



DEPARTMENT OF THE INTERIOR

Bureau of Land Management

43 CFR Part 3470

[Docket No. BLM-2025-0141; A2407-014-004-065516; #O2412-014-004-047181.1]

RIN 1004-AF44

Revision to Regulations Regarding Coal Management Provisions and Limitations; Fees, Rentals, and Royalties

AGENCY: Bureau of Land Management, Interior.

ACTION: Direct final rule; request for comments.

SUMMARY: This direct final rule (DFR) revises existing Bureau of Land Management (BLM) regulations pertaining to coal royalties to effectuate changes required by the One Big Beautiful Bill Act (OBBA) enacted on July 4, 2025.

DATES: This DFR is effective on [INSERT DATE 60 DAYS AFTER DATE OF PUBLICATION IN THE *FEDERAL REGISTER*], unless significant adverse comments are received by [INSERT DATE 30 DAYS AFTER DATE OF PUBLICATION IN THE *FEDERAL REGISTER*]. If significant adverse comments are received, notice will be published in the *Federal Register* before the effective date either withdrawing the rule or issuing a new final rule that responds to any significant adverse comments.

ADDRESSES: You may submit comments by one of the following methods:

- *Federal eRulemaking Portal:* <https://www.regulations.gov>. In the Search box, enter the Docket Number “BLM-2025-0141” and click the “Search” button. Follow the instructions at this website.

• *Mail, personal, or messenger delivery:* U.S. Department of the Interior, Director (630), Bureau of Land Management, 1849 C St. NW, Room 5646, Washington, DC 20240, Attention: 1004-AF44.

FOR FURTHER INFORMATION CONTACT: Thomas Huebner, Geologist, email: thuebner@blm.gov, telephone: 307-775-6195. Individuals in the United States who are deaf, deafblind, hard of hearing, or have a speech disability may dial 711 (TTY, TDD, or TeleBraille) to access telecommunications relay services. Individuals outside the United States should use the relay services offered within their country to make international calls to the point-of-contact in the United States.

For a summary of the final rule, please see the abstract description of the document in Docket Number BLM-2025-0141 on www.regulations.gov.

SUPPLEMENTARY INFORMATION: Coal leasing on Federal lands managed by the BLM is governed by the Mineral Leasing Act of 1920 (MLA), 30 U.S.C. 181 *et seq.*, and other pertinent statutes. See 43 CFR 3400.0-3. Section 7(a) of the MLA (30 U.S.C. 207(a)) sets out provisions governing the conditions of coal leases issued on Federal lands, including the royalty rates. Before passage of the OBBB on July 4, 2025, section 7(a) of the MLA prescribed the royalty rate for coal leases to be set at not less than 12 ½ per centum of the value of coal as defined by regulation, except the Secretary may determine a lesser amount in the case of coal recovered by underground mining operations. The BLM's regulations implementing the royalty rate provisions of section 7(a) are contained in 43 CFR subpart 3473 – Fees, Rentals and Royalties. The regulations at 43 CFR § 3473.3-2 specify that a lease shall require payment of a royalty of not less than 12 ½ percent of the value of the coal removed from a surface mine, 43 CFR § 3473.3-2(a)(1), and that a lease shall require payment of a royalty of 8 percent of the value of coal removed from an underground mine. 43 CFR § 3473.3-2(a)(2). Lastly, 43 CFR § 3473.3-2 specifies that the royalty rates in these provisions shall be applied to new

leases at the time of issuance and to previously issued leases at the time of the next scheduled readjustment of the lease. 43 CFR § 3473.3-2(b).

Section 50202(a) of the OBBB amends the fourth sentence of section 7(a) of the MLA by striking “12 ½ percentum” and inserting “12 ½ percent, except such amount shall be not more than 7 percent during the period that begins on the date of enactment of the Act entitled ‘An Act to provide for reconciliation pursuant to title II of H. Con. Res. 14’ (119th Congress) and ends September 30, 2034.” Section 50202(b) of the OBBB makes these royalty rate changes applicable to all existing Federal coal leases that are in effect and that have not been terminated, as well as to all future federal coal leases, until the provision sunsets on September 30, 2034.

