

Thank you. Good afternoon. I'm Keith Williams, president of western operations with Arch Coal. In terms of the world's coal reserves, America is the energy envy of the rest of the nation, and the vast majority of those reserves are located on public land here in the West. America has made excellent use of these reserves in recent decades, generating millions of dollars in revenues for federal and state agencies, providing livelihoods for thousands of families and delivering affordable energy. Given all of that, the goal of this project says it should be to keep the federal coal program functioning at a high level and to ensure the coal from public lands maintains it's central place in the U.S. energy mix. The Mineral Leasing Act is subtitled an act to promote the mining of coal and requires the department to achieve the maximum economic recovery of coal on federal lands. As you know, the single biggest source of federal coal is the Powder River Basin in Wyoming where Thunder Basin's mines are located. The PRB royalties, taxes, and fees approach 40 percent of the selling price of the product. Few industries anywhere generate such a high percentage of value. It's hard to see how anyone could argue that 40 percent is not an exceptional return for the American public, and arguments to the contrary are disingenuous, as you well know. If we're being candid, we'll acknowledge that these hearings were precipitated by a small but vocal group that want to ensure that public coal and, in fact, all coal is left in the ground. They don't care whether they achieve that goal through a moratorium on future leasing and hiking the royalty rates or some kind of carbon fee, whatever it takes to accomplish their desired outcome is fine. But let's face it, the vast majority of Americans would view a 40 percent return and the associated benefits of low-cost energy as a far better return than nothing. Right now, public coal is struggling to compete in the marketplace due in large part to the high taxes and royalty burden placed upon it. Simply put an increase in the royalty rate will only create further uncertainty and put additional pressure on communities throughout the West and on critical state programs as well. I'd like to finish up by saying part of the properties I'm in charge of are the Thunder Basin properties in the Powder River Basin in Wyoming. The first of the year, we had about 1,700 employees employed at those properties, and now we're close to 1,400. So we're down 300 employees. A little over 15 percent

of our workforce has declined through what's happening here. It's really important to me as a father. Two of my sons are employed at the Thunder Basin Coal Company. I hear, "Let's find other jobs for coal miners to do, these people to do." But even with educations that are traditionally outside the coal industry, they choose to work there. And so it's important to me that the jobs remain. It's important to me that my kids have a fair opportunity to compete against other industries, and 40 percent is higher than most other industries have to participate in. So thank you.