

Mountaintop Removal Mining Companies Banks Should Avoid

Alpha Natural Resources LLC

Alpha Natural Resources is the third-largest coal producer in the U.S., with production capacity of nearly 126 million tons. Alpha has approximately 150 active mines and 40 coal preparation plants located throughout Virginia, West Virginia, Kentucky, Pennsylvania and Wyoming. Alpha, with the takeover of Massey Energy, is now the single largest mountaintop removal company in the country, responsible for 22 percent of coal production from MTR mines. RepRisk named Alpha "The Most Controversial Mining Company of 2011," identifying over 1000 citations from the U.S. Mining Safety and Health Administration since the infamous explosion at the Upper Big Branch coal mine that resulted in at least 25 miner fatalities. Alpha, Massey and its subsidiary, Rawl Sales & Processing, were accused of contaminating drinking water supplies with coal slurry. More than 600 plaintiffs launched around 350 lawsuits. The companies have paid out in excess of \$35 million in settlement fees.

Patriot Coal Corporation

Patriot Coal Corporation is based in St. Louis, Missouri. The company is a 2007 spin-off of most of the Eastern United States operations of Peabody Energy. Patriot has 14 mining complexes in Appalachia and the Illinois Basin, and it is responsible for eight percent of MTR coal mined in Appalachia. In 2010, 8.26 million of the 24.1 million tons of coal Patriot mined was from strip mining in Appalachia and the southern border of Illinois, the western border of Indiana, and the western tip of Kentucky. The company has approximately 1.9 billion tons of proven and probable coal reserves. At the end of the first quarter of 2011, Patriot Coal said the company expects to export 25 percent of its total 2011 shipments to meet growing international coal demand in China and India.

Arch Coal Inc.

Arch Coal is the second largest supplier of coal in the country. According to its website, Arch Coal supplies coal to "148 U.S. power plants in 33 states" and has "customers in more than a dozen countries worldwide." On June 15, 2011, Arch Coal completed its \$3.4 billion acquisition of West Virginia coal producer, International Coal Group. The deal will expand Arch's coal reserves in Appalachia. On March 1, 2011, the U.S. Environmental Protection Agency and the U.S. Justice Department announced that Arch Coal had agreed to pay a \$4 million penalty for alleged violations of the Clean Water Act in Virginia, West Virginia, and Kentucky, and will implement changes to its mining operations to ensure compliance. Arch has many mines adjacent to the proposed Battle of Blair Mountain Historic site, which threaten the preservation of the battle site.

CONSOL Energy Inc.

CONSOL Energy is one of the biggest producers of coal in the U.S., with the majority of mines located in West Virginia. Consol Energy is the largest producer of underground coal mining in the United States. The company's 17 mines are mostly longwall mining operations in Appalachia, but it also mined 2.5 million tons of coal from mountaintop removal in 2010. CONSOL has proposed a 2,308 acre mountain top removal mine in Mingo County, West Virginia. The mine is considered another step towards completion of the King Coal Highway, designed to be 95 miles from Bluefield to Williamson, eventually joining a new interstate highway connecting Michigan to Myrtle Beach. The EPA has signaled it has concerns with the project, stating: "*proposal will contribute to a violation of the State's water quality*

standards downstream and that the direct and cumulative impacts from this and future mines and possible development associated with the King Coal Highway will be persistent and permanent.” CONSOL is also involved in the controversial practice of hydrofracking for methane gas in the Northeastern U.S. in the Marcellus Shale region.

Mechel Oao

Mechel OAO is a Russian mining and steel producer based in Moscow. Mechel operates mines and power plants as well as producing steel. In December 2010, Mechel OAO said it was building a \$12 million coal processing plant in Keystone, West Virginia. The company said the plant will double production of metallurgical grade coal from its southern West Virginia mines. The plant will handle up to three million tons of coal annually.

TECO Energy Inc.

TECO Coal is a subsidiary of TECO Energy, which operates surface and deep mines as well coal-processing facilities in Kentucky and Virginia. TECO Coal's subsidiaries are Clintwood Elkhorn Mining Company, Perry County Coal Corporation, and Premier Elkhorn Coal Company. Per its website, the company manages nearly 168,000 acres of land with an estimated 253 million tons of "recoverable coal" in Eastern Kentucky and Virginia. TECO Coal Projects to sell 7.3 million tons of steam, stoker, PCI, and metallurgical coal in 2012 to buyers in the United States and abroad. In 2010, 47 percent of TECO's coal production comes from surface mining practices. In 2009, TECO coal was fined \$250,000 for mining without a permit in Pike County Kentucky.

ArcelorMittal

Arcelor-Mittal is a producer of flat carbon steel, long carbon steel and stainless steel, and processes, finishes and distributes steel. It is among the world's top five producers of iron ore and metallurgical coal, with operations in more than 60 countries. In 2010, the company produced 68.6 million tons of iron ore, and 7.4 million tons of coking and thermal coal. As of December 31, 2010, the operating income was \$3.6 billion. The company owns a coal mine in West Virginia that produces approximately 300,000 tons of coal annually.

Lapari Holdings

Lapari was created in 2008 and has operations in Central Appalachia. Lapari has been in production since 2008 and has mountain top removal and highwall mining operations. Lapari sells predominantly to utilities. Lapari conducts surface, contour and auger operations at mines in Leslie, Clay and Perry Counties, Kentucky.

James River Coal Company

James River Coal is a Virginia-based company with operations in Central Appalachia and Illinois. The company sold 9.6 million tons of coal in 2009. In March 2011, the company announced plans to purchase International Resource Partners for \$475 million in cash to "boost coal output and shipping." International Coal's mines produced 1.9 million tons of coal in 2010, mostly metallurgical coal used to produce steel. The purchase would include Logan & Kanawha Coal Co., a coal marketing and trading business. On January 9, 2012, the U.S. Justice Department said James River subsidiary, Triad Mining Inc., had agreed to pay an \$810,000 civil penalty and to restore waterways damaged in the unpermitted excavation and filling of streams that flow into the White River at the surface mine Freelandville East Mine, about 70 miles north of Evansville, Indiana. The company also agreed to obtain the required Clean Water Act permit for stream impacts caused by its surface mining operation.