



Public Opinion on Coal Mining Reforms on Public Lands

*Key Findings from a Nationwide Survey among 803 Likely 2016 Voters
Conducted January 16 – 19, 2015
for the*

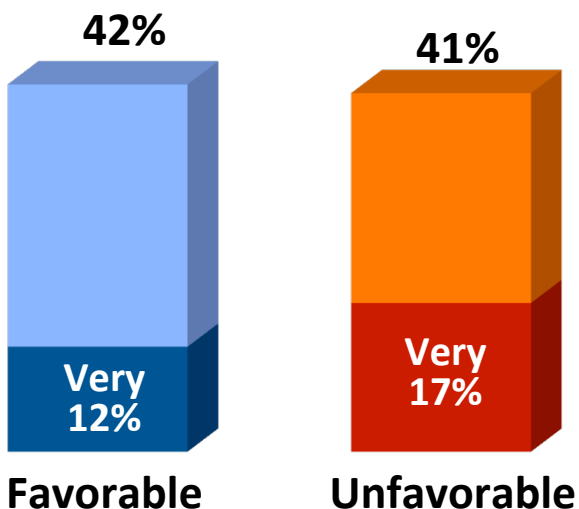
Center for American Progress



Voters have mixed opinions on whether the federal government should lease public lands for coal mining.

The federal government leases public lands mainly in Wyoming and Montana to companies who mine for coal: what is your reaction to this?

All voters

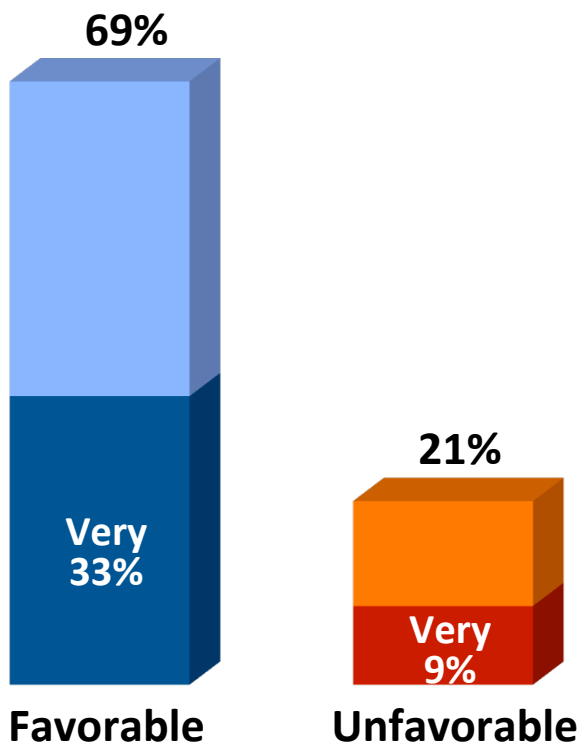


	<u>Favorable</u>	<u>Unfavorable</u>
Men	50%	38%
Women	35%	43%
Age 18 to 34	33%	52%
Age 35 to 49	43%	39%
Age 50 to 64	44%	42%
Age 65/over	46%	33%
Democrats	29%	54%
Independents	41%	44%
Republicans	58%	25%

Agreement is broad and bipartisan that coal companies should pay royalties on coal mined from public lands.

When a company mines coal from national public lands, they are required to pay fees, called royalties, to the government based on the price of the coal they mine: what is your reaction to this?

All voters



Favorable

Men	75%
Women	65%
Age 18 to 34	66%
Age 35 to 49	73%
Age 50 to 64	72%
Age 65/over	66%
Democrats	66%
Independents	68%
Republicans	77%
Leasing public lands:	
Favorable	83%
Unfavorable	66%

The public is inclined to believe that royalties should be assessed on true market price of coal, rather than the price when it is sold to a broker or middleman.

