Western Organizing Review

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Members support cutting methane waste and pollution

WORC's campaign to reduce air emissions and methane from oil and gas operations is progressing faster than expected with successful hearings on a proposed methane waste rule by the Bureau of Land Management (BLM) and a historic agreement between the United States and Canada.

On March 1 and March 3, members of four WORC groups traveled to hearings in Lakewood, Colo., and Dickinson, N.D, respectively, to show their support of the BLM methane waste standard. A week later, WORC welcomed the announcement by President Barack Obama and Canadian Prime Minister Justin Trudeau that the two countries would curb methane air pollution from existing sources, such as oil and gas wells.

Several members of Dakota Resource Council's Fort Berthold POWER, including Joletta Bird Bear, spoke at the Dickinson hearing in favor of the proposed rule to reduce methane waste.

Methane waste rule

The BLM methane waste rule aims to reduce the amount of methane that is routinely wasted by oil and gas companies operating on federal lands. The rule requires reductions in flaring and inspections to determine if specific pieces of oil and gas infrastructure leak methane. It bans venting, the intentional release of methane into the atmosphere.

Western Colorado Congress and Powder River Basin Resource Council members traveled to Lakewood to give the BLM the West Slope and Wyoming perspectives on the rule. And Dakota Resource Council and Northern Plains Resource Council members went to Dickinson to share the views from the Bakken oil formation in North Dakota and Montana.

More than 90 members and staff from WORC groups participated in the two hearings. The large turnout helped show strong support for the BLM's rule – with those testifying in favor of the rule outnumbering those who opposed to the rule by a 3-1 clip in North Dakota and 5-1 in Colorado.

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The View from WORC

By Nancy Hartenhoff-Crooks, WORC Chair

The national news has been hard to miss – Peabody Coal is the third major coal company to file for bankruptcy protection in the last few months, coal miners laid off by the hundreds, workers' pensions at risk while handsome bonuses are doled out to top management, land reclamation mandated by federal law pitifully under fulfilled – the headlines so stunning they managed to cut through the political theater of this election cycle, a major accomplishment this year.

For those of us who been involved with and followed the work of the Western Organization of Resource Councils and our member groups, you know we have long called for the protection of the public's interest. We have vocally advocated for fair market prices when selling the public's assets through federal leasing of energy resources and robust standards for bonding of companies that extract energy from the ground so that reclamation of the land is funded adequately. Our aim is to prevent companies who have extracted energy in the West from leaving behind the same devastation we have seen in the coal fields of the East.

I worked in the energy industry as a coal miner for two Powder River Basin mines – Belle Ayr and Eagle Butte. I know what it is like to live and work in an energy boom, and I had a hint of what it was going to be like in a decline shortly before I left mining and returned to South Dakota. I went from working six days a week to five. Overtime was cut back. New hiring was on hold. Generous benefits shrunk, and there were rumors of more to come.

That was many years ago, but I still vividly remember the ripple of anxiety it caused in the community at large.

But this time it feels different. People around the world understand that use of fossil fuel is not sustainable as a long term solution.

This time it must be different – the lives of thousands of workers and their families are at stake. The communities that have grown up to sustain them are at risk. The long term health of the land, air, water, and wildlife is at risk. Many of our members live and work in communities heavily dependent on extraction of nonrenewable natural resources.

We can make a difference now by supporting policy initiatives that recognize the plight of workers, retirees, taxpayers, and communities experiencing growing stress as energy technology and economics transition to newer, cleaner and more efficient resources and systems, and the consequent restructuring of state and local economies.

Western Organizing Review

The *Western Organizing Review* is published quarterly by the Western Organization of Resource Councils.

WORC is a regional network of grassroots community organizations, which includes 12,700 members and 39 local chapters. WORC helps its member groups succeed by providing trainings and coordinating regional issue campaigns.

WORC's Network

Dakota Resource Council
Dakota Rural Action
Idaho Organization of Resource Councils
Northern Plains Resource Council
Oregon Rural Action
Powder River Basin Resource Council
Western Colorado Congress
Western Native Voice

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Federal board dismisses permit for coal-hauling Tongue River Railroad

The Surface Transportation Board (STB) has dismissed Tongue River Railroad Company's (TRRC) application to build the proposed coal-hauling Tongue River Railroad. The railroad would have used the power of federal eminent domain to condemn family farm and ranch land in southeastern Montana to haul coal from Arch Coal's proposed Otter Creek mine to Asian export markets.

"For 30 years we have said that the Tongue River Railroad is a project in search of a purpose," said Clint McRae, a Northern Plains member whose Rosebud Creek ranch would have been cut in two by the proposed rail line. "It has always been based on speculation, not need. The Surface Transportation Board has made the right decision to dismiss this project."

McRae also points out that, in its decision, "the Board has given the railroad ample opportunity to prove any justification for the use of federal eminent domain to condemn private land."

