

My name is David Simonson. I work for Wyoming Machinery Company, a supplier to the coal industry. I've been with them for 35 years. They've provided a great living for my family. Up until recently, our company has been operating with approximately 750 to 780 employees, some of them second- and third-generation employees of Wyoming Machinery Company, and approximately half of them reside in the Casper area. The recent job losses in the Gillette coal mining industry have been followed by comparable levels of layoffs and job reductions in the company I work for just this last week. Coal mining brought one of my grandfathers from Pennsylvania to Wyoming to better himself and his family's prospects in a healthier coal industry. Coal taxation pays for most of the educational system in the State of Wyoming. It pays the wages of my wife who is a teacher. It pays wages of my father who was a high school teacher and has provided a secure state retirement for my mother and the same for my father-in-law who was an educator. Every coal mining job that is regulated out of existence eliminates at least three additional service support jobs, reduces federal and state revenues, and reduces the incomes of every citizen of Wyoming with really no quantifiable benefit to our nation. Current royalty rates and compounded taxes and fees of the coal industry are above all other industries and above the market of those charged for private lands in other states, and if increased, it will only result in decreased production and decreased return on investment for federal and local taxpayers. That hurts schools, roads, infrastructures. It hurts everyone in Casper, the State of Wyoming and also the federal -- the rest of the United States. The federal, state, and local governments are getting more than a fair return on the federal coal leases. We also need to immediately lift the moratorium on federal coal leasing, which is simply political pandering to wealthy political donors and yet putting mining processes at risk because of the way mines have to go through coal. The lease-buy application process is effective at seeing that a fair value is received on federal leases. If the amount of the bid is too low, it's simply rejected and re-auctioned. The American citizen is getting a great deal when you think about the bonus bid on federal coal and, when combined with the coal royalty rate, making it an effective payment rate of 22 percent. That's considerably higher than royalty rates paid on

state or private lands. The federal coal program provides substantive revenues to the federal and state governments amounting to \$13.8 billion since 2003. Since I've been participating in these public meetings, there seems to be an overwhelming amount of evidence that the coal royalty rates being paid for federal coal are more than fair and providing good value to the U.S. taxpayer. The solution to getting greater value from federal coal is for federal agencies to stop attacking the industry through increased regulatory uncertainty and taxation and let it compete in the marketplace with alternative energy sources. American's industry and population benefit from predictable and low electricity costs achieved through thermal coal. Thermal coal has done more to improve the quality of life in the United States than any other single item. This is an American resource, best used to make America more competitive and energy independent in this global economy that we're in.