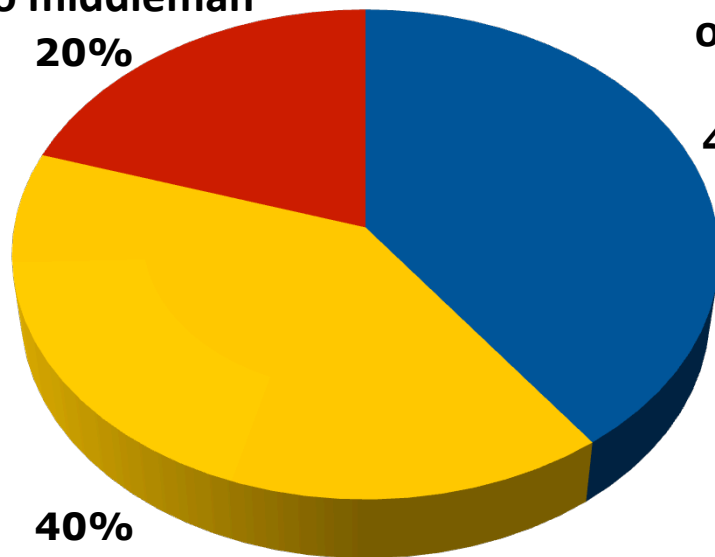
Preferred basis for coal company royalties/fees calculations