STB's ruling comes in response to filings from both Northern Plains and TRRC, which is jointly owned by Arch Coal, Burlington Northern Santa Fe Railway, and candy billionaire Forrest Mars Jr. Last November, TRRC asked the Board to put a hold on their application indefinitely.

Northern Plains requested in December that the Board dismiss TRRC's application, pointing out that TRRC's real reason for requesting a stay is to put off a decision in a weak coal market. Since that time, Arch has voluntarily entered Chapter 11 bankruptcy, later declared that it is no longer pursuing a permit for the Otter Creek Mine, and revealed that it lost the lease to half the Otter Creek coal months ago.

"It's a great day for southeastern Montana landowners," said Mark Fix, who ranches on the Tongue River, and whose operation was threatened by several variations of the railroad. "The threat of eminent domain has been hanging over my head ever since I bought my ranch. It's a huge relief to know I can get back to raising cattle and wheat without the threat of condemnation hanging over my head."

Home on the Range marks 10th anniversary in June

You're invited to come and celebrate the 10th anniversary of the offices of WORC and Northern Plains – Home on the Range. Please mark Saturday, June 25, from 10 a.m. to noon on your calendar.

Join us for coffee and pastries, speakers, celebration, and the unveiling of our new 25kW solar array, which with our existing 10kW array should provide us ample electricity for our needs.

Renovating a long-empty grocery store into Montana's first LEED (Leadership in Energy and Environmental Design) Platinum building was an intense project. Many of you pitched in with dollars and volunteer labor to make it possible.

In the past decade, Home on the Range has blazed the trail for green building in the Billings area. Since we completed this project, five other downtown Billings buildings are certified LEED Platinum by the U.S. Green Building Council.

Home on the Range received numerous awards and has been recognized in national publications.

This project put green building on the map in Montana, so celebrate with us on June 25!

Around the Region

A look around WORC's network

Dakota Resource Council

Dakota Resource Council members and allies are educating and motivating North Dakotans to vote against Measure 1 on June 14. Measure 1 would allow the repeal of the state's anti-corporate farming law. The 2015 Legislature passed legislation removing the longstanding ban on corporate-owned swine and dairy farms, but DRC and allies collected over 21,000 signatures to put the measure to repeal the law allowing corporate farming on the ballot. A proposed 9,000 hog facility in Buffalo by an investment group is shadowing the vote.

Dakota Rural Action

A new study released in February found both producer opportunity and consumer interest in local food in Central South Dakota.

Prepared by the Dakota Rural Action's Greater Oahe Action League (GOAL), *A Preliminary Analysis of Food Production and Consumption in the Greater Oahe Foodshed* will help determine how to better connect local farmers with consumers.

The study provides baseline data on food production and consumption in the Greater Oahe foodshed – a 10-county region with about 40,000 residents spending an estimated $64 million on food eaten at home.

Consumers want local foods but have trouble finding and affording it, the study reported. Download the report at www.worc.org/goal-foodshed-study/

Idaho Organization of Resource Councils

Working with allies and a state agency, Idaho Organization of Resource Councils helped to launch a new industry in the state by gaining passage of cottage food rules in the Legislature.

The new rules enable food producers to provide certain foods from their kitchens and sell directly to consumers. The allowed foods pose little to no risk of foodborne illnesses and can be safely produced outside of commercial kitchens. The new rules are expected to boost home-based businesses, rural communities, and farmers markets.

Northern Plains Resource Council

About 70 people braved cold, wet weather March 29 to promote clean-energy alternatives – such as solar, wind, and energy efficiency – for the future of Montana's economy and to help stop climate change.

The clean-energy rally on the Yellowstone County Courthouse lawn was sponsored by Northern Plains Resource Council. Ralliers highlighted a lack of representation of renewable-energy options at Montana Senator Steve Daines' Montana Energy Conference that was to begin later that day, and focused on the need for transition.

The group later delivered petitions to Daines' office, urging the senator to include climate change and renewable energy in his energy policy.

Oregon Rural Action

In April, the Blue Mountain Chapter's Food and Ag team brought students and faculty together with Oregon Rural Action members to launch a local food procurement campaign at Eastern Oregon University. Students and faculty – many of whom are also ORA members – shared their desires for a wider variety of fresh, locally-sourced foods on campus and discussed ways the university could improve quality while supporting local producers.

The collaboration is one of many between Oregon Rural Action and the university this year, including the member-led community garden located on university grounds and co-sponsored events like this month's "conversation project" with Oregon Humanities Council speaker Walidah Imarisha, on "Why Aren't There More Black People in Oregon? A Hidden History."

Members continue to forge community collaborations in Malheur County as well. The Snake River Chapter will work with the Ontario Boys and Girls Club again this spring on pollinator projects, teaching classes on improving bee habitat and getting young people involved in the community garden.

