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Cantwell Applauds Interior Department for Starting the Process to Create New, Stronger Regulations on Self-Bonding

New Rules Would Help Ensure Taxpayers Are Not on the Hook When Self-Bonded Coal Companies Go Bankrupt

Washington, D.C. – Ranking Member of the Senate Energy and Natural Resources Committee U.S. Senator Maria Cantwell (D-Wash.) commended the Department of the Interior's step forward to begin creating new regulations that would help ensure coal companies are financially able to cover the cost of land reclamation after mining operations cease. Today, the Office of Surface Mining Reclamation and Enforcement (OSMRE) announced it will begin exploring ways to amend its current self-bonding regulations in order to safeguard taxpayers from being on the hook to pay for mining reclamation after a company goes bankrupt.

"The Office of Surface Mining Reclamation and Enforcement is taking another critical step in protecting taxpayers, communities and the environment from bankrupt coal companies," Sen. Cantwell said. "I applaud the Department of the Interior for moving ahead to prevent taxpayers and local communities from being the deep pockets on the hook to clean up coal mines."

Current law requires coal companies to ensure that they can cover the cost of land reclamation after coal mining operations have stopped. But the law allows the Interior Department and state agencies to accept performance bonds for this cleanup work from coal mining companies without separate surety, known as "self-bonds." These self-bonds are a significant financial liability to state and federal taxpayers. As dozens of coal companies have declared bankruptcy in the past two years, the financial risk to taxpayers posed by self-bonding has become apparent.

Since becoming ranking member last year, Sen. Cantwell has worked to modernize coal policies and protect taxpayers. She has made multiple calls to reform the federal coal program and to end the practice of self-bonding. In June, Sen. Cantwell introduced the Coal Cleanup Taxpayer Protection Act to protect taxpayers from liabilities caused by coal companies' risky financial practices. Sen. Cantwell has questioned the Interior Department about the dangers of self-bonding and, along with Sen. Durbin (D-Ill.), requested an investigation by the Government Accountability Office (GAO) into the risk to the taxpayer of self-bonding.