

ROUGHLY EDITED TRANSCRIPT

Bureau of Land Management  
Coal Program Listening Session - Gillette WY  
August 13, 2015  
1:00 p.m. MDT

Captioning Provided by:  
Closed Caption Productions, LLC  
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>> Could we have everyone's attention, please?

Thanks so much for coming, everybody.

Good afternoon.

Welcome to the Federal Coal Program listening session.

I'm Mary Jo Rugwell.

I'm the act young State Director for BLM Wyoming.

It's a pleasure for the Bureau of Land Management to be able to host this session today in Gillette.

I'm a Wyoming native, and so I'm very interested to hear what you all have to say today.

This is an important topic for the cowboy state and for the nation as a whole.

To allow the maximum amount of time today for speakers, we just wanted to remind everyone we won't be answering questions at this session.

That will go for another time.

We want to allow the maximum amount of time your now to say what you have' come to say.

It's also my pleasure to intro to say my colleagues here to participate today.

First is Janice Schneider.

Janis is the Assistant Secretary for Lands and Minerals for the Department of the Interior.

Thanks, Janis.

We have will go will go, our Deputy Director for policy for the Bureau of Land Management.

And Al Elser, who used to live in Casper, by the way, and now is working in our Washington Office as the -- help me, Al.

Deputy division chief for solid minerals.

So he's still very involved in coal programs but just in a different capacity than when he

was in Casper.

We are absolutely delighted today to have members, every one of our Congressional delegation, here, and our Governor.

So I want to introduce them.

First we have senator Mike Enzi.

Mike is a native of Gillette, as you know.

[ applause ]

And every time we visit him on the Hill we talk coal, don't we, senator Enzi.

Absolutely.

Then we have senator John Barrasso.

[ applause ]

Thank you, Senator.

Then Congressman Cynthia Lummis.

[ applause ]

And then our Governor, Matt Mead.

[ applause ]

I think this indicates the uniqueness of Wyoming.

I will bet you right now that no other listening session is going to have their entire delegation and the Governor present.

So it's very cool.

Before we get going, I also need to introduce our facilitator.

Our facilitator is Liz O'Brien.

Liz is a small but mighty woman, I'm telling you this right now.

Just like me.

Only, she's a lot smaller than I am.

Liz has many years as a neutral facilitator.

She's done facilitation for many meetings just like this.

So she really has a lot of experience and will do a terrific job.

So if you'll help her by letting her direct traffic, that would be great.

The other thing I want to talk about is the library here.

These folks have been beyond amazing, and I just want to call out Terry Leslie and Christine Watson, who run the Campbell County library.

They have been gracious.

They have been helpful.

They were helping us put up chairs.

They were helping us put stuff away.

We can't say enough about them.

This is a great facility and we are very much indebted to them for allowing us to use it today, because we have disrupt their operations tremendously.

So thank you.

[ applause ]

And we know that space is tight.

We've done the best we can.

We've got some stands.

We're trying to -- once you speak, if you feel like it, and I hope you will, if you will leave

and allow other people to come into the room to speak, that would be great. We know it's tight, but there's a little fireworks convention in town, and they decided they were going to use the CAMplex, doggone it.

So we're doing the best we can, and again we appreciate what the library did to accommodate us.

I want to be sure I don't miss anything here.

So, now, again we thank you for coming.

We really want to hear what you have to say.

And I'm going to turn it over to Janice Schneider for some brief opening remarks.

Janis?

>> JANICE SCHNEIDER: Hi, everyone.

It's great to be in Wyoming.

Let me thank Senator Enzi, Senator Barrasso, Representative Lummis and Governor Mead for joining us.

I want to welcome everyone to this session.

This is the third in a series of five Listening Sessions we're having about the Federal Coal Program.

One session was in Washington D.C., the other four are here out West.

My colleagues at the table and I are really excited to open the session and to hear the thoughts of all of you on this really important issue.

I mean, the goal of this session is really about you.

You know, the last thing we want to do is sit in Washington D.C. and not be as educated as we want to be about all of these issues and so it was very important for me to get on a plane and get out here and hear from you directly about your perspectives, because we know there's a wide range of perspectives, about how the Bureau of Land Management can best manage its coal resources in order to assure that the American public receives a fair return.

We're really in the early stages of thinking about this issues, and we have a lot of questions.

The information that you and others are going to provide to us are vital to our work, and these are not simple issues standing alone.

They're much more complex, because they're intertwined with questions of enormous magnitude that are facing us right now when it comes to energy, and that includes weather, what we're doing is the right things to be doing when we lead the United States into the world on energy as well as on climate change.

And these are questions that are at the foundation of what we do when it comes to energy development at the Interior Department.

With America's biggest land management portfolio, I continually ask myself if we at interior are striking the right bag between conservation and development.

Do we have measures in place to protect our land, our water and climate for families both today and in the future?

How might any reforms affect local communities, hardworking individuals and economic opportunities, particularly in rural areas?

And where we do authorize development, are we doing enough to make sure the American taxpayer, including those here in Wyoming, is getting a fair return that they're

actually due from the development and use of the natural resources that they own. So with respect to coal we're working hard to answer these questions. You know, many Americans would be surprised to know that coal companies can make a winning bid for about a dollar a ton to mine Federal coal. Coal resources managed by the Federal government are significant, about 570 million acres subsurface.

And the organizations like the Government Accountability Office, our Inspector General, and members of Congress from both sides of the aisle have stated the Federal Coal Program needs various types of reforms.

So we think it's important to have this conversation, to have conversation with you, and that's why we're here today, to get your input on all of these questions.

So I'm glad you're here to help us work on this on a going forward basis.

The substantive comments you provide to us are really going to be immeasurable in terms of how we think through these issues and really help us do this very tough job.

So we're here to listen and thank you again for your time.

I know everyone has a very busy schedule, so I appreciate you coming out to help inform us and share with us your various perspectives.

Let me turn it over to Mary Jo.

>> MARY JO RUGWELL: So I just wanted to remind everybody that we are taking comments in writing as well.

There's a box in the back of the room for your written comments.

Please be sure to remember to put your comments in that box when we leave because we want to be able to have them, go through all of them, make sure that we captured everything.

So please remember to do that.

Because we have such a wonderful show with our delegation here, we want them to go first so that they can speak, you can all hear them, and then after that, we will open it up to the speakers that have signed up in the order in which you did sign up.

So first we'll hear from Senator Mike Enzi.

Senator?

[ applause ]

>> I want to thank the Department of Interior and the Bureau of Land Management for doing this.

We do have bigger facilities, and we hope that next time we can have a bigger facility, but I'm pleased with all the people that are here and the comments that you'll hear today.

I was the Mayor of Gillette when the 14 coal mines came in and I did the industrial siting with each of those people.

Later I was in the Wyoming legislature.

And one of the things we continually do there is review the taxes that are being paid and I think we have an outstanding way of evaluating that, and you might want to take a look at how that's done.

And I went to the United States Senate, and I worked on abandoned mine taxes and made sure there are provisions for minors whose companies went out of business.

Since that time the Federal government has stolen that money from the state of

Wyoming.

We're still trying to get that back.

[ applause ]

That's what happens when you handle your money responsibly in a country having a little bit of difficulty.

I'm the budget chair for the United States Senate and one of the things I learned from the President's budget is that the Office of Management and Budget said that if the economy of the United States improves by just 1% that the Federal government will get \$400 billion a year more in revenue without raising taxes.

Now, the Converse is also true.

If we do something here that decreases economic development of this country, by just 1%, it will cost us \$400 billion a year.

And as you know, we're a little short on money already.

So we want to be careful on what we do.

I do know that the states of Washington and Oregon were against timbering, and they were pretty successful at eliminating timbering there.

One of the things they were successful in doing is getting something called secure rural schools and that's where we pay them not to timber so their kids will get a good education.

If we do what it looks like is happening to coal in this country, we're going to have a secure rural schools for coal as well.

But there is a limit to how much the Federal government can do when providing money when they have no revenue coming in.

Coal lease bids we're supposed to talk about, there isn't anybody interested in buying any coal at the moment.

The market is drying up.

We had General Electric interested in doing a research facility in Wyoming to develop cleaner burning coal.

They canceled it.

They said the direction that coal is going is to eliminate it.

Where would we sell our product if it's been eliminated.

We have to watch out for that.

I do know, just looking at numbers from the mines, that two years ago one of the mines paid \$350 million to the state and Federal government for just the taxes on using the coal.

Their profit that year was \$5 million.

This year you have probably seen the numbers on how much the coal mines are losing but are still paying the taxes on the coal that's mined.

If we put them out of business it will make a huge difference.

It will ripple through the entire economy.

I hope that people from the BLM, particularly from Washington, will visit some of the mines here.

We do some tours out there.

And anybody that I have ever taken to a mine says, oh, don't let them rip up over there.

We have to explain that's where the reclamation was.

It's this other part up for grabs.

On behalf of our delegation, the golden goose, and I have written statement [inaudible]  
[ applause ]

>> MARY JO RUGWELL: Senator Barrasso?

[ applause ]

>> Thank you.

I thank you -- I will tell you about this community.

We had a deployment of 33 soldiers to go to Afghanistan from here Saturday.

They set up 100 chairs, 500 people showed up.

That's the kind of community we have here in Gillette, Wyoming.

These people are strong, they're independent, they're resilient.

What we're happy to hear you are here today we want to keep our comments relatively short so you can hear from the people these regulations would impact their lives.

We wish the administration would have been willing to visit Gillette prior to other regulations.

Had it done so I think you would have seen the importance that coal production plays in the lives of so many people in our state.

2013, average annual wage for a coal worker, over \$84,000.

It's almost twice the average annual wage for workers around the state of Wyoming.

In Wyoming coal production has enabled tens of thousands of people to achieve the American dream.

Coal production also brings significant revenues to Wyoming state government, to the local governments, the royalties are used to fund schools, highways, budgets for cities and towns.

All you need to do is look around and see what we have in this great state and communities.

As important as the revenues are, now is not the time for BLM to consider raising bonus bids, rents or royalties on coal.

With all due respect I find it extremely hypocritical for the administration to ask whether it's getting a fair return on Federal coal when it's gone to such length to suppress the demand for coal.

[inaudible] Obama administration has done all it can to discourage the use of coal in the United States and around the world.

Federal agencies have issued dozens of new regulations which have made it more expensive to produce coal and to consume coal.

If the administration wants to get a greater return, it should reverse course immediately, it should scrap its new regulations on production and consumption of coal.

It should stop artificially suppressing the demand for coal.

It should be accelerating the permitting process for the three -- the proposed coal export terminals in Oregon and Washington.

We can't get that done.

People want to buy our product around the world.

These facilities would allow producers to export Federal coal to Asia and also offset the declining sales here in the United States.

That would bring in more revenue.

So you take a look at this, and you just kind of turn back the clock to 2008, President Obama, he was running for President, and he said, he promised it would bankrupt -- he would bankrupt utilities that use coal.

He said under his administration electricity rates would necessarily skyrocket.

That's why I view the administration's interest in getting a greater return on Federal coal with great skepticism as does everyone in this room.

It appears at best to be a charade and at worst an effort to bankrupt the coal producers.

That's what you will hear from the people of Wyoming today.

BLM has called today's event a listening session.

I would encourage you to do exactly that, listen, listen to the concerns of those who will be directly and immediately impacted by the decisions you make.

Listen to the concerns of those who fear losing their jobs.

Listen to leaders who fear the communities will be financially ruined, because I will tell you the four people in the front row, we in Congress and our Governor are listening, and we will not allow these voices to go unheard.

Last week EPA issued a rule that the University of Wyoming professor estimated would cost our state 11,000 jobs.

BLM can't consider in isolation the impact of raising prices on Federal coal.

It should consider the impact of raising prices on Federal coal in light of all of the Obama administration's regulations affecting coal, including the rule that the EPA issued just last week.

You will find that raising prices on Federal coal will devastate communities throughout the state and for that reason such a proposal should be rejected.

Thank you very much for being here today.

>> MARY JO RUGWELL: Thank you, Senator.

Next up, Congressman Lummis.

>> Madam Assistant Secretary, Deputy Director Lance, and deputy division chief Elser, thank you for being here.

We know you're holding these sessions because Secretary Jewell wants to have an honest and open conversation about the Federal Coal Program.

I want you to know that you've definitely come to the right place.

The Mineral Leasing Act obligates the BLM to maximize the value of Federal coal for the taxpayer.

On this much we all agree.

And Wyoming BLM has done a terrific job over the years on securing a return for the taxpayer.

But you get no value out of coal by keeping it in the ground.

And that is exactly what your colleagues at the EPA are doing with its power plant rule.

The EPA's own estimates say American coal production will tumble under its power plant rule by 6% in 2020, by 15% in 2025, and by 22% in 2030.

Now, this is due to a variety of factors, but one of them is an EPA rule forcing the closure of power plants that use our most abundant, reliable and affordable fuel, and that is coal.

That's a 22% cut in Federal royalties, in the state share, in severance taxes, in funding for public services and school districts, and in well-paying coal jobs supporting hard

working families right here, like the people in this room.

And while we're having this open dialogue and honest conversation, I really want to know, we want to know, why Secretary Jewell told a group of people at headquarters in Washington D.C. that she wants to pursue the President's climate objectives in the Federal Coal Program.

The President has shown by his actions that his objective is to keep as much coal as possible in the ground.

Now, I want to invite Secretary Jewell to come to Wyoming and explain to us how that is consistent with her fiduciary responsibility under the Mineral Leasing Act to maximize the return on Federal coal.

[ applause ]

I also want to take a minute to dispel any notion that a coal royalty hike has been called for by the recent Government Accountability Office and Inspector General reports on the Federal Coal Program.

Both of those watchdogs examined the coal program, found some deficiencies, and made some recommendations.

And the BLM is in the process of implementing those recommendations as they should. But neither the GAO nor the Inspector General report recommended a royalty rate increase.

Or even that the Department should be examining royalty rates.

Secretary Jewell should stick to what the GAO and IG reports actually say, not stray from the mission under the Mineral Leasing Act by turning the Federal Coal Program into a global warming program.

If the President -- if the President wants to raise power costs on the poor and middle class and make our grid less reliable, he doesn't need royalties and taxes to do it.

He has the EPA.

My message today is this... Secretary Jewell, let the people of Wyoming, the largest exporter of energy in America, keep their jobs, keep educating their children, and keep the lights on across this country.

Thank you very much.

[ applause ]

>> MARY JO RUGWELL: Thank you, Congressman.

Governor Mead?

>> I want to thank the BLM for this opportunity, and I want to thank this great community for coming out showing such great support and interest in this topic.

I'm sorry I missed the rally earlier.

It turns out got bogged down in Cheyenne, but as senator Barrasso said, it's a great community, we were here Saturday, I was here Tuesday night and again a great turnout for tonight.

I want to thank the Congressional delegation.

I know you're incredibly busy and to show up in force is another example how great we are served by the three of you.

Thank you very much.

I will note we're all told to be very short and I will try to do that.

I would certainly like an hour to talk about this, but I noted just coincidentally that the



Secretary of Interior when commenting on the public session took 8:48.

So I'm starting my stopwatch now.

BLM has asked questions.

The first question is about reclamation.

Let me talk about reclamation a little bit.

Without production, AML fees will not be paid.

You have to have the production.

Leasing cannot stop in an effort to compel 100% reclamation.

Reclamation is progressing exactly as it was designed.

Wyoming currently has 75,000 acres, and various bond release phases of reclamation and 50%, 38,000 of these acres, are back in agricultural production.

With regard to reclamation, as has been said, if you want to see reclamation, coal mines have world-class reclamation.

You cannot get better.

And that's not just me saying that.

The U.S. Office of Surface Mining thinks our coal miners do an excellent job reclaiming the land.

OSM recognized innovative methods to reclaim riparian areas and reestablish sagebrush habitat.

The question of fair return, are we getting a fair return.

Let me give you an example of fair return.

When all the various royalties, taxes, bonus payments are added coal companies pay Federal mineral royalty, Wyoming severance tax, AML lands, black lung tax, ad valorem property, ad valorem production and lease production application.

The industry effectively has a tax rate of 40%.

A great example how these funds are used in Wyoming.

They go to support school construction in Wyoming.

In 2005 \$1.9 billion has come from coal lease revenues which has been a large contributors in building 74 new schools and renovating an additional 66 buildings.

It's important to not only look at the dollar figures.

Here's an important fact that is going to be missed in numbers.

Coal production makes up the backbone of many Wyoming communities.

In fact, coal production provides and supports every person in Wyoming.

It allows Campbell county, for example, to provide incredible services to county and city residents including the building we're in right now.

Americans are getting a fair return.

An example, Cloud Peak Energy recently paid \$354 million in taxes to all levels of government while retaining 9 million for their shareholders.

The American public is getting nearly 4.5 times the return as the company's shareholders.

In total the coal industry delivered over \$2 billion to American taxpayers while providing almost 40% of the electricity for this country.

Contrast that with 11.3 billion spent on wind and solar industry subsidies which provides only 4.5% of electricity.

[ applause ]

I don't come just complaining about what is being suggested.

I have a solution.

I can find 20, 40 million dollars today.

Currently Department of Interior withholds 22% of Federal mineral royalty revenue classifying this as administrative fee.

It's called net receipts.

So we pay them, and this is 40 million to get our \$20 million back.

I will do it for a million today.

I'm ready to do it.

[ applause ]

There's concern about competitive leasing.

As has been said by our Congressional delegation, it's just we're hoping not only is the administration listening to us but they're reading the papers.

Let's look at some facts.

Recently Peabody announced a loss of over \$1 billion.

Arch lost 168 million.

Cloud Peak lost 53 million.

Alpha has filed for bankruptcy.

There haven't been any new coal leases awarded in Wyoming in two years because of market uncertainty.

The coal industry finds itself in hard times.

And on top of the fact that they find themselves on hard times, it's made even harder by Federal rules and regulations.

Like senator Barrasso, I find some irony in the fact the Federal government is asking how do you get more money from coal.

Here's how you get more money from coal... every day every one of us ought to thank a coal miner for keeping us competitive.

Every day somebody ought to say thanks to the coal industry for providing us so many jobs.

Do you want to get more money from coal?

Keep coal profitable.

That's how you get more money from coal [athe than closing it down.

[ applause ]

Recently there was an article in the Casper Star that suggested I was to blame for so many Federal lawsuits.

That is the state suing the Federal government.

Blame is one word.

I like the word credit better because the fact --

[ applause ]

-- the fact of the matter is add to do this irony is when these coal companies are struggling and they are added new rules and regulations, they not only hurt the coal industry in Wyoming, but I think this is a point I certainly want you to take back to Washington D.C., and that's this, this country has a vested interest in the coal industry. Because I can tell you as we artificially move from market-based solutions to environmental-based solutions, without any guidelines, we have the real danger in my

mind of finding ourselves one day where we have rolling brown-outs, where people are hungry, and they are cold.

Coal is a fuel source that provides predictability, it provides an ability to store and to provide electricity in good days and bad days, and as we move to renewables, even natural gas, which you can't store like coal, we need coal.

