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[3411-15-P]

DEPARTMENT OF AGRICULTURE

Forest Service

36 CFR Part 294

RIN: 0596-AD26

Roadless Area Conservation; National Forest System Lands in Colorado

AGENCY: Forest Service, USDA.

ACTION: Notice of proposed rulemaking; request for comment.

SUMMARY: The U.S. Department of Agriculture (USDA) is proposing to reinstate the North Fork Coal Mining Area exception of the Colorado Roadless Rule. The Colorado Roadless Rule is a State-specific rule that provides direction for conserving and managing approximately 4.2 million acres of Colorado Roadless Areas (CRAs) on National Forest System (NFS) lands within the state of Colorado. The North Fork Coal Mining Area exception allowed for temporary road construction for coal exploration and/or coal-related surface activities in an area defined as the North Fork Coal Mining Area, which was inadvertently reported as 19,100 acres in 2012, and was actually 19,500 acres. The Forest Service, on behalf of the Department, has prepared a supplemental environmental impact statement (SEIS) addressing specific environmental disclosure deficiencies identified by the District Court of Colorado. In addition, the Department is proposing to correct certain CRA boundaries associated with the North Fork Coal Mining Area based on updated information. The Forest Service invites written comments on both the proposed rule and supplemental draft environmental impact statement.

DATES: Comments on this proposed rule must be received in writing by **[INSERT DATE 45 DAYS AFTER DATE OF PUBLICATION IN THE FEDERAL REGISTER]**. Comments concerning the supplemental draft environmental impact statement contained in this proposed rule must be received in writing by **[INSERT DATE 45 DAYS AFTER DATE OF PUBLICATION IN THE FEDERAL REGISTER]**.

ADDRESSES: Comments may be submitted electronically via the internet to *go.usa.gov/3JQwJ* or to *www.regulations.gov*. Send written comments to: Colorado Roadless Rule, 740 Simms Street, Golden, CO 80401.

All comments, including names and addresses, will be placed in the project record and available for public inspections and copying.

The public may inspect comments received on this proposed rule at USDA, Forest Service, Ecosystem Management Coordination Staff, 1400 Independence Ave. SW, Washington, DC, between 8 a.m. and 4:30 p.m. on business days. Those wishing to inspect comments should call 202-205-0895 ahead to facilitate an appointment and entrance to the building. Comments may also be inspected at USDA, Forest Service Rocky Mountain Regional Office, Strategic Planning Staff, 740 Simms, Golden, Colorado, between 8 a.m. and 4:30 p.m. on business days. Those wishing to inspect comments at the Regional Office should call 303-275-5156 ahead to facilitate an appointment and entrance to the building.

FOR FURTHER INFORMATION CONTACT: Ken Tu, Interdisciplinary Team Leader, Rocky Mountain Regional Office at 303-275-5156.

Individuals using telecommunication devices for the deaf may call the Federal Information Relay Services at 1-800-877-8339 between 8 a.m. and 8 p.m. Eastern Time, Monday through Friday.

SUPPLEMENTARY INFORMATION:

Background

In July 2012, the USDA promulgated the Colorado Roadless Rule, a State-specific regulation for conserving and managing approximately 4.2 million acres of CRAs on NFS lands. The Rule addressed State-specific concerns while conserving roadless area characteristics. One State-specific concern involved continued exploration and development of coal resources in the North Fork Valley area of the Grand Mesa, Uncompahgre, and Gunnison (GMUG) National Forests. The Colorado Roadless Rule addressed this State-specific concern by defining an area called the North Fork Coal Mining Area and developing an exception that allowed temporary road construction for coal-related activities within that defined area.

In July 2013, High Country Conservation Advocates, WildEarth Guardians, and Sierra Club challenged the Forest Service consent decision to the Bureau of Land Management (BLM) modifying two existing coal leases, the BLM's companion decision to modify the leases, the BLM's authorization of exploration in the lease modification areas, and the North Fork Coal Mining Area exception of the Colorado Roadless Rule. In June 2014, the District Court of Colorado found the environmental documents supporting the four decisions to be in violation of NEPA. The deficiencies identified by the Court associated with the Colorado Roadless Rule included: failure to disclose greenhouse gas emissions associated with potential mine operations; failure to disclose greenhouse gas

emissions associated with combustion of coal potentially mined from the area; and failure to address a report about coal substitution submitted during a public comment period. In September 2014, the District Court of Colorado vacated the exploration plan, the lease modifications, and the North Fork Coal Mining Area exception of the Colorado Roadless Rule (36 CFR 294.43(c)(1)(ix)) but otherwise left the Rule intact and operational.

