# PUBLIC SUBMISSION

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Consolidated Federal Oil and Gas and Federal and Indian Coal Valuation Reform

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Comment from Anonymous Anonymous,

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## Submitter Information

**Name:** Anonymous Anonymous

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## General Comment

As a taxpayer concerned about coal operations on federal land, I am writing to support reform of the coal royalty valuations on federal and Tribal lands. The proposed rule is a much-needed step in the right direction; however, it does not go far enough. Coal is the largest source of dangerous carbon pollution in the country and the federal coal-leasing program is a serious threat to President Obama's efforts to combat climate disruption. I urge you to adopt even stronger regulations that will protect federal lands, help prevent carbon pollution, and ensure coal companies pay their fair share.

The existing royalty loophole made it possible for coal companies to sell coal to their own subsidiaries and pay royalties on that sale in order to reduce their royalty rate. A recent report from the Center for American Progress, found that 42 percent of coal produced in Wyoming in 2012 was sold this way and that the five biggest coal companies operating in the Powder River Basin currently have more than 500 affiliated companies through which they sell coal. As a result, the coal industry is paying just 4.9 percent of the value of coal mined from public lands -- well below the 12.5 percent royalty rate companies are supposed to pay under federal law for surface mined coal and the 8 percent royalty rate for underground coal.

The final rule must reflect the true value of publicly-owned coal and ensure fair returns to taxpayers.

Thank you.