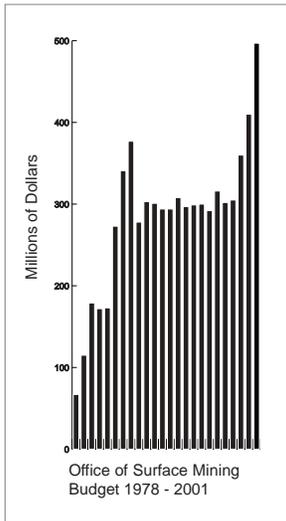


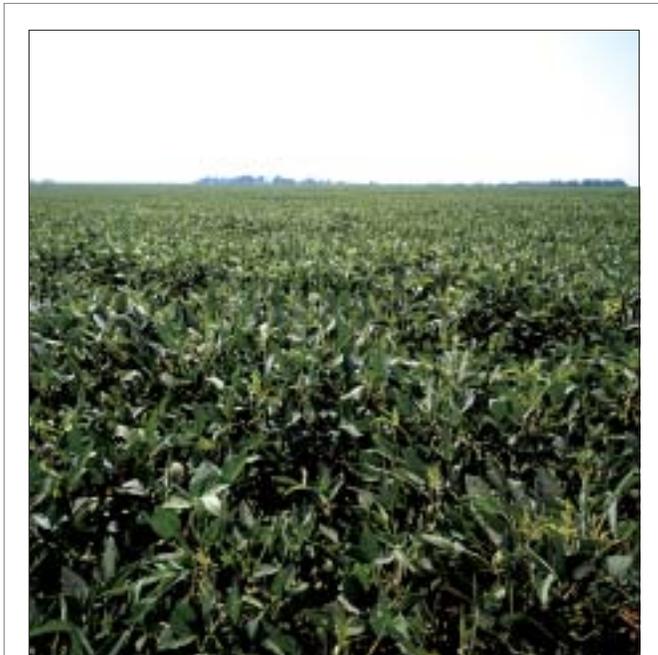
# VI. Financial Management and Administration

## Budget and Appropriations



The Department of the Interior and Related Agencies Appropriations Act of 2001 (Public Law 106-291) appropriated \$100,801,000 from the General Fund for the Office of Surface Mining’s regulation and technology activities (\$4,910,000 more than 2000). In addition, \$215,038,000 was made available for obligation from the Abandoned Mine Reclamation Fund (\$18,830,000 more than 2000). This included an additional \$12,600,000 made available for reclamation and acid mine drainage remediation in Pennsylvania. Public Law 106-554 reduced \$222,367 and \$473,084 from the Regulation and Technology and the Abandoned Mine Land appropriations respectively for the purpose of a “government-wide” reduction. However, the Abandoned Mine Land reduction was only temporary for 2001; those funds will be available without further appropriation in 2002. And, as authorized by Public Laws 102-468 and 106-291, \$181,844,948 of interest (\$72,885,006 more than 2000) was transferred to the United Mine Workers of America Combined Benefit Fund. The 2001 Regulation and Technology appropriation included the following provisions:

- Where the Office of Surface Mining is the regulatory authority, proceeds of performance bonds forfeited under Section 509 of Surface Mining Law can be used to reclaim lands where the mine operator did not meet all the requirements of the Law and the permit. In 2001, two performance bond forfeitures resulted in revenue collections of \$172,136.



Although it looks like a soybean crop on non-mined land, this is cropland on a reclaimed mine site. The deep reclaimed soils on this Indiana site provide farmland that is suitable for all crops grown in the region and crop yields have consistently been above required levels for bond release.

- Federal civil penalties and related interest collected under Section 518 of the Surface Mining Law can be used to reclaim coal mine lands abandoned after August 3, 1977. In 2001, \$21,725 in civil penalties was collected. Of that amount, \$19,332 (base penalty and interest) was deposited into the Civil Penalty Fund for reclamation purposes and \$2,393 (penalties and administrative charges) was transferred to the U.S. Treasury. During 2001, \$80,000 from this fund was obligated for post-Surface Mining Law reclamation projects.

- State regulatory program grants were funded at \$55,574,467 which was \$3,418,467 more than 2000. These grants are used to fund state regulatory program payroll and other operational costs.

The Abandoned Mine Land appropriation included the following provisions:

- State reclamation grants were funded at \$172,065,000 (including the special Pennsylvania grant), which was \$17,263,000 more than in 2000.