All voters

+20 market price
→

Price of coal at mine
when sold to middleman
20%

True market price
of coal when sold
to power plant
40%

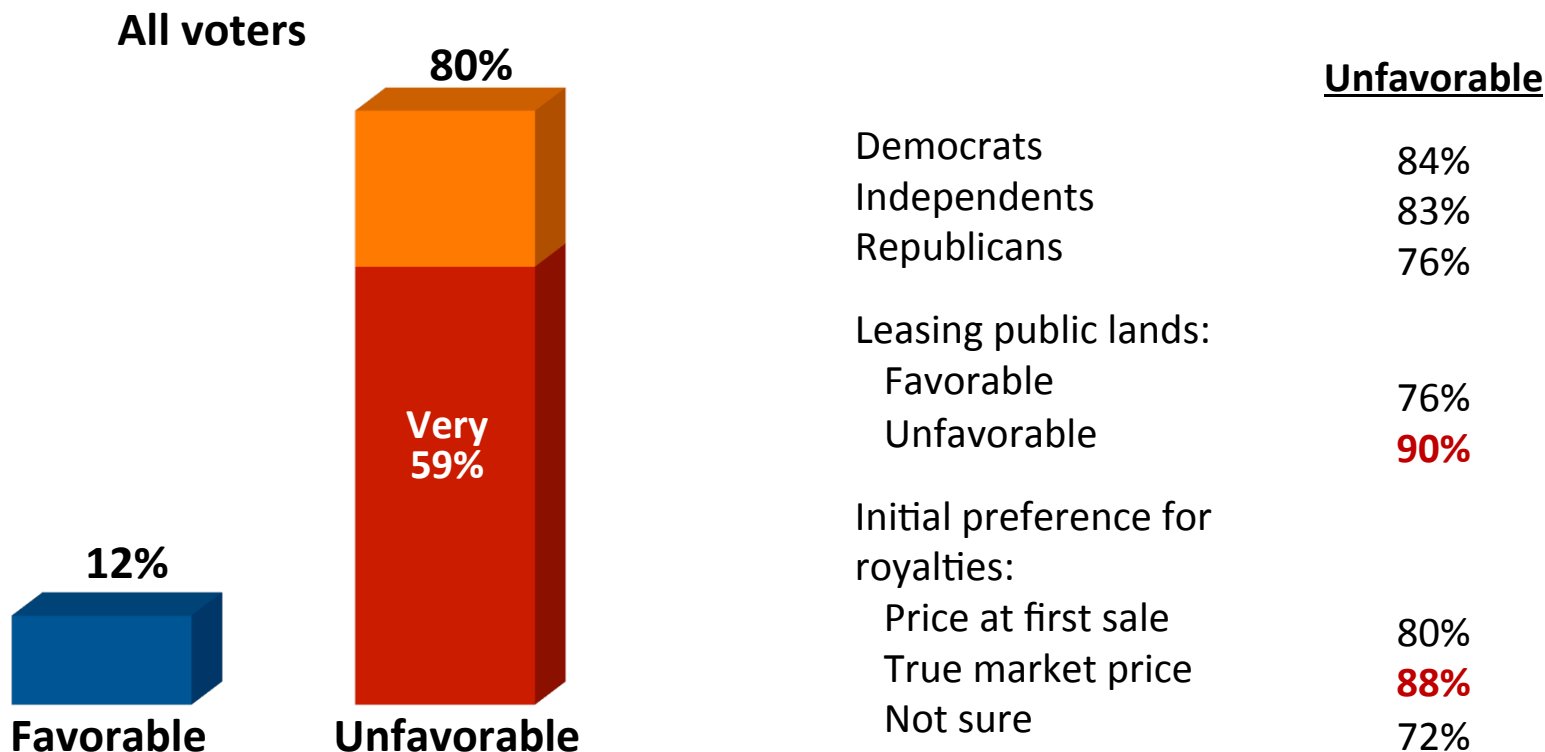


40%
Not sure

	<u>Market Price</u>	<u>Price for Middleman</u>
Democrats	44%	17%
Independents	42%	20%
Republicans	37%	24%
Leasing public lands:		
Favorable	39%	26%
Unfavorable	45%	16%

Voters have a strong negative reaction to coal companies' paying less in royalties by selling to their own subsidiaries at lower prices.

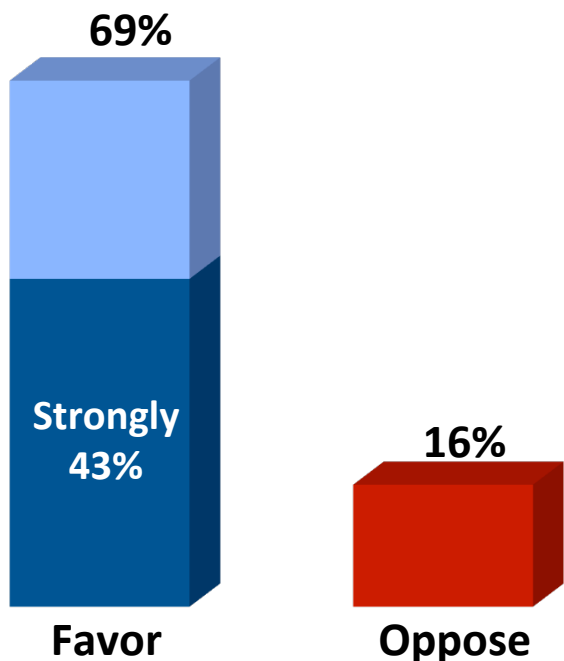
Recent investigations have found that coal companies are selling coal to subsidiary companies they have created, which allows them to set prices for themselves and therefore pay lower royalties or fees to U.S. taxpayers. These subsidiary companies then resell the coal at a much higher price to power plants, or export the coal to China and other foreign markets: what is your reaction to this?



Support is solid and bipartisan for a proposal to require coal companies to pay royalties based on the true market price of coal.

There is a proposal to require coal companies to pay royalties or fees for coal mined on public lands based on the true market price at which coal is sold to power plants, rather than the lower price at which coal is sold to middlemen or their own subsidiary companies: would you favor or oppose this ?

All voters



Favor

Democrats	75%
Independents	63%
Republicans	70%
Leasing public lands:	
Favorable	68%
Unfavorable	80%
Initial preference for royalties:	
Price at first sale	60%
True market price	85%
Not sure	59%

Highlighting how coal companies are using loopholes to shortchange American taxpayers is the strongest message for advancing the proposal.

*Proportions rating each as a strong reason to support proposal to base coal company royalties/fees on true market price**

By taking advantage of this gaping loophole, major coal companies are **costing U.S. taxpayers and state governments more than \$1 billion a year** in lost royalty payments for money that is owed them from coal mined on taxpayer-owned public lands. That is lost revenue that state governments could be using for local schools, roads, and other needs.

Coal companies are cheating taxpayers by selling coal to their own shell companies so they can pay royalties or fees based on artificially low prices. In fact, more than 40% of all coal in Wyoming is being sold to coal companies' shell companies to avoid paying their fair share to US taxpayers.

By gaming the system and paying such low royalties, coal companies that mine on federal lands in places like Wyoming are receiving an **unfair advantage over coal producers that mine on private lands** in other parts of the country. This is **distorting US coal markets and contributing to job losses** in areas like West Virginia, Ohio, and other Appalachian states.

Coal companies are working to export more and more of the coal that is mined on American public lands to China and other foreign markets. **American taxpayers are getting shortchanged while Chinese power plants are getting bargain-basement prices** on coal.

