

CHAPTER 1: PURPOSE OF AND NEED FOR THE ACTION

COAL LEASE SALES

Purpose

The federal coal management program is administered by the Department of the Interior through the Bureau of Land Management (BLM). The program provides for competitive leasing of federal coal to ensure that adequate coal supplies are available to meet national long-term energy requirements and that sufficient reserves are available to continue existing production.

The Secretary of the Interior on April 29, 1983, established a leasing level range of 1.2 to 4.85 billion tons of recoverable reserves for proposed second round of coal leasing in the Powder River Region. Only federal coal is included in that leasing level.

The leasing level was established after analysis of potential production from planned and existing coal mines in the region and the projected demand for coal. This level was selected to ensure that sufficient coal resources would be offered to enhance industry competition. The selection of this level was based in part on new expressions of interest from industry totaling 3.1 billion tons, plus expressions totaling 3.4 billion tons "recycled" from the first round (1982) coal lease sale. To meet the leasing level established for the Powder River Region, the alternatives described in this document propose offering between 9 and 22 tracts for competitive leasing in 1984.

Need

The need for additional federal coal leasing is discussed in depth in the *Final Environmental Statement: Federal Coal Management Program* (USDI, BLM 1979a). Benefits of coal leasing defined in that study include greater assurance of meeting national energy objectives, significant legal and administrative advantages, and improvement of the state of competition in the Western coal industry. Another benefit mentioned is the promotion of more desirable patterns of coal development with the potential to reduce production costs and environmental impacts.

Overall guidance for the leasing process is provided by the Powder River Regional Coal

Team, which is chaired by the BLM state director from Oregon. Other members of the team are the BLM state directors from Montana and Wyoming and representatives of the governors of Montana and Wyoming.

A detailed discussion of methodologies for determining coal leasing levels may be found in the leasing level paper attached to the regional coal team's leasing level recommendation of February 14, 1983. The paper is included in the minutes of the Powder River Regional Coal Team's meeting, which are available at the BLM's Wyoming State Office, 2515 Warren Avenue, Cheyenne, Wyoming 82001.

Factors considered in establishing the leasing level are productive capacity, inventory, contracting rate, expressions of interest, past sales, and minimum leasing. The inventory method yielded a leasing level of 1.4 to 3.8 billion tons; the contracting rate method indicated a range of 0.65 to 1.65 billion tons. Expression of interest methodology indicated a range of 2.5 to 3.1 billion tons, and a minimum leasing methodology indicated a range of 1.4 to 2.4 billion tons.

Although there are some indications of a decrease in the market demand for reserves, industry has continued to express a significant level of interest in leasing federal coal in this region. A memorandum from the director of the Bureau of Land Management dated March 17, 1983, expresses the opinion that a leasing level of 1.2 to 4.85 billion tons of recoverable reserves will satisfy the demand, increase competition within the region, address the nation's energy needs, and provide for an inventory of leased reserves to accommodate any unforeseen needs.

Background

The federal coal management program establishes coal production regions in the United States and provides for sales of coal leases in those regions to help meet the nation's projected energy demands. The area dealt with in this EIS is the Powder River Coal Region, which comprises all or parts of Natrona, Converse, Johnson, Campbell, Sheridan, Crook, and Weston counties in northeastern Wyoming and Rosebud, Big Horn, and Powder River counties in southeastern Montana. The coal region is portrayed on the Location map in the front of this document and the Regional Activity map in the back pocket.

Purpose and Need

The EIS for the first round of Powder River Coal Region leasing, the *Final Powder River Regional Coal Environmental Impact Statement* (USDI, BLM 1981b), was released in December 1981. Twelve tracts were sold in 1982, and leases have been issued for all of them. However, litigation was filed by the National Wildlife Federation and the Northern Cheyenne Indian Tribe against the leasing action. The complaints contended that land use planning had not been adequate and that effects on the Northern Cheyenne Indian Tribe had not been considered. A ruling is still pending on that litigation.