■ Expenditures up to \$10,000,000 were authorized for supplemental grants to states for the reclamation of abandoned sites with acid mine drainage through the Appalachian Clean Streams Program.

■ Up to \$18,000,000 was authorized for the emergency program associated with section 410 of the Surface Mining Law, of which no more than 25 percent shall be used for emergency reclamation projects in any one state.

■ Federally administered emergency reclamation project expenditures were limited to \$11,000,000, which was the same amount appropriated in 2000.

■ Prior year unobligated funds appropriated for the emergency reclamation program are not subject to the 25 percent limitation per state and may be used without fiscal year limitation for emergency projects.

All appropriations provisions were met.

**Financial Management**

Office of Surface Mining financial management consists of three program activities: fee compliance, grants management, and revenue management. Fee compliance covers the collection, accounting, audit, and investment of abandoned mine reclamation fees. Grants management includes accounting for and reporting on grants awarded to states and tribes for Abandoned Mine Land and regulatory purposes. Revenue management involves the accounting and collection of revenue other than reclamation fees, such as civil penalties assessed under federal citations of mining violations and federal performance bonds forfeited by coal mine permittees.

**Debt Collection**

When unpaid Abandoned Mine Land reclamation fees are identified, or civil penalties are assessed for mine site violations, the Office of Surface Mining takes appropriate collection actions. Delinquent debt information is retained in the Applicant/Violator System. When necessary, and after all of the agency debt collection avenues have been exhausted, delinquent accounts are referred to the Department of Treasury for additional collection efforts, or to the Interior Department’s Solicitor’s Office for appropriate legal action or bankruptcy proceedings. The current accounts receivable balance is \$4.2 million. The Office of Surface Mining has referred \$2.7 million of this amount to the Office of the Solicitor for legal action, \$1.5 million under bankruptcies, and \$1.2 million for litigation. Another \$0.3 million has been referred to the Department of Treasury for collection. The Office of Surface Mining is pursuing the remaining \$1.2 million internally, \$0.6 million of which is subject to appeal, \$0.2 million is under payment plans, and collection specialist are currently working on \$0.4 million. Table 14 shows 2001 collections and year-end receivable balances.

**Table 13: Appropriations**

	2001	2000
<b>Regulation &amp; Technology</b>		
Environmental Restoration	\$156,654	\$133,732
Environmental Protection	76,458,863	71,948,404
Regulatory Grants	(55,574,467)	(52,156,000)
Technology Dev. & Transfer	11,984,244	11,746,031
Financial Management	535,819	520,562
Executive Dir. & Admin	11,443,053	11,236,271
Executive Direction	(2,349,343)	(2,224,000)
Administrative Support	(4,087,234)	(3,838,271)
General Services	(5,006,476)	(5,174,000)
Subtotal:	\$100,578,633	\$95,585,000
West Virginia Emergency Supplemental	\$0	\$9,821,000
<b>Abandoned Mine Reclamation Fund</b>		
Environmental Restoration	\$199,604,000	\$180,799,000
Reclamation Grants	(172,065,000)	(154,802,000)
Technology Dev. & Transfer	3,774,849	3,756,000
Financial Management	5,414,000	5,205,000
Executive Dir. & Admin	6,245,151	6,113,000
Executive Direction	(1,260,710)	(1,233,000)
Administrative Support	(2,193,290)	(2,090,000)
General Services	(2,791,151)	(2,790,000)
Subtotal:	\$215,038,000	\$195,873,000
Operating Budget	\$315,019,944	\$301,279,000
Transfer to United Mine Workers Fund	\$181,844,948	\$108,959,942
Total	\$497,461,581	\$410,238,942

1. The appropriation figures for both years include rescissions.

**Table 14: Collections Management**

Category	Amount Collected	Balance Owed
AML Fees	\$284,044,124	\$3,854,406
Civil Penalties	\$21,725	336,552
Total	\$284,065,849	\$4,190,958

### Financial Systems: Electronic Improvements

The Office of Surface Mining is pursuing initiatives to improve its financial and administrative management. Added improvements in 2001 include:

**Cost Accounting** The Office of Surface Mining's managerial cost accounting program continued to make advances in 2001. Cost accounting information was produced for each major program activity and distributed to managers. This information links expenditures to productivity, so that managers can see the cost of the outputs they are producing. With the baseline established in 2000, comparative data exists and is being used to evaluate trends and improve efficiency of operations.