Powder River Basin Resource Council

Results of a new study gives a boost to efforts to regulate hydraulic fracturing by the Pavillion Area Concerned Citizens (PACC), an affiliate of the Powder River Basin Resource Council. Released in in March, the Stanford University report confirmed that fracking contaminated the drinking water for the town of Pavillion, Wyoming. The study cited unsafe practices, including dumping of drilling and production fluids containing diesel fuel, high chemical concentrations in unlined pits, and inadequate cement barriers to protect groundwater.

POWDER RIVER BASIN
Resource Council

"Decades of activities at Pavillion put people at risk. These are not best practices for most drillers," said co-author Rob Jackson, a professor with Stanford's School of Earth, Energy & Environmental Sciences.

PACC member John Fenton told WyoFile that the study highlights Wyoming's lax oversight of the oil and gas industry. "There's no oversight there at all as far as cement and casing and the ways [wellbore completion is] done," Fenton said in the article. "It's all self-reporting."

Western Colorado Congress

Western Colorado Congress members are about ready to secure 98,000 signatures to put two initiatives on the November ballot to raise the minimum wage in Colorado to $12 by 2020. As part of this effort, WCC has joined the Colorado Families for a Fair Wage, a coalition working to help build a fair economy for all Coloradans, and serves on its steering committee.

"Research indicates that raising the minimum wage not only helps low-wage earners, but also lifts all boats by keeping more money circulating in the local economy," said Kathryn Christian, a WCC member from Mesa County.

Colorado's minimum wage is $8.31 an hour, equivalent to an annual full-time income of $17,285 — below the federal poverty level of $20,090 for a family of three. Last fall, WCC members passed a resolution supporting a living wage and involvement in the campaign.

WESTERN
COLORADO
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Western Native Voice

Western Native Voice has developed a curriculum on civic engagement for tribal college students and other Native community members. The curriculum covers the history of Native voting, the issues facing different Native communities, and the importance of taking action on those issues by registering to vote and participating in the policy-making process.

The workshop includes components on the definition of civic engagement and why it's important, the different perspectives of mainstream and tribal cultures, the various community issues facing Native communities and the impact of those issues, current legislation relevant to Native Americans, and the nuts and bolts of how to participate and engage in public processes.

Dakota Resource Council member Jim Unkeholz says the Trans-Pacific Partnership would put "us all on an even playing field with countries that have no labor rights, no environmental protections" during a February rally in Bismarck, N.D., to oppose the proposed pact.

Major campaign wins to reform coal leasing

"I'm going to push to change the way we manage our oil and coal resources, so that they better reflect the costs they impose on taxpayers and our planet."

— President Barack Obama, State of the Union, Jan. 12, 2016

In a major victory for landowners, grassroots citizens, taxpayers, and government accountability advocates, Secretary of the Interior Sally Jewell announced in January a three-year pause in new federal coal leases, pending a major review. Jewell's announcement followed on the heels of President Barack Obama's State of the Union message.

The decisions came after years of dedicated efforts by WORC and its grassroots community organizations. Those efforts included several meetings with agency officials by WORC leaders and allies. In April 2013, WORC co-signed a letter to newly appointed Sec. Jewell calling for a moratorium on further federal coal leases until the deeply flawed program could be reviewed and reformed.

Last summer, WORC helped to mobilize members and allies to call for reforms of the coal program at five Bureau of Land Managment (BLM) listening session on the coal program. At the listening session in Washington, D.C., rancher and then Chair of the Northern Plains Resource Council, Steve Charter, addressed Interior and BLM officials, including Sec. Jewell. Charter traced the long history of scandalous federal coal management in his area of the Bull Mountains north of Billings.

"It is the duty of the Interior Department to ensure that we get fair market value for our coal resources and to ensure that the land is reclaimed," he said. "It is not the duty of the government to prop up a declining coal industry."

As the BLM begins to review federal coal management, WORC groups, along with dozens of civic non-profits, conservation groups, taxpayers groups, and state and local public officials, are gearing up to participate in the process. BLM will hold hearings in Casper, Wyo.; Grand Junction, Colo.; Knoxville, Tenn.; Pittsburgh, Pa.; Seattle, Wash. and Salt Lake City, Utah; see the schedule on the following page.

In her order, Sec. Jewell specifically identified the following areas for reform:

- Greater transparency in coal leasing sales.
- Ways to determine fair market value and increase competition in sales that seldom see more than one bidder.
- The role and the impact of growing coal exports in a program designed to provide cheap public coal for domestic markets to create jobs, lower electricity rates, and enhance national energy security.
- Aligning federal coal management with federal climate goals and international agreements to reduce carbon pollution.

Years of effort by the WORC network paid off in January, when Secretary of the Interior Sally Jewell announced a review of the agency's coal leasing program and a three-year pause in issuing new coal leases.

