



RAMming It Down Our Throats

Armstrong Energy Could Leave Louisiana Taxpayers Holding the Bag on Its Proposed RAM Terminal

A Report by

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Photo of Kinder Morgan coal terminal in Myrtle Grove, Louisiana, courtesy of Lower Mississippi Riverkeeper and SouthWings

Armstrong Energy is planning a coal export terminal in rural Plaquemines Parish, Louisiana, with the intent of shipping 12 million short tons of coal overseas. Proponents of the terminal point to new jobs and tax revenues as the reason to support it. Other community residents in the parish point to the displacement of centuries-old communities, pollution and the false promise of economic benefits. This report addresses the weak financial position of Armstrong Energy and the economic challenges it faces in a slow growth market here and abroad. The market for coal increasingly favors natural gas and regulatory and policy obstacles here and abroad. Armstrong Energy's recent withdrawal of a new stock offering shows the capital markets will not support the company.

ARMSTRONG COAL'S SHAKY FINANCES

Armstrong Energy's bond rating is B3 corporate family rating, making it a speculative-grade, or colloquially, a junk bond that has a substantial chance of defaulting. The credit rating service Moody's cites Armstrong's "small scale and lack of operating diversification, weak profitability...high degree of customer concentration, and the inherent geological and operating risks associated with coal mining." Moody's adds that the company taking on debt for additional mining acquisitions contribute to the low rating.¹ A prudent government agency might question whether it should issue revenue bonds facing these credit constraints.

Armstrong Energy's March 2012 filing with the Securities and Exchange Commission (SEC) in anticipation of going public reflects the company's dilemma, declining revenue and rising debt. Its audited net earnings decreased by over \$4.6 million between 2010 and 2011 to \$3.4 million. Its total debt nearly doubled from 2010 to 2011, from \$139.8 million to \$244.8 million.² Although Armstrong Coal hoped to finalize going public in the first quarter of 2012, it withdrew its IPO in July 2013.^{3 4} Reasons given by Armstrong were that the IPO and its numbers from 2011 were dated and that the coal market was too weak.⁵ Its main stockholder is still Yorktown Partners, a private equity firm that specializes in buyout, late venture growth capital, and recapitalization for companies in the energy sector.⁶

The fall in fortunes of other coal producers in 2013 affirms the weak market Armstrong faces and why investors might not support a stock offering for a coal company. Arch Coal lost \$70 million in the first quarter of 2013, resulting in a loss of 33 cents per share, in the face of a

¹ Global Credit Research. "Moody's assigns B3 corporate family rating to Armstrong Energy, Inc. and a B3 rating to the proposed \$200 million senior secured notes; outlook stable." Moody's. November 28, 2012. http://www.moody.com/research/Moodys-assigns-B3-corporate-family-rating-to-Armstrong-Energy-Inc--PR_258721

² United States Securities and Exchange Commission. "Armstrong Energy, Inc." Nasdaq. May 30, 2012. <http://www.nasdaq.com/markets/ipos/filing.ashx?filingid=8262577>

³ Coal Age. "Armstrong Will Go Public." February 23, 2012.

<http://www.coalage.com/index.php/news/news/1735-armstrong-will-go-public.html>

⁴ Renaissance Capital. "Coal producer Armstrong Energy withdraws IPO." Nasdaq. July 25, 2013.

<http://www.nasdaq.com/article/coal-producer-armstrong-energy-withdraws-ipo-cm261211>

⁵ Epps, Darren. "Armstrong CFO cites weak coal markets, dated financials in pulling IPO." SNL. July 26, 2013.

⁶ "Company Overview of Yorktown Partners, L.L.C." Bloomberg Businessweek.

<http://investing.businessweek.com/research/stocks/private/snapshot.asp?privcapId=24055>

slowing global market and declining production at its mines.⁷ Alpha Natural Resources proved to be a volatile stock between 2008 and 2013, losing over 95% of its value.⁸ Walter Energy's recent dividend cut after a subpar second quarter earnings report led to some analysts speculating about future liquidity issues for the company.⁹

Although coal company executives would paint a sunny picture and talk about a silver lining to every cloud, there are broader economic implications that do not bode well for coal. Caterpillar, a company that frequently foreshadows the economic fortunes of the construction and mining industries, is slashing production of mining equipment in response to sluggish demand at home and abroad. Although the company is known more for bulldozers and other heavy construction machines, they shifted towards equipment for mining after the purchase of Bucyrus International.¹⁰

A MARKET UNFAVORABLE TO COAL

Armstrong Energy's prospectus from when it was planning to go public lists a litany of conditions that would make the company unpalatable to investors. Such concerns include: market-level risks such as demand for coal or reduction in sales to its largest customers, domestic-level pressures like less coal used for power generation or inherent operating risks while mining, company-level risks that include indebtedness or defects in a mining title, government-level risks like regulatory requirements, and individual-level risks like legal proceedings or a shortage of skilled mining labor.¹¹ Some of the risks mentioned in the prospectus have come to fruition and continue to pose problems for Armstrong.

