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Consolidated Federal Oil and Gas and Federal and Indian Coal Valuation Reform

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General Comment

I am in favor of the proposed rule. The current system, which does not make any differentiation between arms length first sales and captive first sales (which the royalty is calculated from), leaves a gaping loophole companies can exploit at the cost of every American. My understanding is that revenues from natural resources royalties totaled \$13 billion paid to the federal government in 2014. Further, it is my understanding that one-third of the coal sales were made to captive buyers, meaning subsidiaries and affiliated companies of the coal mining companies. Without the more detailed calculations that this rule proposes, it is difficult for American to know if those captive coal sales were made at a lower-than-market price in order for the coal mining company to avoid paying a higher royalty to the United States government. Higher royalties, based on actual market prices being paid, would create more revenue for the government. I do not believe that more money will automatically solve problems. However, higher revenues in this area could relieve pressure on funding for environmental regulation, education, prison conditions, childhood poverty, the criminal justice system, and the various other governmental programs which are designed to help our society makes the lives of Americans, especially vulnerable Americans, better. Coal companies who avail themselves of the privilege of mining federal lands should pay their fair share toward that goal

and be transparent in the basis for their royalty payments. This rule will require the companies to do just that. The rule also contemplates making the reporting process easier and more efficient, putting less burden on companies to report their sales prices, lessening any concerns about burden this new rule would put on industry.