As provided in section 50202 of the OBBB, the applicable coal royalty provision in the MLA is now set at 12 ½ percent, except such amount shall be not more than 7 percent during the period that begins on July 4, 2025, and ends September 30, 2034. To effectuate this revision, the BLM is issuing this DFR to amend the royalty rate regulations in 43 CFR § 3473.3-2 to reflect this change. This DFR sets the royalty rate for coal removed from surface mines at not less than 12 ½ percent of the value of the coal removed from a surface mine, except that such royalty shall be not more than 7 percent during the period beginning on July 4, 2025, and ending on September 30, 2034. It also sets the royalty rate for coal removed from underground mines at 8 percent of the value of the coal removed from an underground mine, except that such royalty shall be not more than 7 percent during the period beginning on July 4, 2025, and ending on September 30, 2034. Issuance of this DFR will avoid any confusion on the part of the regulated community as to the royalty rate for production from Federal coal leases beginning on July 4, 2025, and ending on September 30, 2034.

The BLM has determined that 43 CFR §§ 3473.3-2(a)(1) and (2) must be revised to reflect the temporary “not less than 7 percent” royalty rate applicable to all coal leases

until the statutory sunset date, such that these sections will now include a statement that the royalty rate is not more than 7 percent beginning on July 4, 2025, and ending on September 30, 2034. The pre-existing regulations at 43 CFR § 3473.3-2(b) are revised to remove the current language in its entirety, as this provision allowed for a phase in of the prior royalty rates that has now concluded. The revised § 3473.3-2(b) states that the temporary “not less than 7 percent” royalty rate is immediately applicable to all existing and future leases beginning on July 4, 2025, and ending on September 30, 2034, as section 50202(b) of the OBBB directs. With these changes, the BLM’s coal leasing regulations will conform to the requirements of section 50202 of the OBBB regarding the royalty rate for Federal coal leases.

The BLM has determined that it must conform its regulations to newly enacted legislation and that legislation, independently and alone, justifies the revisions to 43 CFR § 3473.3-2. The BLM has no interest in maintaining a regulation that is obsolete, inconsistent with more recent controlling legislation, and could cause confusion.

The BLM is issuing this rule as a DFR. Although the Administrative Procedure Act (APA, 5 U.S.C. 551 through 559) generally requires agencies to engage in notice and comment rulemaking, section 553 of the APA provides an exception when the agency “for good cause finds” that notice and comment are “impracticable, unnecessary, or contrary to the public interest.” *Id.* 553(b)(B). The BLM has determined that notice and comment are unnecessary because this rule is noncontroversial and involves no agency discretion to conform with a recent statute; and is unlikely to receive any significant adverse comments. Significant adverse comments are those that oppose the revision of the rule and raise, alone or in combination, (1) Reasons why the revision of the rule is inappropriate, including challenges to the revision’s underlying premise; or (2) Serious unintended consequences of the revision. A comment recommending an addition to the

rule will not be considered significant and adverse unless the comment explains how this direct final rule would be ineffective without the addition.

Procedural Matters

Executive Order (E.O.) 12630—Governmental Actions and Interference with Constitutionally Protected Property Rights

This rule does not result in a taking of private property or otherwise have regulatory takings implications under E.O. 12630. The rule revises provisions that no longer reflect existing statutory authority and removes and replaces and obsolete regulatory provisions, as required by the OBBB. The rule will not result in private property being taken for public use without just compensation. A takings implication assessment is not required.

E.O. 12866—Regulatory Planning and Review and Executive Order 13563—Improving Regulation and Regulatory Review

E.O. 12866 provides that the Office of Information and Regulatory Affairs (OIRA) in the Office of Management and Budget (OMB) will review all significant rules. OIRA has determined that this rule is not significant.

E.O. 13563 reaffirms the principles of E.O. 12866, while calling for improvements in the Nation's regulatory system to promote predictability, reduce uncertainty, and use the best, most innovative, and least burdensome tools for achieving regulatory ends. E.O. 13563 directs agencies to consider regulatory approaches that reduce burdens and maintain flexibility and freedom of choice for the public where these approaches are relevant, feasible, and consistent with regulatory objectives. E.O. 13563 emphasizes further that agencies must base regulations on the best available science and that the rulemaking process must allow for public participation and an open exchange of ideas. The BLM developed this rule in a manner consistent with these requirements.

E.O. 12988—Civil Justice Reform

This DFR complies with the requirements of E.O. 12988. Among other things, this rule:

- (a) Meets the criteria of section 3(a) requiring that all regulations be reviewed to eliminate errors and ambiguity and be written to minimize litigation;
- (b) Meets the criteria of section 3(b)(2) requiring that all regulations be written in clear language and contain clear legal standards.

E.O. 13132—Federalism

Under the criteria of section 1 of E.O. 13132, this rule does not have sufficient federalism implications to warrant the preparation of a federalism summary impact statement. This rule will not have substantial direct effects on the States, on the relationship between the national government and the States, or on the distribution of power and responsibilities among the various levels of government. A federalism summary impact statement is not required.

