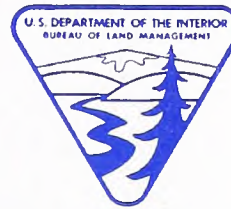




U.S. Department of the Interior  
Bureau of Land Management



# Federal Coal Management Report

## Fiscal Year 1993



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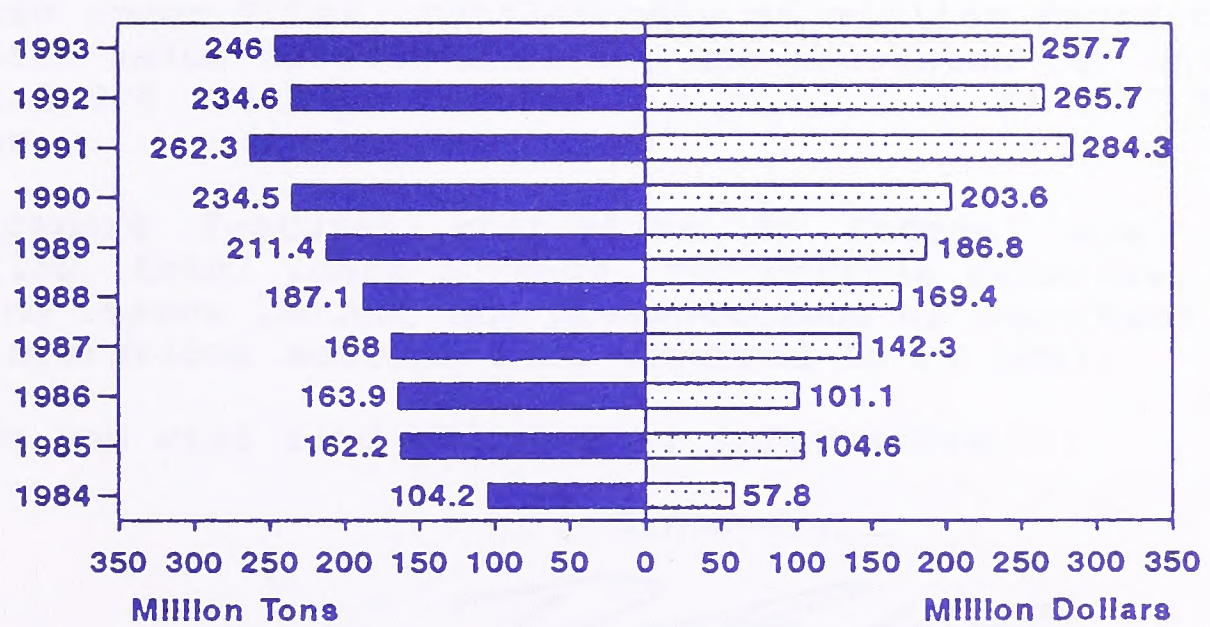
# Federal Coal Management Report

## Fiscal Year 1993

Annual Report of the Secretary of the Interior under Section 8 of the Federal Coal Leasing Amendments Act of 1976 (P.L. 94-377)

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### Production and Royalties Reported from Federal Coal Leases FY 1984 through FY 1993



Source: MMS, Royalty Management Program





THE SECRETARY OF THE INTERIOR  
WASHINGTON

NOV 22 1994

Honorable Albert Gore, Jr.  
President of the Senate  
Washington, D.C. 20510

Dear Mr. President:

In compliance with Section 8 of the Federal Coal Leasing Amendments Act of 1976 (FCLAA), Public Law 94-377, which amended Section 8B of the Mineral Leasing Act (MLA) 30 U.S.C. 208-2), I am pleased to transmit to you the Federal Coal Management Report, Fiscal Year 1993. The report summarizes the major coal management and related activities carried out under the Federal Coal Management Program during Fiscal Year (FY) 1993.

Federal coal production increased 4.6 percent in FY 1993, resuming the trend begun in FY 1985. A total of 245.99 million short tons of Federal coal were mined in FY 1993, equal to 25.7 percent of total U.S. coal production, up from 19 percent just 6 years ago. The Federal coal produced has an estimated value of \$2.5 billion, and generated \$257.72 million in royalties, a decrease of 3.0 percent over FY 1992. One-half of these royalty receipts were returned to the States in which the production occurred.

Federal coal production in FY 1977, the first year reported to Congress under FCLAA, totaled only 50 million short tons, had an estimated value of \$433 million, and accounted for only 7 percent of total U.S. coal production. Royalties in FY 1977 totaled \$9.9 million.

This report features statistics on Federal coal production, royalties, total lease acreage, recoverable reserves, lease sales held and leases issued, and presentations of important leasing and lease operations actions that occurred in FY 1993.

We hope you will find this report informative.

Sincerely,

Enclosure



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## PREFACE

The annual Federal Coal Management Report, mandated by the Federal Coal Leasing Amendments Act of 1976 (FCLAA), focuses on the implementation of the Federal Coal Management Program during Fiscal Year (FY) 1993. This is the seventeenth report to be transmitted to the Congress.

This report is divided into three major parts: Chapter 1 - Summary of Management, Supervision, and Enforcement Activities which describes the activities of the various Federal agencies involved; Chapter 2 - Leasing and Production from Federal Coal Lands which shows the major accomplishments in the Federal Coal Management Program in FY 1993; and Chapter 3 - Department of Justice - Competition and Antitrust Analysis.

The Minerals Management Service (MMS) statistics for FY 1993 represent production and royalties reported based on accounts receivable during FY 1993. The royalty management statistics do not precisely equate to actual production achieved or royalty accrued on that production during FY 1993 due to adjustments for prior years.

The consolidated tables immediately follow chapter 3. The tables in this report show amounts of coal production, sales, or recoverable coal reserves. These amounts are shown in both short tons and metric tons. This annual report reflects the government-wide effort to provide metric measurement in addition to short-ton reporting measures. In the narrative portion of the report, all references to amounts of coal, sales, or recoverable reserves are shown in short tons. A short ton is equal to 2,000 pounds. A conversion factor of 0.907 is used to convert metric tons to short tons.



## ACKNOWLEDGEMENTS

This report to the Congress was prepared in the Bureau of Land Management (BLM) by Harold W. Moritz of the Division of Solid Minerals.

Sections of the report were also provided and reviewed by the U.S. Geological Survey (GS), Minerals Management Service (MMS), Office of Surface Mining Reclamation and Enforcement (OSM), U.S. Fish and Wildlife Service (FWS), the Forest Service (FS), and the Department of Justice (DOJ). This report was also reviewed by the Department of the Interior's (DOI) Office of the Solicitor.

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## CHAPTER 1

# SUMMARY OF MANAGEMENT, SUPERVISION, AND ENFORCEMENT ACTIVITIES

### INTRODUCTION

Section 8 of the Federal Coal Leasing Amendments Act of August 4, 1976 (FCLAA), requires an annual report on leasing of and production from Federal coal lands; a summary of management, supervision and enforcement activities; and recommendations to the Congress for improvements in management, environmental safeguards and amount of production from leasing and mining operations on Federal coal lands. The annual submission must also contain a report, prepared by the Attorney General of the Department of Justice (DOJ), on competition in the coal and energy industries, including an analysis of whether or not the antitrust laws are effective in preserving or promoting competition in those industries. Chapter 3 of this report contains the DOJ reporting requirements.

Agencies with responsibilities in the Federal Coal Management Program include the following Department of the Interior (DOI) agencies: the Bureau of Land Management (BLM), with primary coal leasing and lease management responsibilities; the Minerals Management Service (MMS), with mineral revenue collection and disbursement responsibilities; the U.S. Geological Survey (GS), with responsibilities for conducting coal and water resource investigations; the Office of Surface Mining Reclamation and Enforcement (OSM), with responsibilities for the definition and establishment of coal performance and coal reclamation standards; and the U.S. Fish and Wildlife Service (FWS), with responsibilities for mitigating impacts to fish and wildlife resources on coalbearing lands. Two other agencies also have important roles: the Forest Service (FS), with land management planning responsibilities for lands under its jurisdiction; and the DOJ, with responsibilities related to implementing the provisions of the Sherman Anti-Trust Act.

## **BUREAU OF LAND MANAGEMENT (BLM)**

The BLM serves as the principal Federal agency responsible for the management of Federal coal reserves. In its role as coal lessor and manager, the BLM coordinates with other Federal agencies and State and local governments, whose responsibilities may be affected by coal-related activities, and with representatives of industry and environmental groups, whose interests are affected by coal leasing and development.

### Lease Management

There are many policy, procedural and statutory requirements that must be met before a lease tract is offered for competitive lease sale. The first major step in the Federal coal leasing process is the completion of a resource management plan (RMP). Coal-related portions of the RMP include subjecting the lands included in the RMP to four screens: coal potential, unsuitability criteria, multiple use tradeoffs and surface owner consultation. Descriptions of the applications of the four coal screens can be found in the Code of Federal Regulations (CFR) for the Federal Coal Management Program at 43 CFR 3420.1-4 and 43 CFR 3461 and in annual coal reports for the FYs 1979 through 1989. The outcome of land-use planning is the clearance of lands for further consideration for coal leasing or the dropping of lands from further leasing consideration.

The second major step depends upon the leasing mode used, i.e., either regional activity planning or lease-by-application (LBA) leasing. Regional activity planning, as described in the Federal Coal Management Program regulations at 43 CFR 3420.1 through 3420.4 and in previous annual coal reports, occurs on lands within designated Federal coal production regions. The only leasing mode currently in use is LBA leasing. It occurs outside of Federal coal production regions or in deactivated regions, when applicants seek specific tracts of Federal coal, generally located adjacent to existing mining operations.

Under both regional activity planning and the LBA processes, the BLM leases coal through competitive sales using a fixed royalty-variable cash bonus bidding system. The BLM completes the administrative requirements including appropriate National Environmental Policy Act (NEPA) processes necessary to offer the tracts for lease sale, holds the lease sale using sealed bidding procedures, and evaluates the high bids received to determine whether they constitute fair market value for the lease tracts. The process by which the BLM determines the fair market value of coal tracts that are offered for lease sale has been much studied. The most recent study, that of the Linowes Commission in 1984, resulted in revisions made to the economic model by which the BLM estimates tract value, as well as revisions to the basis upon which minimum bids for coal lease sales may be set, and the bid screening procedures by which a BLM sale panel evaluates the bids for acceptance.

