

1 setting the coal prices.

2 The second major conclusion of this report is that
3 coal exports have gone through a boom period from 2010
4 through 2014. During that time the states of Colorado,
5 Wyoming, Utah, and Montana exported roughly 100 million
6 tons of coal combined. Much of that was from specific
7 identifiable export-oriented coal mines, many of which
8 rely either exclusively or heavily on federal coal.

9 And even in the middle of that boom, the Bureau of
10 Land Management did not pay attention to the unique
11 dynamics of coal exports and the fact that the federal
12 coal that was exported could receive far higher profits
13 on export markets than it could in domestic markets.

14 And the last major point is that that boom period
15 has ended and that we are now in a period when coal
16 companies are retrenching and pulling back from exports.
17 The -- still there are financial economic techniques
18 hinging on what's called the real options valuation,
19 which is described in the report, which can help set a
20 value on federal coal and it's higher than coal's been
21 leased for in the past. Thank you.

22 MR. BATTIS: Thank you.

23 MR. JAFFE: Okay. Good afternoon. My
24 name is Dan Jaffe. I'm a professor at the University of
25 Washington. I teach chemistry and atmospheric chemistry

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1 and air quality. I've done research on global pollution.
2 My work in 1999 was the first to identify pollution
3 coming from -- to the United States from China. My
4 research has been funded by the National Science
5 Foundation, NASA, EPA. I've been on panels with the
6 National Academy of Sciences and others.

7 The last couple of years we've been looking at
8 impacts of coal trains here in the Pacific Northwest. I
9 have the only group that's published two papers in the
10 peer-reviewed literature on the coal dust impacts here in
11 the Pacific Northwest.

12 I'm sure you're aware of the recent DEIS for the
13 Millennium bulk terminal project out of Longview. I
14 reviewed that carefully. Based on our data it looks like
15 they've underestimated the coal dust effect by about a
16 factor of 3, so this is a real impact and it's quite
17 important.

18 I would like to make a couple of specific comments
19 on BLM's coal leasing program. First, I appreciate
20 they're holding this in Seattle because the effects of
21 coal are global and national all the way around. Climate
22 change, air pollution, the transport effects,
23 acidification, all of these issues are really national
24 and global issues, and so no one region has a lock on
25 this.

1 Loss of glaciers is another big one. And from our
2 work, loss of coal dust released to the atmosphere during
3 shipment.

4 Second, coal mining transport and burning, major
5 environmental, social, and health costs, everything from
6 miner's disease, air quality, climate change, and other
7 effects, these are almost entirely absent from rational
8 consideration of the pricing from coal.

9 These are externalities. They are not included.
10 Somebody else pays for them, not the person who is
11 burning the coal. And it really is impossible to develop
12 rational policies if these external costs are not
13 considered in the cost of coal development.

14 Last summer I was hiking near Lake Chelan in
15 Washington State. I got to see up close some of the
16 massive Wolverine ridge wildfire. It was very hot, dry
17 and very smoky. It was really a very, very sad moment
18 for me to see what we're leaving to our children behind
19 here in the Western United States wildfires, and many
20 other issues that are quite important with respect to
21 climate change.

22 Really, sometimes the cheapest way to generate power
23 isn't all that cheap when we consider these external
24 costs, and that's again, what I'm really trying to
25 emphasize. Economics can help us deal with this if we

1 can identify all of these true costs, and I urge the BLM
2 to consider to update its policies on coal leasing and --
3 on federal land.

4 Finally, I wanted to acknowledge that coal does
5 currently provide electricity and jobs to a significant
6 number of people. While we must transition away from
7 coal, I think we should be mindful of the fact that coal
8 mining regions may need help in moving to clean air
9 economies.

10 So with that, I thank you for taking my comments.

11 MR. BATTIS: Thank you. We are missing
12 cards 41 and 45. So if you have 41 or 45, please come on
13 down.

14 MR. LeRESCHE: Good afternoon. I'm
15 Bob LeResche. I'm a rancher in Northeast Wyoming, and
16 I'm representing a Powder River Basin Resource Council
17 and the Western Organization of Resource Councils.

18 We, as others have, submitted voluminous comments
19 which I won't try to summarize, but I will raise four
20 major points. But before I do that, I just have to say
21 that Interior and the apocryphal war on coal is no more
22 responsible for the demise of the U.S. coal industry than
23 William Howard Taft was responsible for the demise of the
24 buggy whip. I mean, we've heard this so many times today
25 and I couldn't resist saying that.