#### **Payments and Business Methods**

The aggressive policy to comply with the Electronic Funds Transfer provisions of the Debt Collection Improvement Act of 1996 continued during 2001. Vendor payments averaged 86.3 percent for 2001, up from 81.5 percent in 2000. Travel payments increased from 99.8 to 99.93 percent. And, in 2001, 99.96 percent of all dollars paid by the Office of Surface Mining were through electronic transfer.

Use of the Small Purchase Card continued to increase during 2001. Total transactions paid by credit card increased from 24,929 transactions in 2000 to 27,243 in 2001. Dollars spent increased from \$4,359,282 in 2000 to \$5,472,606 in 2001. Dollars spent using the credit card amounted to 24.8 percent of all vendor dollars disbursed in 2001.

#### **Financial Management Systems**

The Comprehensive On-Line Document Reconciliation System, which is a subsystem for processing the integrated purchase card centrally-billed transactions continues to be improved. In 2001 over 94 percent of all transactions were processed through this system. The cardholder inputs transactions which are matched against the invoice downloaded from the Bank of America to allow daily payment of the invoice. Unmatched transactions are automatically paid against default accounts selected by the user. The system is fully



Reclaimed native grasslands are seeded in late spring or early summer at this North Dakota mine. After two or three growing seasons the grass is well established and local ranchers begin to graze their livestock. Stockponds are included in the reclamation plans where grazing will occur and are constructed as an integral part of the reclamation.

At this operation, the mining company works with cooperating local ranchers who graze their cattle on the reclaimed land. The ranchers are aware of the operational and regulatory requirements that the mine has, and closely manage the livestock grazing. The mining company and ranchers cooperatively develop annual farm plans that guide the management of the reclaimed rangelands. Working closely with the company in a partnership arrangement, these ranchers learn firsthand what their own responsibilities are to maintain and manage reclaimed land toward the goal of final bond release. This knowledge and close working relationship is reflected in very successful on-the-ground reclamation.

integrated with the accounting system and permits the cardholder to adjust the accounting information at any time. The system also has a selection of reports available to monitor usage and data accuracy.

#### ***Electronic Filing of Coal Reclamation Fee Reports***

Companies can now submit their quarterly Coal Reclamation Fee Report to the Office of Surface Mining on-line using the Internet. The pilot program for electronic filing was successfully completed in January 2001. One hundred twenty eight companies are now enrolled to use the Electronic Filing (E-Filing) system. Companies report that E-Filing is straightforward and easy to use, saving time and providing improved record keeping. The system automatically performs calculations, such as the technical moisture equations to calculate companies' moisture deductions.

The system provides e-mail notifications and reminders of filing due dates, as well as receipt confirmations. System users have the ability to work on their report incrementally and maintain the status of their filings. Permit history reports are also available so that companies can obtain payment and coal production information on-line. Encryption is used to ensure user security. During 2002, the system will be expanded to allow on-line payments using the PayGov system developed by the Treasury Department. The Denver Federal Executive Board awarded the E-Filing project the 2001 Excellence of Government Award for Outstanding Productivity/Process Improvement. The project also received the Office of Surface Mining's Customer Service Excellence Award in 2001.

#### **Audited Financial Statements**

Since 1990, the Office of Surface Mining has prepared an Annual Financial Statement after the close of each fiscal year, as required by the Chief Financial Officers Act of 1990 (Public Law 101-576). This year the statements were audited by the public accounting firm of KPMG LLP to opine as to whether financial results are fairly stated and conform with generally accepted accounting principles for federal agencies. In 2001, the Office of Surface Mining received its 11<sup>th</sup> consecutive "clean" audit opinion.

#### **Information Technology**

The Office of Surface Mining uses information technology to improve overall efficiency, support program functions, and provide better information access for other federal agencies, the coal industry, states, tribes, and the public. A telecommunications network, made up of a Wide Area Network and Local Area Networks, is used to electronically transmit and receive information from both internal and external sources.

During 2001, additional safeguards and improved security of automated systems was implemented. Greatly increased security threats have required increased precautions to ensure the integrity of information and the protection of Agency assets. Continued reviews and modification of existing procedures have provided increased protection of the Office of Surface Mining's information systems.

