

## Groups ask DOJ to probe Utah funding for export project

[Manuel Quiñones](#), E&E reporter

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A coalition of environmental groups and coal export critics are asking U.S. Attorney General Loretta Lynch to probe the state of Utah's financial backing for a proposed terminal in Oakland, Calif.

Earlier this year, Utah lawmakers approved legislation to route more than \$50 million originally earmarked for transportation to help finance the export facility.

The plan by Utah leaders calls for replacing the transportation funds from the state's share of mineral and energy royalty earnings ([Greenwire](#), March 10).

In a [letter](#) to Lynch, export critics accuse the state of misusing royalty dollars and working to help one mining company, Bowie Resource Partners LLC. They also point to the coal industry's precarious condition.

"The terms of the loan, and the potential conflicts of interest in connection to the loan, raise legal and ethical questions that your offices have the authority to investigate," said the letter to the attorney general, noting the federal government's power to probe violations of the Mineral Leasing Act.

Groups on the letter include the Sierra Club, the Center for Biological Diversity and Earthjustice. Beyond Lynch, the letter also went to Gregory Gould, director of the Interior Department's Office of Natural Resources Revenue, and Mary Kendall, Interior deputy inspector general.

Last year, environmental groups asked Utah's attorney general to investigate the role of Jeffrey Holt, a banker and chairman of the Utah Department of Transportation who advised counties in securing money for the terminal ([E&ENews PM](#), Nov. 2, 2015).

Even though Holt resigned his chairmanship weeks after the groups raised alarm, they say he remains on track to benefit from coal exports ([Greenwire](#), Dec. 19, 2015).

Environmental advocates and public health groups have been trying for years to stop coal export projects around the country, particularly in Western states.

The new letter comes as Interior plans to take public comment on potential coal leasing reforms in Seattle tomorrow. Changes could include taking greater account of exports and climate impacts.

Coal export proponents, including Utah Gov. Gary Herbert (R), have denied any wrongdoing and defended the funding as an economic development tool for coal-producing communities.

"Those involved in natural resources have a right to say, 'Where can we find a way to ship our goods where we want to?' It's not right for governments to stop that from happening," he said during a recent news conference. "We have a product, there are those who want to buy that product, we need a way to export it."