There is a billion people in this planet who do not have any electricity.

This is not the time to be taking energy sources off the table.

It's a time to make them more robust.

So as I came up here today, I pride myself on being cautious in my words.

But what's happened to coal right now is a disaster for this state and a disaster for this country.

We should not be thinking about increasing fees on coal companies.

Let me finish with anecdotal story that visiting a coal mine several years ago.

I talked to a lady as you on drove in her truck with one of those big haul trucks.

I said, what do you think about your job?

She said, you know what?

I love this job.

The reason I love it is because I make a good living for me and my family.

When I'm done at the end of the day I get to drive back to Douglas and I get to tell my kids I'm -- by what I do I help fuel the country, and that's what coal does.

Thank you.

[ applause ]

>> MARY JO RUGWELL: Thank you, Governor.

We wanted to hear from Jason Beggar, Executive Director of the infrastructure authority in Wyoming.

>> Thank you for providing me opportunity to be here today.

I am the new Executive Director of the Wyoming infrastructure authority, just on the job a few weeks.

But the infrastructure authority is a state instrumentality that strives to ensure pieces are place to utilize Wyoming's resources long into the future and a big part of that is sound taxing policies, regulations, et cetera which brings me here today.

As the Governor said, the LBAs, the royalties, they're just a tiny piece of the overall taxes these companies pay.

12.5% Federal mineral royalty.

In that Wyoming, 7% state severance tax.

The LVA, if you look at that from a percentage standpoint, a couple years there were LBAs of \$1.35.

Coal in some instances is selling for \$10 a ton.

The 4.4 gross proceeds tax, the 28% abandoned land mine fees.

Property tax and equipment, the sales tax on equipment.

So the leases and the royalties should not be seen in just a vacuum.

You should take a step back and look at all the pieces that are in place.

One thing that's brought up a lot is these leases are not competitive.

I would say that they are.

Because the companies don't just offer a price and if there is one price that's what the

BLM accepts.

The agency actually sets the price.

And if a company doesn't meet it, they don't receive it.

If they do meet it, they do receive it.

But here's something I would like you to take a look at is that how many instances coal companies have probably overpaid over the years because, for example, say the undisclosed deal on price for a coal lease was 90 cents a ton.

Companies don't know that.

They come in, they bid 95 cents.

The -- that's what the bid is, the 95 cents.

So while they would have accepted 90, a company is paying 95.

So go back and look at the billions of dollars and billions of tons over the last years and see what companies have actually overpaid above and beyond what the agency valued the coal themselves.

So, I won't repeat a lot of things that have already been said but I think one thing the agencies should look at is reconstituting and bringing back together the royalty policy committee.

For whatever reason, the Department of Interior disbanded that in April of 2014, and that seems to be a perfect group that was perfectly tasked to look at these issues.

It was consistent -- consisted of members from states receiving significant royalty amounts, Native American interests, various large mineral interests, including coal, oil and gas, and the public at large that has knowledge and interest of royalty issues.

That is the group of people who should be looking at this.

So if anything, it's -- if you're really looking for a solution to a complex problem, I think this group is the one that should be looking at that.

Taxpayers do deserve a fair share.

But the facts show when you look at the profits as a whole, they are.

Changing the royalty rates right now will do probably three things.

You raise the taxes too high on Federal Lands it will deter development and either eliminate it all together or push it towards B lands and state lands.

Ultimately leaving -- leading to lower revenues, it will make electricity more than expensive for everyone and make coal economical through tax policy.

With that, I thank you for your time.

>> MARY JO RUGWELL: I want to again thank all our distinguished guests and we appreciate you coming and speaking.

So we're not taking a break.

We're taking a pause so that we can get a quick PowerPoint on coal set up for everyone to look at and then -- it's going to be very quick -- and then we're going to open it up for all of you to talk to us.

Just hold on.

Stay where you are.

>> To say this PowerPoint only takes 10 minutes max and while a lot of you know this this already, we thought it was important because there are a lot of people watching this on LiveStream and throughout country who don't know maybe as much as many of you do about the coal program.

So this is just a basic facts about the Federal Coal Program.

Appreciate your patience.

I just wanted to assure you 10 minutes max and the floor is yours for the rest of the afternoon.

So thanks again for being here.

>> LIZ O'BRIEN: We will now have the PowerPoint.

Al Elser from our Washington Office division of solid minerals.

>> AL ELSER: Thank you Mary Jo.

I will try to be as brief as possible.

In the past this presentation has taken about 15 minutes but I think a lot of the folks here already know a lot of what I'm going to go over, but I will -- I'll skip over some of those slides that should be old hat to a lot of the folks in the room but again we do have a lot of folks that will be tuning in remotely via LiveStream.

So my apologies if some of this is redundant.

Thanks, Mary Jo, for the introduction.

This is the third now of five of these Listening Sessions we've got set up.

This will not be the end of our public outreach on this effort.

This is just the beginning.

So after Farmington we'll be collecting all of the comments, reviewing everything that's come in, and then that will dictate where we go from there.

So for now thank you all for coming and I will try to be as brief as possible opinion just some quick statistics, and I apologize to you in the back of the room if you can't see this.

So I'm not going to read every slide because that will bore everybody to death.

This is available on our live presentation site as well.

You can click on it and download it as a PDF if you miss anything.

BLM is currently administering 310 coal leases across the -- mostly across the Western states.

We have some in Oklahoma and out east as well.

Those lands have produced approximately 5 billion tons of Federal coal over the last 10 years at a valuation of well over \$70 billion.

That production has generated nearly \$8 billion in revenue just from the royalties to the Federal government and the states, split about 50/50 between the two.

And then an additional \$4 billion in other payments in rents and bonus bids.

We'll talk a little bit about the difference between rents and bonus bids shortly.

During that time we held about 39 coal lease sales.

More importantly than all of those interesting statistics is really this one down here.

40% of the nation's electricity comes from coal.

About 40% of that comes from Federal coal.

The energy information administration is still projecting by 2030 coal is still going to have about a third of that share of the electrical production for the nation.

So approximately, like I mentioned, about 40% of the coal production has come from Federal, and most of that, 85%, has come from right here in the Wyoming Powder River Basin.

And some from Montana as well.

These next two slides and I apologize if you can't see the numbers, these next two

slides give you an overview of the magnitude of what we're talking about here.

This one shows the number of tons leased every year.

This is the lighter blue line.

That's a little erratic in the pattern that you see there.

And the number of tons that have been produced since 2005.

And you can see the leasing, which is in response to industry needs.

It's not something that we go through and say it's time to offer a new lease.

We lease in response to the industry coming to us with an application saying we would like to nominate this tract for leasing, and we go through our review.

So as you can see, there's no real predictability to that.

In 2012 we had three significant coal leases here in Wyoming that were issued.

So we had a huge jump in the number of tons that were leased in that year.

And then conversely as Governor Mead pointed out, the last two years we haven't had any in Wyoming and indeed most of the nation we've had very few sales during those two years.

So we've had these ups and downs with leasing, but what's more indicative of what's going on with the coal market and the coal -- the BLM coal program is the production levels.

You can see that's held pretty constant over the last 10 years and around 400 million tons annually produced from Federal coal leases.

These last two years including what we have of 2015 we have seen a drop-off in that, mostly due to the glut in the natural gas production that we've seen.

A lot of natural gas has come online and we've started to see a lot of coal-fired power plants switch over to natural gas.

This slight is almost the same slide, but it puts us into a dollar figure for you.

As you can, the same kind of trends here.

We have a bonus bid trend which is the lighter green and then royalty rate -- or excuse me -- royalty revenues which is the darker line at the bottom, and this is where I kind of want to go over those two definitions.

A bonus bid is what is paid by the operator if they win the lease.

That bid gives them the right to mine that Federal coal, that lease does.

So in order to win that lease we hold a coal lease sale.

Bidder or bidders will come.

They have to meet or exceed the fair market value we've determined.

And if they do, the highest bidder will win the right to mine that Federal coal with that bid.

That's not to be confused with royalties.

That's another revenue stream associated with coal.

Royalties are based on the amount of production and the sale price of that production.

So when that coal lease is awarded and eventually the operator can get out there and mine that coal, when they take it to market, they pay royalty rate on the sale of that coal, depending on a number of factors, if it was underground or surface mined.

You can see that the royalty rate, this has been pretty -- the royalty revenue has been pretty constant over the last 10 years.

It's associated closely with production.

We see a little bit of an uptick you didn't see with production numbers from about 2008 or 2007 through 2012 as prices started to creep up a little bit, especially out here in the Powder River Basin, but for the most part it's a similar trend, and same thing goes with bonus bids.

It follows those leasing trends.

But really what this shows is the magnitude of what's coming into the state and Federal governments.

With those bonus bids we saw in 2012, over \$1.5 billion in bonus bids were generated from those three sales.

Conversely we've seen anywhere from 400 million to close to \$800 million annually coming in on royalty revenue.

So it's a very significant part of what we do for the BLM.

This slide is of no shock to anybody this room.

It shows essentially that most of the Federal coal production is coming out of the Western states, again, 85% coming out of the Wyoming Powder River Basin, but we also have a lot of activity in the green river basin, Colorado, New Mexico, Utah and North and South Dakota as well.

Mostly North Dakota.

For the most part the thermal coal production that we see, that's electrical, powering our electrical power plants is coming out of the Powder River Basin.

This slide shows the Federal coal leasing process.

It starts for the operator for the applicant when they come to us with an application.

We review the application, start the National Environmental Policy Act work and the fair market valuation.

Those two processes happen concurrently.

Assuming we get to a point where the authorized officer for the BLM decides to issue a Decision Record that says we'll move forward with that lease, then we'll hold a lease sale.

At that lease sale operators come to us with their bids.

We announce those bids at a public sale.

Then we compare those bids to the fair market valuation that was determined by the BLM.

Again, if it meets or exceeds that valuation, then we can issue the lease.

And it will be issued to the high bidder in cases where we've got more than one bid that that's or exceeds the fair market value.

Assuming we get to that point the operator then has to post a bond and we can issue the lease, but that's not where they can start mining.

That actually starts the process for one of our sister agencies, the Office of Surface Mining reclamation and enforcement.

OSM in charge of mine permits.

They are the ones that must issue the permit that says, yes, you can go in and mine this coal.

Your permit is such that it shows that you're going to have a robust reclamation plan, that by the time you're done with this mine everything that you have disturbed is going to be reclaimed.

And once they are -- once they have a lease -- or excuse me, a mine plan that they're happy with, they can issue that permit and then eventually at that point the operator can commence with mining.

I'm just going to skip this slide now in the interest of time.

We have a lot of folks in the room that have signed up to talk.

Again, this entire presentation is online if you want to take a look at it.

I'm going to move right into what's brought us here today, some of the questions that we would like your input on.

This slide goes over some of the statutory and regulatory authority that we work under when it comes to royalty and royalty rate reductions on Federal coal.

So by statute any lessee must pay 12.5% royalty on the sale price of that coal.

Now, the Secretary can issue royalty rate reductions, either region specific or for certain circumstances where a lease may have, due to new drilling, new geologic information, has shown that that particular coal seam may be uneconomic, or there's an economic hardship.

In addition to that, the Secretary has also determined an 8% flat royalty rate for underground mining, and then, of course, this last bullet point at the bottom talks about the annual rent we collect, which is not less than \$3 per acre.

Bonding requirements.

This has been in the news a lot lately, especially in Wyoming.

I think there is a lot of confusion about the BLM's role and our sister agency's role when it comes to bonding on Federal coal.

The BLM holds what's called a coal lease bond, and that covers three months of royalty production, a year of the rental payment on that lease, and then the remaining balance of any bonus bid that's been deferred after they won that lease.

So that covers that contract that the BLM has, that lease, with the operator, with the lessee.

What it doesn't cover is reclamation because, again, as I mentioned, the OSM is the one that will issue the mine permit.

So OSM holds the bonds that will ensure proper reclamation and returning that land surface to its original use or better when that mining is completed.

So the OSM in Wyoming works with state DEQ.

They administer those bonds and make sure that that's -- those funds are available in case something were to happen.

As was mentioned earlier, we've had two recent audits by the office of the Inspector General and the Government Accountability Office in 2013 and 2014 respectively.

There were a number of recommendations that came out of both reports but I'm not going to belabor them all here today.

I do want to touch on two of the general areas that were discussed in them, and that's lease sale valuation and royalty rate reductions because those are some of the things that brought us here today.

Lease valuation process improvements.

We've really captured all of this in our new handbook that was developed for the coal valuation that we do for fair market value.

Probably the biggest things that has come out of that process is we now work with a



third party when the BLM has developed the fair market value of that coal, we then take our report and pass it on to another agency under the Secretary, the office of -- office of valuation -- excuse me -- OVS, office of valuation services, and what they do is they're experts in appraisals.

They look at the valuation we have come up with and determine whether it's robust, well documented, and is a valuation that we can stand by.

So once that has occurred, we've had that third-party review, we feel like we've got a strong fair market valuation that we can then take to lease sale.

So that's a major improvement that we've taken since those reports have come out, and we've had a couple of lease sales since then using that process, and it has worked very well.

Same with royalty rate reductions, don't want to go into that too much.

But the same thing.

We have now a third-party reviewer when we take royalty rate reductions, especially in applications that cite economic hardship.

That's the Office of Natural Resources Revenue.

So they will review any of those applications as well as work that we do in either approving or denying that royalty rate reduction.

That takes us to the end of my little spiel, and I know it wasn't nearly as impassioned as the previous speakers, so I hope I didn't put you to speak, but if you have any questions, if you want to learn more about the Federal Coal Program, this is the Web site.

Don't bother writing it down.

Just go to [blm.gov](http://blm.gov).

Click on "what we do" and energy and coal and it will take you to our Web site.

My contact information is up there.

All of my staff contact information is up there, as well as my chief and any questions you've got, please don't hesitate to give us a call or drop us an email.

On that note I am going to turn it back over to Liz O'Brien who will be walking us through as a facilitator for this listening session today.

So thank you.

>> LIZ O'BRIEN: Liz Kleine was close but it's actually Liz O'Brien.

My job today, somebody asked me what my role was and what does a facilitator do.

I'm the only person in the room that has total permission to interrupt you.

Nobody else gets to interrupt.

My job is also to make sure that we know that -- that reasonable people can disagree on just about everything.

The only ground rules today I think were up here earlier.

Everybody gets three minutes.

The time ought to be big enough for everybody to see.

There are -- please speak direct -- I can hardly reach this mic.

I'm standing on my tip toes.

Speak directly into the mic because we're live streaming and so we want everybody to be able to hear it.

We're grateful for all the comments in advance.

We know that this affects families and communities and Wyoming in general.  
I'm going to ask six people to come to the center mic and six people to come to the mic on your left.

I'm calling people in the order in which they signed up.

If I make a mistake, I apologize in advance for the pronunciation of your name.

So for the center mic could we please have Steve Jones, Dana Miller, penny Russell, Cheryl and Sherri England, J.J. Mendoza, and Roxanne Becker.

At the left microphone, Jason Goodwin, Briana Long, Crystal Stye, Bill Christoferson and Jim Orchard.

Steve, we're going to start with you.

Thank you.

>> Thank you.

Good afternoon.

My name is Steve Jones and I'm the western area manager for national belt service.

Our customers with conveyor and belt problems need rapid response and national belt service provides 24-hour around the clock emergency on-site services.

We specialize in providing steel cable belt slicing, fabric belt splicing, including full turnkey projects, installations and change-outs.

We're committed to providing professional services in a timely manner utilizing the industry's highest quality materials and components.

We have seven offices around the country that service the coal industry.

Two in West Virginia and one in Virginia located directly in the heart of the Appalachian coal fields.

We also have offices in Alabama, Illinois, Utah and an office right here in Gillette to serve our Powder River Basin customers.

These convenient locations enable us to serve a wide range of customers over a multi-state area and greatly reduce response time.

We employ approximately 125 people.

National belt service gets approximately 90% of its revenues from the coal industry.

Raising mining costs will cost us revenue and jobs.

We strongly oppose any increase in royalties or leasing costs.

The fact of the matter is, these measures will raise electricity costs, a risk our government certainly should not be taking at this time.

Our employees, friends and family live in these communities and rely on jobs that are affected by all aspects of the coal industry.

Last year coal mined on Federal Lands delivered \$1.2 billion in revenue to the Federal government.

Current royalty rates are above market and if increased will only result in decreased production and return on investment for taxpayers.

Is the Federal government really prepared to have a decrease in revenue from fossil fuels?

I don't think so.

I strongly encourage you to stop driving up the cost of mining, stop driving away contractors that supply services to the industry.

Over 7,000 people in this state are employed with good paying jobs thanks to the coal

industry.

Don't put these people out of work.

Let this industry continue to provide reliable, affordable electricity to consumers throughout the world.

[ applause ]

>> LIZ O'BRIEN: I would like to announce there are seats up here if anybody would like to come up and sit down.

There's plenty of available seats.

Jason?

>> Good morning, I'm Jason Goodwin, work for Cloud Peak Energy.

I'm here as an hourly mining employee.

Kind of give a little bit of a personal story about mining in general.

If we start taxing on the public leases, as well as legislating, we're doing a double hit on the mining industry itself and we will absolutely cripple the economic backbone of Wyoming, and that's going to ripple far outside the boundaries of Wyoming when you start driving up electricity costs, and let me tell you, first time someone sits in their home with rotting food in their refrigerator or sweating in 120-degree weather in Arizona, that's going to have a severe impact and you guys in Washington.

The parasite is going to have to find a fine balance in not killing off its host and also being able to get what it needs as far as being inside of its host.

That's what we're doing here.

We can't tax what we can't get out of the ground as was touched on earlier.

I hope you guys consider that and that is going to stretch far out of Wyoming, and you guys are going to feel that as well if you shut down this coal industry.

Thank you.

[ applause ]

>> LIZ O'BRIEN: Thank you, Jason.

>> Good afternoon.

My name is Dana Miller Island and I'm the mother of three young children who are very involved in local sports, arts and activities.

I'm also the owner of a small business called sign boss.

We employ 10 people.

We manufacture signs and marketing materials for local businesses, including the coal industry.

I came here today to share with you how raising taxes on coal sales will be detrimental to my business, my family and our community.

Coal sales have provided our city and our state with billions of dollars that have been used to improve our communities, supporting necessary infrastructure, and building many new schools.

Additionally, an important role that coal plays in our community that may not be realized is a direct supporter of social service agencies, community events and youth activities. Coal companies have set the standard for giving back to the communities in which they operate.

As our economy changes, needs will increase and a higher tax base will definitely affect a company's ability to contribute to these local causes in a meaningful way.

I understand you have a job to do and I respect the difficulty of your work.  
It's important for you to understand fully how the viability of coal is instrumental in the success of every facet of our community and certainly has a ripple effect throughout the state.

An increase in financial burden to them is a financial burden to all of us.

The decisions made in this process have the ability to either gain local support for your initiatives or continue to build resentment.