The demand for coal has dropped precipitously in the past few months for a variety of reasons, most notably because of economic slowing in emerging markets and stagnant to dropping demand in developed markets like the European Union. There are other problems closer to home. One of their largest customers, Louisville Gas and Electric (LG&E) and its affiliate Kentucky Utilities (KU) Company may be retiring three coal plants by 2016 and replacing them with gas-fired plants.¹² LG&E's contracts with Armstrong decline by 2016, as overall they will buy 1.2 million tons less than in previous years.¹³ Armstrong's other large customer, the Tennessee Valley Authority, is idling four units that produce 800 megawatts of power at their Colbert plant and is discussing retiring them by 2019.¹⁴ This is a part of a larger

⁷ Gorrell, Mike. "Arch Coal loses \$70 million in first quarter." The Salt Lake Tribune. April 23, 2013. <http://www.sltrib.com/sltrib/money/56203238-79/coal-million-arch-quarter.html.csp>

⁸ Calculated from stock charts for ANR Alpha Natural Resources on <https://www.google.com/finance>, 10 year period.

⁹ Poe, Ryan. "Walter Energy stock tumbles after dividend cut." Birmingham Business Journal. July 24, 2013. <http://www.bizjournals.com/birmingham/news/2013/07/24/walter-energy-stock-down-with-dividend.html>

¹⁰ Hagerty, James R. "Caterpillar Earnings: Added Exposure to Mining Takes a Toll." The Wall Street Journal. July 24, 2013. <http://online.wsj.com/article/SB10001424127887323610704578625513920552842.html>

¹¹ United States Securities and Exchange Commission. "Armstrong Energy, Inc." Nasdaq. May 30, 2012. <http://www.nasdaq.com/markets/ipos/filing.ashx?filingid=8262577>

¹² The Courier-Journal. "LG&E, KU may retire coal-fired units." April 24, 2011. http://www.courier-journal.com/article/20110424/NEWS01/304240086/Utilities-may-retire-coal-fired-units?odyssey=nav|head&nlick_check=1

¹³ Fitzgerald, Will. "LG&E discloses coal contract details to KY. PSC." SNL. March 12, 2013.

¹⁴ Bandyk, Matthew. "TVA removing from service 4 coal-fired generating units in Alabama." SNL. July 2, 2013.

trend. Coal use has precipitously declined by 21% from 2005 to 2012,¹⁵ and will continue to decline in the future. It is estimated that 17% of the coal fleet will be retired by 2020.¹⁶

Although the coal industry points to growing demand for exports to India and China as its saviors in the face of an administration determined to shut it down, the economic reality is far more complex. The “Indian miracle” forecasted by Washington, an idea that the Indian economy would rule the 21st century, has turned into the Indian nightmare as the country’s GDP has slowed and its structural challenges have manifested themselves.¹⁷ Investors in Coal India, India’s largest coal producer have raised questions about the sale of coal reserves for below market value.¹⁸ A rationalization of the coal sales process would increase prices and create a disincentive for many of the new proposed plants. The country also faces considerable challenges to the use of its existing coal reserves, most notably challenges from Greenpeace over forest protection laws.¹⁹

India is further impaired by corruption. In a survey conducted by Ernst & Young of the executives of firms that did business in India, eighty-three percent of respondents thought that a recent flood of scams negatively impacted foreign investment inflows.²⁰ Interestingly, metal extraction and mining was perceived as the second most corrupt type of enterprise (at 76% of respondents) among surveyed executives.²¹ Bribery is considered a requirement of doing business in India, with accountants “cooking the books” to cover up the greasing of palms.²² With the exception of a few large scams, the impact of corruption on the Indian economy is estimated at 364 billion Indian rupees.²³

American companies are betting on Indian demand for coal, which is considered more bullish than China according to some analysts.²⁴ Other countries are meeting Indian demand, such as Indonesia (77.5 million metric tons), Australia (26.8 million metric tons), and South Africa (17.4 million metric tons). Much of the coal from Indonesia is of low quality, but India’s