### Federal-State Cooperation

The Federal-State Coal Advisory Board (FSCAB) and its subcommittees, the regional coal teams (RCT's), are designed to meet statutory requirements for Federal-State cooperation in the management of Federal lands. There is one RCT for each designated Federal coal production region. When the regional lease sale process is being used in the region, the RCT guides all phases of the process. When LBA leasing is the leasing mode, the RCT reviews each application and relevant environmental documents and makes recommendations on whether or not to process pending lease sale applications and when to hold coal lease sales.

During FY 1993 meetings were held by three of the RCT's, one each by the Uintah-Southwestern Utah (May 1993), Powder River (June 1993) and San Juan (September 1993) RCT's. The meetings were held to discuss pending coal lease applications and related coal leasing issues.

The FSCAB met in December 1992 to review regional coal leasing activities, discuss the long-range market outlook and consider whether or not to recommend a long-range coal lease sale planning schedule to the Secretary. Reports provided by the RCT's showed that interest in leasing Federal coal is likely to continue. As a result of this assessment, the FSCAB recommended that a long-range lease sale plan be deferred. The Secretary subsequently adopted this recommendation.

### Trends in Federal Coal Leasing and Production

Although over one-third of all Federal coal leases are located in the State of Utah, for the past 5 years the PRB has contributed an increasing share of Federal coal production. In FY 1993, Federal coal production constituted about 25.8% of total U.S. coal production (see Tables 1, 2, and 6) and PRB production constituted about 80.5% of all Federal coal production or 20.7% of the U.S. total. Other States produced significantly lesser totals of the total Federal production: Montana, 10.8%, largely from its PRB mines; Utah, about 7.7%; and Colorado, about 5.3%.

Powder River coal is increasingly meeting domestic energy needs for several reasons: (1) PRB coal has a low sulfur content, assisting powerplants in meeting the stricter sulfur dioxide emission standards imposed by the Clean Air Act Amendments; (2) PRB coal occurs in thick, extensive seams which are easily surface minable; (3) PRB coal occurs in billions of tons, comprising the majority of Federal coal; and (4) the PRB is connected to an extensive rail transportation system, with the result that the coal reaches markets as diverse as Oregon and Georgia.

Industry interest has changed since the early 1980's, when there was widespread interest in starting new mines involving Federal coal and regional coal leasing was

the leasing mode used. Current industry interest and BLM lease sale efforts center around the expansion of existing mining operations. When Federal coal occurs adjacent to these mines, lessees and/or operators apply for LBA sales. Sometimes the applied for tracts contain large amounts of Federal coal, as is the case in the PRB. Further, the tracts are adjacent to existing mines. Where possible, the BLM delineates the tracts so that they are attractive to more than one prospective coal company.

#### Preference Right Lease Applications (PRLA's)

Progress in processing coal PRLA's continued to be made during the year. As of September 30, 1993, 30 PRLA's remained to be processed. The BLM rejected three PRLA's in New Mexico, an action being appealed by the applicant; and the applicants relinquished seven PRLA's in Wyoming. During the FY 1993, the BLM continued to review and analyze comments and make revisions to its economic modeling for the Chapman-Riebold PRLA in Rio Blanco County, Colorado. Colorado BLM also published for public review and comment a draft cost estimate document (CED) on the Jensen-Miller PRLA in Rio Blanco County, Colorado. At the end of FY 1993, the comments received on this document were being analyzed and, where appropriate, incorporated into the commercial quantities analysis.

#### Powder River Leasing Activity

The first spurt of coal leasing activity in the Powder River Basin in 9 years ended with the sale of the West Rocky Butte tract in December 1992. The single bid received was rejected as not meeting the tract's fair market value, and a reoffering sale was held in January 1993. Three days before the sale, several Powder River-based environmental groups appealed the sale to the Interior Board of Land Appeals (IBLA), alleging that the BLM had failed to seek public comments on the tract's fair market value and maximum economic recovery, as was required by the Federal coal management regulations. The IBLA granted an emergency motion to allow the sale to be held and to expedite a decision on the appeal. In March 1993 two members of the three-judge panel decided that the BLM had complied with the regulations. The third judge ruled that the BLM had not complied with its regulations but that the appellants had no standing to bring the appeal. The appellants promptly filed a motion for reconsideration, which was pending before the IBLA at the end of FY 1993.

The BLM's coal leasing and lease management policies continued to be under investigation by the U.S. General Accounting Office (GAO) during FY 1993. An investigation into whether or not LBA leasing is an appropriate leasing mode for the PRB because of the large amount of Federal coal reserves and the extent of production and projected production contributed by the PRB continued into FY 1994. The GAO added a review of logical mining units and lessee qualifications during FY 1994. The GAO began another investigation in FY 1993, based on its preliminary findings during the LBA investigation, into the policies and procedures by which the



BLM generated pre-sale estimates of fair market value. The GAO stated that it was reviewing perceived inconsistencies among economic evaluation groups in the different coal production regions.

### Regulation of Exploration and Mining Operations

Exploration and mining operations on Federal lands that occur after issuance of a lease, license or permit are conducted under the regulatory authority of BLM. The primary activities include: inspection and enforcement, production verification and royalty oversight. Other responsibilities include ensuring: (1) orderly and efficient exploration, development, mining, preparation, and handling of coal for conservation of coal or other resources, (2) maximum economic recovery of coal, and (3) ensuring compliance with the diligence and lessee qualification provisions of the Mineral Leasing Act (MLA). These activities also include monitoring of operations for diligent development and continued operation, and for compliance with other provisions of the MLA as well as the regulations and lease terms.

On July 12, 1991, the BLM proposed in the Federal Register (56 FR 32002), a rule that would revise provisions of the operations-related portions of the existing Federal Coal Management Program regulations, specifically those regulations relating to exploration licenses, logical mining units, suspensions, lease management, diligence, and exploration and mining operations on leased Federal coal. Many of the changes are administrative and procedural in nature and provide more explicit and coherent direction for situations and conditions not anticipated by the existing regulations. Existing subparts and sections of the regulations are proposed for redesignation to reflect more accurately the sequence of actions in the Federal Coal Management Program. Certain substantive changes in the regulations were proposed. This proposed rulemaking has been withdrawn. Some portions of the program, including a review of the policies relating to logical mining units, royalty reductions, and suspensions, among other areas, will be reviewed by BLM during FY 1994.

### Exchanges

The DOI conducts two types of exchanges that involve the transfer of coal mineral rights (legislative lease exchanges and Section 206 of the Federal Land Policy and Management Act (FLPMA) exchanges). Enactment of the FCLAA removed the DOI's general authority to issue coal leases noncompetitively, a revocation that has ruled out all coal lease exchanges except for those specifically legislated by Congress. Where specifically allowed or directed by law, DOI may award a new coal lease to a Federal coal lease holder in exchange for relinquishment by the lessee of an existing lease or leases. In the lease exchange statutes enacted to date, lease exchanges have been made on an equal-value basis. The BLM may also consider fee coal exchanges under Section 206 of FLPMA on a case-by-case basis in response to proposals from private fee coal owners. There are some instances where BLM may also identify coal land areas during land-use planning as having fee coal exchange potential. The

environmental impacts of proposed exchanges are evaluated before any exchange is completed. All Section 206 exchanges must be of equal value and in the public interest.

Alluvial valley floor (AVF) exchanges are authorized by the Surface Mining Control and Reclamation Act of 1977 (SMCRA). Section 510(b)(5) of SMCRA prohibits surface mining in an AVF if it would interrupt, discontinue, or preclude farming but entitles the owner of the coal to obtain Federal coal in exchange. In consultation with the State of Wyoming, the BLM is currently analyzing a proposal made by Texaco in 1988 for an AVF exchange under SMCRA. Texaco has offered to exchange 1,975 acres near Lake DeSmet in Johnson County, Wyoming, for unspecified Federal coal. A previous exchange proposed under Public Law 95-554 was rejected in 1978, after a determination was made that it was not in the public interest.

Public Law 95-554 allowed the Secretary to exchange nine coal leases associated with Interstate Highway 90 (I-90) in Wyoming. The nine leases were held by six lessees. One exchange was completed in 1982, another in 1983, and another in 1986. Also in FY 1986, two exchange proposals were rejected as not being in the public interest. Both rejections were appealed to the IBLA, and one of the appeals was subsequently withdrawn and the lease relinquished. In March 1987, the IBLA ruled on the remaining appeal by remanding the exchange decision to BLM to make a formal, written determination on whether or not the exchange is in the public interest. A public hearing for the public interest determination was held in May 1992. At the end of FY 1993, the BLM was preparing a public interest determination, as required by the IBLA, with the assistance of the Solicitor's Office. The sixth lessee relinquished the affected coal lease and is no longer eligible for an exchange.

### Program Review

No reviews of the leasing component of the Federal Coal Management Program were conducted by the BLM in FY 1993. The lack of reviews was due to an ongoing investigation by the GAO, which was studying all aspects of the LBA leasing program throughout most of FY 1993. The investigation continues into FY 1994 and is expected to generate recommendations for BLM and DOI consideration and action. With respect to the lease management component of the Federal Coal Management Program, three Technical Procedure Reviews (TPR's) were conducted in FY 1993. Two of the TPR's concerned royalty rate reduction procedures on Federal coal lands in Montana and New Mexico and one TPR concerned the coal economic evaluation program in the Eastern States Office. The TPR teams consisted of BLM Washington Office and technical personnel from various BLM State Offices. Some administrative changes were suggested to remedy program deficiencies.

Recommendation

The Department recommends that the Congress enact legislation enabling the Secretary of the Interior to authorize the mining of coal associated with existing operations on Federal lands which would otherwise be permanently bypassed. The same authority should be extended to the Secretary for Indian lands. The mining of such potential bypass tracts must be subject to rigorous environmental review under NEPA and under the Secretary's ecosystem management framework. This legal remedy is being made to implement Recommendation #1.1 of the Department's Office of the Inspector General in their report of September 2, 1987.

## MINERALS MANAGEMENT SERVICE (MMS)

The MMS responsibilities in the Federal Coal Management Program include the collection, accounting, verification, distribution, and disbursement of royalties, rents, and bonuses from Federal coal leases. During FY 1993 MMS collected over \$257.7 million in royalties, representing an average of 10.3 percent of coal sales valued at \$2.5 billion. Tables 1 through 6 and 11 through 17 contain MMS data on producing coal leases, acreage, sales quantity, sales value, and royalty value by State and coal producing region.

