

# PUBLIC SUBMISSION

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**Docket:** ONRR-2017-0001

Repeal of Consolidated Federal Oil & Gas and Federal & Indian Coal Valuation Reform

**Comment On:** ONRR-2017-0001-0001

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

**Document:** ONRR-2017-0001-0004

Comment from Jane Lyder,

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## Submitter Information

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## General Comment

The rule being repealed was promulgated after a lengthy public process. Most commenters wanted it to go further.

Do you disagree with the premise of the rule that: "The best indication of value is the gross proceeds received under an arm's-length contract between independent persons who are not affiliates and who have opposing economic interests regarding that contract. The best indicator of value under a non- arm's-length sale is the gross proceeds accruing to the lessee or its affiliate under the first arm's- length contract, less applicable allowances."

Promulgating a new rule will likely take over a year if not longer. How do you justify the loss of royalty revenue during that period?

You state that there was significant concern among the industry. Presumably it is because the industry is paying less now in royalties than they should be. They are using antiquated methods of valuation designed to arrive at a lower value than the resource's actual fair market value. What has made ONRR change its position since the posting of the final rule in July 2016 with respect to the fairness of this rule?

What new evidence has come to light to suggest that the repeal proposed for repeal is not correct?

The rule estimates that the net yearly royalty increase to the Federal government alone will be approximately \$61.8 million. That amount of money is significant. It appears that you are favoring industry interests over the federal Treasury and taxpayers as a whole. I oppose the repeal of the well-developed Consolidated Federal Oil and Gas and Federal and Indian Coal Valuation Reform Rule.