

FEDERAL ACTION HAS LONG BENEFITTED COAL PRODUCTION IN OUR WESTERN STATES. SMCRA ALLOWED STRIP MINING OF VAST ACREAGES, AND FEDERAL ENVIRONMENTAL REGULATIONS RAISED THE VALUE OF THE WEST'S LOW SULPHUR FEDERAL COAL, CREATING THE POWDER RIVER BASIN INDUSTRY AND LEADING TO JOBS, IN-MIGRATION OF NEW CITIZENS AND VITAL CITIES. INTERIOR HAS SOLD BILLIONS OF TONS OF PUBLICLY OWNED COAL AT LOW PRICES, IN ITS QUEST FOR DOMESTIC ENERGY SECURITY.

BUT FLAWS IN THE LEASING SYSTEM, MANAGEMENT FAILINGS, AND EVOLVING MARKETS HAVE LED TO TODAY'S DYSFUNCTION – A SYSTEM CONTROLLED BY HUGE OUTSIDE CORPORATIONS UNABLE TO RESPOND AGILELY TO MARKET CHANGES. THE LEASING SYSTEM NEEDS FIXING, AND A DOWN MARKET IS THE PERFECT TIME TO FIX IT.

IT'S IMPORTANT THAT INTERIOR'S REVIEW AND REDESIGN CONSIDER AT LEAST FOUR THINGS.

FIRST, 40 YEARS OF LEASING AND MANAGEMENT HAVE CREATED THOUSANDS OF JOBS, THRIVING COMMUNITIES, AND DEEP STATE REVENUE DEPENDENCE ON COAL MINING. BOTH STATE AND FEDERAL GOVERNMENTS HAVE CREATED MORAL OBLIGATIONS TO PROVIDE A JUST TRANSITION TO THE NEW ECONOMIC FUTURE. PENSIONS, HEALTH CARE, AND OTHER BENEFITS EARNED OVER DECADES MUST NOT BE VOIDED. ECONOMIC DIVERSIFICATION INITIATIVES MUST BE CREATED AND UNDERWRITTEN. INTERIOR CAN'T DO THIS ALONE. STATES LIKE WYOMING MUST PARTICIPATE.

SECOND, THE LEASING SYSTEM MUST BE MODERNIZED AND SIMPLIFIED TO FIT NEW MARKET REALITIES. INTERIOR MUST TAKE CONTROL OF A LEASING PROGRAM THAT REFLECTS MARKETS -- BOTH SUPPLY AND DEMAND – AND RETIRE THE PRESENT LESSEE-DRIVEN SYSTEM.

THIRD, RECLAMATION REQUIREMENTS MUST BE COMPLETELY REVISED AND RIGIDLY ENFORCED, SO THAT WATER AND LAND ARE QUICKLY RETURNED TO THEIR ORIGINAL BEST USES -- TRULY CONTEMPORANEOUSLY WITH MINING. "SELF-BONDING," WHICH REMOVES ALL INCENTIVE FOR TIMELY RECLAMATION AND PUTS TAXPAYERS AT RISK WHEN CORPORATIONS FILE BANKRUPTCY, MUST BE TOTALLY ELIMINATED.

AND **FINALLY**, INTERIOR MUST REASSESS "FAIR RETURN" ON THE NATION'S COAL. WHAT IS A FAIR RETURN TO MINERS, COMMUNITIES AND STATES, WHAT IS A FAIR RETURN TO AMERICAN CITIZENS WHO OWN THE COAL, AND WHAT IS A FAIR RETURN TO THE CORPORATIONS WHO LEASE THE RIGHT TO EXTRACT AND SELL IT? THERE MUST BE NEW MEANS OF ASSURING COMPETITION IN BIDDING; TRANSPARENT LEASE VALUATION; TRANSPARENT ROYALTY COLLECTION STRIPPED OF LOOPHOLES AND UNAUDITED SELF-REPORTING; AND, RATIONAL SHARING OF REVENUES WITH STATES.

THE NEW PROGRAM MUST TREAT FAIRLY A BROAD RANGE OF STAKEHOLDERS, INCLUDING US TAXPAYERS, WYOMING TAXPAYERS, RANCHERS FORCED OFF THE LAND FOR TOO LONG, AND THOSE WHO'VE MADE GOOD LIVES WORKING IN THE WESTERN MINES PRODUCING FEDERAL COAL.

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