The Northern Plains Resource Council, in affiliation with the Tongue River Agricultural Protection Association, the Rosebud Protection Association, and the Tri-County Ranchers' Association, filed a petition alleging that certain lands in Rosebud and Powder River counties, Montana, were unsuitable for surface coal mining. That petition (Tongue River Petition, December 1980) was filed under section 522 of the Surface Mining Control and Reclamation Act of 1977. A petition evaluation document releasing in January 1982 by the Office of Surface Mining Reclamation and Enforcement (OSM), U.S. Department of the Interior, denied the petition.

In preparation for the second round of federal coal leasing in this region, the Powder River Regional Coal Team has held public meetings to consider the various phases of the process that has led to the publication of this EIS.

The federal coal leasing program is fully described in the *Federal Coal Management Regulations* (43 CFR 3400) and in the following publications by the Bureau of Land Management: *Final Environmental Statement: Federal Coal Management Program* (1979), *Secretarial Issue Document: Federal Coal Management Program* (n.d.), and *The Federal Coal Management Program: A Narrative Description*. File copies of these documents are available for inspection at the Bureau of Land Management, Office of Public Affairs, 18th and C Streets, NW, Washington, D.C. 20240.

Procedure

Land Use Planning

The first step in the coal leasing process is land use planning, through which areas are identified that are suitable to be considered for coal leasing. The potential coal lease tracts analyzed in this

EIS have been delineated from the acceptable areas identified in the land use plans.

In identifying acceptable areas, the BLM applies the following four "screens."

Only areas with high or moderate potential for coal development area considered.

The unsuitability criteria of the federal coal management program are applied (43 CFR 3460), and areas found unsuitable for mining are excluded from consideration for leasing.

Multiple use decisions in land use planning may preclude coal development in certain areas.

Surface owner consultation permits owners to express preference for or against leasing. Some areas may be precluded from development if there is significant opposition.

The land use plans that have been completed are consistent with local and state land use plans. As a result of the unsuitability assessment, some areas have been dropped from further consideration for leasing. In addition, tract-specific mitigative measures have been developed to protect threatened or endangered wildlife species, alluvial valley floors, and other special features (see appendix C). Documentation of the land use planning process is on file at the BLM District Offices in Miles City, Montana, and Casper, Wyoming.

Expressions of Interest

After land use planning was completed, the BLM called for expressions of interest in leasing from industry. The expression of interest included information on the area of interest, desired tonnages, and whether surface or subsurface mining was proposed. The information is on file at the district offices in Casper and Miles City.

Tract Delineation and Tract Profiles

After receiving the expressions of interest, the BLM delineated tracts of high to moderate coal potential that might be offered for leasing. A "tract profile" was then prepared for each tract. Each profile combined a tract delineation report, which focused on the coal resource facts, and a site-specific analysis, which considered environmental, social, and economic factors. Tracts selected for further study are shown on the Regional Activity map at the back of this document.

Purpose and Need

Tract profiles are a concise presentation of tract-specific facts. They serve as the foundation for analysis of impacts associated with the proposed action: to lease coal in the Powder River Region and are integral to the regional cumulative analysis documented in this EIS, which is prepared for compliance with the Nation Environmental Policy Act of 1969.

The BLM also prepared a summary brochure, *Powder River Coal Region Tract Summaries* (USDI, BLM 1983), which served as a concise source of pertinent facts about the tracts. The tract profiles and the summary brochure are available upon request from the Casper BLM District Office, 951 Rancho Road, Casper, Wyoming 82601.

Tract Ranking and Selection

At a public meeting on June 21, 1983, the Powder River Regional Coal Team (1) ranked the tracts as having high, moderate, or low desirability for coal development, (2) selected tracts for consideration in the EIS, and (3) formulated leasing alternatives. Factors considered in ranking the tracts fall into three general categories: coal data, environmental data, and socioeconomic data. Table 1-1 contains information on the acreage and tonnage of each tract selected; table 1-2 contains more information on the ranking factors; table 1-3 shows the ranking of selected tracts. A detailed discussion of the ranking and selection process appears in the minutes of the coal team's meeting.

