



Partners For Environmental Progress

April 20, 2014

The Honorable Gina Gregory, President
The Honorable Fredrick Richardson, Jr., Vice President
The Honorable Joel Daves
The Honorable Levon C. Manzie
The Honorable Bess Rich
The Honorable C.J. Small
The Honorable John C. Williams
Mobile City Council
P.O. Box 1827
Mobile, Alabama 36633-1827

Re: Partners for Environmental Progress Comments on Proposed Blue Creek Coal Terminal

Dear Members of the Mobile City Council:

On behalf of the Board of Directors of Partners for Environmental Progress (PEP), I am writing to express our opinion that Walter Energy's proposed Blue Creek Coal Terminal (BCCT) strikes a positive balance between economic development and environmental stewardship. PEP and its members take environmental concerns very seriously and only endorse any proposed project after review of the project plans and comparing them with best practices for environmental protection. In this case, we have carefully considered technical information provided to the PEP Board of Directors concerning the proposed improvements to the existing location, the operation of the proposed facility, and Walter Energy's plans to meet or exceed environmental compliance standards.

Walter Energy has agreed to use the best available technology and equipment to minimize coal dust from handling, storage and loading at the BCCT. Using best management practices and site improvements, the BCCT will comply with state and federal air and water regulations, which will be monitored by the Alabama Department of Environmental Management and the U.S. EPA.

Walter Energy has been a good corporate citizen in Mobile for decades. The BCCT will enable this Alabama-based company to export metallurgic coal from a new mine in Central Alabama, and a mine in West Virginia.

"A Clean Environment is Good for Business"

Our review of the proposal concludes that the BCCT will:

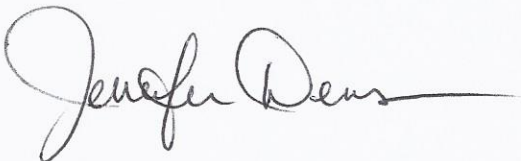
- Utilize the site of a former coal handling facility which is within a heavy energy and industrial area separated from non-industrial areas by highway and rail systems;
- Conduct all coal delivery by barges, with no additional rail or truck transportation of the coal;
- Use the appropriate technology and equipment designed for dust suppression, including conveyor belts with 22-gauge, corrugated metal coverings; continuous barge unloaders; enclosed transfer points; newer technology of "cascading" transfer chutes rather than "free-fall" chutes; and automated fog cannons;
- Improve and upgrade stormwater controls to prevent onsite erosion and discharge of sediment into the Mobile River; and
- Construct a system of retention ponds to capture and recycle water sprayed for dust control, as well as retaining storm water onsite.

To verify that the planned facility will not impact the community with coal dust, Walter Energy hired Enviroplan Consulting, an independent third party, to conduct an Air Model study on the impact of BCCT operations on air emissions. The study, using real time weather conditions and estimating the worst case emissions of particulate, found that the BCCT is expected to account for less than 0.005% of the PM10 emissions in Mobile County.

PEP members are committed to using science and facts to determine the right course for business and community action. Walter Energy is relying on proven technology, scientific findings and factual research to establish that their project meets the necessary standards and criteria and will benefit our community.

The Blue Creek Coal Terminal will create jobs, generate \$12 million in forecasted tax revenue, have a negligible impact on air quality and will improve the economic, social and environmental bottom line of the City of Mobile.

Sincerely,

A handwritten signature in black ink, appearing to read "Jennifer Denson", with a long horizontal flourish extending to the right.

Jennifer Denson
Executive Director