

W O R C

Western Organization of Resource Councils

110 Maryland Avenue, NE, Room 307, Washington DC 20002

phone: (202) 547-7040 fax: (202) 543-0978 email: dc@worc.org website: www.worc.org

April 21, 2017

The Honorable Ryan Zinke
Secretary
Department of the Interior
1849 C Street NW
Washington, D.C. 20240

RE: Federal Oil and Gas and Federal and Indian Coal Valuation (ONRR-2017-0002 (1012-AA21))

Dear Secretary Zinke:

I am writing on behalf of the Western Organization of Resource Councils to request a 60-day extension of the public comment period for the *Advance Notice of Proposed Rulemaking (ANPRM) for Federal Oil and Gas and Federal and Indian Coal Valuation*. The rule governing federal oil and gas and federal and Indian coal valuation that went into effect January 1, 2017, will be referred to in this letter as the “Valuation Rule.”

WORC is a regional network of grassroots community organizations that include 12,200 members across the Western United States including Colorado, Montana, North Dakota, and Wyoming. Our members live and work near coal-mining operations and benefit from public services paid for by federal coal royalties in these federal coal-producing states.

WORC and its members have been engaged in federal coal leasing and royalty policy discussions for over three decades. We fully participated in the rulemaking process for the Valuation Rule between 2011 and 2016, and we intend to respond substantively to ONRR’s request for comment and feedback on the rules that the 2017 Valuation Rule replaced. The Valuation Rule was intended to ensure that American taxpayers receive the revenue they deserve from federal mineral development. WORC is concerned that ONRR’s decision to repeal the Rule will fail to ensure that federal coal royalties provide a fair return to citizen beneficiaries of the federal coal program.

MAIN OFFICE:

220 South 27th Street, Billings, MT 59101

phone: (406) 252-9672 fax: (406) 252-1092 email: billings@worc.org website: www.worc.org

This rulemaking appears to be premature. By simultaneously seeking comment on whether or not to repeal the Valuation Rule and seeking comment on what to replace the rule with, commenters and other members of the public -- including WORC -- are left to provide substantive comments on hypothetical or imaginary alternative scenarios, never defined by your department. Even though we are formally requesting a 60-day extension of the comment period for this ANPRM, WORC believes that a more sensible action would be for ONRR to delay the ANPRM until the question of whether or not to repeal the Valuation Rule is decided.

If ONRR is successful in repealing the Valuation Rule, then WORC and its members have an interest in participating in a public process to help craft an alternative rule to ensure that private companies profiting from federal mineral leases provide a fair return to all levels of government where mineral extraction takes place. The ANPRM published in the *Federal Register* states: "Soliciting comments and involving all affected stakeholders early in the rulemaking process are the hallmarks of good government and smart business practice." WORC couldn't agree more. Unfortunately, ONRR's decision-making regarding the Valuation Rule since its effective date has been unconventional and unpredictable, and has made it virtually impossible for affected stakeholders such as WORC and our members to participate meaningfully in the proposed rulemaking. Given the complexity of the issues at hand, ONRR's unconventional procedural decision to "postpone implementation" of the Valuation Rule after its effective date, and to schedule simultaneous public comment periods for the ANPRM and for repeal of the Valuation Rule, we feel that 30 days is insufficient for WORC, or anyone else, to provide helpful substantive comments on the ANPRM.

For these reasons and others, we ask that ONRR extend the deadline for comments on the ANPRM for Federal Oil and Gas and Federal and Indian Coal Valuation reform by 60 days.

Thank you for your attention to this matter.

Sincerely,

A handwritten signature in black ink, appearing to read "R. LeResche", followed by a long horizontal line extending to the right.

Robert LeResche
Western Organization of Resource Councils