Formulation of Alternatives

The Powder River Regional Coal Team grouped the tracts into six alternatives, a "no leasing" alternative and five leasing alternatives. Table 1-4 shows the tracts included in each alternative. Alternative 2 contains only the highly desirable tracts, with successively higher leasing alternatives adding the tracts ranked "moderate" and "low." A "maintenance" tract, as listed on table 1-4, has a small quantity of reserves and could logically be mined as part of an existing operation. In contrast, a "competitive" tract contains sufficient reserves to open a new mine.

Alternative 1, the "no leasing" alternative, assumes that the current regional industrial development would continue but that no new competitive federal coal leases would be offered. Existing industrial developments, the "baseline" for this

EIS, are listed in appendix B and are shown on the Regional Activity map.

Leasing alternatives as shown on table 1-4 cover a range of coal reserves from 0.997 billion tons to 4.515 billion tons. This range is only slightly lower than the recommended coal leasing level for the region. A 900-megawatt coal-fired generator has been proposed in the development of the Mud Springs tract. That tract is included in Alternatives 3, 4, and 6.

On the basis of the analysis of alternatives in this EIS, the BLM recommends that Alternative 5 be selected as the preferred alternative. This recommendation of the BLM does not reflect the desires or wishes of the Powder River Regional Coal Team or the Governors of Wyoming or Montana. It was selected for purposes of analysis only, and the recommendation is subject to change.

Public Involvement

Meetings

After the release of the coal leasing level decision and selection of tracts, the Powder River Regional Coal Team held scoping meetings in May and July 1983 to identify public concerns and to allow the public to review and comment on the issues and alternatives. The meetings were held as follows: Gillette, Wyoming, May 24; Sheridan, Wyoming, May 25; Ashland, Montana, May 26; Hardin, Montana, July 12; and Sheridan, Wyoming, July 13. Written comments were accepted for a 15-day period after each round of meetings. Comments received did not result in identification of any totally new issues within the scope of the EIS, but the preliminary issues were elaborated on, and concerns were expressed about specific areas or conflicts.

Issues

Issues identified through the BLM's land use planning system and through the scoping process, and determined to be within the scope of the EIS, are as follows:

General

- The effectiveness of mitigation
- Impacts on agriculture from mining
- The effect of not maintaining a coal industry

TABLE 1-1
COAL DATA BY TRACT

Tract	Coal Ownership (acres)			Recoverable Reserves (millions of tons)					Companies Expressing Interest	
	Federal Uncommitted	Federal Committed	Pri- vate	Total	Uncom- mitted	Federal Com- mitted	State	Pri- vate		Total
<u>Wyoming</u>										
Youngs Creek	3,310		640	4,585	388		53	94	535	Coastal States Energy; Ash Creek; Shell; Basin Elec.; Central & Southwest Fuels; Western Fuels
Hidden Water	6,285		640	8,885	163		100	19	282	Peter Kiewit & Sons
Calf Creek	6,010	360	640	7,050	694	16	28	3	753	Shell; U.S. Steel; Old Ben; Texaco; Mobil
Hay Creek	5,250		120	5,370	447		16		463	Old Ben; Texaco; Mobil; Peter Kiewit & Sons
*Donkey Creek	600		640	1,940	49	75	4		128	Wyodak Resces. Devel. Co.
Timber Creek	3,350		640	3,750	165			9	174	Br Idgeview Coal Co.
Mount Logan	6,165		640	6,805	410		42		452	U.S. Steel; Exxon; Gulf
Kintz Creek	4,080			4,200	282				284	Wymo; NERCO, Inc.; Exxon; Gulf; U.S. Steel; Shell
Thundercloud	3,845		640	4,525	445	13	78	5	528	Anaconda Mining Co.
*Porcupine	560		160	720	26				39	North Antelope Coal Co.; Rochelle Coal Co.
Ridgerunner	4,610		720	5,330	415		25		440	NERCO, Inc.
Wyoming total	44,065			53,160	3,484				4,078	
<u>Montana</u>										
*Colstrip Main-tenance	240			240	2				2	Western Energy
*Colstrip Area C	1,481		76	5,136	34	21		40	95	Western Energy
*Spring Creek	280		640	3,285	11	232	16		259	NERCO, Inc.
*North Decker Ia	510			2,871	14				14	Decker Coal Company
*North Decker IIa	921			3,281	13				13	Decker Coal Company
*Wolf Mountain Maintenance	598			1,371	31	34		18	83	Peter Kiewit & Sons
Downey Coulee	4,709		640	11,855	77		6	116	199	Peabody Coal; Meridian Land and Mineral
Ashland (Decker-Bitney)	1,949		640	5,528	110		51	186	347	Cities Service Company; Meridian Land and Mineral
Northwest Otter Creek	1,350		640	5,475	89		56	173	318	Cities Service; Chevron; Meridian
Hanging Woman	9,144		720	9,864	373		27		400	Kendrich Cattle Co.; Lee Techni-Coal for Cyprus Coal Co.
Mud Springs	7,720		480	8,200	277		23		300	Utah International
Montana total	28,902			57,106	1,031				2,030	
Region total	72,967			110,266	4,515				6,108	