	<u>Demo-</u> <u>crats</u>	<u>Inde-</u> <u>pend-</u> <u>ents</u>	<u>Repub-</u> <u>licans</u>
	67%	58%	53%
	61%	49%	52%
	56%	50%	50%
	55%	48%	49%

* 7-10 ratings on a zero-to-10 scale, 10 = very strong reason to support

Arguments against changing how royalties are calculated are received less favorably.

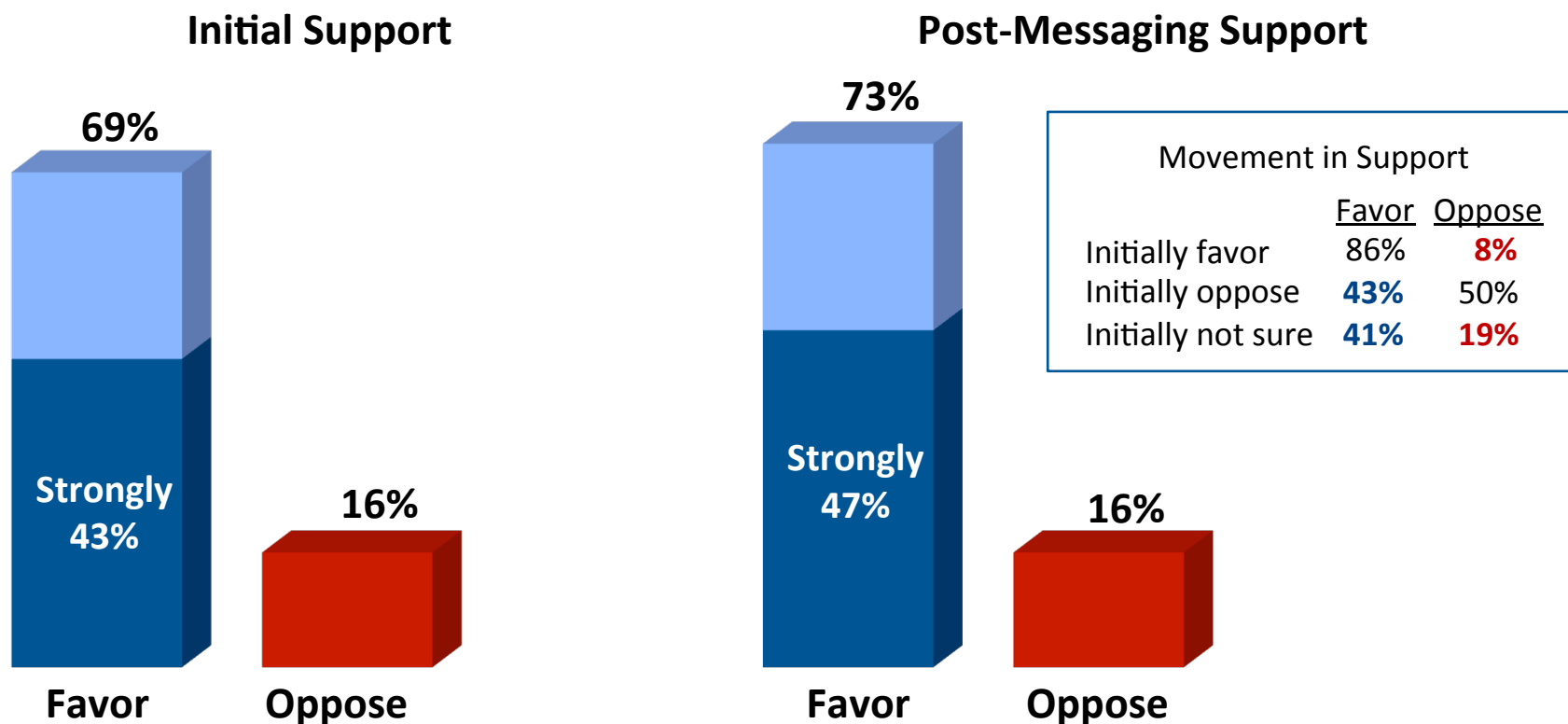
*Proportions rating each as a strong reason to oppose proposal to base coal company royalties/fees on true market price**

