

**The United States Department of the Interior**

**BUDGET JUSTIFICATIONS  
AND ANNUAL PERFORMANCE PLAN  
FISCAL YEAR 2003**

Annual Performance Report  
Fiscal Year 2001

**OFFICE OF SURFACE MINING  
RECLAMATION AND ENFORCEMENT**

**February 4, 2002**

*Office of Surface Mining  
Reclamation and Enforcement*



***FY 2003 BUDGET  
JUSTIFICATION***

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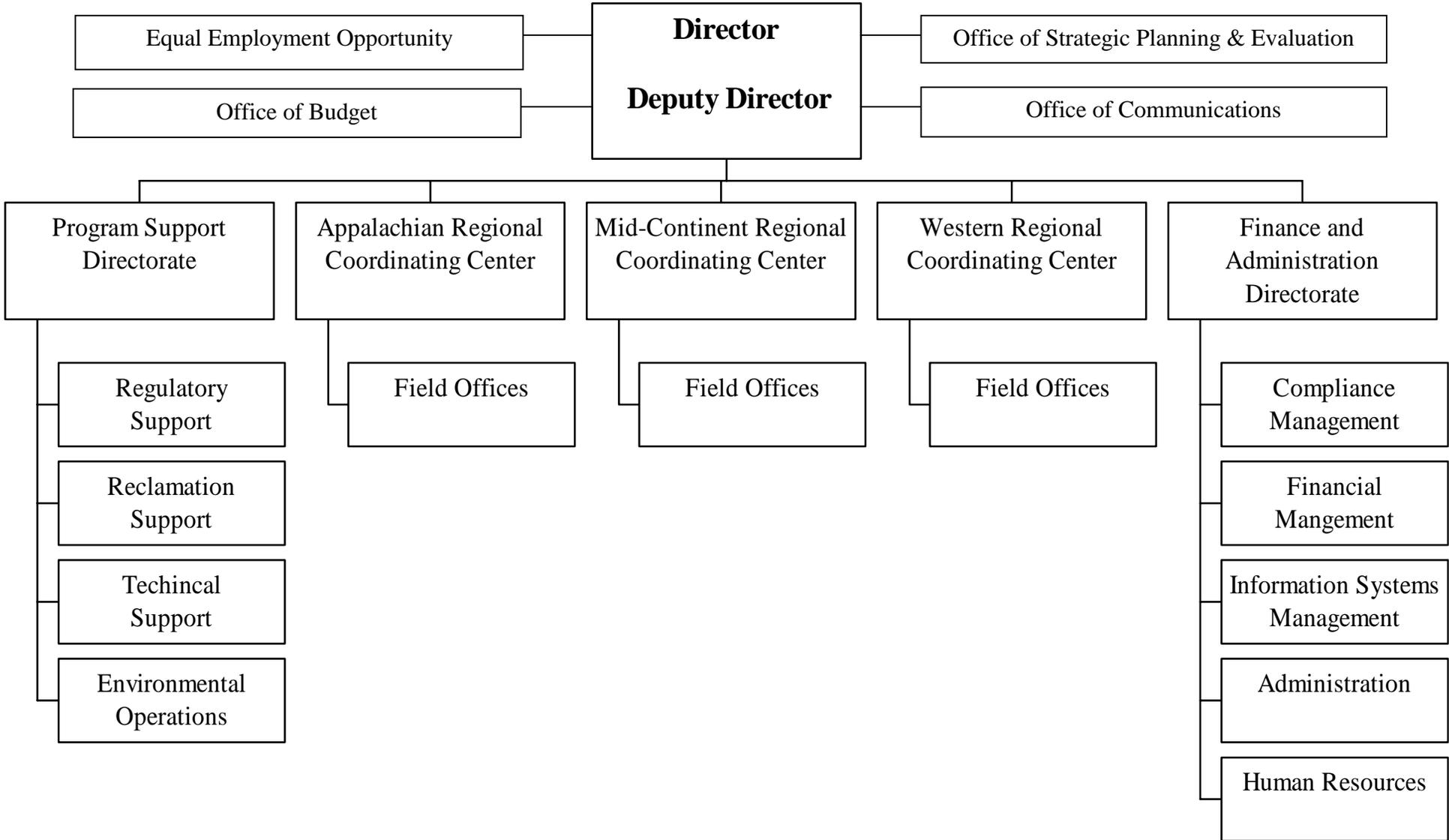
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# Office of Surface Mining Reclamation and Enforcement



*Office of Surface Mining  
Reclamation and Enforcement*



*FY 2003 Budget Justification*

***INTRODUCTION***

## GENERAL STATEMENT

The Office of Surface Mining Reclamation and Enforcement (OSM) was established with the passage of the Surface Mining Control and Reclamation Act (SMCRA) of 1977, Public Law 95-87, August 3, 1977.

SMCRA was enacted to ensure that coal mine surface activities are operated in a manner that protects citizens and the environment during mining, to assure 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. SMCRA provides the means for restoring abandoned coal mines through collection of a tonnage-based reclamation fee assessed on current coal production.

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OSM's mission goals are to : (1) Provide a cleaner and safer environment by reclaiming and restoring land and water degraded by past mining, and (2) Protect people and the environment during current mining operations and to ensure that the land is restored to beneficial use after mining has ceased.

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Currently, 24 States have regulatory programs in place and OSM continues to work with Indian Tribes to enable them to assume primacy. Twenty-three States and three Tribes administer approved abandoned mine land reclamation programs. The primacy States are successfully implementing their approved regulatory and reclamation programs. OSM's role has evolved to establishing policy direction and guidance, providing grants to primacy States and Tribes, conducting oversight activities in accordance with SMCRA, and administering and operating programs on Federal and Tribal lands and in States that have not assumed primacy.

Since 1977, OSM has provided nearly \$1 billion in regulatory grants to the States and Tribes to assist in funding the regulation of active coal mines. Since 1979 OSM has provided about \$3 billion in grants to the States and Tribes to clean up mine sites abandoned before SMCRA's 1977 enactment. More than 180,000 acres of abandoned coal mine sites have been reclaimed under the program.

OSM's fiscal year (FY) 2003 budget is a fiscally responsible proposal that enables OSM to effectively and efficiently implement its mission goals. The total budget proposal requests \$283.6 million in current authority, \$70 million in permanent authority, and 637 FTEs. However, included in this amount is \$4.2 million to reflect a Government-wide legislative proposal to shift the full cost of the Government's pension system and employee health benefits program for current employees to their employing agencies. Agencies currently pay a portion of these costs, with the balance funded in central, mandatory accounts. Full funding of these programs in agency accounts will more nearly show the true costs of Federal programs, allowing managers to make decisions based on better cost information. Thus, OSM's FY 2003 request net of this reform proposal is \$279.4 million, a decrease of \$27.1 million below the FY 2002 enacted level of \$306.5 million.

Almost three quarters of OSM's current funding request will be passed to the States and Indian Tribes in the form of regulatory, reclamation, or Small Operators Assistance Program grants or

will be used for high priority reclamation projects. OSM will use the balance of the request to provide technical assistance to the States, conduct its oversight responsibilities, implement a Federal Reclamation Program, and carry out its fiscal responsibilities for collecting revenues and awarding grants. OSM implements these programs through three regional and ten field offices.

This budget proposal also supports the President's Government-wide management reform agenda by:

- integrating budget and performance measures;
- improving strategic management of human capital;
- increasing competitive sourcing;
- improving financial performance; and
- expanding electronic government.

*Implementing SMCRA – New Approaches Using Effective Partnerships*

OSM recognizes the importance of working with the States and Indian Tribes, industry and coal field citizens in implementing SMCRA. This budget proposal supports the Secretary's emphasis on using effective partnerships through communication, consultation, and cooperation with these constituent groups to achieve OSM's environmental protection and environmental restoration goals.

OSM continues to emphasize the importance of protecting the environment during and after coal mining operations. OSM oversees SMCRA's implementation in 24 primacy States through an oversight process where OSM assists the States in the administration, implementation and maintenance of their approved regulatory programs. Under this approach, performance agreements are worked out by consensus with each State, with the development of State-specific evaluation plans tailored to the unique conditions of each State's program.

OSM, in cooperation with 23 States and three Indian Tribes that have reclamation programs, will continue to clean up land and waters degraded by past mining practices and abandoned. The grant funds assist in the removal of existing health and safety hazards and restoration of areas to productive use. Additionally, OSM has developed funding and operational mechanisms, such as the Appalachian Clean Streams Initiative and the Enhanced Reclamation Initiative as discussed below, to achieve additional reclamation at less cost in a cooperative manner.

OSM will continue its focus on developing new approaches in implementing SMCRA. These initiatives include an emphasis on the Appalachian Clean Streams Initiative to facilitate and enhance State and local partnerships to clean up acid mine drainage and improve the aquatic environment and quality of life for coalfield citizens. Acid mine drainage is the number one water pollutant in the coal fields of the Appalachian area causing major environmental and public health problems. Through this initiative, over 100 State and Federal agencies, local soil and water conservation districts, national conservation organizations, private foundations, and coalfield residents have formalized their commitment to work together through a Statement of Mutual Intent. Many of the demonstration projects that have received funding since program

inception are now either completed, under construction, or in design, with construction to commence soon.

OSM implemented the new Watershed Cooperative Agreement Program as part of the Clean Streams Initiative. This program allows OSM to award AML funds from the federal share directly to private not-for-profit agencies to undertake local acid mine drainage projects.

Advancing AML enhancement and remining are additional examples of new approaches and continue to remain OSM priorities. These initiatives foster additional production and reclamation that might otherwise not occur, with reduced cost to the Government. Enhancing AML Reclamation allows more sites to be reclaimed by allowing contractors to offset reclamation costs by removing and selling coal found incidental to reclamation projects. Remining allows current operators to mine previously mined sites. Remining operators mine the now economical coal left by previous operations, as part of their current operations, and reclaim the entire site as part of their post-mining reclamation responsibilities. These operations may resolve many environmental problems created by past mining

The Acid Drainage Technology Initiative (ADTI) is a primary example of another effective partnership at work. The ADTI is a partnership-based joint venture, which includes OSM, coal producing States, academia, industry, and other Government agencies and groups. Its purpose is to identify, evaluate, and develop “best science” practices to predict the likelihood of acid mine drainage discharges prior to mining, and to identify successful remediation practices for existing sources of acid mine drainage. Two manuals, one focusing on reclamation techniques and the other on prediction, have been issued to date.

OSM will continue its efforts to establish partnerships to improve and increase outreach efforts that allow full participation from its stakeholders in addressing common problems. These initiatives will assist OSM in forging a bond and partnership with its stakeholders that will endure.

To better serve its partners and the public, OSM continues to improve its abandoned mine site databases by working with other agencies to include all abandoned mine sites, both coal and non-coal, in a unified inventory. OSM expanded its electronic permitting program to reduce paperwork and save time and money for both the States and industry. OSM’s website contains comprehensive information on regulatory and reclamation matters and even accepts requests from citizens for Freedom of Information Act requests.

As mining and engineering information technology continues to grow rapidly, OSM continues to lead by providing and enhancing the most up-to-date information, technical training, technical assistance, and technology transfer. OSM believes these programs greatly help the States and Tribes operate their respective regulatory and reclamation programs in fulfilling SMCRA’s requirements.

Government-wide Management Reforms

As previously noted, this budget proposal supports the Administration's Government-wide management reforms. OSM's budget proposals have integrated strategic goals and associated measures with its budget structure for the past several fiscal years. OSM has already developed a succession plan to help strategically manage its human resources. Consistent with Administration guidance, OSM updated its Commercial Activity Inventory in FY 2001. To address improved financial performance, OSM has made nearly one hundred percent of its financial transfers through electronic funds transfer. Because of OSM's expanded Electronic Government initiatives, greater opportunities exist for citizens to access OSM provided information.

A discussion of OSM's efforts in implementing the Government-wide reforms follows:

1) Budget and Performance Integration

This budget request continues to describe its needs through strategic goals and associated performance measures. In FY 1997, OSM undertook this effort by working with the Appropriation Subcommittees to restructure its appropriation to reflect the intent of the Government Performance and Results Act. OSM's current budget structure reflects its major functions (business lines) needed to implement SMCRA.

OSM then developed a Strategic Plan to carry out its mission, vision, and goals, and developed budget resource requests according to its Business Lines. The primary Business Lines are Environmental Protection and Environmental Restoration. They are supported by three additional Business Lines – Technology Development and Transfer, Financial Management, and Executive Direction and Administration.

In developing the President's Budget, OSM addressed the strategic outcomes and annual performance goals, how it measures and evaluates progress toward those goals, and the resources needed to achieve the annual performance goals.

OSM developed a cost accounting system allowing managers to identify costs of performance outcomes and measures. OSM will be working with the Bureau of Land Management and the Minerals Management Service on a related activity based costing project in FY 2002 for possible implementation in FY 2003.

A further discussion of this initiative is contained in the section on OSM implementation of the Government Performance and Results Act. Additionally, the Annual Performance Plan appended at the end of the Budget Justification provides comprehensive information on OSM's mission and goals and the strategies OSM is using to achieve them.

2) Strategic Management of Human Capital

OSM faces new challenges regarding human capital and has developed a succession plan to address them. Additionally, in FY 2002, OSM began an extensive work force planning initiative to address the talent drain expected in the next three to five years due to expected retirements and

attrition. Complemented by OSM's succession plan, the work force planning initiative places OSM in even a better position to target the required skills in the geographic area where they are needed while still working toward diversity goals.

During 1995 and 1996, OSM underwent a reorganization and a reduction in force of one-third of its workforce. The reorganization decentralized many functions, reduced management levels, and delegated decision-making to the field level. This put responsibility for day-to-day decisions close to the active mining operations and abandoned mine land reclamation projects.

OSM also shifted its focus more toward providing technical assistance to the States and Tribes rather than oversight. OSM expects to continue to provide technical assistance by assisting States and Tribes in overseeing surface mining regulation and reclamation activities. Based on OSM's continued shift toward providing scientific and technical assistance, there will be a greater need for individuals possessing the requisite engineering and scientific skills.

Based on information collected from the succession planning survey and position reviews conducted by the Human Resources Office, the most important and vital skills OSM needs are: physical sciences and engineering, including hydrology, biology, civil engineering, and environmental sciences.

OSM has taken steps to implement the plan. Currently, an OSM vacancy review board determines if a vacant position needs to be filled and at what level.

OSM has automated portions of its recruitment efforts and is currently online with colleges and professional organizations. In order to help recruit for vacancies. In addition, it is in contact with many historically Black Colleges and Universities, Hispanic Serving Institutions, and Tribal Colleges. These efforts have increased the number of diverse candidates for OSM's vacancies.

OSM is also filling many of its vacancies at the entry level to take advantage of the training that experienced employees can provide. By doing this, the transfer of knowledge and skills can occur without the loss of historical knowledge and experience. OSM continues to participate in the SCEP, STEP and the Department's summer Diversity Intern Program to assist in filling entry-level positions. In some cases, OSM intends to use dual incumbency to capture the knowledge of experienced employees who indicated they will be retiring.

OSM is also re-emphasizing to managers the need for training and upward mobility appointments. OSM will establish formal training programs through upward mobility and will provide training and career development opportunities for professionals who wish to improve their skills or develop new ones. OSM will also consider instituting a competitive program of specialized managerial training.

Impediments to these efforts relate primarily to OSM's remote locations. OSM has difficulty attracting candidates to certain geographic locations and has had a number of selected individuals decline. To address this issue OSM will contact local community leaders to help welcome prospective employees and demonstrate the positives of their community.

OSM will continue to implement its succession plan to integrate the types of resources needed to meet its future workload.

### 3) Competitive Sourcing

In accordance with OMB and Departmental guidance, OSM updated its Commercial Activity Inventory in FY 2001. OMB established goals for competitive sourcing of commercial activity FTEs of five percent in FY 2002 and an additional ten percent in FY 2003. OMB used the inventory of commercial activities as the baselines for these goals. For OSM, the goals equate to two FTEs in FY 2002 and five FTEs in FY 2003, which must be competitively sourced either through OMB Circular A-76 competitive process or by direct conversion to contract.

All of OSM's commercial activity FTE's are in the "ten or fewer" category and are geographically and organizationally dispersed. Therefore, these FTE are eligible for direct conversion to contract and, in most cases, will not undergo the extensive A-76 cost/benefit analysis. These FTE are primarily in the information technology area and various types of administrative support services.

OSM is currently contracting for some mailroom, data entry, debt collection and information technology functions. Additionally, OSM's workforce planning strategy includes further review of agency activities that may be eligible for contracting.

### 4) Improved Financial Performance

OSM received its tenth unqualified financial statement opinion from the Inspector General for FY 2000. OSM was the only bureau in the Department to receive a "clean opinion" in all three areas: financial statements, reports on internal controls, and compliance with laws and regulations. OSM will continue to strive for this goal.

OSM's Division of Compliance Management was one of only two recipients recently presented the Performance, Incentives, and Leadership Linked to Achieve Results (PILLAR) Award. This Government-wide award was presented to the unit for effective management in employing practices that align employee performance with organizational strategic goals, as well as results-oriented and customer-focused performance.

Additionally, OSM has been sought out by other Departmental bureaus to provide technical assistance in the financial management area.

### 5) Expanding Electronic Government

OSM's electronic government initiatives include:

OSM Home Page – This web site contains a large variety of information that is used extensively by the public and OSM customers. This has resulted in efficiencies in OSM staff utilization and

associated cost avoidances.

OSM Programmatic Assistance – OSM has encouraged electronic permitting to simplify the transfer of permitting information with the States, industry and the citizen stakeholders during the permitting process. Similarly, OSM has developed the Technical Information Processing System to support the States and Tribes in their regulatory and reclamation efforts through access with the Internet and OSM's Wide Area Network.

Reclamation Fee Reporting – SMCRA requires that coal operators report coal tonnage produced and pay reclamation fees quarterly. Each quarter, over 1,700 companies report coal production and reclamation fees on over 3,600 permits to OSM.

OSM has developed a website for companies to report electronically instead of by paper report. The website pre-fills the recurring information to minimize reporting time. The website allows companies to work on the report incrementally and automatically calculates the coal moisture deductions and the fees due. Additionally, the company can print a record of the data filed, access filed data on-line through a secured site, and have online access to the Payer Handbook. The system also provides companies with a receipt acknowledgment when payments are received. OSM will continue to expand the electronic filing process.

Acquisition – Currently, OSM is using the Interior Department Electronic Acquisition System (IDEAS). IDEAS interfaces with OSM's financial system, which electronically updates financial information on a regular basis for required reporting at the Departmental and Federal levels.

OSM plans to expand its use of IDEAS by implementing IDEAS-EC. The goal is to provide industry vendors an opportunity to gain free electronic access to OSM requests for proposals, invitations for bids, and requests for quotations. Additionally, there are plans for OSM to enhance industry/vendor outreach by distributing IDEAS-EC information at procurement trade fairs, workshops, and conferences for small, disadvantaged, and women-owned small businesses.

OSM also plans to use the National Institute of Health contractor performance system. This system will be a single entry point for OSM contracting officers to search prospective contractors' performance record. It will also serve industry vendors. This will facilitate contracting officers' responsibility determinations. Industry vendors will benefit by a faster, easier and less costly awards process.

Recruitment Processing – OSM uses a web-based automated recruitment, rating and ranking system, which allows OSM to advertise, rate and rank job applications, and produce selection certificates on-line. The Surface Mining Automated Recruitment Tool (SMART) has streamlined both the application process and the applicant review and evaluation process. Thus both the applicant and the manager serviced by the Human Resources office are assisted.

