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Consolidated Federal Oil & Gas and Federal & Indian Coal Valuation Reform RIN 1012-AA13

Comment On: ONRR-2012-0004-0024

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

Document: ONRR-2012-0004-0036

Comment from Glenn Logan,

Submitter Information

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General Comment

Extremist environmental groups from outside the coal-producing states are at it again wanting to pass thinly-veiled rules in another assault to stop coal production by increasing taxes on coal companies. The outcome from this rule will be diminished sales of federal energy resources and diminished revenues for state and federal entities that may impact the benefits Montana receives from coal development. The draft rule also has broader negative implications for the energy and other sectors. The current rules and regulations for leasing and producing federally-owned coal have created substantial revenues for federal and state governments, including an estimated \$876 million from royalties in fiscal year 2012 alone. The proposed rule would assess royalties on revenues earned by a logistics services business with its own cost structure, risks and potential profits (which are already subject to income taxes) rather than the commodity to which the royalty applies by law, and would create new, complex and burdensome administrative systems, all troubling precedents not only for coal, oil and gas, but for any industry subject to federal regulation. This proposed rule is politically-motivated and fiscally-irresponsible. It would unnecessarily result in higher-priced energy for everyone.

Proposed Regulation Identification Number (RIN) 1012-AA13 - Consolidated Federal Oil and Gas and Federal and Indian Coal Valuation Reform rule should not be implemented.