

MS. LANCELOT: Good morning. Thank you for these meetings. My name is Jill Lancelot. I'm co-founder of Taxpayers for Common Sense. We're a national, non-partisan budget watchdog. TCS was founded in the belief that American taxpayers needed a strong voice in Washington. And our mission is to achieve a responsible Federal Government that operates within its means. TCS is based in D.C., but I live in Denver. For more than 20 years we have focused on the principle of providing a fair return for the natural resources that all American taxpayers own. We work to ensure the taxpayers receive appropriate compensation for development on Federal lands, including the extraction of hard rock minerals, oil, gas, and coal; and the production of wind and solar. We need to ensure that taxpayers are protected, that royalties are collected, operations are cleaned up, and that American taxpayers receive what they are due. The Federal Coal Leasing Program is a prime example of how taxpayers are serious shortchanged. The program is badly need of reform, and it has been riddled with problems for years. The current leasing bears little resemblance to the competitive program envisioned by Congress 40 years ago. And as recent reports from the IG's Office of Interior and the GAO Office have documented under-evaluation by even a single penny per ton can result in a multimillion dollar loss for taxpayers. In fact, for decades taxpayers have been subsidizing the coal industry by billions of dollars. The current structure lacks transparency and competition, making it difficult to access the fair market value of Federal leases. For 20 years, 90 percent of leased tracts received only a single bid, usually from the company that proposed the tract. The public has no idea how much coal is actually worth or how much revenue it might be losing. The BLM does not disclose how it estimates fair market value. The bids for leases are sealed, and does not provide an accounting of those number of leases with reduced royalty rates. We believe that loose oversight and the lack of transparency has led to the absence of fiscal responsibility. Coal from Federal lands is a public asset. And BLM is responsible for managing these resources responsibly on behalf of taxpayers. Sadly, it is not doing so. Because demand is down and there is almost 8 billion tons of recoverable reserves of Federal coal already under lease, this is the perfect time to step back and review the program. We feel that such a review could go a long way toward

ensuring the taxpayers do not continue to lose billions of dollars. Coal will be an important part of our energy mix for decades to come. And it's important that Interior emerges for such review better prepared to meet the demands of today's energy market. Interior has a fiduciary responsibility to ensure that taxpayers are fairly compensated for the assets we all own. And it is high time the nation's coal program is reformed. We have a \$19 trillion debt increasing by the day. We cannot afford to, to wait to fix this long-broken system that shortchanges taxpayers. Thank you.