

U.S. House of Representatives
Committee on Natural Resources
Washington, DC 20515

February 23, 2017

Mr. Jack Haugrud
Acting Secretary
U.S. Department of the Interior
1849 C Street NW
Washington, DC 20240

Dear Acting Secretary Haugrud,

I was surprised to see a February 21, 2017, blog post on the Department of the Interior's (DOI) website claiming that the Stream Protection Rule (SPR) finalized by the Office of Surface Mining Reclamation and Enforcement (OSMRE) on December 20, 2016, and repealed by President Trump's signature of a Congressional Review Act resolution of disapproval on February 16, 2017, "was estimated to put 7,000 clean coal jobs in 22 states at risk." This figure appears to come from a widely discredited and outdated draft environmental study, and contradicts the job impacts published by the Department and OSMRE less than two months ago.

As you are likely aware, the regulatory impact analysis of the final SPR concluded that the rule would be responsible for the loss of only 124 coal production jobs, which would be more than offset by the creation of 280 jobs required to implement the rule, making the net job impact of the SPR a *gain* of 156 jobs. The only source that I am aware of that projected a loss of nearly 7,000 jobs as a result of the rule was a draft environmental impact statement (DEIS) generated by Polu Kai Services (PKS) under contract from OSMRE. An investigation by the DOI Office of Inspector General found that there was widespread dissatisfaction with PKS' performance.¹ For example:

- Multiple OSMRE employees were quoted as saying PKS "lacked project management skills," "did not do their homework," "[were] not sure the contractors knew what they were doing," and produced the "most poorly written 'professional' document" one employee had ever seen.
- A DOI assistant solicitor expressed "significant concerns" with the contractors' work.
- An Environmental Protection Agency specialist found the DEIS "lacked focus and did not appear to be coherent."
- The West Virginia Department of Environmental Protection wrote that the DEIS "leaves a lot to be desired," and added that multiple people had characterized the DEIS as "junk."

¹ U.S. Department of the Interior Office of Inspector General, *Investigative Report of OSM Environmental Review*, posted to Web on 12/20/13.

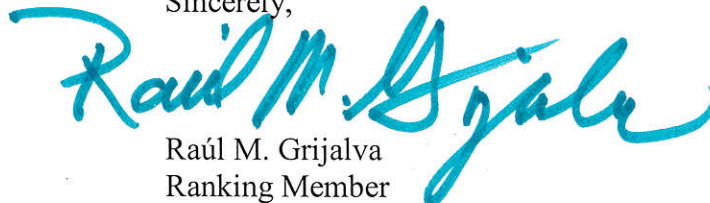
Furthermore, the OIG investigation found no evidence of any inappropriate behavior by anyone in the Obama administration in relation to the dispute over the job-loss numbers or the decision to allow the PKS contract to expire. This conclusion was also backed up by a multi-year investigation conducted by the House Natural Resources Committee, which was also unable to find evidence of any wrongdoing.

Given this, I request answers to the following questions:

- Please provide a source for the February 21 claim that the Stream Protection Rule put 7000 clean coal jobs at risk.
- Does OSMRE agree with the blog post claiming that the SPR would put 7,000 jobs at risk? If so, what is the evidence that the regulatory impact analysis performed for the final rule is less accurate than the February 21 blog post?
- If the February 21 blog post was based on the DEIS completed by PKS, are the methods and standards used by PKS to develop the DEIS the same methods and standards Congress and the public should expect for work performed by OSMRE or DOI throughout the Trump Administration?
- Does OSMRE or DOI believe that the PKS DEIS from 2011 adequately reflects the provisions of the final SPR published in 2016?
- Does OSMRE or DOI disagree with the characterization of PKS' performance included in the OIG study? If so, what did the OIG miss?
- How does the Department define "clean coal"?

Thank you for your timely attention to this request.

Sincerely,



Raúl M. Grijalva
Ranking Member
House Committee on Natural Resources