



Department of Climate Action

July 18, 2013

MEMORANDUM FOR:

Sally Jewell
Secretary
Department of Interior

FROM:

Department of Climate Action
Bureau of Sequestered Carbon

SUBJECT:

Coal Leasing Moratorium Needed to Comply with President Obama's Climate Action Plan

ISSUE:

President Obama has directed federal agencies to identify executive actions to reduce carbon pollution. The Department of Interior can immediately prevent the release of billions of tons of CO₂ by establishing a moratorium on new coal leasing and reforming the Bureau of Land Management's coal leasing program to comply with President Obama's Climate Action Plan.

Between 2011 and 2012, BLM leased over 2.1 billion tons of coal in the Powder River Basin, which will [release 3.5 billion metric tons of CO₂](#) when burned – roughly the annual emissions of 1,000 coal fired power plants. Nearly 4 billion more tons of coal are under consideration, including 148 million tons in the Maysdorf II lease which BLM [plans to give away](#) this August. This will unlock huge quantities of carbon pollution, undermining efforts by states, businesses, and federal agencies to address climate change.

The Department of Interior's [Inspector General identified](#) several flaws with the federal coal leasing program, noting that for every penny coal is undervalued, taxpayers lose \$3 million. A [report by the Institute for Energy Economics and Financial Analysis](#) found that taxpayers have lost nearly \$30 billion because of flaws in the way that fair market value is determined. These problems are exacerbated by the coal industry's plans to export our coal to fetch higher prices in Asian markets. Worse, giving away publicly owned coal at subsidized rates of around \$1 per ton amounts to a major fossil fuel subsidy, favoring coal at the expense of cleaner forms of energy.

BLM is [supposed to manage](#) our publicly owned coal “in the best interests of the Nation,” and President Obama made clear in his June 25 [speech](#) that significantly exacerbating the problem of carbon pollution is not in our national interest. As long as BLM continues to subsidize the sale of publicly owned coal, we will not meet President Obama's challenge: “Someday, our children, and our children's children, will look at us in the eye and they'll ask us, did we do all that we could when we had the chance to deal with this problem and leave them a cleaner, safer, more stable world?”

Fortunately, this problem can be remedied by establishing a moratorium on new coal leasing, ending the subsidized sale of publicly owned coal, and reforming the federal coal leasing program to comply with President Obama's Climate Action Plan.