The sales quantity, and sales value for Federal coal leases was up by 4.9% and 2.9%, respectively, over FY 1992. Royalties were down by 3.0%. This apparent decrease in reported royalties when compared to increasing production is due to a royalty adjustment occurring early in FY 1992. This adjustment made the FY 1992 statistics appear to contain proportionately larger amount royalties based on a smaller amount of coal mined. The FY 1993 statistics correct this aberration.

On public domain lands, with the exception of Alaska, 50 percent of the royalties are disbursed to the State treasuries, 40 percent are placed in the Federal Reclamation Fund that was established by the Reclamation Act of 1902, and 10 percent remains in the U.S. Treasury's miscellaneous receipts.

## U.S. GEOLOGICAL SURVEY (GS)

The major coal-related activities of the GS during FY 1993 involved those of the Energy Resource Surveys Program. These activities included: Coal Resources Investigations, National Coal Resources Data System (NCRDS), the Evolution of Sedimentary Basins Program, and a variety of water-resources investigations.

The Coal Resources Investigations Program consists of mapping, establishing local and regional coal-bed stratigraphic and correlation networks, and coal-quality and coal-resource characterization assessments done on regional as well as detailed, local levels. Data derived from these assessments and related studies are entered into the NCRDS, a computer-based resource data system. Computer application programs are then used to calculate coal resources using restrictive criteria. These data are available to support the Federal Coal Management Program. In FY 1993, coal resources on 3 National Forests were determined by GS personnel and studies were initiated in 4 additional National Forests.

The data-base management system of NCRDS was changed to permit greater ease in the manipulation of existing data and the addition of new data which is anticipated to grow exponentially during the next 5 years. The largest contributions have and are expected to continue to come from cooperative programs with 22 State geological agencies. Currently, the NCRDS contains approximately 1.65 million stratigraphic units and at least some chemical data on more than 100,000 coal samples. The USCHEM data base of NCRDS currently stores over 120 attributes of those coal samples analyzed through GS's coal geochemistry program. Currently the data base houses over 8,000 publicly available samples. In FY 1993, part of the USCHEM data base was adopted by the U.S. Environmental Protection Agency as the sole data base on which policy recommendations concerning trace metal emissions from the combustion of coal will be made. In FY 1994, CD Roms will be produced to publish coal quality databases which include many samples that were collected from Federal lands.

A major new direction in assessing coal resources begun in FY 1987, continues. A pilot study to develop methodology to assess the availability of coal resources for development was carried out in eastern Kentucky in cooperation with the Kentucky Geological Survey. This successful methodology was extended to cooperatives with Kentucky, Virginia, and West Virginia. To these cooperatives, Ohio, Pennsylvania, Illinois, and Indiana have been added. As of the end of FY 1993, a total of 34 7½ minute quadrangle areas in these States were completed. Results to date show that only about 51 percent of the original coal resources in the study areas is currently available for development. Additional analysis is performed by the U.S. Bureau of Mines who further estimate the recoverable reserves in each coal availability study. In FY 1994, an expansion of this program will be initiated in an area in the Powder River Basin which contains Federal lands.

The Evolution of Sedimentary Basins activities of the Energy Resource Surveys Program is designed to conduct basic research for an integrated approach to the prediction and assessment of energy resources in all major sedimentary basins including those containing Federal coal deposits. In addition to basins previously studied, the Illinois, Great, and Paradox Basins were added in FY 1990. This program is providing important regional information which will improve energy resources characterization on Federal lands.

Coal hydrology activities include water-resources data collection, and investigations associated with the availability of water to support increased coal development and the impacts of development on the water resources. In FY 1993, such activities were underway in several States. This work provides water-resources information needed for the preparation and review of applications for mining permits and reclamation plans by the coal industry.

In FY 1993, regional geologic studies and coal resource characterizations were underway in all major coal basins west of the 100th Meridian and in the Appalachian Province. In addition, 22 State geologic agencies were cooperatively supported by the GS for the appraisal of the coal deposits in their States.

In support of the Federal Coal Management Program in FY 1993, work was conducted in coal-resource and coal-quality assessments in cooperation with Alabama, Colorado, Kentucky, Montana, New Mexico, Utah, and Wyoming. Since 1977, fifty-five regional maps, at a scale of 1:100,000 or larger, of priority areas in the Western Federal coal regions, including information on coal geology, and engineering and hazards studies, have been completed to the stage where they can be used in coal management decisions.

About 110 topical reports and maps on research activities that are supportive of the work of the Federal Coal Management Program have been published by the GS authors during FY 1993.

## **OFFICE OF SURFACE MINING RECLAMATION AND ENFORCEMENT (OSM)**

The primary objective of the OSM is to protect society and the environment from the adverse effects of surface coal mining operations and to do so under conditions consistent with the Nation's need for energy. OSM's principal roles relative to Federal lands are to: (1) define policy and promulgate rules establishing performance standards and program administration processes; (2) review and process permit applications and mining plans, including such activities as are necessary for NEPA compliance, and recommend action on mining plans to the Secretary; (3) in States with approved State regulatory programs under Section 503 of SMCRA, negotiate State-Federal cooperative agreements for State regulation on Federal lands according to Section 523(c) of SMCRA; (4) in the absence of State-Federal cooperative agreements, carry out the permitting, inspection and enforcement, and other functions of the regulatory authority as set forth in SMCRA; (5) provide oversight of State administration of the regulatory requirements under the terms of an approved State-Federal cooperative agreement; and (6) administer a program to designate Federal lands unsuitable for surface coal mining under the petition process specified in Sections 522(a) and (c) of SMCRA.

There were no petitions filed to designate areas unsuitable for surface coal mining on Federal lands in FY 1993.

As of the end of FY 1993, the Secretary had entered into permanent program cooperative agreements with the States of Alabama, Colorado, Illinois, Montana, New Mexico, North Dakota, Ohio, Oklahoma, Utah, Virginia, West Virginia, and Wyoming to manage surface coal mining on Federal lands in accordance with OSM requirements.

At the beginning of FY 1993, OSM had 16 permit applications pending review for which approval of a mining plan, or approval of a modification to an approved mining plan, is required. During the year, 13 more were received and 10 mining plans or modifications were approved. At the end of FY 1993, 19 mining plan actions were carried over to FY 1994.

## U.S. FISH AND WILDLIFE SERVICE (FWS)

The FWS strives to ensure that fish and wildlife resources, including endangered species, receive full and equal consideration during activities associated with the development of Federal coal resources. The FWS gathers and analyzes data, related to fish and wildlife resources and development plans, to identify areas of natural resources conflict. The FWS also provides assistance in the development of alternatives that avoid and/or minimize losses to fish and wildlife resources, as well as provide opportunities for enhancement of these resources.

Most of the FWS involvement in the Federal Coal Management Program consists of providing technical assistance to the BLM during the planning phase of Federal coal leasing and mining operations and the OSM during reclamation, as well as during the restoration of Abandoned Mine Lands. The FWS conducts operational as well as research and development efforts on fish and wildlife impacted by coal development. Operational activities are implemented by the Ecological Services field offices located in the Regions. Data support is provided by the Office of Migratory Bird Management and the National Wetlands Inventory. Research and development activities are conducted by various divisions of the FWS (e.g., Technical Development). Research and development support is furnished by the National Ecology Research Center in Fort Collins, Colorado, and other elements of the FWS research program.

The major role of the FWS in the Federal Coal Management Program is to provide technical review and recommendations for various aspects of the program. These responsibilities range from reviewing mine permits and plans and monitoring State Coal Programs for fish and wildlife protection, to onsite field surveys to solve problems and reduce impacts to fish and wildlife resources by mining operations. Impacts can come from many diverse actions such as electrocution of raptors on transmission lines to mines, habitat destruction by mining operations, and disturbance to nesting raptors and/or other migratory birds.

On Federal and non-Federal lands, the Southwest Region (Region 2) reviewed 135 mine permits, conducted 26 Endangered Species Act consultations, provided recommendations for 15 Abandoned Mine Land projects, and conducted 1 reconnaissance survey for a major mine tailings cleanup project. The Great Lakes and Big Rivers Region (Region 3) participated in 2 coordination meetings and 1 public hearing; reviewed and commented on 65 permit renewal applications, 57 permit revisions, 33 applications for new permits, and 46 applications for abandoned mine land projects; conducted 34 Endangered Species Act consultations; commented on 7 proposed regulation changes; and provided technical assistance on 1 wetland reclamation and 3 habitat assessments. The Southeast Region (Region 4) reviewed and provided comments on 4 regulatory changes in State Coal Programs, 16 OSM permits, 1 BLM emergency coal lease, and a permit on USFS lands. The Mountain-Prairie Region



(Region 6) reviewed environmental impact statements (EIS's) for 6 mine plans, conducted 68 Endangered Species Act consultations, provided recommendations for 20 wetlands reclamation plans, reviewed 17 State Coal Program projects, and provided recommendations for 28 Abandoned Mine Land projects.

## FOREST SERVICE (FS) DEPARTMENT OF AGRICULTURE

The FS has land management planning responsibilities for lands under its jurisdiction. In addition, the Secretary of Agriculture must consent to the lease terms before a lease can be issued, and must consent to the approval of mining and reclamation plans which include Federal coal leases on National Forest System (NFS) lands.

The FS effort in FY 1993 included land and resource management planning, responding to requests to review lease-by-applications, modifications, readjustments, exploration plans, mine plans, and abandoned mine land reclamation projects.

Land and Resource Management Planning - Forest Plans have been completed for those National Forests which contain or are expected to contain Federal coal. They are: (1) National Forests in Alabama; (2) Allegheny NF in Pennsylvania; (3) Bridger-Teton NF in Wyoming; (4) Cherokee NF in Tennessee; (5) Custer NF in Montana; (6) Daniel Boone NF in Kentucky; (7) Manti-LaSal and (8) Fishlake and (9) Dixie NF's in Utah; (10) George Washington and (11) Jefferson NF's in Virginia; (12) Medicine Bow NF in Wyoming; (13) Monongahela NF in West Virginia; (14) Shawnee NF in Illinois; (15) Wayne NF in Ohio; and (16) White River, (17) San Juan, (18) Grand Mesa-Uncompahgre and (19) Gunnison NF's in Colorado. The Forest Plans include a report on the application of the unsuitability criteria (43 CFR 3461).