The system is online so more applicants see OSM's announcements and apply because the system is user friendly. OSM has increased the number of applications per job by almost 100

percent per announcement. Over the last 15 months more than 5,000 applicants have registered in SMART. OSM is reaching more diverse candidates as indicated by race and national origin data, which is anonymously captured by the system because the system automatically notifies organizations that represent minority groups. The system is efficient because OSM can easily and accurately determine qualified applicants, and can rate and rank them and provide a certificate of eligibles to management within days instead of weeks. SMART has allowed OSM to cut its typical recruitment process by 25 percent. As the system continues to improve, OSM expects to continue to improve its processes and reduce time. The system is web-based and is found through the OSM, OPM, Headhunter, and Paradigm web sites. For candidates who lack Internet access, OSM encourages the use of libraries, unemployment offices or government offices. When all that is impossible, OSM offers personal help over the phone making sure anyone who wants to apply can apply.

Web-based Abandoned Mine Land Inventory System – OSM is developing a web-based version of the Abandoned Mine Land Inventory System (AMLIS), which allows States, Indian tribes, and OSM to electronically update and maintain data regarding AML reclamation programs and their progress. AML users and the public will have the capability of accessing AMLIS using their standard browser. Thus, linking directly to AMLIS through OSM’s web page will eliminate the need of the current software client.

Information Technology Capital Planning – Currently, OSM prepares capital asset plans on five mission critical systems annually. OSM will continue to review its technology investments and monitor the status and any variance of existing technology projects.

Government Performance and Results Act:

Core GPRA requirements are to improve planning, eliminate duplicative processes, and involve stakeholders. OSM deals with both State and Federal agencies, is responsible for both Federal and private lands, reclaiming and protecting diverse sites, and enhancing technology transfer among many constituents. Although a small bureau, OSM is positioned to lead such efforts, particularly those related to implementing that part of a comprehensive energy strategy involving coal mining in an economically and environmentally viable manner.

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OSM serves as a policy leader and coordinator with its partners in carrying out the responsibilities of SMCRA. OSM is an innovator in promoting the effective administration of the Surface Mining Program and maximizing land and water restoration with available funds.

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This budget request describes its needs through strategic goals and associated performance measures. OSM identified its major functions, or Business Lines. OSM then developed a Strategic Plan to carry out its mission, vision, and goals and developed budget resource requests accordingly. The Business Lines are:

- Environmental Restoration;
- Environmental Protection;
- Technology Development & Transfer;
- Financial Management; and
- Executive Direction and Administration.

The individual Business Line sections in this document begin with a brief description of the program activities within the Business Line. They then discuss the strategic outcomes and FY 2003 annual performance goals, how OSM will measure and evaluate progress toward the goals, and the resources needed to achieve the annual performance goals. The remaining part of each section describes the resources of the program activities supporting the Business Line goals.

The Annual Performance Plan appended at the end of the Budget Justification provides comprehensive information on OSM's mission and goals and the strategies OSM is using to achieve them. Summary level information is also presented in each Business Line discussion in the Budget Justification.

Budget Highlights:

OSM requests a total of \$283,592,000 and 637 FTE to achieve its FY 2003 annual performance goals. As previously noted, this includes \$4,190,000 to meet the legislative proposal to fund health and retirement costs of current employees, leaving a net request of \$279,402,000. An additional request of \$70 million in permanent authority is requested to provide health benefits through the United Mine Workers of America to coal miners and their dependents as authorized by the Energy Policy Act of 1992 and SMCRA.

The FY 2003 net discretionary request represents a \$27.1 million decrease from the FY 2002 enacted level. This budget proposal provides for a net increase of \$1 million for State regulatory grants, which consists of \$1 million decrease in aggregate for all State Grants and an increase of \$2 million specifically for West Virginia to enable them to carry on with their current program. However, the overall decrease in the FY 2003 request results primarily from a \$17 million reduction in reclamation grants to States and \$10.9 million for Federal emergency reclamation projects. OSM has sufficient carryover funds available to properly address emergencies. Additionally, the request removes Congressional add-ons provided in the FY 2002 budget. These include \$1.3 million for Federal high priority projects and \$0.5 million earmarked for an acid mine drainage demonstration project in Pennsylvania. The request also includes decreases of \$0.2 million for travel and \$0.1 million for general services efficiencies.

Additionally, OSM intends to transfer \$2 million in carryover funds from the Federal AML emergency program to the AML state grant program, resulting in a total state grant level of \$144.1 million.

This request also provides \$1.8 million for uncontrollable cost increases.

This budget proposes appropriation language changes to allow OSM to:

- remove the funding and 25 percent limitation on the amount of emergency program funding that can be spent in any one State; and
- eliminate the earmarking of funds for the Pennsylvania demonstration project.

The following summary compares the FY 2003 request level to the FY 2002 enacted level.

**2001 - 2003 Resource Comparison  
(Dollar Amounts in Thousands)**

		FY 2001 Actual	FY 2002 Enacted	FY 2003 Request	Difference from FY 2002 Enacted (+/-)
Regulation and Technology	\$	100,854	103,075	105,367	+2,292
	<i>FTE</i>	<i>415</i>	<i>415</i>	<i>415</i>	<i>0</i>
Abandoned Mine Recl. Fund	\$	214,565	203,455	174,035	-29,420
	<i>FTE</i>	<i>221</i>	<i>222</i>	<i>222</i>	<i>0</i>
TOTAL, w/o CSRS/FEHB	\$	315,419	306,530	279,402	-27,128
	<i>FTE</i>	<i>636</i>	<i>637</i>	<i>637</i>	<i>0</i>
CSRS/FEHB Legislative Proposal		4,034	4,133	4,190	+57
Total with CSRS/FEHB Legislative Proposal		319,453	310,663	283,592	-27,071

*Note: Includes actual and estimated civil penalty collections in addition to appropriated amounts.*

*FY 2001 figures include effects of a rescission.*

**Description and Summary of Program Changes  
in FY 2003 Budget**

The total net request for OSM's current appropriations, exclusive of the legislative proposal, is \$279,402,000 for FY 2003. Funding is requested from two appropriations as summarized below.

**Regulation and Technology**

This appropriation finances the regulatory functions of SMCRA as administered by the States and OSM. Federal activities related to the administration and monitoring of State regulatory programs and OSM's technical training, assistance, and transfer activities related to environmental protection are also financed by this appropriation. The net request is \$105,367,000 (including an estimated \$275,000 in civil penalty collections); a net increase of \$2.3 million over the FY 2002 enacted level. The budget proposes:

- a net increase of \$1 million for State regulatory grants, which consists of an overall decrease of \$1 million in aggregate for all State Grants and an increase of \$2 million specifically for West Virginia to enable them to carry on with their current program; and
- uncontrollable increases of \$1.292 million.

Additionally, the cost of the legislative proposal, if implemented, will be \$2.731 million.

**Abandoned Mine Reclamation Fund**

This appropriation supports the reclamation program functions carried out by the States and OSM. The Fund is derived from a fee levied on coal production sales, use and transfers. The bulk of the appropriation finances grants to States to implement reclamation programs. The Fund also supports Federal activities related to the administration and monitoring of State programs, as well as OSM's technical training, assistance, and transfer activities related to environmental reclamation including the Small Operator Assistance Program. The net request is \$174,035,000, a decrease of \$29.4 million from the FY 2002 enacted level. The budget proposes:

- A decrease of \$17 million for regular State and Tribal reclamation grants;
- A decrease of \$0.5 million resulting from the termination of FY 2002 one time funding specifically earmarked for the State of Pennsylvania;
- A decrease of \$1.271 million for Federal high priority reclamation projects;
- A decrease of \$10.946 million for a one time reduction to Federal emergency projects;
- A decrease of \$0.2 million for travel;

- A decrease of \$0.076 million for general services efficiencies, and
- Uncontrollable cost increases of \$0.573 million.

Additionally, the cost of the legislative proposal, if implemented, will be \$1.459 million.

Finally, OSM intends to transfer \$2 million in carryover funds from the Federal AML emergency program to the AML state grant program, resulting in a total state grant level of \$144.1 million.

**Proposed Appropriation Language Changes:**

**Regulation and Technology**

For necessary expenses to carry out the provisions of the Surface Mining Control and Reclamation Act of 1977, Public Law 95-87, as amended, including the purchase of not to exceed 10 passenger motor vehicles, for replacement only; [\$102,800,000] ^ Provided, That the Secretary of the Interior, pursuant to regulations, may use directly or through grants to States, moneys collected in fiscal year [2002] ^ for civil penalties \$107,823,000  
2003  
assessed under section 518 of the Surface Mining Control and Reclamation Act of 1977 (30 U.S.C. 1268), to reclaim lands adversely affected by coal mining practices after August 3, 1977, to remain available until expended: Provided further, That appropriations for the Office of Surface Mining Reclamation and Enforcement may provide for the travel and per diem expenses of State and tribal personnel attending Office of Surface Mining Reclamation and Enforcement sponsored training. (Department of the Interior and Related Agencies Appropriations Act, 2002; additional authorizing legislation required.)

**Abandoned Mine Reclamation Fund**

For necessary expenses to carry out the provisions of title IV of the Surface Mining Control and Reclamation Act of 1977, Public Law 95-87, as amended, including the purchase of not more than 10 passenger motor vehicles for replacement only, [\$203,455,000]^ to be derived from the receipts of the Abandoned Mine Reclamation Fund and to remain available until expended; of which up to \$10,000,000, to be derived from the Federal Expenses Share of the Fund, shall be for supplemental grants to States for the reclamation of abandoned sites with acid mine rock drainage from coal mines, and for associated activities through the Appalachian Clean Streams Initiative; Provided, That grants to minimum program States will be \$1,500,000 per State in fiscal year [2002]^: [Provided further, That funds herein provided up to \$18,000,000 may be used for the emergency program authorized by Section 410 of Public Law 95-87, as amended, of which no more than 25 percent shall be used for emergency reclamation projects in any one State and funds for federally administered emergency reclamation projects under this proviso shall not exceed \$11,000,000:] Provided further, That prior year unobligated funds appropriated for the emergency reclamation program shall not be subject to the 25 percent limitation per State and may be used without fiscal year limitation for emergency projects; Provided further, That pursuant to Public Law 97-365, the Department of the Interior is authorized to use up to 20 percent from the recovery of the delinquent debt owed to the United States Government to pay for contracts to collect these debts: Provided further, That funds made available under title IV of Public Law 95-87 may be used for any required non-Federal share of the cost of projects funded by the Federal Government for the purpose of environmental restoration related to treatment or abatement of acid mine drainage from abandoned mines: Provided further, That such projects must be consistent with the purposes and priorities of the Surface Mining Control and Reclamation Act:

\$175,494,000

2003

[Provided further, That, in addition to the amount granted to the Commonwealth of Pennsylvania under sections 402 (g)(1) and 402(g)(5) of the Surface Mining Control and Reclamation Act (Act), an additional \$500,000 will be specifically used for the purpose of conducting a demonstration project in accordance with section 401(c)(6) of the Act to determine the efficacy of improving water quality by removing metals from eligible waters polluted by acid mine drainage:] Provided further, That the State of Maryland may set aside the greater of \$1,000,000 or 10 percent of the total of the grants made available to the State under title IV of the Surface Mining Control and Reclamation Act of 1977, as amended (30 U.S.C. 1231 et seq.), if the amount set aside is deposited in an acid mine drainage abatement and treatment fund established under a State law, pursuant to which law the amount (together with all interest earned on the amount) is expended by the State to undertake acid mine drainage abatement and treatment projects, except that before any amounts greater than 10 percent of its title IV grants are deposited in an acid mine drainage abatement and treatment fund, the State of Maryland must first complete all Surface Mining Control and Reclamation Act priority one projects. (Department of the Interior and Related Agencies Appropriation Act, 2002; additional authorizing legislation required.)

## **Justification of Language Changes**

### *Regulation and Technology:*

Other than the Government-wide legislative proposal to shift the full cost of the Government's pension system and employee health benefits program for current employees, there are no other legislative changes are proposed for this account.

### *Abandoned Mine Reclamation Fund:*

Includes Government-wide proposal to shift the full cost of the Government's pension system and employee health benefits program for current employees.

Changes proposed appropriations amount available for emergencies and proposes removal of the twenty-five percent cap on emergency spending per State. The language may unduly restrict the capability to respond to emergencies should a particular state suffer a large number of costly incidents.

Deletes earmark for Pennsylvania demonstration project.

**Summary of FY 2002 Appropriations and FY 2003 Budget Changes  
By Appropriation and Business Line**

<b>Regulation &amp; Technology</b>	<b>FY 2002 Enacted</b>	<b>FY 2003 Proposed</b>	<b>Change</b>
Environmental Restoration	435	437	2
Environmental Protection	77,741	79,159	1,418
Tech Dev Transfer	12,151	12,593	442
Financial Management	477	485	8
Executive Direction	12,271	12,693	422
Appropriation w/o Leg. Prop.	103,075	105,367	2,292
CSRS/FEHB Cost	2,896	2,731	-165
<b>Total, with Leg. Prop.</b>	<b>105,971</b>	<b>108,098</b>	<b>2,127</b>

<b>Abandoned Mine Reclamation Fund</b>	<b>FY 2002 Enacted</b>	<b>FY 2003 Proposed</b>	<b>Change</b>
Environmental Restoration	186,697	156,987	-29,710
Environmental Protection	0	0	0
Tech Dev Transfer	4,136	4,164	28
Financial Management	6,070	6,179	109
Executive Direction	6,552	6,705	153
<b>Total Appropriation</b>	<b>203,455</b>	<b>174,035</b>	<b>-29,420</b>
CSRS/FEHB Cost	1,237	1,459	222
<b>Total, with Leg. Prop.</b>	<b>204,692</b>	<b>175,494</b>	<b>-29,198</b>

- Figures are in thousands of dollars.

**DEPARTMENT OF THE INTERIOR SUMMARY OF REQUIREMENTS (in thousands of dollars)**

APPROPRIATION:	REGULATION AND TECHNOLOGY				ABANDONED MINE RECLAMATION FUND			
	FTE	\$\$	FTE	\$\$	FTE	\$\$	FTE	\$\$
FY 2002 PRESIDENT'S BUDGET			415	103,075			222	203,455
UNCONTROLLABLE & RELATED CHANGES:								
Adjustment for Pay Raise - Jan 02		388				206		
Adjustment for Pay Raise - Jan 03		120				65		
Adjustment for CSRS/FERS		229				121		
Adjustment for Worker's Compensation		56				30		
Adjustment for Unemployment Compensation		-14				-8		
Adjustment for GSA space rent rate		97				53		
Adjustment for Other		200				0		
Adjustment for Enterprise Architecture		22				0		
Adjustment for Empl'yr Share of Fed Hlth Benft Plans		40				23		
Adjustment for Working Capital Fund		154				83		
TOTAL Adjustment for Uncontrollables		1,292				573		573
Program Changes								-29,993
Total Requirements (2003 request) w/o CSRS/FEHB			415	105,367			222	174,035
CSRS/FEHB Legislative Proposal								1,459
Total Requirements (2002 request) with CSRS/FEHB			415	108,098			222	175,494

Comparison by Business Lines	REGULATION AND TECHNOLOGY					ABANDONED MINE RECLAMATION FUND					TOTAL		Inc/ Dec (-/+) From 2002	
	2001 Actual	2002 Enacted	Uncontrl & Related Changes	Program Change	2003 Request	2001 Actual	2002 Enacted	Uncontrl & Related Changes	Program Changes	2003 Request	2002 Enacted	2003 Request		
Environmental Restoration	431	435	2	0	437	199,270	186,697	207	-29,917	156,987	187,132	157,424	-29,708	
	FTE	1	1	0	0	1	109	111	0	0	111	112	112	0
Environmental Protection	76,274	77,741	418	1,000	79,159	0	0	0	0	0	77,741	79,159	1,418	
	FTE	220	225	0	0	225	0	0	0	0	225	225	0	
Technology Dev. & Transfer	11,820	12,151	442	0	12,593	3,591	4,136	28	0	4,164	16,287	16,757	470	
	FTE	114	117	0	0	117	16	16	0	0	133	133	0	
Financial Management	536	477	8	0	485	5,402	6,070	109	0	6,179	6,547	6,664	117	
	FTE	3	4	0	0	4	57	58	0	0	62	62	0	
Executive Dir. & Admin.	11,793	12,271	422	0	12,693	6,302	6,552	229	-76	6,705	18,823	19,398	575	
	FTE	73	68	0	0	68	34	37	0	0	105	105	0	
TOTAL w/o CSRS/FEHB	100,854	103,075	1,292	1,000	105,367	214,565	203,455	573	-29,993	174,035	306,530	279,402	-27,128	
	FTE	411	415	0	0	415	216	222	0	0	222	637	637	0
CSRS/FEHB Legislative Proposal	2,827	2,896	-165	0	2,731	1,207	1,237	222	0	1,459	4,133	4,190	57	
TOTAL with CSRS/FEHB	103,681	105,971	1,127	1,000	108,098	215,772	204,692	795	-29,993	175,494	306,530	283,592	-22,938	
	FTE	411	415	0	0	415	216	222	0	0	222	637	637	

**DEPARTMENT OF THE INTERIOR**  
**Office of Surface Mining Reclamation and Enforcement**  
**Uncontrollable Cost Changes**  
**(in thousands of dollars)**

**Appropriation: Regulation and Technology**

Additional Cost in 2003 of January Pay Raises

	2002	2003
	<u>Estimate/Change</u>	
2002 Pay Raises .....	\$1,364	+\$388

	2002	2003
	<u>Estimate/Change</u>	
2003 Pay Raises .....	\$0	+\$120

These adjustments are for an additional amount needed in 2002 to fund the remaining 3-month portion of the estimated cost of the, on average, 4.6 percent pay increases effective in January 2002 and the additional costs of funding an estimated 2.6 percent January 2003 pay raise for GS-series employees and the associated pay rate changes made in other pay series. Adjusting for such reforms as delayering organizations, competing work that might more appropriately be done in the private sector, reexamining position grades, management streamlining will be used to offset a portion of the added costs.

	2002	2003
	<u>Estimate/Change</u>	
CSRS/FERS Retirement Costs.....	\$649	+\$229

The adjustment is for changes in estimated retirement costs paid by the bureau. It results from changes in the relative proportion of FERS employees in the work force.

	2002	2003
	<u>Estimate/Change</u>	
CSRS/FEHB Legislative Proposal Costs.....	\$2,896	-\$165

These costs are associated with the Government-wide legislative proposal to shift to agencies the full cost of the CSRS pension system and the Federal employee health benefits program for current CSRS employees.

2002 2003  
Estimate/Change

Workers= Compensation Payments .....\$166/+\$56

The adjustment is actual changes through June 2001, in the costs of compensating injured employees and dependents of employees who suffered accidental deaths while on duty. Costs for 2003 will reimburse the Department of Labor, Federal Employees Compensation Fund, pursuant to 5 U.S.C. 8147(b) as amended by Public Law 94-273.

2002 2003  
Estimate/Change

Unemployment Compensation payments.....\$21/- \$14

This adjustment is for changes in the costs of unemployment compensation claims to be paid to the Department of Labor, Federal Employees Compensation Account, in the Unemployment Trust Fund, pursuant to Public Law 96-499.

2002 2003  
Estimate/Change

Rental Payments to GSA.....\$3,250/+\$97

The adjustment is for changes in the costs payable to General Services Administration resulting from changes in rates for office and non-office space as estimated by GSA, as well as the costs of mandatory office relocation.

