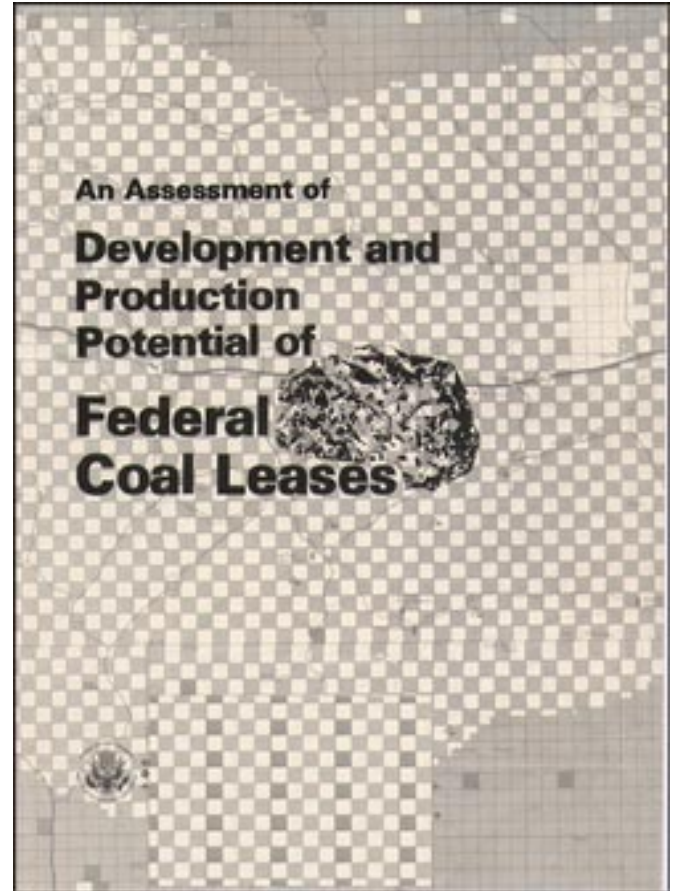


*An Assessment of Development and  
Production Potential of Federal Coal  
Leases*

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# Foreword

This report is submitted in fulfillment of OTA's mandate under the Federal Coal Leasing Amendments Act of 1976 (Public Law 94-377) "to conduct a complete study of coal leases entered into by the United States under section 2 of the act of February 25, 1920 (commonly known as the Mineral Lands Leasing Act)."

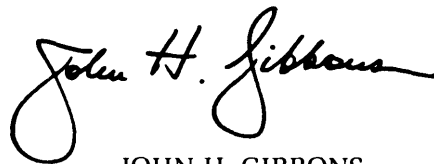
The act directed that the study "shall include an analysis of all mining activities, present and potential value of said coal leases, receipts of the Federal Government from said leases, and recommendations as to the feasibility of the use of deep mining technology in said leased area." "Present and potential value" have been defined as the amount of potential coal production from Federal leases in the next decade.

This study differs from the typical OTA assessment in that the report "assesses" resources instead of technology. The main focus of the study is an estimation of the likely production from the existing 548 Federal coal leases in the seven major Western coal States. Although technical factors, mostly of a geological and mining engineering nature, were important in arriving at these estimates, the evaluation of technology was not central to the work.

OTA's analysis was greatly aided by the five State task forces held by OTA in Colorado, New Mexico, Oklahoma, Utah, and Wyoming. The task forces, composed of participants from State governments, local and Federal agencies, industry, citizens groups, and local universities were of inestimable help to OTA in evaluating the development potential of undeveloped leases and in providing insights on the factors affecting coal development in these regions,

The estimates of potential production from Federal leases made in this report are not forecasts of the coal that would be produced at a given price or a given demand. They are estimates of the total amount of coal that could be produced from existing and planned Federal mines and from those undeveloped Federal leases that have mining costs competitive with costs at currently operating mines in the same area. If the demand for Federal coal does not increase to these levels of potential production, then not all the Federal leases that could technically and economically be developed will be mined.

We hope that this report will provide Congress with helpful insights for the impending debates on Federal coal leasing and coal use goals for the United States.



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