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Organization:

State: Montana

Agency: Surface Transportation Board

Initiative: Tongue River Railroad

Submission Text

TO: Ken Blodgett, Surface Transportation Board DATE: 18 September 2015 RE: Proposed Tongue River Railroad Dear Mr. Blodgett: In a September 15, 2015 article on the online edition of Bloomberg Business, I quote the following: Arch Coal Inc. is under mounting pressure to get a grip on its dwindling cash. The miner is saddled with \$5.1 billion of debt and has failed to clinch a deal with creditors to swap existing bonds for new securities with longer maturities, which would help the company cut its obligations and ride out a commodities slump. Now Arch is two weeks away from an \$18.1 million interest payment on some of the bonds it wants to make disappear. With senior lenders not wanting to see that cash used up, they're likely to pressure the company to skip the payment, according to Spencer Cutter, a credit analyst at Bloomberg Intelligence. That would start the clock on a 30-day grace period that would force the two sides to either reach a compromise or head to bankruptcy court. "Creditors would rather the company not pay the interest because it cuts into their recovery, even if it's not a big coupon," Cutter said. "They'd rather the company file sooner than later if they don't think the company is going to recover." [end of quote] It seems to me highly problematic to approve a major construction project in Montana -- construction of the Tongue River Railroad -- when the company requesting the approval is dangerously close to bankruptcy. Arch Coal wants the railroad so it can access the Otter Creek coal in hopes of developing the largest proposed coal mine in the U.S. In the EIS you list the potential buyers of that coal being the Midwest and Asia. From economic analyses I've seen, there is no demand for new coal anywhere in the United States, let alone the struggling Midwest. And with China battling enormous air pollution and public health effects from burning coal, I see no reason to believe that the Asian market for coal is a long-term one. And until that day, those of us living in Bozeman and the other major cities in Montana that lie along the railroad route to Pacific Northwest ports that plan to ship the coal to Asia will have to suffer from the increased rail traffic and its associated pollution and traffic congestion that can slow emergency vehicles. Please do not continue the Montana legacy of creating infrastructure at great cost to Montanans in terms of public health and the environment in order to support the profits of large international companies and the economy of other nations. We have learned that lesson throughout our state's history: a legacy of leaking hard rock mines, scarred landscapes, lung cancer born of mining asbestos...Our citizens have suffered enough. And while the EIS somehow comes to the conclusion that there will be negligible impact to the environment in terms of greenhouse gasses and climate change, that coal once burned will produce billions of tons of greenhouse gasses that not only will exacerbate climate change, those pollutants follow air currents that come right back to our state (I saw images of this in a slide show presented by Dr. Steve Running). Please do NOT put your stamp of approval on the proposed Tongue River Railroad. It is the only reasonable thing to do given the precarious status of Arch Coal. And it is the right thing to do for the health and future of all Montanans. Thank you. Most sincerely, Amy Kelley Hoitsma 706 E. Peach St. Bozeman, MT 59715