

108TH CONGRESS  
1ST SESSION

# H. R. 794

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

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IN THE HOUSE OF REPRESENTATIVES

FEBRUARY 13, 2003

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

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## 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 2003”.

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 based  
6 on the average price for coal sold in the spot market from  
7 the same region during the last month of each applicable  
8 continued operation year.

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

13       “(3) The amount of any production royalty paid for  
14 any year shall be reduced (but not below zero) by the  
15 amount of any advance royalties paid under such lease to  
16 the extent that such advance royalties have not been used  
17 to reduce production royalties for a prior year.

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

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

1 (b) AUTHORITY TO WAIVE, SUSPEND, OR REDUCE  
2 ADVANCE ROYALTIES.—Section 39 of the Mineral Leas-  
3 ing Act (30 U.S.C. 209) is amended by striking the last  
4 sentence.

5 **SEC. 5. ELIMINATION OF DEADLINE FOR SUBMISSION OF**  
6 **COAL LEASE OPERATION AND RECLAMATION**  
7 **PLAN.**

8 Section 7(c) of the Mineral Leasing Act (30 U.S.C.  
9 207(c)) is amended by striking “and not later than three  
10 years after a lease is issued,”.

11 **SEC. 6. AMENDMENTS RELATING TO FINANCIAL ASSUR-**  
12 **ANCES WITH RESPECT TO BONUS BIDS.**

13 (a) PROHIBITION ON REQUIRING SURETY BONDS.—  
14 Section 2(a) of the Mineral Leasing Act (30 U.S.C.  
15 201(a)) is amended by adding at the end the following:

16 “(4) The Secretary shall not require a surety bond  
17 or any other financial assurance to guarantee payment of  
18 deferred bonus bid installments with respect to any coal  
19 lease issued based upon a cash bonus bid.

20 “(5) Notwithstanding any other provision of law, if  
21 the lessee under a coal lease fails to pay any installment  
22 of a deferred cash bonus bid within 10 days after the Sec-  
23 retary provides written notice that payment of such in-  
24 stallment is past due—

25 “(A) such lease shall automatically terminate;

1           “(B) any deferred bonus payments that have  
2 not been paid to the United States with respect to  
3 such lease shall no longer be owed to the United  
4 States; and

5           “(C) any bonus payments already made to the  
6 United States with respect to such lease shall not be  
7 returned to the lessee or credited in any future lease  
8 sale.”.

9           (b) CONFORMING AMENDMENT.—Section 2(a)(1) of  
10 the Mineral Leasing Act (30 U.S.C. 201(a)(1)) is amend-  
11 ed by striking “Upon default or cancellation of any coal  
12 lease for which bonus payments are due, any unpaid re-  
13 mainder of the bid shall be immediately payable to the  
14 United States.”.

15 **SEC. 7. INVENTORY REQUIREMENT.**

16           (a) REVIEW OF ASSESSMENTS.—

17           (1) IN GENERAL.—The Secretary of the Inte-  
18 rior, in consultation with the Secretary of Agri-  
19 culture and the Secretary of Energy, shall review  
20 coal assessments and other available data to iden-  
21 tify—

22                   (A) public lands with coal resources;

23                   (B) the extent and nature of any restric-  
24 tions or impediments to the development of coal

1 resources on public lands identified under para-  
2 graph (1); and

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

6 (2) DEFINITIONS.—For purposes of this sub-  
7 section—

8 (A) the term “compliant coal” means coal  
9 that contains not less than 1.0 and not more  
10 than 1.2 pounds of sulfur dioxide per million  
11 Btu; and

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

15 (b) COMPLETION AND UPDATING OF THE INVEN-  
16 TORY.—The Secretary—

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

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

22 (c) REPORT.—The Secretary shall submit to the  
23 Committee on Resources of the House of Representatives  
24 and to the Committee on Energy and Natural Resources  
25 of the Senate and make publicly available—

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

4           (2) each update of such inventory.

5 **SEC. 8. APPLICATION OF AMENDMENTS.**

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

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