

Senate Energy and Natural Resources Committee

Testimony on HB 1459 (IN OPPOSITION)

Wade Elder, Bismarck, ND District 47

Chairman Patten, Vice Chairman Kessel and members of the Senate Energy and Natural Resources Committee, my name is Wade Elder from Bismarck.

HB 1459 is simply disrespectful to mineral interest owners who have leases signed with coal companies. These leases may have been signed decades ago and to try and write legislation to modify the meaning of those leases is unconstitutional.

Why Net Profits? It should be based on Gross Profits. You don't let the fox control the hen house by determining what the net income is and then paying based on that amount. This also naturally leads to an adjustment for time and inflation as prices increase as opposed to the rates the coal companies are still paying based on the 1960's when some of the leases were signed.

Why doesn't North American Coal just get new leases like they did for the coal to start with or modify their existing ones rather than passing legislation? North American Coal is the natural party to get the leases in place. Passing this kind of legislation is at best sneaky. If North American Coal was such a good lessee, they should have no problems getting leases from the mineral rights holders.

I suggest amending the bill to also include consideration for other potential by product use and sale that may not occur or be contemplated today, and negotiating these with mineral interest holders and modifying their leases.

I respectfully ask you to vote DO NOT PASS vote on HB 1459 as currently presented.

Sincerely,

Wade Elder