



The Mountain Pact

May 4, 2017

Department of the Interior
Office of Natural Resources Revenue
1849 C Street NW
Washington, DC 20240

RE: Docket No. ONRR-2017-0002

To Whom It May Concern:

The Mountain Pact, a network of mountain towns and chambers of commerce in the Intermountain West, strongly urges the Office of Natural Resources Revenue (ONRR) to maintain the finalized *Consolidated Federal Oil and Gas and Federal and Indian Coal Valuation Reform* as it is currently written. The final rule closed a regulatory loophole that would stop the exploitation of taxpayer-owned federal lands. Over the past 30 years, the government's undervaluation of coal may have cost taxpayers upward of \$30 billion in lost revenue – the *Consolidated Federal Oil and Gas and Federal and Indian Coal Valuation Reform* would generate increased revenue for states in which the coal is mined and help level the playing field in other U.S. coal markets by ensuring that everyone is playing by the rules.

The *Consolidated Federal Oil and Gas and Federal and Indian Coal Valuation Reform* is critical to closing the loopholes and revising the valuation method needed to ensure coal companies pay their fair share to American taxpayers. By eliminating subsidies and requiring coal companies to pay royalties on the true market price of coal, rather than on the hidden price at which it is sold to a middleman or a subsidiary, the government will collect a fair return for U.S. taxpayers and western states (an estimated \$1 billion per year), and increase government transparency and efficiency.

Enclosed you will find letters supporting ONRR's *Consolidated Federal Oil and Gas and Federal and Indian Coal Valuation Reform* from fourteen local governments in western states with federal coal activities.

Sincerely,



Diana Madson
Executive Director | The Mountain Pact

Mountain Communities for Environmental & Economic Resilience

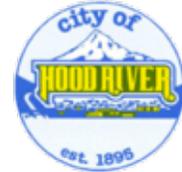
 Diana Madson, Executive Director

 diana@themountainpact.org

 530.539.4071



The Mountain Pact



July 28, 2016

The Honorable Sally Jewell
Secretary
U.S. Department of the Interior
1849 C Street, N.W.
Washington, D.C. 20240

The Honorable Neil Kornze
Director
Bureau of Land Management
1849 C Street, N.W.
Washington, D.C. 20240

Dear Secretary Jewell and Director Kornze,

As representatives of mountain communities throughout the American West, we commend the Department of Interior and Bureau of Land Management's leadership to initiate the Programmatic Environmental Impact Statement for the federal coal program. It is time to modernize the federal coal program, account for the climate change, environmental and public health impacts of federal coal production, ensure American taxpayers are earning a fair return for the use of their public resources, and transition our nation to cleaner energy sources.

As western mountain communities, we represent nearly 200,000 permanent residents and millions of annual visitors. Coal extraction and use as a fuel source poses a number of costs currently unaccounted for in federal coal program. Onsite, these costs include air pollution from exploration, development, and transportation to and from the mine site; fugitive methane emissions; habitat disruption; noise pollution; and water contamination. From the perspective of our mountain communities, the coal's contribution to climate changes poses the greatest cost. Economic, public health, and environmental damages from catastrophic wildfire, floods and reduced snowpack are some of the threats we face.

Failing to account for coal's contribution to these costs in federal coal leases shifts them onto taxpayers -- and in our case, at a time when our towns are shouldering the financial burden of climate impacts and proactive adaptation. In the face of climate change, it is time to modernize

the federal coal program to accurately account for its costs to communities, taxpayers and the environment while supporting a transition to a more sustainable and resilient economy.

We thank you for your attention to this important issue and we look forward to working with you on this and other much needed reforms to the federal coal program.