Our community feels that government is trying to shut down our coal mines and destroy our economy.

We want policies based on well informed decisions that make our lives better.

Thank you for hearing me today as well as others who are here speaking.

We represent those directly impacted by your decisions.

I hope we convinced you that implementing additional taxes on coal can only negatively impact our business, our community in Wyoming.

Thank you.

[ applause ]

>> LIZ O'BRIEN: Thank you, Dana.

Briana, can I ask you to adjust the microphone?

Because we're live streaming this.

Just put -- perfect.

>> Okay.

Thank you for your time today.

My name is Briana Long.

I am a student at the University of Wyoming.

I'm going into my junior year.

I'm studying chemical engineering and pre-med.

Thank you for coming to Gillette today to hear from our community.

I want to start by telling you a little bit about myself.

I grew up in Gillette.

This is my home.

I have seen coal production from a young age.

My dad works for Cloud Peak Energy, one of the region's biggest coal producers.

This is how he always helped to support our family.

My brother and I also work at Cloud Peak Energy over the summers and during Christmas breaks and whenever we have a chance to help us pay our way through college.

Many people throughout this community work in coal production and those who don't work for many businesses that support mining families through equipment companies and various services, and all of these are important jobs to our region.

Making sure royalty rates and leasing costs don't increase is especially important to me because coal production helps fund education across the state.

It funds scholarships and it helps the University of Wyoming, which receives significant tax revenues from energy production, which includes coal.

Coal benefits me and thousands of other students and families.

Raising royalty rates or increasing leasing costs really are a call for increasing taxes on

electricity.

Speaking of electricity costs, I recently rented my first apartment, which, of course, meant signing up with the electric utility.

Through this I have been able to realize a more realistic cost of living and to see that we are so lucky to be in Wyoming because of our coal resources and it helps the electricity rates stay low.

Still, as a college student on a fixed budget, a spike in my electricity bill would be tough. I know many are in worse positions.

I haven't hit the strictly Ramen noodle diet yet but many students in college have to make nearly impossible decisions about how they will pay their bills.

Raising royalties and leasing rates will result in higher electricity costs around the country.

I believe it is important to look at all our energy options because we will need them all going forward.

As I mentioned before I'm studying engineering which means I've had enough thermodynamics classes for a lifetime but it helps me realize the efficiencies and costs of many types of energy.

Right now coal is a crucial component to our energy mix to keep the low price of electricity throughout the nation.

Because of these reasons I am here asking you to please encourage Federal coal production rather than to discourage it with higher royalties and leasing rates, which leads to an increased energy tax.

Thank you.

[ applause ]

>> LIZ O'BRIEN: Penny Russell?

>> Good afternoon.

I'm Penny Russell, I'm a wife, a mom, a grandma, I'm one of approximately 16,000 people in this community employed in the coal industry.

I'm also afraid I may be one of the 11,000 people facing layoffs.

I want to offer you a unique perspective on the proposed changes.

The energy sector as a whole has taken quite a beating over the past years due to foreign influences and internal regulations.

I was raised in a family heavily involved in the energy industry but that's not what we're here for.

Instead I would rather share with you what I learned in the retail business.

It's so important for everyone to understand, it's not 11,000 people losing jobs.

It's 11,000 families, losing their main source of income along with that, their dreams and hopes.

This impact can also result in the loss of homes, family stability and self-esteem.

I have seen firsthand in the grocery store business how the flux in energy forced people to move away from meat and fresh produce to hamburger and canned vegetables until that became unattainable.

Then it was baloney and bread on food stamps.

I saw smaller vendors lose their routes.

I observed mom and pop businesses going out -- going under wiping out the dreams of

their owners as businesses failed.

Families were forced to abandon homes turning them back to banks, forcing smaller banks to fail.

I saw my own hours go from 40 to 30 to 20.

I knew I was one of the lucky ones.

I still had a job.

My job at Cordero not only helps me provide support my me and my husband it helps my five grown children and families.

Many of us at the coal mines help our parents, grandparents and neighbors.

At Cordero we even adopt families at Christmas.

We don't give them just a meal or a gift card.

We give them everything we can.

We do this as a crew with our own money and time.

These proposed changes will ripple throughout community and our state but the impact won't stop there.

We don't want to be forced on to welfare in Gillette.

We want to work and pay our way through life without asking for government assistance.

However, the likelihood of that appears to be waning.

The truly sad part is a large portion of us will lose everything for no valid reason.

If you feel we are too ignorant to understand the importance of our environment and renewable energy hopes for the future, you're sadly mistaken.

We're smart enough to realize every precaution is being taken to preserve our environment throughout the energy industry as we utilize the only sources that can currently meet the requirements of our society.

We all want renewable energy sources but those sources aren't close to being able to meet the demands of our country.

The energy sector must be a you Loud to continue improving.

Gas production, mining, oil, using safe processes until renewable energy sources can meet our requirements.

If not the ripple effect will be felt far beyond Campbell county and Wyoming.

Thank you.

[ applause ]

>> In our community we have been led to believe coal is king.

Coal is king.

Not only for our community but for our nation.

The single greatest way to bankrupt a nation is take away its largest resource.

By taking away coal or taxing it into a magnitude where it's no longer obtainable to those who are on government programs anywhere, or in -- just in the moderate economy.

Those who make in the 20 to 30,000 dollar range by increasing continued costs on taxing and production and hitting these coal companies where it hurts, which is pocketbook, you're doing exactly that.

You are significantly going to bankrupt a nation.

It's not just the community.

It's not just our schools.

It's not just our kids.

It is a nation.

Yesterday I unloaded a supplier who was bringing supplies from Michigan.

That was for Joy Global.

Joy Global runs supplies that are made out of steel, iron, copper, a lot of components that are used in the mining industry.

Without those -- with the increased costs you're not only going to hurt the families in the community, but you're also going to reach out to the other outlying areas like Michigan, Minnesota, all these other areas where they are fabricating our parts.

And so we're only going to have a decrease here.

You're going to see it worldwide.

That's pretty much all I have to say other than that I've been without power, and it sucks.

[ laughter ]

>> LIZ O'BRIEN: Could I remind you in addition to moving the mic up and down to suit your height to state your name and if you're here with an organization, state the name of the organization or if you're just here as an individual.

Thank you.

>> That's okay.

She shut the thing off.

Yeah, just in closing, I just wanted to say, you know, I have been without power, and to reiterate, it does suck.

I really don't want to see any of my co-workers be forced into that type of a life.

If it wasn't for coal, then I still wouldn't be able to afford my power with availability of it being kept affordable.

That's important.

Thanks.

[ applause ]

>> LIZ O'BRIEN: Sherri England?

>> My name is Sherri England and first and foremost I'm a proud Wyoming citizen, and I'm also the Executive Director of the Yes House.

The Yes House is a youth serving organization that serves youth ages 5-21.

We served last year 995 youth, so about a thousand youth a year, and we employ around 100 people.

The youth we serve are our most vulnerable citizens and come to us with mental health, substance abuse and behavioral issues.

Most arrive with abuse and neglect issues and multiple episodes of trauma.

I believe our most valuable resources are the youth and families we serve.

Our mission is to empower youth and families to achieve lifelong success.

And our success rate is 82% of our youth remain in their homes or will return to their homes.

What you're proposing will be devastating to our community, to our kids, and to our families.

Social services rely on our community's generosity and the mines have provided the

means to help us all.

My negligent to you is simple... the system is not broken.

Don't mess with something that is working.

Have you looked around Campbell County and the state of Wyoming?

I invite you to come tour the Yes House which is a shining example of how mineral resources have helped this community and the state of Wyoming and one more suggestion... please speed up the approval process for mine permits.

Five or seven years isn't even -- marriages don't even last that long.

[ laughter ]

>> LIZ O'BRIEN: Thank you.

Phil Christoferson?

>> Good afternoon.

My name is Phil Christoferson.

I'm CEO of energy capital economic development here in Gillette, and the goal of our organization is to build a strong, diverse economy to promote jobs and growth and make sure that the families in this community have a good place to live and a good place to enjoy their lives.

My comments today are from the perspective of how the proposed rules will affect our future local, regional and national economic development and our prosperity.

I would like to begin with a quote from one of our past presidents.

"Our tax system still siphons out of the private economy too large a share of personal and business purchasing power and reduces the incentive for risk, investment and effort, thereby aborting our recoveries and stifling our national growth rate."

We live in the greatest and most prosperous place on earth.

The main obstacle is our own rules, laws, regulations and taxes.

They stifle innovation, destroy business and take away jobs from families.

We have a very large and robust economy in the United States, but as large as it is, it is still fragile, as that past eight years have demonstrated.

Our continued economic prosperity is teetering on the edge of destruction because one faction of our community has campaigned ceaselessly against growth and prosperity.

The facts are plain.

The coal companies provide excellent jobs, low-cost and affordable energy.

They have not been profitable.

They are overtaxed.

The taxes need to be reduced.

The men and women who work here in the coal industry are good, hard working people who care for and love their families.

They love the environment where we live and across this country.

These are not faceless, corporate entities, but families who are just trying to make a living producing the energy that provides the heat for our homes, the cooling for buildings like on -- on a hot day like today, the energy that provides power for your phones, for your TVs, for your tablets, for all of these things that make our life worth living and make our lives wonderful.

The reason that we live in the greatest, most prosperous country on earth is because we have affordable, reliable energy and it should be a national priority to maintain that



standing.

In closing I have one more quote, it is again from a past President "it is paradoxical -- it is a paradoxical truth that the saddest way to raise revenues in the long run is to cut rates now.

The experience of a number of European countries in Japan have borne this out.

This country's own experience with tax reduction has borne this out.

The reason is that only full employment can balance the budget and tax reduction can pave the way to that employment.

The purpose of cutting taxes now is not to incur a budget deficit but to achieve the more prosperous expanding economy which can bring a budget surplus."

>> LIZ O'BRIEN: Thank you.

>> The past President that said that was John F. Kennedy.

Understand that cutting taxes will increase the revenue.

Thank you very much.

>> LIZ O'BRIEN: Thank you.

[ applause ]

>> My name is JJ. Mendoza.

Pardon me if I seem nervous and uneasy.

My livelihood does lie in the balance here.

It's kind of funny, nervous and uneasy is what my family -- immediate family and friends were when they told me I was making the move to Wyoming to be a coal miner.

They thought I was nuts.

It wasn't until eight years ago -- you know, we moved up, didn't know what was in store for me.

It's been great for my family.

It's provided me a good job.

My folks, unlike a lot of people, all they thought is we're making a big ol' hole in a ground, we're going to work in a very unsafe environment, and that couldn't be further from the truth.

They were really impressed -- after the mine tour.

We took them on a mine tour.

We told them about the reclamation process and all the great things that go on in the mine.

It wasn't until they saw the reclamation process and all the wildlife that still exists after we go through -- after we pull the coal out of the ground that they were like, hey, this ain't half bad.

This is actually pretty cool.

Of course, they liked the big trucks, too.

Everybody likes those.

The reclamation process here in the Powder River Basin, we're second to none.

I went to explain to my mom and dad how vital coal was, not only just to me and my family, but to our whole community, to the state, the nation.

I've seen firsthand what -- how generous -- just like most coal mines here are, our community, our youth, organized sports.

It's very important to them.

It's important for our youth to see that, hey, we're here, we're going to help you out. You're not alone.

I'm not going to lie, it's been real good to me and my family.

I'm able to raise three great kids.

One is going to be a marine soon.

One is studying to be an RN.

One, hopefully, God willing, he graduates next summer.

So in closing, I say no to the new electricity tax.

Our nation can't afford it.

And yes to coal.

Our nation depends on it.

Thank you.

[ applause ]

>> LIZ O'BRIEN: Thank you.

Jim orchard?

>> May name is Jim orchard.

I work for Cloud Peak Energy.

I attended meetings in Billings and heard repeated about loopholes.

I'm speaking to refute these claims.

I sign all of Cloud Peak Energy sales contracts.

I know which sales are made to affiliates and why, and which sales are made directly to our utility customers.

But this year we reported to the Federal government that 8% of our sales were an affiliate.

These were the sales where the customer required us to provide a logistic service in addition to the coal itself.

Typically this is rail transportation.

Royalty calculations for these sales are based on law which was explicitly written to cover a these type of affiliate sales.

Valuation can never be lower than the sales price we get from third party customers.

The remaining 92% are made to utility customers typically.

These customer buy the coal at the mine and provide their own transportation.

These coal sales do not involve affiliates and the valuation is made solely on the price the customer pays us for the coal.

All of our mine sale documents are provided in full to the Department of Interior.

The price, the volume and the quality.

They see the full document, nothing hidden.

Department knows which sales are to third party customers and which are to our affiliates, logistics affiliates.

To me that is the epitome of an open and transparent system.

There are a number of reports circulating being written by groups such As Headwaters that make the claim we're using affiliates to understate price of coal.

These reports are wrong.

The Headwaters report uses DOE data, makes invalid assumptions.

I'm not challenging the reports because I don't like what the answers that they pretend

to provide.

I'm challenging them because they are mathematically wrong.

The DOE data is publicly available.

I urge the Department and anybody here and elsewhere that wants to quote these reports to check the data for themselves.

For example, the most recent EIA coal report shows clearly affiliate sales deliver higher royalty rates than corresponding open market sales.

I explained this fact and other aspects to Headwaters author who agreed the conclusions were not correct.

Claims you heard in Billings and no doubt will hear again today about loopholes are simply wrong.

I would like to thank the Department for holding these Listening Sessions and allowing me to respond to some of the inaccurate accusations that have been made about royalty law and about my company.

We recognize the rigorous and professional manner in which the Department of Interior, BLM and ONRR go about their work.

Should the Department look at revising any laws I would welcome the opportunity to provide input to these reviews and in so doing I would be letting the many men and women who work for Cloud Energy, provide cheap electricity as was contemplated when our company first entered into a relationship with the government.

[ applause ]

>> LIZ O'BRIEN: Thank you.

Roxanne Becker?

>> Good afternoon.

My name is Roxanne Backer and I'm Executive Director for United Way of Campbell county.

United Way of Campbell county mobilizes the power of the community by uniting resources, raising awareness and empowering individuals.

We envision a community where all individuals and family achieve their potential through education, financial stability and healthy lives.

Our organization strategically invests resources from individuals and businesses in Campbell county into organizations and programs that provide efficient and effective services to our friends, neighbors and co-workers who need a hand up, not had a hand out.

We invest in organizations and programs that teach children life skills such as decision-making, money management, business ethics, leadership and build good character, citizenship and good values.

Last year approximately 75% of the resources generated here in Campbell County were generously donated by businesses and their employees in or directly related to the coal industry.

Our organization invested these resources in local nonprofit organizations and programs that provided basic services to over 21,000 people in Campbell County alone. Resources for nonprofits are extremely difficult to obtain and maintain and we are able to assist by filling in the gaps left by state and Federal grants.

The bottom line is that our organization exists to help the residents of Campbell county

and make our community a better place to live.

By increasing the royalty and leasing rates on coal, our community will suffer, our community will not be a better place to live.

We will see more people in need of food, transportation and shelter, basic life necessities.

And United Way of Campbell County will not be able to provide for this increased need.

Residents of Campbell County are already facing hard times.

This is the last thing our community needs.

We oppose increasing the rates to mine coal.

[ applause ]

>> LIZ O'BRIEN: Thank you.

Again, up to the middle mic, James author, Stacy Pickens, Shiloh Lundahl, Kevin Lynde, Meg Matthews.

And to your left, speaker.

James RISHARD, Keith Williams, Dennis Lundahl, David Simonson, Shannon Anderson, Kirby -- I'm sorry, I can't read your last name.

First -- is Bruce Jones in this --

>> Right here.

>> LIZ O'BRIEN: Okay.

Okay then.

>> How is that?

>> LIZ O'BRIEN: That's good.

Nobody else is going to be able to do anything.

It's good for you.

>> My name is Bruce Jones and I work for Cloud Peak Energy.

Speaking today because I'm responsible for the reclamation at the mines.

I've heard many misleading statements from previous Listening Sessions concerning the reclamation that's currently being conducted.

I imagine you'll hear some more.

For 30 years I've been involved in the mining industry, and I think without a doubt the reclamation in the Powder River Basin is probably second to none.

When you go out to the mines you see wildlife, native plants and quite a bit of wildlife that calls the reclaimed land their home.

In you on designation our land is grazed by ranchers and they favor this land because the higher yields and the greater concentration of vegetation.

In part that's because of the significant reclamation -- regulations that cover our business.

Before any mining can begin, we have to produce reclamation plans that are approved by both the state and Federal government.

These plans are updated every year.

We also have inspectors that come out to the mines every month from the environmental quality division here in Wyoming.

We also have inspectors that come out every year from the Office of Surface Mining.

And they come out and they review the plans.

They see what we're doing.

And hold us accountable.

These same plans are used to calculate the surety bonds that are held to ensure that the mines complete the reclamation at the end of the mine life.

That includes filling the pits, removing buildings, and returning the roads to a configuration -- land configuration that is good or better than the land before the mining started.

That's why I can say the Powder River Basin reclamation is world-class.

And four times out of the last 10 years our mines at Cloud Peak have won Federal government's top reclamation award.

So we're successful in reintroducing native plants, and this encourages the wildlife to return.

So mining is truly a temporary use of the land.

We will return the land to a condition that was as good as it was prior to the mining and hopefully a bit better.

So efforts to increase the mining costs are simply counterproductive to reclamation.

The more financial pressure imposed on the mining industry raises leasing costs -- by raising leasing costs and taxes and royalties just make it more difficult for the companies to do the important reclamation work.

So we will continue to reclaim the land.

That's our commitment to the American people.

All we ask is to be allowed to continue mining in a responsible way to benefit the American people, our employees, and all those that depend upon them.

Thank you.

[ applause ]

>> LIZ O'BRIEN: Thank you.

>> Good afternoon.

My name is James Reichert.

I work for Alpha Co. west.

I'm originally from West Virginia, and I just transferred out here seven months ago.

I love it.

I like calling Wyoming my home now.

I'm proud to be a coal miner.

But on the other hand, if you turn around and you raise our royalty rates and the taxes and so forth, go to West Virginia.

If you want to see on hand of people that lost their houses, their cars, their four wheelers, they lost their way of life is because of stuff like this.

And when you see it, then you understand.

It's going to happen here if changes aren't made.

And that's just the -- that's the way life is.

We got to have someone that's going to stand up for us, because if you don't, guess what, we're not going to be here.

We will be in the dark.

We will be looking for food.

And we will be the third-world country.

And that's all I have to say.

Thank you.

[ applause ]

>> LIZ O'BRIEN: Thank you.

>> Good afternoon.

My name is James OFFER.

I'm general manager at coal creek mining.

I have been involved in coal mining for 33 years and worked in Gillette and the PRB since the early '90s.

As I'm sure many in attendance can attest we have not just seen our community but many communities around Wyoming grow and transform into wonderful places to live and raise families as a result of the tens of billions of dollars that have collectively been poured back into our communities through the current Federal coal lease program as well as the billions generated from other large taxes in fees paid by the coal mining industry.

