

GOOD MORNING

I'm Dave Stewart, Executive Vice President and General Counsel of Vulcan Inc.

Vulcan has a broad range of business interests in the aerospace, real estate, technology, sports and travel industries.

Seattle is our home and we'd like to thank you for coming to the Pacific Northwest. While the revenues generated by the federal coal program accrue to coal-generating regions – indeed, 80% of state royalty revenues go to a single state – the costs are borne by us all.

The GHG emissions generated by the coal mined on federal lands know no state lines or geographic bounds, and the damage wrought by climate change is being felt here and throughout our country:

Rising acidification in Puget Sound is dissolving our oyster beds;
Sea rise and storm surges are buffeting our coast line;
Rising, record temperatures are melting our glaciers; and
Climate-aided pest infestations are ravaging our forests

The Bureau of Land Management and the federal government are charged with managing our public lands for the benefit of all Americans. Like any landowner, BLM has broad discretion to drive a fair deal for American taxpayers.

A responsible landowner considers the costs, as well as the benefits, when setting the price for allowing resources to be extracted from its lands.

A responsible landowner holds lessees responsible for the damage caused by the leased activity that it allows to occur on its land.

Here, BLM sells federal coal from Montana, for example, at an average price of 12 cents per ton, while the full cost to the public of burning that coal is over \$70 per ton.

That is bad business, bad stewardship and a bad deal for the American people.

BLM has the responsibility to mitigate the full, actual costs to the public associated with leasing federal coal. This PEIS process provides the ideal opportunity to consider the full range of costs, as well as benefits, generated by leasing coal on federal land, and to use that information to increase royalties and associated fees to a level that reflects those costs and obtains a fair deal for American taxpayers.

Why are we in this situation? There are at least two reasons:

First, the federal coal leasing program has not undergone a comprehensive programmatic review in over 35 years. This process, which will enable BLM to make informed decisions in managing the program, as contemplated by NEPA, is long overdue.

Second, since 1990 BLM has operated under a passive lease-by-application process, in which BLM reviews industry-nominated parcels for potential lease sales. As a result, the General Accounting Office found in 2013 that approximately 90 percent of all federal coal lease sales since 1990 had attracted only ~~one~~ bidder, notwithstanding Congress' statutory directive that federal coal be leased through competitive bidding. Noncompetitive sales breed bad results and bad deals for American taxpayers.

A SINGLE

This needs to change.

WE APPRECIATE THE BALANCED AND TRANSPARENT PROCESS THAT YOU ~~(YOUR TEAM)~~ HAVE CREATED AND LOOK FORWARD TO CONTINUING TO PARTICIPATE

Thank you.