The final 2012 Colorado Roadless Rule was developed collaboratively between the USDA, Forest Service, State of Colorado, and interested publics. The North Fork Coal Mining Area exception was developed by a 13-member, bipartisan task force established under Colorado Revised Statute §36-7-302 to make recommendations to the Governor regarding management of roadless areas in Colorado national forests. Between June 8, 2005, with the signing of Colorado Senate bill 05-243 which created the Roadless Task Force and November 13, 2006, with then Governor Owen signing the Colorado State Petition, the task force held nine public meetings throughout the State and six deliberative meetings of the task force members that were open to the public, and reviewed and considered over 40,000 public comments. Comments were both supportive and opposed to coal extraction. The task force recommended a Colorado Roadless Rule not apply to about 55,000 acres of roadless areas in the GMUG National Forests for activities related to and in support of underground coal mining.

On November 13, 2006 then-Governor Bill Owens submitted a petition to the USDA to develop a State-specific roadless rule. The petition reflected the task force recommendations and included the North Fork Coal Mining Area exception. Governor Owens stated that the petition weighed Colorado's interests and reflected the concerns of the entire State. The 2006 petition attempted to strike a balance between those that

supported coal extraction and those that opposed it by proposing that a roadless rule not apply to the North Fork Valley. Potential coal resources within roadless areas on the Pike-San Isabel, Routt, White River, and San Juan National Forests were not included in the petition.

After Governor Owens submitted the State's petition, Bill Ritter, Jr. was elected Governor of Colorado. In April 2007, then-Governor Ritter resubmitted the petition with minor modifications. Governor Ritter supported the concept of having the Colorado Roadless Rule not apply to the North Fork Coal Mining Area but explicitly asked the area remain in the Colorado roadless inventory. In 2010, John Hickenlooper was elected Governor of Colorado. Governor Hickenlooper also supported having a North Fork Coal Mining Area exception.

Throughout the development of the Colorado Roadless Rule, the USDA, Forest Service, and State of Colorado attempted to strike a balance between those that support and oppose coal mining in CRAs. The North Fork Coal Mining Area reflects this effort to find common ground. In November 2006, Governor Owens petitioned approximately 55,000 acres be considered as the North Fork Coal Mining Area, which included all or portions of Currant Creek, Electric Mountain, Flatirons, Flattops-Elk Park, Pilot Knob, and Sunset CRAs. In July 2008, the North Fork Coal Mining Area was reduced to approximately 29,000 acres in the proposed rule and included all or portions of Currant Creek, Electric Mountain, Flatirons, Pilot Knob, and Sunset CRAs. In April 2011, the North Fork Coal Mining Area was further reduced to approximately 20,000 acres in the revised proposed rule and included all or portions of Currant Creek, Electric Mountain, Flatirons, Pilot Knob, and Sunset CRAs. In July 2012, the North Fork Coal Mining Area

was reported in error as 19,100 acres in the final rule. The actual acreage was 19,500, and included all or portions of Flatirons, Pilot Knob, and Sunset CRAs. The changes made to the North Fork Coal Mining Area were a direct result of public comments and the desire to balance economic concerns with roadless values.

Throughout the rulemaking process, a total of five formal comment periods were held by the State and Forest Service resulting in 24 public meetings and over 312,000 comments. In addition, five meetings open to the public were held by the Roadless Area Conservation National Advisory Committee, which provided recommendations to the Secretary of Agriculture. The USDA believes there is an appropriate balance between conserving roadless area characteristics and the state-specific concerns in the continued exploration and development of coal resources in the July 2012 final rule where less than 0.5 percent of the CRAs were designated as the North Fork Coal Mining Area.

Need for Rulemaking

The State of Colorado maintains that coal mining in the North Fork Coal Mining Area provides an important economic contribution and stability for the communities of the North Fork Valley. USDA and the Forest Service are committed to contributing to energy security, and carrying out the government's overall policy to foster and encourage orderly and economic development of domestic mineral resources.

