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## **Documents and Audio Recordings Kept Secret by Interior Dept. Raise Further Questions into Obama Administration's Rewrite of Coal Production Regulation**

*New Obama regulation could have "catastrophic" and "atomic" impact  
on coal mining and jobs*

**WASHINGTON, D.C.** – House Natural Resources Committee Chairman Doc Hastings (WA-04) today released internal documents and audio recordings obtained by the Committee through outside sources, which raise further questions into the highly unusual manner in which the Obama Administration is rewriting a coal production regulation, the 2008 Stream Buffer Zone Rule. The documents detail "catastrophic" impacts to small mining companies as a result of the Administration's proposed rule and the audio recordings of meetings between federal agency personnel and their hired contractors reveal questionable actions and motives. For over a year, the Department of the Interior has refused to provide these documents to the Committee and has ignored an [April 5<sup>th</sup>](#) subpoena seeking this information. A second subpoena was issued on [May 11<sup>th</sup>](#).

*"President Obama's Interior Department appears to be so determined to keep this information secret they've been refusing to comply with a subpoena. These documents and audio recordings raise serious and troubling questions about how the Obama Administration is going about this rewrite and the resulting economic consequences their new regulation will inflict on coal mining jobs across the country," said Chairman Hastings. "The Interior Department must fully comply with both subpoenas and answer key questions about what they are doing, why they are doing it, and how it is being done. As these documents reveal, the Administration is fully aware that thousands of American jobs are at stake and it's far past time for them to be open, honest and transparent."*

Almost immediately after taking office, the Obama Administration initiated a rewrite of the completed 2008 Stream Buffer Zone Rule. This decision, carried out through the Office of Surface Mining Reclamation and Enforcement (OSM) at the Department of the Interior, proposed to dramatically alter a regulation that took over five years of environmental analysis and millions of dollars to complete. Despite the fact that a thorough Environmental Impact Statement (EIS) was conducted for the 2008 Rule, the Obama Administration's OSM decided to complete an entirely new EIS. A January 26, 2011 [Associated Press](#) story revealed that this draft EIS estimated that the Obama Administration's regulation could cost over 7,000 mining jobs and cause economic harm in 22 states. Shortly after this information was made public, the Obama Administration

criticized and dismissed the contractor it had selected to write the EIS.

The Committee is examining serious questions regarding why this rewrite was initiated, how the rulemaking process is being managed, whether political implications are unduly influencing the process, the hiring and dismissal of the contractor, and the impacts the rewritten regulation would have on jobs, the economy, and coal and energy production in America

### **Draft Regulatory Impact Analysis (RIA)**

Before any new federal regulation is implemented, a Regulatory Impact Analysis (RIA) is required to examine the potential economic impacts of the rule.

A preliminary draft RIA from December 2010 on the Obama Administration's proposed coal regulation shows that the Administration anticipated significant coal reduction as a result of implementing their rule. By February 2011 (after the [Associated Press](#) reported that the regulation would cost 7,000 mining jobs) several tables and charts were removed from the draft RIA that showed loss of coal production, increased costs and the resulting loss of thousands of jobs.

In addition, the February 2011 draft RIA anticipated that small mining companies employing less than 500 people, which according to the RIA comprise 94 percent of all coal companies, would be **"economically impacted in a catastrophic way."**

Questions:

- Why were charts and tables identifying economic impacts removed from the February 2011 draft RIA? If the information was removed because the underlying numbers were wrong, then the Administration should provide the true and accurate numbers. If the charts were removed because the numbers are accurate but the conclusion is economically and politically damaging, then the Administration must explain why they are concealing devastating economic impacts of their proposed regulation.
- OSM Director Joe Pizarchik testified before the Committee that the leaked numbers reported by the Associated Press were solely "placeholders." Yet the draft RIA from December 2010 shows that these numbers were used repeatedly by OSM. If the 7,000 job losses were a "placeholder," why does the more extensive analysis in the RIA show the exact same job loss numbers?

### **Audio Recordings**

There are digital audio recordings totaling approximately 30 hours of meetings between Interior Department personnel and hired contractors regarding the rewrite of the rule. The Department is ignoring a subpoena seeking copies of the audio recordings and has only provided heavily redacted versions of a few, select transcripts. However, copies of the recordings and unofficial transcripts provided to the Committee raise numerous questions about the Administrations motives for the rewriting the rule.

For example, the audio clips feature:

- An OSM official discussing how a benefit of the Obama Administration’s new proposed rule is no coal mining.
  - The proposed rule being characterized as “atomic” for small businesses, with Director Pizarchik’s intent being to make the company decide whether they are “willing to risk their ability to ever mine coal again, against the possibility that they won’t be able to restore the stream.”
  - An OSM official worrying about how to “sell” the proposed rule to the public because it will only save 15 miles of stream, while costing millions in taxpayer dollars and thousands of American jobs. It appears the proposed rule would only save 15 miles of stream because coal production would be moved to other regions outside of the Appalachia – meaning the rule would have minimal national environmental benefit but would succeed in causing extreme economic dislocation and devastation in communities all across Appalachia.
  - OSM officials telling contractors to “pretend” that the 2008 Stream Buffer Zone Rule was implemented and applied across the country when it was not, and explaining that this is “not the real world, this is rulemaking” as justification for using analysis that does not actually consider “conditions on the ground.”
  - An OSM official admitting that the contractors “did exactly what I told them to do” when completing the draft environmental impact statement. This conflicts with OSM Director Pizarchik’s testimony to the Committee and others who have criticized the work performed by the contractors when completing the draft environmental impact statement.
- [Click here to listen to the audio clips, read unofficial transcripts and the drafts of the RIA, and access all the documents provided by the Interior Department to date.](#)

For more information visit, <http://naturalresources.house.gov/Oversight/CoalRegs>

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