Coal Programmatic EIS Scoping
Bureau of Land Management
20 M Street Southeast, 2134 LM
Washington, D.C. 20003

June 23, 2016

To Whom it May Concern,

I write today to voice my grave concerns with increasing coal royalty rates. Raising taxes on coal will add stress to coal markets and ultimately decrease the revenues accruing to the public. Simply put, a ton of coal never sold due to uncompetitive prices produces no revenue.

Too, American taxpayers are receiving more than owners of private coal. The federal royalty rate is above the prevailing royalty rates for private coal. As compared to private coal leases, federal coal rates are, in many cases, forty percent higher than the prevailing rate for private coal.

Federal lessees pay non-recoupable bonus bids, an additional upfront payment made prior to mining. Bonus bids are rarely if ever included in leases of private coal. Bonus bids are a significant expense. Over the last decade, lessees have paid over $4.2 billion in bonus bids before any coal is even mined.

States and local communities also benefit from coal leasing and royalties. In 2014 Colorado coal producers paid nearly $40 million in federal royalties, rents and bonus payments. Almost half of this comes back to the State and is distributed to local communities, the State Public School Fund, the Higher Education fund, and the Water Conservation Board Construction fund.

The BLM can best carry out its responsibility to ensure that American taxpayers receive a fair return on the coal resources managed by the federal government by encouraging the growth of the coal industry and removing impediments to leasing coal.

Respectfully,

JONATHAN NAJAR