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Department of Justice
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April 28, 2017

ATTN: Armand Southall
Regulatory Specialist
Office of Natural Resources Revenue
P.O. Box 25165, MS 61030A
Denver, CO 80225

Re: Regulation Identifier Number 1012-AA20; Repeal of Consolidated Federal Oil & Gas and Federal & Indian Coal Valuation Reform

Ladies and Gentlemen:

In May of 2015 I submitted comments in opposition to the then proposed Consolidated Federal Oil & Gas and Federal & Indian Coal Valuation Reform rule. Despite significant opposition, the proposed rule became effective January 1, 2017 (2017 Valuation Rule). I now write in support of the proposed repeal of the 2017 Valuation Rule.

I applaud the Office of Natural Resources Revenue (ONRR) for recognizing the 2017 Valuation Rule warrants reconsideration. In particular, the 2017 Valuation Rule's expansion of the default provisions are of concern as they were certain to have had a chilling effect on the coal industry. Repealing the 2017 Valuation Rule will allow the ONRR time to reflect thoughtfully on whether to retain or repromulgate rules for royalty valuation, while also maintaining the longstanding and well-known, pre-existing valuation rules that will provide certainty and clarity to the coal industry.

For the above reasons, I support the repeal of the 2017 Valuation Rule in its entirety, and look forward to providing additional comments during the reconsideration process. Thank you.

Sincerely,

TIM FOX
Attorney General

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MONTANA DEPARTMENT OF JUSTICE
Legal Services Division ★ Division of Criminal Investigation ★ Highway Patrol Division ★ Forensic Science Division
Gambling Control Division ★ Motor Vehicle Division ★ Information Technology Services Division ★ Central Services Division