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Resource Councils Seek Investigation into Westmoreland Coal Mine Cleanup Funds

Company on brink of bankruptcy may be under-bonded for mine reclamation

(Billings, Mont.) -- Westmoreland Coal Company may not have sufficient financial guarantees to cover cleanup of its coal mines, according to a letter sent to federal coal regulators this week.

The [letter](#), sent by the Western Organization of Resource Councils (WORC), Northern Plains Resource Council, and Powder River Basin Resource Council, highlights disclosures in Westmoreland's annual report to investors that suggest the company may be under-bonded for mine cleanup, known as reclamation. The company estimates that it will incur \$772 million of coal mine cleanup costs, but reveals that it has only \$672.9 million of reclamation bonds.

“Coal mine reclamation creates jobs, and adequate reclamation bonds guarantee those jobs will exist regardless of what happens to a particular coal company,” **said Beth Kaeding**, Chair of WORC. “Westmoreland has said they may file for bankruptcy in the near future. If they don't emerge from bankruptcy and the public finds out they are underbonded, then taxpayers would be stuck with the bill for cleanup. That's a big, unexpected financial burden on states and coal communities, and it's not right.”

The letter requests that federal coal regulators at the Office of Surface Mining Reclamation and Enforcement initiate an investigation into whether Westmoreland's bonds are adequate. Coal mine reclamation bonds are required by the Surface Mine Control and Reclamation Act of 1977. If a coal company abandons its mine without finishing reclamation, regulators tap reclamation bonds to finish the job, ensuring no public money is used to clean up after a private business. Unreclaimed coal mines present safety hazards of deep pits and unstable terrain, and can degrade streams, groundwater, and air quality. Mines are required to fill in pits and replant vegetation that can support wildlife or livestock.

“Westmoreland estimates that reclamation at their mines will cost more than they have bonds to back it,” **continued Kaeding**. “Reclamation bonds are an emergency fund to ensure coal mines get cleaned up after mining, even if a coal company disappears. We're asking for an investigation from the Office of Surface Mining to make sure Westmoreland's bonding is in order, especially since the company might file for bankruptcy in the very near future.”

Westmoreland operates 23 active mines across 9 states and Canadian provinces, including Montana, Wyoming, North Dakota, and New Mexico. The company is widely rumored to be on the brink of bankruptcy, with speculation of a bankruptcy filing as soon as May 15, 2018.

“A lot of coal communities are at a fork in the road,” **said Kaeding**. “If the strip mines get fully cleaned up, there could be life after coal, not only for community residents but for the wildlife and people who use that land. If they don’t, how easy will it be to attract new industry and young families? We believe reclamation must get done. It takes just as many people to reclaim a strip mine as it does to mine it.”

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Beth Kaeding is the Chairperson of the Western Organization of Resource Councils. WORC is a regional network of grassroots community organizations that include 15,190 members and 39 local chapters. From its creation in the 1970s, WORC has focused on coal mining issues and assisting its members and communities address the adverse impacts of mining.