2002 2003  
Estimate/Change

Departmental working capital fund changes.....\$711/+\$154

This change reflects expected changes in the charges for Department services and other services through the working capital fund. These charges are displayed in the Budget Justification for Department Management.

2002 2003  
Estimate/Change

Employer Share of Federal Health Benefit Plans .....\$0/+\$40

The adjustment is for changes in the Federal Government's share of the cost of health insurance coverage for Federal employees.

2002 2003  
Estimate/Change

Enterprise Architecture.....\$0/+22

This adjustment will be funded by using savings from delaying development of Corporate Infrastructure/Network Systems.

2002 2003  
Estimate/Change

Other.....\$0/+200

This adjustment is associated other pay costs.

Total: Regulation and Technology \$9,057/+\$1,127

**DEPARTMENT OF THE INTERIOR**  
**Office of Surface Mining Reclamation and Enforcement**  
**Uncontrollable Cost Changes**  
*(in thousands of dollars)*

**Appropriation: Abandoned Mine Reclamation Fund**

Additional Cost in 2003 of January Pay Raises

	2002	2003
	<u>Estimate/Change</u>	
2002 Pay Raises .....	\$713/	+\$206

	2002	2003
	<u>Estimate/Change</u>	
2003 Pay Raises .....	\$0/	+\$65

These adjustments are for an additional amount needed in 2002 to fund the remaining 3-month portion of the estimated cost of the, on average, 4.6 percent pay increases effective in January 2002 and the additional costs of funding an estimated 2.6 percent January 2003 pay raise for GS-series employees and the associated pay rate changes made in other pay series. Adjusting for such reforms as delayering organizations, competing work that might more appropriately be done in the private sector, reexamining position grades, management streamlining will be used to offset a portion of the added costs.

	2002	2003
	<u>Estimate/Change</u>	
CSRS/FERS Retirement Costs.....	\$370/	+\$121

This adjustment is for changes in estimated retirement costs paid by the bureau. It results from changes in the relative proportion of FERS employees in the work force.

	2002	2003
	<u>Estimate/Change</u>	
CSRS/FEHB Legislative Proposal Costs.....	\$1,237/	+\$222

These costs are associated with the Government-wide legislative proposal to shift to agencies the full cost of the CSRS pension system and the Federal employee health benefits program for current CSRS employees.

2002 2003  
Estimate/Change

Workers= Compensation Payments.....\$89/+\$30

The adjustment is actual changes through June 2001 in the costs of compensating injured employees and dependents of employees who suffered accidental deaths while on duty. Costs for 2003 will reimburse the Department of Labor Federal Employees Compensation Fund, pursuant to 5 U.S.C. 8147(b) as amended by Public Law 94-273.

2002 2003  
Estimate/Change

Unemployment Compensation Payments.....\$11/- \$8

This adjustment is for changes in the costs of unemployment compensation claims to be paid to the Department of Labor, Federal Employees Compensation Account, in the Unemployment Trust Fund, pursuant to Public Law 96-499.

2002 2003  
Estimate/Change

Rental Payments to GSA.....\$1,750/+\$53

This adjustment is for changes in the costs payable to General Services Administration resulting from changes in rates for office and non-office space as estimated by GSA, as well as the costs of mandatory office relocation.

2002 2003  
Estimate/Change

Departmental working capital fund changes.....\$383/\$83

The change reflects expected changes in the charges for Department services and other services through the working capital fund. These charges are displayed in the Budget Justification for Department Management.

2002 2003  
Estimate/Change

Employer Share of Federal Health Benefit Plans .....\$0/+\$23

The adjustment is for changes in the Federal government=s share of the cost of health insurance coverage for Federal employees.

Total: Abandoned Mine Reclamation Fund \$4,553/+\$795

*Office of Surface Mining  
Reclamation and Enforcement*



*FY 2003 Budget Justification*

***ENVIRONMENTAL  
RESTORATION***

**BUSINESS LINE: ENVIRONMENTAL RESTORATION**

		FY 2002 Enacted	Uncontrollable Costs	Program Change	FY 2003 Request	Difference from FY 02
Regulation & Technology **	\$\$\$	435	2	0	437	2
	FTE	1	0	0	1	0
Abandoned Mine Land	\$\$\$	186,697	207	-29,917	156,987	-29,710
	FTE	111	0	0	111	0
TOTAL	\$\$\$	187,132	209	-29,917	157,424	-29,708
	FTE	112	0	0	112	0

*\*\* Civil Penalty Collections (\$275,000) are included in total with no change estimated in FY 2003. These amounts do not reflect the Administration's proposal to include the cost of CSRS/FEHB in this Budget. For FY 2003, the estimated amount for this business line is \$736.*

***ENVIRONMENTAL RESTORATION ENCOMPASSES***

**Operational Processes  
(Program Activities):**

Approximately 92 percent of OSM's total funding request for this business line is for State and Tribal Funding, which provides AML State and Tribal reclamation grant funding, including watershed cooperative agreements, as well as funding for State and Tribal operated emergency projects.

<p style="margin-left: 40px;"><i>State and Tribal AML Reclamation Operations</i></p> <ul style="list-style-type: none"> <li>▪ <i>Reclamation Grants</i></li> <li>▪ <i>Clean Streams Program</i></li> <li>▪ <i>Watershed Cooperative Agreements</i></li> </ul> <p style="margin-left: 40px;"><i>Federal and State Reclamation</i></p> <ul style="list-style-type: none"> <li>• <i>Emergency Programs</i></li> <li>▪ <i>High Priority Projects</i></li> <li>▪ <i>Outcrop and Underground Fire Control</i></li> <li>▪ <i>Civil Penalty Reclamation</i></li> <li>▪ <i>Bond Forfeiture Reclamation</i></li> </ul> <p style="margin-left: 40px;"><i>Program Development and Maintenance</i></p> <p style="margin-left: 40px;"><i>State Program Evaluation</i></p>
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The Federal Reclamation Program funds both emergency and high-priority reclamation projects in States and Tribes that do not have a coal regulatory program, and also provides for emergency reclamation of AML problems in States with a coal regulatory program but without their own emergency program. OSM's administration costs of these projects are included in this business line.

Evaluation and Oversight of the State and Tribal AML reclamation operations is coordinated by OSM through the State Program Evaluation program activity.

This business line also funds the Program Development and Maintenance program activity, which provides policy direction and ensures State/Tribal programs are amended as needed.

**MISSION GOAL #1: TO  
PROVIDE A CLEANER AND  
SAFER ENVIRONMENT BY  
RECLAIMING AND RESTORING  
LAND AND WATER DEGRADED  
BY PAST MINING**

Environmental Restoration emphasizes the enhancement of public health, safety, and general welfare by reclaiming mined lands abandoned before the passage of the Surface Mining Control and Reclamation Act (SMCRA), including certain interim program and insolvent surety coal sites abandoned after August 3, 1977. OSM provides funds to States and Tribes for administering their approved AML programs. OSM also evaluates State and Tribal AML programs, abates emergency and high-priority coal

mining-related hazards through the Federal Reclamation (where OSM has reclamation responsibility), and fosters partnerships for the Clean Streams Program aimed at addressing acid mine drainage/water pollution problems.

**Strategic Outcome:** A cleaner and safer environment by reclaiming and restoring land and water degraded by past mining.

**MAJOR OUTPUTS AND MEASURES:**

Acres reclaimed and number of Clean Streams Program Projects started.

**Indicator/Measure(s):** Strategic goals and measures for 2003 include the number of acres reclaimed by the State and OSM AML Program. Those goals and activities are accomplished through the Abandoned Mine Land (AML) Program and include the cooperative efforts of the Office of Surface Mining, State, and Tribal Reclamation offices. The following measures are used by OSM as an indicator of annual performance.

**ENHANCING EFFECTIVE PARTNERSHIPS**

- Clean Streams Projects
- Watershed Cooperative Agreements
- Emergency Abatement Projects
- Efficient grant award and funding process

**PERFORMANCE MEASURES – ACTUAL AND PROJECTED**

<b>Table 1: Strategic Measures and FY 2003 Measures</b>	<b>2001 Actual</b>	<b>2002 Enacted</b>	<b>2003 Estimate</b>
<p><i>By 2005, the AML Program will reclaim an additional 40,000 acres 1/ of pre-SMCRA priority 1,2 &amp;3 problems, coal interim sites, coal insolvent surety sites.</i></p> <ul style="list-style-type: none"> <li>▪ In FY 2003, the AML Program will reclaim 6,900 acres.</li> </ul>	8,600	8,200	6,900
<p><i>By 2005, OSM will initiate an additional 230 projects.</i></p> <ul style="list-style-type: none"> <li>▪ In FY 2003, OSM will provide funding for 28 new cooperative Acid Mine Drainage projects under the Clean Streams Program.</li> </ul>	37	40	28
<p><i>By 2005, OSM will provide reclamation grants and award funds within 60 days of receipt of a complete application 100% of the time.</i></p> <ul style="list-style-type: none"> <li>▪ In FY 2003, OSM will provide AML grants and award funds within 60 days 100% of the time.</li> </ul>	96%	100%	100%
<p><i>By 2005, the AML Program will abate 400 emergency hazards through OSM and State emergency reclamation programs.</i></p> <ul style="list-style-type: none"> <li>▪ In FY 2003, the AML Program will abate 400 emergency hazards.</li> </ul>	311	400	400

1/ A statistical conversion has been applied to the Priority 1,2 and 3 reclamation projects, which are measured in various units such as miles, acres, counts, etc. in an attempt to make comparisons and summarizations possible in acres.

2/ The FY 2001 accomplishment for acres reclaimed is a calculated estimate. The accomplishments reported to OSM by States and Tribes for FY 2001 (13,808 acres) included more than one fiscal year. Also, all estimates generally reflect the full number of projects funded by the increase; actual project completion occurs one to three years after initiation.

**Data Verification and Validation for Measures:** Most of the data for measuring reclamation accomplishments will come from the Abandoned Mine Land Inventory System (AMLIS). The remainder will come from separate tracking systems utilized for the Clean Streams projects.

The AMLIS is a computer database used by the State Reclamation Programs and maintained by OSM. In accordance with the requirements of SMCRA, AMLIS contains data for known Priority 1 and 2, pre-SMCRA coal reclamation problems. Each problem is classified as unfunded, funded or completed. Problems are designated “funded” when construction contracts have been awarded to reclaim them. The AMLIS also contains information regarding funded and completed Priority 3 coal and post-SMCRA coal problems, as well as information on completed non-coal problems.

**Actions Required to Achieve Annual Goals:** In FY 2003, OSM will continue to increase its outreach efforts on AML enhancement and to potential government and non-government cooperators in reclamation projects.

**Resources, Skills, and Technology Needed:** OSM and the AML program States and Tribes will continue to need a diverse and multi disciplinary cadre of scientific and engineering skills. These human resources establish reclamation project design and construction criteria either directly or in conjunction with contractors. Program analysts, grant specialists, and other support personnel are needed to implement the State/Tribal grants program and to conduct program evaluations. Computer systems personnel and contractors are needed to maintain the Abandoned Mine Land Inventory System. OSM maintains the system and network by which the States and Tribes manage their data.

The FY 2003 President's Budget requests \$142.1 million for State and Tribal funding for AML reclamation and emergency program; \$2.5 million for State Program Evaluation; \$9.7 million for Federal Reclamation Program of which \$4.1 million is for projects; and \$3.1 million for Program Development and Maintenance. The budget proposes program decreases of \$29.7 million from the FY 2002 enacted level as follows:

- A decrease of \$17 million for regular State and Tribal Reclamation grants;
- A decrease of \$0.5 million resulting from the termination of FY 2002 one time funding specifically earmarked for the State of Pennsylvania;
- A decrease of \$1.271 million for Federal high priority reclamation projects;
- A decrease of \$10.946 million for a one time reduction to Federal emergency projects; and
- A decrease of \$.02 million for travel.

The following section details, by program activity, the funding and FTE resources required to meet the annual performance measures. It also includes examples of the types of efforts used to evaluate programs, address emergency and high-priority issues and manage those projects, and provide reclamation support services to communities affected by coal mining issues.

**Table 2 – Justification of Program and Performance  
Environmental Restoration**  
Summary Increases/Decreases for FY 2003  
(Dollars in Thousands)

Program Activity		Regulation & Technology		Abandoned Mine Lands		Total		Inc/Dec	
		2002	2003	2002	2003	2002	2003		
State and Tribal Funding	\$\$\$	0	0	159,585	142,085	159,585	142,085	-17,500	
	FTE	0	0	0	0	0	0	0	
State Program Evaluation	\$\$\$	0	0	2,467	2,513	2,467	2,513	46	
	FTE	0	0	25	25	25	25	0	
Federal Reclamation Program	Projects:		275**	275**	16,067	3,850	16,342	4,125	-12,217
	<i>Emergency High-Priority</i>	\$\$\$			10,946	0			
					5,121	3,850			
	Operations	\$\$\$	160	162	5,363	5,468	5,523	5,630	107
		FTE	1	1	56	56	57	57	0
Program Dev/Maintenance	\$\$\$	0	0	3,215	3,071	3,215	3,071	-144	
	FTE	0	0	30	30	30	30	0	
TOTAL	\$\$\$	435	437	186,697	156,987	187,132	157,424	-29,708	
	FTE	1	1	111	111	112	112	0	

\*\*Civil Penalty Collections (\$275,000) are included in total with no change estimated in FY 2003.

These amounts do not reflect the Administration's proposal to include the cost of CSRS/FEHB in this Budget. For FY 2003, the estimated amount for this business line is \$736.

## ONGOING PROGRAM

### 1. State and Tribal Funding

SMCRA established the Abandoned Mine Reclamation Fund (AML Fund) to finance the restoration of land mined and abandoned prior to August 1977. Coal mining had disturbed more than one million acres of land, resulting in significant health and safety problems for coalfield citizens and the public in general. An adequate AML Fund is essential to ensure that these problems are abated by providing the financial resources for State, Tribal, and Federal reclamation efforts. Although substantial progress has been made, approximately \$3 billion of priority 1 and 2 problems that threaten public health and safety and \$3.6 billion of priority 2 general welfare problems remain unreclaimed, and over \$1.8 billion of unreclaimed priority 3 problems have been identified by States and Tribes.

The AML Fund receives revenues through the collection of coal production fees (the lesser of 35 cents/ton of surface mined coal; 15 cents/ton of coal mined underground; and 10 cents/ton of lignite; or ten percent of the value of the coal at the mine), which are paid by operators of active mines. Payment of required fees is ensured by the fee compliance activities of the Financial Management business line.

SMCRA establishes that 50 percent of the fees collected be allocated to the State/Tribe from which they were collected for use in the State/Tribal reclamation program on eligible coal and non-coal abandoned sites. If a State/Tribe has certified that all coal-related problems have been addressed, its 50 percent share may also be used for the construction of public facilities related to the coal or minerals industry in States/Tribes impacted by such mining.

In accordance with SMCRA, the remaining 50 percent is divided into three shares:

- (1) The Rural Abandoned Mine Program (RAMP);
- (2) The Federal Expenses Share; and
- (3) The Historical Share.

Share One: The Rural Abandoned Mine Program (RAMP) Share, administered by the U.S. Department of Agriculture (USDA), is 10 percent of the fees collected plus 20 percent of the interest earned on the investment of the unspent portion of the AML Fund. To date, appropriations for RAMP have been \$196 million. No funds have been requested for RAMP in FY's 1996-2002, and none are included in the Administration's FY 2003 budget.

Share Two: The Federal Expenses Share is 20 percent of the fees collected plus 40 percent of the interest earned on the investment of the unspent portion of the AML Fund.

This Share is used to fund:

- (a) Emergency and High-priority coal projects in States and Tribes without approved AML programs under the Federal Reclamation Program;

- (b) The supplemental amount to minimum program States;
- (c) The approved State Emergency Programs;
- (d) The Small Operator Assistant Program (SOAP); and
- (e) Federal expenses to collect the AML fee and administer the AML program. The Clean Streams Program is funded from this share in FY 2002, and proposed to continue with funding from this share in FY 2003.

Share Three: The Historical Coal Share is 20 percent of the fees collected plus 40 percent of the interest earned on the investment of the unspent portion of the AML Fund. This Share is used for grants to eligible States and Tribes for high priority coal projects. It is distributed through a formula based on the amount of coal historically produced in the State or from the Indian lands prior to the August 3, 1977, passage of SMCRA.

These three Shares collectively are referred to as the Federal Share.

The interest earned on the investment of the unspent portion of the AML Fund, while divided into the three Shares as explained above, has been primarily devoted to making transfers to the United Mine Workers of America Combined Benefit Fund. The Combined Benefit Fund is used to defray costs for the health care benefits of eligible former coal mining employees and their beneficiaries. OSM makes an annual mandatory transfer payment of interest earned on the AML Fund to the Trustees of the Combined Benefit Fund, within the requirements of the Energy Policy Act of 1992 and SMCRA.

*a. Reclamation Program Grants*

OSM provides grants to States and Tribes that have approved reclamation programs. States and Tribes use the grants to address hazards and problems such as underground fires, subsidence, landslides, open shafts, unstable or burning refuse piles, acid mine drainage, and dangerous, unstable highwalls. Reclamation grants to States and Tribes comprise the majority of this program activity's resources.

Under the Act, each State must have an approved SMCRA regulatory (Title V) program and a reclamation (Title IV) program before it is eligible to receive reclamation grant funding. Tribes are allowed access to AML funds derived from reclamation fees if they have an approved reclamation program. Currently, three Tribes (Crow, Hopi, and Navajo) have approved programs and receive AML grant distributions. Twenty-three States and three Tribes will continue to receive reclamation grant funding in FY 2003. In FY 2003, \$142.1 million is requested for grants. The State of Mississippi is developing a reclamation program and is expected to request reclamation grants in early FY 2003.

Each year, the States and Tribes select reclamation projects from their inventories of eligible projects. Grants normally have a three-year life cycle to allow for project planning and design, contract development and award, actual construction activities, and contract close-out. The

AML grants also fund 100 percent of States' and Tribes' administrative costs related to reclamation program management.

OSM no longer requires advance approval of each AML project before it awards a grant. After OSM approves a grant, but before construction begins, OSM provides an authorization for a specific project to proceed. After OSM approves a grant, it establishes a letter of credit at a local bank for a State or Indian tribe. This incurs a Federal obligation and makes the funds available for the State or Tribe. When a State needs funds to pay expenses, the letter of credit is drawn down. OSM oversees the reclamation projects and expenditure of grant monies.

In the 1990 amendments to SMCRA, an authorized allocation level of at least \$2 million was established for States/Tribes having an approved reclamation plan and eligible Priority 1 and 2 coal sites. The minimum program amount includes the State Share, the Historical Coal Share and an additional supplemental amount (charged to the Federal Expenses Share. For FY 2003, the appropriation funding level request remains at \$1.5 million.

*b. Clean Streams Program*

In FY 2003, OSM proposes to maintain funding for the Clean Streams Program by making available a total of \$10 million for the program; \$6.9 million to fund State Reclamation Grants, \$2.75 million for Watershed Cooperative Agreements, \$0.200 million for the Acid Drainage Technology Initiative (ADTI) and \$0.150 for program management, maintenance and assistance. The requested level would enable OSM to support State Abandoned Mine Reclamation agencies to identify, evaluate, plan, and construct projects to treat acid mine drainage (AMD) in the Appalachian coal region.