Doesn't matter whether you are an advocate of coal or critic of it you can't deny having received immense benefit from the projects funded in their entirety or in part by the existing Federal coal lease program.

Projects ranging from highways to school to water supply pipelines and other public infrastructure have been funded by this program.

It is highly likely that a vast majority of these projects would have never been undertaken, and in fact, many of them will not have even been possible if it weren't for the funds generated from these programs.

Those of us who support coal's use realize that coal is at a critical crossroad in terms of its continued use as a cheap, reliable and abundant fuel source for electric power generation.

During the last several years an assault on coal from the current administration has been waged on all fronts.

Indeed the current combined economic and regulatory environment for coal is the absolute worst that I have personally experienced during my 33-year career.

At a time when our overall economy is still struggling to return to more robust growth, it would seem imprudent and to a point reckless to further increase taxes on coal in the form of higher royalty rates.

It is likely coal consumption from the PRG could be curtailed significantly along with the collection of Federal and state receipts associated with the leasing program not to mention a significant decrease in good paying mining jobs.

Lastly while critics of the Federal coal royalty program are quick to point out they are seeking to point is they're seeking a high better return, they are hard to hide motive is to render coal competitive and keep it from being mined.

There are argument of seeking higher return is disingenuous at best.

If the need to increase the royalties is the real issue, then steps should be taken to improve the return to the American public by making coal on Federally controlled lands more competitive and current in the marketplace, not less.

Thanks for this opportunity to voice my comments.

>> LIZ O'BRIEN: Thank you.

>> Good afternoon.

I'm a proud of faux two coal miners that work at the black thunder mine which is for arch coal in southern Campbell county.

In my spare time I'm the President of western operations for arch coal and also the President of thunder basin coal company.

So at thunder basin we employ 1800 people directly in Campbell county in the two mines we have at Campbell county.

We also employ two to 300 contractors on a daily basis.

So we impact a lot of people here in this county.

The first thing I want to talk about is the people, and you're getting a feel for that, when you look around the room and hear the folks in here talk.

If you want to find a coal miner outside the coal mine, go look at a church, go look at a school, go look at the charitable organizations, go look in those places, the hospitals.

That's where you'll find them.

The people here are outstanding.

They pay a lot of taxes.

And so in one of your questions you asked what's fair to the taxpayer?

I would just ask you to consider the taxpayers here in this industry versus taxpayers in other industries.

Are you putting a larger burden on that taxpayer?

I'll speak a little bit about our costs directly.

You hear a lot of rhetoric, rumor, about what goes on.

We're making about \$13 a ton.

Right now at thunder basin, that's what we get.

We pay about a dollar in the bonus bid.

We pay about 1.60 on the 12.5% royalty rate.

That's \$2.60 on 13 bucks.

So the real easy math is 20%.

We're making about 5% on that before we add in any of our corporate interest, corporate overhead or those kind of numbers.

So you heard the senators and the Governor speak about the fact we're not making money.

We're not.

So while the government is making \$2.60 on that ton of coal, we're not making money.

So as you consider what's fair and what's equitable, ask yourself, is it fair to ask these folks to go to work every day and work a 12-hour day in a very harsh environment and then they don't make money for that, but other folks receive a very large return on the money that's made on that investment.

Last thing I would ask you to consider is challenge you to look at that versus private lands.

On the private lands arch owns across the country, we get one-third to one-fifth of the royalty rate that's given here in Wyoming.

I'd worked previously across the Gulf Coast lignite mines in Texas and Louisiana.

Generally speaking they get about 17 cents a ton.

Compare that \$2.60 a ton versus a landowner that actually sells the property, holds the property and the mineral value and they get 17 cents.

So in equity I would ask you to look at those two things.  
Thanks for your time in listening and coming to Gillette, Wyoming.  
We're glad to have you.

Thank you.

[ applause ]

>> LIZ O'BRIEN: Cathy Pickens.

>> It's Casey Pickens, Director of process improvement for arch coal.

The perspective I wanted to talk to you from today is that of a resident of Gillette Wyoming and mother to two small girls.

Hi, Ashland and Lauren, they're watching me today.

They're watching the LiveStream.

So the perspective I want to talk to you today is as their mother.

They attend elementary school here in Campbell county.

And so first hand we benefit from the money -- the that the royalty and bonus bid provides.

The schools here, the facilities are top notch.

The programs and resources for their education are second to none.

And I would be disingenuous to tell you that I don't appreciate those benefits.

But I would also tell you I'd be shortsighted to say that by putting more burden on the coal industry, that that's going to increase the benefit.

This is an industry that is already being crippled by taxes, regulations and a depressed market.

And so by putting more stress on it, it's not going to increase that benefit.

It's going to take it to zero.

As someone said, you get no benefit from the coal being left in the ground.

I would also maintain to you that the narrow margin of people who are pushing this that are saying that they want more benefits, they don't care any about the school children in this county or in this state.

They are trying to kill coal, and they will not stop until they do.

And it is more about demonizing an industry and vilifying the people who work in this industry.

That is their agenda.

My agenda, which is very close to my co-workers and my fellow coal miners is to simply make a living, to put dinner on the table for my family, to provide a future for my children, to donate my time and my money to charitable organizations in this community so that other people can have a future.

Now, does that sound like the character of demons and villains to you?

I don't think so.

Thank you.

[ applause ]

>> LIZ O'BRIEN: Thank you.

Dennis [indiscernible]

>> The my name is Dennis Lundahl.

I have been here 35 years.

I work for a great company.



Arch coal is an absolutely outstanding company.

I have been very fortunate.

I am a very content person.

I have a great family and a great job.

And what's intriguing to me is that I'm amazed that we are made out to be this nefarious empire out to kill all the Jed I.

You know?

We're not.

We are a very competent, environmentally, safety conscious group of people and companies that work in this basin, and when we look at it, we look at the possibility of the effects.

27% of union Pacific's budget is out of this basin.

30% of Burlington Northern's budget is out of this basin.

So when you look at the downhill effects of all the things that are being implemented against the coal industry, it isn't like they said -- people before me have said.

It isn't just us that's going to be affected.

You have power plants.

You've got the railroad industry.

You've got -- for every coal mine in the basin is there is about seven jobs it affects.

So when you put that in perspective like the one lady said about the jobs in Michigan, it reaches -- it has a very far-reaching effect.

I'm going to make this brief, because it isn't just about Campbell county and just about all the people here that work here.

It's about our parents when the electric rates go up.

It's about our grandparents in the nursing homes.

And as silly as it sounds, it's about St. Jude's children's hospital or the Schreiner's hospital when those are affected by rates of increase.

And so what I'm really interested in is that we look at the long term.

The short-term fix is we're not killing the polar bears.

Those things are not on the agenda for us.

We're very proud this is where the deer and the antelope play and like that gentleman said about the reclamation, we're very proud of the fact that we have a place where we can go out and reclaim and ride our horse backs or hunt or fish or whatever.

So we're not here to destroy anything.

We're here to make it better.

So when I leave here I want you to understand that every one of us here is very proud of the fact we're a coal miner and the impact we have not only in the community but in the nation.

So our reputation, though tainted, we still take a great deal of pride for what we contribute to all people in the country and we don't ask for anything in return other than the fact we want to do what our job is.

Thank you.

[ applause ]

>> LIZ O'BRIEN: Thank you.

Shiloh Lundahl?

>> Good afternoon.

Thanks for the opportunity -- I'll just hold this up with my foot -- stand before you today. I'm the proud son of Dennis Lundahl who just spoke.

I just wanted to touch -- I also serve as vice chairman for the on county land board.

I'm also a proud member of the Gillette college fund as well.

All those entities stand at risk and stand to lose from what the proposal is you guys have laid on this table.

I don't want to talk about those other sides except for the personal one and that personal one is my story.

I grew up in Gillette, Wyoming, being able to play sports and be able to be educated in a world-class set of facilities and not necessarily buildings but also world-class teachers.

That is because we pay those teachers well.

Additionally I graduated high school, went to college.

After college I also worked clearly at the mine but -- I had that backwards.

I worked at arch coal during the summers and I also worked before I went back to college.

After graduation I decided it was good to have a stable career and so I did choose to come back to Gillette where my home was.

Of course, I had many other options to go as other people did.

But it was important for me to work for a solid company like arch and also important for me to have a good ability and good way to provide for my family.

My dad and mom worked hard to provide a good family for me and they did a good job of that.

It's because of the coal industry, because of our employer arch coal and the great people of Campbell county.

There is a lot at stake here if you raise the rates.

As a man looking to start a family, I want to be able to proceed my family with what my mom and dad provided me and that's something I would hope you put yourself in my shoes or other people's shoes to think what the rates do, the increase of those rates do to those jobs and what it's going to do to my kids and my daughter as time goes on.

I want to thank you for giving me the opportunity to speak before you today.

Thank you for coming.

>> LIZ O'BRIEN: Thank you so much.

David Simonson?

>> Good afternoon.

My name is David Simonson.

Unlike most the people here, I don't live in Gillette.

I live and work out of Casper, Wyoming.

Couple hours away from here.

I have been 35 years with quality company that supports the mining industry, Wyoming machinery company.

They have about 780 employees currently throughout the state.

But I'm not here on their behalf.

I'm here talking as a father and as a son.

My grandfather moved from Pennsylvania to Wyoming years ago to have a better life

than he had in Pennsylvania.

The coal industry and the extraction industry in general has paid for my father's wages through the course of his life as a vocational education teacher in Casper.

Not Gillette, Casper.

It paid for my wife's father who worked in -- as a school Administrator.

It's paid for their pensions over the course of their life as they retired not to be a burden on society.

It pays for my wife's job as an English as a second language teacher in Casper that.

And so what I want to speak to the fact that even though you hear about all these jobs in Gillette that are dependent on the coal thriving as an industry, it impacts the entire state from Hanna to Rock Springs, throughout the state, whether they have coal mining in their community or not, including the county where they're just agricultural.

There's a lot of high-paying jobs you have heard about from a number of people, and those jobs end up helping them pay taxes, help them contribute to the United Way, have them buy a house for their family.

It creates jobs that are well outside of the energy industry.

This facility we're in here right now is fantastic.

This, like all the schools in Gillette, like all the schools in Wyoming that have been funded because of extraction industry, are much better than we would have without the coal industry.

The coal industry is an excellent corporate citizen, and it's a wonderful steward of the land.

There's a number of people who maybe are watching this streaming that are not aware of just how high a quality the reclamation work that's done that is a true indicator of the good steward that the coal mines are of the land.

I guess what I would like to close with is we talked about saving jobs.

Well, the people that are out there watching this on video, when energy goes up, electricity bills go up two, three times, it may be your job that you're saving.

It may be your mother's house that's staying heated or air conditioned.

You may not be taking care of these people.

Maybe you don't care about any of these people, but you should care about the jobs in your community that rely on low-cost, clean energy from coal.

So thanks for your time.

>> LIZ O'BRIEN: Thank you.

Kevin Lynde?

>> I'm Kevin Lynde with the Powder River Basin resource council.

I would like to read a statement by Sarah Goren who has worked on mineral valuation and taxation issues for nonprofits in our state of Wyoming since the 1970s.

It says: although I agree that valuation methods and royalty rates for Federal coal resources should have been reviewed before now, I also want to publicly recognize that the changes made 25 years ago were a huge fiscal step forward, not only for all U.S. taxpayers, but also for the residents of coal producing states who benefited from their share of these increased royalties.

In the decade following implementation of the new royalty rate, Wyoming's share of Federal coal royalty revenues increased dramatically.

Although proportionately it still lagged the increase in coal production.

While -- [indiscernible] re ducks shuns.

More recently erosion of the coal valuation method has cut into state coal tax revenues.

I think it is also relevant to note that despite the substantial increases in production, employment in the coal industry has also fell and the coal producers seek constantly to reduce the number of jobs.

Implementation of a coal valuation method and a royalty rate that achieves a fair return to the U.S. taxpayer and to residents of coal producing states presents many challenges, as you know.

Although it is dated, I want to be sure you know of a study called mineral tax incentives, mineral production and the Wyoming economy, by Shelby Goerching, William Morgan, Mitch Kuntz and Joe Kirkville dated December 2000 from the University of Wyoming.

This study as well as subsequent works by some of the same authors considers the interrelationships between coal producers, railroads and electric utilities.

The relevance of this material for the current discussion is that decreases or increases in taxes or royalties do not necessarily impact the consumer proportionately due to the market power of the railroads and utility regulation.

To dig into these questions further we need much greater transparency in the entire process of coal mining from the pit to the light switch.

There is very little information available to the public, particularly regarding transportation costs, which makes it difficult to evaluate whether the U.S. taxpayers are getting a fair return on their coal resource.

Further, as part of its campaign against increased regulations and tacks and royalties, the coal industry has begun recasting itself as an altruistic producer of cheap power for those on low incomes.

Besides this is completely at odds with private profit making corporations, the interrelationships I have just noted meaning lower mining costs do not necessarily translate into cheaper power costs for the consumer.

Thank you.

[ applause ]

>> LIZ O'BRIEN: Shannon Anderson?

>> Thank you.

Good afternoon.

My name is Shannon Anderson and I work for the Powder River Basin resource council of Wyoming nonprofit citizens organization founded in 1973.

I was born and raised in Wyoming, and I care deeply about our state.

That's why I work with our members to address the impacts of coal leasing, mining and burning on the people and places of Wyoming.

By law the charge you have with regard to the Federal Coal Program requires you to ensure that the program is carried out in a way that promotes the public interest and creates a fair return for the American public.

Determining whether you are generating a fair return is largely about revenue, as they say in NPR's marketplace, let's do the numbers.

\$28 billion.

That is the amount of public revenue that the institute for energy economics and

financial analysis estimates has been lost because of chronic undervaluation of coal lease bonus bids and resulting subsequent losses from underpaid royalties.

126 million, that is the amount of public revenue from Wyoming leases that Headwaters economics estimates could be generated if the Department of Interior finishes its proposal to close a loophole in the way coal royalties are valued.

Against, that's \$126 million that could be generated if we closed that royalty loophole. \$7 million, that is the amount of public revenue lost for every cent per ton coal companies decrease their bids for the largest coal leases in the Powder River Basin. In other words, raising bid amounts a penny brings in millions of dollars in additional revenue.

\$60 million.

That is the amount of public revenue the new.

Office of Inspector General estimated was lost because of undervaluing coal lease modifications.

\$100.

That is the regulatory minimum bid amount per acre of land.

The amount has not been updated in decades and even BLM admits it doesn't represent fair market value.

90%.

That's amount of leases that receive only one bidder.

Lease tracts applied for by the coal companies are designed to benefit that company, not the public.

2%.

That is the amount of Powder River Basin coal that the USGS has estimated is economically recoverable.

In other words, geology dictates we have a limited supply of public coal that we should manage wisely.

2.8 billion tons.

That is the amount of Federal coal that companies have applied to lease in the Powder River Basin.

All leased by applications and some lease modifications have been delayed at the request of the companies because of market conditions.

The delays provide some breathing room for the Department of Interior to take a step back and reevaluate the Federal Coal Program.

That brings us to the final number, three decades.

This is how long it's been since the Department has carried out a programmatic review of the Federal Coal Program.

We are long overdue for taking both a hard look at a this program and asking to overhaul it to benefit the public.

Thanks to listening to our concerns and information today.

We look forward to participating in your public process.

I also have a petition signed by some other Wyoming citizens I will leave with you at the back of the room.

Thank you.

[ applause ]

>> LIZ O'BRIEN: Meg Matthews.

>> Good afternoon.

I'm Meg Matthews, representing the Wyoming chapter of the Sierra Club but I will be turning my testimony over to another Wyoming resident who can't be here today, and I'll let her introduce herself or I'll read it if it doesn't work.

>> Hi.

I'm Briana Jones, Executive Director of the quality state policy center.

I apologize I cannot be physically present today.

The equality state policy center is a Wyoming budget and fiscal policy watchdog organization.

We represent a coalition of 30 mill organizations.

I would like to thank the Department of Interior for holding today's listening session and bringing this forum to Gillette and other communities across the West.

[indiscernible] fair return for our publicly owned minute rum resources including Wyoming coal.

As I'm sure you heard here today coal revenues are streaky important in Wyoming.

The royalties we receive help pay for our schools, including my own education, our roads, bridges and other infrastructure and help local towns and counties.

Wyoming's budget is highly dependent on energy commodities.

A recent estimate from Wyoming's Craig group projected Wyoming funds will drop by 217.6 million dollars for fiscal year 2015-16.

Particularly in this time of decreased revenues it's important that we accurately capture all tax dollars owed to the citizens of Wyoming.

A [indiscernible] closed armed [indiscernible] use subsidies, sometimes hundreds -- subsidiaries, sometimes hundreds registered in the same company, to [indiscernible] they are shortchanging Wyoming and American taxpayers.

According to data 42% of all comb produced in Wyoming was sold through subsidiaries.

As the former Director of the Wyoming audit Department said, these transactions are highly susceptible to manipulation.

They are paying an a royalty rate effectively under 5% when the law requires paying 12.5% of the coal's value.

We recommend updating existing regulations to assess the full 12.5% Federal royalty on a commodities true market price by calculating rates at the final point of sale to an end user for both domestic and export sales.

And finally the coal royalty rate has not been updated for decades.

Coal is currently taxed at a lower rate than other fossil fuels.

We encourage the Department of Interior to bring balance by imposing a commiserate rate of 18.75%.

Again, thank you for facilitating this timely conversation.

Our natural resources are valuable to Wyoming communities and we believe taxpayers deserve full and fair compensation for their finite resource.

>> LIZ O'BRIEN: Thank you.

>> I'm Kirby Eisenhower, currently hold the position of associate Superintendent for instructional support for Campbell county school district.

I'm also a proud son of a mother who has driven a haul truck for 20 years, and in fact

she's driving that truck right now as I speak.

With respect I would like to say that the last two people that came to this podium and that podium, including the lady who didn't take the time to come to speak directly don't know what they're talking about.

[ applause ]

I am offended somewhat.

I appreciate the opportunity to speak but I am offended somewhat by Secretary of Interior Sally Jewell's comments that we need to hold honest and open communication. To suggest that something dishonest is taking place here is appalling to me, especially coming from a voice from Washington D.C.

I do want to be clear that from a public entity's point of view we are getting a fair return. I can take you to many examples across our school district and demonstrate that to you. Previously I had the opportunity to be a science teacher in a biology unit we covered involved relationships among organisms, and one such relationship is a mutual relationship where both parties benefit.

I would liken that to the public and coal industry.

Both benefit.

If we were to increase royalties and throw that out of balance, the gentleman earlier suggested an example of a parasite, a parasite that would kill the host and kill the industry.

Strictly we're opposed to that.

If we were not to be able to fund our schools, we would have to ask our public and our taxpayers to pick up that bill.

Obviously that would be additional burden and we don't want to do that.