* Maintenance tracts. a. Committed coal is the same for North Decker I and North Decker II.

TABLE 1-2
TRACT RANKING FACTORS

Coal Resource Data	Effects on the Natural Environment
Economic viability	Wildlife habitat
Ratio of recovered BTUs per acre of surface disturbance	Reclamation potential
Energy production potential: to what extent is development of the tract economically feasible? How likely is development? (Economy of scale is included.)	Effects on quality and quantity of surface water and groundwater
Transportation: Proximity of mine to expected use or transportation facility. (Requirements for new construction are taken into account.)	Effects on air quality
Bypass potential if tract is not mined at this time.	
Potential for later delineation. (This relates to tracts carried over from the first round. Would deferring sale of tract make possible a more viable tract for a later sale?)	
Expansion of existing mines	
Inclusion of state lands (tracts that contain state lands are ranked higher than those without state lands)	
	<u>Socioeconomic Effects</u>
	Disruption of family farms/ranches
	Reduction of economic viability of each farm/ranch unit.
	Loss of family farm concept
	Changes in agricultural productivity
	Temporary loss of land to mining
	Changes in rural quality of life
	Changes in communities, Indian reservations, local community services
	Conflict with other plans or policies (state and local) for development

Minerals

The relationship of preference right lease applications to the coal leasing program and the EIS

The need for new leasing

Soils

Impacts on stabilization of soils

Vegetation

Questions about types of vegetation used for reclamation

Loss of riparian vegetation

Water Resources

Impacts on water quality from the contamination, aquifer destruction, and increased population

Impacts on water quantity, including water availability for other users, increased populations, and maintenance of existing operations.

Land Use

No contact with adjacent landowners by mining interests

Impacts of living next door to a coal mine

Wildlife

Impacts on wildlife habitat

Cultural Resources

Impacts on cultural resource values and religious sites

Noise

Impacts of increased noise levels

TABLE 1-3
RANKING OF SELECTED TRACTS

Tract	Recoverable Reserves (in millions of tons)		Coal Factors	Environ- mental Factors	Socioeco- nomic Factors	Overall Ranking
	Federal	Total				
<u>Wyoming</u>						
Youngs Creek	388	535	H	H	H	H
Hidden Water	163	282	L	H	H	M
Calf Creek	694	753	H	M	M	M
Hay Creek	447	463	M	H	H	H
Donkey Creek	49	128	H	H	H	H
Timber Creek	165	174	H	H	H	H
Mount Logan	410	452	M	M	M	M
Kintz Creek	282	284	M	H	H	H
Thundercloud	445	528	H	H	H	H
Porcupine	26	39	H	H	H	H
Ridgerunner	415	440	H	H	H	H
<u>Montana</u>						
Colstrip Maintenance	2	2	H	H	H	H
Colstrip Area C	34	95	H	H	H	H
Spring Creek	11	259	H	H	H	H
North Decker I	14	14	H	H	H	H
North Decker II	13	13	M	H	H	H
Wolf Mountain Maintenance	31	83	H	H	H	H
Downey Coulee	77	199	M	L	L	L
Ashland (Decker-Birney)	110	347	M	L	L	L
Northwest Otter Creek	89	318	M	L	L	L
Hanging Woman	373	400	M	M	L	M
Mud Springs	277	300	M	M	L	M

NOTE: "H" indicates high desirability for leasing, not high impact to the factor considered.
"M" indicates medium desirability for leasing; "L", low desirability.