OSM's emphasis on Clean Streams Program projects as a national priority, combined with increasing watershed stewardship at the community level, and more sophisticated and cost-effective treatment technology, has promoted a general increase in State project activity related to, or incorporating, AMD treatment. With additional opportunities to field-test and observe passive AMD treatment systems, the efficacy, sophistication, and cost effectiveness of treatment technology has increase considerably in just a few years.

AMD is the number one water pollutant in the coal fields of the Appalachian area causing major environmental and public health problems. AMD problems are occurring in other regions as well. OSM's effort to control and eliminate AMD in streams and rivers supports the Department of the Interior's commitment to clean water and strengthening local communities. Because of the extent and high reclamation cost of the pollution, this problem cannot be eliminated by any single government agency or group. As a result, the Clean Streams Program was designed to facilitate development of partnerships in the Appalachian coal region. Through this effort, OSM has partnered with over 100 government agencies, private watershed groups, environmental groups, private foundations, coal producers, and private individuals.

Through FY 2001, approximately \$25 million in matching grant funds have been provided to eligible States for 79 projects. Projects were identified by the States and additional sources of funding were secured, wherever possible. Through FY 2001, commitments from other sources

have generated approximately \$20 million in project funds and services. In addition, many in-kind services, without a specific determined monetary value, have been provided by partnering entities.

OSM, in consultation with the States, distributes Clean Streams Program grant funding in the Appalachian coal region using a base amount of \$125,000 to each of the eligible States, with the remainder distributed based on historical coal production. As inventory data on the extent of acid mine drainage in each State is not available, historical coal production is perhaps the most equitable basis for distributing available funding.

Many of the demonstration projects that received Clean Streams funding since inception through FY 2001 are now completed, under construction, or in design, with construction to commence soon. OSM's emphasis on the Clean Streams Program has also helped promote a general increase in State project activity related to, or incorporating, AMD treatment. The following are some examples of how the funds are being used:

- **Cedar Creek, Missouri.** The Missouri Department of Natural Resources is constructing a project in partnership with local landowners in the Cedar Creek watershed of central Missouri. The project uses OSM's Appalachian Clean Streams funds and EPA 319 grant funds to help landowners eliminate acid mine drainage (AMD) from Cedar Creek. During FY 2000, three monitoring wells were installed to determine the source of AMD and to develop a reclamation solution. Native warm season grasses were planted on 31 acres of barren spoil that were previously releasing acid sediment into the stream channel. In FY 2001, reclamation was completed on four wetlands and 13 streambank areas along Cedar Creek. The constructed wetlands are designed to increase alkalinity while reducing iron and sulfates, resulting in major water quality improvements in the 2000-acre Upper Cedar Creek mining area. Before the state launched their multi-year cleanup, AMD pollution from the area periodically caused fish kills as far as 44 miles downstream where Cedar Creek empties into the Missouri River.
- **Bell's Gap Run – Cambria County, Pennsylvania.** This project, suggested by the Blair County Conservation District, involves passive treatment of several AMD sites, and reclamation of an associated abandoned surface mine. The project will eliminate AMD impacts and improve biological resources in about 2 miles of a tributary to Bell's Gap Run. The project will also improve the water quality in a public water supply for the city of Altoona, PA. Clean Streams is contributing \$105,813 and the balance is coming from Pennsylvania's Growing Greener Program, for a total project cost of \$442,189. The project is part of a comprehensive watershed restoration plan that also includes a recently completed project funded by the Blair County conservation District using EPA's 319 funds.
- **Palzo Mine, Illinois.** OSM's Appalachian Clean Streams funding is being supplemented with funds from an Illinois EPA 319 Grant of \$475,272. Additional partners include the landowner, USDA-Forest Service and corporate partners Southern Illinois Power and the Lafarge Corporation, who are providing alkaline scrubber sludge and alkaline cement kiln dust at no or reduced costs. Due to the high acidity and porosity of the spoil

materials, precipitation falling on the site emerges as AMD in two drainways and along Sugar Creek, a tributary of the South Fork of the Saline River. The expressed goal of this project is to profoundly diminish this AMD. In general terms, this will be accomplished by improving surface grades, reducing permeability, adding alkalinity, and isolating exposed acid producing materials from the air and water which fuel the production of AMD. As part of this grading, 30 acres will include a scrubber sludge / spoil cap to further reduce infiltration, while kiln dust will be incorporated into the other 30 acres. This project, in combination with the Will Scarlet Project, will dramatically improve the water quality of Sugar Creek and the South Fork of the Saline River. These streams are the most mining impacted watershed within Illinois and classified as "non-supportive" of biotic life for thirty miles of their runs

- **Thompson Run of the South Fork of the Patoka River, Indiana.** The 52,000-acre Patoka South Fork Watershed is the state's most heavily damaged mining district. For more than 70 years, this once-pristine watershed has lain in ruins from unregulated strip mining. Almost three-fourths of the watershed is biologically dead or impaired; with acid mine drainage (AMD) as low as pH 3. Encouraged by OSM's Appalachian Clean Streams Program, citizens formed a committee with a unique grassroots approach to the Patoka River's problems, with a goal to study and prioritize all of the watershed's pollution sources and to resolve as many as possible over several years. One of the watershed's worst tributaries, Thompson Run presents technical challenges because of high metal concentrations including iron and aluminum up to 60 PPM. Any attempt to neutralize these discharges using most conventional technologies would produce heavy metal precipitation that would clog the treatment system. The Patoka South Fork Watershed Steering Committee (PSFWSC) consulted experts at two universities to help design alkaline recharge systems that are immune from the precipitant clogging problem. OSM provided the vital link between watershed citizens and university researchers through the Acid Drainage Technology Initiative, a partnership that promotes cutting-edge AMD technology development. Since the alkaline recharge structures are not totally passive and require occasional replenishment, PSFWSC is turning to their corporate partner, AirGas Corporation, to supply calcium hydroxide suspension, a non-hazardous by-product of the manufacture of acetylene gas. Thus, a waste product is put to beneficial use at almost no cost to the government. The project design also calls for building three different configurations of the alkaline recharge structures, which will create a laboratory for future applied research of cost-effective AMD treatment technologies.
- **Cherry Creek, Maryland.** Local historians once noted the fine native brook trout fishing in the lower reaches of Cherry Creek in Garrett County and spawning runs of rainbow trout upstream. A fish kill attributed to AMD put an end to this sport fishery in 1957, but the combined efforts of OSM's Appalachian Clean Streams Program and Maryland's Bureau of Mines (BOM) are about to bring trout back to Cherry Creek. The uplands of the 14 square mile watershed encompass a unique ecosystem of conifers and sphagnum wetlands similar to landscapes in the northern U.S. and Canada. Since these areas tend to generate natural low-pH organic acidity, it took only a few coal mines to ruin the watershed. The Maryland BOM has completed several mine closures and

“regular” AML projects in the area and recently, two small Clean Streams projects. However, the Everhart Seep remained as one source of 90 percent of the AMD polluting Cherry Creek. The multi-partner Everhart AMD Treatment Project combines several technologies including alkaline producing systems, oxidizing ponds, and wetlands. High concentrations of dissolved iron and aluminum have been nearly eliminated; the high net acidity of the drainage is now net alkaline, and the pH has increased from 3.5 to more than 6.0. This fairly small project enabled the restoration of 1.75 miles of stream and is a key part of the eventual total recovery of Cherry Creek.

OSM implemented the Watershed Cooperative Agreement Program as part of the Clean Streams Program in FY 1999. The program allows OSM to award funding, in the form of cooperative agreements, directly to private not-for-profit agencies, such as small watershed organizations, to undertake local AMD reclamation projects. This program is intended to provide the final amount necessary to complement the contributions of other supporting partners and proceed to actual construction.

In FY 2000 OSM received 29 applications and awarded 19 cooperative agreements. The awards ranged from \$22,000 to \$80,000, totaling \$1.7 million.

In FY 2001, funding for the watershed program was increased to \$2,743,950. During FY 2001, OSM awarded 14 cooperative agreements for projects in five States. In FY 2002 and 2003, OSM propose to maintain a similar level of funding for each year for the Watershed Cooperative Agreement program.

The following represent examples of some of the projects funded under the program:

- **The Alabama Rivers Alliance**, of Birmingham, Alabama, will engage in an abandoned mine land remediation project in the headwaters of Hurricane Creek, in Tuscaloosa County, Alabama. Hurricane Creek has been classified as “impaired” pursuant to section 303(d) of the Clean Water Act. Funding for this project is intended to treat acid runoff from approximately 240 acres of abandoned mine spoils bordering Weldon Creek. The effects of the acid mine drainage has impacted aesthetics, aquatic communities, and potable water supplies, as well as recreational use of Weldon and Hurricane Creeks. OSM funding in the amount of \$100,000 will supplement funding from the other partners involved in the project for a total cost of \$168,000.
- **The Fours Rivers Resource Conservation & Development Area, Inc.**, in Petersburg, Indiana, has committed to address acid mine drainage runoff on the Old Ben Scout Reservation, located in Pike County, Indiana. The 270-acre former mining site was donated to the Buffalo Trace Council of the Boy Scouts of America of Evansville, Indiana. Although the largest lake was chemically treated in the 1980’s there are three remaining lakes that were never treated and continue to receive acid mine drainage runoff from the surrounding acid bearing spoils. The project involves (1) determining the acid load of the three lakes; (2) establishing access to each lake for chemical neutralization; (3) direct neutralization of each lake; and (4) creating

long-term neutralization trenches for post project water chemistry stability. Providing a solution to the Old Ben Scout Reservation through remediation of the three lakes will create useful water-bodies for the Boy Scouts. The cooperative agreement funding of \$79,300 is the total project cost but will supplement in-kind contributions.

- **The Western Maryland Resource Conservation and Development Council, Inc.**, has undertaken treatment of acid mine drainage from a deep mine bore hole near the West Virginia/Maryland border. The bore hole drainage flows into Laurel Run, Snowy Creek and into the Youghiogheny River near the town of Crellin, in Garrett County, Maryland. The drainage has caused degradation of these bodies of water in Western Maryland and upstream into West Virginia. Implementation of this project is expected to cover over one mile of improved quality. The cooperative agreement funding of \$100,000 will supplement other funding and in-kind partners, for a total project cost of \$138,000.
- **The Black Diamond Resource Conservation and Development, Inc.**, Lebanon, Virginia, received funding to abate acid mine drainage in the Upper Guest River Watershed, a tributary of the Clinch River. The project proposes to install an alkalinity cell in an abandoned 0.25 hectare pond. The current pond is a source of acidic water and metals to both the local ground water system and Upper Guest River. OSM funding for the project is \$80,000 to complement in-kind contributions, for a total project cost of \$96,000.
- **Trout Unlimited, of Arlington, Virginia**, received funding to construct a passive treatment system to abate acid mine drainage discharges to Robbins Hollow. Robbins Hollow, located in Pennsylvania, is a major tributary of Twomile Run, flowing into Kettle Creek and eventually into the western branch of the Susquehanna River. Treatment of Robbins Hollow is strongly recommended as part of an overall recovery plan for the lower Kettle Creek watershed, along with the reduction of non-point source pollution to the Susquehanna River. The results of the treatment will restore approximately 2,420 feet of Robbins Hollow and reduce a significant source of AMD to Twomile Run. The cooperative agreement funding of \$100,000 will supplement funding from other partners, for a total project cost of \$327,100.
- **The Friends of the Cheat, Inc.**, of Preston County, West Virginia, received funding to abate acid mine drainage problems that stems from the Sovern Run Mine located in the small community of Valley Point in Preston County, West Virginia. The problem area consist of four collapsed deep mine portals, one deep mine portal, 2,000 linear feet of highwall approximately 35 feet high, a small refuse pile, and a dilapidated mining facility. Also, it was determined based on stream samples collected downstream of the mine discharge sites, that these AMD sources contribute an average acid load of 950 lbs. per day to Sovern Run. Reclamation of the Sovern Run Mine drainage problem area would substantially improve water quality in Sovern Run, which would greatly enhance the fishery in Big Sandy Creek downstream of Sovern Run. OSM's funding of \$80,000 will supplement other funding and in-kind partners, for a total project cost of \$762,750.

For FY 2003, OSM will continue to use up to \$150,000 of the overall Clean Streams funding to support activities such as: 1) assisting OSM Field Offices and States as they encourage formation of new, or more effective, watershed organizations in areas with AMD from abandoned coal mining; 2) supporting States, other Federal agencies, watershed organizations, and associated groups in partnering; 3) leveraging human and fiscal resources for stream restoration projects; and 4) implementing the Watershed Intern Program. In FY 2001, OSM, with additional funding from EPA, placed 33 summer interns with local watershed organizations in 8 States.

*c. State Emergency Programs Grants*

Under provisions of SMCRA, OSM provides funds to States to abate emergencies. These are AML problems, which occur suddenly and present high probability of substantial physical harm to the health, safety, or general welfare of people, and have to be addressed immediately.

States that operate their own emergency programs fund the emergency projects from their AML grants. The following thirteen States now operate their own emergency programs: Alabama, Alaska, Arkansas, Illinois, Indiana, Kansas, Missouri, Montana, North Dakota, Ohio, Oklahoma, Virginia, and West Virginia.

OSM carries out emergency project responsibilities for the Tribes, for States without approved reclamation programs (California, Georgia, Idaho, Massachusetts, Michigan, North Carolina, Oregon, Rhode Island, South Dakota, Tennessee and Washington) and for States that have not requested the authority to administer their own emergency programs (Colorado, Iowa, Kentucky, Louisiana, Maryland, New Mexico, Pennsylvania, Texas, Utah, and Wyoming).

OSM will continue to encourage States to assume responsibility for emergency AML reclamation projects. States have developed considerable expertise in performing reclamation. More effective reclamation can occur when States perform the emergency abatement and then immediately follow-up by completing the reclamation project through their regular AML programs.

OSM's FY 2003 request does not include any new federal funds for both the Federal and State emergency programs, however the program will continue at the FY 2002 level of \$18 million using the balance of carryover available. OSM's appropriation language limits expenditures of current year funds in any one state to 25 percent of this total. In the past, West Virginia, Pennsylvania, and Kentucky have all reached this limit, usually as a result of an above average rainfall and/or snow melt. This has resulted in the need to use prior year emergency funds, which are not subject to the per state limitation. To assure the timely response to emergency conditions, it is imperative that OSM continue to be able to supplement current year funds with carryover funds from previous years.

## **2. State Program Evaluation**

SMCRA requires OSM to monitor the progress and quality of each State and Tribal program to ensure that their reclamation programs function effectively.

OSM analyzes documents submitted by States and Tribes (e.g. grants, amendments, reports), and conducts on-site evaluations of selected reclamation projects. OSM also provides the States and Tribes with expert technical assistance on reclamation projects. OSM, States, and Tribes hold conferences and forums to discuss reclamation issues, technology, and solutions to reclamation problems.

OSM, in consultation with States and Tribes, developed a review system that provides for enhancement and performance evaluation of programs, rather than oversight. This system, which is based on principles of excellence, recognizes that evaluation involves an ongoing relationship between OSM and the State or Tribal agencies - which have the autonomy to run their programs. OSM is responsible for assisting in program enhancement while monitoring compliance with SMCRA.

This evaluation system does not require that each program be reviewed each year in each of the six areas covered under the principles of excellence. Instead, the system allows each State or Tribe to develop, with the appropriate Field Office, a programmatic agreement, which addresses the areas to be reviewed and establishes applicable performance measures. Since much of the enhancement and performance evaluation is trend analysis and because the interaction between the programs and OSM is continual, the programmatic agreements can be for periods longer than one year. However, OSM reviews them each year to determine the progress being made.

These agreements first address the overriding goal of the AML program, which is reclamation. They recognize that if the State or Tribe is permanently reclaiming abandoned mine sites by abating hazards, reducing or mitigating adverse effects of past mining, and restoring adversely affected lands and water to beneficial use, then it is conducting an overall successful program.

OSM encourages States and Tribes to maintain ongoing programs for post-project monitoring to assure that completed reclamation projects receive adequate maintenance until reclaimed lands are stable, and to ensure the effectiveness of reclamation designs. OSM evaluations of post-construction monitoring ensure implementation of these types of State monitoring plans.

## **3. Federal Reclamation Program**

This program activity funds the following components:

- emergency projects;
- high-priority projects;
- program operations (OSM administration of projects).

This program activity also funds OSM's administration of projects funded by Federal civil penalties collected from operators and projects funded from bonds forfeited by operators of federally permitted sites.

*a. Federal Emergency Projects*

OSM manages emergency abatement projects in States and on Tribal lands where the State or Tribe has no approved regulatory program and is therefore ineligible for an AML program, or because the State or Tribe has determined it does not want to have an emergency reclamation program. Many coal-producing States, including two with high numbers of emergencies projects, Pennsylvania and Kentucky, do not have an approved emergency program. Typically, OSM administers over half of all emergency abatement work performed annually.

The Federal Emergency Projects component provides immediate relief from abandoned mine hazards that threaten public health and safety on Federal and Indian lands in States without their own emergency program. Emergencies are generally the result of two different types of events. The most common emergencies are subsidence events, the caving in of old underground mines. Subsidence can impact man-made structures on the surface, and may be life threatening when they occur in areas where there is frequent human activity, such as in parks, playgrounds, and residential areas. These types of emergencies are most common in the Anthracite regions of northeastern Pennsylvania.

The second type of event is landslides. These are usually the result of unstable mine spoil placed on steep hillsides. This occurs generally in the steep slope areas of Appalachia, and especially in eastern Kentucky and southern West Virginia. Landslides can impact homes and other man-made structures and may block streams, which, in turn, can cause flooding either above or below the blocked stream. Landslides are generally more costly to abate than other AML problem types.

In FY 2001, the States and OSM abated 311 AML emergencies in 20 States. The most emergencies, (103) occurred in Pennsylvania, followed by West Virginia (50), Kentucky (35), Kansas (27), and Ohio (30). Rhode Island experienced its first AML emergency in almost 20 years, when a large subsidence appeared in a mall parking lot in Cranston, Rhode Island. OSM's cost of abatement for this particular project was over \$158,000. Kentucky emergencies required the most funding, over \$3.5 million, primarily in abating landslides. About \$2 million was spent in Pennsylvania, generally related to low-cost subsidence events.

When notified of a possible emergency situation, OSM personnel will visit the site, usually within 24 hours. Should OSM determine an emergency exists, OSM conducts remedial action as quickly as possible to abate the emergency situation. In FY 2001, of the 197 potential emergencies referred to the Federal program, 147 were determined to be emergencies. Of the remainder, 31 were determined not to be emergencies or did not result from coal mining, or were reclaimed by the landowner, while 19 were still under investigation at the close of the fiscal year.

*b. Federal High-Priority Projects*

OSM manages projects in States and on Tribal lands where the State/Tribe has no approved regulatory program and is, therefore, ineligible for an AML program.

During FY 2001, OSM initiated six non-emergency projects, two in Tennessee and four in Washington – and continued ongoing reclamation of one problem in Georgia, and five in Tennessee. Tennessee, with an unfunded inventory of projects of over \$14 million, remains the largest consumer of OSM's high-priority funds.

*c. Outcrop and Underground Fire Control Projects*

Pursuant to Public Law 83-738, as amended by Public Law 102-486 (Energy Policy Act of 1992), project funds are provided to control or extinguish outcrop and underground fires. Funds for this purpose are provided by the Regulation and Technology appropriation for coal fire control or extinguishments. OSM costs of administering these projects are included in the AML Budget request. These projects are not eligible for funding under the AML program. Coal outcrops are ignited by forest/brush fires, lightning, and campfires and occur mostly in the western States. The purpose of these projects is to prevent injury and loss of life, protect public health, conserve natural resources, and protect public and private property. This program was originally authorized under the former Bureau of Mines and subsequently transferred to OSM.

