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Subject:	Charleston Gazette (11-1) Blog: EPA responds to CONSOL permit criticism
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Blog: EPA responds to CONSOL permit criticism

October 31, 2012 by Ken Ward Jr.

Last evening's coverage of the CONSOL announcement about layoffs that it and state political leaders are blaming on the Obama administration EPA noted that federal agency officials had not yet commented on the matter — which isn't unusual, given the lack of transparency that has taken over EPA under President Obama. The AP story included the common refrain from journalists these days that EPA did not respond to requests for comment. In my blog post, I went back and quoted from letters showing EPA's previously expressed concerns about the impacts of this project.

Finally this morning, we received the following comment from EPA press secretary Alisha Johnson:

EPA is not aware of any outstanding permitting issues for the Miller Creek mine, where CONSOL Energy has announced that layoffs are occurring. Review of the company's Buffalo Mountain mining project is a high-priority for EPA. The Agency is actively working with the State of West Virginia and CONSOL, and with its partner federal agencies, to assess impacts on water quality from mining, and is meeting with CONSOL to review its mining plans.

Last Friday, EPA notified West Virginia officials that the agency's concerns about the State's draft Clean Water Act Section 402 permit to address potential pollution discharges from CONSOL's proposed Buffalo Mountain Coal Mine have been resolved. The draft 402 permit was submitted to EPA by the state in late 2011, and the state made additional submissions to EPA as late as this October. The Agency then worked to make a decision as quickly as possible. This step will enable the state to approve a permit for discharges associated with the mine. EPA is taking this step after reviewing new information provided by CONSOL, detailing actions that will be taken by the company to reduce potential water quality impacts from the mine.

The U.S. Army Corps of Engineers continues to review the proposed mine under Section 404 of the Clean Water Act and to complete preparation of an Environmental Impact Statement under the National Environmental Policy Act. EPA will work with our federal and state agency partners to complete the CWA and NEPA processes for the Buffalo Mountain project and associated King Coal Highway. Review under the Clean Water Act and NEPA will help ensure that the overall project protects water quality and safeguards public health, while

providing valuable economic benefits.

UPDATED: It's worth making clear here that the issue for the Miller Creek Mine workers is that operation is about done, and CONSOL plans to move those employees to the Buffalo Mine. So while there may be no permit issues for Miller Creek, the permit issues at Buffalo are what is costing the Miller Creek workers their jobs.

Interestingly, EPA's Johnson also made reference to a recent story from the Akron Beacon Journal, headlined, Consol Energy, EQT see third quarteer earnings drop, and quoted this part of that story:

The two major Marcellus Shale energy companies headquartered in the Pittsburgh area — Consol Energy and EQT Corp. — both posted a year-over-year drop in third quarter earnings on Thursday.

Consol Energy posted a net loss of $11 million, or 5 cents per diluted share, for the third quarter, down from the profit of $167 million and 73 cents reported last year — and the first quarterly net loss for the company since 2007.

Total revenue for the quarter ended Sept. 30 was $1.16 billion, down from the $1.52 billion of the same quarter in 2011. Consol shares closed Thursday at $34.42, down 21 cents.

The Cecil-based coal and natural gas firm warned investors earlier this month to expect a loss because of planned and unplanned coal mine idlings.

On Thursday, the company revealed just how much money is thought to have been lost as a result of some of the idlings. Conveyor belt malfunctions in July that temporarily idled four longwall mines slashed an estimated $53 million from the company's third-quarter income. The mines with the broken belts are now operating at 60 percent capacity, and are expected to be at full operation levels in the fourth quarter.

Consol also voluntarily reduced production at its flagship Buchanan mine during the third quarter, saying the company did not want to sell coal at a time when export markets like Europe and Brazil have decreased demand. The company said it doesn't plan on investing in new coal expansion projects until markets improve.

Meanwhile, Consol's production in the Marcellus Shale natural gas formation during the third quarter increased 16 percent to 10.1 billion cubic feet.

The EPA statement also said:

The Administration has made clear that coal is a critical part of the nation's economy and energy security. The United States continues to be a leader in coal production. In 2011, there were more coal miners employed in the U.S. than in any year since 1997, and U.S. coal exports rose 31% over the prior year – and are projected to continue to rise.

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