



2 August 2012

Fred Hochberg
Chair and President
United States Export-Import Bank

CC: Senator Tim Johnson, Senator Mark Warner, Congressman Gary Miller, Congresswoman Carolyn McCarthy, Congressman Barney Frank

Dear Chairman Hochberg,

Australia's Great Barrier Reef – a World Heritage Area – is one of the world's most precious and spectacular natural icons. And it is under grave threat from plans to massively expand coal exports from Australia. We write to you today because recent media reports have linked the U.S. Ex-Im Bank with these destructive plans. We strongly recommend that Ex-Im Bank not finance these projects to spare your legacy and the environment, and avoid the significant reputational risk they entail.

These reputational risks arise from proposed projects that place the Reef at heightened risk from:

- **Shipping** – The number of cargo ships passing through the Reef could increase five-fold by 2020, increasing pollution and the risk of shipping accidents in the Reef.
- **Dredging** – A series of mega coal export terminals would result in the habitats of some of Australia's most threatened and unique marine species being contaminated with material dredged up from the sea bed.
- **Coral bleaching** – the Great Barrier Reef is an underwater wonderland because of the life sustained by its corals. Ocean acidification and global warming, both products of carbon pollution from coal combustion, weaken corals and expose them to bleaching events, essentially sucking the life out of them. According to the director of University of Queensland's Centre for Marine Studies, worst case scenarios now predict that by 2050 the Reef could be lost if global warming continues unabated.

Indian conglomerate GVK has publicly associated the US Ex-Im bank with this environmental degradation, claiming the institution is set to provide financial support to the Alpha Coal project in Queensland's Galilee Basin. Alpha would pave the way for a series of mega mines that will drive this massive coal boom and the environmental degradation of the Great Barrier Reef.

The United Nations World Heritage Committee has expressed its concern over the unprecedented scale of coastal development proposed in the Great Barrier Reef and has warned that unless substantial progress is made to protect the Reef, it will be inscribed on the list of World Heritage in Danger. Your support for this project would only take the Reef closer to this outcome.

The global warming impacts of the Alpha Coal mine are enormous. When burned, the coal from the Alpha mine would produce a volume of greenhouse gases larger than the combined emissions of Connecticut, Delaware, Idaho, and Washington D.C. With the International Energy Agency warning that we have only five years to make a dramatic shift away from fossil fuels to avoid catastrophic climate change, Ex-Im Bank financing of this project will put your institution squarely at odds with the international community's understanding of the severity and consequence of climate change.

The Ex-Im Bank follows the Equator Principles and has declared pride about being environmentally responsible. Financing this project, or any of the coal export projects sited in the Great Barrier Reef, would make a mockery of these principles and policies. Worse, they would further undermine the legacy of your chairmanship and the reputation of the institution. We strongly urge you to publicly disassociate with the GVK project.

Sincerely,

Australia:

Darren Kindleysides
Australian Marine Conservation Society

Michael McCabe
Capricorn Conservation Council

Brad Smith
Friends of the Earth

Paul Oosting
GetUp!

Ben Pearson
Greenpeace Australia Pacific

Patricia Julien
Mackay Conservation Group

Wendy Tubman
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Sarah Hoyal
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Phil Radford
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Doug Norlen
Pacific Environment

Michael Brune
Sierra Club