TABLE 1-4
ALTERNATIVES FOR PROPOSED 1984 COAL LEASE SALE
POWDER RIVER REGION
(federal uncommitted recoverable reserves in billions of tons)

<u>ALTERNATIVE 1</u>			<u>ALTERNATIVE 5</u>		
No Leasing			<u>Wyoming Tracts</u>	<u>Reserves</u>	<u>Totals</u>
<u>ALTERNATIVE 2</u>			Thundercloud(H)	0.445	
<u>Wyoming Tracts</u>	<u>Reserves</u>	<u>Totals</u>	Timber Creek(H)	0.165	
Thundercloud ^a (H)	0.445		Kintz Creek(H)	0.282	
Timber Creek(H)	0.165		Porcupine (mtce.)(H)	0.026	
Kintz Creek(H)	0.282		Mount Logan(M)	0.410	
Wyoming total		0.892	Youngs Creek(H)	0.388	
			Donkey Creek (mtce.)(H)	0.049	
<u>Montana Tracts</u>			Hidden Water(M)	0.163	
Maintenance tracts ^b (H)	0.105		Wyoming total		1.928
Montana total		0.105	<u>Montana Tracts</u>		
<u>ALTERNATIVE 2 TOTAL</u>		0.997	Maintenance tracts ^b (H)	0.105	
			Ashland (Decker-Birney)(L)	0.110	
			Northwest Otter Creek(L)	0.089	
			Hanging Woman(M)	0.373	
			Montana total		0.677
<u>ALTERNATIVE 3</u>			<u>ALTERNATIVE 6</u>		
<u>Wyoming Tracts</u>	<u>Reserves</u>	<u>Totals</u>	<u>Wyoming Tracts</u>	<u>Reserves</u>	<u>Totals</u>
Thundercloud(H)	0.445		Thundercloud(H)	0.445	
Timber Creek(H)	0.165		Timber Creek(H)	0.165	
Kintz Creek(H)	0.282		Kintz Creek(H)	0.282	
Wyoming Total		0.892	Porcupine (mtce.)(H)	0.026	
<u>Montana Tracts</u>			Mount Logan(M)	0.410	
Maintenance tracts ^b (H)	0.105		Youngs Creek(H)	0.388	
Ashland (Decker-Birney)(L)	0.110		Donkey Creek (mtce.)(H)	0.049	
Mud Springs(M)	0.277		Hidden Water(M)	0.163	
Montana total		0.492	Calf Creek(M)	0.694	
<u>ALTERNATIVE 3 TOTAL</u>		1.384	Hay Creek(H)	0.447	
			Ridge runner(H)	0.415	
			Wyoming total		3.484
<u>ALTERNATIVE 4</u>			<u>Montana Tracts</u>		
<u>Wyoming Tracts</u>	<u>Reserves</u>	<u>Totals</u>	Maintenance tracts ^b (H)	0.105	
Thundercloud(H)	0.445		Ashland (Decker-Birney)(L)	0.110	
Timber Creek(H)	0.165		Mud Springs(M)	0.277	
Kintz Creek(H)	0.282		Northwest Otter Creek(L)	0.089	
Porcupine (mtce.)(H)	0.026		Hanging Woman(M)	0.373	
Mount Logan(M)	0.410		Downey Coulee(L)	0.077	
Youngs Creek(H)	0.388		Montana total		1.031
Wyoming total		1.716	<u>ALTERNATIVE 6 TOTAL</u>		4.515
<u>Montana Tracts</u>					
Maintenance tracts ^b (H)	0.105				
Ashland (Decker-Birney)(L)	0.110				
Mud Springs(M)	0.277				
Northwest Otter Creek(L)	0.089				
Montana total		0.581			
<u>ALTERNATIVE 4 TOTAL</u>		2.297			

a. Letters in parentheses indicate ranking of the tract's desirability for leasing as high, moderate, or low.