	<u>Democrats</u>	<u>Independents</u>	<u>Republicans</u>
Coal mined from national public lands provides the federal government and taxpayers with very low cost electricity. Charging coal companies more in royalties would increase the cost of coal which would increase the electricity rates Americans have to pay.	30%	34%	48%
Coal mining jobs are among the best jobs in the states of Wyoming and Montana. This proposal would impose excessive tax rates on coal companies and put these valuable jobs at risk.	31%	32%	44%
This proposal is being pushed by anti-coal environmentalists and is part of the Obama administration's war on coal that includes burdensome regulations meant to bankrupt the coal industry.	23%	28%	46%
Between local, state, and federal taxes, coal mined from national public lands is already among the most heavily-taxed coal that is produced. It is the second-largest source of tax revenue in Wyoming.	25%	31%	40%

* 7-10 ratings on a zero-to-10 scale, 10 = very strong reason to oppose

After hearing reasons for and against, support remains steady for a proposal to calculate royalties for coal companies based on the true market price.

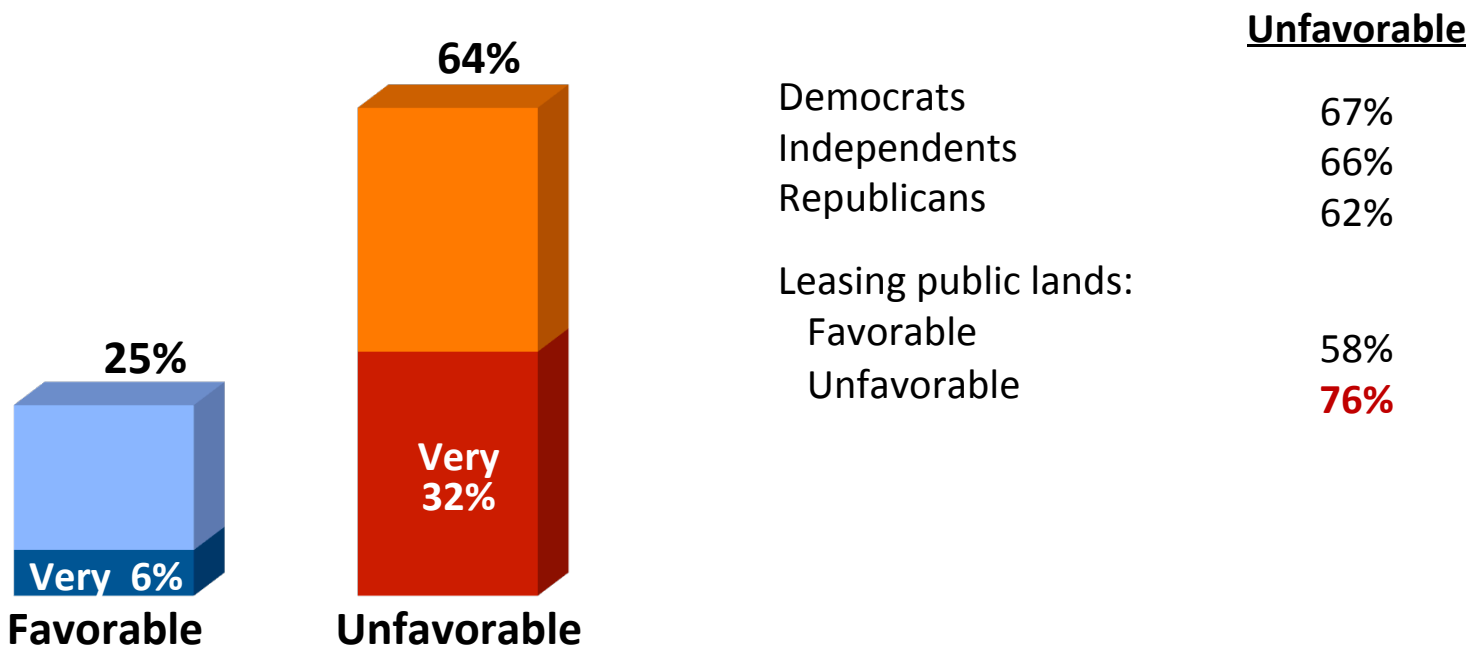
How do you feel about a proposal to require coal companies to pay royalties and fees for coal mined on national public lands based on the true market price at which coal is sold to power plants, rather than the lower price at which coal is sold to middlemen or subsidiary companies?