So my message to Secretary Jewell would be, if you would please [indiscernible] ask her to hold meetings on how to strengthen the coal industry, not weaken it.

Thank you.

[ applause ]

>> LIZ O'BRIEN: Thank you.

What is your name?

>> Nick Mathis.

>> LIZ O'BRIEN: I called Meg Matthews.

Sorry about that.

But I will get to you, I promise.

I'm going to do a little time check here.

I think it's 3:00.

I just want to reiterate the people standing in the back there are seats.

You can come and sit down.

I'd like to take about a seven-minute break, and I mean seven minutes, and seven minutes I'm going to start calling names again, and the first two up are Tom Lundeval and Alan Johnson.

We'll come back at 3:08.

Thank you.

[ recess ]

[ portion of text missing due to technical difficulty ]

Parks and so many other resources will not be able to be funded as they are now.

So I looked to renewable energy sources and what their tax structure is.

I found that renewable energy sources receive tax credits and subsidies to operate.

In fact, as Robert Bryce, Senior fellow of the Manhattan institute for policy research stated in his February 2012 pay, the high cost of renewable electricity mandates, he states the renewable industry is receiving over twice in tax credits that -- excuse me -- that other energy producers are paying in taxes.

In fact, where the cost for coal averages \$38 per million BTUs, the same million BTUs from on-shore wind power costs between 75 and \$138.

And for solar, any electricity generated by solar, the costs are from \$242 to \$455 for the same million BTUs.

It appears the only way renewable energy source can be competitive is to receive subsidies and tax credits.

But the problem is tax credits don't build an education program for future generations.

However, taxes paid by the coal companies do.

Tax credits for the renewable energy industry do not build infrastructure, they don't provide parks, recreation opportunities or many of the other things our community enjoys.

Coal mining does.

With the proposed tax increase on coal, coal will no longer be competitive.

I ask you to make the same -- same tax rates on the various energy sources, make it a level field.

Coal paying \$1 billion in taxes versus renewable energy sources receiving \$12 billion in subsidies and tax credits don't make a level field.

Coal is paying its fair share.

[ applause ]

As evidenced by simply looking around at this beautiful library we're meeting in today.

Thank you for listening to and considering my comments.

Good day.

>> LIZ O'BRIEN: Thank you.

Colin?

>> Thank you.

My name is Colin Marshall.

I'm proud to be the President and CEO of cloud peak energy one of the largest producers which mines exclusively in Wyoming and Montana and headquartered here in Gillette.

Almost all our coal is produced from Federal leases which is why we're very concerned about changing the current system.

Last year we paid 354 million in taxes and royalty when our business earned a headline earnings of \$78 million.

In addition we made \$69 million for Federal leases.

There has always been a much larger return from mining our coal for the Federal and



state governments than to our shareholders.

In my 25 years of experience working in mines around the world I can tell you that the taxes and royalty burden paid by miners of U.S. Federal coal is the highest I have come across anywhere by a large margin.

I believe the U.S. is getting a very fair return for its coal, but any balanced review would acknowledge this.

The auditing process is exhaustive, open and transparent.

The baseless accusations from opponents of coal there are loopholes in the current system do not stand up to informed examination.

As you know, coal mining is a long-term business which requires significant capital investment.

To change the royalty rate or valuation methodology would undermine the regulatory basis upon which we have made large long term investments.

Uncertainty kills business.

[indiscernible] and the revenues to the U.S. Government not to mention the impact of jobs and the economy in Wyoming where Federal coal royalties provide a large part of the state's income.

I would like to quickly address the bigger issue of concerns about climate change that I believe are behind the efforts to increase Federal coal royalties and keep U.S. coal in the ground.

Unfortunately the current debate about climate change in the U.S. has evolved to the point where stopping coal production appears to be the number one objective.

If you really are worried about climate change then you should be trying to reduce emissions of all climate gases as opposed by the IPCC.

Climate scientists know eliminating U.S. coal would not fix climate change.

I believe what we should be doing is using some of the 11.3 billion per year that currently subsidizes large-scale wind and solar projects to develop and commercialize carbon capture and storage.

This is what the scientists of the IPCC call for in their reports but is ignored by most groups who claim to be concerned about climate.

If the U.S. did this, it would lead the world along a path that could re Lucy missions massively and would allow the U.S. to have the -- and the world to have electricity.

Currently what we are doing is very expensive and it's a dead-end path wasting time and money and killing the U.S. coal industry for no good reason.

I would like thank you for holding these Listening Sessions and hope we can change the debate about climate to be more productive rather than raising taxes to kill the U.S. coal industry for no good reason.

Thank you.

>> LIZ O'BRIEN: Lou Gray?

>> Lou Gray from Gillette.

I have about 40 years in mining business.

I appreciate you guys having this listening session here.

It kind of reminded me of the goose that lay the golden egg as senator Enzi talked about earlier and where that farmer was probably listening in his head to that voice about kill the goose, kill the goose.

We all know how that turned out.

But I bet you don't know the rest of the story.

The rest of the story?

He forever blamed the goose on his problems thereafter.

Okay?

I'm hold enough that I remember when the BLM revised their royalty and they did a tremendous job on doing that, and they said at that point in time, the bonus bid, the 12.5% royalty gave a fair return to the American taxpayers.

Since that time some fun things have happened.

Coal prices have increased because oil and gas prices increased even more.

And basically they did themselves out of the competition.

They removed themselves.

The nuclear industry was stifled by environmental and fear.

Okay?

Hydro pretty much eliminated by a minnow.

So coal did well.

With that, we could pay that royalty and bonus bids.

Not only that, we could pay the extra taxes that came on that, the ad valorem taxes, the black lung tax or fee or whatever you want to call that, the abandoned land mines.

We reclaimed other lands.

We can pay that.

Why?

Because we can afford it.

We're the cheapest power out there.

Okay?

But now, where are we at now?

Things have changed.

The market has changed.

And to turn around and say that what we figured was a fair return on coal to the American taxpayer is now -- now it's different.

It's gone up.

It's gone up all along with the price, but now that the price is going down -- now we have to increase the percent.

We're not even making enough profit to cover that.

Overall, state, Federal, local governments, you have to look at, it's not just the royalties and the bonus bids.

It's all these other taxes that have been piled on.

If you change the bonus and the royalty, you know, something's got to give, otherwise the industry goes in the toilet.

I have friends in Craig, and some of you know what happened there.

I don't think we need that here.

Thank you.

>> LIZ O'BRIEN: Thank you.

Sam Pennington?

Sam Pennington?

>> Good afternoon.

Unlike some privileged people in power I only have three minutes to have my voice and the voice of those who don't have the ability to be here heard.

So I would like to utilize that as much as possible.

I would like to first address a former speaker the former science teacher who neglected to mention a scientific fact and the that is the fact of climate change.

While discussing the economic impacts of coal is necessary, this conversation will be incomplete without acknowledging the basic scientific realities that the climate is changing, that we are responsible, and that coal -- and that coal is the number one contributors to climate change.

So I can hope we have both economic and environmental aspects of coal in mind to have a balanced and productive conversation today.

As for me, I'm just a college student.

I care about the health of our environment and our communities as much as I care about our need for energy independence and security.

I'm not here today to demonize coal companies.

I'm here to hold them accountable and to ensure they play by the same rules as everybody else.

Right now that's sadly not the case.

The current royalty rate for surface mined coal of 12.5% is not only too low to reflect the public and environmental held costs of coal but it is far less than what we charge offshore oil and gas.

Not only are we allowing coal companies to mine on our land with no accountability, but we as taxpayers are effectively subsidizing them to do so.

That is why, along with many other concerned citizens, are here today to support an increase in the royalty rate for surface mined coal to 18.75%.

This increase would both ensure that coal companies are paying the same rates at offshore oil and gas as well as reflect the true environmental and public health costs of coal in our region.

It would maintain accountability and fairness in the coal industry while also protecting our energy security and economic stability.

It won't solve all of our problems related to energy development on public lands, but it is a modest and practical step in the right direction.

Like I said before, I'm not an energy expert, I'm not an economist, and I'm not a politician.

I'm a brother.

I'm a Wyomingite and I'm an American.

When I think about coli think of my younger sister and what kind of world I'm leaving her.

When I think about coli think about my state and the beautiful natural resources we've been blessed with.

When I think about coal I think about our nation and what we're doing to assure a strong, sustainability economy in the future.

I hope you all think about these as well.

Thank you.

>> LIZ O'BRIEN: Thank you.

Chris?

>> Hi, there.

My name is Chris Seger and I'm Director of the western values project.

I know I had opportunity to speak to many of you in Billings on Tuesday and submitted some comments for the record.

So I won't belabor all of that.

Our organization is one that strives to ask policy makers to take a balanced approach to energy development on public lands, and I think a lot of people in this day and age talk -- throw terms like balance around very casually.

And we really do mean balance.

We understand that the Department of the Interior and that other land management entities in the Federal government have a multiple use mission, and that's one that we embrace, and that we take very seriously and want you to continue to develop coal and oil and gas and other mineral resources on our public lands.

But we want to make sure you do it responsibly and we want to make sure, like everybody else in this room, that you do right by taxpayers when you do it.

So we're probably a little unusual in terms of groups that are supporting your efforts with this rule that do genuinely support the multiple use mission of your agencies and want to see you continue to extract these resources, but when we haven't taken a look at these rules and regulations for 40 years, now is probably the time.

There are a lot of companies that haven't -- that certainly wouldn't go four years without doing a standard review of their financials and accounting practices.

To that extent and to the extent you are trying to do this in a way that's transparent and honest to taxpayers we applaud those efforts, and we hope you continue down that path.

I know a lot of folks here today are on both sides much this issue have talked about what the true intent of the rule is.

We genuinely hope the true intent of the rule is accountability to taxpayers because it doesn't matter what branch of the Federal government or any other government you work for it ought to be your first priority that you're living up to the promises you make whether a political appointee or a career staffer to the people who pay your salary every day, and from our point of view, there is definitely a lot to like in this rule and a lot that will help you live up to this promise.

There has been a study that's been cited by people on both sides of this debate from headwaters economics that we believe demonstrates there would be little to no impact to the price of coal and production of coal.

You're obviously going to hear examples on the other side of this issue too from people who don't agree with that.

That's why I don't envy your job and why I'm paid to be on the other side of this microphone instead of you guy whose have to go back to Washington and sort through these opinions.

The one thing we hope you keep in mind as you sort through the debate and sort through the various voices you're going to hear across all of these states that you really do genuinely live up to the spirit of what this rule is trying to accomplish and that is to

be accountable to the people who are paying your salaries.

, good luck with everything.

Welcome to this part of the world that.

Thanks for your time.

>> Good afternoon.

I'm Bob, a board member of the Powder River Basin resource council and chair of the western organization of resource council out of Billings.

Of the 10,000 members of these two organizations I don't know of one who wants to shut down the coal industry.

I don't know of one who wants to raise taxes on coal.

I don't know of one who wants to deprive anyone of electricity or of a job.

But I do know that interior's current management of the Powder River Basin coal can be improved.

I'm an old man.

I have broad career experience in resource management and in finance, both in the public sector and in the private sector.

In other words, I've walked in these people's shoes.

I have three suggestions in general.

First, and this is very important, the underlying plans for leasing in the Powder River Basin, at least in Wyoming, are long outdated and deeply flawed.

Specifically, the new buffalo Field Office Resource Management Plan stipulates with almost no analysis that 10.2 billion tons of coal will be leased.

Now, this is an affront to the President's climate initiative and to EPA's clean power plan.

And it really ought to embarrass interior.

Now, I'm the proud father of two beautiful daughters, both of whom continue to live in Alaska where they were raised.

They live in Alaska where the glaciers are melting, where coastal villages are being washed away and, shake your head all you want, this is happening, I've seen it.

Liar -- excuse me sir.

The RMP neither reviews or updates the decades coal leasing policy for the Powder River Basin and it should.

The lease by application process is overused and results in noncompetitive lease sales with only one bidder close to 90% of the time.

And these failings encourage speculation by industry and bad business decisions by BLM, who is meant to be the manager of the proprietary interests of all 321 million Americans.

Reclamation is in jeopardy because of slow reclamation and because of recent bankruptcies and interior needs to be very aggressive in the bankruptcy court to be sure that some of the assets available for unsecured creditors are used to keep reclamation going.

Thank you.

>> LIZ O'BRIEN: Thank you.

I would like to remind everybody, and this crowd has been terrific, and responsive, but let's continue in a respectful manner and realize that reasonable can have differing

opinions.

So I would thank you for that.

Sam?

>> Thank you.

My name is Dan Baker, separations Superintendent for alpha coal west here in Gillette. I'm somebody that sits down and goes through and works on budgets for these coal mines and is involved in putting them together.

When you sit down at the table and you're trying to pinch pennies and stuff so that you survive and you look at your financials and already 40% of your costs cannot be affected it makes it very, very difficult already.

And what you're proposing increases that percentage.

Okay?

I, like Kirby, get to follow a couple people that I strongly disagree with, and you opened up this session wanting to be open and honest about what we're here to talk about, and are we here to talk about fair market value for the coal or do you guys have a different agenda of what you're trying to do with the coal?

I don't think it's about the fair market value.

We do lots of reclamation.

Every mining company has departments strictly that's their job to make sure that we reclaim right.

Me being an operations guy I don't always like being told what I got to do, but we do it anyway and we're glad and that's why we have them.

You go out and look at all the mines we reclaim, we reclaim as much land as we disturb on a yearly basis and there's rules and regulations associated with that to ensure we do that, and we are good citizens.

There's been a lot of people up here that have described to you all the tax burden the coal mining industry have.

There's no need for me to go into that.

I guess the last thing I want to talk about is -- I wasn't prepared to talk today but here I am, and we were talking, a group of us, about what is the government's role here?

I mean, I think America was built on free enterprise, and right now we have a government that's trying to stop an industry.

The automobile industry got bailed out.

Maybe this administration ought to take a look at that and the coal industry.

That was mentioned.

We've got a real estate mogul right now that has a bad hairdo leading in the polls because his comment was we have stupid making stupid laws in Washington.

I think he's hit a nerve.

Now, I won't go that far.

I think we have smart people in Washington, but we are making stupid policies.

So let's get together and try to support the coal industry.

We do pay our fair share and we pay our good market value for what we do.

Thank you.

>> LIZ O'BRIEN: Thank you.

Don?

>> Don Dehle, business manager, Campbell county school district.

I'm going to comment on a couple things.

I wanted to dispel any myth that might be around that only our local government and local schools benefit from the taxes paid by the coal industry.

Wyoming has established a basket of educational goods and services which every student in this state is entitled to, regardless of the local wealth of the school district.

The tax revenue from the mining of the coal resources managed by the BLM is a critical resource in funding education in Wyoming and is shared by all public schools in the state.

Coal lease bonuses have built a new school in every single county in this state in the past 15 years.

Coal mines contribute \$1 billion annually to the state and local governments.

If royalty rates are set so high as to make mining cost prohibitive, the loss to the state and local economies of Wyoming would be enormous.

The other issue I want to speak to is a statement in the letter that asks for comment.

It said the BLM is charged with ensuring that these public resources are managed responsibly and provide a fair return to the American taxpayer.

The first thing I thought of is that citizens throughout many regions of the U.S. realize a great benefit from the coal resources managed by the BLM.

Every time they open their electric bill they understand that benefit.

Affordable electricity is a huge contributors to the quality of life in this great country we live in.

The electricity generated by the coal resources managed by the BLM are critical to many who would not have affordable electricity without this resource.

The poorest people among us, the poorest Americans, see a much greater benefit than any other group from low-priced electricity.

Royalty rates on the coal resources managed by the BLM have if set too high to make extraction of this resource viable would hurt those most who live in poverty, especially the youngest and the elderly.

In the school business we care about kids, but those who live in poverty are of the greatest concern.

The continue availability of affordable electricity to 60 million Americans could be jeopardized if this royalty rate setting process is mishandled.

Thank you.

>> LIZ O'BRIEN: Thank you.

>> My name is Ken Ferguson.

I'm general manager for alpha coal west.

I guess I had quite a few things I wanted to say here today, but I'm not going to repeat quite a few of the things that people have said.

I do want to key off of a few items today.

Having a lot of respect for all the coal miners in the room, all the leadership of the coal mines, arch, Peabody, cloud peak, Peter key Witt.

I see them all here being responsible speaking out for our industry.

They know personally how tough this industry is.

I really want to key off of what Mr. Elser said and one of the things you said is we have

to look at fair market value.

This country was built on capitalism.

It has survived on capitalism.

And it is the greatest nation on earth because of capitalism.

If you raise the prices on something that is the base product of an industry, it will kill that industry.

I know personally what a small margin there is, if any.

As you heard all of the reports on the losses, the billion-dollar losses or hundreds of million dollar losses, the things that my company is going through, we are driven to the brink of destruction.

There is a lot of coal here.

It is a God-given resource, and we believe in taking care of that resource.

We believe in reclaiming the land, taking care of the land.

We just ask to have a fair shake, and fair market value is what we're asking for, and I'm going to leave my last minute on the table so other people can speak.

Thank you for your time.

>> LIZ O'BRIEN: Thank you.

>> Thank you very much.

My name is Mark Engler.

I'm vice president and CEO of Gillette college.

Gillette college is a small rural community college here with about a \$10 million budget.

That \$10 million, a good portion of it comes from the state of Wyoming via the mining industry.

And a good portion every it comes from Campbell county via the mining industry.

With that \$10 million we serve approximately 2500 students annually.

And of those 2500 students, many of them take advantage of scholarships and grants provided by the mining industry, work on equipment in the laboratories that are supported with the mining industry, and ultimately get jobs in our community that are driven and supported by the energy industry.

When we look at the impact of that \$10 million on our local economy, we realize that as a result of educational attainment our students, when they acquire jobs, give back to the community about \$74 million a year.

That's a significant impact.

When you look at the state of Wyoming and look at the studies that exist out there, we know that approximately 62% of the jobs in the next decade are going to require some education postsecondary.

We know that currently 34% of the working population has the skill set.

There is a gap.

28% of people that we have to educate take on new jobs that are coming our way.

That means exercising relationships and partnerships.

That means utilizing the good support of the mining industry, the mineral industry.

And that means providing good jobs.

We take our job very seriously.

It's an obligation of responsibility that we have.

We are right now considering stem building, science, technology, engineering,



mathematics.

And it's important, because quite honestly I'm appalled at the politicization of science. And we see it all the time.

We were challenged once as a country to put the first man on the moon, and we did that with intellectual capital and resources and capitalizing on the resources that we have.

And we need an administration with the backbone that going to say, yes, let's capitalize on what our intellectual capital is and utilize those resources that we can do to make a strong America.

Thank you.

>> Good afternoon.

My name is Andrew Hill.

I'm an attorney and legal fellow with wild earth guardians.

I want to thank you for the opportunity of letting me speak here.

I know it's a really touchy but very important issue, and I think it's really good that we're all here trying to have an honest conversation.