Sincerely,

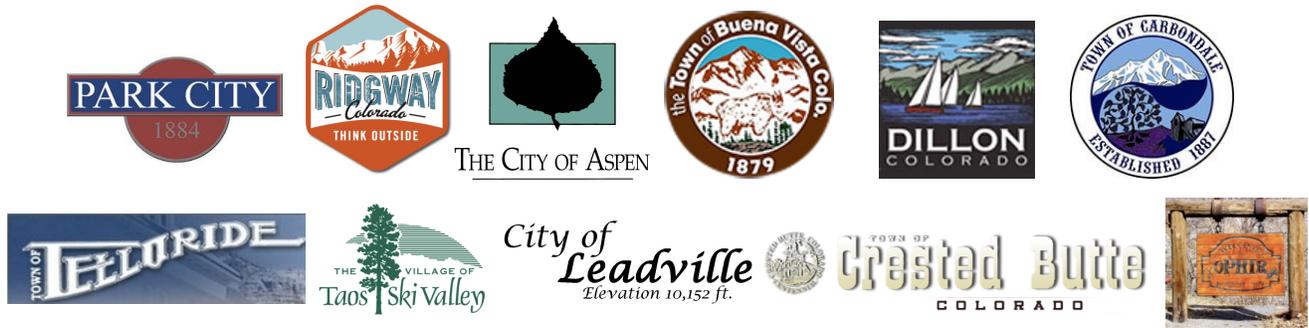
City of Aspen, CO
Town of Buena Vista, CO
Town of Ophir, CO
Town of Telluride, CO
Town of Ridgway, CO
Town of Avon, CO
Village of Taos Ski Valley, NM
City of Bend, OR
City of Hood River, OR
City of Missoula, MT

CC:

Christy Goldfuss, Acting Chair, White House Council on Environmental Quality
Brian Deese, Senior Adviser, Office of the President



The Mountain Pact



May 5, 2015

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

Dear Secretary Jewell,

As representatives of mountain communities throughout the American West, we commend the Department of Interior and the Office of Natural Resources Revenue (ONRR) for the proposed reform to the valuation of coal leased from federal lands. By eliminating subsidies and requiring coal companies to pay royalties on the true market price of coal, rather than on the hidden price at which it is sold to a middleman or a subsidiary, the government will collect a fair return for U.S. taxpayers and western states (an estimated \$1 billion per year), and increase government transparency and efficiency.

As western mountain communities, we represent approximately 250,000 permanent residents and forty million annual visitors each year. Positioned in rural mountain areas and often surrounded by federal land, our communities are especially vulnerable to climate change. Economic, public health, and environmental damages from catastrophic wildfire, floods and reduced snowpack are some of the threats we face. The costs of adapting to a changing climate are rising, but at the same time coal companies are taking advantage of gaping loopholes that allow them to pay less, thus depriving many western states (and taxpayers across the country) their fair share of the revenues from coal leased on federal land.

We support your proposal to close the regulatory loophole, stop the exploitation of taxpayer-owned federal lands, and eliminate current benchmarks used to value these transactions. Over the past 30 years, the government's undervaluation of coal may have cost taxpayers upward of \$30 billion in lost revenue. Western states need this money for local schools, roads, and other priorities. This much-needed reform will generate increased revenue for states in which the coal

is mined and help level the playing field in other U.S. coal markets by ensuring that everyone is playing by the rules.

This is an important opportunity to close the loopholes and revise the valuation method to ensure coal companies pay their fair share to American taxpayers. Thank you for your attention to this important issue and we look forward to working with you on this and other much needed reforms to the federal coal program.

Sincerely,

Park City, UT
City of Aspen, CO
Town of Telluride, CO
Town of Carbondale, CO
Town of Buena Vista, CO
Town of Dillon, CO
Town of Crested Butte, CO
Town of Ridgway, CO
Town of Ophir, CO
Mayor of City of Leadville, CO
Village of Taos Ski Valley, NM

CC:

The Honorable Shaun Donovan, Director, Office of Management and Budget
The Honorable Neil Kornze, Director, Bureau of Land Management
Christy Goldfuss, Acting Chair, White House Council on Environmental Quality
Brian Deese, Senior Adviser, Office of the President
The Honorable Senator Orrin G. Hatch
The Honorable Senator Mike Lee
The Honorable Representative Rob Bishop
The Honorable Senator Michael Bennet
The Honorable Senator Cory Gardner
The Honorable Representative Jared Polis
The Honorable Representative Scott R. Tipton
The Honorable Representative Doug Lamborn
The Honorable Senator Tom Udall
The Honorable Senator Martin Heinrich
The Honorable Representative Ben Ray Lujan