

Congress of the United States
House of Representatives
Washington, DC 20515-2600

May 6, 2015

The Honorable Sally Jewell
Secretary
U.S. Department of the Interior
1849 C Street, NW
Washington, DC 20240

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

Dear Secretary Jewell:

I write to express my concerns regarding the proposed rules the Department of the Interior (DOI) released in January to adjust the valuation process for coal on Federal and Indian lands. As you accept public comments on this critical issue, I wish to convey my thoughts on how finalizing the proposed rule in its current form will have detrimental impacts on the state of Montana and beyond.

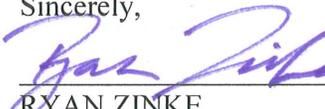
As I had mentioned during the House Natural Resources Committee hearing on March 5, 2015, the basis of the proposed rule change is not justifiably grounded on reputable claims. In fact, the GAO and IG reports you referenced in your response to my question did not assess coal royalty underpayments or make any recommendations to coal royalty valuations. GAO confirmed this information during a private staff briefing. The very basis of this rule is compromised when the authenticity of its origins is questionable.

Furthermore, moving forward will create unnecessary uncertainty for an industry that is already under intense scrutiny. In particular, I remain concerned that tribes across Montana will face negative ramifications. For instance, the Crow Nation sits on an estimated 9 billion tons of coal. Tapping into their reserves would have a revitalizing impact on every facet of their livelihoods, from creating good-paying jobs to supplying affordable energy options to its members. This rule will further complicate their efforts and jeopardize their ability to receive fair royalty rates for coal sold or used.

In Montana, we sit on one-third of our nation's recoverable coal reserves, which are valued at more than \$1.5 trillion dollars on the global marketplace. This incredible amount of resources will create jobs, fund vital infrastructure projects, and restore our local and state economies. The potential is great across my state of Montana. However, the Obama Administration has made its agenda clear – an all-of-the-above energy approach does not include clean coal, even if it has the potential to revitalize our nation. I ask that you withdraw these proposed coal valuation rules as swiftly as possible.

Thank you for your attention to this matter and I look forward to working forward to working with you further on this issue.

Sincerely,



RYAN ZINKE
Member of Congress