The fact that we're all here is a testament to Secretary Jewell and interior's refreshing acknowledgment that there is a pressing but overdue need for a bold change in the Federal Coal Program.

I applaud interior and Secretary Jewell for opening up that dialogue and beginning the change and acknowledging there is a need for a very hard look at climate change and the coal industry's role in climate change.

Climate change is rightly considered worldwide as one of the leading crises facing both my and future generations.

The direct effects include rising sea levels, extreme weather, drought, famine, and the Pentagon has rightly said that it is one of the most important crises facing our national security.

The economic output that we would have to lose putting into the steps would it take to fight climate change are, as the center noted earlier, very important noting the precarious nature of the economy and how important those 1% up and down -- how that works.

But if we're going to address climate change, as I think this panel is here today, we have to go beyond simply talking about it and beyond talks about rate increases.

We need to talk about a shift to keeping coal in the ground.

Most recently modest scientific estimates put to curb climate change right now, 95% of coal needs to be kept in the ground.

This is going to take bold, honest, responsible action, not only from the American public but from the leading -- from the Department of the Interior, and this shouldn't have to come at the cost of local communities like Gillette.

We're all here as a testament to the importance of Interior's role in this industry and the important role that regulations and policies enacted can play in shaping new, meaningful change.

So I would like to thank everyone for opening up this discussion and acknowledge that the threat of climate change is real, and enacting and talking about climate change without honestly considering where carbon comes from is not giving a good hard look

and belies the ingenuity of our citizenry, threatens the safety of our children and our future generations.

Thank you.

>> LIZ O'BRIEN: To the middle microphone, please, Noreen -- sorry, Jeremy, Noreen, Heidi -- I don't know if Eric is back.

Eric, did you get back?

Okay.

Scott and Tony.

That's all to the middle microphone, please.

And to the left microphone, Angela, Jay, Nicky, Richard, Bill and Roy.

Want me to repeat that one?

Okay.

Let me see.

Which Tony, huh?

Tony Laner.

Anybody else have a question?

Let's start with Jeremy.

Could you give your name, please.

>> Great.

Thank you.

Nye name is Jeremy Nichols and --

>> LIZ O'BRIEN: Hang on a second, Jeremy, please.

Thanks.

Okay.

>> My name is Jeremy Nichols and I am the climate and energy program Director for wild earth guardians and you heard from my colleague earlier and I'm here to kind of add to what he had to say.

We appreciate the Interior Department's willingness to engage in a honest conversation with the American public on how to reform the way our publicly owned coal is managed.

It's not an easy conversation to have.

We acknowledge that.

But given the stakes it's one we must embrace.

It's those stakes I would like to discuss today and I would like to start by acknowledging the sentiment in today's room and say that we agree that the future of communities like Gillette and the jobs that coal mining provides need to be of paramount consideration for the Interior Department, but we also have to be honest with ourselves that the future of coal is bleak.

The reason is because of climate change.

We can't keep mining and burning coal and have any chance of meaningfully reducing carbon emissions and combating climate change.

The reality is we have to move beyond coal and that means we have to keep it in the ground.

But that doesn't mean communities should be left in the lurch and workers put on the street.

I really have to emphasize that.

That would be horrible if we as a nation allowed that to happen.

That's why interior needs to step up and lead communities to make a transition away from coal and toward sustainable and prosperous communities.

Interior has the resources, the expertise and, frankly, the moral duty to lead here.

I know many don't like to hear this.

I'm hearing it.

I'll be around afterward if you want to share more thoughts.

The only thing I can say is that it's not going to get any easier.

The cost of carbon emissions continue to rise.

Putting our economies everywhere at great risk.

With efforts to reduce carbon emissions gaining momentum it's not a matter of if but when a transition away from coal is to happen.

I will be totally honest that we would like to see it happen rather than sooner than later.

That does mean that the Federal Coal Program has to wind down.

We need to be careful and deliberate as we make that happen and we call upon the Interior Department to adhere to five key milestones, embrace them to help make that transition happen and help communities.

First, stop leasing more coal.

Second, retire nonproducing leases.

Third, recover carbon costs from coal that is currently mined.

Fourth, come clean with the American public, be transparent around the greenhouse emissions linked to coal and the costs those take on our society.

Fifth, interior does need to help communities.

Again, I want to emphasize that we can't leave people hanging.

Coal is going to go away but that doesn't mean the Interior Department should take its back on this reality.

We do feel that by heeding these five milestones we can assure companies producing from existing leases will be able to continue mining, jobs in communities will stay intact, our electricity supply will not be disrupted and carbon emissions linked to publicly owned coal will be meaningful reduced.

And the coal is kept in the ground ultimately.

Interior needs to honestly acknowledge this reality and reform our coal program accordingly.

I appreciate your time, and thank you.

>> LIZ O'BRIEN: Thank you.

Angela.

>> My name is Angela Fox.

I'm CEO for the buffalo Chamber of Commerce.

And state Chamber of Commerce President.

I'm here speaking on behalf of our businesses statewide, 312 back home and 10,000 business strong here in the state of Wyoming.

Our mission of the Wyoming state Chamber of Commerce is to build business in Wyoming through advocacy, education and communication.

It is our job to work together to attract, retain and promote business, encourage a

strong economy and support our quality of life through sound business practices.  
I'm kind of -- had a whole speech prepared listening to all these and you've heard lots of the numbers a lot of things they're discussing.

What you're not hearing today is isn't really obviously about money, which we are supposed to be talking about.

This is about increases and about money.

These increases in money are going to affect our businesses in the long run.

We're not just talking about our coal mines.

I'm talking about every mom and pop joint, every business I'm standing here representing.

We are talking about the cost of -- that's going to roll down the hill to them in the long run.

Cost of power will go up.

We'll have the loss of income from the businesses.

You heard earlier there is a printing business, they're supply companies.

These people will go under just as much.

Did you know 99.7, according to the SBA, are small businesses?

99.7% of your businesses in the United States are small businesses.

You are going to put those people in the ground only because we can't all work together.

Increasing prices are going to roll downhill.

We know that.

The energy companies cannot extend us a small cost.

It goes into the cost of goods.

It goes into the cost of your lunch and sandwich when you go into a restaurant.

Energy costs go up.

Our costs go up.

And the people lose their jobs.

It rolls downhill.

It makes much more sense to make more sound business choices based on that.

We don't increase our costs so we can make more money and push it downhill to the small man at the bottom of the hill.

If you are going to put a lot of people out of business as well -- you have to start thinking about our aging population.

Aging population is not going to be able to afford the outrageous rates we're going to have come long term.

We have to start thinking about everything on a whole.

This is about money.

This is about business.

We have to start making business decisions.

And the government needs to run this as a business and not base it on emotion and base it on emissions and whatever else people want to make up.

This is about money and sound business practices and we need to stand here and discuss that today.

Thank you.

>> LIZ O'BRIEN: Noreen?

>> Thank you.

I'm representative Noreen KASPERIC and I represent Gillette and Campbell county and I think we're here to talk about the increased burden -- financial burden on our coal companies, not some agency's agenda on keeping coal in the ground.

So I would like to do that.

Thank you for taking comments today.

Welcome from all of us from the heart of coal.

The proposed rule change by the Department of Interior is a classic bait and switch plan designed to curtail energy production rather than benefit taxpayers.

Energy producers are paying their fair share to taxpayers and should not have their taxes, royalties and leases raised.

Those opposed to energy development want taxpayers to receive no benefit from America's resources.

The proposed rule change would undo the current valuation of coal and replace it with a complex system designed to punish coal producers with higher costs and significant uncertainty.

This proposed rule is not about maximizing revenue for taxpayers.

It's about cutting off production of the Federal coal from Wyoming and other states.

The current system provides stable and very significant tax and royalty revenue.

And Wyoming -- in Wyoming companies pay to lease Federal coal, pay royalties when produced, Federal income taxes on any profit as well as severance taxes, ad valorem taxes, sales taxes and other fees.

Federal, state and local governments receive over \$1 billion a year from coal production in Wyoming alone.

Wyoming produces approximately 40% of America's coal, much of which is Federally leased.

Producers operating in the state have been good corporate citizens and the state's share of money from coal goes directly towards building schools as well as other essential services.

All counties in the state are beneficiaries and claim the taxpayers in any way are shortchanged is misleading at best.

In addition much of the rest of the country benefits from affordable, reliable electricity, made possible by Wyoming coal.

We are proud of our incredible resources and are utilizing them responsibly.

The idea of a carbon tax has been debated and rejected time and again.

Even a like-minded President with a super majority in the U.S. Senate and control of the U.S. house could not get a carbon tax across the finish line.

Fossil fuel opponents dismiss meaningful ways by [indiscernible] or high efficiency boiler technology which America's ally Japan is funding.

Circumventing Congress through regulation from the obscure office within the Department of Interior to rewrite energy policy is wrong.

There is no evidence whatsoever to support claims that the current rules for royalty valuation don't work or that the American people are not getting their fair value from current royalties on coal.

There is a great deal of evidence that leaders in the extreme environment movement are prepared to hoodwink the American people, manipulate the media and subvert the laws to keep coal in the ground.

Regretfully their coal does a disservice to America's economy and security.

This is centralized government on its worst day.

>> LIZ O'BRIEN: I think what she said -- okay.

I just wanted to talk about time.

It's 4:00.

That's when this session was scheduled to end.

We think we have a lot of people who still want to speak.

We want to hear from as many of you as we possibly can.

But we want to give you some sense that we are going to have a hard stop at some point because we have a lot of people who have to drive long distances tonight.

So I don't know exactly where we are in the queue but I did want to just in terms of being respectful for your time wanted to let you know we're not going to cut it off at 4:00, but I don't know whether we're going to be able to get everyone in or not.

50 more speakers at three minutes.

5-0.

>> I don't know if everybody stayed because there are some on the list who I know have gone.

>> LIZ O'BRIEN: So that's how many more we have signed up.

So let's -- I just wanted to give you a heads up.

We're not going to stop at 4:00, but we're not 100% sure we're going to be able to get in everyone that signed up, just to be respectful of your time.

>> Yes, ma'am.

Thank you for coming.

Enjoy Wyoming.

It's a beautiful state.

I'm originally from New Orleans, Louisiana, so no one has spoken about transplants that come here from other places for jobs, good jobs, and my knowledge about coal was what a lot of people's knowledge is of coal.

It's West Virginia, it's underground mining, guys with dirt on their face.

Here in the Powder River Basin we don't do that.

We have very clean operations, and anybody from the Sierra Club, have you ever been to our reclamation and seen it?

It's amazing to me coming from a flat land with a lot of mosquitoes to see what is done after we reclaim land here.

It's gorgeous.

I drive a haul truck.

There's so many animals sometimes I'm worried I'm going to hit them, because there's antelope, and there's these mini-rabbits and so forth.

It's a beautiful thing that's going on here.

I can tell you everyone in Louisiana is naive about coal.

They don't even think about it.

So what I'm talking about is ignorance is bliss.

That's the problem with some of these people that are with the Sierra Club.

It's ignorance.

And so what -- I'm not trying to talk bad about them.

I'm just saying they need to really educate themselves and stop reading their Web sites and all that type of stuff.

We had a great President in this country.

His name was Ronald Reagan.

I was the first one to vote for him, and he solved problems.

He told the truth.

We have forgotten what a great President is because it's been downhill since him, quite frankly.

What I would like to do is plant a seed not only to share with you guys but that we need to speak up.

I'm in Louisiana, and I don't hear about coal.

I don't hear about this greatness that is coal in this country, that 40%, the cheapness -- the greatness of this nation that has come from coal, the history of coal.

We need to set a plan like T. boon Pickens did with gas, gas, gas.

I thought he was running for President because he talked about gas so much.

We need somebody like that.

We need to go out and educate this country because more than half of us are not ignorant.

We're not.

We need to be educated.

So what I came here to say is I got educated here because I was here.

I came here for my kids because they moved here.

So I came after them.

But I found out about coal, and it's the best job I've ever had.

I can talk about all that, the money -- you've heard about it.

What I'm telling you is that the story, the complete story, has not been told, and it needs to be told.

Us, we need to do it.

We need to get out there and do it.

The Mayor of Gillette said that we don't need to confront people, these people we don't agree with.

We need to educate people.

And if we do that, we will win the truth, and the truth is that coal is good for America.

Thank you.

>> LIZ O'BRIEN: Heidi.

>> Good afternoon.

My name is Heidi Hockett and I work for basin electric power cooperative.

I'm at the dry fork station power plant.

On behalf of basin electric I would like to express our support for reform of the Federal Coal Program.

Basin electric is a member-owned wholesale generation and transmission cooperative.

We serve almost 3 million consumers and 138 electric cooperatives across nine states.

Roughly 55% of basin's electric generation comes from coal, both in North Dakota and from our Wyoming Powder River Basin.

We recommend the BLM -- sorry -- we commend the BLM for holding these sessions and urge you to carefully consider reforms to ensure coal suppliers can effectively lease and utilize Federal coal while providing a fair return to the taxpayer.

The current leasing process serves as a barrier to producing Federal coal.

Coal producers have to wait years and undergo costly analysis with little guarantee of success or return on investment in pursuing Federal coal leases.

Businesses need certainty that they will be able to access Federal coal tracts in a timely and economic manner that works in concert with the development of non-Federal coal resources.

Leaving Federal coal undeveloped provides no benefit to taxpayers and increased costs for electric consumers.

As a utility that has provided power in the region for more than 50 years, we are concerned about changes that could affect the cost of electricity purchased by our member owners.

Arbitrarily increasing royalty rates is not a solution to the problem.

We urge you to avoid -- changes in your royalty methodology that would dramatically alter the way coal is valued.

As a rural electricity cooperative one of our basic principles is concern for our community and you can see that today.

Part of our community we are concerned about any proposal that could lead to the increased costs to our member owners.

The Federal Coal Program needs to be improved and streamlined, not hindered.

BLM needs to uphold its statutory mandate to develop public resources, assist in providing affordable and reliable power and guarantee that taxpayers are receiving a fair market return on this resource.

Targeted reforms will ensure taxpayers and consumers are protected in this process.

Thank you for your opportunity to submit comments, and I encourage you to support our coal resource development and the important benefit that it provides to our region.

>> LIZ O'BRIEN: Thank you.

Mickey?

>> Thank you for the opportunity to speak today.

I'm Mickey Shellberg.

County official.

I'm one of the five county officials voted on by everyone from Campbell county.

I think I speak for the majority of people who live in Campbell county.

Tell you a little bit of -- on the Wyoming license plate is the first two numbers of the prefix on the -- the numbers represent the county numbers.

In 1928 that was assessed valuation of each county in Wyoming.

So currently Campbell county's number is 17, meaning they were ranked 17th out of all 23 counties in Wyoming assessed valuation.

Today we're number 1 by a long, long way.

In fact, \$6 billion.

>>> Over half of that comes from coal.



And coal owned equipment, coal owned facilities, coal -- and so we're talking a major, major what if here.

The thousands of people that are here, a little bit of talk of how you would retrain, what you're going to do.

You have to have something for them to do.

You can retrain forever if you don't have anything to do.

But what I wanted to talk a little bit about is there has been quite a bit of reference to public land, coal on public land.

Let me tell you Campbell county is 85 to 90% private surface owned.

It is 85 to 90% public owned coal minerals.

So when we talk about the value of coal leases and we hear numbers of this lease was \$1.20, this lease was 50 cents, and so you hear the comments of those aren't fair leases.

Let me tell you what makes some of that difference.

Number one, there is a private landowner involved in the surface.

And a coal mine has to reach an agreement with that private owner for whatever damages are going to be incurred on that property.

Also, there is -- when the BLM sets up the coal lease they determine the tonnage of recoverable coal, and it depends upon the -- how the lease is structured -- or how the perimeter is structured, how much is available to mine or not, that makes a determination on the value of the coal they bid.

It also has to do with how many oil wells are in that lease that the coal companies have to by production out on.

And also the -- we also deal with road relocations as a county commissioner.

I can tell you that one of the mines here is dealing with nine miles of road relocation.

That is \$3 million a mile.

So you can't relocate those roads.

20 million tons of coal they have paid a bonus on.

The difference is -- doesn't require the investment that coal requires to get it out of the ground.

Thank you.

>> LIZ O'BRIEN: Eric?

>> Good afternoon.

My name is Eric Perez.

I'm with Wyoming sportsman's group.

I just wanted to say thank you for extending your time.

I represent about 500 members of northeastern Wyoming.

Our community we know how important coal mining is to our family, our friends and our country.

My Wyoming sportsman's group was founded by members involved in the mining industry.

Our group's main goal is the conservation of our natural resources of fish and wildlife.

If we did not believe our mines were doing their job we do not be here supporting them today.

We believe that they are doing a great job in reclamation.

They've won numerous awards over the years for their reclamation efforts. We have members directly involved with our group that are in reclamation. For whatever reason we have groups that are with -- that wish to stop mining and stop the usage of coal as an energy source. This is why we believe that the BLM is trying to increase the Federal coal value. One of their main concerns is we do next to nothing to reclaim the land once the mining has been done.

Reclamation crews work before, during and after the mining process to make sure that the land is put back to its original state.

In the reclamation process we also have the opportunity to replant, reseed the land with beneficial vegetation that the wildlife often prefer over natural native land.

We have seen increased numbers in wildlife ranging from birds to big game, and on some reclaim sites they even host livestock.

I would suggest anyone having doubts in mining reclamation, they go out and visit our mine sites throughout Wyoming.

If you do you will see that wildlife is thriving, and even more so on some reclaimed sites than on native lands.

The members of the Wyoming sportsman's group believe the Federal coal lease program should be used to promote coal leases instead of stifling them.

The program is more than fair and the coal companies pay more than their fair share to make sure the land we live in stays the same or better than we found it.

Thank you.

>> Thank you.

IM' glad I was able to be here today and thank you for the invitation to speak.

I'm Richard Ladwig.

I'm President of that the Wyoming county commissioner association and I'm the chairman of the commission in my home county.

On behalf of the commissioners in all 23 of Wyoming's counties I'm here on strong opposition to leasing reforms and royalty increases in coal production in the Powder River Basin.

Making coal more expensive to produce is exactly the wrong thing for our counties, our state and our country.

It is troubling the Department of Interior would use Inspector General and GAO reports on leasing that did not call for major reforms or rate increases as an excuse for this exercise.

We all clearly remember hearing then senator Obama talk about bankrupting coal and just last week Secretary Jewell stated that these sessions are intended to align coal leasing with President Obama's climate objectives.

If there truly are problems with the leasing program, then the counties in Wyoming invite an open and honest discussion about these issues.

But given these statements and the constant attacks on coal from this administration and its allies, we can only conclude that royalty rate increases and expensive leasing reforms have nothing to do with determining a fair share for taxpayers and everything to do with a political agenda.

No one has a more vested interest in receiving a fair return from the mining of

Wyoming's resources than the citizens of Wyoming.

It has been stated already in these sessions that the coal industry suffers under a 30% Federal tax and fee burden on each ton of coal mined.