¹⁵ Jenkins, Jesse. “Energy Facts: U.S. Coal Consumption Is Down But Are Exports Eroding Climate Benefits?” The Energy Collective. March 29, 2013. <http://theenergycollective.com/jessejenkins/203801/friday-energy-facts-us-coal-consumption-is-down-are-exports-eroding-climate-ben>

¹⁶ Plumer, Brad. “The decline of U.S. coal, in three charts.” The Washington Post. July 31, 2012. <http://www.washingtonpost.com/blogs/wonkblog/wp/2012/07/31/the-decline-of-u-s-coal-in-three-charts/>

¹⁷ Anant Vijay Kala and Mukesh Jagota. “India’s GDP Growth Slows to a Decade Low.” The Wall Street Journal. May 31, 2013. <http://online.wsj.com/article/SB10001424127887324412604578516411857023902.html>

¹⁸ Bajaj, Vikas. “The Children’s Investment Fund Wages Battle with Coal India.” The New York Times. April 19, 2012. http://dealbook.nytimes.com/2012/04/19/coal-india-struggles-with-demands-of-the-childrens-investment-fund/?_r=0

¹⁹ Greenpeace India. “Greenpeace launches Junglistan campaign to garner public support for forests; Challenges government stance on coal mining in forests.” November 22, 2011. <http://www.greenpeace.org/india/en/Press/Greenpeace-launches-Junglistan-campaign-to-garner-public-support-for-forests/>

²⁰ Ernst & Young. “Bribery and corruption: ground reality in India.” Page 12. [http://www.ey.com/Publication/vwLUAssets/Bribery_and_corruption:_ground_reality_in_India/\\$FILE/EY-FIDS-Bribery-and-corruption-ground-reality-in-India.pdf](http://www.ey.com/Publication/vwLUAssets/Bribery_and_corruption:_ground_reality_in_India/$FILE/EY-FIDS-Bribery-and-corruption-ground-reality-in-India.pdf)

²¹ Ibid. 14, 20.

²² Ibid. 27-28.

²³ Ibid. 13.

²⁴ Russell, Clyde. “Column – India bullish for coal, China not; risks aplenty.” Reuters. May 1, 2013. <http://in.reuters.com/article/2013/05/01/column-russell-coal-india-idINDEE94003E20130501>

power plants run on low quality blends.²⁵ Additionally, coal exported from the United States might cost more in the current market than what the Indian consumer is willing to pay, and power plants are unwilling to pass a high cost on Indian citizens, a plurality of which make less than 2 dollars a day. Even if the power plants raised prices and started using more imported coal, state governments might crackdown on the plants because power tariff hikes raise fears of inflation.²⁶

China is also cited by coal companies as a country that will have extremely high demand in the coming years.²⁷ Like India, it is facing an economic slowdown. Its double-digit GDP growth that has persisted over 2 decades is slowing and government policy and the needs of the Chinese people are changing the nature of future economic development.

Other indicators demonstrate the weaknesses in the Chinese economy. State governments borrowed recklessly to build projects and infrastructure that remains unfinished or unused, with lavish malls and apartment buildings sitting abandoned. The state bank has financed these projects leaving it with a growing portfolio of bad debt.²⁸ The explosion in easy credit and overinvestment raise concerns about how Beijing can avoid a housing crisis similar to what happened in 2008 in the United States.²⁹ There are various discussions among economists about a “hard” or a “soft” landing for China, rather than continued high growth. However, markets are counting on a hard landing.

China is the third biggest customer for U.S. coal exporters, which means the hard landing would be disastrous for American manufacturers and coal exporters.³⁰ Although recent projections forecasted a 6% increase in imports to China, there was actually a 0.7% decline.³¹ The value of imports to China decreased from \$1.83 trillion USD in early 2013 to \$1.471 trillion USD in July.³²

²⁵ Russell, Clyde. “Column – India’s coal import boom has limited beneficiaries.” Reuters. May 13, 2013.

<http://in.reuters.com/article/2013/05/13/column-russell-coal-india-idINDEE94C04320130513>

²⁶ Saurabh Chaturvedi and Prasenjit Bhattacharya. “India Minister: Difficult to Meet Coal Demand.” The Wall Street Journal. January 30, 2013.