All existing Federal coal leases within CRAs occur in the North Fork Valley near Paonia, Colorado on the GMUG National Forests. Coal from this area meets the Clean Air Act definition for compliant and super-compliant coal, which means it has high energy value and low sulphur, ash and mercury content. There are two mines currently holding leases within CRAs. One is operating, producing approximately 5.2 million tons

of coal annually. The second is currently idle due to a fire and flood within their mine operation. The final rule accommodates continued coal mining opportunities within the North Fork Coal Mining Area. At approximately 19,500 acres, this area is less than 0.5% of the total 4.2 million acres of CRAs. The North Fork Coal Mining Area exception allows for the construction of temporary roads for exploration and surface activities related to coal mining for existing and future coal leases. The reinstatement of this exception does not approve any future coal leases, nor does it make a decision about the leasing availability of any coal within the State. Those decisions would need to undergo separate environmental analyses, public input, and decision-making.

Supplemental Environmental Impact Statement

A Supplemental Environmental Impact Statement (SEIS) has been prepared to complement the 2012 Final EIS for the Colorado Roadless Rule. The SEIS is limited in scope to address the deficiencies identified by the District Court of Colorado in *High Country Conservation Advocates v. United States Forest Service (13-01723, D. Col)*, correction of boundary information, and to address scoping comments. In conjunction with the 2012 Final EIS, the SEIS discloses the environmental consequences of reinstating the North Fork Coal Mining Area exception into the Colorado Roadless Rule.

Three alternatives are addressed in detail in the SEIS. Alternative A is the No Action Alternative, and would continue the current management under the Colorado Roadless Rule without a North Fork Coal Mining Area exception. Alternative A would manage the 19,500 acres of CRA within the vacated North Fork Coal Mining Area as non-upper tier roadless. Alternative B (proposed action), would reinstate the North Fork Coal Mining Area exception, allowing temporary road construction for coal mining related

activities on 19,700 acres of NFS lands within CRAs. Alternative C (exclusion of “wilderness capable” lands) would establish the North Fork Coal Mining Area exception, but exclude lands identified as “wilderness capable” during the 2007 GMUG Forest Plan revision process. Alternative C would allow temporary road construction for coal mining activities on 12,600 acres of NFS lands within CRAs.

In addition, all alternatives include boundary correction of CRAs based on more accurate inventory of forest road locations obtained since the promulgation of the 2012 Colorado Roadless Rule. These corrections will add 65 acres into the CRAs, and subtract 35 acres from CRAs along the existing road system. The court identified deficiencies were addressed in the SEIS in the following manner:

1. Failure to disclose greenhouse gas emissions associated with potential mine operations – The SEIS estimates greenhouse gas emissions associated with mining of the coal based on three potential production levels (low, average and air quality permitted). Table 1 displays results for Alternative B (proposed action).

Table 1. Estimated Annual Gross Lifecycle Greenhouse Gas Emissions from Potential Coal Mining for Alternative B under Three Production Scenarios, in annual tons of carbon dioxide equivalents.

Alternative B	Low Scenario	Average Scenario	Permitted Scenario (max air quality permit values)
Coal Production (annual tons)	5,300,000	10,000,000	15,500,000
	carbon dioxide equivalents		
Carbon dioxide --extraction	100,000	200,000	300,000
Methane--extraction	1,200,000	4,200,000	6,300,000
Nitrous oxide --extraction	0	0	0
Total	1,300,000	4,400,000	6,600,000

2. Failure to disclose greenhouse gas emissions associated with combustion of coal potentially mined from the area – The SEIS includes a lifecycle analysis of greenhouse gas emissions that includes downstream effects of combustion of coal

based on three potential production levels. Table 2 displays results for Alternative B (proposed action).

Table 2. Estimated Annual Gross Lifecycle Greenhouse Gas Emissions from Potential Transportation and Combustion of Coal for Alternative B under Three Production Scenarios, in metric tons of carbon dioxide equivalents.

Alternative B	Low Scenario	Average Scenario	Permitted Scenario (max air quality permit values)
Coal Production (annual tons)	5,300,000	10,000,000	15,500,000
	carbon dioxide equivalents		
Carbon dioxide –combustion	11,600,000	22,000,000	34,500,000
All--rail transport	600,000	1,200,000	1,800,000
Carbon dioxide --overseas shipping	100,000	200,000	300,000
Total	12,300,000	23,400,000	36,600,000

3. Failure to address a report about coal substitution submitted during a public comment period – The SEIS includes a lifecycle analysis of greenhouse gas emissions that includes the downstream effects of substituted energy sources if the North Fork Coal Mining Area exception is not reinstated (Alternative A).