Combined, that with the over 600 million dollars paid in Wyoming state and local taxes, and no reasonable person interested in the viability of coal as a fuel source can question whether or not coal is paying its fair share.

In fact, it can be argued that the only people not receiving their fair share from coal revenue is Wyoming.

Not because coal isn't paying enough, but because the Federal government continues to find ways to keep more of Wyoming's money in net receipt sharing and abandoned land mine funds than rightfully belong to Wyoming.

Numbers aside, I invite all of you and Secretary Jewell to visit my county of NIBRERA and my neighbor county to the north, Weston county, to view exactly the results of coal's fair share.

By some measures we are the poorest county in Wyoming.

We don't feel ourselves that way.

But we do have revenue challenges because we're not blessed in the mineral resources other counties enjoy.

Still, we benefit directly from robust production in the form of beautiful school facilities, well kept roads and public and safety needs of our small population needs thanks to the distribution of taxes paid to the state.

Many people travel from our county daily to work in the mines.

Simply put the loss of jobs inherent in making the mining of coal more expensive will hurt families, communities and counties first.

I would like to close by -- I would like to say I'm proud to be a citizen of the United States of America and have the ability to express my opinion in an open forum such as this.

Thank you.

>> LIZ O'BRIEN: Thank you.

Scott?

>> My name is Scott Hickman.

I work at antelope mine.

I work for cloud peak energy.

I don't know what I can say that I haven't already heard tonight.

So I'll just read you what I had written down, or a portion of it.

Prior to 1850 most of the energy that we use for heating came from trees.

However, as the population increased, so also the demand for trees and the demand for wood.

Consequently, deforestation became a serious concern.

Contrast that with use of coal today, which is primarily used for electricity, and it serves more purposes far beyond just heating your home.

Unlike its predecessor, coal mining does not require cutting down trees.

In fact after the coal is recovered the reclamation process ensures the land is returned to a condition that is better than it was prior to reclaiming the coal.

Here's another interesting fact.

Did you know that for the same volume of wood versus the same volume of coal wood actually burns more carbon dioxide?

Recently the coal industry has come under fire for its methods and contributions to carbon dioxide in the atmosphere.

Over 200 power plants have either shut down completely or switched to natural gas. According to the institute of energy research, more than 72 gig watts of electrical generating capacity have already or are now set to retire because of the EPA's regulations.

To put 72 gigawatts in perspective, that is enough electricity to reliably power 44.7 million homes.

That is every home in every state west of the Mississippi excluding Texas.

Over 94% of all these retirements will come from generating units at co-fired plants producing over one-fifth of the U.S.'s coal-fired generating capacity.

I'm not going to read anymore but I do want to say I appreciate the fortitude that the other members who are on the opposing side of coal -- I respect that.

That's what America is built on.

We're built on an opportunity to debate and have an open forum to discuss both sides and figure out what's best for our country.

So I appreciate that.

And while you may disagree with them, I think it's important to respect them.

Thank you for your time.

>> LIZ O'BRIEN: Bill?

>> Good morning.

Thank you for -- I guess it's afternoon now.

We've been here a while.

My name is Bill, I'm a Johnson county commissioner.

We're the county immediately to the west of this area.

We enjoy large coal reserves like Campbell county does.

Unfortunately or reserves are not economically recoverable because of the high overburden as you move closer to the Bighorn mountains.

So it's unfortunate for me to see the first time in my life that a government agency would try to place a man-made burden on the affordable recovery of one of our natural resources which is what the BLM is doing today with this attempt to change the valuation that's going to be placed on that coal when it comes out of the ground.

Many of my constituents drive between 100 and some even more miles one way to come up to Campbell county to work that.

They do that for a high paying job that's more than available in our county.

My citizens and their children enjoy brand-new schools that were built with that coal lease bonus money.

State-of-the-art facilities that are going to make the next doctors, lawyers and scientists that are going to lead us into the 21st century, find that technology that's going to enable us to capture carbon.

Bottom line, this is a misplaced effort by the BLM to impose a radical environmental agenda focused on destroying the carbon industry in the United States.

This is all about the war on coal, this is about global warming, and this is wrong.

I ask you to please return to Washington, turn the light switch on in your office that's powered by coal, fire up that computer that is run by electricity generated by coal, hit delete on this proposal.

If you have got a paper copy of it, throw it in that shredder that is going to be powered by coal.

You're destroying a way of life, an economy.

I was disappointed the matter of national security was not listed on the areas you are looking at.

We need a diversified energy portfolio in this country and the key component of that diversified energy portfolio is coal.

It's cheap.

It's abundant.

It's affordable.

When mined and converted into electricity in the proper format it is also quite clean.

Again, I ask you to please rescind any decision about changing the valuation on coal.

Don't put these folks out of business because you'll put other Americans out of business.

Thank you.

>> LIZ O'BRIEN: Thank you.

Tony?

>> Thank you very much.

I am Tony Laner, a Converse county commissioner just to the south and east of Campbell county and we, too, are blessed with much of the natural resources that are available in the state of Wyoming and the entire world, actually.

So we have a lot to do with the coal industry and certainly we have a power plant in Converse county as well and I would like to mention I do feel a whole lot better knowing that the Department of the Interior and the Federal government will take care of us if the coal industry goes in the tank.

So thank you very much for taking care of all of us.

I know that's re assuring that you're going to be able to do that.

But that aside, and I say that in gest, Campbell county has been a great neighbor much Converse county and certainly like the commissioner from Johnson county we have many, many workers who travel from Douglas and Glen Rock all the way to the coal fields here in Campbell County as well as our own coal mine just on the border of Campbell and Converse county but we like to claim it as our own.

So it has a huge impact.

The coal industry has a huge impact on Converse county as well.

We have the Dave Johnson power plant in Converse county which has been there since 1958.

They have retrofitted, and this really hasn't been mentioned a whole lot, but the electrical industry has tried to keep up with a lot of these environmental changes and a lot of the demands that we've gotten from the Federal government over the years.

In fact, the power plant there in Glen Rock did a multi-million -- millions and millions of dollars of retrofit just recently to try to keep up with the mandate from the Federal government on emissions just in the last five to ten years and now all of a sudden

another mandate is coming out and they are saying now that there's no way they can get that kind of change done, and that power plant, which has been a huge part of Converse county and the community of Glen Rock and Douglas would not be able to continue on, and they burn coal.

They have done all they can.

They've spent millions of dollars to maintain that.

And so it's not like these other industries in the coal industry has not tried to do what they can to try to promote as much environmental safety as they possibly can.

Also I did like to mention, too, in Wyoming the state is doing a lot.

You know, the energy center at the University of Wyoming has worked very hard to work on projects to address global warming and that sort of thing, too.

I agree with most of what people have said here that that we just discourage any change to the tax and support what has been done in the past.

Thanks.

>> Hello, I'm Roy Edwards.

I'm a state house representative from Gillette, house district 53.

And I want you to listen close to what I have to say because I don't want you to misinterpret what I'm saying.

I believe in global warming and in climate change, too.

God made the sun.

It causes the earth to warm when it comes up.

Global warming.

And cools when it goes down every day.

Climate change.

God made winter, spring, summer and fall.

Depending on where you live on this earth on how much of each season you get about that this climate change, God is still in control.

You have not removed him.

This administration has worked hard to destroy this great nation that God gave us.

At every turn you are working to destroy this country, this state and this county.

The unemployment in this country, if truth was known, is approximately 20%, you add all those that aren't looking for jobs in there.

You are trying to kill the mining industry, not just it, but natural gas and all of the mineral industry included, causing more people to be out of work and causing electricity and everything else in this country to rise drastically, breaking all in the country -- all of this country that is in it.

Green energy will not work.

I was raised on a ranch that had wind generation power in it.

And with that generation of wind power we had electricity very few times, but we did have batteries so we could use it at night.

The wind generation and the sun generated electricity, where are the batteries to store the electricity?

When the sun goes down and when the wind quits blowing, it's going to be the coal industry that will be there to keep the lights on.

All of you have become accustomed to having the lights that you use.

In summing up what I am telling you, the U.S. Congress should do its job and stop this runaway agency and the wanna-be dictator of this country.

Until the U.S. Congress gets the guts and the backbone, I would ask that the states, that they would stand up together and nullify the destroying rules and Executive Orders that this administration is purpose doing on this United States of America.

God gave it and I would like to keep it this way, without you trying to make us into a communist country.

If we had the Lands and Minerals in this country under state control we would be much better off than we are today.

Thank you.

>> LIZ O'BRIEN: Thank you.

Would you all like a break?

>> No!

>> LIZ O'BRIEN: Okay, then.

That was loud and clear.

Does anybody else have an opinion?

Okay.

Off we go.

Rusty.

We're going to the middle here.

Lisa, John, Morgan, Fafoutkis.

Would you like to say that for me?

>> [inaudible].

>> LIZ O'BRIEN: At this one we have -- did I say Rob Henry.

I did not.

Are you Rob?

You're supposed to be over -- Rob, rusty, Lisa, John, Morgan, Amy, Travis.

Over here, Dixie.

See, I don't know who is left.

That's where I'm struggling a little bit.

Matt Young, Melcie, Buck, Natalie -- we have a lot of people that have left.

Michael?

Carole?

Scott?

And Nick.

So I don't know who is up there and who isn't.

Let's start with this side.

Let's start with Rob.

>> Thank you.

My name is Robb Henry.

I'm Wyoming county commissioners association vice president.

I'm county commission in Natrona county, a rancher, an energy dirt contractor and a third generation Wyoming resident.

Let there be no mistake this is a war on coal and energy.

Coal is vitally important to the Wyoming economy.

Millions of dollars for schools and roads and government, jobs, not only here but all over the United States.

Government says it wants a fair rate.

Coal makes this country run.

That's their fair rate.

Low-cost energy has made possible the age of technology.

We Google, we email, we text, we Tweet, we Skype.

We are energy dependent.

We're addicted to energy.

When you travel out here, how many power cords do you plug into the wall?

When we go on vacation, a family of four, you've got four of these things to plug in the wall, and if there are kids in the backseat aren't texting on them, they're playing games on them.

We are addicted to it.

50%, or just a little less of the energy comes from coal.

70% comes from fossil fuels, or just under that.

If you cut that out, we become a third world nation.

The BLM process has always been to account for the social economics of any action it does.

I would say that is not taking account for these proposed changes.

There's three bankruptcies in the coal industry up here, or just about to be.

You can't lease the coal that you've got to lease.

It isn't a rosy picture.

Two weeks ago Jerry Abramson, deputy assistant to the President, in Charlotte, North Carolina, said, just two weeks ago, that he believed that decisions made close to the ground are the best ones.

Well, all to the contrary.

If this administration is so concerned about global warming, it should invest in technology.

It should invest in research to come up with solutions that work instead of killing American industry.

Too big to fail was a comment about the auto industry.

I'm not sure but what government might be too big to fix.

Thank you.

>> LIZ O'BRIEN: Thank you.

Dixie?

>> Good afternoon.

My name is Dixie Johnson, CEO of the Sheridan county Chamber of Commerce.

Sheridan, Wyoming is located about 100 miles to the west a little north.

One of our largest employers in the Sheridan area is cloud peak energy and also our Decker mine.

Two of the larger employers.

The Sheridan county Chamber of Commerce is a proactive voice of business.

We work for the promotion, protection and prosperity of our members but also our community.



We have over 625 members, which we represent over 10,000 jobs, and those are our members.

But, again, it's about the community, not just our members.

Two of our largest employers are coal mines as said before and those coal mines are located just over the state mine in Montana, however 99.9% of the workforce live and reside in Sheridan county.

Those coal mines are invested in the safety, in technology, in their employees and in our communities.

They mine Powder River Basin coal, which is already amongst the cleanest coal in the world.

It's time for the government to end their war on coal.

And an increase in royalties and leasing costs is just one more tactic this administration is using in that war.

At a time when coal prices are already low, we need to think about the thousands of jobs which equates to thousands of people that could be adversely affected.

Royalty rates are already above market.

Increased rates will reduce production and lead to lost jobs.

It's that simple.

Yes, there will be coal jobs amongst them, but there are also going to be jobs in our educational system, jobs in our other small businesses, jobs in our schools because of the ripple effect.

On behalf of our community, we are 100% opposed to any increase in royalties and leasing costs.

Thank you.

>> I'm rusty Bell county commissioner, Campbell county.

I most likely won't be able to say the constituents that elected me last year but I will try to fill in a few gaps possibly.

I'm a native, small business owner, avid outdoorsman and a taxpayer.

You heard about all the things that we have in Campbell county in the state of Wyoming, the coal industry has helped mold all of that.

The idea that the taxpayer is being shortchanged in Wyoming and in America by the coal lease program is not only false,, laughable.

An increase in royalty rates will result in a decreased production and no return on investment for taxpayers.

The BLM should consider lowering the royalty rates, incentivizing development to maximize the return on investment for taxpayers of this country.

When the BLM does not award a reasonable coal lease bid they're not only cheating the American people out of the royalty payments, they're also cheating the American people out of affordable, reliable, dependable energy.

And I -- the only thing that I'm going to add to that is that I would recommend to the BLM that keep your bid leases -- open up your bid leases, telling the coal companies what your fair market value would be.

Don't hide it.

Let them bid on it.

Because when you don't give that bid out, then you're cheating the American people

out of that, out of those royalties and out of that affordable energy.  
I don't think that I can stand up here and say anything else that all my constituents haven't already said.  
There's plenty that want to speak and I'm going to let them have the time.  
Thank you.  
>> Good afternoon.  
Can you hear me?  
Good afternoon.  
My name is Matt Young, mine manager for the buckskin mine in Gillette.  
I'm not here on my company's behalf.  
I'm here on my own behalf as a husband, a father, a friend, an outdoorsman, a sports coach, everything else.  
The reality is, guys, I really appreciate you coming out.  
You have been here for three-plus hours, going on four hours, heck, more than that now, and you've heard a lot of the same stuff.  
I hope you took it all.  
I had a whole list here.  
The fact is I'm not going to go through it.  
You've heard so many things over and over.  
I hope you listen.  
I hope you truly listen and understand.  
Think about some of the points that have been made.  
What industry is burdened at 40-plus percent on a tax basis?  
Name me one.  
I would love to hear it.  
I don't believe there are any.  
So the discussion about a fair value and coal companies getting sweetheart deals I don't understand.  
That doesn't make sense to me.  
The value shall the good that coal does for the country and has done for the country, not only in the past, but into the future, are immeasurable.  
I'll second and echo some of the other comments about, if this were really, truly a listening session about coal and the fair value, well, let's keep it on that.  
Let's not talk about greenhouse gas emissions.  
Let's not talk about other things.  
That's another venue for that.  
This isn't the convenient you.  
The venue for this is the American taxpayers getting their share.  
I think we've had plenty of facts to talk about it.  
The last thing I'll leave, remember the folks that are going to hurt the most from this. It's not -- it's -- yeah, it's a lot of folks in this room, but it's more than just this room. It's around the country.  
The United States has been one of the best countries in the world, in the history, because of electricity that's been low priced.  
If we take that away, where are we going to go?

Again, I appreciate you coming out, appreciate your time and I'll leave a little time for the rest of the folks behind me.

Thank you.

>> LIZ O'BRIEN: Thank you.

Lisa?

>> Good afternoon.

My name is Lisa Durgan and I am on the Campbell county board of -- school board of trustees.

I think this is the time of impromptu to speeches because everything we had written down has probably been said already.

And I do appreciate all the people from around the state of Wyoming coming here and telling you how much they benefit from coal and the taxes they pay.

I think it's clear that the state of Wyoming and the people have said that they don't feel cheated by the amount of taxes that the coal industry pays.

Furthermore, I think that the benefit to the state of Wyoming has been made very clear, and I think that the mining industry has said that they are topped out on the amount they can pay for taxes and still make a profit.

And that has been made even more clear by the amount that the coal companies are suffering right now because of the additional burdens that are being placed on them.

So I think at this point what is going to be clear is that if you raise the taxes or the royalties on coal,, you are clearly saying you want to kill coal.

It is not about being fair and being taxed fair, because we feel that we are being paid a fair amount for the state of Wyoming revenues.

I appreciate that people have said they want an honest conversation, even from the opposing views.

A few of them clearly stated that their agenda is to kill coal.

That is the honest conversation here, and whatever is done with your decision, which I respect you getting opinions from people who are affected from this, it will be clear where your stance is, whether you want to kill coal or support an industry that supports the whole United States.

Thank you.

>> LIZ O'BRIEN: Mike?

>> Good afternoon.

Thank you guys for spend the extended time period.

I am Mike Thomas, President of the mining association.

First want to say thank you for hosting the listening areas in the areas that would be the most impacted by raising the royalty rate on coal.

By having the sessions here in Gillette it's a great benefit to people in these areas to voice their concerns and comments on these issues without the considerable expense and effort to get back to D.C. or major metropolitan areas.

We are the benefits to the taxpayers?

I think it's important to hear it well over again, it's well-known Wyoming leads the nation in coal production.

Wyoming comb not only provides a source of reliable and affordable power and energy and electricity to the country, but also accounts for 85% of all Federal coal production.

As a result, coal has contributed over \$19 billion to the Federal, state and local governments in taxes, royalties and fees since 2002, a definite benefit to the taxpayers of not only Wyoming but the country.

This must not be has a very positive impact to the state of Wyoming as it goes to the building of schools for our children, supporting higher education and keeping infrastructure such as our highways in good safe working order.

That's a great benefit to the taxpayers.

If the royalty rates on coal would increase we know it would have a negative effect that would occur to our industry that's already facing increased regulations in a difficult market.

What I would offer since this is a listening session and we're looking at ways to see additional benefits to the taxpayer, I would say instead of promoting the increase in royalty rates the Department of Interior, the BLM would be better off to promote the streamlining of permitting and leasing processes and bringing regulatory certainty to our industry.

This is -- this allows for a better rate of return to the taxpayer by creating jobs, increasing coal production and other mineral production and general generating other national income.

Thank you guys for your time.

>> I'm John, private citizen from Sheridan, Wyoming.

First of all, this talk about taxing the coal industry is in many ways a sham.

The reason is no corporation, whether it's a coal mine or Coca-Cola, is in business to lose money.

Every single corporation in America is in business to earn an honest profit.

That's what the free enterprise system is all about.

That's one thing that the socialist greenies don't understand in their thick skulls, that private enterprise is the only way that this country can survive.

Otherwise, they're going to end up like Greece and Spain and Italy and Portugal.

That's what happens when you have socialist ideas without a brain to back them up.

Furthermore, although our senators and Congresswoman and Governor gave nice speeches earlier, much earlier, they forgot one thing.

All Wyoming has to do is assert their 10th amendment sovereignty.

We are a sovereign state, and nowhere does the Declaration of Independence, United States constitution or the bill of rights authorize any alphabet agency to go beyond the 10 square miles of the Washington D.C. or our territories and possessions like Guam, Puerto Rico and the Virgin Islands.

They have no sovereignty in any of the 50 states, including Wyoming.