### Lease by Application - Lease applications responded to in FY 1993:

NFS Location	Status/Number
Medicine Bow	Completed = 1 Pending = 1

### Lease Modifications - Lease modifications responded to in FY 1993:

NFS Location	Status/Number
Grand Mesa-Uncompahgre	Completed = 1
Manti-LaSal	Completed = 2 Pending = 1
Medicine Bow	Completed = 1

### Lease Readjustments - Lease readjustments responded to in FY 1993:

NFS Location	Status/Number
Fishlake	Completed = 1
Manti-LaSal	Completed = 3 Pending = 3
Medicine Bow	Completed = 2

Exploration Licenses - Exploration licenses responded to in FY 1993:

NFS Location	Status/Number
Manti-LaSal	Completed = 1

MLA Mining Plans - MLA mining plans responded to in FY 1993:

NFS Location	Status/Number
Manti-LaSal	Completed = 4 Pending = 1
Medicine Bow	Completed = 1

SMCRA Permit Reviews - SMCRA permit proposals responded to in FY 1993:

NFS Location	Number
Manti-LaSal	1
Medicine Bow	1

## LITIGATION IN THE FEDERAL COAL MANAGEMENT PROGRAM

### Litigation Involving BLM:

#### Powder River Sale

In Northern Cheyenne Tribe v. Lujan, Civil No. 82-116-BLG-JFB (D. Mont.), the Tribe asserted that the EIS prepared for the April 1982 regional PRB coal lease sale was deficient because of its alleged failure to discuss adequately the effects of the proposed regional leasing on the plaintiff's reservation. In 1985, the district court ruled in favor of the Tribe and declared the leases void which had been issued in Montana as a result of the sale. The DOI petitioned the court for reconsideration of its order to cancel the leases. The lessees petitioned the court to intervene for reconsideration. The court granted the motions for intervention, stayed its cancellation order, and enjoined all lease operations. In 1986, the court granted the motion for reconsideration and (1) allowed one lessee to mine its three mine maintenance leases, provided mining did not cause "significant socioeconomic impacts" on the Tribe, and (2) directed the Secretary of the Interior to suspend the remaining leases pending supplementation of the EIS and appropriate review of lease issuance, terms and conditions. The Tribe then appealed the October 1986 order to the U.S. Court of Appeals for the Ninth Circuit.

The Ninth Circuit issued its decision on July 11, 1988, in which it reversed and remanded the October 1986 order, 842 F.2d 224. The Ninth Circuit first found that the district court possessed the full range of traditional equity power to fashion appropriate injunctive relief and that it did not abuse its discretion when it amended its order to suspend the leases rather than to void them. However, the Ninth Circuit found two defects with the injunction. First, it held that the Secretary of the Interior failed to comply with his regulations because the Regional Coal Team did not have sufficient input from the Tribe. Therefore, the Ninth Circuit ruled that if the district court decides to re-issue an injunction suspending the leases, it must order the Secretary of the Interior to redo the activity planning in which tracts are identified, ranked, analyzed and selected. Second, the Ninth Circuit ruled the injunction must prohibit the Secretary of the Interior from considering the existence of the leases when preparing the supplemental EIS. Finally, the Ninth Circuit ruled that the district court had an inadequate record on which to determine whether it was in the public interest to suspend rather than to void the leases. The Ninth Circuit ordered the district court to hold an evidentiary hearing on the public interest issue.

In June 1989, the BLM issued its draft supplemental EIS for public comment. On October 25, 1989, the district court awarded the Tribe \$338,309 for attorney's fees,

costs and expenses. The final supplemental EIS was released to the public on July 13, 1990.

On July 24, 1991, based on a motion filed by Wesco Resources, Inc., and Thermal Energy Company, the Billings District Court ruled that the sale of the Coal Creek Tract to Wesco Resources, Inc., and the sale of the Cook Mountain Tract to Thermal Energy Company be declared void.

A Record of Decision (ROD) regarding the supplemental EIS and the four remaining leases (Western Energy's three Coalstrip leases and Montana Royalty Company Ltd.'s West Decker lease) was signed by the Secretary on September 20, 1991. The ROD was intended to comply with the District court's order of October 6, 1986.

Western Energy and the Tribe negotiated a settlement of the Tribe's claims, which was approved by the court on September 20, 1991, without allowing the government to respond to the settlement in writing. A motion for reconsideration was filed on October 8, 1991. The government argued that NEPA, the Federal Coal Leasing Amendments Act, and the Secretary of the Interior's general trust responsibility to the Tribe do not mandate any funding to mitigate the impacts of lease activities and regional coal development. The government also argued that the district court lacked jurisdiction to hear claims for such monetary relief, even though the requested relief was couched as equitable relief. The government also criticized the court's approval of the settlement agreement with Western Energy as an unwarranted interference with the Secretary's discretion to impose additional lease stipulations on its lessee.

On June 2, 1992, the district court granted the government's motion for reconsideration and motion to dismiss the Tribe's claim for impact mitigation funding from the Federal Defendants.

After the district court dismissed the case, plaintiff filed an application for over \$374,000 in attorneys fees. On February 22, 1993, the court ruled in favor of the Tribe's application for attorneys fees on the basis that the Tribe was the prevailing party when the case is viewed as a whole. The Tribe requested \$202,653 for attorneys fees and \$57,148 for out-of-pocket expenses. The Tribe voluntarily reduced the attorneys fee amount by 20%. The court further reduced the amount by \$13,990 for time spent pursuing an earlier fee application and \$650 for time improperly billed. The court also reduced the amount by \$10,300 for time the Tribe spent pursuing its equitable funding claim which it characterized as a claim unrelated to the Tribe's original NEPA challenge. The final amount awarded for attorneys fees was \$142,170. The court reduced the out-of-pocket expense request by 20% to account for excessive charges.

The Tribe also requested payment of expert witness fees. Although the court ruled that the Tribe was entitled to expert witness fees, it could not determine from the submitted documentation whether the fees were "consistent with the prevailing

market rates." Therefore, the court ordered the Tribe to submit documentation by March 12, 1993, and ordered the Secretary to respond by March 25, 1993.

On April 13, 1993, the court ruled that the Tribe was entitled to expert witness fees, but ruled that the Tribe did not meet its burden "of demonstrating that all of the expert witness expenses claimed are recoverable under the EAJA." (Emphasis in original). Therefore, of the \$155,180 claimed by the Tribe, the court awarded a total of \$128,895.56. This brings the total award for the second EAJA application to \$316,783.96.

### Coal Management Rules

In Natural Resources Defense Council v. Jamison, Civil No. 82-2763 (D.D.C.), eight groups joined to challenge the July 1982 revisions to the July 1979 coal program rules. The plaintiffs alleged that DOI, in amending the program rules, violated NEPA and various provisions of FCLAA, FLPMA, and SMCRA. On December 8, 1992, the court ruled for the Department on all but two counts and required additional information on a third.

The court stated that it required more information in order to determine whether BLM's failure to complete the transition from Management Framework Plans (MFP) to the Resource Management Plans (RMP) required by FLPMA was egregious enough to warrant the issuance of a writ of mandamus to force BLM to complete the transition. The court, therefore, requested the DOI to advise the court within 30 days of a feasible schedule for completion of RMP's for the Big Dry, Great Divide, Green River, and White River Resource Areas, and other areas, if any, in which there is a potential for surface mining. The DOI submitted the schedule January 7, 1993.

In Count VIII of their complaint, plaintiffs challenged the lack of regulations' implementing provisions for public participation in the planning process and the program and management thereof. The court concluded that provisions for public participation in a handbook were insufficient, as FLPMA directs the Secretary to use notice and comment rulemaking to establish procedures for public participation. Therefore, the court granted plaintiffs' Motion for Summary Judgment on this point.

In Count X, the plaintiffs argued that a regulatory force majeure exception to the 3-year FCLAA deadline requirement for coal leaseholders to submit operation and reclamation plans was a statutory violation. The court held that the language of FCLAA for the 3-year deadline was mandatory, unambiguous, and provided for no exceptions and, therefore, exceptions were impermissible. Plaintiffs' Motion for Summary Judgment on this point was granted.

In February 1993, the U.S. appealed the decision with respect to Count VIII, and intervenor, National Coal Association, appealed the decision on Count X.

In National Wildlife Federation et al., v. Babbitt, Civil No. 88-0301 (D.D.C., filed February 15, 1988), plaintiffs challenged the adoption of regulations which clarified and modified the treatment of coal in the BLM's land use planning process, including the unsuitability criteria which are used to exclude land from consideration for coal leasing. The regulations, which became effective on January 7, 1988, implemented one of the Secretary's February 1986 decisions on the Federal Coal Management Program.

The lawsuit as amended sought an order requiring DOI to adopt additional unsuitability criteria for reclaimability and wetlands to be applied during land use planning. The plaintiffs further sought to require DOI to apply all unsuitability criteria during land use planning to lands that had been leased before the first SMCRA regulations were adopted in 1979. Finally, the lawsuit sought a declaratory judgment that DOI violated NEPA by failing to prepare an EIS or Environmental Assessment (EA) in connection with the proposed or final rules and an order that either an EIS or EA be prepared. Plaintiffs alleged that SMCRA requires utilization of an unsuitability criterion for reclaimability in land use planning and that Executive Order 11990 requires an unsuitability criterion for wetlands to be used in land use planning.

The DOI moved to dismiss the suit as untimely and an improper challenge outside the scope of rulemaking. The DOI also argued that nothing in SMCRA or in the executive order requires that lands be screened for reclaimability or wetlands at the land use planning stage, as opposed to the mining plan review or multiple use planning stages of the Federal Coal Management Program. The DOI also contended that the SMCRA unsuitability review for Federal coal leasing is not subject to NEPA, and argued in the alternative that the Department satisfied the NEPA requirement by issuing in 1985 the detailed programmatic EIS for the Federal Coal Management Program prior to the Secretary's decision as to what rules changes to propose. Finally, the DOI challenged plaintiffs' "informational standing" and the existence of a private right of action to enforce Executive Order 11990. Plaintiff filed a motion for summary judgment and the DOI filed a cross-motion for summary judgment.

On July 30, 1993, the district court ruled that the section 522 federal lands review is not exempt from NEPA, but found that there was no need for a supplemental EIS under the facts before the court. The court found the regulation simply implemented decisions made by the Secretary on the 1986 FEIS Record of Decision and thus were not a new or substantially changed proposed action requiring a supplemental EIS.

