

JIM LYON: Good afternoon. I'm Jim Lyon, Vice President, National Wildlife Federation, a national organization with more than 6 million members and supporters and federation family of 50 state affiliate organizations.

Two weeks ago our state affiliates unanimously approved a resolution calling for a comprehensive reform of the Federal Coal Program. We will be submitting extensive technical comments before the deadline.

So I'm just going to hit on a couple of high points today. The Federal Coal Program is broken from soup to nuts, and we encourage you as you approach this to look at it comprehensively and cohesively. Please look at the program from cradle to grave; lease site, bid applications, royalty, mine plan adequacy, reclamation bonding, reclamation integrity, post mining productivity, bond release and of course carbon reduction.

On a couple of these points, the leasing application process is neither competitive nor strategic, and as we know the 12 and a half percent royalty is woefully below fair market. The study found that coal leases have attracted only one bidder at rock bottom prices.

Recently the Council of Economic Advisors reported that companies used questionable loophole. As Larry just pointed out, we just lost \$30 billion in royalty rates. So a future program must ensure that these sites are competitive bids, royalties must be at fair market and close loopholes.

And the whole point of this is the mine. Mining performance, the leases show failure fail to reclaim. Our report recently found that of the 450 square miles of mined land in the Powder River Basin, only 46 square miles have been fully reclaimed to final bond to these standards. It's doubtful these lands are going to be fully reclaimed because of damaged water. How far reclamation has lagged behind performance and company's financial health is in trouble.

This is not ultimate use, this is permanent

damage.

As you know, the majority of these, federal coal lies under prairies, fragile habitat that's home to imperiled sage grouse, mule deer, elk, pronghorn and 300 other species. Can take decades to reclaim these mines to pre-mining conditions.

Another recent study we did of wildlife herds in and outside of fossil fuel extraction zones of the Powder River showed that only one out of 8 mule deer herds and only 3 out of 11 pronghorn herds are healthy. So the coal leasing must not result in permanent damage to public lands and water. It must include repercussions for wildlife. I'd go on about bonding, but we all know that's a shredded program that needs seriously to be overhauled so that there is a safety net. So thank you.