April 22, 2015

To: Department of Interior.

Subject: Consolidated Federal Oil and Gas and Federal and Indian Coal Valuation Reform (ONRR-2012-004 (1012-AA13)

Dear DOI

I oppose the Department of Interior's recently proposed rule "Consolidated Federal Oil and Gas and Federal and Indian Coal Valuation Reform (ONRR-2012-0004 (1012-AA13)." The proposed rule is deeply flawed and incompatible with the Office of Natural Resource Revenue's (ONRR) mission to optimize revenues from federal resources and should be withdrawn. The new rule is a thinly veiled attempt to keep federal coal in the ground rather than to optimize revenues.

I am a miner at Cloud Peak Energy's Spring Creek Mine located in southeastern Montana. The mine shipped approximately 17.4 million tons of low-sulfur, federal lease coal in 2014. Of that total shipped, approximately 4.0 million tons was shipped by our logistics group to Asian utilities in South Korea, Japan and Taiwan. By shipping some of our coal to these places it is good for both. Let's face it, if they don't get the coal from us, they will find another country to get it from. Our coal helps their nations out, and some people might be without power if it wasn't for our coal. The uncertainty and complexity of the proposed rule could have a significant harmful impact on future production, limiting an important source of affordable electricity both domestically and to some of America's closest allies.

In addition, this proposed rule would have a negative impact on our communities, states, and our nation. Last year alone, Spring Creek Mine generated more than $75 million in taxes and royalties. That doesn't include the taxes that the employees paid, and the money that was spent in their communities, and different states. This funded essential government services at the federal, state, and local levels. Also, this would affect funding to our schools and communities charities that help out those in need.

The ONRR has an important charge, and appropriate development of America's natural resources is essential for economic growth, prosperity and funding of government services. This rule punishes mines that sell to small industrial customers, like schools that use boilers for heating, sugar beet factories that produce food, hydro-electric power plants that produce electricity, and captive mine power plants that supply affordable electricity to our nation.

The current royalty valuation guidelines already provide significant benefit to federal and state taxation. This is yet another attempt by the Administration and their anti-energy supports to stop American energy production. This new rule would be double taxation on the shipment of coal through a logistics company. The Administration already taxes the shipment of coal, taxes on the fuel used, and almost every aspect of moving the coal. This new proposed reform gives the Secretary of the Interior too much power. As proposed, this rule threatens to significantly curtail responsible production of natural resources, and discourages federal energy production.

Thank you for your attention to this matter of significant importance, and we ask that you withdraw the proposed rule.

Yours sincerely,

Emery B. DeWitt III