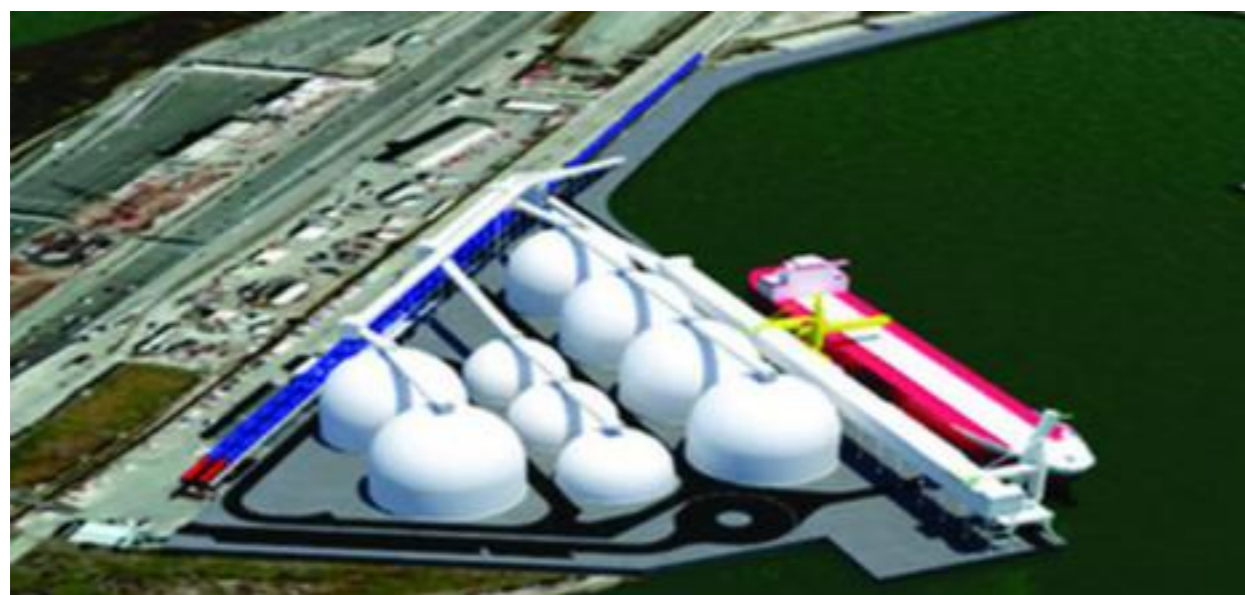


## Groups write U.S. Attorney General asking for investigation of coal shipping terminal deal

By Ben Lockhart , Deseret News

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Proposed bulk export terminal in Oakland, California. The site features fully enclosed domes with ample space to store multiple commodities. The projected capacity of the terminal is 9 million metric tons per year. (Community Impact Fund Board)

SALT LAKE CITY — Environmental groups and other organizations sent a letter Monday asking U.S. Attorney General Loretta Lynch and other high-ranking federal officials to investigate a \$53 million investment in a proposed coal shipping terminal in Oakland, California.

The letter was written on behalf of the Center for Biological Diversity, Living Rivers and Colorado Riverkeeper, Institute for Energy Economics and

Financial Analysis, Earthjustice, Alliance for a Better Utah, HEAL Utah, Sierra Club and Grand Canyon Trust. A joint statement released by the organizations Monday says the 19-page letter brings attention to "potential legal and ethical violations" of the investment.

"The contents of this letter require an external review by several oversight bodies. ... The economic, fiscal, financial, environmental, governance, ethical and political red flags raised by the state of Utah's actions are too numerous to ignore," Tom Sanzillo, an executive with the Institute for Energy Economics and Financial Analysis, a research organization in favor of reducing coal dependence, said in a statement.

The investment, passed by the Utah Legislature earlier this year, is slated to grant Carbon, Emery, Sanpete and Sevier counties 49 percent access in the as-yet unbuilt coal terminal. Proponents of the measure say it will help increase short-term coal exports to developing countries, a much-needed boon for the struggling industry.

The investment [is set to be facilitated](#) by a three-way money transfer involving the state's specially designated [community impact fund](#), which according to its website "provides loans or grants to state agencies and subdivisions of the state that are socially or economically impacted by mineral resource development on federal lands." The first stage of the transfer is to begin July 1.

Keith Heaton, chairman of the fund's board, has said the swapping of funds for the project is not considered unusual compared with other projects statewide, particularly transportation projects.

However, opponents are also criticizing the community impact fund board, in addition to the state Legislature, and calling for an audit of the deal. Among other accusations, the letter issued Monday says the investment is tied to heavy political conflict of interest, was designed as a brazen way around environmental and other regulations of the federal Mineral Leasing Act, and is

environmentally harmful to residents close to the proposed terminal.

John Weisheit, co-founder of the environmental group Living Rivers and Colorado Riverkeeper, said in a statement that the Community Impact Fund Board is complicit in an unscrupulous deal.

“The Utah state Legislature and the community impact board are laundering public money through the state transportation fund to provide financial assistance to energy corporations, and not to communities where it truly belongs,” Weisheit said.

The letter was also addressed to Mary Kendall, deputy inspector general for the U.S. Department of the Interior, and Gregory Gould, director of the federal Office of Natural Resources Revenue. The letter also indicated copies were distributed to Gov. Gary Herbert and John Huber, U.S. district attorney for Utah.

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