*d. Program Operations*

OSM performs all the work related to emergency reclamation occurrences on Federal and Tribal lands and in States without an emergency program. This begins with the initial investigation on the site in order to make two threshold determinations: (1) does an emergency condition exist? and (2) is the condition related to abandoned coal mining? Time is of the essence; in some instances, abatement activities begin within hours of OSM's initial investigation.

Once the determination is made that the site is eligible for funding as an emergency project, the Federal Reclamation Program staff obtains approval for project funding and develops the abatement plan. This includes:

- compliance with the National Environmental Policy Act (NEPA) and the Historic Preservation Act;
- obtaining the right of entry for access;
- developing engineering plans and specifications needed for abatement;
- preparing and mailing bid packages to potential construction contractors;
- conducting pre-bid and pre-construction conferences;

- awarding contracts;
- coordinating, managing and inspecting all aspects of the ongoing construction; and
- reviewing, approving and paying invoices.

*e. Civil Penalty Reclamation Projects*

Federal civil penalties collected under Section 518 of SMCRA are authorized for reclaiming lands mined and abandoned after passage of SMRCA on August 3, 1977. These funds are derived from civil monetary penalties from OSM-issued citations nationwide. The funds are also available for reclamation of bond forfeiture sites. These funds are divided among projects proposed by both State and Federal regulatory authorities and used for project costs only.

Since the major coal producing states administer their own programs, civil penalty revenues available to OSM have decreased to levels that are not sufficient for all emergency post act reclamation needs.

*f. Bond Forfeitures*

These funds are receipts from forfeited performance bonds and can only be used to reclaim lands where the bond was forfeited where OSM was the regulatory authority. States have their own programs. Forfeited funds are site-specific and cannot be used to reclaim other sites or for other purposes. Surplus amounts have to be returned to the operator. Using the forfeited funds, OSM issues and administers contracts for reclamation in accordance with the mining plan developed during the permit process. OSM is mandated under SMCRA to reclaim sites that have been abandoned and forfeited in Federal Program States. Bond forfeiture is an important component of OSM's mission to restore lands abused by mining.

Approximately 4.5 acres were reclaimed in Tennessee at a cost of \$43,000 in FY 2001. OSM anticipates reclaiming approximately 91 acres at an approximate cost of \$1.04 million in FY 2002 and approximately 100 acres at an approximate cost of \$1.1 million in FY 2003.

#### **4. Program Development and Maintenance**

This program activity provides funding for reclamation program management and programmatic guidance to States and Tribes. OSM has an ongoing process of reviewing existing policies in the Environmental Restoration business line. Whenever necessary, policies are revised to meet the existing need of the programs and to keep abreast of changes to the law.

OSM also assists States and Tribes to build on successes and enhances primacy grants process, by ensuring National Environmental Policy Act compliance, and by conducting program-focused enhancement and performance evaluation. OSM encourages States to assume responsibility for

their reclamation and emergency reclamation programs, and supports implementation of their AML programs through technical and program assistance as needed.

OSM emphasizes State/Tribal and Federal partnership in the AML program. OSM works directly with the States and Tribes, through State and Tribal associations and with other Federal agencies, to coordinate and enhance reclamation. Such relationships foster coordination essential to land reclamation. New policy and changes to existing policy are circulated to the States and Tribes for input prior to being finalized enabling OSM to make programmatic decisions in a collegial manner. Examples of activities are: (1) working with States/Tribes to develop and implement non-traditional ways to accomplish reclamation such as the AML Enhancement Rule; (2) participating with EPA in conducting an Acid Mine Drainage workshop for States and local watershed organizations; (3) holding meetings/workshops with the State/Tribal grantees to provide training for new employees to keep them abreast of policies and procedures and to solicit their input on issues in the grants program; and (4) working with the National Association of Abandoned Mine Land Programs (NAAML) to decide winners of the annual AML Reclamation Awards.

As the need arises, OSM works with the States on revision to their approved Abandoned Mine Plan. These changes are approved through the Reclamation Plan amendment process.

During FY 2001, the State Reclamation Plan amendment activity was as follows:

<b>Table 3 – State Reclamation Plan Activity FY 00 – FY 01</b>				
<i>Number of Amendments</i>				
<b>Amendment Type</b>	<b>Pending Oct. 1, 2000</b>	<b>Received FY 2001</b>	<b>Completed FY 2001</b>	<b>Pending Sept. 30, 2001</b>
<b>Informal</b>	0	3	3	0
<b>Formal</b>	3	2	3	3
<b>Total</b>	3	5	6	3

*a. AML Inventory*

OSM manages the National AML Inventory, which serves as a planning and evaluation tool for the States, Tribes, and OSM. The States and Tribes also use the inventory to assist them in planning to make funding decisions and to report program accomplishments. The inventory is maintained on a computer system known as the Abandoned Mine Land Inventory System (AMLIS). AMLIS is the system OSM uses to record and report AML Program accomplishments under GPRA.

In FY 2000, AMLIS was modified, under a reimbursable agreement, to maintain the Bureau of Land Management's (BLM) AML inventory. The BLM is currently preparing an inventory and entering eligible sites into AMLIS. Also, OSM began working with the National Park Service and the Forest Service in the Department of Agriculture to consolidate copies of all AML inventories in AMLIS. This effort will continue in the future. The public can access AMLIS via the Internet. AMLIS currently is being converted to a web-based system to allow even easier access by the public. OSM is using the AMLIS hardware and software to develop a web site where the public can create maps showing the locations of underground mine maps stored in OSM's Mine Map Repository. Individuals will be able to view maps of interest on their computer monitor and/or download the maps as electronic files.

*b. Grants Management*

OSM has a decentralized grants management organization, with a small policy staff at headquarters. The day-to-day grants and program management is performed in regional/field offices, and the accounting and reporting occurs under the Financial Management business line activity. OSM and the State/Tribal grantees cooperate to maximize the use of available funding and operate an effective program. Grantees provide input by participating on ad hoc teams and by reviewing and commenting on proposed changes in the program. This cooperative working relationship contributes to streamlined application and awards processes, faster obligation of Federal funds, innovative program monitoring, and less paperwork-intensive reporting and close-out of grants. In addition, OSM periodically holds meetings/workshops with the State/Tribal grantees to provide training for grantees and to keep them abreast of policies and procedures.

*c. AML Enhancement Initiative*

OSM issued final rules on February 12, 1999 that allow more AML eligible sites to be reclaimed without significant additional cost to the government.

Under this rule, reclamation at a particular AML site can be provided by private contractors in exchange for the incidental coal found at the site. The removal of coal must be a necessary part of the reclamation project. The cost to the AML program would, accordingly, be reduced by the value of the coal removed from the site. OSM expects to achieve environmental restoration at many sites that now contribute to AMD or create other environmental problems that likely would never be mined and reclaimed by industry under Title V. Removal of coal at many of these abandoned sites will permanently eliminate the environmental problems and their sources.

The rule includes a number of important safeguards to ensure that remaining under the AML program will not be used as a loophole for coal operators to avoid regulation. One control will disqualify sites where it is economical and feasible to recover coal under Title V provisions. A second is that all administrative and financial procedures and the environmental safeguards of existing AML programs will apply to projects covered under the scope of the proposal.

The States and Indian tribes have the option of adopting the provisions of this rule in their reclamation programs. Several States have availed themselves of this opportunity. Pennsylvania has amended its program and has already identified approximately 41 areas to be eventually

reclaimed under this concept. OSM has already issued authorization to proceed on six of these. Ohio published its final rule in November 1999, and Virginia published its rule in January 2000. OSM approved Alabama's regulatory program amendment in June 2000. The program amendment for the AML Enhancement program was approved by OSM and the final rule was published on November 8, 2000. Maryland finalized regulations on April 12, 2001.

On April 4, 1999, the Kentucky Resources Council (KRC) challenged the rule in the Federal District Court for the District of Columbia. On September 1, 2000 the court ruled in favor of the Department of the Interior. On October 2, 2000, KRC filed a motion to reconsider the court's decision. OSM submitted its opposition to the motion on October 27, 2000. As of December 31, 2001, the court had not set a briefing schedule on the matter.

**Justification of Program Changes:**

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Environmental Restoration	FY 2003 Budget Request	Program Changes (+/-)
\$(000)	156,987	-29,917
FTE	111	0

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Relationship to Performance Goals: The funds for this business line support the long-term goal for a cleaner and safer environment by reclaiming and restoring land and water degraded by past mining. In FY 2003, the AML reclamation grant program will reclaim 6,900 acres of degraded land and water.

Program Changes In FY 2003, OSM proposes a total decrease of \$17.5 million for regular (i.e. non-emergency, non-Clean Streams) grants to States and Indian tribes.

A decrease of \$1.271 million also is proposed in funding for Federal high priority projects. The remaining balance, at this time is believed adequate to fund Federal high priority projects in FY 2003.

A decrease of \$10.946 million is proposed for a one-time reduction to Federal emergency projects. At the beginning of FY 2002, a total of \$32.8 million was available for the Federal emergency program. Because the annual average for Federal emergency costs in recent years has been approximately \$9 million, the current balance available in this activity is believed adequate to fund Federal emergency projects in FY 2003.

A decrease of \$0.2 million for travel also is proposed for FY 2003.

Additionally, OSM intends to transfer \$2 million in carryover funds from the Federal AML emergency program to the AML state grant program resulting in a total state grant level of \$144.1 million.

*Office of Surface Mining  
Reclamation and Enforcement*



*FY 2003 Budget Justification*

***ENVIRONMENTAL  
PROTECTION***

**BUSINESS LINE: ENVIRONMENTAL PROTECTION**

		FY 2002 Enacted	Uncontrollable Costs	Program Change	FY 2003 Request	Difference from FY 02
Regulation & Technology	\$\$\$	77,741	418	1,000	79,159	1,418
	FTE	225	0	0	225	0
Abandoned Mine Land	\$\$\$	0	0	0	0	0
	FTE	0	0	0	0	0
TOTAL	\$\$\$	77,741	418	1,000	79,159	1,418
	FTE	225	0	0	225	0

*These amounts do not reflect the Administration's proposal to include the cost of CSRS/FEHB in this Budget. For FY 2003, the estimated amount for this business line is \$1,480.*

**Operational Processes (Program Activities):** Program activities within this business line ensure that the environment is protected during surface coal mining operations and that coal operators adequately reclaim disturbed land after mining is completed.

***ENVIRONMENTAL PROTECTION ENCOMPASSES***

<p><i>State and Tribal Funding</i></p> <ul style="list-style-type: none"> <li>▪ <i>State Grants</i></li> <li>▪ <i>State Regulatory Activities</i></li> <li>▪ <i>Cooperative Agreement Funding</i></li> <li>▪ <i>Tribal Regulatory Development Grants</i></li> </ul> <p><i>Federal Programs &amp; Federal Lands Program</i></p> <p style="padding-left: 40px;"><i>Indian Lands Program</i></p> <p style="padding-left: 40px;"><i>State Program Evaluation</i></p> <p style="padding-left: 40px;"><i>Program Development and Maintenance</i></p>
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This business line also provides for OSM's costs to ensure that States' programs are current with all Federal regulatory requirements. The State and Tribal Funding program activity includes grants to States to regulate coal operations on their lands. For States with cooperative agreements, this activity also includes grants to regulate coal operations on Federal lands.

Finally, this activity includes grants to tribes to develop regulatory programs and to assist OSM in the regulation of surface coal mining and reclamation operations on Tribal lands. State Program Evaluation funds OSM's oversight of State programs. The Federal Program funds OSM activities to ensure SMCRA compliance for non-primacy States (States without an approved regulatory program). The Federal Lands program activity funds OSM's activities in preparing Mining Plan Decision Documents for leased Federal coal as well as any regulatory activities on Federal Lands not covered by a cooperative agreement. The Indian Lands program activity funds OSM's regulatory responsibilities on Indian Lands.

**Strategic Outcome:** The protection of the environment and public from off-site impacts resulting from current surface coal mining operations and successful reclamation of lands affected by surface coal mining operations.

**MISSION GOAL #2:** *TO PROTECT PEOPLE AND THE ENVIRONMENT DURING CURRENT MINING OPERATIONS AND TO ENSURE THAT THE LAND IS RESTORED TO BENEFICIAL USE AFTER MINING HAS CEASED.*

**Indicator Measure(s):** The protection of the environment and public from off-site impacts resulting from surface coal mining operations and successful reclamation on lands affected by surface coal mining operations. The goals are accomplished through the cooperative efforts of the Office of Surface Mining and State regulatory offices. The following measures are used by OSM as an indicator of annual performance.

**MAJOR OUTPUTS AND MEASURES:**

Percentage of sites free of off-site impacts and increase in number of acres released from Phase III bonds.

**PERFORMANCE MEASURES – ACTUAL AND PROJECTED**

<b>Table 4: Strategic Measures and FY 2003 Measures</b>	<b>2001 Actual</b>	<b>2002 Enacted</b>	<b>2003 Estimate</b>
<p><i>By 2005, the Surface Mining Program (SMP) will protect the environment better as indicated by the percentage of mine sites that are free of off-site impacts.</i></p> <ul style="list-style-type: none"> <li>▪ In FY 2003, the SMP will free 94% of sites from off site impacts</li> </ul>	93.9	94%	94%
<p><i>By 2005, the SMP will protect the environment better as indicated by the number of acres released from Phase I &amp; II Performance Bonds.</i></p> <ul style="list-style-type: none"> <li>▪ In FY 2003, the SMP will maintain the acres released from Performance Bonding Phases I &amp; II at 112,000.</li> </ul>	180,503	112,000	112,000
<p><i>By 2005, the SMP will better protect the environment as indicated by the number of acres released from Phase III Performance Bonds.</i></p> <ul style="list-style-type: none"> <li>▪ In FY 2003, the SMP will release 75,000 acres from Phase III Performance Bonds.</li> </ul>	81,853	75,000	75,000
<p><i>By 2005, OSM will award regulatory grants funds within 60 days of receipt of a complete application in accordance with its customer service standards.</i></p> <ul style="list-style-type: none"> <li>▪ In FY 2003, OSM will provide 96% of regulatory grants and award funds within 60 days.</li> </ul>	97%	96%	96%

**Data Verification and Validation for Measures:** The overall goal of the regulatory program is to minimize off-site impacts, including problems that may affect persons or property beyond the permit area. Examples of off-site impacts include hydrological problems that impact a nearby property owner’s water supply, damage to property from blasting on the mine site, creation of off-site landslides or other instabilities, occurrence of off-site sedimentation, Acid Mine Drainage (AMD) and mining off of the permit area. All off-site impacts observed are evaluated in terms of severity and included in State program and other evaluation reports. The indicator and measure will be the number on incidents involving off-site impacts that are investigated, documented and verified. Progress under this goal will be measured by comparison over time of the number and severity of off-site impacts.

The overall status of reclamation of mined lands will be determined by reporting the number of acres that receive Phase I and II bond release, and the number of acres of mined land with Phase III bond release. Data collected will be derived from agency program systems and the performance agreement elements negotiated with the States. Data collection methods are established in accordance with an agency policy directive, which was developed in cooperation with the States.

**Actions Required to Achieve Annual Goals:** OSM continues its outreach to address concerns related to mountaintop removal operations, acid mine drainage, and slurry and other impoundments, to evaluate its rules, to advance re-mining efforts and to ensure that contemporaneous reclamation is occurring.

**Resources, Skills, and Technology Needed:** Program analysts grant specialists and other support personnel are needed to implement the State regulatory grants program and to conduct program evaluations. OSM and the primacy States will continue to need a diverse and multi-disciplinary cadre of personnel skilled in scientific and engineering areas to review mine permits, determine whether performance bond coverage and amounts are sufficient to ensure reclamation, conduct mine site inspections and implement enforcement actions when necessary. Computer systems personnel are needed to help maintain various data systems, such as the National Mine Site Evaluation and Inspection Reporting System, which contains data from OSM's oversight and regulatory program inspections.

The FY 2003 President's Budget requests \$57.5 million to fund twenty-four State regulatory programs at the maximum 50 percent Federal match level. Additionally, this amount will provide full funding for fourteen Federal lands cooperative agreements with States and full funding of four Tribal regulatory program development grants.

Excluding the \$1.5 million for the Administration's legislative proposal to CSRS/FEHP, in FY 2003, the budget request includes \$8.0 million to continue its State program oversight activities; \$5.2 million to fund regulatory programs in non-primacy States like Arizona, Tennessee and Washington. Also included in the FY 2003 budget request is \$1.4 million for OSM to regulate Federal Lands. OSM also requests \$2.3 million for regulatory programs on Indian Lands and \$4.5 million for program development and maintenance to ensure that regulatory standards adequately reflect changes in technologies and program needs.

The following section details, by program activity, the funding and FTE resources required to meet the annual performance measures. It also includes examples of cooperative work between OSM, States and Tribes to regulate coal-mining activities.

**Table 5 – Justification of Program and Performance  
Environmental Protection**

Summary Increases/Decreases for FY 2003  
(Dollars in Thousands)

Program Activity		Regulation & Technology		Abandoned Mine Lands		Total		Inc/Dec
		2002	2003	2002	2003	2002	2003	
State and Tribal Funding	\$\$\$	56,575	57,575	0	0	56,575	57,575	1,000
	FTE	0	0	0	0	0	0	0
State Program Evaluation	\$\$\$	7,851	8,007	0	0	7,851	8,007	156
	FTE	84	84	0	0	84	84	0
Federal Programs	\$\$\$	5,157	5,255	0	0	5,157	5,255	98
	FTE	53	53	0	0	53	53	0
Federal Lands	\$\$\$	1,437	1,464	0	0	1,437	1,464	27
	FTE	15	15	0	0	15	15	0
Indian Lands	\$\$\$	2,294	2,334	0	0	2,294	2,334	40
	FTE	21	21	0	0	21	21	0
Program Dev/Maint.	\$\$\$	4,427	4,524	0	0	4,427	4,524	97
	FTE	52	52	0	0	52	52	0
TOTAL	\$\$\$	77,741	79,159	0	0	77,741	79,159	1,418
	FTE	225	225	0	0	225	225	0

## **ONGOING PROGRAM**

### **1. State and Tribal Funding**

#### *a. State Grants*

Twenty-four States have approved permanent regulatory programs (primacy) for the regulation of coal mining activities. Primacy States have the most direct and critical responsibilities for conducting regulatory operations. The States have the unique capabilities and knowledge to regulate the lands within their borders. Providing a 50 percent match of Federal funds to primacy States in the form of Administration and Enforcement (A&E) Grants results in the highest benefit and the lowest cost to the Federal Government. If any State relinquished primacy, OSM would have to hire sufficient numbers and types of Federal employees to implement the program. The cost to the Federal Government would be significantly higher.

#### *b. State Regulatory Activities*

Activities of State regulatory authorities include: permit review and issuance, (with reliance on the Applicant Violator System (AVS) to ensure that permits will not be issued to operators with outstanding violations); inspection and enforcement; designation of lands unsuitable for mining, and ensuring timely reclamation after mining. In addition, special activities are conducted by individual States to address specific needs. These activities may include upgrading permitting programs, computerizing systems to improve review of pending permits and drafting regulations that respond to changes in Federal rules.