<http://online.wsj.com/article/SB10001424127887323701904578273643206284974.html>

²⁷ China’s position politically is rather tenuous considering these economic hurdles. The Chinese Communist Party (CCP) bases the legitimacy of its regime on constant economic growth, since the average Chinese resident has little to no say in its government. The Party’s response has been to blame economic troubles on “foreigners” (especially those in the United States). However, it should be noted that both the success and the failures of the Chinese economy are tied to the authoritarian-technocratic model of Chinese governance. This being said, if the Chinese people do not believe the Party’s tactics of denial-and-deflection, the Party and the country may face increased social, political, and economic instability that affects Chinese demand and ultimately the world economy.

²⁸ Mourdoukoutas, Panos. “How Will Wall Street Respond To A Surprise GDP Report Out Of China?” Forbes.

July 13, 2013. <http://www.forbes.com/sites/panosmourdoukoutas/2013/07/13/how-will-wall-street-respond-to-a-surprise-gdp-report-out-of-china/>

²⁹ Denny McMahon and Bob Davis. “Stalled Project Shows Why China’s Economy is Wobbling.” The Wall Street Journal. July 24, 2013. <http://online.wsj.com/article/SB10001424127887323971204578625412243604252.html>

³⁰ Lombardi, Michael. “The Truth and Worldwide Risk Behind China’s Big Slowdown.” Advisor Perspectives. July 26, 2013. <http://advisorperspectives.com/dshort/guest/Michael-Lombardi-130726-China-Slowdown.php>

³¹ Zhou Xin. “China Exports Unexpectedly Drop; Imports in Economy Drag.” Bloomberg News. July 10, 2013. <http://www.bloomberg.com/news/2013-07-10/china-exports-unexpectedly-drop-with-imports-in-drag-on-economy.html>

³² Trading Economics. “China Imports.” <http://www.tradingeconomics.com/china/imports>

Within China, the prospect for coal exports is growing dimmer. Over the past decade, China has made progress toward reform of coal mining and the introduction of efficiencies. Goldman Sachs reported that seaborne coal exports will drop for the first time since the start of the financial crisis and continue to decline.³³ Faced with a population upset about smog choking its cities, China has increased emissions standards for coal power plants. These standards require an investment of about \$41 billion from power companies to install pollution abatement equipment. Requirements are even more stringent in highly-polluted areas, where power plants face tougher emissions requirements than in the United States or European Union.³⁴ Such emissions requirements raise concern if Illinois Basin coals, which are high in sulfur,³⁵ will withstand China's tougher standards.

China is also trying to increase energy efficiency and invest in renewables like wind power.³⁶ The World Resources Institute estimates that from 2002 to 2011 China invested \$40 billion in mostly wind and solar development.³⁷ The World Bank reported that China has invested in renewable energy globally and has the largest energy savings.³⁸ China receives 8% of its energy from non-fossil fuel sources, and set goals to increase that to 11.4% in 2015 and 15% in 2020.³⁹ Additionally, some market analysts assert that China has already peaked in its imported coal demand in 2012, and that continued import demand will decline through 2025.⁴⁰ While some firms may be able to compete effectively in China, others will not due to increasing market liquidity.⁴¹

These market, environmental and policy factors all suggest that, at best, U.S. coal producers from the Illinois Basin will have a market for coal only when primary suppliers have trouble meeting the needs of China and India. The market is not sending price signals that support long term demand for Illinois Basin coal. These price signals suggest that the port export project is not based on a reasonable expectation of an expanding coal market.

THE PERFECT STORM AT HOME

³³ Cooper, Mike. "China's thermal coal imports to fall in 2013, first time since 2007-8." Platts. April 12, 2013.

³⁴ ChinaFAQs. "China Adopts World-Class Pollutant Emissions Standards for Coal Power Plants." http://www.chinafaqs.org/files/chinainfo/China%20FAQs%20Emission%20Standards%20v1.4_0.pdf

³⁵ Maher, Chris. "In the Midwest, Coal Stages a Comeback." The Wall Street Journal. May 5, 2013. <http://online.wsj.com/article/SB10001424127887324582004578461324162944856.html>

³⁶ Cockerham, Sean. "China's hunger for American coal in doubt." McClatchy Washington Bureau. May 17, 2013. <http://www.mcclatchydc.com/2013/05/17/191519/chinas-hunger-for-american-coal.html#.UfaTaavETIZ>

³⁷ Yingzhen Zhao and Clifford Polycarp. "China Invests Billions In International Renewable Energy Projects." World Resources Institute. June 6, 2013. <http://insights.wri.org/news/2013/06/china-invests-billions-international-renewable-energy-projects>