We are a sovereign state, and as Ronald Reagan told me at one of his rallies before he was elected President in Houston in 1980, we are a nation of 50 sovereign states, and the man was right.

Now, another thing, let's look at the EPA's track record.

They were created by the National Environmental Policy Act of 1970.

They came into existence in 1971.

Two years later in the summer of '73 they came into Houston and declared that over 2 million people were going to have to drive 75% fewer miles in order to reduce air

pollution.

They didn't say how you were going to get to work or get to school or do your shopping or do whatever you had to do.

Just wave the magic wand and everyone drive 75% fewer miles.

We ran them out of town on the rail.

We had well over a thousand people there, including all of the top elected officials of Harris County and the City of Houston said no to the EPA, and when they went running with their tail between their legs, they said, oh, that was just a suggestion.

It was not a suggestion.

They were going to try to force those draconian measures upon us.

And the EPA just a week ago released -- began releasing over 3 million gallons of the worst toxic sludge you've ever seen in your life into the Animas River near Durango, Colorado, and now they have the audacity to say that, oh, the water is safe now, you can drink it again.

I would like to see the top 10 EPA officials drink the water from that river.

They're liars and the global warming greenies are lying to the American people because since January 1st of '85, while eight states have set or tied all-time record lows, 16 states have set or tied -- I am I sorry while eight states have set or tied all time record highs, 16 states have set or tied all-time record lows.

We're having global cooling.

Will be all due respect, John, time is up.

Thank you.

Carole.

I don't even have Carole.

>> I'm sorry.

>> LIZ O'BRIEN: Is buck McVeigh not here?

Sorry Carole, but he is next.

>> That's all right.

I didn't know the order.

>> LIZ O'BRIEN: Thanks.

>> Good afternoon.

I just want to thank you all for this -- providing me this opportunity and for coming all the way out to Wyoming.

My name is Buck McVeigh and executive Director of the Wyoming taxpayers association, and my association, really we represent all taxpayers in the state, and this is everything from large companies to family businesses to -- from mineral producers to ranchers, elected officials, all the way down to the private citizen.

We're certainly a friend of coal, but we're a friend of all the taxpayers here in our state, and as you folks have witnessed firsthand, we're pretty proud of our state.

I'm born and raised here in Wyoming.

I've raised four children and put them all through fine schools that were funded by mineral revenue, and that's something that we all want to hang on to certainly here in our state.

I don't think our way of life is something that we really want to see changed here.

Currently mineral income represents about 62% of our total income here, and as a

result of that, the national tax foundation gave us the score of -- we have the lowest household tax burden in this nation.

And we're pretty darned proud of that.

And we think the extractive industries, which are in fact the most heavily taxed industry in our state, we thank them a tremendous amount.

So I'm not going to stand up here and repeat a bunch of the information that you've already heard, but I would emphasize that good policy, be it tax policy or environmental policy, we urge you to be based on fact, not anecdotal information.

I think the media has shown us that they tremendously sensationalize everything when it comes to the mention of coal.

I got a kick out of -- there was a picture associated with a story several weeks ago, and it showed the stacks at a coal-fired generation plant putting out steam.

Well, the way that they couched this photo and touched it up, it looked like it was putting out black smoke.

I urge you all to take a tour of a coal-fired power plant and tell me how much pollution you really see coming out.

They're very clean, very efficient, and with that I hope that you will stand in support of this industry and stop slapping it.

Thank you.

>> LIZ O'BRIEN: Thank you.

Is your name Morgan?

You're Travis.

I just want to check and make sure that Morgan Carlson is not here.

How about Amy Vonsavoy.

Amy not here either?

Okay.

Travis, you're up.

>> My name is Travis, I'm Assistant Director of the Wyoming mining association.

We represent 39 companies in the state of Wyoming, mining coal, uranium, trona, bentonite and rare earths.

We also represent about 130 associate member companies that provide the supplies and services to our mining companies.

And we also support about 150 individual members and two railroads.

So I want to thank you all for taking the time to be here, to come to Gillette, Wyoming, and taking the time to hear from the real people that will be impacted by your other mull decision in this matter.

You know, we think it's a solution in search of a problem.

The BLM's Coal Leasing Program by any -- has been a remarkable success by any reasonable measure.

And the idea that the American taxpayer is getting shortchanged is simply wrong.

We hope you've heard some of that today.

We're the top produce -- coal producing state in the nation and the vast majority of this nation is coming from Federal land in the Powder River Basin.

Our mines are large, efficient and safe operations and our reclamation and environmental stewardship is second to none.

You've heard a lot of this stuff already but I will go to a -- one thing.

In the past two decades bonus bids, among other things, coming from Federal coal leasing have totaled over \$2.6 billion and this revenue has been dedicated in the state of Wyoming to building schools, supporting community colleges, building highways and keeping the tax burden low on Wyoming families, and every county in Wyoming, not just Campbell county, has been benefited from these revenues.

So the idea we're somehow not getting a fair return, boy, that assertion that we're not -- I mean, some of the arguments that we heard were specious to the point of dishonesty.

We're getting a fair return from the coal leasing problem program.

It creates great value not only from those who directly benefit like we do in Wyoming but also provides value to those across America who rely on affordable electricity.

The report last year from the government accounting office called for more transparency and some process improvement while confirming the Federal coal leases for Wyoming are being managed in responsible fashion.

This state is doing it right and so we encourage you to do that.

As the Department pursues its review we believe it is imperative to look at the areas where actual improvements can be made to make the program better.

We support addressing the lengthy and costly time frames for acquiring and processing leases, determining fair market and, of course, supporting increased transparency.

You are charged with ensuring that the resource is managed responsibly and we would hope that the agency would take steps to ensure the political efforts to use the coal lease program to further the burden the industry and curb coal use are -- are in no one's interest.

The BLM must look at improvements to manage the resource appropriately in a manner that does not put it off limits or make it noneconomical to mine for political reasons.

We're not being shortchanged.

Again, thank you for being here.

The program is working.

And you've heard it today.

So thanks.

>> LIZ O'BRIEN: Thank you.

I need to do a little check here.

Is Natalie Harris here?

No?

Michael?

Okay.

Carole?

Carole, you're up.

>> Thank you.

My name is Carole Seger.

I'm a deputy county attorney here in Campbell county.

I have lived in this community for a little over 20 years.

I came here by way of Missouri, which, incidentally, is a large consumer and user of

Wyoming coal.

My sister lives in a small town called Washington outside of St. Louis, Missouri, along the Missouri River, and she sees Wyoming coal pass through her community daily, and says she thinks of me fondly when she sees it.

I wanted to speak -- the letter of solicitation indicated that you were interested in the level of royalty rates and its effect on state and local revenues, and I wanted to point out today, I know you have heard a lot of numbers thrown about, and I know you know that the contribution, the tax contribution, is significant.

In response this spring to the ONRR I submitted comments on behalf of Campbell county that coal contributed to over 1.22 billion to the state of Wyoming and local governments just in 2012 alone.

What's significant about this, what came to my attention, is that any increase in the royalty rate is going to directly mean lower revenue in the form of severance and ad valorem taxes to the state of Wyoming which, of course, collects the severance tax, Campbell county collects an ad valorem tax, because for purposes of assessment for the ad valorem tax, that fair market value, the amount of that mineral royalty paid to the Federal government is a straight write-off against that amount.

So I just wanted to point out to you the impacts to state and local governments like Campbell county in the event the mineral royalty were to be increased.

I thank you for your time and the opportunity to speak today.

>> LIZ O'BRIEN: Thank you.

>> I'm Scott.

>> LIZ O'BRIEN: Okay.

>> Welcome to Gillette, Wyoming, energy capital of the world.

Thanks for coming.

My name is Scott Durgan, vice president with Peabody energy in the PRB.

I would like to offer a few comments on the Federal coal leasing process.

There seems to be a perception on the part every some people that coal companies, especially those operating in the Powder River Basin, are depriving the American taxpayer of value on the Federal coal.

In doing so those who make these claims have painted a picture of coal companies as corporations getting a free ride at the public's expense.

They contend, therefore, that the program is broken and needs to be fixed.

Few verifiable facts have ever been offered to support this.

A look at the Coal Leasing Program in Wyoming suggests the opposite.

Coal companies contribute significantly under the current leasing program while at the same time taking a tremendous business risk.

The risk that they may not obtain the lease on the coal at all.

When added together, royalties, taxes and fees, we've talked about it before, it's an effective rate of 40%.

I contend the leasing process is not broken and does not require repair.

First we need to recognize the leasing program in the Powder River Basin as defined by the rule as lease on application process.

This means that leases can be nominated by a company for maintenance or continuation of existing operations.



This program was developed by BLM tech aids ago when it was determined that the BLM's selection of lease tracts was not a successful process.

The former leasing process SES did not result in successful lease sales and therefore did not provide any return on the coal resource to the American taxpayer.

Simply requiring -- acquiring a lease takes five to six years.

Then you got to get permits, and at the end of the day, it rolls up to almost 10 years later.

That's a significant risk that a company is taking 10 years out.

Secondly, the investment associated with qualifying for and acquiring a lease is enormous.

I am describe three major cost components.

There is facility investments, development costs, and then also the bonus bids.

Taken together these three costs become a billion-dollar ante to participate lease on application process.

The majority of this occurs prior to mining a single ton of new coal.

The significance of this is not only the risk associated with this investment, but the facts that this limits the number of entities who may have the capacity to participate in the process.

And remember that production and sale of coal then triggers the payments of royalties, fees and a variety of Federal, state and local taxes.

The lease on application process is inherently risky even without long-term investment.

At any time in the process the BLM can conclude on the basis of public comment or information collected -- in conclusion -- I guess what I was trying to say, there's a lot of public comment in there and some of the people that were -- testified earlier have utilized that comment and make the delays and make it harder and harder.

In conclusion, please consider that there are few if any programs in the United States which the participant pays a higher price and takes more significant financial risk.

Acquisition --

>> LIZ O'BRIEN: Scott, I'm sorry.

>> Remember, that a ton of coal never sold due to uncompetitive prices and companies unwilling to take a risk generates no tax revenue at all.

>> LIZ O'BRIEN: Thank you.

I'm going to call up who I believe is still here as our speakers.

There's only a few left.

Here we go.

Mary sanden, Scott Clem, Tom -- ooh -- I can't read and you can't write.

What can I say?

Ted Lapis, David Miller, Brian Miller, Phil of the can't write either club.

Okay.

Phil.

Could you all come up to the -- to either mic, please.

I'll say it again.

Mary, Scott Clem, Tom, Ted Lapis, David Miller, Brian Miller, Phil of the can't write club.

Just step up, please, step up to the microphone.

And if you want to, you can come over to this mic, too.

>> Good afternoon.

My name is Tom.

I'm a retired -- semi retired miner of 28 years, and a licensed professional geologist in the state of Wyoming.

I moved here because of coal.

I have seen where mining communities have either mined out their reserves or through taxation have gone by the way of the western ghost towns.

What I would like to say briefly is cover three topics real quick.

Wealth, weather and research.

On the topic of wealth, there are only five ways that you can create wealth in this country or the world.

You either got to plant it, that's farming, you either got to kit, that's logging industry, or you got to catch it, that's the fishing, or you drill it, that's oil, or you got to dig it, mining.

We here in the basin and in this country are blessed with a wonderful resources where we are able to generate and create wealth.

If you increase the tax you are thereby decreasing the wealth of this country.

As we have talked about, 40% of our electrical generation in this country is from coal.

I ask a rhetorical question, how do you replace it?

Do you replace with it nuclear reactors?

Nobody wants a reactor in their backyard.

So enough said on that.

But we've got to protect our natural wealth.

One of the ways is do not tax it to be out of competition.

Second thing is weather.

We have heard things about weather, global warming.

News flash, class.

2.5 billion years ago this planet was an ice planet.

We were covered in ice.

If I get my numbers right, 200 million years ago this was a swamp.

This is why we have coal.

70 feet of rotted vegetable matter creates one foot of coal.

If we look at the Cretaceous, we're led that Jurassic park is where the big dinosaurs were.

Sorry, they were only about the size of greyhounds.

Our global temperature on the earth averaged 130 degrees Fahrenheit.

We are in constant change.

We are always in change.

When I went to school, the Missouri school of mines many years ago, the word was we're headed for a Glacier.

We've got to do something.

Success.

We did.

We're now in a flux.

And that flux is we're between two ice ages.

We're going to get it.

The last thing I want to cover real quick, research, research.

Let's more -- invest more in CO2 sequestration.

Let's look at how we can take those carbon emissions and take care of them and by putting them in the ground.

Our Canadian neighbors are doing it.

Japan is doing it.

We need more research.

But ultimately we need to protect our most valuable resources and one of them is coal.

Thank you.

>> LIZ O'BRIEN: Thank you.

I don't know who you are.

>> Brian Miller.

>> Could you step a little closer to the mic and introduce yourself.

>> Brian Miller from Sheridan, Wyoming.

I'm an entrepreneur and a very concerned citizen of this great state.

I had a big speech planned to really go into a lot of detail and I thought maybe I'll just get up here and talk.

Instead I'm going the third route.

Thank you all for being here.

Thank you all -- everybody who spoke today.

And thanks for letting me speak.

The argument, as we've seen today, I think, that Americans are not getting their fair share of the profits is a farcical one.

It's a false argument.

I think concocted to support the EPA's plan.

It's politics at the worst.

Why in this land should actually belong to the state of Wyoming.

It's not in Washington D.C.

So our resources that we should be managing as a state for our people.

They were used as a national resource.

I understand why it originally was, but that land should belong to the state.

Second, this tax isn't really intended to benefit it's our citizens.

It's a ploy to raise funds for new spending in Washington D.C. and for more and more programs that create greater dependence on programs in order to consolidate more power in Washington.

Third, this tax increase is being pushed in order to drive the cost of coal and eventually other fossil fuels to levels that make the much more costly renewable fuel systems seem much more palatable to the average American and in the public eye.

These increased costs to energy production and use will be passed on to us, we, the citizens.

Bottom line is that this tax is effectively a hidden U.S. tax, disguised as a fairness tax.

The only fair part of this tax is that it will increase the cost of everything for everyone while killing jobs and our nation's growth.

Thank you again for listening.

One of the -- I don't know if -- most of the folks in the room know about a book called "this is Wyoming - listen."

It was put out years ago.

You are here in Wyoming, hearing from people in Wyoming.

Please listen to what we have to say.

>> LIZ O'BRIEN: Sir your name is?

>> Ted Lapis.

>> LIZ O'BRIEN: Thank you.

>> I live in Sheridan.

I have been a technical rep and talked with 150 mines or so around the United States and Canada.

In the 1890s the mines in the state of Wyoming tried to help themselves by developing a higher BTU per pound product.

That coal beneficiation was essentially shut down by the railroad industry who, as a quip I'll just put it this way, the railroad industry indicated that they didn't haul diamonds for the same rate they were going to haul coal, which essentially meant that they were going to take more of the profits than the coal mines were going to get from investing in coal beneficiation research.

That was an unfortunate occurrence and partly due to the fact that lots of people tried to find out who owned Burlington Northern at that time but the laws in Nebraska were very opaque.

Warren Buffett has solved that issue by buying it and Berkshire Hathaway is certainly more sensitive to public opinion than the anonymous investors in Burlington Northern at that time.

The idea providing a better product -- or a different product -- is one that needs to be explored.

The Interior Department of the United States and the state of Wyoming both have an interest in promoting coal and coal products.

I personally believe that the future of coal may not be as a product for burning.

I believe that we need carbon dioxide to produce the oil that's underneath the water in this country.

For 100 years everybody in the oil industry knew that you stopped drilling when you hit water, and now we know that we have more than 100 billion barrels of oil under the water, a residual oil zone needs carbon dioxide to produce it and for each ton of coal, you get about two tons of carbon dioxide.

We can make coal into products that don't burn.

We can inject it into the ground, help our oil production and oil -- domestic oil production will help us and injecting the carbon dioxide will help the environment.

Thank you.

>> LIZ O'BRIEN: Thank you.

>> My name is Phil dens more.

I am speaking on my behalf today.

First I would like to say that I'm humbled by the fortitude of all of you who have sat through four-plus hours of testimony here, and also I am humbled by the quality and the significance and the civility of all the comments have been made.

And so for that, when we're all done here, everybody should give themselves a round of applause.

That being said, there's one comment I think that hasn't been addressed, and it goes to the very final request by the BLM.

They ask in their specific issues they wanted addressed, what actions might the BLM take to address any of the issues listed above?

And one of the issues listed above is the leasing procedures.

And there was a comment earlier about the fact that the leasing process takes upwards of 10 years and it becomes a rather considerable investment and risk on the part of the companies.

I'd like to kind of elaborate on that a little bit by telling my story.

I've been in the coal business in Wyoming for nearly 40 years, about that much short of 40 years.

And in that 40 years I've spent a handful of years with the state regulatory agency.

I approved permits.

I denied permits.

I conducted inspections.

And I reviewed all sorts of technical materials submitted by coal companies and others.

After that I was selected as one of a team of five where we actually wrote the coal regulatory program for the state of Wyoming.

So I think I know a little bit about what happens in Wyoming with regard to the permitting.

But as part of that activity I got involved in the late 1970s with the BLM trying to understand their process and figure out how the coal permitting process in Wyoming would dovetail with that.

So my experience with the BLM has now spanned several decades, over 30 years.

And then I've spent more than 30 years with the coal mining industry.

I have worked for or consulted for virtually every company here in the Powder River Basin, and have been involved in the acquisition of literally hundreds and hundreds of permitting documents in the state of Wyoming.

After getting all those hundreds of documents, I've only seen two leases go from the very beginning part of the process to the point that coal was being extracted.

And it's because that process takes so long.

That process involves exploration up front, the leasing process, the permitting process with the state of Wyoming, and then a process with the OSM, which is also Department of Interior, which has now been expanded to be another year because of decisions made down in the [indiscernible] case.

My point is this, the process is long and it's very expensive, and if you want to do something to try and impact that program and make it a better return for the people of the United States, you can look for ways to actually improve or reduce the length of that process.

Thank you very much.

>> LIZ O'BRIEN: Thank you.

>> By the way, I seem to be the last speaker and I have some extra friends of coal stickers if any of you would be interested.

>> LIZ O'BRIEN: I think you're correct, Phil.

I think that is the last speaker on my list.

So I thank you for having a very respectful process and for staying until the very end.

>> MARY JO RUGWELL: I will not keep you long because I know everyone is tired.

I just wanted to echo something that the last speaker said.

I think this crowd is a great example of how people can have a difference of opinion and still be civil to one another, and I want to thank you for that, because I think that is really something that Wyoming -- this is really, to me, what Wyoming is all about, the ability to be civil, and I want to thank you for that.

Please remember that we're still taking comments.

We've got a box back there.

You can either give them to us in writing or get on the website [blm.gov](http://blm.gov), and just go from there.

And if you're interested in viewing a recording of this session, or any of the previous ones, they are going to be available at [blm.gov/live](http://blm.gov/live).

Again, thank you all for attending and have a great evening.