Changes in gross production and consumption of coal from the North Fork Coal Mining Area are expected to have an effect on production and consumption of other fuel sources, including alternative supplies of coal, natural gas, and other energy supplies such as renewables, especially in later years of the analysis. The SEIS characterizes market responses and substitution effects in order to estimate net changes in energy production and consumption. The ICF International’s Integrated Planning Model (IPM®) was used to predict how production and consumption of other sources of coal and natural gas, as well as alternative sources of energy (e.g., renewables, bio/waste fuel) respond to, substitute, or

offset for changes in the supply of low sulfur bituminous coal from the North Fork Coal Mining Area.

Assuming that total gross production of underground coal from the North Fork Coal Mining Area increases by 172 million tons over the period 2016 to 2054 for Alternative B, compared to Alternative A, production from other substitute sources of underground coal around the nation are likely to decrease, in many cases, in response to an increase in North Fork Coal Mining Area underground coal production. These decreases in other underground coal mining would offset, in part, some of the 172 million tons of underground coal production from the North Fork Coal Mining Area, resulting in net domestic underground coal production of 91 million tons. These results are estimated using response coefficients derived from IPM® modeling results.

Production of substitute sources of surface coal and natural gas across the country are estimated to decrease by 23 million tons and 271 BCF, in response to increases in North Fork Coal Mining Area coal production. Total electricity generation is assumed to remain constant across the three alternatives, so change in total electricity generation is equal to zero for Alternative B, compared to A. However, the mix of energy sources used to generate the electricity will change, in response to increases in North Fork Coal Mining Area coal production.

These shifts in the mixtures of energy used to generate electricity, as well as the production of different types of energy will change carbon dioxide emissions. Total carbon dioxide emissions is estimated to increase by 131 million tons under Alternative B, compared to Alternative A.

4. The SEIS addresses the social cost of carbon as related to the Colorado Roadless Rule. A social cost of carbon calculation was completed as part of the present net value analysis considering the 2010, 2013, and 2015 Technical Update of the social cost of carbon for Regulatory Impact Analysis Under Executive Order 12866 – Interagency Working Group on social cost of carbon.

Social cost of carbon estimates represent global measures because emissions of greenhouse gasses from within the U.S. contribute to damages around the world. The total social cost of carbon values therefore account for global damages caused by greenhouse gas emissions. The SEIS discusses greenhouse gas estimates in the context of (i) total or global social cost of carbon estimates and (ii) domestic (U.S.) estimate represented by applying 7 percent to 23 percent of social cost of carbon estimates, and (iii) a forest estimate for the GMUG national forest boundary.

Discussion of these accounting stances is intended to help the decision maker and the public understand the relative importance of considering greenhouse gas damages as a global problem, in comparison to the more traditional domestic benefit cost stance adopted for regulatory impact analysis and NEPA effects analysis for public land management decision-making.

Present net value results, which include the social cost of carbon calculation, estimated under the global view are primarily negative, with values as low as negative \$12 billion in net damages to positive \$1.9 billion in net benefits for Alternative B, compared to Alternative A. Present net value ranges from negative \$6.8 billion to positive \$1.3 billion for Alternative C, relative to Alternative A.

Midpoint present net value estimates range from negative \$0.8 to negative \$3.4 billion in net damages for Alternatives B and C, compared to Alternative A.

Regulatory Considerations

Regulatory Planning and Review

USDA consulted with the Office of Management and Budget and determined this proposed rule does not meet the criteria for a significant regulatory action under Executive Order 12866.

Regulatory Flexibility Act and Consideration of Small Entities

USDA certifies the proposed regulation, if promulgated, will not have a significant economic impact on a substantial number of small entities as determined in the 2012 Regulatory Flexibility Analysis. Therefore notification to the Small Business Administration's Chief Council for Advocacy is not required pursuant to Executive Order 13272.