Surface Owners to Gain Protection

Much of the coal in the Powder River Basin is split estate, which means it is public coal that underlies privately held surface. In 1977, Congress protected the right of those surface owners to say no to strip mining of that coal and prevented leasing of split estate coal without qualified surface owner's consent. In her order Sec. Jewell directed the BLM to prepare official guidance making it clear that split estate coal exchanges should be consistent with federal coal leasing provisions that preserve surface owners right to withhold their consent.

"Coal Reforms continued on page 15

Keystone pipeline spills in South Dakota

At two drips a minute, it took awhile for about 16,800 gallons of tar sands oil from the Keystone I pipeline to soak a field near Freeman, South Dakota. Who knows how much more would have flowed if a passerbyer hadn't noticed and reported the leak on April 2.

TransCanada, owner of the pipeline, shut down the pipeline and contacted government officials but didn't notify the public of the leak for two days.

Photo Courtesy: Cindy Myers

In 2010, the first year of operation, the Keystone I tar sands oil pipeline leaked 35 times. More recently, the pipeline trickled nearly 17,000 gallons in this field near Freeman, S.D.

Paul Seamans, a Dakota Rural Action (DRA) member, told TIME magazine the incident shows the dangers of spills from even new pipelines. "This spill was less than thirty miles from where the Keystone 1 is bored underneath the Missouri River. We should all consider ourselves fortunate that it didn't happen there," he said.

TransCanada sent out a tweet on Twitter the same day of the spill about their "record" of safety, rather than sending out an alert letting the public know their pipeline had leaked onto public and private land.

Commissioned in 2010, the pipeline moves oil from Alberta, Canada, to refineries in Illinois and Texas and a distribution center in Oklahoma. In its first year of operation, Keystone I leaked 35 times, including a major spill of 21,000 gallons on a Dakota Resource Council member's farm in Cogswell, North Dakota.

The pipeline resumed operations April 10 after leaking for more than a week.

Keystone I is not the only pipeline action in South Dakota. DRA and others are appealing the South Dakota Public Utilities Commission decision to recertify Keystone XL, even though President Barack Obama blocked the controversial pipeline a few weeks before the decision.

DRA also opposes the Dakota Access pipeline, which has received construction permits from four states but awaits a permit decision by the Army Corp of Engineers.

Living with Oil & Gas

This February, WORC launched *Living with Oil and Gas*, an exciting new social media campaign dedicated to telling the stories of farmers, ranchers, landowners, and community members across the West who live with the impacts of oil and gas development. *Living with Oil and Gas* seeks to help publicize the issues that frontline communities face, ensure the success of WORC and WORC's member groups' campaigns on oil and gas air emissions, and, more broadly, shift the narrative around oil and gas development by reminding us that there are many sides to the story that industry tends to tell.

Thus far, the project has focused on Colorado, Montana, North Dakota, and Wyoming — the states in the WORC network most significantly affected by past and present development. Stories from members of Western Colorado Congress, Northern Plains Resource Council, Dakota Resource Council, and Powder River Basin Resource Council have ranged from ranchers fighting for the sanctity of their water, to tribal members standing up for their sovereign rights, to retirees facing the threat of development in densely-populated suburban neighborhoods. A sampling of these stories is below. For more of them, head to livingwithoilandgas.com or facebook.com/livingwithoilandgas.

Wyoming

Bill & Marge West are ranchers in Arvada, Wyoming, and longtime members of Powder River Basin Resource Council. Bill was born and raised on the ranch; his father homesteaded the property in 1919, and the West family has been there ever since. Bill & Marge first signed an oil lease years ago; that lease was then sold to a gas company that drilled for coalbed methane. The Wests have experienced a whole host of impacts to their land, their ranching operations, and their lives; a few of those impacts are described below.

Marge: "The first winter after the gas company came, they started putting their wastewater straight onto our fields. And it killed about two hundred trees, big cottonwood trees, all along Spotted Horse Creek. Those trees had been there from the time Bill was a little kid. They used to hold church picnics down there."

Bill: "The water built up on the hay meadows, two to three feet deep of ice, and smothered the trees. So they all died."

Marge: "But all the energy company said was, 'It's not our fault. Those trees just wanted to die.'"

Bill: "People think that we're rich, and so we shouldn't say anything. They think we should be happy with the money, and not worry about the land."

Marge: "And we have made some money out of it. But we would've been just fine without it… without the money. And the land would've certainly been better off. Without the drilling."

Colorado

Bob Robertson and Bernita Grove are both longtime residents of Colorado; they moved to the small community of Battlement Mesa in 2004. The tiny, unincorporated town was designed and advertised as a retirement community, with clean, quiet streets, easy access to services like the town grocery store, and even a golf course and other recreational opportunities. Now, though, an energy company plans to build 5 well pads within the community's boundaries, each with between 23 and 28 wells on it. Bob and Berni, like many of their neighbors, were shocked to learned that their retirement might involve more fumes, fracking rigs, and 18-wheeler trucks, than rounds of golf, or barbeques with their neighbors. Here's a little of what they have to say, below.