E.O. 13175—Consultation and Coordination with Indian Tribal Governments

The Department of the Interior strives to strengthen its government-to-government relationship with Indian tribes through a commitment to consultation with Tribes and recognition of their right to self-governance and Tribal sovereignty. The BLM evaluated this DFR under E.O. 13175 and the Department's consultation policies and determined that it has no substantial direct effects on federally recognized Indian tribes and that consultation under the Department's Tribal consultation policies is not required. The rule merely revises the Federal regulations as required by the OBBB and removes obsolete regulatory language.

E.O. 13211—Actions Concerning Regulations That Significantly Affect Energy Supply, Distribution, or Use

This DFR is not a significant energy action as defined in E.O. 13211. Therefore, a Statement of Energy Effects is not required.

National Environmental Policy Act (NEPA)

This DFR does not constitute a major Federal action significantly affecting the quality of the human environment. A detailed statement under NEPA (42 U.S.C. 4321 *et seq.*) is not required because this rule is covered by a categorical exclusion applicable to regulatory functions “that are of an administrative, financial, legal, technical, or procedural nature.” 43 CFR § 46.210(i). In addition, the BLM has determined that this rule does not involve any of the extraordinary circumstances listed in 43 CFR § 46.215 that would require further analysis under NEPA.

Paperwork Reduction Act

This rule does not impose any new information collection burden under the Paperwork Reduction Act. OMB previously approved the information collection activities contained in the existing regulations and assigned OMB control number #####-####. This rule does not impose an information collection burden because the Department is not making any changes to the information collection requirements.

Regulatory Flexibility Act

The Regulatory Flexibility Act (RFA, 5 U.S.C. 601-612) requires an agency to prepare a regulatory flexibility analysis for all rules unless the agency certifies that the rule will not have a significant economic impact on a substantial number of small entities. The RFA applies only to rules for which an agency is required to first publish a proposed rule. *See* 5 U.S.C. 603(a) and 604(a). As the BLM is not required to publish a notice of proposed rulemaking for this direct final rule, the RFA does not apply.

Congressional Review Act

This rule is not a major rule under the Congressional Review Act, 5 U.S.C. 804(2). Specifically, the DFR: (a) Will not have an annual effect on the economy of \$100 million or more; (b) Will not cause a major increase in costs or prices for consumers, individual industries, Federal, State, or local government agencies, or geographic regions;

and (c) Will not have significant adverse effects on competition, employment, investment, productivity, innovation, or on the ability of United States-based enterprises to compete with foreign-based enterprises in domestic and export markets.

Unfunded Mandates Reform Act

This rule does not impose an unfunded mandate on State, local, or Tribal governments, or the private sector, of more than \$100 million per year. The rule does not have a significant or unique effect on State, local, or Tribal governments, or the private sector. The rule merely revises the Federal regulations in compliance with the OBBB and to remove an obsolete provision. Therefore, a statement containing the information required by the Unfunded Mandates Reform Act (2 U.S.C. 1531 *et seq.*) is not required.

List of Subjects in 43 CFR Part 3470

Coal, Government contracts, Mineral royalties, Mines, Public lands-mineral resources, Reporting and recordkeeping requirements, Surety bonds

Adam G. Suess,

Acting Assistant Secretary, Land and Minerals Management.

For the reasons stated in the preamble, the Bureau of Land Management amends 43 CFR part 3470 as follows:

PART 3470—COAL MANAGEMENT PROVISIONS AND LIMITATIONS

1. The authority citation for part 3470 continues to read as follows:

Authority: 30 U.S.C. 189 and 359; and 43 U.S.C. 1701 *et seq.*

2. Amend § 3473.3-2 by revising paragraphs (a) and (b) to read as follows:

(a)(1) A lease shall require payment of a royalty of not less than 12 ½ percent of the value of the coal removed from a surface mine, except that such royalty rate shall be not more than 7 percent during the period beginning on July 4, 2025, and ending on September 30, 2034.

(2) A lease shall require payment of a royalty of 8 percent of the value of the coal removed from an underground mine, except that such royalty rate shall be not more than 7 percent during the period beginning on July 4, 2025, and ending on September 30, 2034.

(3) The value of coal removed from a mine is defined for royalty purposes in § 3483.4 of this title.

(b) The temporary royalty rate of not more than 7 percent during the period beginning on July 4, 2025, and ending on September 30, 2034, is applicable to all existing Federal coal leases that have not been terminated.

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