The court remanded the regulations to the DOI for further consideration of the wetlands criterion urged by EPA and the Fish and Wildlife Service. The court found that there was substantive law, based on the limitations established under Executive Order 11990 and therefore, agency action pursuant to that executive order was subject to judicial review. Without finding a substantive violation of Executive Order 11990, the court found that the Department fundamentally failed to consider and to address the available evidence and all relevant factors and did not adequately explain

why the wetlands criterion should be rejected. Accordingly, the court concluded the Department's decision not to add such a criterion was arbitrary and capricious.

The court declined to revisit its decision in NRDC v. Jamison in December 1992 that an unsuitability review for reclaimability need not occur at the land use planning stage and that it was sufficient that the unsuitability criterion be applied to previously leased lands before mining plans are filed.

On September 28, 1993, the United States filed a protective appeal of the decision.

#### Post-FCLAA Lease Readjustments

Following enactment of FCLAA, a large group of cases arose challenging the first lease readjustments. The coal leases in question were issued prior to enactment of FCLAA under Section 7 of the MLA. Section 7 made the leases subject to the right of the Secretary to readjust the terms and conditions of the leases, including royalty provisions, at the end of every 20 years unless otherwise provided by law. 30 U.S.C. 207 (1988). Section 7 of the MLA was amended by Section 6 of FCLAA to require readjustment every 10 years after the initial 20-year term of the leases. In every case in which a ruling has been issued, the coal readjustments have been upheld. The only remaining readjustment case is the Bear Coal Co., Inc. v. Hodel case, Civil No. 87-1493 (D. Colo.). That case has been on a jointly-stipulated hold since 1988 pending the resolution of a question of the assessment of late payment interest by the MMS. The MMS Director denied the appeal brought by Bear Coal Company regarding the assessment of late payment interest in November 1993. Bear Coal subsequently appealed the Director's decision to the Interior Board of Land Appeals where the case is currently pending.

#### Litigation involving OSM:

##### Mining Prohibitions

In Whitney Benefits, Inc. v. United States, plaintiff filed suit seeking just compensation for a "taking" of its property based on SMCRA's AVF mining prohibition. 30 USC 1260 (b)(5). The Government moved to dismiss based on the exchange provisions in SMCRA and an outstanding exchange offer by the DOI. The Claims Court granted the Government's motion, but the U.S. Court of Appeals for the Federal Circuit reversed and remanded the case for discovery and trial, holding that the exchange entitlement under SMCRA does not foreclose the coal owner from seeking to establish a taking for which it must receive just compensation. 752 F.2d 154 (1985).

In October 1989, the Claims Court issued its decision in favor of the plaintiff in the amount of \$60,296,000 plus interest from the date of enactment of SMCRA, August 3, 1977. (18 Cl. Ct. 394). The Government appealed this decision. In February 1991, the Federal Circuit affirmed the Claims Court decision. The Government's petition



for rehearing and motion for rehearing en banc were denied. The Government filed a petition for review with the Supreme Court. The petition for certiorari was denied on November 4, 1991. Whitney Benefits, Inc. v. United States, 926 F.2d 1169 (Fed. Cir.) cert denied, 112 S. Ct. 406. The Government has filed subsequent motions for a new trial and for dismissal for lack of jurisdiction. On February 10, 1994, the Court of Federal Claims ruled that plaintiffs are entitled to compound interest on the 1989 Judgement of \$60.5 million, thus bringing the total currently owed to almost \$300 million.

Texaco v. United States, Civil No. 93-517-L (Fed. Cl.), involves a claim by Texaco, owner of substantial coal mining rights in the Lake DeSmet area in Johnson County, Wyoming. Roughly 2/3 of this coal is owned in fee title and roughly 1/3 is leased Federal coal. In September 1987, the State of Wyoming issued a pre-application determination that mining is prohibited on the Shell Creek tract, which overlies a portion of Texaco's coal, because it is an AVF significant to farming as defined in the State analog to Section 510(b)(5) of SMCRA. In July 1988, Texaco submitted a coal exchange request to BLM seeking \$500 million worth of coal in the Eastern Powder River Basin, but BLM could not agree with Texaco about what federal lands were comparable for an exchange. In August 1993, Texaco filed a fifth amendment takings challenge against the United States, claiming that Wyoming's determination and the AVF mining prohibition were made pursuant to the requirement of SMCRA, and had taken an estimated 300 million tons of its coal without compensation. In October 1993, the Government filed its answer, asserting an affirmative defense that the plaintiff failed to state a claim against the Federal Government and that it was not liable for the State's AVF determination. Discovery is ongoing, as are settlement discussions.

### Litigation involving MMS:

#### Coal Product Value Regulations

In Black Butte Coal Co. v. U.S., based on the terms of Black Butte Coal Co. (Black Butte) unique lease, Black Butte challenged MMS' order denying Black Butte a deduction from royalty value for a part of Black Butte's Black Lung Taxes and Reclamation Fees. 27 Fed. Cl. 699 (1993). Black Butte asserted that these are items of common overhead that should be allocated to each stage of the mining process, including transportation and processing, and the portion allocated to transportation and processing is deductible from royalty value. Black Butte also asserted that the entire amount of its overriding royalty should be allocated to transportation and processing and thus is entirely deductible from royalty value. MMS disputes Black Butte's characterization of these costs. On March 1, 1993, the court held that Black Butte was entitled to deduct the part of Reclamation Fees allocated to transportation and processing, however it was not entitled to deduct any of its costs for Black Lung

Taxes and overriding royalty from royalty value. In September 1993, the parties entered into a settlement agreement whereby they agreed to live by the court's decision until the lease is readjusted in 1996. The result is that the government prevailed on over 90 percent of the amounts at issue and the Court of Federal Claims' decision was vacated.

## CHAPTER 2

### LEASING AND PRODUCTION FROM FEDERAL LANDS

#### *LEASING OF FEDERAL COAL LANDS*

The Federal Government owns about one-third of the Nation's coal resources. Coal resources owned and administered by the Federal Government are located on approximately 76 million acres of land principally in the Western United States. Western Federal lands contain approximately 60 percent of the total western coal reserve base. An additional 20 percent of the coal resources in the West are managed or impacted by the Federal Government by virtue of: (1) the commingling of State and private coal reserves with Federal leases and (2) trust responsibilities for Indian lands.

The interest in leasing Federal coal increased in FY 1993. Five lease sales were held, two more than the three sales held in FY 1992. Two lease sales were held in Wyoming, the second being a reoffering of the tract for which the bid was first rejected; two sales were held for tracts in Colorado (the bid for the second tract was rejected); and one sale was held for a tract in Kentucky. Bonus bids totaled approximately \$17.40 million for the 61.62 million short tons of recoverable coal reserves estimated to exist on the three tracts for which acceptable bids were received. Table 6 presents detail for each of the five lease sales.

Eight Federal coal leases were issued during FY 1993, as shown in Table 7. One lease was issued in Utah, two leases were issued in Colorado, and five leases were issued in Wyoming. Two of these 8 leases (1 in Utah and 1 in Wyoming) were created as a result of lease segregations from previously existing Federal coal leases. Table 9 shows the number of Federal coal leases issued in each FY since 1984, and the amount of acreage and estimated recoverable reserves contained in these leases.

As of September 30, 1993, there were 444 Federal coal leases for 656,831 acres containing approximately 13.01 billion short tons of recoverable coal reserves. Of these 444 leases, all but 12 have now been made subject to the diligence and royalty provisions of the FCLAA. By the end of FY 1996, all Federal coal leases will be subject to provisions of FCLAA.

## PRODUCTION FROM FEDERAL COAL LEASES

In FY 1993, 246 million short tons of Federal coal were mined, an increase of 4.6 percent from the 234.6 million short tons of Federal coal mined in FY 1992. This FY 1993 production accounted for approximately 25.8 percent of total U.S. production, up 2.2 percentage points from the 23.5 percent Federal share of total U.S. production in FY 1992. Total U.S. production in FY 1993 was approximately 955 million short tons, down about 4 percent when compared to 999 million short tons in FY 1992.

In FY 1993, total reported royalties on Federal coal leases were 257.7 million dollars, a 3 percent decrease from the total reported royalties of 265.7 million dollars in FY 1992. This apparent decrease in reported royalties when compared to increasing production is due to a royalty adjustment occurring early in FY 1992. This adjustment made the FY 1992 statistics appear to contain proportionately larger amount royalties based on a smaller amount of coal mined. The FY 1993 statistics correct this aberration.

Tables 1 through 17 are located immediately following Chapter 3 of this report.

- Table 1 (see p. 31) shows the number of producing leases, sales quantity, sales value and royalty payments by State for FY 1993.
- Table 2 (see p. 32) shows producing leases, sales quantity, sales value and royalty payments by Federal Coal Production Region for FY 1993.
- Table 3 (see p. 33) shows sales quantity from Federal coal leases for the period FY 1984 through 1993 by State in short tons.
- Table 4 (see p. 34) shows sales quantity from Federal coal leases for the period FY 1984 through FY 1993 in metric tons.
- Table 5 (see p. 35) shows royalty revenues from Federal coal leases for the period FY 1984 through 1993 by State in dollars.
- Table 6 (see p. 36) shows total coal production data, Nationwide vs. Federal for FY 1993.
- Table 7 (see p. 37) shows Federal coal lease sales held during FY 1993 by sale date.
- Table 8 (see p. 38) shows Federal coal leases issued during FY 1993 by lease issue date.

- Table 9 (see p. 39) shows Federal coal leases issued since FY 1984 by FY.
- Table 10 (see p. 40) shows the top 12 producing Federal coal mines based on FY 1993 Federal production.
- Table 11 (see p. 41) shows Federal coal production for the period FY 1984 through 1993 for Colorado Federal coal leases.
- Table 12 (see p. 42) shows Federal coal production for the period FY 1984 through 1993 for Montana Federal coal leases.
- Table 13 (see p. 43) shows Federal coal production for the period FY 1984 through 1993 for New Mexico Federal coal leases.
- Table 14 (see p. 44) shows Federal coal production for the period FY 1984 through 1993 for North Dakota Federal coal leases.
- Table 15 (see p. 45) shows Federal coal production for the period FY 1984 through 1993 for Utah Federal coal leases.
- Table 16 (see p. 46) shows Federal coal production for the period FY 1984 through 1993 for Wyoming Federal coal leases.
- Table 17 (see p. 47) shows an overview of Federal coal lease information for the period FY 1984 through FY 1993.

