

Chairman Alan S. Lowenthal
Energy and Mineral Resources Subcommittee Legislative Hearing:

The Future of the Federal Coal Program
July 11, 2019

The Subcommittee on Energy and Mineral Resources will come to order.

The Subcommittee is meeting today to hear testimony on the future of the federal coal program.

Under Committee Rule 4(f), any oral opening statements at hearings are limited to the Chairman and the Ranking Minority Member or their designees.

I ask unanimous consent that all other Members' opening statements be made part of the hearing record if they are submitted to the Subcommittee Clerk by 5:00 pm today. [*pause*] Hearing no objection, so ordered.

To begin, I want to thank the witnesses for being here today.

We're talking about the future of the federal coal program today, but the program itself is very much stuck in the past, creaking along on broken and outdated procedures established 40 years ago, while promoting a highly polluting fuel that is quickly being surpassed by natural gas and renewable energy.

The federal coal program currently ignores the effects of coal on our climate and the future of Americans who are losing their livelihoods as this fuel disappears.

And it does not reflect the reality of today's energy economy or the dynamics of the modern coal market

Over the past decade, coal use in the United States has dropped by nearly 40 percent.

And it's not just in this country that coal is waning.

Many European countries are on track to quit coal entirely, and even China has reduced its coal use over the past five years.

In some cases, this is driven by efforts to reduce greenhouse gas emissions. For the most part, and particularly in this country, it's basic economics.

Unfortunately, this administration doesn't set our nation's energy policy with basic economics or science.

Instead, it sets it based on the wish-lists of fossil fuel company executives.

One by one, the administration has checked items off that wish list, each time declaring that "the War on Coal is over!"

A thoughtful review of how we lease coal on public lands? Killed.

An acknowledgement that the federal coal program contributes to climate change? Gone.

A regulation to close loopholes that allows coal companies to pay less than their fair share of royalties to the American people? Almost gone, until a judge found that it was repealed illegally.

But even with these actions, coal continues to decline.

Cheap natural gas and increasingly cheap renewable energy are simply driving coal out of the marketplace.

Meanwhile, the U.S. Geological Survey published a report last year that said the federal coal program alone is the cause of 13% of our country's greenhouse gas pollution.

We also have ample evidence, in the form of reports from the Government Accountability Office and the Interior Department Inspector General, that our federal coal leasing system is fundamentally flawed.

It's a system where 90 percent of the so-called competitive lease sales have only one bidder and royalties can be set outrageously low;

A system with inadequate bonding requirements that leave taxpayers at risk of picking up the tab for mine cleanup;

A system that fails to account for the climate impacts of the federal coal program.

The federal coal program is simply not smart for taxpayers or for ensuring that we leave a recognizable world for our children and our grandchildren.

The fact is that coal is not coming back, and climate change is not going away.

Rather than continue to prop up the declining coal industry, we must work to prevent climate change and help states, towns, and workers that have historically depended on federal coal prepare for new economic realities.

Workers and communities who are being hit hard by the decline of coal need new opportunities and diversified economies, and they need them now.

And it's urgent that we account for the climate costs of federal coal, and do it now.

We could do this in the same haphazard way that we've managed federal coal over the past few decades

Or, we can consider phasing out the federal coal program in a reasonable, thoughtful way that protects workers, guarantees mine cleanup, and addresses climate change.

With that, I look forward to the testimony from our witnesses, and I now recognize Ranking Member Gosar for his opening statement.