Reviews and changes to the Office of Surface Mining's Continuity of Operations Planning were undertaken to assure mission critical operations could be provided in the event of a disruption in its primary location. Improvements in offsite backups and recovery of data are being planned to ensure critical information is safeguarded.

#### **Human Resources Management**

During 2001, the automated recruitment, rating and ranking system continued to be a significant tool for job recruitment. Over the last 18 months, the Office of Surface Mining has attracted over 6,000 applicants to jobs using the automated system. Using this on-line system and a contract with Headhunter (a web based recruitment site that lists Office of Surface Mining vacancies) more diverse candidates (greater than 40 percent are minority and nearly 50 percent women) are applying for Office of Surface Mining positions. Use of the Headhunter web site has increased the applicant pool by about 25 percent. The Office of Surface Mining on-line job application web site can be accessed at [www.osmre.gov/applyforjobs.htm](http://www.osmre.gov/applyforjobs.htm).

As part of the succession planning process, data from the national survey was used to analyze work load and work force requirements. Using this data, determinations on projected retirement dates, skill levels of current employees, and skills required for future employees are being made.

The contract between Office of Surface Mining and the Bureau of Indian Affairs (in Washington D.C.) expired on June 30, 2001. Turnover of files to the Bureau of Indian Affairs Anadarko Personnel Office occurred as planned. Most human resources employees affected by the contract termination have been placed. Salary and benefits for the remaining employees end in March 2002 in accordance with contract termination provisions.

During 2001, Quality of Worklife Seminars were held on breast cancer, prostate cancer, heart disease, living your life, and retirement. The Federal Employees Retirement System Retirement seminars along with Social Security presentations were presented in Denver, Colorado; Knoxville, Tennessee; Lexington, Kentucky; Charleston, West Virginia; and Alton, Illinois. The headquarters office also participated with the Department of the Interior University and Politics and Prose Bookstore in Washington, D.C., in the government-wide forum and speaker series on Career, Balance and Diversity.

### Monitoring Potential Conflicts of Interest

Sections 201(f) and 517(g) of the Surface Mining Law prohibit any federal or state employee "performing any function or duty under this Act" from having "direct or indirect financial interests in underground or surface coal mining operations." The Office of Surface Mining monitors compliance to prevent conflicts with an employee's official duties. In 2000<sup>6</sup>, 632 Office of Surface Mining, 935 other federal, and 2,885 state employees filed financial disclosure statements. Four federal and one state violations were identified and resolved.

### Labor Management Partnership

The Office of Surface Mining maintains two labor-management agreements with the National Federation of Federal Employees -- Washington, D.C. with local 1993 and Albuquerque, New Mexico with Local 2148. There are three other exclusive recognitions. They are located at the Casper, Wyoming and Lexington, Kentucky (Field Office and Division of Compliance Management-Region II Office).

### Equal Opportunity

The Office of Surface Mining's Strategic Plan for Improving Diversity consists of 7 objectives that address the recruitment of women, minorities, the disabled, reasonable accommodation, employee development, retention, zero tolerance of discrimination, quality of work life, and accountability of managers. Since implementation of this plan continuous progress has been shown in decreasing the under-representation of minorities and women. Retention continues to be a major problem. As a result, even

6. Data for 2000 are reported here because 2001 federal statistics will not be available until January 2002 and state statistics until May 2002.



Native vegetation has been planted at this recently reclaimed mine site in Texas. These plants provided a fast growing cover that prevents erosion and a root structure that stabilized the soil. The native oaks and other trees are rapidly becoming established and will eventually become the dominant tree cover.

though there was success, there was no significant change due to the large number of separations (40) during 2001. Nevertheless, the Officer of Surface Mining successfully hired a minority as its Deputy Director. This position is at the Senior Executive Service pay level.

During 2001, 24 new employees were hired. This number includes 14 women and 7 minorities. This change can be attributed to management's increased sensitivity and outreach to women and minorities. In addition, training has been offered to managers and employees in the areas of diversity and zero tolerance for discrimination. As a result, progress has been made in these areas. For example, there were 55 promotions in 2001; women received 34 and minorities received 21 of the promotions. It is also significant that women and minorities received 7 of the promotions at the GS-13 and 14 grade levels, and a woman was promoted to a GS-15.

