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BOARD OF COMMISSIONERS

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May 1, 2017

Mr. Armand Southall
Office of Natural Resources and Revenue
Denver Federal Center
West 6th Avenue and Kipling Street
Building 53, Entrance E-20
Denver, Colorado 80225

RE: Repeal of the Consolidated Federal Oil and Gas and Federal and Indian Coal Valuation Reform (2017 Valuation Rule)

Dear Mr. Southall:

On behalf of the Campbell County Board of Commissioners, thank you for the opportunity to provide public comment on the above referenced document. Please accept the following comments opposing the implementation of the 2017 Valuation Rule.

Approximately forty percent (40%) of the nation's coal is produced from the surface mines located in Campbell County. Through existing rules, roughly forty percent (40%) of the selling price of every ton of coal is delivered in the form of taxes, fees and royalties to local, state and federal governments and over \$1 billion a year in royalties are generated for the United State Treasury. The issues that were examined in the 2017 Valuation Rule are of extreme importance and no one has a greater interest in this decision regarding potential changes to the federal coal lease program than Campbell County and the State of Wyoming. In the next fiscal year, the local projected assessed valuation for Coal is fifty nine percent (59%) of our total and contributes over \$27 million to our budget. Additional taxes would be very detrimental to the industry.

We support the current coal valuation process as the existing benchmarks have worked well for many years, are subject to robust auditing inspections by the federal government and ultimately lead to a proper value of the coal. The proposed 2017 Valuation Rule creates undue complexity and confusion, is designed to inhibit coal mining on federal lands and in doing so, would violate the Mineral Leasing Act.

We urge the Office of Natural Resources and Revenue to withdraw the proposed Consolidated Federal Oil and Gas and Federal and Indian Coal Valuation Reform Rule as the existing process works well and provides a fair valuation that best serves the public interest. Please do not hesitate to contact Ms. Carol Seeger or Mr. Robert Palmer in our office should you have questions or require additional information.

Sincerely,

Rusty Bell
Chairman