All active and inactive sites, facilities and areas in support of coal mining and reclamation within a State are inspected by the State regulatory authority (SRA) for compliance with all program requirements. SMCRA requires all active inspectable units under the permanent program to have four complete and eight partial inspections per year. Four complete inspections are required annually for all inactive units.

#### *c. Cooperative Agreement Funding*

Cooperative agreements with OSM allow States to review and issue permits and conduct the required inspections of regulated facilities on Federal lands. Cooperative agreements provide for uniform enforcement of State program requirements at all facilities within the State and reduce both direct Federal program costs and Federal staff requirements. SMCRA section 705 (c) sets the amount that a State may receive through a cooperative agreement as up to 100 percent of the amount that the Federal Government would have to spend to do the same work.

Currently, the following fourteen States have entered into cooperative agreements with OSM to administer most surface coal mining requirements on Federal lands: Alabama, Colorado, Illinois, Indiana, Kentucky, Montana, New Mexico, North Dakota, Ohio, Oklahoma, Utah, Virginia, West Virginia, and Wyoming.

*d. Tribal Regulatory Development Program Grants*

As allowed by the Energy Policy Act of 1992 and Section 710 (i) of SMCRA, OSM has provided grants to the Crow, Hopi, Navajo and Northern Cheyenne tribes to assist them in developing regulations and programs for regulating surface coal mining and reclamation operations on Indian lands. The grant amounts are based on each Tribe's anticipated workload to develop Tribal regulations and SMCRA program policies, to assist OSM with surface coal mine inspections and enforcement (including permitting activities, mine plan review and bond release) and to sponsor employment training and education in the area of mining and mineral resources. These grants fund 100 percent of the Tribal primacy development activities.

**Table 6 – Fiscal Year 2003 State & Tribal Regulatory Funding Estimates  
(Federal dollars only)**

*The figures below are based on the adjusted FY 2002 grant allocations and mandated increase for West Virginia. These amounts represent 50% of the costs to regulate surface coal mining on non-federal lands and 100% of the costs on Federal Lands. Actual grant awards will be based on historical expenditures, justifications by the States, and OSM evaluations.*

<b>State/Tribe</b>	<b>Non-Federal Lands</b>	<b>Federal Lands</b>	<b>Total</b>
Alabama	991,130	12,241	1,003,371
Alaska	179,230	0	179,230
Arkansas	140,326	0	140,326
Colorado	342,676	1,509,625	1,852,301
Illinois	2,609,659	115,264	2,724,923
Indiana	1,938,321	0	1,938,321
Iowa	147,365	0	147,365
Kansas	135,918	0	135,918
Kentucky	12,348,062	498,444	12,846,506
Louisiana	186,134	0	186,134
Maryland	484,827	0	484,827
Mississippi	107,690	0	107,690
Missouri	498,821	0	498,821
Montana	738,233	221,383	959,616
New Mexico	430,530	272,605	703,135
North Dakota	210,665	270,856	481,521
Ohio	1,593,987	0	1,593,987
Oklahoma	654,015	418,844	1,072,859
Pennsylvania	11,179,766	0	11,179,766
Texas	1,521,366	0	1,521,366
Utah	1,055,919	676,231	1,732,150
Virginia	3,320,077	3,656	3,323,733
W. Virginia	10,141,348	0	10,141,348
Wyoming	231,038	1,697,491	1,928,529
Crow Tribe	0	71,545	71,545
Hopi Tribe	0	165,864	165,864
Navajo Nation	0	427,753	427,753
N. Cheyenne	0	26,095	26,095
<b>Totals</b>	<b>51,187,101</b>	<b>6,387,899</b>	<b>57,575,000</b>

## 2. State Program Evaluation

### *a. Oversight Strategy*

OSM's current oversight strategy focuses on whether the public protection requirements and environmental protection standards of SMCRA are being met with primary focus on end results and the on-the-ground success of States in meeting SMCRA's environmental protection goals. These include prompt and effective reclamation of coalmine land and public participation in the regulatory program.

OSM and States conduct oversight under a results-oriented strategy that emphasizes cooperative problem solving, tailoring evaluations to State-specific conditions and the development of performance agreements. The strategy has provided a more positive attitude and spirit of cooperation that provides the new opportunity for OSM to work cooperatively with the States to improve State program implementation. To provide clarity in guidance and consistency in oversight and evaluation, OSM continues to evaluate and refine its oversight strategy. OSM and the States plan to review the oversight strategy in FY 2003 and, as appropriate, will make changes.

### *b. OSM-State Performance Agreements*

OSM's oversight directive outlines the performance agreement as a framework for OSM and the State to agree on a plan to conduct oversight activities. Joint efforts to prepare workable performance agreements also maintain and improve the relationship between OSM and the State, fostering shared responsibilities and a more open discussion of difficult issues.

Inspections are identified in performance agreements and are planned and conducted to collect data relative to the oversight directive and the annual evaluation report. Many reviews are designed to investigate some previously identified areas of concern. Inspections often are the means to collect the data. Joint inspections provide the opportunity for OSM's field offices to work cooperatively with the States and industry to resolve problems.

### *c. Public Participation*

OSM's oversight directive provides great flexibility to conduct oversight activities in a manner consistent with the needs of individual State programs. Central to identifying potential needs and oversight topics are the views of the public. Periodic meetings are held by our Field Offices to identify public concerns regarding coal mining regulatory programs.

### *d. Oversight Inspections*

SMCRA requires the Secretary to conduct mine inspections to evaluate the administration of State programs. Inspections are conducted on a range of sites from those actively producing coal to forfeited bond sites awaiting reclamation. OSM's policy is to allow its regional and field managers discretion and flexibility to stratify and selectively target their inspections to focus on those topics and activities that present the best opportunity for environmental improvement or

the best means of evaluating the impact of program implementation on society and the environmental. For example, inspections may focus on high-priority problems such as acid mine drainage, impoundments and other problem areas, as well as current coal mining operations and abandoned mine sites awaiting reclamation. This policy provides the most effective use of available resources.

Consistent with the intent of SMCRA that States take the lead in regulatory programs, the vast majority of inspections were performed by the States: about 86,700 in 2001. In contrast, OSM conducted just over 2,211 inspections in primacy States.

The projected FY 2003 oversight inspection workload includes an estimated 2,200 program evaluation inspections. The actual number will be adjusted depending on the program areas, the presence or absence of problems, input from the public, and the terms of the performance agreements in each State.

*e. Ten Day Notices*

The primary emphasis of inspections is to identify and resolve problems and to evaluate whether SMCRA's environmental protection and reclamation goals are being achieved. When an inspection reveals violations of State programs (other than imminent danger of significant environmental harm or danger to the public, which requires immediate issuance of a cessation order), a Ten-Day Notice is issued to the State. All such notices require written responses from the State regarding the actions taken to resolve the alleged violations or a statement of good cause for not taking such action. A Federal review, which may include a field inspection, is conducted following a TDN where the State does not act or show good cause for not doing so. If the review or inspection shows that a violation exists, and the State fails to take appropriate action, a Federal enforcement action may be taken. While OSM does not second-guess States on judgment calls, the agency's ability to take enforcement actions to address isolated State program violations is far less drastic, disruptive, and costly than a Federal takeover.

The inspection component also includes the process for addressing citizen requests for Federal inspection. Citizen requests received by OSM in primacy States are referred directly to the state regulatory authority using the TDN process, unless there is evidence that imminent danger of significant environmental harm or immediate danger to the public exists. In such cases, OSM will immediately conduct a Federal inspection. The State official and citizen requestor will be notified prior to the inspection and given the opportunity to accompany the inspector when a Federal inspection is conducted.

In FY 2001, OSM issued 133 TDNs to States. For the TDNs issued in FY 2001, the State took appropriate action to cause the violation to be corrected.

Table 7 provides FY 2001 data on the number of State and OSM oversight inspections conducted in Primacy States.

<b>Table 7 – FY 2001 Primacy State and OSM Inspections</b>				
	<b>STATE</b>			<b>OSM TOTAL</b>
	<b>PARTIAL</b>	<b>COMPLETE</b>	<b>TOTAL</b>	
Alabama	350	2773	3123	118
Alaska	39	17	56	0
Arkansas	56	117	173	9
Colorado	216	274	490	11
Illinois	1679	628	2307	99
Indiana	1859	942	2801	69
Iowa	192	96	288	21
Kansas	108	56	164	17
Kentucky	15481	9547	25028	419
Louisiana	16	8	24	2
Maryland	551	318	869	37
Mississippi	8	4	12	2
Missouri	116	184	300	35
Montana	111	88	199	14
New Mexico	120	60	180	5
North Dakota	486	146	632	15
Ohio	2189	1544	3733	229
Oklahoma	543	393	936	30
Pennsylvania	11073	7741	18814	488
Texas	201	84	285	11
Utah	185	113	298	4
Virginia	3491	3026	6517	160
West Virginia	11301	7845	19146	410
Wyoming	214	123	369	11
<b>Total</b>	<b>51,723</b>	<b>37,177</b>	<b>86,744</b>	<b>2,211</b>

### **3. Federal Programs**

This program activity regulates coal-mining activities in non-primacy States (those with a Federally-administered regulatory program). Within this program activity, OSM administers a full regulatory program. Significant components of this program activity include review of permit applications (including preparation of any necessary NEPA compliance documents), determining performance bond amounts, inspection and enforcement (including civil penalty assessment and collection), release of performance bonds, reclamation of bond forfeiture sites and processing petition to designate lands as unsuitable for mining.

The permit review process in Federally administered programs consists of review of the permit application package for administrative completeness, technical review, preparation of findings and supporting documentation, and environmental analysis. Review times vary depending on the complexity of a permit application, the size of the mine, and the response times from applicants in submitting additional information required to process the permit application.

Tennessee is the largest Federal program in terms of the number of permits. Other Federal programs with current or projected regulatory activity include Arizona, Georgia, and Washington, with the bulk of that activity in Washington. Programs also are in place for California, Idaho, Massachusetts, Michigan, North Carolina, Oregon, Rhode Island, and South Dakota. The following bullets highlight key characteristics of two of the largest Federal programs, Tennessee and Washington:

- Tennessee: In Tennessee there are 136 active minesites, 32 inactive sites, and 176 abandoned sites. Coal production has stabilized in recent years with the FY 2002 trend indicating an upturn.

While OSM has discussed the possible return of primacy to Tennessee with State officials on numerous occasions over the years, there continues to be no interest shown in assuming the program.

- Washington: There are two active surface coal mines regulated under the Washington Federal Program. The Centralia Mine, located about 25 miles southeast of Seattle, Washington produces approximately five million tons of coal annually and will affect some 8,100 acres of land within a 14,200-acre permit area during the 41-year life of the mine. The John Henry No 1 Mine, covering 422 acres near the City of Black Diamond, produces approximately 1,200 tons of bituminous coal annually. During FY 2003, the operator, Pacific Coast Coal Company plans to apply for a final bond release for about 20 acres.

Table 8 provides inspection and enforcement data for Federal program States during 2001.

<b>Table 8 – FY 2001 Federal Program States Inspection / Violation Data</b>							
<b>STATE</b>	<b>INSPECTIONS</b>			<b>NOV'S</b>		<b>FTA CO'S</b>	
	COMPLETE	PARTIAL	TOTAL	ACTIONS	VIOLATIONS	ACTIONS	VIOLATIONS
Georgia	6	5	11	0	0	0	0
Tennessee	964	1031	2006	15	17	3	4
Washington	8	18	26	5	5	0	0
<b>TOTALS</b>	<b>978</b>	<b>1054</b>	<b>2032</b>	<b>20</b>	<b>22</b>	<b>3</b>	<b>4</b>

#### **4. Federal Lands Program**

This program activity includes direct OSM regulatory activities on Federal lands in States without cooperative agreements, implementation of cooperative agreements with primacy States to regulate coal mining on Federal lands within their borders, preparation of Mining Plan Decision Documents under the Mineral Leasing Act and processing valid existing rights claims that involve certain Federal Lands. As part of this program activity, OSM consults and coordinates with State Historic Preservation Offices, the U.S. Fish and Wildlife Service (FWS), Bureau of Land Management (BLM), U.S. Forest Service (USFS) and National Park Service (NPS). The processing of Mining Plan Decision Documents constitutes the largest part of the workload under this program activity.

Table 9 below provides Projected Mining Plan Decision Document workload data.

<b>Table 9 – Projected Mining Plan Decision Document Workload on Leased Federal Coal, by Fiscal Year</b>		
<b>Mining Plans and Modifications</b>		
<b>Activity</b>	<b>FY 2002</b>	<b>FY 2003</b>
In progress prior FY	8	10
Anticipated current FY	15	14
Total FY Workload	23	24
Completed in FY	13	16
Balance, end of FY	10	8

This program activity also provides support to BLM and USFS in leasing activities that involve Federal coal resources. OSM participation in NEPA compliance analyses prepared at the leasing stage ensures the consideration of OSM permitting or mine plan approval concerns. This cooperative effort saves mining companies valuable time in the leasing and mine plan approval process; it also may result in improved resource recovery. In addition, satisfactory evaluation of the environmental impacts of coal mining in the proposed lease area at the time of leasing can

reduce the likelihood of a need for a subsequent Environmental Assessment (EA) or Environmental Impact Statement (EIS) for mining plan approval under SMCRA.

**5. Indian Lands Program**

OSM is responsible for coal mining and reclamation activities on Indian lands. The Indian lands program includes permit application review, determination of performance bond amounts, inspection and enforcement, bond release, and maintaining a staff to coordinate with the individual Tribes and other Federal agencies, as necessary.

The Crow, Hopi, Ute Mountain Ute Tribes and Navajo Nation have coal-mining activities on their lands. The McKinley Mine and Navajo Mine are large surface mines on the Navajo Nation. The Black Mesa/Kayenta mining complex involves Navajo coal beneath Navajo surface, and coal jointly owned by the Navajo Nation and the Hopi Tribe, most of which is beneath Navajo surface. There is one mine in Montana, mining coal owned by the Crow Tribe, and one in Colorado with two permits on lands owned by the Ute Mountain Ute Tribe. Both the Crow and Northern Cheyenne Tribes are evaluating coal properties for future development. The Indian lands mines are among the Nation’s largest in the country, with a total of about 100,000 acres under permit.

OSM coordinates closely with Indian Tribes. The Federal trust responsibility is a legal obligation under which the United States has charged itself with moral obligations of the highest responsibility and trust toward Indian Tribes. OSM ensures that the lands and trust resources of Federally-recognized Tribes and their members are identified, conserved and protected. In fulfilling these responsibilities, OSM operates within a government-to-government relationship with Indian Tribes. To aid in meeting trust responsibilities, OSM, BIA, BLM and MMS sponsor a continuing Indian Trust and Obligation training program.

<b>Table 10 – FY 2001 Indian Lands Inspection Data</b>					
TRIBE	INSPECTIONS			NOV’S	
	COMPLETE	PARTIAL	TOTAL	ACTIONS	VIOLATIONS
Crow Tribe	4	8	12	0	0
Hopi Tribe	6	4	10	0	0
Navajo Nation	54	68	122	8	8
Ute Tribe	8	4	12	0	0
<b>TOTALS</b>	72	84	156	8	8

**Table 11-Projected Permit and Permit Revision Workload  
where OSM is the Regulatory Authority, by Fiscal Year**

Activity	Federal Programs (Non-Primacy States)		Indian Lands	
	FY 2002	FY 2003	FY 2002	FY 2003
In progress previous FY	60	30	70	75
Anticipated current FY	57	68	75	75
Total FY workload	117	98	145	150
Completed in FY	87	74	70	75
Balance, end of FY	30	32	75	75

## 6. Program Developments and Maintenance

Work elements under this program activity are primarily policy actions, such as rulemaking, grants management and special studies.

### *a. Rulemaking*

OSM issues rules and associated information collection clearance packages required by the Office of Management and Budget. Functions under this program activity include: coordinating clearance and publication of rules and preparing environmental assessments, environmental impact statements, records of compliance, and economic analyses for all rules prepared by OSM. OSM also maintains the administrative record for rules and coordinates with the Office of the Federal Register.

Rulemaking Associated with State Programs: OSM assists States to develop, administer, implement and maintain their approved regulatory programs. Decisions affecting State programs are Federal rulemaking actions. OSM evaluates State-initiated (statutory, regulatory, or changes in the program's provisions, scope, or objectives), as well as OSM modifications, that are a result of legal interpretations or required changes to SMCRA and Federal Regulations. In its evaluation, OSM solicits public comments through proposed rules published in the Federal Register, holds public meetings, maintains the administrative record, approves or does not approve proposed State program amendments, and publishes the decisions as final rules in the Federal Register. During FY 2001, OSM published 22 proposed rules and 24 final rules.

States are required to amend their programs as a result of changes to SMCRA and Federal regulations. Under the authority of section 521(b) of SMCRA, OSM recommends withdrawal, in whole or in part, of an approved State program if it finds a State is failing to enforce the approved program after conducting hearings, establishing remedial actions, monitoring

compliance, evaluating performance, and implementing the rulemakings associated with such withdrawal. OSM also responds to requests under section 521 (b) to evaluate a State program.

When an amendment is required, OSM notifies the States of the required change and reviews the State submission and either approves or does not approve the changes. This activity represents a significant workload for OSM staff. During FY 2001, the State Amendment activity was identified as follows:

<b>Amendment Type</b>	<b>Pending Oct. 1, 2000</b>	<b>Received FY 2001</b>	<b>Completed FY 2001</b>	<b>Pending Sept. 30, 2001</b>
Informal	8	13	20	1
Formal	25	28	21	32
<b>Total</b>	33	41	41	33

OSM Rulemaking Initiatives: Before development of a formal proposed rule, OSM involves interested parties. Stakeholder participation results in improved regulatory proposals. During FY 2001, OSM published two final rules, (1) AML Fee Collection and Coal Production Reporting on OSM-1 (May 23, 2001) and Ownership and Control (December 19, 2000).

Key rulemaking initiatives for which we anticipate activity in FY 2003 are described below.

- *Mountaintop Mining/Valley Fills:* As part of a settlement agreement arising from litigation in West Virginia, OSM is participating in the preparation of an environmental impact statement (EIS) to assess the impacts of various regulatory alternatives concerning mountaintop mining and the associated placement of excess spoil in valley fills and streams. Should OSM decide to pursue rulemaking on this topic, that activity would begin after completion of the EIS.
- *Subsidence:* On April 27, 1999, the U.S. Court of Appeals for the Federal Circuit remanded certain provisions of OSM's regulations concerning subsidence control plans and the requirement to repair or compensate for subsidence-related material damage to certain structures. After suspending those provisions on December 22, 1999, OSM anticipates rulemaking during FY 2002 to address this topic and other issues relating to subsidence from underground mining. That rulemaking effort would extend into FY 2003.
- *Contemporaneous Reclamation:* We anticipate initiating rulemaking in FY 2002 to clarify the statutory requirement that coal mine operators conduct mining and reclamation activities in a contemporaneous manner. That rulemaking effort would also extend into FY 2003.

- *Remining:* During FY 2002 and FY 2003, OSM will continue to explore rulemaking options to facilitate the removal and reclamation of abandoned coal mine refuse piles, as directed by the Energy Policy Act of 1992.
- *Other Regulatory Initiatives:* OSM will continue to work with States, other Federal agencies, and public stakeholders to identify areas requiring regulatory changes. One area of possible rulemaking in FY 2002 and FY 2003 deals with the need to prepare an emergency action plan to be used in the event of an impoundment failure. This is in response to an internal review of the Department of the Interior's Dam Safety Program and a fairly recent impoundment failure at a mining site.

