

PUBLIC SUBMISSION

As of: 5/6/15 3:01 PM
Received: May 06, 2015
Status: Posted
Posted: May 06, 2015
Tracking No. 1jz-8ip5-qfdj
Comments Due: May 08, 2015
Submission Type: Web

Docket: ONRR-2012-0004

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-2012-0004-0218

Montana Taxpayers Association

Submitter Information

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General Comment

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Subject: Consolidated Federal Oil and Gas and Federal and Indian Coal Valuation Reform
(ONRR-2012-0004 (1012-AA13))

Dear Mr. Southall:

The Montana Taxpayers Association is an organization made up of a wide variety of businesses, organizations, and individuals. One of our purposes is to see that government agencies fulfill their obligations to the taxpayers of the nation. We are concerned with the negative effects that Department of Interiors proposed rule [OONR-2012=0004 (1012-AA130] dealing with the

valuation of coal mined from leased federal and tribal lands will have on the mining industry, the revenues collected by the Federal Government, and on the economy of the State of Montana.

We have reviewed the comments submitted by Cloud Peak Energy. We concur with their concerns that the methodology proposed by the rule does not conform to the requirement that Department achieve the greatest return to the taxpayer.

While the rule on paper may appear to generate more revenue, we believe it will result in greatly reduced coal production, and therefore much less revenue. If that is the real goal of the rule then it surely does not meet the Departments mandate to maximize revenue.

We also support Cloud Peak Energys concern that the proposed method of determining the value of coal to be taxed will note be a fair representation of the mine mouth value of the coal. It would seem that the system that is in place allows for the proper valuation of the coal, and if there are concerns that the current system is not achieving the proper value, more effective and reasonable changes could be proposed. It also appears that coal mining is being singled out for different treatment than other producers.

We also feel that if the proposed rule is implemented there will be dire consequences to the economy of Montana as well as to the affected local governments and taxpayers. Revenue from coal mining activities, the employment they provide, and the taxes they pay are significant to all of these groups.

We would ask that the proposed rule change be withdrawn.

Sincerely,

Robert Story, Executive Director