My name is April Thomas. I'm here with the Sierra Club to read testimony from someone who was unable to make it today, a Wyoming resident: "My name is Sarah Goran, and I live Laramie, Wyoming. I have worked on mineral valuation and taxation issues for various nonprofits in our state since the late 1970s. I believe that market forces have reshaped the future of coal production and the horse is pretty much out of the barn with regard to federal coal policy. "That said, there still will be many years of substantial coal production from federal leases, and the review should focus on how to make the best of a declining industry. "Late last year I submitted testimony for a listening session on increasing federal coal royalties. In that testimony, I said that although valuation methods and royalty rates for federal coal resources should have been reviewed before now, the changes made 25 years ago were a huge fiscal step forward not only for all U.S. taxpayers but also for the residents of coal-producing communities who benefitted from their share of increased royalties. "The decades following the implementation of the new royalty rate, Wyoming's share of federal coal royalty revenues increased dramatically although a proportion only still (inaudible) lacked the increase in coal production while state coal severance tax revenue fell due to rate reductions. More recently, erosion of the coal valuation method had (inaudible) the state's coal tax revenues. "I supported reviewing the coal valuation methodologies and increasing the royalty rate. Neither of these will affect future employment in the coal industry. Even when coal production was sky-rocketing, employment in the coal industry fell and has continued to fall as coal producers constantly seek to reduce the number of jobs. "But increasing the royalty rate definitely will affect the revenues available to federal and state governments and consequently their capacity to deal with the coal industry's economic and environmental legacies, including the need for unemployment benefits, job retraining, and economic diversification. "Once again, I would like to call your attention to a study called 'Mineral Tax Incentives, Mineral Production and the Wyoming Economy' by Shelby Gerking, William Morgan, and Mitch Kunce dated December 2000, University of Wyoming. "This study as well as subsequent work by some of the same authors considers the interrelationships between coal producers, railroads, and the electric utilities. Although the study is approaching 20 years old, its conclusions regarding the market power of railroads, the goal of facility regulation and the negligible effect of taxes is still relevant when considering coal valuation, royalty rates, and lease rates. "The interrelationships between coal mining, transportation and utility regulation mean that lower mining costs don't necessarily translate into cheaper power costs for the ultimate consumer. "Another concern that should be addressed in this review is reclamation of mine land. A significant percentage of mine land has not yet met full reclamation requirements. "And to sum up, I encourage you to consider how to achieve the highest possible value for the U.S. taxpayer on the remaining coal production. I also encourage you to consider how to apply these revenues to assisting displaced workers, continued research on non-energy uses of coal and to ensure the reclamation of mine land. Thank you."