*b. Grants Management*

OSM periodically holds meetings/workshops with the State/Tribal grantees to provide training for grantees and to keep them abreast of policies and procedures. In addition, Grantees provide input to the Grants Management Program by participating on ad hoc teams and by reviewing and commenting on proposed changes in the program. OSM, working with the States has developed an electronic grant application process. The system was implemented in the Mid-Continent Region for FY 2002 grants. Once fully implemented, this system will simplify and expedite the application process for the States. This cooperative working relationship contributes to streamlined application and awards processes, faster obligation of Federal funds, innovative program monitoring and less paperwork-intensive reporting and close-out of grants.

*c. Special Projects*

Special projects include interpretation of SMCRA, reports to Congress, legislative analyses, and assistance in responses to litigation. OSM conducts studies and analyses in response to Departmental initiatives and coordinates with other Bureaus and Federal agencies, including the Fish and Wildlife Service (Endangered Species Act), Advisory Council on Historic Preservation (National Historic Preservation Act), and EPA (Clean Water Act), whose activities affect the surface coal mining regulatory program.

**Justification of Program Changes:**

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Environmental Protection	FY 2003 Budget Request	Program Changes (+/-)
\$(000)	79,159	1,000
FTE	225	0

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Program Changes:

A net increase of \$1 million is proposed for State regulatory grants. This consists of an overall decrease of \$1 million in aggregate total for all State Grants and an increase of \$2 million specifically to enable West Virginia to continue with their current program.

In 2000, OSM received a supplemental appropriation in the amount of \$9.8 million to fund one-time technological and programmatic improvements to the State's permit evaluation and monitoring capabilities, and to provide Federal matching dollars for increased staffing in the State's Department of Environmental Protection.

With the funding, West Virginia has initiated action under its Program Enhancement Cooperative Agreement (PECA) to develop a centralized database for geologic and hydrologic data; digitize existing permit maps; develop an electronic permitting system; modify software to enhance watershed modeling; and establish water monitoring trend stations. West Virginia has expended 12 percent of the funds awarded under PECA, and all projects are about 25 percent complete; the State has until January 31, 2003 to complete all projects under PECA.

In addition, the State increased revenue for staffing and entered a Program Improvement Cooperative Agreement (PICA) with OSM to hire 59 additional employees. While more than half of the positions have been filled by the State, additional vacancies have resulted due to normal attrition and filling the new positions with existing employees. West Virginia still needs to hire 45 additional employees to reach its full staffing level of 286 positions by October 31, 2002.

OSM anticipates that the supplemental funding for staffing will be exhausted at the end of 2002. In order to avoid a more expensive Federal takeover of the West Virginia regulatory program, OSM will use the proposed 2003 increase to maintain the current staffing level in the State's program. These funds will again be matched by funding from the State legislature, and will remain available until expended. The increase thus becomes part of West Virginia's base funding and will be used to sustain the current required level of the program.

*Office of Surface Mining  
Reclamation and Enforcement*



*FY 2003 Budget Justification*

***TECHNOLOGY  
DEVELOPMENT AND  
TRANSFER***

**BUSINESS LINE: TECHNOLOGY DEVELOPMENT AND TRANSFER**

		FY 2002 Enacted	Uncontrollable Costs	Program Change	FY 2003 Request	Difference from FY 02
Regulation & Technology	\$\$\$	12,151	442	0	12,593	442
	FTE	117	0	0	117	0
Abandoned Mine Land	\$\$\$	4,136	28	0	4,164	28
	FTE	16	0	0	16	0
TOTAL	\$\$\$	16,287	470	0	16,757	470
	FTE	133	0	0	133	0

*These amounts do not reflect the Administration's proposal to include the cost of CSRS/FEHB in this Budget. For FY 2003, the estimated amount for this business line is \$874.*

**Operational Process (Program Activities):** The Technical Development and Transfer program activities enhance the technical skills that States and Tribes need to operate their regulatory and reclamation programs in order to more effectively implement SMCRA. These program activities are an integral part of accomplishing Environmental Restoration and Environmental Protection to achieve OSM's goals and outcomes.

***TECHNOLOGY DEVELOPMENT & TRANSFER  
ENCOMPASSES***

<i>Technology Development</i>
<i>Technology Transfer</i>
<i>Technology Training</i>
<i>Electronic Permitting (EP)</i>
<i>Technical Information Processing System (TIPS)</i>
<i>Applicant Violator System (AVS)</i>
<i>Small Operator Assistance Program Grants</i>

OSM provides technical training to OSM staff, and States and Tribes on a variety of topics. New technologies, changes in regulations, and staff turnover necessitate the need for continued technical training. To solve problems related to the environmental effects of coal mining, OSM provides multi-disciplinary technical assistance and works with industry, States, Tribes and the public on technical issues arising from new regulations. Other technical assistance efforts include the Technical Information Processing System (TIPS), the Applicant Violator System (AVS), Electronic Permitting (EP), and the Small Operator Assistance Program (SOAP). Technology transfer is a major part of OSM's cooperative effort with States and Tribes.

OSM’s technology transfer program will continue its support for electronic permitting efforts, sponsoring interactive technical forums and workshops, providing a regional technical services library, and more efficient access to COALEX (a computer-assisted library search service).

**Strategic Outcome:** Knowledgeable Federal, State, and Tribal regulatory and reclamation staff to effectively implement SMCRA, supported by the technical training and assistance provided by OSM specialists.

**Indicator Measures:** Performance will be measured through the number of staff technically trained (including knowledge and skills taught and applied), the utilization of automated technologies (such as TIPS), and the quality and timelines of technical assistance provided by OSM, determined via evaluations and customer service surveys.

<b>Table 13: Strategic Measures and FY 2003 Measures</b>	2001 Actual	2002 Enacted	2003 Estimate
<i>By 2005, OSM will attain a 90% customer satisfaction (or service) rate (quality, timeliness, and quantity) for efforts within this business goal.</i>			
In FY 2003, OSM will:			
• Attain a 90% customer satisfaction rate in the quality of our technical training.	94.6%	90%	90%
• Attain a 92% customer service rate in the quality of our technical assistance activities.	99.6%	92%	92%
• Attain a 90% customer satisfaction rate for technical training in the use of Technical Information Processing System (TIPS).	88%	90%	90%
• Train 900 students.	908	900	900
• Attain a 90% customer satisfaction rate in the quality and timeline of Applicant Violator System (AVS) provided services.	97%	90%	90%

*Note: FY 2002 and FY 2003 goals are lower than FY 2001 actual performance. FY 2001 data collection was a one-year snapshot. Therefore percentages have been adjusted to better reflect data that are representative of long-term actual customer service. We plan to maintain or improve on FY 2001 performance, but will wait to update performance goals until we have at least three years of customer service data.*

**Data Verification and Validation for Measures:** Technical training measures are based on customer surveys already in place and readily available course attendance records. Measures of

general technical assistance, technology transfer, and AVS success will be based on customer surveys approved by OMB.

The measures of this business line are varied, based on the diversity of activities involved in achieving this goal. The satisfaction of those customers with the quality and relevance of the technical assistance provided will be indicated by customer surveys and questionnaires. Other measures will include the number of times TIPS is used.

**Actions Required to Achieve Annual Goals:** In FY 2002, OSM plans to continue its efforts in this business line. For example, as responses are received from the customer surveys, the activities within the business lines will be evaluated to identify any needed improvements or changes. Also, TIPS, the Mine Map Repository, and AVS will increase access to users by continuing to provide material on the Internet.

**Resources, Skills, and Technology Needed:** A goal for FY 2003 is to continue ensuring that States, Tribes, and OSM have the best available technical data and information needed to make good science-based decisions regarding mining plans, reclamation project design, permit reviews, and acid mine drainage remediation and prevention. To successfully implement the surface mining regulatory and reclamation programs, OSM, as well as the States and Tribes, must maintain multi-disciplinary staffs that are fully competent in addressing a wide variety of technical issues that impact these programs.

The FY 2003 President's Budget requests \$16.7 million for Technical Assistance (including the Applicant Violator System), of which \$1.5 million for the Small Operators Assistance Program; \$2.2 million for Technical Training; and \$3.2 million for Technology Transfer efforts to meet the annual goals set forth above.

Included in the FY 2003 President's budget request for Technical Transfer is \$200,000 for the Acid Drainage Technology Initiative (ADTI), an ongoing effort of OSM, State and other Federal agencies, academic, and industry as part of the Clean Streams Program. The objectives of the ADTI are to compile, assess, and documents the "best-science" technology solutions to acid mine drainage (AMD) reclamation problems as well as to refine the most effective methods for accurate AMD prediction.

The following section details, by program activity, the funding and FTE resources required to meet the annual performance measures. It also includes examples of the types of technical training, assistance efforts, and transfer provided by this business line.

**Table 14 – Justification of Program and Performance  
Technology Development and Transfer**  
Summary Increases/Decreases for FY 2003  
(Dollars in Thousands)

Program Activity		Regulation & Technology		Abandoned Mine Lands		Total		Inc/Dec
		2002	2003	2002	2003	2002	2003	
Technical Assistance	\$\$\$	8,611	8,983	2,345	2,352	10,956	11,335	379
	FTE	80		4	4	4	4	0
Training	\$\$\$	1,951	1,985	234	241	2,185	2,226	41
	FTE	18		4	4	4	4	0
Technology Transfer	\$\$\$	1,589	1,625	1,557	1,571	3,146	3,196	50
	FTE	19		8	8	8	8	0
TOTAL	\$\$\$	12,151	12,593	4,136	4,164	16,287	16,757	470
	FTE	117	117	16	16	133	133	0

## **ONGOING PROGRAM**

The following program activities support OSM's goal to strengthen the capabilities of the States, Tribes, and OSM staff to implement SMCRA effectively through quality technical and scientific information, expertise, and training.

OSM's stakeholders (States, Tribes, and industry) continue to express support for Technology Development and Transfer (TDT) efforts and encourage OSM to provide the types of technical support needed to effectively and efficiently meet SMCRA, the National Environmental Policy Act, and other environmental and safety laws. Cost-effective compliance will help industry remain competitive with other energy sources. Helping industry achieve up-front compliance will reduce the need for additional regulatory resources. The TDT program area described in the following pages represents those activities where OSM staff provides direct technical support and ongoing efforts in other business lines.

### **1. Technical Assistance**

This program activity provides assistance to State regulatory and reclamation staff, and to the OSM staff that review and monitor State programs, develop rules or policy, litigate SMCRA challenges or enforcement actions, or maintain other technical support infrastructure like TIPS, AVS, and technical training programs. Technical activities such as permit review, citizen complaint evaluation, and cumulative hydrologic impact assessment take place where OSM is the regulatory authority.

Technical assistance also is provided for AML project design and monitoring where OSM is responsible for AML emergency and priority projects. However, these types of endeavors are integral parts of the Environmental Protection and Restoration business lines. They are not included in the TDT program activity.

OSM intends to attain a 92 percent customer service rate for its technical assistance efforts in FY 2003. Customer surveys are used to document the responsiveness of OSM's technical assistance to its customers in a timely and professional manner. By meeting the technical assistance needs, OSM can help effectively achieve OSM's Environmental Restoration and Environmental Protection mission goals.

#### *a. Technical Policy Assistance*

OSM specialists provide technical assistance to State and OSM regulatory and reclamation policy staff. The areas of assistance include rulemaking; citizen complaint investigations regarding the mining-relatedness of offsite impacts; guideline development; State program amendments; State mining permit evaluation; AML problem evaluation; blasting policy; prime farmland reclamation standards; coal combustion by-product disposal; reclamation bonding; threatened and endangered species; land unsuitability determinations; participation as technical experts on interagency committees; acid mine drainage (AMD) prevention and remediation; bond release and sufficiency; mountaintop mining and valley fills; permit findings; remining;

subsidence caused by underground mining; and assistance in fostering tribal primacy by helping tribes develop technical capabilities.

Projected activities for FY 2003 include:

- Mountaintop mining and valley fills: In steep-slope areas of Appalachia, surface coal mining operations often remove the upper portion of a mountain and deposit large volumes of overburden in engineered fills in adjacent valleys. The conditions favoring these type of operations are most common in central Appalachia, especially southern West Virginia and eastern Kentucky. In recent years, concerns have been raised regarding the impacts of these fills, especially those that cover significant segments of intermittent or perennial streams.

Under a settlement agreement arising from litigation concerning mountaintop mining and valley fills in West Virginia, OSM and other Federal and State agencies are planning to: (1) release a draft Environment Impact Statement (EIS) in FY 2002 with special emphasis on impacts on streams and fish and wildlife; and (2) establish a coordinated process for obtaining authorization for surface coal mining operations in wetlands under section 404 of the Clean Water Act. OSM also plans to assist West Virginia in reviewing permit applications.

OSM has committed over 40 man years to these two efforts, including technical studies assessing future mining potential; evaluating the impact of mining restrictions on coal recoverability, economics, and environmental impacts; analyzing offsite impacts of mine dust and blasting fumes; valley fill hydrology; and documenting stream conditions downstream from mountaintop mining.

- Impoundment Leaks into Underground Mine Workings: During the coal preparation process waste rock is separated from the coal. The larger, coarse fragments of coal waste (typically shale) are used to construct an embankment or dam, which impounds the fine coal waste fraction in a slurry (i.e., mixed with water). In heavily mined areas, many of these impoundments must be constructed over active or abandoned underground coal mine workings.

Since 1994, there have been six reported unplanned discharges into underground mine workings from overlying impoundments. Four of these breakthroughs had discharges to the surface. The latest breakthrough occurred in early FY 2001 (October 2000), in Martin County, Kentucky when more than 250 million gallons of coal waste slurry and black water entered underground mines through subsidence cracks, exiting two mine portals in two different watersheds. The slurry moved downstream until the tributaries joined, entering the Tug Fork River, and continued flowing through the Big Sandy River until assimilated by the Ohio River. Water users all along the path of the slurry were forced into alternative sources. A monumental environmental cleanup effort was required.

During FY 2002, OSM, Appalachian States, and MSHA completed their investigation of the impoundment leak into the underground mine. The National Academy of Sciences (NAS) also completed its study addressing technical issues related to impoundments above underground mines. In addition, OSM, in coordination with Appalachian States initiated evaluation of other high-risk mining-related impoundments over underground mines to ensure against future incidences. OSM also evaluated and began implementation of appropriate recommendations from the study conducted by NAS.

In FY 2003, OSM, in coordination with the States and MSHA, will determine whether revision to the existing regulations and engineering practices are necessary as a result of investigations and NAS study concluded in FY 2002.

- Blasting: The use of explosives is an integral part of most surface coal mining. Overburden must be broken, often through the use of explosives, before it can be removed to expose the coal for mining. Citizens living near a mine sometimes-express concern about the vibrations, noise, and flyrock resulting from blasting. SMCRA and OSM's regulations contain requirements limiting the energy of blasts to protect the public and property from damage caused by blasting.

Many States, including Pennsylvania, Ohio, Alabama, Missouri, Oklahoma, and Kentucky frequently ask for OSM help in evaluating damage complaints, reviewing blasting plans, or setting vibration limits to ensure the prevention of damage to property. OSM helps the States measure damage potential through field's studies and set protective limits on unique structures such as historic buildings, mobile homes, hospitals, water towers, and log homes.

During FY 2002 and FY 2003, OSM will continue to evaluate data specific to unique structures (e.g. Navajo hogans) to determine amplification factors and damage potential from ground vibration and air blast. This information also will generate data that will be used to evaluate the effect of ground vibrations from large cast blasting operations on water wells less than 100 feet deep.

- Designating Areas Unsuitable for Surface Coal Mining: Section 522 of SMCRA (Designating Areas Unsuitable for Surface Coal Mining) establishes a process by which the public may petition the regulatory authority to limit or prohibit all or certain types of surface coal mining operations on non-Federal lands to protect certain features or environmental values. OSM receives and processes these petitions for all lands for which it is the regulatory authority. The decision-making process includes preparation of an environmental impact statement and a takings implication assessment.

OSM also is responsible for making valid existing rights determinations under section 522 (e) for all Federal lands and all lands for which OSM is the regulatory authority. Section 522 (e) prohibits or limits surface coal mining operating within certain areas, subject to valid existing rights.

Both unsuitability determinations and valid existing rights determinations require substantial technical and programmatic resources. They also involve litigation support if a takings claim is subsequently filed against the Federal Government.

- EPA Rulemaking on Coal Combustion By-Products (CCBs): OSM continues to work with EPA on reviewing and analyzing information related to EPA's intended drafting of a proposed rule in FY 2003 concerning the placement of CCBs at mine sites. During FY 2001, EPA and OSM visited sites in Pennsylvania, West Virginia, Indiana, Illinois, and New Mexico. EPA will continue to visit several more states in FY 2002, with OSM continuing to assist EPA in its data collection, review, and analysis through its participation in meetings, monitoring implementation of EPA's risk analysis model, participation in site visits, and review of future proposed rules.
- Subsidence: Portions of the 1995 subsidence rules were suspended by OSM in 1999 subsequent to a Court decision. OSM continues to work with state regulatory authorities to ensure enforcement of subsidence regulations still in effect. OSM anticipates these activities will continue in FY 2002 and FY 2003. Additionally, OSM expects to initiate rulemaking in response to the 1999 Court decision in FY 2002, and that these rulemaking activities will continue in FY 2003.
- Acid Mine Drainage (AMD): Surface and underground coal mining activities expose iron sulfide minerals in rock to weathering. The interaction of these rocks/minerals with air and water can result in acid mine drainage, which is the number one water quality problem in Appalachia and to a lesser, but still serious, extent in other coal and hard rock mining regions. OSM technical staff resources are focused on advancing and applying the best science to remediate AMD from abandoned pre-SMCRA mines and to prevent active mines from contributing additional new sources of AMD.

During FY 2002 and FY 2003, OSM will continue to participate in the Acid Drainage Technology Initiative (ADTI). ADTI is a collaborative effort among federal agencies, industry, the states, academia, and the National Mine Land Reclamation Center (NMLRC) to promote communication and technology enhancement in the field of acid mine drainage. The main goals of ADTI are to identify, evaluate and develop "best science" practices to prevent acid mine drainage and to describe, for existing sources of acid mine drainage, the best technology for avoidance/remediation practices.

OSM staff contributed significantly to an ADTI publication addressing avoidance/remediation of existing sources of acid mine drainage for Eastern coal mining and a comprehensive manual on acid mine drainage prediction focusing on Eastern coal mining. Both volumes were very positively received by the mining community. Ongoing projects that OSM will continue into FY 2003 include:

- Field verification of the widely-used Acid Base Accounting method for predicting acid mine drainage production by comparing the quality of water at mines terminated from SMCRA jurisdiction;

- Initiation of development of two standardized kinetic test procedures for evaluating coal-mine related acid mine drainage potential by more realistically simulating the chemical conditions under which acid mine drainage forms; and
- Development of a second edition of the avoidance/remediation document.

During FY 2002, OSM will participate with ADTI in its plans to develop a five-year roadmap for future activities, with actions to implement and refine these activities ongoing during FY 2003.

- Invasive Species: Executive Order 13112 of February 3, 1999, Invasive Species, directs Federal agencies whose actions may affect the status of invasive species to identify those actions and to the extent practicable and permitted by law, take actions to address the problem (consistent with their authorities and budgetary resources); and not authorize, fund or carry out actions that the agency believes are likely to cause or promote the introduction or spread of invasive species.

