

109TH CONGRESS
1ST SESSION

H. R. 905

To amend the Mineral Leasing Act to provide for the development of Federal coal resources.

IN THE HOUSE OF REPRESENTATIVES

FEBRUARY 17, 2005

Mrs. CUBIN introduced the following bill; which was referred to the Committee on Resources

A BILL

To amend the Mineral Leasing Act to provide for the development of Federal coal resources.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Coal Leasing Amend-
5 ments Act of 2005”.

6 **SEC. 2. REPEAL OF THE 160-ACRE LIMITATION FOR COAL**
7 **LEASES.**

8 Section 3 of the Mineral Leasing Act (30 U.S.C. 203)
9 is amended in the first sentence by striking “such lease,”

1 and all that follows through the end of the sentence and
2 inserting “such lease.”.

3 **SEC. 3. MINING PLANS.**

4 Section 2(d)(2) of the Mineral Leasing Act (30
5 U.S.C. 202a(2)) is amended—

6 (1) by inserting “(A)” after “(2)”; and

7 (2) by adding at the end the following:

8 “(B) The Secretary may establish a period of more
9 than 40 years if the Secretary determines that the longer
10 period—

11 “(i) will ensure the maximum economic recovery
12 of a coal deposit; or

13 “(ii) the longer period is in the interest of the
14 orderly, efficient, or economic development of a coal
15 resource.”.

16 **SEC. 4. PAYMENT OF ADVANCE ROYALTIES UNDER COAL**
17 **LEASES.**

18 (a) IN GENERAL.—Section 7(b) of the Mineral Leas-
19 ing Act of 1920 (30 U.S.C. 207(b)) is amended to read
20 as follows:

21 “(b)(1) Each lease shall be subjected to the condition
22 of diligent development and continued operation of the
23 mine or mines, except where operations under the lease
24 are interrupted by strikes, the elements, or casualties not
25 attributable to the lessee.

1 “(2)(A) The Secretary of the Interior, upon deter-
2 mining that the public interest will be served thereby, may
3 suspend the condition of continued operation upon the
4 payment of advance royalties.

5 “(B) Such advance royalties shall be computed—

6 “(i) based on—

7 “(I) the average price in the spot market
8 for sales of coal from the same region during
9 the last month of each applicable continued op-
10 eration year; or

11 “(II) in the absence of a spot market for
12 coal from the same region, by using a com-
13 parable method established by the Secretary of
14 the Interior to capture the commercial value of
15 coal; and

16 “(ii) based on commercial quantities, as defined
17 by regulation by the Secretary of the Interior.

18 “(C) The aggregate number of years during the ini-
19 tial and any extended term of any lease for which advance
20 royalties may be accepted in lieu of the condition of contin-
21 ued operation shall not exceed 20.

22 “(3) The amount of any production royalty paid for
23 any year shall be reduced (but not below zero) by the
24 amount of any advance royalties paid under such lease to

1 the extent that such advance royalties have not been used
2 to reduce production royalties for a prior year.

3 “(4) This subsection shall be applicable to any lease
4 or logical mining unit in existence on the date of the enact-
5 ment of this paragraph or issued or approved after such
6 date.

7 “(5) Nothing in this subsection shall be construed to
8 affect the requirement contained in the second sentence
9 of subsection (a) relating to commencement of production
10 at the end of 10 years.”.

11 (b) **AUTHORITY TO WAIVE, SUSPEND, OR REDUCE**
12 **ADVANCE ROYALTIES.**—Section 39 of the Mineral Leas-
13 ing Act (30 U.S.C. 209) is amended by striking the last
14 sentence.

15 **SEC. 5. ELIMINATION OF DEADLINE FOR SUBMISSION OF**
16 **COAL LEASE OPERATION AND RECLAMATION**
17 **PLAN.**

18 Section 7(c) of the Mineral Leasing Act (30 U.S.C.
19 207(c)) is amended by striking “and not later than three
20 years after a lease is issued,”.

21 **SEC. 6. AMENDMENT RELATING TO FINANCIAL ASSUR-**
22 **ANCES WITH RESPECT TO BONUS BIDS.**

23 Section 2(a) of the Mineral Leasing Act (30 U.S.C.
24 201(a)) is amended by adding at the end the following:

1 “(4)(A) The Secretary shall not require a surety bond
2 or any other financial assurance to guarantee payment of
3 deferred bonus bid installments with respect to any coal
4 lease issued on a cash bonus bid to a lessee or successor
5 in interest having a history of a timely payment of noncon-
6 tested coal royalties and advanced coal royalties in lieu
7 of production (where applicable) and bonus bid installment
8 payments.

9 “(B) The Secretary may waive any requirement that
10 a lessee provide a surety bond or other financial assurance
11 for a coal lease issued before the date of the enactment
12 of the Coal Leasing Amendments Act of 2005 only if the
13 Secretary determines that the lessee has a history of mak-
14 ing timely payments referred to in subparagraph (A).

15 “(5) Notwithstanding any other provision of law, if
16 the lessee under a coal lease fails to pay any installment
17 of a deferred cash bonus bid within 10 days after the Sec-
18 retary provides written notice that payment of the install-
19 ment is past due—

20 “(A) the lease shall automatically terminate;
21 and

22 “(B) any bonus payments already made to the
23 United States with respect to the lease shall not be
24 returned to the lessee or credited in any future lease
25 sale.”.

1 **SEC. 7. INVENTORY REQUIREMENT.**

2 (a) REVIEW OF ASSESSMENTS.—

3 (1) IN GENERAL.—The Secretary of the Inte-
4 rior, in consultation with the Secretary of Agri-
5 culture and the Secretary of Energy, shall review
6 coal assessments and other available data to iden-
7 tify—

8 (A) public lands with coal resources;

9 (B) the extent and nature of any restric-
10 tions or impediments to the development of coal
11 resources on public lands identified under para-
12 graph (1); and

13 (C) with respect to areas of such lands for
14 which sufficient data exists, resources of com-
15 pliant coal and supercompliant coal.

16 (2) DEFINITIONS.—For purposes of this sub-
17 section—

18 (A) the term “compliant coal” means coal
19 that contains not less than 1.0 and not more
20 than 1.2 pounds of sulfur dioxide per million
21 Btu; and

22 (B) the term “supercompliant coal” means
23 coal that contains less than 1.0 pounds of sul-
24 fur dioxide per million Btu.

25 (b) COMPLETION AND UPDATING OF THE INVEN-
26 TORY.—The Secretary—

1 (1) shall complete the inventory under sub-
2 section (a) by not later than 2 years after the date
3 of the enactment of this Act; and

4 (2) shall update the inventory as the availability
5 of data and developments in technology warrant.

6 (c) REPORT.—The Secretary shall submit to the
7 Committee on Resources of the House of Representatives
8 and to the Committee on Energy and Natural Resources
9 of the Senate and make publicly available—

10 (1) a report containing the inventory under this
11 section, by not later than 2 years after the effective
12 date of this section; and

13 (2) each update of such inventory.

14 **SEC. 8. APPLICATION OF AMENDMENTS.**

15 The amendments made by this Act apply with respect
16 to any coal lease issued before, on, or after the date of
17 the enactment of this Act.

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