Alternative Dispute Resolution Operating Procedures were issued to all employees in 2001. Employees more readily use Alternative Dispute Resolution since the operating procedures were issued and about one-third of Office of Surface

Mining employees received Alternative Dispute Resolution training during the year.



Because surface mining removes the original plant cover from the land and exposes the soil, special care is needed. Until the reclaimed land is stabilized by revegetation, rainfall can pick up sediment and erode the land faster than undisturbed areas. Erosion is controlled through careful planning and design incorporating a variety of measures that work together to reduce the erosive force of water.

At this North Dakota reclaimed mine site a rock structure has been constructed in a grass waterway to slow water runoff and prevent erosion. Erosion control practices such as this are important in areas where storms are brief, but, intense, and could erode gullies, damage the vegetation, and create a sedimentation problem downstream. At this site a sedimentation pond was also constructed below the grass waterway to collect water and allow any sediment to fall to the bottom before flowing downstream.

During 2001, five discrimination complaints were filed, as compared to 11 complaints filed the previous year. This number represents a significant decrease in the number of complaints filed and also represents the fourth consecutive year that the number of complaints filed in the Office of Surface Mining has decreased. This decrease is attributed to training and the use of Alternative Dispute Resolution. At the end of the year, there were 12 complaints being processed, which represents a decrease of 33 percent from the previous year. The majority of pending cases are awaiting hearings by the Equal Employment Opportunity Commission.

# VII. Performance Goals and Results

## Mission

Our mission is to carry out the requirements of the Surface Mining Law in cooperation with states and tribes. Our primary objectives are to ensure that coal mines are operated in a manner that protects citizens and the environment during mining and assures that the land is restored to beneficial use following mining, and to mitigate the effects of past mining by aggressively pursuing reclamation of abandoned coal mines.

## Vision

- In regulating active coal mining, we will maintain compliance at high levels and ensure that all mines are properly operated and promptly reclaimed to the standards established under the Law. We will emphasize prevention and ensure that long-term environmental problems do not occur. We will ensure that the pre-mining productivity of the land is restored.
- In reclaiming abandoned mine lands, we will aggressively pursue reclamation with a primary emphasis on correcting the most serious problems related to public health, safety, and the general welfare. We will ensure maximum public benefit through the prompt and fair distribution of public funds.
- In cooperating with state regulatory authorities, the primary enforcers of the Surface Mining Law, and with tribes, we will promote a shared commitment to the goals of the Law. We will develop a comprehensive understanding of the fairness, effectiveness, and efficiency of the Surface Mining Law programs. We will provide constructive program reviews, oversight monitoring, and technical assistance that focus on results. We will act independently to protect the public interest in situations of imminent harm or when a state does not implement an approved regulatory program.
- In dealing with those who are affected by mining and reclamation, we will ensure the protection of citizens from abusive mining practices, be responsive to their concerns, and allow them full access to information needed to evaluate the effect of mining on their health, safety, general welfare, and property.
- In our relations with the coal industry, we will have clear, fair, and consistently applied policies and will respect the importance of coal production as a source of our Nation's energy supply.
- In all communications, we will maintain open, courteous, constructive, and timely dialogue and will use information to understand and improve our programs and those of our state and tribal partners.
- In demonstrating leadership in mining and reclamation, we will promote the development of the highest quality technical information and research and will seek the transfer of technology to those who would benefit.
- In meeting our responsibilities, we will be a diverse, competent, innovative, and highly-trained work force. We will serve with integrity, and demonstrate technical, legal, administrative, and professional excellence at all times. We will constantly strive to create a more responsive, efficient, and effective process for achieving the objectives of the Surface Mining Law.

The Office of Surface Mining has followed the criteria of the Government Performance and Results Act of 1993, the Office of Management and Budget guidelines, and the Department of the Interior's guidance in implementing its planning and management processes. A mission statement was developed that reflects the mandate of the Surface Mining Law and a vision statement adopted that states values, service and assistance afforded to its customers, stakeholders and partners. The mission statement reflects the mandate to reclaim abandoned mine lands and provide safety for the environment and society during active coal mining operations, and the subsequent reclamation of those lands.

An obvious outgrowth from the mission statement was the two results-oriented mission goals, whose outcomes indicate the mandate of Environmental Restoration (reclamation of abandoned Mine Lands) and Environmental Protection (regulation of active mining operations). Following is a summary of the 2001 results for these two Government Performance and Results Act goals.