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## CHAPTER 3

### DEPARTMENT OF JUSTICE COMPETITION AND ANTITRUST ANALYSIS

This chapter of the report complies with Section 8B of the MLA, which requires the Attorney General to report to Congress on "competition in the coal and energy industries" in conjunction with the DOI report on the Federal Coal Management Program. One purpose is to provide the economic analysis that is a necessary foundation for the establishment of coal management policies that will promote competition and efficient development in the coal and energy industries. The report is to provide the basis for the analysis the DOJ employs in its review of Federal coal lease issuances, transfers (including assignments), and readjustments under Section 15 of the FCLAA and consequent advice to the Secretary of the Interior on whether any such actions would "create or maintain a situation inconsistent with the antitrust laws." The intention of the report is to serve the dual functions of advising Congress of the present state of competition in the coal industry and indicating the competitive principles the DOJ applies in reviewing Federal coal lease issuances, transfers, and readjustments.

The first DOJ report, submitted in May 1978, defined relevant product and geographic markets and set forth an analytical framework for assessing the state of competition in the coal industry. The report found that coal markets in the United States were workably competitive. The report also enunciated the DOJ's policy regarding any prospective lease issuance to a lessee with a share of uncommitted, non-Federal reserves in the relevant market in excess of 15 percent of the *prima facie* inconsistent with the antitrust laws. The report gave special attention to the competitive effects of participation in the coal industry of firms that also compete in markets for petroleum or nuclear fuel. Conditions were set out under which such interfuel integration would pose a danger to competition. It was quite clear that these conditions were not met in the case of coal/petroleum integration; coal/nuclear integration was found to pose a somewhat greater competition danger. Accordingly, a more stringent lease review standard was applied to certain nuclear fuel companies under which a share of uncommitted, non-Federal reserves in the relevant market in excess of 10 percent is considered *prima facie* inconsistent with the antitrust laws.

In May 1979, the second DOJ report updated several aspects of the first report's analysis and analyzed competition in coking coal markets. To the extent the available information permitted reaching any conclusions, coking coal markets were found to be workably competitive.

The third DOJ report, in November 1980, analyzed the competitive effects of railroad participation in western coal markets. The report found that there were several conditions that had to be met before participation by railroads in the western coal industry could pose a competitive problem. With the exception of one railroad, it was found that those conditions were not met. In the case of the one exception, Burlington Northern, Inc., it was not clear whether the conditions were met. The DOJ concluded that, for reviewing Federal coal leases, all railroads would be treated the same as coal companies, but leases to Burlington Northern, Inc., would be given special scrutiny.

In March 1982, the fourth DOJ report analyzed the competitive effects of participation of electric utilities in the coal industry, and found that there was significant danger that electric utilities could circumvent rate regulation through integration into the coal industry. However, whether leasing to any particular utility posed a significant competitive danger depended on a host of regulatory issues unique to that utility. The conclusion stated that leases to electric utilities would be subjected to detailed case-by-case review.

The DOJ's fifth and sixth reports, submitted in December 1982 and April 1983, reconsidered two basic aspects of the first report's analysis. The fifth report focused on the delineation of relevant markets in which to assess the effects of Federal coal lease issuances. Applying the market-delineation principles embodied in the DOJ's Merger Guidelines, the report concluded that there are three relevant markets in the area of the country in which virtually all Federal coal leasing will occur. Leases in the Powder River Region will be analyzed in a market that consists solely of the Powder River Region. Leases in the Fort Union Region of Montana and the Dakotas will be analyzed in a Northern Plains Market that consists of a combination of the Fort Union Region, the Powder River Region, and all other coal in Montana and the Dakotas. Leasing in the Denver-Raton Mesa, Green River-Hams Fork, San Juan, and Uinta-Southwestern Utah Regions of Colorado, New Mexico, Utah, and southern Wyoming will be analyzed in a Southwest Market that consists of the States of Arizona, Colorado, New Mexico, and the Green River-Hams Fork Region in Wyoming.

Also, the sixth DOJ report developed revised "universe" figures against which market shares in these three markets would be measured for the DOJ's lease reviews. The universe figures for uncommitted, non-Federal reserves are 56.1 billion short tons in the Northern Plains Market, and 17.8 billion short tons in the Powder River Market.

Together, these six reports comprise an analysis of competitive conditions in western coal markets and an explanation of the basic determinants of the DOJ's judgments in its statutory review of proposed developments that materially alter the analysis or the conclusions contained in these reports.



Section 15 of the FCLAA also requires the DOI to consult the DOJ "at each stage in the formulation and promulgation of rules and regulations concerning coal leasing." DOJ did not advise the Secretary that any of the lease issuance, assignments, or readjustments reviewed during FY 1993 would create or maintain a situation inconsistent with the antitrust laws.

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Table 1

Producing Leases, Sales Quantity, Sales Value and Royalty Payments  
By State  
FY 1993

STATE	PRODUCING LEASES		QUANTITY (x 1,000 TONS)		VALUE (x \$1,000)	
	NUMBER	ACREAGE	SHORT	METRIC	SALES	ROYALTY
TOTAL	131	266,620	245,993	223,116	2,498,814	257,720
AL	2	3,456	410	372	17,004	886
CO	28	38,559	13,157	11,933	303,289	25,071
KY	1	1,090	112	102	3,004	189
MT	13	36,728	26,596	24,123	318,166	39,731
NM	8	16,739	3,995	3,623	118,318	14,785
ND	5	6,554	2,874	2,607	22,556	1,069
OK	3	2,760	495	449	17,176	661
UT	35	50,006	19,030	17,260	475,646	31,532
WA	1	241	776	704	18,372	574
WY	35	110,487	178,548	161,943	1,205,283	143,222

**Notes:** The statistics represent sales and royalties reported during FY 1993 and adjustments made during FY 1993 for prior periods.

The FY 1993 royalty management statistics may not represent actual production achieved in FY 1993 or the royalty accrued on that production due to adjustments for previous years.

Metric conversion represents the sales quantity (short tons) multiplied by 0.907.

**Source:** Royalty Management Program, MMS, DOI.

Table 2

Producing Leases, Sales Quantity, Sales Value and Royalty Payments By Federal Coal Production Region FY 1993						
REGION	PRODUCING LEASES		QUANTITY (x 1,000 TONS)		VALUE (x \$1,000)	
	NUMBER	ACREAGE	SHORT	METRIC	SALES	ROYALTY
TOTAL	131	266,620	245,993	223,116	2,498,814	257,720
Southern Appalachian	2	3,456	410	372	17,004	886
Fort Union	6	6,994	2,923	2,651	23,185	1,138
Green River - Hams Fork	23	49,865	15,689	14,230	359,889	34,412
Powder River	39	114,859	198,018	179,602	1,371,787	168,240
San Juan River	9	16,932	4,060	3,682	119,811	14,904
Uinta - SW Utah	46	69,461	23,464	21,282	567,547	36,629
Other	6	5,053	1,429	1,296	39,591	1,511

**Notes:** The statistics represent sales and royalties reported during FY 1993 and adjustments made during FY 1993 for prior periods.

The FY 1993 royalty management statistics may not represent actual production achieved in FY 1993 or the royalty accrued on that production due to adjustments for previous years.

Metric conversion represents the sales quantity (short tons) multiplied by 0.907.

**Source:** Royalty Management Program, MMS, DOI.

Table 3

Sales Quantity From Federal Coal Leases  
FY 1984 to FY 1993  
By State  
(x 1,000,000 Short Tons)

STATE	FY 1984	FY 1985	FY 1986	FY 1987	FY 1988	FY 1989	FY 1990	FY 1991	FY 1992	FY 1993
TOTAL	104.1	162.2	163.9	168.0	187.1	211.4	234.5	262.3	234.6	246.0
AL	0.03	0.0	0.0	0.0	0.0	0.0	0.0	0.04	0.3	0.4
CO	9.9	10.4	10.1	8.8	9.2	10.7	12.5	23.9	12.6	13.2
KY	0.0	0.0	0.0	0.0	0.0	5.2	0.1	0.2	0.4	0.1
MT	14.5	24.0	22.4	22.9	20.5	21.5	26.9	26.8	22.7	26.6
NM	3.0	5.1	4.8	3.2	3.1	0.7	0.9	3.9	3.6	4.0
ND	1.3	6.3	0.0	6.1	4.8	5.2	5.3	6.5	6.2	2.9
OK	0.03	0.03	0.05	0.0	0.01	0.01	0.2	0.2	0.7	0.5
UT	6.1	11.4	9.5	12.9	15.4	15.5	16.9	18.2	16.9	19.0
VA	0.01	0.03	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
WA	0.7	0.3	0.7	0.6	0.4	0.7	0.9	0.6	0.7	0.8
WY	68.4	104.5	109.5	113.7	133.4	151.7	164.4	181.9	169.4	178.5

**Notes:** The statistics represent sales and royalties reported during FY and adjustments made during FY for prior periods.

The FY royalty management statistics may not represent actual production achieved in FY or the royalty accrued on that production due to adjustments for previous years.

Generally, data are rounded to nearest 0.1 million short tons.

**Source:** Royalty Management Program, MMS, DOI.

Table 4

Sales Quantity From Federal Coal Leases  
FY 1984 to FY 1993  
By State  
(x 1,000,000 Metric Tons)

STATE	FY 1984	FY 1985	FY 1986	FY 1987	FY 1988	FY 1989	FY 1990	FY 1991	FY 1992	FY 1993
TOTAL	94.5	147.1	148.6	152.4	169.7	191.7	212.7	237.9	212.7	223.1
AL	0.03	0.0	0.0	0.0	0.0	0.1	0.6	0.04	0.3	0.4
CO	9.0	9.4	9.2	8.0	8.4	9.7	11.3	21.7	15.2	11.9
KY	0.0	0.0	0.0	0.0	0.1	0.2	0.1	0.2	0.3	0.1
MT	13.2	21.7	20.3	20.7	18.6	19.5	24.4	24.3	20.6	24.1
NM	2.7	4.7	4.4	2.9	2.9	5.1	6.1	3.5	0.3	3.6
ND	1.2	5.7	6.2	5.5	0.4	4.7	4.8	5.9	5.6	2.6
OK	0.03	0.03	0.04	0.0	0.06	0.06	0.1	0.2	0.0	0.4
UT	5.6	10.4	0.0	11.7	13.9	14.1	15.3	16.5	16.3	17.3
VA	0.01	0.03	0.0	0.0	0.0	0.0	4.0	0.0	0.0	0.0
WA	0.6	0.3	0.59	0.5	0.4	0.6	0.7	0.6	0.7	0.7
WY	62.0	94.8	99.3	103.1	121.0	137.6	149.1	165.0	153.6	161.9

**Notes:** The statistics represent sales and royalties reported during FY and adjustments made during FY for prior periods.