Bob: "When we moved to Battlement Mesa, we planned to retire here. Because it was such a beautiful place. But now, we don't know. We don't know if we can continue to live here much longer, because it's affecting our health. Like our neighbor… she's eighty years old. She's been pretty healthy her whole life, but when they started drilling this well down here, she started getting nose bleeds all the time, and couldn't understand why. And several other people around here had the same thing happen. Nosebleeds, and eyes watering all the time. In one year, we lost three animals. It just seemed kind of weird, that within just a few months, all three animals dropped dead. And it was right after they started drilling that well."

Bernita: "You know, living with oil and gas has the same problems, no matter where you're living. Those problems are the same, and your ability to deal with them varies slightly, depending on what your government situation is. Western Colorado Congress and the Grand Valley Citizens Alliance – they've just been incredibly helpful. It was helpful to not be alone. Things don't always go better for us because of that, but they feel better."

Montana

Carol Nash is a farmer-rancher outside of Bridger, Montana, and a member of both Northern Plains Resource Council, and its local affiliate, Carbon County Resource Council. She and her husband raise Dexter cattle and Navajo-Churro sheep. Carol got involved with the issue of oil and gas development when an energy company drilled an exploratory well in Belfry, about seven miles from her farm, with plans to develop more. Since then, the company has abandoned the well, and left nearby farmers and landowners in the dark, as to their future plans. Here's some of her story, in her own words.

"It was a big learning process," Carol says, "because we knew absolutely nothing about oil and gas at that point. I mean, you don't, probably, until you find a need to know it, or somebody tells you that this is something you should look into. So then we started learning, and that's been a…there's been a lot to learn."

"When we were talking to the county commissioners about the proposed drilling, they said, 'Oh, well, you can always sue them.' And I thought, 'you're kidding, right?' I said, first of all, 'who's got money to sue an oil company?' and, secondly, 'I've heard of people suing who die before the suit is ever settled!' And meanwhile, they're living with all this, the damage is done, and then they die. So the oil company wins. So, no, suing an oil company is not a viable option. You have to think of other ways. But it's the helplessness that you have, that you cannot do anything, and that's why groups like Carbon County Resource Council and WORC and Northern Plains are important, because they help us see that we're not helpless if we all band together. If we all work together, and educate more and more people to what's going on, then you can effect some change."

North Dakota

Joletta Bird Bear is a resident of the town of Mandaree, North Dakota, on the Fort Berthold Reservation, as well as a registered member of the Three Affiliated Tribes. She's a leader in both Dakota Resource Council and its local affiliate, Fort Berthold POWER. Joletta owns both land and minerals on Fort Berthold, and lives within a half mile of oil and gas development on all sides. She's worked to protect her community from the impacts of oil and gas development. Read excerpts from her story below.

"Here on the reservation, we're at the epicenter of the Bakken and the Three Forks area development. So we see and observe everything. Some evenings, when I step outside, it sounds like I'm living just over the hill from a major metropolitan airport. The sound is just tremendous out there, and it's from the oil and gas rigs, or they're fracking, or they're flaring. Usually it's the flaring, the sound of flaring."

"Before the drilling, our area was full of wildlife, of deer and antelope and grouse and birds, all different varieties and species. But now those are gone, and the difference is astounding. I think that people are talking more about the impacts now. I think at first, people were just anticipating all the money. That was what governed our thinking, and our decision making, but now, I think, in general, people are talking more about the water, the land, the air, the noise, the traffic, and all health impacts that are coming. They aren't quantified yet, but we know they're coming. Other communities in Colorado, in Texas, Pennsylvania…those communities have already gone through what we're entering into. It's not as if we don't know what's down the road. That's what we'd like to avoid. That's why we're organizing, and fighting for better rules, and trying to change the way things work around here."

If these stories caught your interest, be sure to check out the *Living with Oil and Gas* Facebook page, and watch for new stories in the weeks and months to come! Plus, give us a shout if you've got a story of your own to share.
Email ccromwell@worc.org for more information.

Facebook: facebook.com/livingwithoilandgas
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Coal bankruptcies: End of the line or dawn of new era?

Financial distress in the coal industry reached a fever pitch in 2015 and early 2016. With dwindling options as the financial losses rack up, major western strip mining companies are turning to bankruptcy court.

Years of inexpensive natural gas and cheap renewable energy have displaced large amounts of coal-fired electricity across the United States, and enhanced air quality protections have prevented new coal-fired power plants from being built. Coal supplied 50% of the country's electricity in 2005, but a mere ten years later in 2015, that number has been slashed to just a third. But coal company executives did not plan for that. Instead, they took on immense debt at the height of the market in 2011 to expand through ill-advised mergers and acquisitions. The problem is that coal prices peaked in 2011. Since then, coal prices have crumbled, eroding the industry's profitability.

