

U.S. House of Representatives
Committee on Natural Resources
Washington, DC 20515

May 4, 2017

The Honorable Ryan Zinke
Secretary
U.S. Department of the Interior
1849 C St. NW
Washington, DC 20240

Dear Secretary Zinke:

On February 28, 2017, I sent a letter to the Department of the Interior (DOI) raising concerns about the inappropriate and potentially illegal delay of the Office of Natural Resources Revenue (ONRR) rule entitled *Consolidated Federal Oil & Gas and Federal & Indian Coal Valuation Reform* (Valuation Rule), a long-overdue reform of fossil fuel valuation on federal lands that was estimated to raise up to \$85 million per year in federal revenue. My letter asked four questions designed to better understand the legal support that DOI or ONRR cited for the authority to delay the effective date of the rule two months after the effective date had already passed. I have yet to receive a response to that letter.

On April 4, 2017, ONRR published a proposal to repeal the Valuation Rule, with a 30-day comment period ending today. While this is certainly a legal method to make changes to that rule, repealing it outright would be an unwarranted surrender, a multi-million-dollar giveaway to the oil, gas, and coal industries, and a waste of the taxpayer resources that went into developing the rule in the first place. Just as seriously, repeal would leave decade-old recommendations from numerous independent organizations unresolved.

It is particularly outrageous that ONRR is only providing 30 days for comments on the proposed repeal of the Valuation Rule. The rule was developed through a multi-year process that included an Advance Notice of Proposed Rulemaking in 2011 with a 60-day public and stakeholder comment period,¹ six public workshops, and a 120-day comment period on the proposed rule in 2015.² At the very least, ONRR should extend the 30-day comment period and hold public workshops to explain why repealing the rule and giving between \$72 million and \$85 million in taxpayer money to Big Oil and Big Coal is in the public interest.

As I stated in my February 28 letter, the legality of postponing the effective date of the Valuation Rule is highly questionable, and each month that the rule is not enforced is taking

¹ 76 F.R. 30878 (May 27, 2011)

² 80 F.R. 608 (January 6, 2015)

roughly \$6.5 million out of the pockets of taxpayers and handing it over to the fossil fuel industry. Taxpayers have already been shortchanged \$26 million, and that number continues to rise. I strongly oppose efforts to repeal the Valuation Rule, and I respectfully request that you provide the answers I requested more than two months ago at the earliest possible opportunity.

Sincerely,



Raúl M. Grijalva
Ranking Member
House Natural Resources Committee

cc: Armand Southall, Office of Natural Resources Revenue