

U.S. SENATE COMMITTEE ON  
**ENERGY &  
NATURAL RESOURCES**

SENATOR MARIA CANTWELL, *Ranking Member*



@EnergyDems

## **The Coal Cleanup Taxpayer Protection Act of 2016**

**By Sen. Maria Cantwell (D-Wash.)**

The Coal Cleanup Taxpayer Protection Act amends the Surface Mining Control and Reclamation Act (SMCRA) of 1977 to protect taxpayers from risky forms of financial assurance for coal mine reclamation. The bill bans new self-bonds and phases out existing self-bonds. It further protects taxpayers from the risk of private bankruptcies by establishing more stringent rules for surety and collateral bonds.

The bill includes the following provisions:

- (1) **Self-bonding prohibition.** The bill prohibits the Department of the Interior (“Interior”) or any state from accepting any new self-bonds for coal mining reclamation.
  - (2) **Existing self-bonds phase-out.** The bill requires coal companies that have not declared bankruptcy to replace existing self-bonds when their 5-year SMCRA operating permits come up for renewal or if they seek a major permit modification.
  - (3) **Financial liability standard for alternative programs.** The bill limits the authority of Interior to approve alternative state programs (such as bonding pools) to those that “result in no greater risk of financial liability” to the government than a standard surety or corporate bond program.
  - (4) **Surety rulemaking.** The bill requires Interior to issue a rule establishing more stringent requirements for surety bonds to minimize the financial risk to taxpayers of sureties overexposed to coal companies.
  - (5) **Collateral rules.** The bill prohibits coal companies from posting assets as bonding collateral whose value is dependent on the continued profitability of the coal industry, such as coal itself, coal mines, or processing facilities. The bill also authorizes Interior to require the inclusion of coal executives’ salaries and bonuses as collateral.
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