## Environmental Restoration: Abandoned Mine Land Reclamation

### *Performance goals*

Abandoned mine lands pose hazards for people and the environment. It is the goal of the Office of Surface Mining and the states, working together, to eliminate these hazards with the most serious being addressed on a priority basis. Utilizing a nationwide inventory of abandoned mine hazardous sites, the coal program states and the Office of Surface Mining have, since the passage of the Surface Mining Law, utilized the Abandoned Mine Land funding to eliminate these hazards. The states and the Office of Surface Mining have formalized the reclamation of abandoned mines as their performance goal. For the purposes of reporting accomplishments and for consistency, the Office of Surface Mining developed a procedure that converts the reclamation results for each of the hazards eliminated to "acres reclaimed".

Measuring the final results of the Abandoned Mine Land Program, the aim of which is to restore a safe and clean environment, is a difficult task. Intermediate measures are used, such as the number of acres reclaimed, as an indicator of success. It is estimated that over 1.5 million acres of land have been disturbed and over 11,500 miles of streams polluted by coal mining. Since 1977, over 142,000 acres of health and safety coal related problems such as underground fires, subsidence, landslides, open shafts, and highwalls (unstable man-made cliffs) have been reclaimed and over 493 miles of streams have been reclaimed.

The Office of Surface Mining's annual performance goals are incremental annual estimates of the overall long-term goals set for the duration of the strategic plan. In some cases, the annual outputs may not be accomplished on a yearly basis, but the overall trend for the goal in the life of the strategic plan is what is important and will reflect successful accomplishment of the outcome of the long-term and mission goals of the Office of Surface Mining. Long-term targets are based on past program performance. Reclamation projects can take up to three years to complete, decreasing the accuracy of projecting annual targets. Therefore, more weight is given to achieving the long-term goals rather than accomplishment of a single annual performance goal.

The states and Indian tribes are an integral part of achieving the goals for the Surface Mining Program. It is these partners that carry out the mandates of the Law as the reclamation authorities in their respective jurisdictions and with whom the Office of Surface Mining developed the outcome goals for the restoration of the environment. The success of the program would be jeopardized without their cooperation and commitment.

#### ***Performance Results***

In 2001, the Office of Surface Mining, along with its partners the states and Indian tribes, achieved the following results. Acres Reclaimed - the Office of Surface Mining's goal for 2001 was to reclaim 8,600 acres. The goal was exceeded and 13,808 acres were reclaimed. (In 2000, 12,176 acres were reclaimed.) These performance results represent cumulative acres reclaimed. The number of acres reclaimed is reported by states and Indian tribes, usually between two and four years after they receive the initial grant funding. Thus, results reported this year represent funds provided to states and tribes during fiscal years 1997-1999. Because the Office of Surface Mining started using acres reclaimed to measure our success, in 1999 the computer inventory system which records acres reclaimed was improved. This improvement allowed for better reporting by the states and Indian tribes. Because of this improved reporting, the 2000 results were much larger than the goal and with the backlog completed, 2001 results more closely match the 2001 goal.

#### ***Cost to reclaim an acre***

In accordance with the Statement of Federal Financial Accounting Standards Number 4 - Managerial Cost Accounting "outputs produced by responsibility segments should be accumulated and, if practicable, measured in units (and) the full costs... should be assigned to outputs...". The Office of Surface Mining has attempted to comply with this standard by computing the "cost per acre reclaimed". For 2001 this cost was determined to be \$9,832, measured on a "full cost basis". Full costs include operating costs in addition to "other costs" such as depreciation, bad debts, and future funding expenses. This approach corresponds to the number of reported acres reclaimed which includes priority 1, 2, and 3 problems for pre-Surface Mining Law grant programs, coal interim sites, and acid mine drainage. It excludes federal emergencies, non-coal projects, and non-Abandoned Mine Land funded reclamation. The 2000 cost per acre reclaimed has been amended to \$12,669 to conform to our current revised method of calculating the cost per acre.

### **Environmental Protection: Regulation of Active Coal Mines**

#### ***Performance goals***

On-the-ground results are measured by the percentage of inspectable units that are free of offsite impact during each evaluation year. As part of each federal and state mine inspection, a determination is made as to whether any negative offsite impacts have occurred or are occurring at that mine site. These are recorded on an annual basis for each mine. It is the goal of the Office of Surface Mining and its state partners to minimize offsite impacts at all mines. The measure of the success in meeting this goal is to assure that a high percentage of all inspected mine sites are without negative offsite impacts throughout the year. The 2001 goal was 94 percent free of offsite impacts.

