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

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Submitter Information

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General Comment

Hello,

My family has been supported from coal mining for the past 10 years. I grew up on the west coast and knew nothing about mining or if it was necessary. My degree is in environmental engineering and through that schooling I've learned how necessary mining is and how important affordable energy is to our Country. It is my understanding the proposed rule will increase the taxes paid by coal companies on export coal. We currently sell coal as it goes into the rail car for ~\$12/ton and pay taxes on that coal at ~12.5%. The power company pays the RR to transport the coal to the powerplant and the cost there is about \$70/ton and I don't think they pay any taxes on their end. When coal is exported the mine pays for the transportation costs of the coal all the way to the customer and that is why the coal costs more. Thus if we pay 12.5% tax on \$70/ton coal there is no way we can make a profit. But I guess that is the intent/goal with this rule, to put us out of business which will increase energy costs for our Country. Last year, we paid about 40% of our cost to do business went to pay coal taxes. I think it is important for us to pay taxes and support our local government office; however there has to be some checks/balances between taxing an industry to support local governments and taxing a business out of business. Another thing I've learned is how much the tax laws and coal royalty amounts directly affect business decisions for expanding/contracting the size and scope of each mine. The taxes the mine pays will directly affect local jobs and thus royalties paid to local governments. Our mine does most of the coal business in MT and if we close our doors ~\$45 million/year in taxes will be gone. Please prayerfully consider how this rule will impact MT jobs and our local economy.