b. Maintenance tracts in Montana are as follows (billions of tons in parentheses): North Decker I (0.014), Colstrip C (0.034), Wolf Mountain Maintenance (0.031), Spring Creek (0.011), Colstrip Maintenance (0.002), and North Decker II (0.013).

Purpose and Need

Air Quality

Impacts on air quality

The total number of air quality permits in the region

Visibility standards and impacts on Class I areas in the region

Transportation

Impacts on transportation systems (highways and railroads)

Economics and Social Values

Impacts on local governments

Impacts on community facilities such as housing, roads, schools, water and sewer facilities, police and fire protection, and health care

Impacts to Indian reservations

Impacts on lifestyles

Impacts on local labor forces—unemployment from imported labor forces and population increases

Issues Not Addressed

Some of the issues identified before and during the scoping process are beyond the scope of the EIS, have been covered by prior environmental review, or are not considered to have a significant effect on human environment within the area of study. Those issues are listed below.

Whether it is advisable to lease additional coal while the current coal market is soft; the possibility of selling public resources in a manner that maximizes, through competition, the monies returned to the federal, state, and local treasuries

The ability of surface owners to manipulate the sale of lease tracts

Impacts associated with construction of the coal slurry pipeline by Energy Transportation Systems, Inc.

OTHER TYPES OF COAL LEASING

In certain circumstances federal coal leases may be granted by other means than in competitive lease sales. Other methods of coal leasing in the Powder River Region are described below.

I-90 Exchanges

Public Law 95-554, dated October 30, 1978, authorized the Secretary of the Interior to consider the exchange of specific coal leases that are crossed by Interstate Highway 90 for leases on other federal coal. Six leaseholders were affected by this law. Carter Mining Company received an exchange in 1982. The proposals for exchange of three applicants, Carter, Gulf, and Wyodak, were analyzed in the EIS for the 1982 coal lease sale (USDI, BLM 1981b). Three other proposals for exchange, from Big Horn, Kerr-McGee, and Belco, are assessed in this document as part of the baseline. Site-specific environmental assessments (EAs) will be prepared at a later date.

Preference Right Lease Applications

Under the Mineral Leasing Act of 1920, the Secretary of the Interior was authorized to issue exploration permits for land where the existence or workability of coal resources was unknown. A permittee who could demonstrate, during the term of the permit, the existence of commercial quantities of coal was entitled to a "preference right lease"—that is, a noncompetitive lease. Provisions for prospecting permits were repealed in 1976, but current federal coal regulations (43 CFR 3430) provide for processing of pending preference right lease applications (PRLAs).

There are 67 PRLAs in the Powder River Region. Seven PRLAs have been rejected; all are under appeal. The cumulative impacts of development of these PRLAs, as depicted in the initial showings submitted by the applicants, are assessed as part of the baseline in this document. Site-specific EAs have been done for all of these PRLAs.

Purpose and Need

Northern Cheyenne Coal Exchanges

Under Public Law 96-401, the Secretary of the Interior is authorized and directed to negotiate a cancellation agreement between the Northern Cheyenne Indian Tribe and parties holding leases or permits on tribal land. Such an agreement would provide for issuance of a noncompetitive lease for lands adjacent to existing operations and/or for issuance of a certificate of a coal lease bidding right for an amount equal to the investment made by each party.

The deadline for an agreement on leases was November 1, 1980, and permits had to be agreed upon by January 1, 1982. Peabody Coal Company, with six leases and three permits, made a settlement agreement with the Northern Cheyennes on October 30, 1980, for a noncompetitive lease on lands in Rosebud County, Montana. This agreement, which covered the Greenleaf-Miller project, is included as part of the baseline of this EIS.