During active mining, the potential risk from safety and environmental hazards increases within the permitted site. However, because of required precautions, long-term effects are minimized. It is the ultimate goal of the Surface Mining Program to have 100 percent of mine sites free of offsite impacts.

#### ***Performance results***

To measure the outcomes of this goal - protecting the environment, people and property during and subsequent to current mining in order to provide safeguards - the Surface Mining Program looked at the one output that would indicate attainment

of these desired results. The number of offsite impacts that occur - these are damaging effects that would occur as a result of blasting, land stability, hydrology or encroachment that would affect people, land, water, or structures outside the permitted area of mining operations. In 2001, 93.9 percent of the mines were free of offsite impacts. (In 2000, 94.1 percent of the mines were free of offsite impacts.)

## United Mine Workers Combined Benefit Fund Program

### Description

Public Law 102-486 was passed on October 24, 1992, and became effective in 1996. Under this law, the Office of Surface Mining is required to transfer annually a portion of the interest earned from the Abandoned Mine Land Special Fund to the United Mine Workers of America Combined Benefit Fund. These Abandoned Mine Land interest proceeds are made available to provide health benefits for certain eligible retired coal miners and their dependents. Payments are made annually based on the number of beneficiaries and are made in advance based on an estimate. Under current practice, the estimate is then adjusted to actual costs as health benefits are paid. Additionally, the number of beneficiaries can change from year to year based on court cases, bankruptcies and mortality. The 2001 annual payment was \$67.5 million for 17,411 beneficiaries. Prior year adjustments increased this payment by \$35.4 million. In addition, Public Law 106-291 required the transfer of an additional \$78.9 million to offset any net asset deficit as estimated by the trustees of the fund as of August 31, 2001. (This includes \$174 thousand that the Combined Benefit Fund returned to the Office of Surface Mining which was rescinded by Congress. The funds have been restored but have not been transferred back to the Combined Benefit Fund.)

### Budget

In 2001, the Office of Surface Mining collected \$103.5 million in investment earnings. Those collections brought the cumulative investment collections to \$662.9 million. Cumulative transfers, including 2001, are \$483.7 million leaving an interest balance of \$179.2 million.

### Performance Measures

The Office of Surface Mining determined meaningful performance measures for this transfer are not possible. Once the transfer is made (five business days of the request by the United Mine Workers of America Combined Benefit Fund), the Office of Surface Mining has no authority over how the transferred money is used. The Office of Surface Mining did, however, request an audit of these funds from the Inspector General's office to ensure that the transferred funds were used in accordance with the provisions of Public Law 102-486, and Public Law 95-87. Results of the audit verified in general, the amounts transferred from the Abandoned Mine Reclamation Fund to the Combined Benefit Fund for the period 1996-2000 were accurately determined in accordance with the Coal Industry Retiree Health Benefit Act of 1992 and that the amounts paid for the health care of beneficiaries were accurate<sup>7</sup>.

## Summary of Annual Abandoned Mine Land Interest Collections and Transfers to the Combined Benefit Fund

As of September 30, 2001  
(in thousands)

Year of Int Collection	Interest Collection	1996 Transfer	1997 Transfer	1998 Transfer	1999 Transfer	2000 Transfer	2001 Transfer	Transfer To-Date	Interest Balance
1992	32,328	0	0	0	0	0	32,328	32,328	0
1993 - 1995	132,453	0	0	0	0	68,000	46,573	114,573	17,880
1996	69,384	47,184	0	(10,721)	9,554	(2,535)	3,413	46,895	22,489
1997	81,007		31,374	7,034	15,129	(4,240)	4,254	53,551	27,456
1998	67,031			36,249	9,495	7,961	3,896	57,601	9,430
1999	82,830				47,588	(2,708)	18,647	63,527	19,303
2000	94,369					42,482	5,231	47,713	46,656
2001	103,496						67,502	67,502	35,994
Total	662,898	47,184	31,374	32,562	81,766	108,960	181,844	483,690	179,208

7. February 2001, Inspector General Report No. 01-I-187.