³⁸ World Bank. "First Set of Global Data on Energy Access, Renewable Energy and Energy Efficiency Released." May 28, 2013. <http://www.worldbank.org/en/news/press-release/2013/05/28/first-set-of-global-data-on-energy-access-renewable-energy-and-energy-efficiency-released>

³⁹ Moch, Jonathan. "ChinaFAQs: Renewable Energy in China – An Overview." ChinaFAQs. July 16, 2013. <http://www.chinafaqs.org/library/chinafaqs-renewable-energy-china-overview-0>

⁴⁰ IHS. "China's Coal Market Not the "Promised Land" for International Suppliers." February 7, 2013. <http://press.ihs.com/press-release/energy-power/chinas-coal-market-not-promised-land-international-suppliers>

⁴¹ IHS. "China's Coal Market Not the "Promised Land" for International Suppliers." February 7, 2013. <http://press.ihs.com/press-release/energy-power/chinas-coal-market-not-promised-land-international-suppliers>

While shaky markets abroad pose risks to Armstrong, there are various problems for coal at home in the United States that would not be a safety net should international markets fall through. One of the world's richest persons, Warren Buffett, warned that coal will "gradually decline" and that companies will switch to natural gas when it becomes cheap enough.⁴² Natural gas is competitive with coal on energy intensity for already-existing plants, and for new plants it is more competitive than coal. Combined-cycle gas plants are far more flexible than coal-powered steam turbines, easily adjusting output and spending less time and money on start-up and shutdown.⁴³

Market-level problems are not the only issues contributing to the decline of coal. Regulations along with increased use of renewables are listed in Armstrong's prospectus as a risk that may lead to unprofitability.⁴⁴ Renewables are increasingly being used by government agencies like the Department of Defense and seeing more investments from the private and public sector.⁴⁵ The EPA is currently accepting public comment for Mercury and Air Toxics Standards (MATS) that affect coal power plants after opposition from the coal and power plant industry delayed finalization. Additional rules could limit CO₂ emissions from power plants to 1,000 pounds per megawatt-hour.⁴⁶

Despite the delay, the political winds may be shifting to reducing dependence on coal. Non-profit and non-governmental groups are fighting vehemently against the use of coal within the United States. Coalitions composed of communities of faith, tribal nations, environmental groups, farmers, and many other groups have been actively engaged in the reduction or elimination of coal power plants in their areas. Citing health and environmental impacts, they have aided in the retirement of coal power plants and shut down proposed coal exporting terminals. The Sierra Club's "Beyond Coal" campaign site discusses the shutdown of 149 coal power plants and efforts to continue this work.⁴⁷

Coal companies in the West and the Department of Interior may face increased scrutiny that could affect the profitability of coal exports across the United States. A report from the Inspector General of the Department of the Interior discusses that the Bureau of Land Management did not properly apply its own rules for Western coal leases on federal land and

⁴² Snyder, Jim. "Buffett Says Coal's Decline in U.S. to Be Gradual Yet Permanent." Bloomberg News. July 25, 2013. <http://www.businessweek.com/news/2013-07-25/buffett-says-coal-s-decline-in-u-dot-s-dot-to-be-gradual-yet-permanent>

⁴³ McMahon, Jeff. "4 Reasons Coal Declines Even As Natural Gas Prices Rise: EIA." Forbes. April 23, 2013. <http://www.forbes.com/sites/jeffmcmahon/2013/04/23/4-reasons-coal-declines-even-as-natural-gas-prices-rise-eia/>

⁴⁴ United States Securities and Exchange Commission. "Armstrong Energy, Inc." Nasdaq. May 30, 2012. <http://www.nasdaq.com/markets/ipos/filing.ashx?filingid=8262577>

⁴⁵ The Department of Defense works with the National Renewable Energy Laboratory (NREL) in order to increase energy security and reduce dependence on foreign oil. Many of their projects focus on energy efficiency and renewable energy generation at bases but some of their other projects include biofuels for jets.

