

**Byers & Anderson Court Reporters/Video/Videoconferencing
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1 over to No. 11 on Microphone No. 1, please.

2 MR. BEGGER: Thank you. My name is
3 Jason Begger. I'm the executive director for the Wyoming
4 Infrastructure Authority. And since the purpose of these
5 listening sessions are to talk specifics, I'm going to
6 talk specifics and get beyond the rhetoric.

7 You know, one of the goals here is to talk about
8 value to taxpayers. Well, as a taxpayer myself, I'm a
9 federal taxpayer, I'm a local taxpayer, and a state
10 taxpayer, those things, so taxes as an -- or when we look
11 at taxes, we need to look beyond just the federal taxes
12 and tax as a whole.

13 So I'm going to talk specifically about all the
14 taxes that are paid on a ton of coal. You've got the 12
15 percent federal royalty, you have 7 percent Wyoming state
16 severance tax, the LBA payments, which somebody said
17 earlier was 12 cents. Well, if you look at the BLM
18 website, they were 1.35 for the Belle Ayr lease a couple
19 years ago, which is ten times the 12 cents that was
20 stated, but at current spot prices last week it was at
21 \$8.80 per ton. That was about a 15 percent tax for the
22 OBA. You got 4.4 percent gross proceeds tax, you got 28
23 cents per ton abandoned lineman -- abandoned mine lands
24 funds, you also have your property taxes on your
25 equipment, buildings, facilities, property taxes on

1 production, sales tax on all the equipment and materials,
2 and you know, a 6 percent sales tax on a \$3 million haul
3 truck is a significant amount of sales tax.

4 Altogether coal pays an effective tax rate of over
5 40 percent. To put that in perspective, when we filed
6 our taxes, look at our own individual effective tax
7 rates, usually it's about 15 percent. So the coal
8 industry pays two and a half to three times more taxes
9 than individuals do. I think that's a pretty good rate
10 of return for the government and taxpayers as a whole
11 throughout all those.

12 You know, like I said, Federal Coal Program is a
13 good value for American taxpayers. One good example is
14 Cloud Peak Energy since they produce exclusively off of
15 federal lands. Using publicly available data from their
16 SEC filings, across all levels of government they paid
17 303 million in taxes after paying labor, fuel, taxes, all
18 other expenses. The company's shareholders lost \$206
19 million last year.

20 So the government made 300 million. The
21 shareholders lost 200 million. If this isn't fair, what
22 is?

23 Also, I would like the BLM and Department of
24 Interior to look at possible overpayments. There isn't
25 one bidder on these leases. The BLM sets the floor. If

1 a company does not meet that floor price, the bid isn't
2 awarded. So you're always bidding against the government
3 automatically. So more likely than not, if it is a
4 winning bid, it didn't hit that floor exactly. It was
5 probably over.

6 So if the BLM sets their own disclosed price at 90
7 cents a ton and a bid comes in at 95 cents a ton, the
8 government accepts the 95 cents. This is a premium of 5
9 cents a ton over the asking price. I would ask the BLM
10 to go back and look at the overpayments that it made over
11 the own valuation price that they set years and years
12 ago.

13 And so with that, Wyoming is a fantastic state. We
14 have clean air. People come to Yellowstone, they come to
15 Grand Teton every year for a shining example of how you
16 can have great natural resource extraction and
17 environmental stewardship. Thank you.

18 MS. BERGER: Good morning. My name is
19 Rosie Berger and I serve as the majority floor leader for
20 the house of Wyoming. I represent Sheridan, Big Horn and
21 my community is just north and east of the Powder River
22 Basin which, as all of you heard already this morning, is
23 about 85 percent of the coal production in the nation.

24 Today you'll hear many comments from
25 representatives, stakeholders, community leaders,