The FY royalty management statistics may not represent actual production achieved in FY or the royalty accrued on that production due to adjustments for previous years.

Generally, data are rounded to nearest 0.1 million metric tons.

Metric conversion represents the sales quantity (short tons) (see Table 3), multiplied by 0.907.

**Source:** Royalty Management Program, MMS, DOI.

Table 5

Royalty Revenues From Federal Coal Leases  
FY 1984 to FY 1993  
By State  
(x \$1,000,000)

STATE	FY 1984	FY 1985	FY 1986	FY 1987	FY 1988	FY 1989	FY 1990	FY 1991	FY 1992	FY 1993
TOTAL	57.8	104.6	101.1	142.3	169.4	186.8	203.6	284.3	265.7	257.7
AL	0.01	0.0	0.0	0.0	0.0	0.2	1.8	0.2	0.7	0.9
CO	13.1	17.3	20.0	15.0	13.7	14.4	16.6	52.3	37.8	25.1
KY	0.0	0.0	0.0	0.0	0.3	0.0	0.3	0.3	0.7	0.2
MT	7.5	14.6	17.9	39.0	36.6	26.3	27.6	35.4	31.9	39.7
NM	6.6	23.9	15.4	10.3	10.1	17.7	21.6	15.5	13.2	14.8
ND	1.5	6.3	6.7	5.4	0.7	4.1	4.2	5.6	3.9	1.1
OK	0.1	0.03	0.05	0.0	0.03	0.1	0.2	0.6	0.0	0.7
UT	6.0	14.3	12.3	19.7	25.3	19.5	28.2	30.7	30.4	31.5
VA	0.04	0.1	0.0	0.0	0.0	0.0	0.0	0.6	0.0	0.0
WA	0.1	0.1	0.1	0.1	0.1	0.2	0.2	0.5	1.9	0.6
WY	22.6	27.9	28.7	52.8	78.6	103.8	103.0	143.3	144.1	143.2

**Notes:** The statistics represent sales and royalties reported during FY and adjustments made during FY for prior periods.

The FY royalty management statistics may not represent actual production achieved in FY or the royalty accrued on that production due to adjustments for previous years.

Generally, data are rounded to nearest \$0.1 million.

**Source:** Royalty Management Program, MMS, DOI.

Table 6

Total United States and Federal Coal Production By State for FY 1993 (x 1,000,000 Tons)					
STATE	NATIONWIDE PRODUCTION		PERCENT FEDERAL	FEDERAL PRODUCTION	
	SHORT	METRIC		SHORT	METRIC
TOTAL	954.8	866.0	25.8%	246.0	223.1
AL	25.1	22.7	1.6%	0.4	0.4
AK	1.6	1.5	0.0%	0.0	0.0
AZ	11.2	10.2	0.0%	0.0	0.0
AR	0.03	0.02	0.0%	0.0	0.0
CA	0.05	0.04	0.0%	0.0	0.0
CO	20.6	18.6	64.1%	13.2	11.9
IL	48.4	43.9	0.0%	0.0	0.0
IN	30.5	27.6	0.0%	0.0	0.0
IA	0.2	0.2	0.0%	0.0	0.0
KA	0.4	0.4	0.0%	0.0	0.0
KY	157.1	142.5	0.1%	0.1	0.1
LA	3.1	2.8	0.0%	0.0	0.0
MD	3.4	3.1	0.0%	0.0	0.0
MO	1.2	1.1	0.0%	0.0	0.0
MT	36.0	32.6	73.9%	26.6	24.1
NM	27.9	25.3	14.3%	4.0	3.6
ND	32.2	29.2	9.0%	2.9	2.6
OH	32.3	29.3	0.0%	0.0	0.0
OK	1.9	1.7	26.3%	0.5	0.4
PA	61.0	55.3	0.0%	0.0	0.0
TN	2.6	2.3	0.0%	0.0	0.0
TX	52.2	47.3	0.0%	0.0	0.0
UT	21.6	19.6	88.0%	19.0	17.3
VA	43.3	39.3	0.0%	0.0	0.0
WA	4.6	4.2	17.4%	0.8	0.7
WV	147.9	134.1	0.0%	0.0	0.0
WY	191.8	173.9	93.1%	178.5	161.9

**Notes:** The Federal statistics represent sales quantity reported during FY 1993 and adjustments made during FY 1993 for prior periods. The FY 1993 royalty management statistics may not represent actual production achieved in FY 1993 due to adjustments for previous years. Generally, data are rounded to the nearest tenth. Metric conversion represents the production amount (short tons) multiplied by 0.907.

**Sources:** Federal Production: Royalty Management Program, MMS, DOI.  
U.S. Production: Energy Information Administration, DOE.



Table 7

Federal Coal Lease Sales Held  
By Sale Date  
During FY 1993

STATE	SALE DATE	HIGH BIDDER	ACRES	ESTIMATED RECOVERABLE RESERVES (x 1,000,000 TONS)		ROYALTY RATE	BONUS BID (\$/ACRE)
				SHORT	METRIC		
CO	12/18/92	Cyprus Orchard Valley	522	2.5	2.3	8.0%	100
WY	12/04/92	Northwestern Resources	463	55.0	49.9	12.5%	30,699.55 <sup>1</sup>
WY	01/01/93	Northwestern Resources	463	55.0	49.9	12.5%	35,621.38 <sup>2</sup>
CO	08/11/93	Cyprus Western Coal Co.	544	3.6	3.3	8.0%	100 <sup>1</sup>
KY	08/31/93	Leeco, Inc.	181	0.5	0.5	8.0%	105

Notes: <sup>1</sup> Bid Was Rejected.

<sup>2</sup> Bid was Accepted.

Tonnage data are rounded to nearest 0.1 million tons.

Metric conversion represents the estimated reserves (short tons) multiplied by 0.907.

Source: Division of Solid Minerals, BLM, DOI.

Table 8

Federal Coal Leases Issued By Effective Date During FY 1993								
STATE	DATE	LEASE NUMBER	LESSEE	ACRES	ESTIMATED RECOVERABLE RESERVES (x 1,000,000 TONS)		ROYALTY RATE	BONUS BID (\$/ACRE)
					SHORT	METRIC		
WY	10/01/92	WYW117924	Kerr-McGee Coal Co.	1,707	102.6	93.1	12.5%	11,770.00
WY	10/01/92	WYW118907	Thunder Basin Coal Co.	3,493	481.0	436.3	12.5%	20,566.67
WY	10/01/92	WYW119554	Powder River Coal Co.	3,064	370.0	335.6	12.5%	28,390.00
CO	11/01/92	COC53510	Somerset Mining Co.	1,340	10.3	9.3	8.0%	765.67
WY	11/01/92	WYW125698 <sup>1</sup>	Exxon Coal Resources, Inc.	101	N/A <sup>1</sup>	N/A <sup>1</sup>	12.5%	N/A <sup>1</sup>
WY	01/01/93	WYW122586	Northwestern Resources	463	55.0	49.9	12.5%	35,621.38
CO	03/01/93	C53356	Cyprus Orchard Valley	522	2.5	2.3	8.0%	272.00
UT	06/30/93	U70018 <sup>1</sup>	Coastal States Energy Co.	610	N/A <sup>1</sup>	N/A <sup>1</sup>	8.0%	N/A <sup>1</sup>

**Notes:** <sup>1</sup> Lease segregation from previously existing lease.  
Tonnage data are rounded to nearest 0.1 million tons.  
Metric conversion represents the estimated reserves (short tons) multiplied by 0.907.

**Source:** Division of Solid Minerals, BLM, DOI.

Table 9

Federal Coal Leases Issued By Fiscal Year Since FY 1984			ESTIMATED RECOVERABLE COAL RESERVES (x 1,000,000 TONS)	
FISCAL YEAR	NUMBER	ACREAGE	SHORT	METRIC
TOTAL	47	68,285	1,419.0	1,287.0
1993	6 <sup>1</sup>	11,038 <sup>1</sup>	1021.4 <sup>1</sup>	926.4 <sup>1</sup>
1992	5 <sup>1</sup>	14,261 <sup>1</sup>	63.3 <sup>1</sup>	57.5 <sup>1</sup>
1991	6	4,952	27.6	25.1
1990	3	2,261	8.8	8.0
1989	1	9,905	84.0	76.2
1988	1	120	0.9	0.8
1987	6	2,615	12.5	11.3
1986	7	15,065	124.1	112.6
1985	6	1,473	6.2	5.6
1984	6	6,595	70.2	63.7

**Notes:** <sup>1</sup> Does not include data from leases that were created by segregation from pre-existing leases; See Table 7.

Tonnage data are rounded to nearest 0.1 million tons.

Metric conversion represents the estimated reserves (short tons) multiplied by 0.907.

**Source:** Division of Solid Minerals, BLM, DOI.

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Table 10

Top 12 Producing Federal Coal Mines  
Based on Federal Production  
FY 1984 to 1993  
(x 1,000,000 Short Tons)

RANK	STATE	FY 1993 FEDERAL PRODUCTION	MINE NAME	ENTITY
1	WY	30.3	Black Thunder	ARCO
2	WY	16.7	Jacobs Ranch	KERR-MCGEE
3	WY	16.7	Caballo	EXXON
4	WY	15.6	Eagle Butte	AMAX
5	WY	12.3	Dave Johnston	NERCO
6	WY	12.2	Cordero	KENNECOTT
7	WY	11.0	North Antelope	PEABODY
8	WY	9.9	Buckskin	TRITON
9	WY	9.6	Rochelle	PEABODY
10	WY	9.0	Belle Ayr	AMAX
11	MT	8.9	Decker	PETER KIEWIT
12	WY	8.4	Rawhide	EXXON

Note: Tonnage data are rounded to nearest 0.1 million short tons.

Source: Division of Solid Minerals, BLM, DOI.