Arch Coal followed Alpha Natural Resources into chapter 11 bankruptcy on January 11, 2016. Alpha, which filed on August 3, 2015, has been losing nearly a million dollars each day from ongoing operations. The company is struggling to emerge from bankruptcy, but is weighed down by a raft of unprofitable mines that have attracted little interest from potential buyers. Peabody Energy Corporation, which has for years billed itself as the largest private-sector coal company in the world, filed for banktrupcy on April 13, 2016.

When companies seek the protection of bankruptcy court, rarely do they cease operations. In fact, Alpha and Arch are maneuvering to emerge from bankruptcy leaner and more competitive, and are continuing mine operations in the meantime. The companies have a tough row to hoe given the collapse in coal prices, but bankruptcy court offers very lenient treatment. Accordingly, Alpha and Arch are each seeking to break long-standing promises made to workers, mine neighbors, and taxpayers.

Executive compensation up, employee and retiree benefits cut

Alpha is seeking court approval to shred union contracts and eviscerate modest medical benefits for both union and non-union retirees. The company is targeting $60 million in savings from slashing union benefits, and a further $3 million from stripping non-union retirees of monthly medical benefits. In late January, however, Alpha received court approval to pay fifteen top executives up to $12 million in bonuses and payments to incentivize deep cuts to the company's costs. Described in a court objection by the miner's union as a "bounty system," the payments would funnel "premiums to executives for layoffs and reward estate fiduciaries handsomely for doing nothing more than their jobs." Many have condemned this appalling show of corporate greed, but 15 Alpha executives continue to line their pockets after driving the company into bankruptcy.

In an ominous sign of the Arch's priorities, the company paid its management and directors a total of $29 million since January 2015, including more than $8 million in bonuses to top executives three days before the company's bankruptcy filing.

Companies dodge responsibility for clean-up costs

In addition to breaking promises to their workers and unduly enriching executives, Alpha and Arch are also shirking their responsibility to taxpayers and the neighbors of their mines. Instead of providing full coverage of clean-up costs, mining companies are striking deals.

Federal and state law requires coal mining companies provide a reclamation bond to state authorities before mining begins. The bond can be forfeited to provide funds to the state for mine clean-up if an operator abandons the mine without completing reclamation.

Unfortunately, Alpha and Arch have not been required to post full bond coverage through surety bonds or cash. Instead, they have been allowed to "self-bond," where mine operators promise to clean-up their mines without putting up a third-party bond. A company qualifies for this special treatment based on their financial strength. Self-bonding is used in Wyoming, North Dakota, and Colorado, among other states across the country.

Self-bonding was never intended for companies that might enter bankruptcy, but loopholes in the rules governing self-bonding have allowed mines to remain self-bonded long after the company has become financially unstable. For example, Arch Coal was allowed to renew self-bonds in the State of Wyoming only four months before filing for bankruptcy.

Self-bonding puts states in a very difficult position: when a self-bonded coal company falls on hard times, states are wary of replacing the bonds before a company actually fails one of the eligibility criteria, because replacing bonds is very expensive. And when a company enters bankruptcy, its ability to fully replace its self-bonds can be compromised by how much operating cash it raises from lenders.

That is exactly what has happened in Wyoming. Alpha entered bankruptcy with $411 million in self-bonding for its mining operations in the state. Arch entered with $485 million. Since entering bankruptcy, Alpha and Arch struck deals with the State of Wyoming to guarantee less than 20% of the original amounts: Alpha pledged $61 million (15 cents on the dollar) and Arch pledged $92 million (19 cents on the dollar). While regulators hope to obtain secure, third-party bonds for the full amount when the companies emerge from bankruptcy, there is significant doubt about whether that will occur. Many of Alpha and Arch's mines are no longer making a profit, which turns away potential buyers. This is also an obstacle for any private company to insure clean-up: will the company be able to afford the steep price tag? The pressure is on to find a solution to this thorny problem, as Alpha reported losses of $47 million during just the 29 days of the month of February 2016.

What's to be done?

Gutting common-sense legal protections is not the answer. Companies must fulfill their promises to their workers and their neighbors. This means honoring collective bargaining agreements, covering full reclamation costs during bankruptcy, and ensuring the companies that emerge from bankruptcy are adequately bonded.

Alongside Powder River Basin Resource Council and Northern Plains Resource Council, WORC has been on the forefront of defending the integrity of our nation's strip mining protections and pursuing justice for our members. Several weeks ahead of Arch's bankruptcy in December 2015, we filed a formal complaint alleging that the company was inadequately bonded in Wyoming.

While State officials did not require self-bond replacement before Arch entered bankruptcy, federal regulators at the Office of Surface Mining Reclamation and Enforcement (OSMRE) challenged the State to explain its actions. With the State's response in hand, OSMRE has the option of opening a federal investigation into the State's conduct.

