

# *Advanced Royalty For Coal Rule Status Update*

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## Proposed Rule

RIN 1010-AD37

Valuation of Federal Coal for Advance Royalty Purposes and  
Information Collection Applicable to All Solid Minerals Leases

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- Section 434 of the EPAct, entitled the "Coal Leasing Amendments Act of 2005," amended the MLA, 30 U.S.C. 207(b).
- Section 434 of the EPAct amends the process for payment of advance royalties under Federal coal leases.

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- The EPAct requires coal advance royalty to be determined using spot market prices of comparable coal in the regions.
  
- The EPAct also prescribes that if there are no spot market prices for comparable coal from the same region, the Secretary may establish a “comparable method . . . to capture the commercial value of coal.”

# Revise Solid Minerals Valuation Regulations

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- RPC Recommendation
  - MMS should review, and (as appropriate) revise and implement the regulations and guidance for calculating prices used in checking royalty compliance for solid minerals, with particular attention to non-arm's-length transactions.

# Revise Solid Minerals Valuation Regulations

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## □ Action Plan

- Coordinate with the RPC Subcommittee on Coal Valuation on revising regulations for calculating prices for solid minerals
- Consult with tribes
- Issue a proposed solid minerals valuation rule
- Implement the final rule by December 2010