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Table 11

COLORADO			
Federal Coal Production and Royalty Statistics FY 1984 to FY 1993			
FISCAL YEAR	PRODUCTION (x 1,000,000 TONS)		ROYALTY (x \$1,000,000)
	SHORT	METRIC	
1993	13.1	11.9	25.1
1992	12.6	11.4	37.8
1991	23.9	21.7	52.3
1990	12.5	11.3	16.6
1989	10.7	9.7	14.4
1988	9.2	8.4	13.7
1987	8.8	8.0	15.0
1986	10.1	9.2	20.0
1985	10.4	9.4	17.3
1984	9.9	9.0	13.1

**Notes:** The statistics represent sales and royalties reported during FY and adjustments made during FY for prior periods.

The FY royalty management statistics may not represent actual production achieved in FY or the royalty accrued on that production due to adjustments for previous years.

Data are rounded to nearest 0.1 million tons/dollars.

Metric conversion represents the sales quantity (short tons), multiplied by 0.907.

**Source:** Royalty Management Program, MMS, DOI.

Table 12

MONTANA			
Federal Coal Production and Royalty Statistics FY 1984 to FY 1993			
FISCAL YEAR	PRODUCTION (x 1,000,000 TONS)		ROYALTY (x \$1,000,000)
	SHORT	METRIC	
1993	26.6	24.1	39.7
1992	22.7	20.6	31.9
1991	26.8	24.3	35.4
1990	26.9	24.4	27.6
1989	21.5	19.5	26.3
1988	20.5	18.6	36.6
1987	22.9	20.7	39.0
1986	22.4	20.3	17.9
1985	24.0	21.8	14.6
1984	14.5	13.2	7.5

**Notes:** The statistics represent sales and royalties reported during FY and adjustments made during FY for prior periods.

The FY royalty management statistics may not represent actual production achieved in FY or the royalty accrued on that production due to adjustments for previous years.

Data are rounded to nearest 0.1 million tons/dollars.

Metric conversion represents the sales quantity (short tons), multiplied by 0.907.

**Source:** Royalty Management Program, MMS, DOI.

Table 13

NEW MEXICO			
Federal Coal Production and Royalty Statistics FY 1984 to FY 1993			
FISCAL YEAR	PRODUCTION (x 1,000,000 TONS)		ROYALTY (x \$1,000,000)
	SHORT	METRIC	
1993	4.0	3.6	14.8
1992	3.6	3.3	13.2
1991	3.9	3.5	15.5
1990	6.8	6.1	21.6
1989	5.7	5.1	17.7
1988	3.1	2.8	10.1
1987	3.2	2.9	10.3
1986	4.8	4.4	15.4
1985	5.1	4.7	23.9
1984	3.0	2.8	6.6

**Notes:** The statistics represent sales and royalties reported during FY and adjustments made during FY for prior periods.

The FY royalty management statistics may not represent actual production achieved in FY or the royalty accrued on that production due to adjustments for previous years.

Data are rounded to nearest 0.1 million tons/dollars.

Metric conversion represents the sales quantity (short tons), multiplied by 0.907.

**Source:** Royalty Management Program, MMS, DOI.

Table 14

NORTH DAKOTA			
Federal Coal Production and Royalty Statistics FY 1984 to FY 1993			
FISCAL YEAR	PRODUCTION (x 1,000,000 TONS)		ROYALTY (x \$1,000,000)
	SHORT	METRIC	
1993	2.9	2.6	1.1
1992	6.2	5.7	3.9
1991	6.5	5.9	5.6
1990	5.3	4.8	4.2
1989	5.2	4.7	4.1
1988	4.8	4.4	4.7
1987	6.1	5.5	5.4
1986	6.9	6.2	6.7
1985	6.3	5.7	6.3
1984	1.3	1.2	1.5

**Notes:** The statistics represent sales and royalties reported during FY and adjustments made during FY for prior periods.

The FY royalty management statistics may not represent actual production achieved in FY or the royalty accrued on that production due to adjustments for previous years.

Data are rounded to nearest 0.1 million tons/dollars.

Metric conversion represents the sales quantity (short tons), multiplied by 0.907.

**Source:** Royalty Management Program, MMS, DOI.



Table 15

UTAH			
Federal Coal Production and Royalty Statistics FY 1984 to FY 1993			
FISCAL YEAR	PRODUCTION (x 1,000,000 TONS)		ROYALTY (x \$1,000,000)
	SHORT	METRIC	
1993	19.0	17.3	31.5
1992	18.0	16.3	30.4
1991	18.2	16.5	30.7
1990	16.9	15.3	28.2
1989	15.5	14.1	19.5
1988	15.4	13.9	25.3
1987	12.9	11.7	19.7
1986	9.5	8.6	12.3
1985	11.4	10.4	14.3
1984	6.1	5.6	6.0

**Notes:** The statistics represent sales and royalties reported during FY and adjustments made during FY for prior periods.

The FY royalty management statistics may not represent actual production achieved in FY or the royalty accrued on that production due to adjustments for previous years.

Data are rounded to nearest 0.1 million tons/dollars.

Metric conversion represents the sales quantity (short tons), multiplied by 0.907.

**Source:** Royalty Management Program, MMS, DOI.

Table 16

WYOMING			
Federal Coal Production and Royalty Statistics FY 1984 to FY 1993			
FISCAL YEAR	PRODUCTION (x 1,000,000 TONS)		ROYALTY (x \$1,000,000)
	SHORT	METRIC	
1993	178.5	161.9	143.2
1992	169.4	153.6	144.1
1991	181.9	165.0	143.3
1990	164.4	149.1	103.0
1989	151.7	137.6	103.8
1988	133.4	121.0	78.6
1987	113.7	103.1	52.8
1986	109.5	99.3	28.7
1985	104.5	94.8	27.9
1984	68.4	62.1	22.6

**Notes:** The statistics represent sales and royalties reported during FY and adjustments made during FY for prior periods.

The FY royalty management statistics may not represent actual production achieved in FY or the royalty accrued on that production due to adjustments for previous years.

Data are rounded to nearest 0.1 million tons/dollars.

Metric conversion represents the sales quantity (short tons), multiplied by 0.907.

**Source:** Royalty Management Program, MMS, DOI.

Table 17

Federal Coal Lease Information  
An Overview  
FY 1984 to FY 1993

	FY 1984	FY 1985	FY 1986	FY 1987	FY 1988	FY 1989	FY 1990	FY 1991	FY 1992	FY 1993
Number of Leases SOLD	4	9	6	2	1	2	6	10	9	3
High Bonus Bids Total (x \$1,000,000)	9.8	0.1	2.5	0.1	0.05	16.2	15.5	24.8	72.9	16.1
Acres (x 1,000)	5.7	2.9	6.2	0.5	0.1	5.9	5.9	19.0	7.9	1.2
Reserves (x 1,000,000 Tons)	39.6	16.0	33.9	3.8	0.9	84.2	30.1	213.2	858.0	138.0
Number of New Leases ISSUED	6	6	7	6	1	1	3	6	5	6
Acres (x 1,000)	6.6	1.5	15.1	2.6	0.1	9.9	2.3	9.9	14.3	11.3
Reserves (x 1,000,000 Tons)	70.2	6.2	124.1	12.5	0.9	84.0	0.9	27.9	63.3	1,021.4
Number of Leases IN EFFECT	628	0.1	596	552	536	516	493	9.9	449	444
Number of Leases PRODUCING	118	127	134	122	122	136	129	133	449	131
Percent of Leases Producing (%)	18.8	21.8	22.5	22.1	22.8	26.4	26.2	2.53	30.1	29.5
Acres (x 1,000)	944.6	918.9	882.9	806.9	780.5	778.3	723.5	694.3	660.8	656.8
Reserves (x 1,000,000,000 Tons)	17.6	17.6	16.5	15.7	16.0	16.0	14.4	84.0	14.4	13.0
Sales Value (x \$1,000,000,000)	1.40	21.8	2.32	2.62	21.8	2.23	2.53	26.4	2.43	2.50
Royalties (x \$1,000,000)	57.8	104.6	101.1	142.3	168.0	186.8	203.6	284.3	265.7	257.7
Federal Production (x 1,000,000 Tons)	104.2	162.2	163.9	168.0	187.1	211.4	234.5	262.3	234.6	246.0
Federal Percentage of US Production (%)	11.6	19.5	18.5	18.9	19.5	21.8	23.9	26.4	23.5	25.7
U.S. Production (x 1,000,000,000 Tons)	0.90	0.86	0.89	0.89	0.96	0.97	0.98	1.01	0.99	0.96

**Note:** Where decimal values are given, the amount is rounded to the nearest tenth or hundredth, as appropriate.

The statistics represent sales and royalties reported during FY and adjustments made during FY for prior periods.

**Sources:** Royalty Management Program, MMS, DOI;  
Solid Minerals Division, BLM, DOI; and  
U.S. Production: Energy Information Administration, DOE.

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## LIST OF ABBREVIATIONS

AMC	American Mining Congress
AVF	Alluvial Valley Floor
BLM	Bureau of Land Management
CFR	Code of Federal Regulations
DOI	Department of the Interior
DOJ	Department of Justice
EA	Environmental Analysis
EAJA	Equal Access to Justice Act
EIS	Environmental Impact Statement
FCLAA	Federal Coal Leasing Amendments Act
FEIS	Final Environmental Impact Statement
FSCAB	Federal-State Coal Advisory Board
FLPMA	Federal Land Policy and Management Act
FR	Federal Register
FS	Forest Service; U.S. Department of Agriculture
FWS	Fish and Wildlife Service
FY 1993	Fiscal Year 1993 (10/01/92 through 09/30/93)
GAO	United States General Accounting Office
GS	United States Geological Survey
IBLA	Interior Board of Land Appeals
LBA	Lease-By-Application
MFP	Management Framework Plan
MLA	Mineral Leasing Act
MMS	Minerals Management Service
NCA	National Coal Association
NCRDS	National Coal Resources Data System
NEPA	National Environmental Policy Act
NFS	National Forest System
NRDC	Natural Resources Defense Council
OSM	Office of Surface Mining Reclamation and Enforcement
PRB	Powder River Basin
PRLA	Preference Right Lease Application
RCT	Regional Coal Team
RMP	Resource Management Plan
ROD	Record of Decision
TPR	Technical Procedures Review
SMCRA	Surface Mining Control and Reclamation Act



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