In February, when Arch proposed its deal with Wyoming to guarantee 19% of its self-bonds during bankruptcy, we formally objected in court. Lacking objections from federal or state regulators, our objection was overruled, but our future participation in the case was not limited.

Meanwhile, Peabody creeps closer to bankruptcy. With Powder River Basin Resource Council, WORC filed a formal complaint about the adequacy of the company's bonding, similar to the one filed on Arch. "The Councils do not want to interfere with the continuing operations of these mines," said Bob LeResche, Chair of Powder River Basin Resource Council and immediate Past Chair of WORC. "But we will do everything we can to ensure the central tenets of the Surface Mining Control and Reclamation Act (SMCRA) – guaranteed reclamation and citizen involvement – are not ignored by a near-bankrupt corporation and Wyoming DEQ. If Peabody files for bankruptcy without adequate assets to back their reclamation liability in Wyoming, state and federal taxpayers will be left with the bill, tens of thousands of acres of Wyoming could be left scarred, and a huge out-of-state corporation could dodge its clear obligations."

Luckily, some in leadership positions are finally waking up to the danger posed by self-bonding during the coal industry's new era of chronic financial distress. In Illinois, Attorney General Lisa Madigan wrote Peabody Energy executives questioning the company's ability to self-bond in her state as the company teeters on the brink of bankruptcy.

In Washington, D.C., top federal coal mining regulator Joseph Pizarchik admitted to a reporter that the illusory protections of self-bonding are "basically a legal fiction." On Capitol Hill, Senators Maria Cantwell (D-WA) and Dick Durbin (D-IL) have asked the nation's Comptroller General at the Government Accountability Office (GAO) to audit the performance of self-bonding for coal mining, and compare self-bonding across federal programs that govern resource extraction.

And in Wyoming, an official with the state's Department of Environmental Quality wrote to his federal colleagues about the "series of challenges" posed by the "systemic issues" with coal self-bonding. These are promising signs along the way to addressing a financially irresponsible bonding program, but are only first steps towards reform.

Coal is clearly in a new era of reduced demand. Year-to-date 2016 mine production is about 30% below the average over the last three years. Our policies and leadership need to proactively manage the decline of coal mining in a way that does not push off costs onto western taxpayers, adjoining private landowners and grazing leaseholders. Successfully reclaiming the hundreds of square miles of mined land in the west is essential to putting those acres back into production for food and fiber, or for habitat and recreation area.

For more information, or for a copy of WORC's complaints on Arch and Peabody or many of the excellent recent articles or editorials on coal, please contact Dan Cohn (406-252-9672, dcohn@worc.org).

"Methane" continued from cover

The opposition to the rule expressed concerns that the rule duplicated state flaring and venting laws. In January, WORC and the Western Environmental Law Center released a report, *Falling Short*, rebutting the claims made by industry that the BLM methane waste rule is a pointless rule that duplicates existing state laws. *Falling Short* details all the areas that state laws regulating the waste of methane by the oil and gas industry fall short and argues for a strong federal rule to regulate waste of methane to fill the gaps left by the lack of state laws curbing the waste of methane by the oil and gas industry. You can read Falling Short by visiting: http://westernlaw.org/sites/default/files/2016StateMethaneWasteReport.pdf.

Comments on the BLM proposal were due April 22.

Speakers supporting the Bureau of Land Management's methane standard outnumbered opponents 58-9 at the Lakewood, Colo., session. Among the participants were, left to right, Wayne Quade, Western Colorado Congress (WCC); Natasha Leger, Citizens for a Healthy Community; Paige Smith and Casey Quinn of the Powder River Basin Resource Council; and Kristen Wynn, Rodger Steen, and Karen Sjoberg with WCC.

"We are in the 21st century and should not rely on 19th & 20th century technology," Susann Beug, a Northern Plains member, told the Bureau of Land Management at the Dickinson, N.D., hearing.

U.S. - Canada methane agreement

On March 10, President Obama and Canadian Prime Minister Trudeau announced an agreement to cut methane emissions by 40-45 percent. The agreement means that the U.S. Environmental Protection Agency (EPA) will release a rule to limit methane emissions from existing oil and gas wells.

At present, EPA has proposed a rule that would only limit methane emissions from new oil and gas wells and infrastructure. WORC and its member groups have been pushing the EPA to address existing sources of methane pollution since the summer.

"WORC applauds President Obama and Prime Minister Trudeau on their joint leadership in agreeing to cut harmful methane pollution from existing and new oil and gas development and combat climate change," said WORC Chair Nancy Hartenhoff-Crooks. "Their agreement will go a long way toward ensuring people in oil and gas impacted communities in the United States and Canada will get some much needed relief from harmful methane emissions, while also protecting the United States and Canada from the harmful effects of climate change."

