

Statement for the Record
US House Committee on Natural Resources
Subcommittee on Energy and Mineral Resources

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Good morning. My name is Travis Deti and I am the Executive Director of the Wyoming Mining Association (WMA). I want to thank the Committee and in particular Representative Cheney for the kind invitation to address you here today.

WMA is a statewide trade organization that represents and advocates for 26 mining company members producing bentonite, coal, trona and uranium. Wyoming leads the nation in production of all of these. WMA also represents 120 associate member companies, one railroad, one electricity co-op, and 200 individual members.

The first thing I'd like to do is offer what we call a "Safety Share." The Wyoming mining industry works very hard on maintaining a culture of safety, and we work to improve upon that every day. We finished 2016 with no worker fatalities. Statistically, a worker is safer working in a Wyoming mine than a number of more common occupations.

A Safety Share is simply passing along a bit of information or advice that offers an example of how safety is important in our work and daily routines. A good example is driver safety – always wear a seatbelt, don't use your cell phone when driving, and never text and drive.

It is critical for the public to understand the steps taken on behalf of individual companies to ensure a safe work environment.

Now a little background on Wyoming's coal industry. Wyoming produces 40% of the nation's coal and has been the leading coal producing state since 1986. We produce more coal than the next 5 coal producing states combined. The majority of the coal mined in Wyoming is federal coal.

Our resource is vast. Recent estimates give Wyoming more than 165 billion tons of economically recoverable coal. Wyoming is home to over 1.4 trillion tons of total coal reserves.

Electrical power generation is by far the largest consumer of coal in the United States. Wyoming coal is used as steam or thermal coal for the generation of electricity and is shipped all over the country. In 2016 we shipped 267 million tons to 27 states.

In 2016 we produced 297.5 million tons of coal. This was down from 375.7 million in 2015 (A decrease of 44.5 million tons). The record for Wyoming production was 466 million in 2008.

Wyoming produces about 40 percent of the nation's coal. With coal providing for about 32-33 percent of America's electricity generation, Wyoming coal provides for between 15 and 18 percent of the electricity produced in this country.

The coal industry is critical to Wyoming. The industry finished the year with 5,682 employees. A drop of 964 from the previous year. In the last six months, we have added about 330 of those jobs back. The

average coal mining job pays over \$83 thousand per year, well above the state average. And every coal mining job supports another 2-3 jobs in the service and supply industry.

The BLM's Federal Coal Leasing Program, by which companies pay to lease and mine coal on federal land has been a remarkable success by any reasonable measure.

The yearly financial contribution of coal mining to state and local governments in Wyoming in the form of taxes, royalties and fees is over \$1 billion. Last year, Wyoming's share of federal mineral royalties – royalties paid to mine the leased coal - was over \$212 million.

In the past two decades, bonus bids from the federal coal leasing program have totaled over \$2.6 billion. This revenue has been dedicated to building schools, supporting community colleges and highways across the state, and keeping the tax burden low on Wyoming citizens. Every county in Wyoming has benefitted from these revenues.

The impact the industry and the coal leasing program has at the state level for Wyoming is simply huge. Real jobs, real revenue, real people. The idea that the American taxpayer is getting "shortchanged" by the program – the main reason for the moratorium in the first place – is demonstrably false.

Considering that Wyoming accounts for about 85% of all federal coal production, it couldn't be clearer that taxpayers are receiving an excellent value from the BLM Coal Leasing Program in terms of revenue and jobs. Again, the idea that the American public is not getting its money's worth from the program is simply untrue.

The BLM Federal Coal Lease Program creates great value not only for those who directly benefit from mining, royalties and bonus bids, like we do in Wyoming. It also provides value for those across America who rely on affordable electricity.

And the federal coal in Wyoming is produced in a very responsible manner. Our mines are surface mines, and mine reclamation is an ongoing process that takes place simultaneous with mining activities. It starts before the first shovel of earth is turned, with the development of a comprehensive plan which is reviewed and approved by federal and state regulatory bodies.

Once mining begins, reclamation begins as well. It starts with the careful stockpiling of topsoil, a critical Wyoming resource. As the coal is removed, the resulting void is then backfilled with overburden and contoured in accordance with the approved reclamation plan. Topsoil is replaced and approved seed mixtures are then sowed. Unique and critical wildlife habitat, productive grazing and pastureland, and valuable stream and aquatic resources are created and restored in the process. Progress is monitored by specialists from the mining companies and the state agencies to ensure compliance with rules and, most importantly, to ensure reclamation is successful and sustainable. Only after a multitude of challenging regulatory standards are met and affirmatively demonstrated can the reclamation bond be released. The goal is to return the land to a state equal to or better than the pre-mining condition.

This is an overly simplified description of a time-consuming and costly, but robustly successful process. To put it more simply, our massive coal mines are being reclaimed every day. To date, an estimated 47 percent of all land disturbed by coal mining in Wyoming since the 1969 state law requiring reclamation in Wyoming has been reclaimed or is in the process of reclamation. The remaining land consists of active mining pits and facilities, including many acres of supporting activities designed to provide

protection of resources and the environment during the mining process. In fact, reclamation in Wyoming has been recognized at both the federal and state levels as arguably the best and most successful efforts in the nation since the enactment of the Surface Mining and Reclamation Act. Mine reclamation in Wyoming is a priority with coal operators with a commitment to ensure their obligations are met.

The Wyoming Department of Environmental Quality and Wyoming coal producers continue to work through bonding issues in a way that takes into account the current state of the industry and continues to protect the people of Wyoming. Operations are strictly audited on a regular basis to ensure full compliance with state regulations.

Again, the federal coal program is working well in Wyoming.

A report on the program from the US General Accounting Office in 2015 called for more transparency and some process improvement, while confirming that federal coal leases for Wyoming are being managed in a responsible fashion. The state with the largest share of federal coal leases does it right.

BLM is charged with ensuring the resource is managed responsibly in a manner that does not put it off limits or make it non-economical to mine for political reasons. Attempts under the previous Administration to restrict access to the resource through the moratorium on leasing, oppressive royalty rate increases, and the use of a nebulous, anecdotal “social cost” standard when determining fair market value, were meant for one thing: to halt the use of coal as an energy resource.

Which brings us to the legislation before us today. WMA supports the bill before this committee and we thank Representative Cheney for her efforts. Subjecting any future moratoriums on the Federal Coal Leasing program to Congressional approval would help to ensure that political efforts to use the program to further burden industry and curb coal use are avoided. We believe that Congress should certainly have a say in the matter. For Wyoming, the state most directly and disproportionately affected, this is critical.

The BLM Federal Coal Lease Program creates great value for taxpayers and those who rely on affordable electricity. While there may be room for process improvement, the program is certainly in the best interest of Wyoming and the United States.

This legislation is about shielding America’s most abundant, reliable and affordable energy resource from politically motivated administrations, providing a steady forecast environment for the coal industry, and providing increased Congressional oversight. This bill will certainly help to insulate against the partisan politics of the day, restore a degree of Congressional oversight of the Executive Branch, and give the states most affected a stronger voice.

I wish to thank the Committee for your kind attention, and I would stand for any questions you may have.