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Lewis Gray

Submitter Information

Name: Lewis Gray
Address: 82718
Email: graylew@vcn.com

General Comment

This valuation change would unfairly burden vertically integrated companies with higher royalties vs. a multitude of separate and independent companies that deliver the same product to the same customers.
This will be especially true for products (coal, LNG, oil) that require delivery cost far in excess of the initial extraction cost.
This change is one-sided in that it benefits from any increased delivered market pricing, yet minimizes risk of depressed delivered market pricing by excluding the normal royalty calculations in favor of a value to be set by the government if the market price is too low.
The required calculations and/or exclusions with this methodology will be far more complicated than the pricing determination at the point of extraction. This additional complication will lead to far more uncertainty, audit findings and law suits.
The proposed changes will only result in business uncertainty, confusion and unnecessary higher consumer costs.