Coal Programmatic EIS Scoping
Bureau of Land Management
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Washington, D.C. 20003

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To Whom it May Concern,

The DOI-Bureau of Land Management (BLM) is proceeding with scoping and preparation of a Programmatic Environmental Impact Statement (EIS) to review the Federal coal leasing program. The stated reasons for this action are to; 1) Assure a fair return to taxpayers for development of the publicly-owned coal resource; 2) Provide for consideration of changes in market conditions in program administration and implementation; and 3) Address perceived inconsistencies between ongoing coal leasing and the current administration's "climate-change" objectives. Along with preparation of the EIS, the Secretary of Interior has imposed a de-facto moratorium on coal leasing pending completion of this review. Part of the stated justification for this action is reports resulting from review by the Government Accounting Office (GAO) and the DOI-Office of Inspector General (OIG) of the current coal program. Given, however, that the referenced reports stated that the current leasing program is sound and contributes significant benefits to the taxpayers, that the reports offered only modest recommendations for program improvements, and that in 2014 the BLM already developed new protocols, policy guidance, and a manual and handbook to implement the GAO/OIG recommendations, there is a reasonable basis to question the need and motivation for both the EIS and the leasing moratorium.

The following comments relate to the stated reasons for the proposed action (ie: EIS);

Fair Return – In evaluating "fair return" the analysis must consider all components of return and economic benefits from leasing and production of the resource including bonus bid payments, rents, royalties, AML fees, Black-lung taxes, state and local property taxes, sales taxes, employment taxes, local/regional/ state/national benefits from mine employment and employee benefits, and the economic benefits of low-cost reliable power from coal for businesses and utility rate-payers. Advocates of increasing coal royalties point to the Headwaters Economics Report as support for their contentions, however, information compiled from the Energy Information Administration (EIA) by Senator Ron Wyden (D-Oregon) indicates that coal operators have paid much higher royalties (does not take into account bonus bid and rental payments) than indicated by the Headwaters work. It must be noted that BLM policy includes setting "fair market value" for proposed lease sales.

Market Conditions – Excessive regulation, discriminatory government policies, artificially low natural gas prices resulting from over-supply, and export barriers have resulted in very weak coal markets. Decreases in coal production, extensive layoffs, coal company bankruptcies, and significant adverse economic and social impacts on affected communities and regions have been the direct consequence of these conditions. These are very real and immediate impacts which must be considered in any objective analysis. The current coal program includes provisions (royalty rate reduction) which can be used to reflect and adjust for adverse geologic, mining, and other conditions. The potential exists to also include market conditions as an adjustment factor.

Coal Leasing and Climate Considerations – Coal built our country and is a key foundation for our success and prosperity. A rational energy policy should be based on a true, "all of the above" approach. In fact, this approach is essential if we are to meet our projected future energy needs. Much of the current focus is on addressing climate considerations, but this must be balanced with the critical need to maintain reliable energy generation and distribution systems and provide affordable power for our households and businesses. Any impact analysis should include an alternative which takes this critical balance into consideration.

The following are recommendations for consideration and analysis in the coal program review;

- As an over-riding consideration, maintain a viable coal leasing program consistent with the purpose and intent of the Mineral Leasing Act and amendments
- Focus lease offerings on tracts adjacent to existing viable operations and potential new operations which are positioned to take advantage of existing or proposed transportation and generation infra-structure
- Timing and size of lease offerings must take into account the need for existing or proposed operations to have an adequate reserve base, and the time requirements for leasing and permitting
- The leasing process should be streamlined to eliminate the multiple layers of review and approval (resource area/state/federal) by establishing mechanisms and systems for internal consultation and cooperation within the BLM.
- Multiple levels of broad-scope National Environmental Policy Act (NEPA) review should also be eliminated (currently required at the leasing stage – BLM, mine permitting stage – OSMRE, and the utility permitting stage – Various agencies). Separate analyses of the impacts of each action would be more realistic and appropriate (limit "related and connected" actions).
- Retain royalty adjustment provisions, with modifications to include market considerations and adequate provisions for objective evaluation and transparency
- Base bonus bids on recoverable reserves rather than total reserves
- Review and revise approach for determining fair market value to include consideration of mining, regulatory, and market conditions, and to improve transparency

While questions remain relative to the need and motivation for both the EIS and the leasing moratorium, if this process is to benefit the interests of our Country, it needs to be an open and transparent process focused on balancing our current and future energy needs with reasonable economic and environmental considerations. Please recognize and remember that any actions that reduce the viability and availability of reliable, affordable coal-based electricity will impact not just coal miners and their communities, but every household and business that pays an electric bill.

Thank you for the opportunity to comment,

gDattingl