, we are further troubled given the clear implications for our climate. Combustion of the leased coal threatens to release more than 21.5 million metric tons of carbon pollution, on top of additional indirect emissions from shipping and direct emissions from mining activities, including methane venting. The costs of this carbon pollution stand to be significant.

In light of the findings of the Inspector General and Government Accountability Office, as well as the public interest implications of coal exports, it is troubling that the BLM is moving forward to sell the Spruce Stomp coal lease. There is no indication that the BLM has addressed coal exports and no indication that exports have factored into any fair market value assessment.

Here, the sale of publicly owned resources appears poised to undermine the public interest.

We call on you to direct the BLM to cancel its plans to sell the Spruce Stomp coal lease on July 30, 2014. Cancelling the lease sale will provide BLM an opportunity to ensure it is fully and effectively responding to the Inspector General and Government Accountability Office, as well as thoroughly taking into account the true economic and environmental costs of the lease. Ultimately, this will give BLM time to accurately assess fair market value, establish effective royalty rates, weigh carbon costs, and address any other issues relevant to ensuring the lease is in the public interest.

The American public needs assurances that coal exports are fully taken into account before leasing, not overlooked at the expense of taxpayers and the environment.

Sincerely,

Jeremy Nichols  
Climate and Energy Program Director  
WildEarth Guardians

Bob LeResche  
Coal and Climate Change Team Chair  
Western Organization of Resource Councils

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Resource Council, WildEarth Guardians, and Western Organization of Resource Councils (July 2014), available online at <http://www.sightline.org/download/2493/>.

Kelly Mitchell  
Energy Campaign Director  
Greenpeace

RJ Harrington  
Executive Director  
Clean Energy Action

Mimsi Milton  
President  
CO-FORCE (Coloradans for Fair Rates and Clean Energy)

Micah Parkin  
Colorado/Regional Organizer  
350.org

cc:

Neil Kornze, Director, BLM  
Linda Lance, Deputy Director, Policy, BLM  
Steve Ellis, Deputy Director, Operations, BLM  
Mike Nedd, Assistant Director, Minerals and Realty Management, BLM;  
Ruth Welch, Acting State Director, Colorado Office, BLM