⁴⁶ Broder, John M. "E.P.A. Will Delay Rule Limiting Carbon Emissions at New Power Plants." The New York Times. April 12, 2013. <http://www.nytimes.com/2013/04/13/science/earth/epa-to-delay-emissions-rule-at-new-power-plants.html>

⁴⁷ Sierra Club. "Beyond Coal." <http://content.sierraclub.org/coal/>

shortchanged the government for \$62 million dollars.⁴⁸ Over the past 30 years, the Interior Department's inability to get fair market value for coal adds up to \$30 billion in lost revenue.⁴⁹ Congress is entering the debate and conducted an oversight committee in early July.⁵⁰

Other factors may contribute to unprofitability. The prospectus mentioned legal actions taken against Armstrong Energy, and some lawsuits have been filed in the past two years. One lawsuit, *Western Kentucky Royalty Trust v. Armstrong Coal Reserves, Inc., et al.*, was filed by Western Kentucky Royalty Trust on behalf of trustee Samuel S. Francis over coal royalties.⁵¹ The US District Court in the Western District of Kentucky ruled in favor of Francis and awarded him \$273,366. According to the memorandum opinion and order of the case, Francis expects that an additional \$13 million in royalties will be due to him within thirteen or fourteen years⁵² and has filed suit for this amount in *Western Leasing, Inc., and Samuel A. Frances, and Western Kentucky Royalty Trust v. Armstrong Coal Company, Inc.*⁵³ Another lawsuit against Armstrong is *Douglas P. Sumner v. Armstrong Coal Company, Inc.* Sumner sued to obtain commissions from Armstrong after he negotiated deals with Louisville Gas & Electric (LG&E) and Big Rivers Electric Corporation. These contracts were for 27.1 million tons and 6 million tons at .35 cents a ton to be paid to Sumner. The US District Court of the Western District of Kentucky ruled that Armstrong Coal pay Sumner for these contracts.⁵⁴ The case is on appeal.⁵⁵

CONCLUSION

Coal industry executives cite the higher cost of natural gas in recent months as evidence that coal will rebound. Rapid changes in both natural gas and coal require that governments seeking partnerships with the coal industry thoroughly police their claims prior to providing support and resources. This is especially important in rural areas with small tax bases and limited growth opportunities. While natural gas is predicted to be the energy source of the future, other factors, such as regulations, objections from community groups, and litigation pose problems for Armstrong and other coal companies. Additionally, demand from emerging economies is unlikely to materialize due to economic slowdown. The creation and expansion of

⁴⁸ Office of the Inspector General, U.S. Department of the Interior, "Coal Management Program, U.S. Department of the Interior." June 11, 2013. Page 9. <http://www.documentcloud.org/documents/712402-inspector-generals-report-on-coal-leases.html>

⁴⁹ Broder, John M. "Undervalued Coal Leases Seen as Costing Taxpayers." The New York Times. June 11, 2013. http://www.nytimes.com/2013/06/12/us/us-coal-leases-undervalued-costing-taxpayers-millions-report-says.html?_r=0&adxnnl=1&ref=coal&adxnnlx=1375282964-OwrpUKPQION0zf4TSRUKLQ

⁵⁰ Matthew Brown, Associated Press. "US House panel looks at Western coal industry." The Institute for Energy Economics and Financial Analysis. July 8, 2013. <http://www.ieefa.org/us-house-panel-looks-at-western-coal-industry/>

⁵¹ Justia Dockets and Filings. Memorandum Opinion and Order. "The Western Kentucky Royalty Trust v. Armstrong Coal Reserves, Inc. et al." <http://docs.justia.com/cases/federal/district-courts/kentucky/kywdce/4:2011cv00114/78715/82/>

⁵² Justia Dockets and Filings. Memorandum Opinion and Order. "The Western Kentucky Royalty Trust v. Armstrong Coal Reserves, Inc. et al." <http://docs.justia.com/cases/federal/district-courts/kentucky/kywdce/4:2011cv00114/78715/123/>

⁵³ Obtained from PACER.

⁵⁴ Justia. Memorandum Opinion and Order. "Douglas P. Sumner v. Armstrong Coal Company, Inc." <http://docs.justia.com/cases/federal/district-courts/kentucky/kywdce/3:2011cv00425/78130/32/0.pdf?ts=1346242025>

⁵⁵ The case on appeal is *Armstrong Coal Company, Inc. v. Douglas P. Sumner*. Obtained from PACER.

coal terminals is part of an “Export or Die” strategy by the coal companies to keep their businesses alive as markets shrink and realign. This raises the questions: Should the State of Louisiana invest in this troubled company at a time when global coal markets are weak and independent analysts are indicating very little improvement in the short- and long-term outlook? The private sector has already rejected Armstrong Energy, does the State of Louisiana have such a strong economy that it can afford to speculate?

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