

ANNUAL REPORT 1981

**Of the Secretary of the Interior, under the
Surface Mining Control And Reclamation
Act of 1977**

Public Law 95-87

OFFICE OF SURFACE MINING



U. S. Department of the Interior

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WASHINGTON, D.C. 20240

To the President of the United States:

To the Congress of the United States:

I am gratified to be able to send you the attached 1981 Annual Report outlining the accomplishments of the Office of Surface Mining during the last fiscal year as required by the Surface Mining Control and Reclamation Act of 1977 (Public Law 95-87).

The year produced the first efforts to revise the OSM organization and to provide sound, sensible solutions for the states, mining operators, and federal government to work together to make an important energy source available for the country.

Although these efforts will result in vast savings, the impact is directed toward providing more services to more people and increasing the overall efficiency of the organization. The new management concepts also offer greater assistance in the major coal-producing areas and provide the states with a realistic opportunity to meet the surface mining act's major requirements.

JAMES G. WATT
SECRETARY



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EXECUTIVE SUMMARY

Four years ago Congress passed landmark legislation -- the Surface Mining Control and Reclamation Act -- to ensure that the nation's increased use of coal would not result in unnecessary degradation of its land and water resources. The Office of Surface Mining's (OSM) commitment to that goal remains firm.

Changing Requirements

In essence, Congress granted the stewardship of coal-producing lands to the states and gave them the opportunity and financial assistance to run programs that would make the environmental performance standards of the act a reality. However, the "state lead" concept was severely altered by a policy which frustrated good faith efforts by states to build regulatory programs, tailored to their unique terrain, climates, mining methods, and physical features.

This strategy was costly to the surface mining act's implementation. State programs mirrored federal regulations; many legal suits and one legislative attempt to change the act followed; and a loss of credibility with state legislatures and the coal industry became hallmarks of the federal surface mining program conducted from 1977 to 1980. More important, the states' task to reclaim millions of acres of lands and waters disturbed by past mining practices barely got underway.

In January 1981, Secretary James Watt launched sweeping initiatives to redirect the Office of Surface Mining's policies so they would be consistent with the spirit and intent of the act.

In the past year, OSM's new management team successfully fulfilled these initiatives. OSM has, in fact, now faithfully executed Congress' intent to create balance among environmental protection and agricultural productivity and the mining of coal.

During fiscal year 1981, OSM took action to have states assume the many responsibilities associated with the surface mining act. Such action better reflected administration efforts to have all federal agencies change from a centralized layered control to control by the states where the actual problems, activities, and solutions exist.

The First Steps

For more than 50 years the federal government had grown out of proportion and out of touch with the needs and desires of the grassroots population and become a ponderous burden. Excessive centralized power, regulations and paperwork were even detrimental to the most worthwhile programs. These problems existed in our environmental programs. Because they came late in the centralization and regulatory movement, they acquired many of the worst excesses and led to the abuses which prompted the demand for a change.

To develop a new approach, OSM reviewed the basic philosophies related to its operations. The study analyzed the organizational structure which was spread over a vast regional network, the gaps between federal and state requirements, and many of the regulations which were impractical for realistic field situations.

Reducing Regulatory Restrictions

Too often, reasonable intentions by the federal government to balance environmental and economic values require many administrative junctions. Clearly, regulations must be geared to improving results and productivity to be effective. Thus, OSM's first major initiative was to review and revise all burdensome regulations under the guidelines of the President's regulatory reform program. Stressing performance rather than design standards that will lead to better reclamation and meet local conditions, OSM has:

- met with coal-producing states and is conducting an ongoing review of more than 40 rules;
- proposed the revision of many rules, some of which are final, including the critical rule which allows each coal-producing state to tailor its regulations according to particular needs and still meet the act's purpose; and
- worked diligently to complete regulatory reform efforts by fall of 1982.

Program Funding

Reclamation and enforcement efforts by the states could not proceed without the act's funding program. During fiscal year 1981, OSM:

- made available \$27.7 million in federal grants to the states which, added to the \$94.2 million from past funding, will increase state inspectors to about 600 nationwide in fiscal year 1982 and will help states develop and eventually run their own regulatory programs;
- approved reclamation plans enabling the states to contract for \$4.6 million in reclamation projects; \$16.9 million was spent on federal projects to abate emergency and priority abandoned mine land problems; and
- helped over 420 small coal mine operators obtain the hydrologic and geologic information necessary to submit mine permits by awarding \$10.5 million to qualified laboratories.

Returning States To Their Rightful Role

The elimination of excessive regulations is a necessary action to achieve OSM's major objective -- state primacy. And, although sixteen states had received primacy in January 1981, eight pivotal coal-producing states had not, because the submission of each program was enjoined by state courts.

The cause of this stalemate has been various states' distrust of OSM's heavy-handed approach to the regulatory scheme and the state program approval process. However, major efforts were taken to restore OSM's credibility, and they included:

- meetings with governors and other elected officials at the state and local levels;
- working closely with Pennsylvania, Kentucky, Tennessee, Oklahoma, Ohio, Indiana, Alabama, and Illinois so that all can receive primacy by mid-1982.
- initiating a study to evaluate the efficiency of the Abandoned Mine Land fund delivery systems.

Efficiency And Economy

When complete, a cumbersome five-region operation will be replaced with a flexible network of thirteen state liaison offices -- close to state capitals -- and two technical centers in the nation's major coal regions. Each will provide closer working relationships with regulatory agencies. All this involves the gradual reduction -- mostly through attrition -- of a permanent staff of 891 in October 1980, to 772 in September 1981. These employees will assist the states and Indian tribes in their reclamation and enforcement efforts.

During the year OSM continued to work closely with the states and special interest groups to develop oversight strategy not only to meet the agency's obligations under the law, but also to be responsive to the states' individual needs and concerns. Whenever deficiencies in the state programs were identified, OSM provided assistance to the states to help them solve the problems.

Through these actions, OSM not only met its internal goals during 1981, but achieved the objectives established by the administration to provide greater state participation in regulatory activities.

