



Washington Legislative Office

# Transportation Division

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EXECUTIVE SECRETARIAT

February 2, 2015

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

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

Dear Secretary Jewell:

I 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 so that we can provide informed comments to the Department to help develop a sensible policy for federal coal lessees.

The Transportation Division of the International Association of Sheet Metal, Air, Rail and Transportation Workers (SMART-TD) has a substantial interest in federal energy issues because our members operate the nation's freight trains, hauling much of our nation's coal and in recent year's crude oil as well. In our initial review we find that the draft rule is complicated and in need of extensive revision. For example, the proposed rule would assess royalties on revenues earned by a logistics services business with its own cost structure, (which are already subject to income taxes) rather than the commodity to which the royalty applies.

We are concerned that if this proposed rule is not modified the likely outcome will be greatly reduced coal production with corresponding reductions in jobs of those who haul coal. Please keep in mind these are real people who depend on these jobs to provide for themselves and their families.

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.

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."

Sincerely,

John Risch  
National Legislative Director  
SMART-Transportation Division