

United States Senate

WASHINGTON, DC 20510

May 3, 2019

Ambassador Kelly Knight Craft
Ambassador to Canada
U.S. Department of State

Dear Ambassador Craft:

Since you have been nominated to serve as U.S. Ambassador to the United Nations, we are writing to seek additional information about your views on the Paris Agreement and international climate policy, as well as any potential conflicts of interest you may have.

As our U.N. Ambassador, you would be responsible for representing the United States at the United Nations on matters affecting international cooperation and action to address the climate crisis. Given your family's business relationship with Alliance Resource Partners, the third largest coal producing company in the Eastern United States, where your husband serves as President and Chief Executive Officer, we need assurances that, in connection with U.N. activities related to climate change, you will put our nation's interests ahead of your personal financial interests.

The Paris Agreement — reached in Paris, France at the Conference of the Parties in 2015 — is a historic effort to unite the world's countries in the fight against climate change. Under the agreement, all parties have committed to reducing greenhouse gas emissions to prevent the rise of global average temperatures by 2° Celsius or more — a level that climate scientists have determined will avert catastrophic environmental changes that would put millions of lives at risk and cause trillions of dollars in economic losses worldwide.

On June 1, 2017, President Trump announced that he would move to withdraw the United States from this landmark agreement, becoming the only signatory to change its position and oppose this monumental effort. Other countries party to the agreement continue to ramp up their climate-protection efforts, seizing the opportunities that a clean energy economy presents. For example, in 2017, China committed to spending \$360 billion on renewable power sources through 2020, creating more than 13 million clean-energy jobs.

There is overwhelming scientific consensus that human activity from the burning of fossil fuels is the primary cause of climate change and its worsening effects. In fact, in November 2018, thirteen federal agencies of the Trump administration published the National Climate Assessment, which concludes that climate change is happening now. Despite the insurmountable evidence, you have said publicly that you believe “both sides” of climate science.

Your financial disclosures show that you personally have over \$63 million invested in oil, gas, and coal assets. You also hold substantial rights to coal mining royalties in various states, including Illinois, Indiana, Kentucky, Maryland, Pennsylvania, and West Virginia. According to an April 2018 filing with the Securities and Exchange Commission, your husband, Joseph Craft, owns or controls 44,773,040 shares of coal producer Alliance Resource Partners, worth more than \$900 million at the March 8, 2019 market price. In its 10-K form filed with the U.S. Securities and Exchange Commission for fiscal year 2018, Alliance Resource Partners made the following representations:

- “The United Nations Framework Convention on Climate Change met in Paris, France in December 2015 and agreed to an international climate agreement (the ‘Paris Agreement’). Although this agreement does not create any binding obligations for nations to limit their GHG emissions, it does include pledges to voluntarily limit or reduce future emissions. These commitments could further reduce demand and prices for our coal.”¹
- “Our results of operations are primarily dependent upon the prices we receive for our coal, as well as our ability to improve productivity and control costs. The prices we receive for our production depends upon factors beyond our control, including . . . the impact of domestic and foreign governmental laws and regulations, including environmental and climate change regulations and regulations affecting the coal mining industry and coal-fired power plants, and delays in the receipt of, failure to receive, failure to maintain or revocation of necessary governmental permits.”²
- “Enactment of laws or passage of regulations regarding emissions from the combustion of coal by the United States, states, or other countries, could also result in electricity generators further switching from coal to other fuel sources or additional coal-fueled power plant closures. For example, the agreement resulting from the 2015 U.N. Framework Convention on Climate Change contains voluntary commitments by numerous countries to reduce their GHG emissions, and could result in additional firm commitments by various nations with respect to future GHG emissions. These commitments could further disfavor coal-fired generation, particularly in the medium- to long-term.”³

Given your financial interests and the position that you seek to hold, by May 15, 2019, please provide answers to the following questions:

1. Do you acknowledge that climate change caused by humans is real? If not, why not?
2. Do you acknowledge that climate change is occurring now and impacting citizens of the United States? If not, why not?
3. Why have you said that there are “both sides” to the scientific debate on climate change? Please describe in detail your understanding of the “sides” and their positions on climate

¹ ALLIANCE RESOURCE PARTNERS, L.P. Form 10-K for the fiscal year ended December 31, 2018, p. 18, available at <https://www.sec.gov/Archives/edgar/data/1086600/000155837019000892/arl-20181231x10k.htm>

² *Id.* at 28-29.

