



The Mountain Pact



May 5, 2015

The Honorable Sally Jewell
Secretary
U.S. Department of the Interior
1849 C Street, N.W. Washington DC 20240

Dear Secretary Jewell,

As representatives of mountain communities throughout the American West, we commend the Department of Interior and the Office of Natural Resources Revenue (ONRR) for the proposed reform to the valuation of coal leased from federal lands. By eliminating subsidies and requiring coal companies to pay royalties on the true market price of coal, rather than on the hidden price at which it is sold to a middleman or a subsidiary, the government will collect a fair return for U.S. taxpayers and western states (an estimated \$1 billion per year), and increase government transparency and efficiency.

As western mountain communities, we represent approximately 250,000 permanent residents and forty million annual visitors each year. Positioned in rural mountain areas and often surrounded by federal land, our communities are especially vulnerable to climate change. Economic, public health, and environmental damages from catastrophic wildfire, floods and reduced snowpack are some of the threats we face. The costs of adapting to a changing climate are rising, but at the same time coal companies are taking advantage of gaping loopholes that allow them to pay less, thus depriving many western states (and taxpayers across the country) their fair share of the revenues from coal leased on federal land.

We support your proposal to close the regulatory loophole, stop the exploitation of taxpayer-owned federal lands, and eliminate current benchmarks used to value these transactions. Over the past 30 years, the government's undervaluation of coal may have cost taxpayers upward of \$30 billion in lost revenue. Western states need this money for local schools, roads, and other priorities. This much-needed reform will generate increased revenue for states in which the coal

is mined and help level the playing field in other U.S. coal markets by ensuring that everyone is playing by the rules.

This is an important opportunity to close the loopholes and revise the valuation method to ensure coal companies pay their fair share to American taxpayers. Thank you for your attention to this important issue and we look forward to working with you on this and other much needed reforms to the federal coal program.

Sincerely,

Park City, UT
City of Aspen, CO
Town of Telluride, CO
Town of Carbondale, CO
Town of Buena Vista, CO
Town of Dillon, CO
Town of Crested Butte, CO
Town of Ridgway, CO
Town of Ophir, CO
Mayor of City of Leadville, CO
Village of Taos Ski Valley, NM

CC:

The Honorable Shaun Donovan, Director, Office of Management and Budget
The Honorable Neil Kornze, Director, Bureau of Land Management
Christy Goldfuss, Acting Chair, White House Council on Environmental Quality
Brian Deese, Senior Adviser, Office of the President
The Honorable Senator Orrin G. Hatch
The Honorable Senator Mike Lee
The Honorable Representative Rob Bishop
The Honorable Senator Michael Bennet
The Honorable Senator Cory Gardner
The Honorable Representative Jared Polis
The Honorable Representative Scott R. Tipton
The Honorable Representative Doug Lamborn
The Honorable Senator Tom Udall
The Honorable Senator Martin Heinrich
The Honorable Representative Ben Ray Lujan