Eight other permits were held by five other parties. AMAX negotiated successfully for lands adjacent to the Belle Ayr Mine in Campbell County, Wyoming. Consolidation Coal Company (CONSOL), with one permit, is seeking lands adjacent to its CX Ranch property in Big Horn County, Montana. Chevron Oil Company, with one permit, is negotiating with CONSOL for a percentage of CX Ranch and is seeking land adjacent to that lease. Negotiations with the remaining permit holders were not concluded before the statutory deadline. Any pending claims for compensation will now have to be submitted to the U.S. Court of Claims for resolution.

Substantial amounts of economic coal reserves are available for leasing on the Crow and Northern Cheyenne Indian reservations, at each tribe's discretion.

Energy Transportation System, Incorporated (ETSI) is scheduled to complete its coal slurry pipeline in 1985. Coal for the pipeline will be supplied by the North Rawhide, North Antelope, and Jacobs Ranch mines, which are under construction or in production. A full analysis of the ETSI proposal, including water use, may be found in the *Draft Environmental Impact Statement on the Energy Transportation Systems, Inc., Coal Slurry Pipeline Transportation Project* (USDI, BLM and Woodward-Clyde 1980).

LEGISLATION AND REGULATIONS

The development of federal coal resources is controlled by a number of federal and state laws and regulations. The most important federal laws are the Federal Coal Leasing Amendments Act of 1976 (FCLAA), the Federal Land Policy and Management Act of 1976 (FLPMA), and the Surface Mining Control and Reclamation Act of 1977 (SMCRA), and the National Environmental Policy Act of 1969 (NEPA). The federal coal EIS contains a detailed discussion of the related legislation and regulations (USDI, BLM 1979a).

FCLAA provides a more orderly procedure for the leasing and development of federal coal than was set forth in its parent document, the Mineral Leasing Act of 1920. In particular, the FCLAA specifies that land use planning must be completed before federal coal is leased, that coal must be leased only through competition, and that the government must receive fair market value.

FLPMA provides the BLM with a statutory framework for land use planning on public lands. It requires that the BLM use the principles of multiple use and sustained yield, give priority to the protection of areas of critical environmental concern, consider present uses of public land as well as future uses, and coordinate planning activities with those of state and other federal agencies.

SMCRA regulates mining and reclamation on state and private land. It permits state regulation of these activities on federal lands, provided the state has a program approved by the Office of Surface Mining and has entered into an agreement with the Secretary of the Interior for regulation of surface coal mining activities on federal lands. Montana's and Wyoming's programs for implementing these provisions have been approved by the Secretary of the Interior, and both states have entered into cooperative agreements with the Department of the Interior. Thus, both states have primary responsibility for ensuring that the environment is adequately protected and that standards are maintained in surface mining and reclamation on federal, state, and private lands. However, specific federal responsibilities, such as protection of threatened or endangered species, have not been delegated to the states.

Purpose and Need

Each lease operator is required to submit a permit application package that complies with the appropriate state/federal cooperative agreement and regulations incorporated therein, and with 43 CFR 3480. The application must demonstrate that economic coal recovery has been evaluated and that resources other than coal will be protected. The permit application package must be approved by the state regulatory authority. The Assistant Secretary for Energy and Minerals, Department of the Interior, must approve the resource recovery and protection plan, which is part of the permit application package.

SCHEDULE OF FURTHER ACTIVITY

Upon release of the final EIS in March of 1984, the regional coal team will make recommendations

to the director of the BLM as to (1) which specific tracts of the 22 analyzed should be offered for lease sale and (2) if appropriate, a schedule for the lease sale. The director will forward these recommendations, along with his own, to the Secretary of the Interior, who will make the final decision on which tracts and how many are to be offered. The Secretary of the Interior has discretion to select for leasing any combination of tracts analyzed in the EIS. The Secretary of the Interior also will determine the schedule of tract sales.

The second round of competitive coal lease sales in the Powder River Region is tentatively scheduled to begin in August 1984.