



**DEPARTMENT OF THE INTERIOR**  
**TASKING PROFILE**

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**To (Recipient):** Jewell, Sally

**From (Author):** Webb, Roger; Tutvedt, Bruce; Miller, Mike; Lang, Mike

**Subject Text:** Request for comments extension re: ONRR oil and gas valuation reform

**Req. Surnames:**

**Mail Carrier:**

**Mail Track #:**

**Cross Ref:**

**Copies To:** SIO-OES

**Status Tracking:** 02/06/2015 15:14:03 PM - Daniel Vaught : see related correspondence  
02/06/2015 15:13:57 PM - Daniel Vaught : attn ONRR office

**Correspondence Specialist and Phone:** SIO-OES-Daniel Vaught/202-208-6540

**Closed**  
**Comments:**

**Signed:**

January 27, 2015

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2015 FEB -5 AM 11:44

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

OFFICE OF THE  
EXECUTIVE SECRETARIAT

Subject: Consolidated Federal Oil and Gas and Federal and Indian Coal  
Valuation Reform (ONRR-2012-0004 (1012-AA13))

Dear Secretary Jewell:

We write to request the Department of the Interior provide a 60-day extension of the comment period for the "Consolidated Federal Oil and Gas and Federal and Indian Coal Valuation Reform." The complexity of this proposed rule requires additional time to review the possible implications of the change and provide informed comments to the Department to help develop a sensible policy for federal lessees, buyers of oil, gas, and coal, taxpayers, and others impacted by such a change.

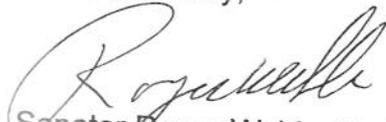
We have an interest in federal energy resources and find the draft rule complicated and in need of extensive comment and revision. For example, the proposed rule would assess royalties on revenues earned by a logistics services business with its own cost structure, risks and potential profits (which are already subject to income taxes) rather than the commodity to which the royalty applies by law, and would create new, complex and burdensome administrative systems, all troubling precedents not only for coal, oil and gas, but for any industry subject to federal regulation. We are concerned that the likely outcome from this rule will be diminished sales of federal energy resources and diminished revenues for Montana. The draft rule also has broader negative implications for the energy and other sectors that need to be fully evaluated before final comments can be provided.

The current rules and regulations for leasing and producing federally-owned coal have created substantial revenues for federal and state governments, including an estimated \$876 million from royalties in fiscal year 2012 alone. As the ONRR's charge is "to collect, disburse, and verify Federal and Indian energy and other natural resource revenues on behalf of all Americans," the Office should be mindful not to discourage investment in federal resources through a rulemaking dramatically changing how royalty is calculated, leading to reduced revenues to fund needed federal and state priorities.

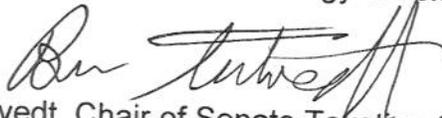
For these reasons, I ask that you provide a 60-day extension of the comment period for the proposed "Consolidated Federal Oil and Gas and Federal and Indian Coal Valuation Reform."

Thank you for your attention to this matter of significant importance.

Yours sincerely,



Senator Roger Webb, Chair Senate Energy & Telecommunications Committee

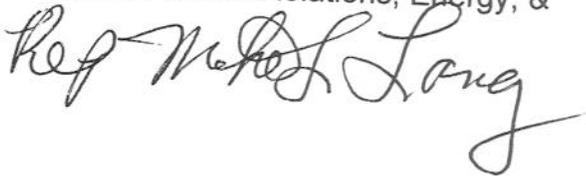


Senator Bruce Tutvedt, Chair of Senate Taxation Committee



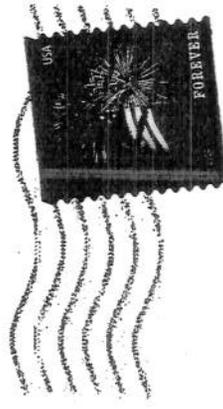
Representative Mike Miller, Chair of House Taxation Committee

Representative Mike Lang, Chair of House Federal Relations, Energy, & Telecommunications Committee



Senator Bruce Turvedt  
Montana Senate  
PO Box 200500  
Helena, MT 59620

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The Honorable Sally Jewell  
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