Energy Effects

The Colorado Roadless Rule and the North Fork Coal Mining Area exception do not constitute a "significant energy action" as defined by Executive Order 13211. No novel legal or policy issues regarding adverse effects to supply, distribution, or use of energy are anticipated beyond what has been addressed in the 2012 FEIS or the Regulatory Impact Analysis prepared in association with the final 2012 Colorado Roadless Rule. The proposed reinstatement of the North Fork Coal Mining Area exception does not restrict access to privately held mineral rights, or mineral rights held through existing claims or leases, and allows for disposal of mineral materials. The proposed rule does not prohibit future mineral claims or mineral leasing in areas otherwise open for such.

The rulemaking provides a regulatory mechanism for consideration of requests for modification of restriction if adjustments are determined to be necessary in the future.

Federalism

USDA has determined the proposed rule conforms with the Federalism principles set out in Executive Order 13132 and does not have Federalism implications. The rulemaking would not impose any new compliance costs on any State; and the rulemaking would not have substantial direct effects on States, on the relationship between the national government and the states, nor on the distribution of power and responsibilities among the various levels of government.

The proposed rule is based on a petition submitted by the State of Colorado under the Administrative Procedure Act at 5 U.S.C. 553(e) and pursuant to USDA regulations at 7 CFR 1.28. The State's petition was developed through a task force with local government involvement. The State of Colorado is a cooperating agency pursuant to 40 CFR 1501.6 of the Council on Environmental Quality regulations for implementation of NEPA.

Takings of Private Property

USDA analyzed the proposed rule in accordance with the principles and criteria contained in Executive Order 12630. The Agency determined the proposed rule does not pose the risk of a taking of private property.

Civil Justice Reform

USDA reviewed the proposed rule in context of Executive Order 12988. The Agency has not identified any State or local laws or regulations that are in conflict with this

proposed rule or would impede full implementation of this proposed rule. However, if this proposed rule were adopted, 1) all State and local laws and regulations that conflict with this rulemaking or would impede full implementation of this rulemaking would be preempted; 2) no retroactive effect would be given to this proposed rule; and 3) this rulemaking would not require the use of administrative proceedings before parties could file suit in court.

Tribal Consultation

USDA provided an introductory letter and the Notice of Intent for the Colorado Roadless Rule and the supplemental draft EIS to the Ute, Ute Mountain Ute, and Southern Ute Indian Tribes in context of Executive Order 13175. No specific requests from any tribes were made for additional information or meetings. No letters from any tribes have been received concerning the proposed action.

Unfunded Mandates

USDA has assessed the effects of the Colorado Roadless Rule on State, local, and Tribal governments and the private sector. This proposed rule does not compel the expenditure of \$100 million or more by State, local, or Tribal governments, or anyone in the private sector. Therefore, a statement under section 202 of title II of the Unfunded Mandates Reform Act of 1995 is not required.

Paperwork Reduction Act

This rulemaking does not call for any additional recordkeeping, reporting requirements, or other information collection requirements as defined in 5 CFR 1320 that are not already required by law or not already approved for use. The proposed rule

imposes no additional paperwork burden on the public. Therefore the Paperwork Reduction Act of 1995 does not apply to this proposal.

List of subjects in 36 CFR Part 294

National Forests, Recreation areas, Navigation (air), and State petitions for inventoried roadless area management.

For the reasons set forth in the preamble, the Forest Service proposes to amend part 294 of Title 36 of the Code of Federal Regulations by reinstating 36 CFR 294.43(c)(1)(ix) to read as follows:

PART 294—SPECIAL AREAS

Subpart D—Colorado Roadless Area Management

1. The authority citation for part 294, subpart D continues to read as follows:

Authority: 16 U.S.C. 472, 529, 551, 1608, 1613; 23 U.S.C. 201, 205.

2. Amend §294.43 by revising paragraph (c)(1)(ix) to read as follows:

§294.43 Prohibition on road construction and reconstruction

(c) * * *

(1) * * *

(ix) A temporary road is needed for coal exploration and/or coal-related surface activities for certain lands with Colorado Roadless Areas in the North Fork Coal Mining Area of the Grand Mesa, Uncompahgre, and Gunnison National Forests as defined by the North Fork Coal Mining Area displayed on the final Colorado Roadless Areas map. Such roads may also be used for collecting and transporting coal mine methane. Any buried infrastructure, including pipelines, needed for the capture, collection, and use of

coal mine methane, will be located within the rights-of-way of temporary roads that are otherwise necessary for coal-related surface activities including the installation and operation of methane venting wells.

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Dated: November 6, 2015.

Robert Bonnie,

Under Secretary,

Natural Resources and Environment.

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