KY Coal Firm Slapped With Illegal Dumping Fine

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LOUISVILLE, Ky. (AP) — A Kentucky coal company will pay $660,000 in fines for illegally dumping mining debris into Appalachian streams under a proposed order in federal court.

Prosecutors with the U.S. Justice Department said Nally & Hamilton Enterprises violated the U.S. Clean Water Act by dumping dirt and rock from mining at company sites in Harlan and Knott counties.

The company dumped in waterways at surface mines beyond the permitted limits and also dumped without a permit, according to a proposed consent decree filed in U.S. District Court on Friday. The order is awaiting a signature by U.S. District Judge David Bunning.

A spokeswoman for the U.S. Environmental Protection Agency said Wednesday that the amount is one of the largest fines ever against a coal company in Kentucky for environmental law violations.

The consent decree was filed two days after the announcement that another coal operator, Alpha Natural Resources, agreed to pay $27.5 million for water pollution violations in five Appalachian states, including Kentucky.

George Seay, an attorney for Bardstown, Ky.-based Nally & Hamilton, declined to comment, saying "the consent decree speaks for itself." The proposed document would represent a final settlement between federal regulators and the company for the alleged violations of the Clean Water Act.

A handful of coal companies operating in Kentucky have faced fines exceeding a half-million dollars in recent years for water pollution violations, including a $575,000 fine in 2012 against International Coal Group, a subsidiary of St. Louis-based Arch Coal. Kentucky's portion of the Alpha Natural Resources settlement announced last week was $687,500. And Nally & Hamilton also paid a $507,000 fine from state regulators in 2011 for water quality reporting violations at its surface mines.

According to the consent decree, the illegal dumping occurred at two sites: the Doty Creek site in Knott County and the Fugitt Creek site in Harlan County. From April 2006 to March 2007, the company dumped mining debris into 1,000 linear feet of stream beyond the permitted limits at the Fugitt Creek site. At the Doty Creek site, the company dumped into waterways in 2007 before a permit was issued, the consent decree said.

"Filling wetlands illegally and damming streams can result in serious environmental

consequences," Dawn Harris-Young, an EPA spokeswoman in Atlanta, said in an email message Wednesday. "EPA took this action to ensure the integrity of the Clean Water Act program that protects wetlands and other waterways, as well as to provide a level field for doing business for companies that play by the rules and comply with the law."

Harris-Young said the fill material that was dumped at the sites up to eight years ago is still in place.

Environmental groups have complained about the dumping at surface mining sites in Appalachia for years, saying it pollutes streams with toxic materials and heavy metals stirred up by digging and blasting.

"Pollutants from mining waste kill fish and contaminate drinking water supplies, while the surface mines and waste piles increase the risk of flooding and landslides for those living downstream," said Eric Chance, a water quality specialist with Appalachian Voices, an environmental group based in Boone, N.C.

Nally & Hamilton must pay the full $660,000 amount within 180 days of the effective date of the consent decree, and it must also complete stream restoration and mitigation at the two sites.

As part of its settlement announced last week, Bristol, Va.-based Alpha Natural Resources must spend an additional $200 million to reduce illegal toxic discharges into hundreds of waterways in the five Appalachian states. The $27.5 million fine was the largest ever for violations of water pollution permits.

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