PRINCIPLES OF COMMUNITY ORGANIZING WORKSHOP

July 20-23, 2016 - Billings, Montana

Sign up at www.worc.org

Travel and lodging scholarships are available to qualified members

"Coal Reforms" continued from page 6

Pending Coal Reforms in 2016

In addition to the pending broad policy review, Department of Interior agencies are processing a number of critical regulatory reforms that should be finalized prior to the end of the Obama Administration. These include:

- The Stream Protection Rule to ensure that coal mining does not destroy off-site water that communities depend on. The draft rule is under assault from coal state congressional delegations. It will require a strong community-based effort to preserve the proposed reform and improve the final rule.
- WORC and other groups successfully petitioned the Office of Surface Mining Reclamation and Enforcement to issue a new rule on coal mine blasting to protect public health from noxious chemicals.
- Over 200,000 comments were submitted, largely supportive, on the Office of Natural Resource Revenue's draft rule to close a royalty loophole that allowed coal companies to sell coal in non-arms-length transactions with affiliates, and then re-sell at a much higher price, thereby gleaning much larger, royalty-exempt profits in the marketplace from public coal.

PEIS Public Scoping Meetings Announced

In January, Secretary of the Interior Sally Jewell announced a comprehensive review that will examine a broad array of concerns about the federal coal program. The Dept. of Interior is hosting a series of six scoping meetings to help the BLM identify and evaluate potential reforms to the federal coal program.

- May 17 - Casper Events Center - Casper, WY
- May 19 - Salt Palace Convention Center - Salt Lake City, UT
- May 26 - Tennessee Theatre - Knoxville, TN
- June 16 - Pittsburgh Convention Center - Pittsburgh, PA
- June 21 - Sheraton Seattle Hotel - Seattle, WA
- June 23 - Two Rivers Convention Center - Grand Junction, CO

Each public scoping meeting will be held from 10a.m. – 4 p.m. local time. The meetings in Casper, Seattle and Pittsburgh will be live-streamed at www.blm.gov/live, and meetings will have a listen-only audio link via telephone. Written comments may be submitted until July 23, 2016 to:

Email: BLM_WO_Coal_Program_PEIS_Comments@blm.gov

Postal Mail: Coal Programmatic EIS Scoping
Bureau of Land Management
20 M St. SE, Room 2134 LM
Washington, D.C. 20003

FEDERAL COAL LEASING FACTS

- 40% of the coal mined in the United States is federally-owned.
- 80% of the coal in the Powder River Basin of Montana and Wyoming, the largest coal production region in the country, is federal.
- According to numerous reports, the federal coal program has lost $1 billion a year, on average, over the past 30 years to inadequate market valuations, royalty loopholes, lack of competitive bidding, and other flaws in managing the resource.
- The Bureau of Land Management leased over 2.2 billion tons of coal since 2010, most of it in the Powder River Basin.
- On average mines that use federal coal have at least 20 years of federal coal leased reserves to sustain operations during the announced 3-year coal leasing pause.
- The top three coal mining companies in the U.S. are heavily dependent on public coal. Federal coal accounts for 68% of the total coal mined in the U.S. by Peabody Energy Corp; about 83% by Arch Coal Inc.; and 88% by Cloud Peak Energy Inc. according to a report by Greenpeace, *Corporate Welfare for Coal,* March, 2016.

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Publications

Growing The 16% Addresses the problem of beef market concentration and its impact on independent livestock producers, local meatpacking infrastructure and rural communities.

No Time To Waste Examines standards and disposal practices around radioactive oil and gas waste in Colorado, Idaho, Montana, North Dakota, South Dakota, and Wyoming

Undermined Promise II Examines coal production in the West and find that mining companies and regulatory agencies are falling short on keeping promises made in the Surface Mining Control and Reclamation Act

Flaring Boom Explains the underlying causes and the problems caused by flaring and venting methane from oil and gas fields in six western states

Heavy Traffic Still Ahead: Rail Impacts of Powder River Basin Coal to Asia by Way of Pacific Northwest Terminals Identifies costs for infrastructure due to increased rail traffic, many of which will fall on taxpayers

Watered Down: Oil and Gas Waste Production and Oversight in the West Examines dangers to water quality from oil and gas production in Colorado, Montana, North Dakota, and Wyoming

Gone For Good: Fracking and Water Loss in the West Finds that oil and gas extraction is removing at least 7 billion tons of water from the hydrologic cycle each year in four Western states

Download these publications at *www.worc.org*

2016 Events

WORC's June Board and Staff Meeting
Red Lodge, Montana.. June 13-15

Principles of Community Organizing Workshop
Billings, Montana ....July 20-23

Powder River Basin Res. Council Annual Meeting
Sheridan, Wyoming... November 5

Idaho Org. of Resource Councils Annual Meeting
Boise, Idaho ....November 13

Northern Plains Resource Council Annual Meeting
Billings, Montana .... November 18-19

WORC's December Board and Staff Meeting
Billings, Montana .... December 2-3