

MR. SMYTH: Good afternoon. My name is Joe Smyth. And I want to thank you for holding these hearings [indiscernible] could have a chance at coming. As the Interior Department pursues reform in the Federal Coal Program, I hope you'll be guided by two principle concerns -- communities and climate. The Federal Coal Program impacts communities in a wide variety of ways. Federal coal mining provides jobs and revenue for communities in Colorado, Utah, Montana, and particularly Wyoming. So, as we move away from coal in favor of cleaner forms of energy, the Federal government has a responsibility to help those communities transition. This dependence on coal in the West exists largely because of the Federal program. So, the level of national support in this transition should be comparable to what we see when the Defense Department decommissions a military base. That could be financed with the Federal Government's share of coal royalties. Why should all the money go to the Federal Treasury? We owe these communities for what they've done to help power our nation. Of course the Federal, Federal [indiscernible] also impacts many other communities. Mining coal pollutes waters supplies. And transporting coal disrupts communities with mile-long trains. Spring coal is a major cause of air pollution, particularly in lower-income communities. After it's burned, coal ash waste threatens the drinking water supplies of communities all across the country. And of course, mining and burning coal fuels climate change. So, when Interior Secretary Jewell wants these [indiscernible] she said it was in part to, quote, manage the program in a way that it's consistent with our climate change objectives. Our national climate objectives include avoiding the devastating impacts from a global temperature increase of two degrees Celsius. The challenging reality is that in order to meet these kind of objectives, nearly all U.S. coal reserves must remain unburned, probably between 90 and 95 percent, According to a study published in Nature last year. That means Interior likely cannot responsibly lease any more Federal coal. And in fact, may need to take or buy back some reserves that have already been leased. So, as part of the scoping process, Interior should study which reserves should be taken or bought back. Perhaps beginning with lower BTU coal that is uneconomic in today's market. Determining how to put communities and climate first when managing our coal won't be easy. But, one thing should be straightforward. The executives who run these

coal mining companies are not partners in this reform effort. They have shown total disregard for both our climate and our communities. Bankruptcy filings reveal that Peabody and Arch have fund a network of organizations that still doubt about the reality of climate change. And even they lead their companies into bankruptcy, these executives gave themselves multimillion dollar bonuses. We heard about \$8 million bonuses from Arch Coal. That was approved on Friday, January 8th. One business day before they filed for bankruptcy. Now, imagine if that money had been invested in communities and economic transition strategies. When considering [indiscernible] keep in mind that Federal coal makes up the vast majority of the coal that Peabody and Arch mined in the U.S. In 2014, Federal coal represented 68 percent of Peabody's U.S. coal reduction; 82 percent for Arch Coal, and ever higher for [indiscernible] Peak Energy, 88 percent. And these companies dominate the Federal Coal Program, together accounting for 77 percent of total Federal coal production in 2014. So, I hope you'll take the opportunity provided by the Federal Coal Program for you to put communities and climate first, instead of continuing to subsidize coal extraction. Thank you.