Patriot Coal to end mountaintop removal mining in West Virginia

Clement Daly
11 December 2012

In a recent settlement reached with several environmental groups over $440 million in environmental cleanup liabilities, Patriot Coal has announced it will phase out its mountaintop removal (MTR) coal mining operations.

Patriot had already agreed to clean up dozens of illegal discharges of selenium from three of its major mining complexes in southern West Virginia. In addition to being toxic to many aquatic species, selenium can cause kidney and liver damage in humans, as well as harm nervous and circulatory systems.

Patriot is currently in the midst of bankruptcy proceedings where it is attempting to discharge its pension and health care liabilities, which would affect more than 22,000 active and retired miners and their dependents in West Virginia, Indiana, Illinois, Kentucky, and Ohio. (See “Thousands of miners to lose health care, pensions in Patriot Coal bankruptcy”)

The second largest producer of surface-mined coal in West Virginia, Patriot operates 16 mining complexes in West Virginia and Kentucky, controlling 1.9 billion tons of proven coal reserves valued at $2.5 billion. Approximately 30 percent of the 26 million tons of coal the company produced last year was derived from surface mining.

In the settlement, Patriot agreed to a five-year plan that will reduce its surface mining tonnage from last year’s level of 7.7 million tons to 3 million tons in 2018. The company will withdraw two of its existing permit applications and agreed not to request any new “dredge-and-fill” permits for large-scale surface mining, ceasing all MTR operations when current permits expire.

While the settlement does not require Patriot to immediately close any of its mines or lay off any workers, it is unclear what will eventually become of the company’s 750 workers—about 18 percent of its workforce—currently employed at strip mines.

In exchange, Patriot will receive additional time to meet its cleanup obligations, thus deferring up to $27 million of compliance costs and improving the company’s liquidity as it makes its way through bankruptcy.

The settlement was hailed by environmental activists: “This is an historic moment for people hardest hit by mountaintop removal coal mining,” said Michael Brune, executive director of the Sierra Club.

“Patriot’s decision that mountaintop removal and other large surface mines are not in its best interests is the inevitable conclusion for any mining company that actually has to pay the costs of the environmental harm it creates,” claimed Joe Lovett, the attorney who negotiated the deal on behalf of the Sierra Club, the West Virginia Highlands Conservancy, and the Ohio Valley Environmental Coalition.

The reality, however, is that the Patriot agreement was consistent with the long-term plans of the company and reflects shifts in the coal industry as a whole. As coal’s share of US electricity generation continues to decline in deference to other sources, mainly natural gas, US coal companies are transitioning their focus to metallurgical coal used in steel production.

In a statement on the decision, the company claimed, “This settlement is consistent with Patriot Coal’s business plan to focus capital on expanding higher margin metallurgical coal production and limiting thermal coal investments to selective opportunities where geologic and regulatory risks are minimized.”

While safer and more efficient than traditional underground mining, MTR uses a fraction of the

workforce and is an extremely destructive process in which mountains are blasted apart in order to reach the coal seams inside. Overburden from the process is then pushed into nearby valleys, burying streams and contaminating water sources.

The destructive character of MTR often necessitates coal companies buy out and relocate entire communities near the operation. Moreover, the deforestation involved and changed drainage patterns increase flooding to communities further downstream.

Numerous studies have documented the negative health impacts associated with living near coal mining operations in general and MTR mines in particular. These include higher mortality rates, as well as increased cancer rates and birth defects.

A 2011 study published in the journal of Environmental Research showed that "birth defects were significantly higher in mountaintop mining areas versus non-mining areas for six of seven types of defects: circulatory/respiratory, central nervous system, musculoskeletal, gastrointestinal, urogenital and 'other,'" according to one of the study's authors, Michael Hendryx of West Virginia University.

The study involved analyzing 1.8 million live birth records from the National Center for Health Statistics for West Virginia, Kentucky, Virginia and Tennessee between 1996 and 2003. The data showed that "places where the environment—the earth, air and water—has undergone the greatest disturbance from mining are also the places where birth defect rates are the highest," explained co-author Melissa Ahern of Washington State University.

The rise of MTR in Appalachia has gone hand-in-hand with the destruction of living standards in the region. As the study noted, "Elevated birth defect rates are partly a function of socioeconomic disadvantage, but remain elevated after controlling for those risks."

Three recent studies presented at academic conferences this year have looked at the effects of particle pollution associated with MTR on human health. As one study pointed out, "People who live in southwest West Virginia where coal mining is prominent have increased health problems compared to people in non-mining areas. Recent studies show that residents of coal mining areas have significantly higher mortality from chronic heart, respiratory, and kidney diseases and lung cancer and have elevated morbidity from chronic cardiopulmonary, cardiovascular, and kidney diseases compared to non-mining areas."

The author's continue, "Mountain top removal mining (MTR) areas have increased rates of birth defects and chronic cardiovascular disease mortality, and lower health-related quality of life, compared to other coal mining areas. It is hypothesized that health disparities are partly due to pollution from MTR activities with routes of particle exposure through either inhalation or ingestion."

A 2012 report by the Institute for Health Metrics and Evaluation found that residents of the southern coalfield counties of McDowell and Mingo have life expectancies comparable to third world countries. Men living in McDowell County have the nation's lowest life expectancy at 66.1 years, the same as men living in Pakistan, Nepal, and Thailand. Meanwhile, women in that county live an average of 75.8 years, the same as women living in Guatemala, Paraguay, Algeria, Turkey, Ukraine, and the Philippines.