Voters also strongly object to the federal government providing subsidies to companies that mine coal on public lands.

The federal government provides certain subsidies to the companies that mine coal on national public lands: what is your reaction to this ?

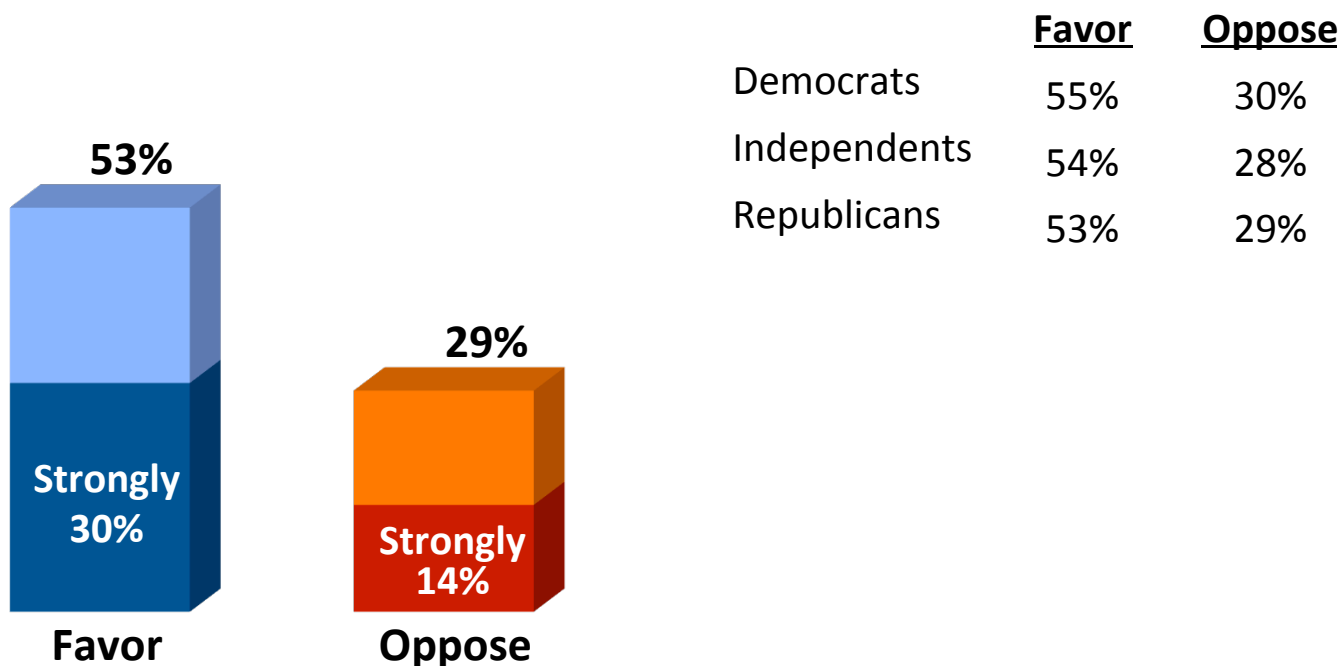
All voters



By nearly two to one, voters favor ending subsidies to coal companies that mine on public lands.

There is a proposal to eliminate all taxpayer-funded subsidies to companies that mine coal on national public lands: do you favor or oppose this ?

All voters



Voters endorse multiple progressive reforms to the federal coal leasing program.

*Proportion who support each proposal for reforming the federal coal leasing program**

- 71%** Require coal companies to pay a fee to compensate for the environmental damage and water and air pollution that results from strip mining and burning coal.
- 69%** Require that coal mined on taxpayer-owned lands be used in the United States, rather than shipped to China and other foreign countries
- 64%** Cut subsidies for coal production on federal lands in the West and use the revenues to help struggling communities that are dependent on coal to diversify their economies and create new jobs. Many of these struggling coal communities are in the Appalachian region, including West Virginia, Pennsylvania, and Kentucky
- 62%** Increase the royalty rate for coal mining on taxpayer-owned national public lands from 12.5% to 18.7% so that coal companies pay the same royalty rate that oil and gas companies pay for drilling in federal waters offshore such as the Gulf of Mexico
- 57%** Stop auctioning off America's public lands to coal companies to be strip mined

* 7-10 ratings on a zero-to-10 scale, 10 = very strong support