

Congress of the United States
Washington, DC 20515

February 26, 2016

The Honorable Sally Jewell
Secretary
U.S. Department of the Interior
1849 C Street, NW
Washington, D.C. 20240

Dear Secretary Jewell:

We write in regards to your recently issued Secretarial Order No. 3338. This order directs that a moratorium on coal lease sales be implemented pending a Programmatic Environmental Impact Statement (PEIS) to be conducted by the Bureau of Land Management, in addition to preventing completion of pending lease applications. We have questions regarding your order.

1. Your order notes that there have been two previous moratoriums on coal lease sales. These were in response to legislative action by Congress: the enactment of the National Environmental Policy Act in 1970, and the FY1984 Interior Appropriations Act, that specifically called for a moratorium. We are unaware of any recent legislation that would authorize a similar moratorium. The only recent legislative action on coal was a provision in the Consolidated Appropriations Act of 2016 calling on the Office of Surface Mining to halt its proposed Stream Protection rulemaking and reengage with states as cooperating agencies. While your order generally cites the *Mineral Leasing Act*, *the National Environmental Policy Act*, *the Surface Mining Control and Reclamation Act*, and *the Federal Land Policy and Management Act*, **please provide the specific legal justification for your actions.**
2. Some have argued that the Department is the proprietor and sovereign regulator of mineral development on the public lands under the Mineral Leasing Act. As you acknowledge numerous times in the order, the Department has the statutory duty to ensure a fair return to the taxpayer. Coal lease sales provide revenue to both the federal and state governments through per acre fees as well as bonus bids on the coal reserve tonnage. Many states rely on this money to fund education and community services. Some estimates place this revenue to be as high as \$1 billion. **Please provide your estimate of lost revenue to federal, state, and local governments due to the moratorium as well as other economic impacts.**
3. In providing justification for the moratorium and PEIS, you indicate that the moratorium is needed to respond to concerns raised by the Government Accountability Office (GAO) and Department of the Interior's Office of Inspector General (OIG), specifically centered on whether taxpayers are receiving fair market value from the sale of coal. Yet, the GAO and OIG investigations found no evidence of royalty evasion or underpayment in the Federal Coal Leasing Program and made no recommendations for changes to royalty

valuation methods. **Please list all the actions that your agency has taken, to date, to address the recommendations of the GAO and OIG reports.**

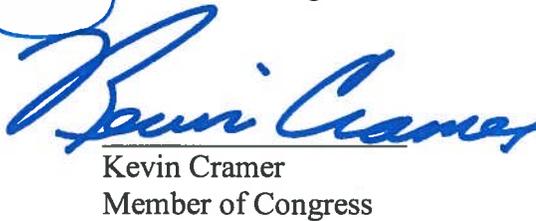
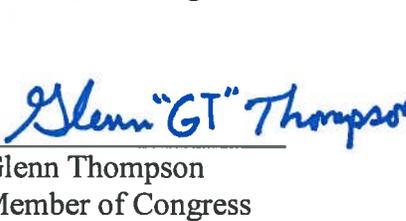
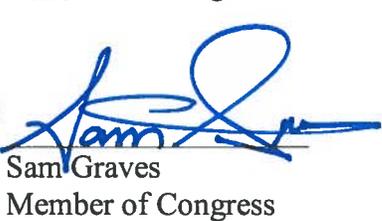
4. The coal industry in America, and the energy sector in general, are facing economic distress. Several coal companies have declared bankruptcy, while others face challenges in acquiring financing. The moratorium significantly compounds these difficulties. **Please provide your estimate of the effects on employment in the coal industry and their suppliers downstream due to the moratorium.**

Coal Production on federal lands creates jobs, provides affordable electricity and generates important revenue for the federal and state governments. As such, it is difficult to understand how efforts that preclude future coal production will ensure any return to the taxpayer, much less a fair return.

Thank you for your attention to this matter and we look forward to your timely response.

Sincerely,

 David B. McKinley, P.E. Member of Congress	 Cynthia Lummis Member of Congress	 Ryan Zinke Member of Congress
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 Jason Chaffetz Member of Congress	 Steve Stivers Member of Congress	 Chris Stewart Member of Congress
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 Don Young Member of Congress	 Stevan Pearce Member of Congress	 Scott Tipton Member of Congress
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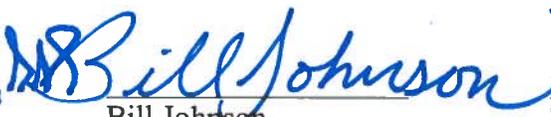
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