



Federal “Coal for Export” Sale in Colorado to Undermine Climate, Shortchange American Public

Coal Sale in Colorado to Fuel Exports

- The U.S. Interior Department’s Bureau of Land Management is proposing to sell an 8 million ton coal lease to Bowie Resources on July 30, 2014.
- The lease, called “Spruce Stomp,” would expand the company’s Bowie No. 2 Mine in western Colorado’s Delta County (see attached map).
- Bowie is a privately held company that owns and operates coal mines in Colorado and Utah. The company is increasingly exporting its coal, including over one million tons per year from the Bowie No. 2 Mine, and touting plans to expand export capacity.
- All signs indicate the Spruce Stomp coal lease is being pursued for export purposes.

The Bigger Picture on Exports

- With the decline of coal in the U.S., companies are eyeing overseas markets.
- Coal exports from U.S. have increased to record levels, with 126 million tons shipped in 2012, more than 10% of all production, with greater increases expected in coming years.
- Coal is shipped to Europe, Asia, and South America from ports on the east coast, the Gulf, California, and the Pacific Northwest. Companies are seeking expanded port capacity in all of these regions.

Red Flags Raised Over Federal Coal Exports

- More than 40% of all coal mined in the U.S. is publicly owned, managed by the Interior Department, and is primarily located in the American West.
- Increasingly, companies are buying federal coal and exporting it, shipping from mines in Colorado, Utah, Wyoming, and Montana. Evidence indicates companies are buying cheap in the U.S. and reaping windfall profits overseas.
- Federal coal can only be sold if it is in the public interest for environmental reasons, and if the American public receives fair market value.

- Investigators with the Government Accountability Office and Interior Department's Inspector General reported in 2013 and in 2014 that Interior is not taking into account the economic or environmental implications of coal exports when leasing.
- In many cases, federal coal sales have been justified as necessary to meet domestic energy needs. Statements from industry clearly indicate that leases are being pursued for export.
- In many cases, Interior officials are denying exports are occurring, even though they clearly are.
- Investigators raised concerns that the failure to account for exports means that federal coal is being sold at below market value, losing the public money.
- The rise in coal exports also raises significant concerns over carbon pollution impacts. Coal exports threaten to undermine efforts to cut greenhouse gases domestically.