³ *Id.* at 31-32.

change, including the evidence (and the sources of this information) supporting the arguments that anthropogenic climate change is not occurring.

4. Do you agree with President Trump that the United States should withdraw from the Paris Agreement? If so, why?
5. Please provide any documents that you have received from Alliance Resource Partners, Concho Resources Inc., Continental Resources Inc., WKY CoalPlay LLC, Pioneer Natural Resources Company, Magellan Midstream Partners, the National Mining Association, the U.S. Chamber of Commerce, the National Association of Manufacturers, or the American Petroleum Institute about the topic of climate change.
6. Please provide any documents you have reviewed that estimate, project, analyze, or otherwise assess the effect of international climate agreements on the value of fossil fuel assets in your financial portfolio, including but not limited to the United Nations Framework Convention on Climate Change.
7. With respect to former Environmental Protection Agency (EPA) Administrator Scott Pruitt:
 - a. Please identify all meetings that you or any of your or your husband's business interests have had with Mr. Pruitt since January 1, 2010, including the dates, participants, agendas, and any notes taken.
 - b. Please provide any correspondence between you or any of your or your husband's business interests and Mr. Pruitt.
 - c. Please identify any donations you or any of your or your husband's business interests have made to Mr. Pruitt or any outside spending groups affiliated with him, including the date, amount, recipient, and purpose.
 - d. Please identify any gifts you or your or your husband's business interests have given to Mr. Pruitt and his family, including the date, the type of gift, and its value.
 - e. Please identify any work Mr. Pruitt has done for you or your or your husband's business interests, including the date(s) of the work, the type of work, and any compensation Mr. Pruitt received for such work.
8. Please provide a transcript of the April 24-26, 2017 Executive Committee meetings of the National Mining Association (NMA), including the meeting at which the Board of Directors voted 26-5 to urge President Trump to withdraw from the Paris Agreement.
9. On April 25, 2017, a spokesperson for the EPA referenced a discussion between Scott Pruitt and the NMA on "problems with the Paris Agreement." Please explain when and where this discussion occurred, who participated in it, and summarize its substance.

Ethics in Government Act regulations promulgated by the Office of Government Ethics require federal employees take steps "to avoid an appearance of loss of impartiality in the performance of [her] official duties."⁴ Specifically, the regulations state:

Where an employee knows that a particular matter involving specific parties is likely to have a direct and predictable effect on the financial interest of a member

⁴ 5 C.F.R. § 2635.501(a).

of [her] household . . . and where the employee determines that the circumstances would cause a reasonable person with knowledge of the relevant facts to question [her] impartiality in the matter, the employee should not participate in the matter unless [she] has informed the agency designee of the appearance problem and received authorization from the agency designee in accordance with paragraph (d) of this section.⁵

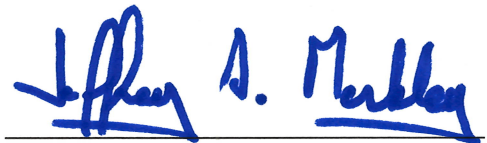
Considering these requirements in the context of the recent financial disclosures made by Alliance Resource Partners:

10. Have you sought any advice as to whether 5 C.F.R. § 2635.502(a) applies to your participation in any decisions related to the Paris Agreement, the United Nations Framework Convention on Climate Change, or any other U.N. work related to climate change? If so, please explain in detail.
11. Please explain whether international climate agreements will have a direct and predictable effect on the financial interest of you or a member of your family.
12. Do you believe you and your husband's oil, gas, and coal assets would cause a reasonable person with knowledge of your and your husband's assets to question your impartiality in matters related to the Paris Agreement, the United Nations Framework Convention on Climate Change, or any other U.N. work related to climate change?
13. If appointed U.N. Ambassador, do you intend to seek a § 502(d) authorization to participate in matters related to the Paris Agreement, the United Nations Framework Convention on Climate Change, or any other U.N. work related to climate change?

Sincerely,



Edward J. Markey
United States Senator



Jeffrey A. Merkley
United States Senator



Sheldon Whitehouse
United States Senator

⁵ *Id.* at § 2635.502(a).