



Southall, Armand <armand.southall@onrr.gov>

Fwd: Close the coal valuation loopholes! (Docket ONRR-2012-0004)

2 messages

Royalty Valuation, ONRR <royaltyvaluation@onrr.gov>

Fri, Feb 13, 2015 at 6:06 AM

To: Amy Lunt <amy.lunt@onrr.gov>, Peter Christnacht <peter.christnacht@onrr.gov>, Armand Southall <armand.southall@onrr.gov>

Is this considered a comment?
Do we need to reply.

Rob

----- Forwarded message -----

From: **Bill and Judy Dent** <billandjudy.dent@ntelos.net>

Date: Thu, Feb 12, 2015 at 7:18 PM

Subject: Close the coal valuation loopholes! (Docket ONRR-2012-0004)

To: royaltyvaluation@onrr.gov

Mr. Armand Southall
Office of Natural Resources Revenue

Dear Mr. Southall:

Here is what I understand from a Sierra Club notice and an article by James Ayre about coal companies avoiding paying the amounts rightly due on coal they sell from public lands, that companies sell a significant portion of the coal that they mine back to themselves (through the use of subsidiaries) as a means of dodging federal + state royalty payments and maximizing the amount of taxpayer-funded subsidies that they receive.

Reportedly roughly 40% of the coal currently being “produced” in Wyoming is now being funneled through subsidiaries owned by the same company that mined the coal — rather than being sold directly to utilities, power companies, etc. This allows the companies to increase the amount of taxpayer money that they receive via the US Department of the Interior, as well as dodge a significant part of the tax payments that would normally be expected. A recent report says that, altogether, five of the biggest coal companies operating in Powder River Basin area have created over 556 subsidiary companies to market/sell the coal that they mine.

I do not see how this practice cannot be illegal on the face of it, and it seems clear to me that if no other way is open, it needs to be rectified with tighter regulations to protect to legitimate interests of the American public.

Yours truly,

(Mr.) William H. Dent, Jr.
1690 Glenside Drive
Rockingham, VA 22801-2391
(540) 437-8942

Lunt, Amy <amy.lunt@onrr.gov>

Fri, Feb 13, 2015 at 9:25 AM

To: "Royalty Valuation, ONRR" <royaltyvaluation@onrr.gov>

Cc: Peter Christnacht <peter.christnacht@onrr.gov>, Armand Southall <armand.southall@onrr.gov>

It is a comment and we will respond to the comment in the Final Rule.

[Quoted text hidden]

—

Amy S. Lunt

Royalty Valuation Team A

Office of Natural Resources Revenue

(303) 231-3746

This message serves as guidance for determining value for Federal royalties and is not an appealable decision or order under 30 CFR Part 1290, Subpart B. If ONRR issues you an order to pay additional royalties or assesses civil penalties under 30 CFR Part 1241 at a later date based on this guidance, your appeal rights will be provided at that time. While this message is not appealable, ONRR may use this guidance in conducting audits and as a basis for demanding additional royalties.

Warning: This message is intended only for use of the individual or entity to which it is addressed and may contain information that is privileged or confidential and exempt from disclosure under applicable law. If the reader of this message is not the intended recipient or the employee or agent responsible for delivering this message to the intended recipient, you are hereby notified that any dissemination, distribution, or copying of this communication is strictly prohibited. If you have received this communication in error, please notify the sender immediately by return e-mail.