Alarms Continue to Sound with Spruce Stomp

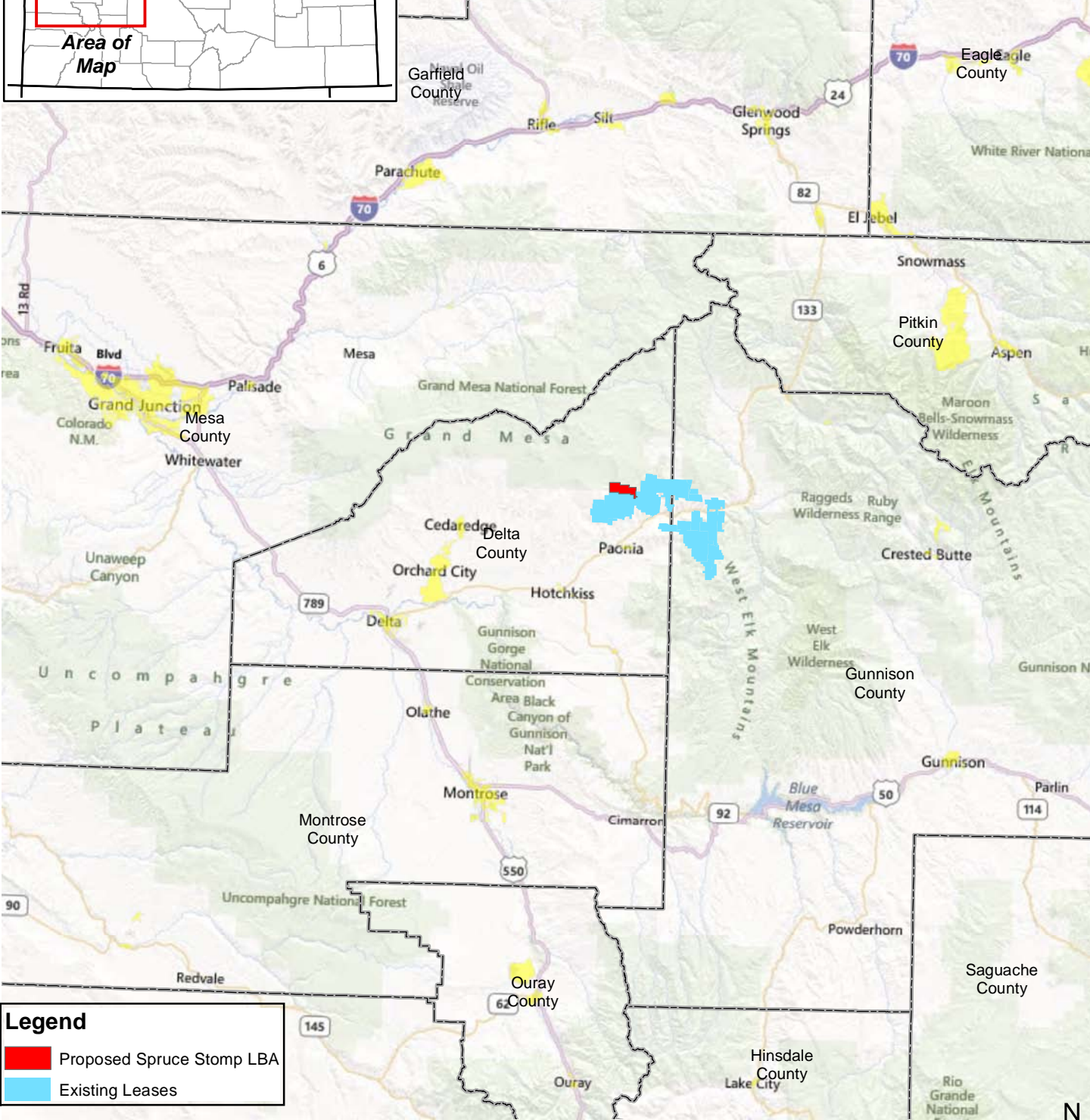
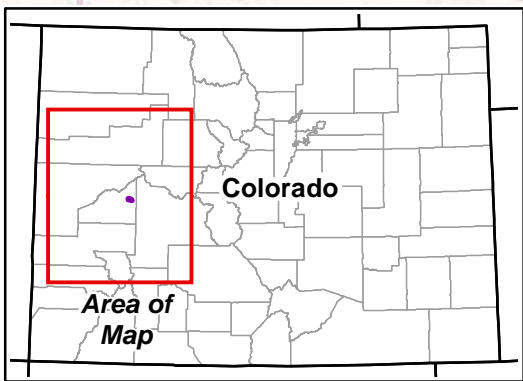
- In response to investigators, Interior officials committed to fixing the federal coal program to ensure that exports are being addressed. An official with the Bureau of Land Management stated, "improvements can and should be made."
- However, in approving the Spruce Stomp coal lease, the Interior Department's Bureau of Land Management made no mention of coal exports. Officials explicitly stated one of the purposes of the lease was to meet domestic energy needs.
- When mined and burned, coal from the Spruce Stomp lease will release more than 21 million metric tons of carbon pollution - equal to the carbon pollution from 4.5 million cars.
- In April, WildEarth Guardians appealed the Spruce Stomp lease, challenging the failure of the Interior Department to address coal exports and other environmental impacts.
- The Interior Department is now fighting the appeal and defending the Spruce Stomp coal lease.

The Spruce Stomp Coal Lease, What's Next and What Does it all Mean?

- ➔ The Bureau of Land Management is scheduled to sell the Spruce Stomp coal lease at 10 AM July 30, 2014 at its Colorado State Office in Lakewood.
- ➔ The sale is moving forward despite WildEarth Guardians' appeal and despite investigators' red flags over the failure of Interior to account for coal exports.
- ➔ WildEarth Guardians and other groups have called for a moratorium on new coal leasing, and a cancellation of the Spruce Stomp lease sale, until the federal coal program is fixed. Interior has rejected these calls.
- ➔ The findings of the Government Accountability Office can be downloaded here, <http://www.gao.gov/products/gao-14-140>.
- ➔ The findings of the Inspector General can be downloaded here, <http://www.doi.gov/oig/reports/upload/CR-EV-BLM-0001-2012Public.pdf>.
- ➔ WildEarth Guardians appeal and more background can be downloaded here, <http://goo.gl/2HPmNt>.

Map 1

General Location of the
Spruce Stomp Coal Lease by Application
Serial No. COC-756916



Legend

- Proposed Spruce Stomp LBA
- Existing Leases



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