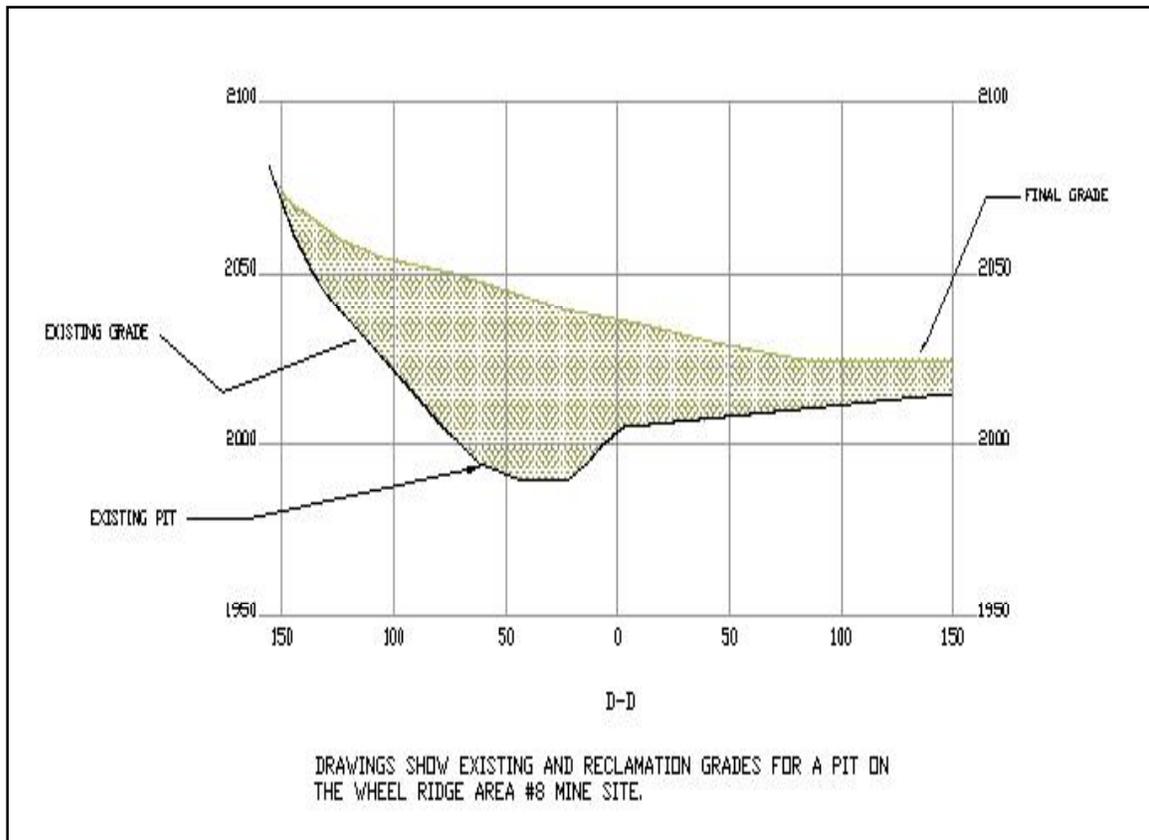
Educational materials are being developed for placement on OSM's home page and information on invasive species issues is being developed for inclusion in the course, Soils and Revegetation, which is taught as part of OSM's Technical Training Program. States were surveyed to determine their efforts to address the threats from noxious weeds and invasive species, and programs were found to vary widely. OSM will assess the need for Federal guidance in this area during FY 2002 and as necessary, develop any guidance during FY 2003.

*b. Site-Specific Technical Assistance*

OSM specialists assist in the technical aspects of compliance monitoring (including inspection and enforcement assistance), experimental practice reviews, reclamation cost estimate calculation, bond release application reviews, bond approval reviews, bond forfeiture reclamation designs, land unsuitability determinations, surveying, revegetation, geologic sampling, AML designs, subsidence and AMD abatement, and any technical assistance on citizen complaints and ten-day notices. Below are examples of the types of assistance provided to States and tribes.

- Utah Reforestation: OSM, through the Technical Information Processing System (TIPS) provided Global Positioning System (GPS) project support and training to the Utah Division of Oil, Gas, and Minerals, AML program in FY 2001. Nearly 350 tree seedlings planted on hard rock mine tailings were GPS-mapped, while vigor evaluations were field-recorded in the GPS units. The work was accomplished in less than six hours, and revealed a distinct zone of seedling mortality that will be studied further. Similar tree seedling mapping and vigor determinations will be carried out by the Utah AML program at the Sunnyside Mine near Price.

- Tennessee Bond Forfeiture: The Knoxville Field Office (KFO) used AutoCAD/SurvCADD design software to generate site reclamation plans for the bond forfeiture mine sites at Wheel Ridge Coal Company. Survey data were used to create contour maps that represent the existing site conditions and the final reclamation construction maps. Subsurface cross-section drawings and a three-dimensional model of the site were also created from the data. These were used to calculate earthwork volumes for the site. Electronic design tools allowed for efficient exchange of site design information with the reclamation contractor resulting in faster and more accurate job completion.



- The Trail of Tears: The Tennessee State Historic Preservation Office (SHPO) requested OSM assistance in digitizing a portion of The Trail of Tears in three specific counties in Tennessee. Paper maps of the trail were received from the SHPO and used by OSM to create digital coverage using AutoCAD Map 2000. This is the first effort to capture The Trail of Tears in electronic format.
- Aerial Photography: OSM's TIPS staff provided detailed topographic contours of the Peanut Mine to the State of Colorado to assist in the reclamation of this AML site in a heavily used recreational area. The two-foot contours, high-resolution aerial photography, and GPS mapping support were provided to the state at a significant savings over using contracted services because OSM staff performed much of the work

in-house using specialized software OSM owns. Two additional AML sites in Oklahoma were mapped using the same technology, and three additional sites will be mapped in FY 2002. By encouraging the use of complete digital mapping, design and stakeout procedure, OSM anticipates significant time and cost savings on future AML projects.

- Hydrologic Balance Issues from Underground Mining: Over a century of extensive underground coal mining in Pennsylvania and West Virginia have left miles of interconnected, flooded working called mine pools. The water level in these mine pools may rise and overflow into streams or could potentially create a mine “blowout,” which may result in rapid and sometimes catastrophic discharges of large amounts of stored mine water, often acidic in nature.

For instance, the Fairmont Mine Pool covers more than 27,000 acres comprised of several pre-and post- SMCRA mines. These mines, which have filled with acidic water, threaten to discharge into the Monongahela River. EPA Region III, OSM, and West Virginia are cooperating on a study to delineate the extent of these pools, identify discharge points, and, ultimately develop strategies to prevent degradation of streams from potential discharges. During FY 1998, OSM installed a monitoring network of boreholes to assess the fluctuating pool levels and allow modeling of the hydrology of the pool. In FY 2002, OSM plans to extend the monitoring network to other mined-out areas. This study will assist Pennsylvania, West Virginia, other States, OSM, and EPA to evaluate possible solutions to protect the hydrologic balance from future “Fairmont Pools.”

- Bond Approval and Administration: To ensure that bonds for permits on lands for which OSM has and shares regulatory authority responsibilities are sufficient to reclaim forfeited sites, OSM calculates bond amounts using engineering and science-based, reclamation cost estimates. OSM also evaluates bond mechanisms posted with OSM to ensure legal, financial, and regulatory requirements are met. OSM provides technical assistance and training on bonding activities, and a technical review of any issues identified in a State program’s bonding activities.

During FY 2001, OSM received 93 requests for technical assistance on reclamation bonding from States, tribes, other Federal agencies, and the coal mining industry. Approximately 100 requests are expected in FY 2002, and again in FY 2003. Also in FY 2001, OSM completed special on-site bonding training for Alaska on reclamation bonding. OSM anticipates receiving several requests for specific on-site bonding technical assistance and training in FY 2002, and the same for FY 2003.

*c. Mine Map Repository*

OSM maintains a mine map repository authorized under the former Bureau of Mines and subsequently transferred to OSM. This repository, located in OSM’s Appalachian Regional Coordinating Center in Pittsburgh, Pennsylvania, maintains the only national inventory of maps of abandoned coal and non-coal mines throughout the United States. Mapping information is used to fulfill customer requests for unique information that can range from rare maps for small

uncommon projects to a national collection for assisting in large interstate projects. OSM customers include State regulatory and reclamation staff, local government agencies, developers, engineering and mining companies, architects, universities, law firms, environmental consultants, pollution control boards, realtors, law-enforcement agencies, historical societies, and homeowners. Some of the costs for this program are paid out of offsetting receipts from the sale of maps.

The OSM is automating the repository operational process. The new technology will enable OSM customers to retrieve mine maps and related information more efficiently via the Internet. Future enhancements are planned through partnering with the United States Geologic Survey (USGS). Operating revenues will increase due to a new and revised fee schedule for business clients.

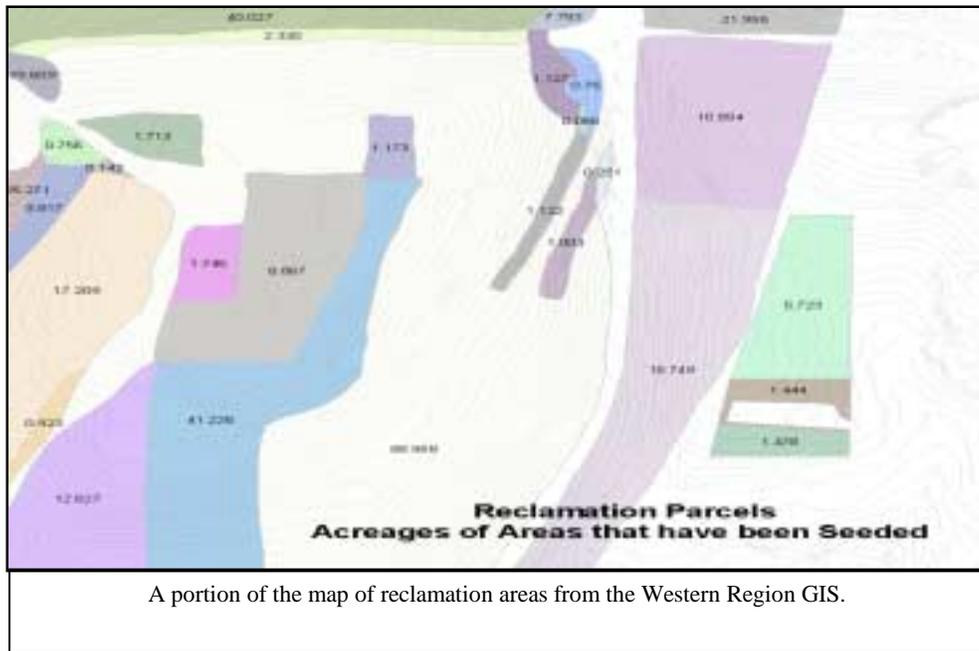
*d. Small Operator Assistance Program (SOAP)*

Section 507 (c) of SMCRA provides that up to \$10 million may be appropriated each year from AML fee to assist eligible small operators by paying certain costs associated with obtaining hydrologic, geologic, and other environmental information needed to prepare coal mining permit applications. Public and private laboratories under contract to regulatory authorities collect the data and provide the environmental analyses. Mine operators with annual coal production of less than 300,000 tons per year are eligible for assistance under SOAP.

States with approved regulatory programs are responsible for administering SOAP. They receive grants from OSM to pay qualified laboratories to provide the technical services authorized under the program. OSM is responsible for SOAP programs in non-primacy States, such as Georgia, Tennessee, and Washington. In FY 2001, six State SOAP programs (Alabama, Kentucky, Maryland, Ohio, Pennsylvania and West Virginia) assisted 121 operators. In Pennsylvania, each dollar spent on SOAP assistance in the year ending June 30, 2000, generated \$5.85 in AML-related benefits: \$2.33 in AML fees paid, and \$3.52 in reclamation completed at no cost to AML.

*e. Permitting*

Western Region Coal Mine GIS: An Internet Map Server system has been implemented for five western mines that allows OSM Western Region users to access high resolution satellite imagery of the mine permit. As additional image acquisitions are made, users will be able to compare changes over time. OSM intends to pursue a licensing agreement with the image data providers so that we can allow authorized States, tribes, mine operators and other federal agencies to access the system in FY 2003.



Tennessee GIS: OSM’s Field Office uses Geographic Information System (GIS) technology for every day scientific analyses, permitting review, field inspections of mine sites, and analytical capability to determine the environmental impacts of surface coal mining operations within the State of Tennessee. Using review techniques that include the best scientific software available for modeling and visualizing coal mining impacts, converting public domain environmental data from paper to digital format for use in these software applications, and disseminating this digital data in spatial and tabular format to the public will result in greater objectivity and better understanding of the complex relationships involving environmental and natural resource issues. This methodology also allows both State and OSM offices to produce better quality scientific engineering decisions much faster.

*f. Technical Information Processing System (TIPS)*

The goal of TIPS is to provide State and OSM personnel with a comprehensive set of analytical tools to aid in technical decision-making processes related to the SMCRA. Services include: providing a comprehensive training program in core software for users; providing core software at the users desktop; conducting the necessary research and development that ensures that core software is the state-of-the-art; and providing technical assistance in software and hardware use. Customers include states, tribes and OSM offices across the country.

The system is comprised of off-the-shelf computer hardware and software supported by OSM in partnership with the States and Tribes. TIPS consists of Windows-based computers at State, Tribal, and OSM offices with access to system license servers via the Internet and OSM’s Wide Area Network. The software that the system provides covers a wide range of subjects necessary to assist technical staff in carrying out their duties in both the environmental protection and restoration programs under SMCRA. There are 18 commercially available software applications covering geospatial, hydrology, engineering, and statistical topics. These applications assist in the technical decision-making associated with conducting reviews of permits, performing

hydrologic assessments, quantifying potential effects of coal mining, preventing acid mine drainage, quantifying subsidence impacts, measuring revegetation success, assisting in the design of abandoned mine land reclamation projects, and providing the scientific basis for environmental evaluations.

Examples of OSM TIPS related projects include:

Remote Sensing: A new effort was begun in FY 2001 to answer the needs of OSM customers in the area of remote sensing and image processing and analysis. Remote sensing tools allow SMCRA authorities to evaluate the effects of mining and reclamation with airborne and satellite images. Such information triggers a timely application of remedial measures resulting in faster and more effective reclamation.

In FY 2001, OSM successfully utilized imagery from the IKONOS 2 satellite for inspection and enforcement tasks, AOC verification, and monitoring mining progress. OSM intends to publish a white paper on the potential applications during FY 2003 to serve as reference guide for others to use the technology.

The Space Policy Institute and the National Remote Sensing and Space Law Center singled out OSM because of the exemplary work it is doing in this cutting edge field. OSM has been one of the first non-military customers to use all of the benefits of this powerful new data source, including stereoscopic measurements and 3-D fly through animations.

AML Emergency: OSM uses TIPS software in the field to investigate AML emergency problems and prepare quick-response design solutions on site. For instance, an AML response/design team met on an AML emergency site at 8:00 a.m. to determine the source of a flooding problem. GPS was used to provide exact location of the project site, with the total station used to shoot about 15 points on the project site, and a small diversion resulting from previous AML work was identified as the problem. By using the system, a grading plan was developed and presented to the landowner at noon the same day.

Wetland Rehabilitation: During FY 2000 and 2001 OSM staff used TIPS drafting, GIS, and watershed modeling software to develop a detailed project design for a passive treatment system to rehabilitate a failed man-made aerobic wetland in Macon County, Missouri. AutoCAD and SurvCADD were used to develop detailed design layout and SedCAD was used to model water transport within the watershed area and to size the drainage structures. ArcView was used in generating maps for presentation purposes, for incorporating water data and scanned paper maps into the presentation and to perform 3-D modeling. These projects proved essential in presenting the design options to state personnel and in providing post construction views of the treatment system.

TIPS Website: The TIPS website ([www.tips.osmre.gov](http://www.tips.osmre.gov)) provides information about TIPS, including current TIPS training classes, descriptions of TIPS software, access to digital data files for public domain TIPS software, lists of TIPS specialists, standardized AML emergency design drawings, and digital topographic maps for coal-producing areas within the United States.

*g. Reclamation Support Activities*

Future Mountaintop Mining Sites: During FY 2000, OSM obtained geologic information on coal seams from the West Virginia Geologic and Economic Survey, Kentucky Geologic Survey, and Virginia Polytechnic Institute and State University. In FY 2001, OSM began developing GIS mapping of feasible surface mining areas in southwest Virginia, central and southern West Virginia, and eastern Kentucky. The GIS tools allow removal of past mining areas from the geologic extent of coal beds. Then, applying three-dimensional analysis, staff calculated and compared coal and overburden volumes. Economic extraction is determined based on standard mining engineering-derived stripping ratios. This GIS method of determining economic coal reserves and methods will continue in FY 2003.

Enhanced Contemporaneous Evaluation of Reclamation: As part of an effort to more effectively evaluate reclamation as it occurs at each mine, inspectors from OSM with assistance from technical specialists are using GPS units to locate the boundaries and input data for the areas as they are reclaimed. The field data (slopes, topsoil depths, etc) are subsequently downloaded into a GIS under development for each mine. This process will enable the OSM, States and industry professional and technical staff to keep track of the status of reclamation on each acre of mined land as it occurs. The initial success of this method means that OSM plans to expand its use through FY 2003.

Pittsburgh Coal Seam Model: In FY 2001, OSM completed modeling the Pittsburgh coal seam for the northern two-thirds of the Appalachian bituminous coal basin. Using TIPS software and workstations, OSM staff included mine mapping and prediction of acid-drainage problems. The data also will be used in predicting mine pool discharges and three-dimensional hydrologic modeling of pool elevations as part of the Monongahela River Mine Pool Project through FY 2003.

*h. Applicant/Violator System (AVS)*

The primary purpose of the Applicant Violator System (AVS) is to provide State and Federal regulatory authorities with a centrally maintained national database containing information related to ownership and control of surface coal mining operations. As part of the permit review process, State and Federal regulatory authorities use the information to evaluate an applicant's mining and violation history in order to determine the applicant's eligibility to engage in surface coal mining operations. OSM responds to approximately 4,000 requests per year for these evaluation reports. The AVS is also used to determine the eligibility of potential recipients of AML reclamation contracts and grants under the Small Operator Assistance Program.

Information is entered into the AVS by both State and Federal personnel. To ensure the accuracy and completeness of the automated information, OSM performs continuous reviews of the data maintained in the AVS as well as the operating system itself. During FY 2003, OSM will continue to evaluate the possibility of upgrading the AVS operating platform to incorporate improved user-friendly technologies and redesign certain regulation-based aspects that were not available when the system was last updated in FY 1994.

OSM responds to approximately 700 requests each year for a variety of customer assistance services including distribution of AVS software, ad hoc reports, referrals to resolve violations and debt, and enforcement and litigation support. OSM also conducts or assists State regulatory authorities and other Federal and State agencies in conducting ownership and control investigations; negotiating and tracking agreements to settle debts and or perform reclamation; investigating and responding to coal operators' challenges of agency decisions on ownership and control of surface coal mining operations; and, resolving conflicts concerning information in the AVS. These and other activities, such as providing users with basic or advanced training, will be continued throughout FY 2003. Additional system information may be found at the AVS website ([www.avs.osmre.gov](http://www.avs.osmre.gov)).

## **2. Technical Training**

### *a. National Technical Training Program*

OSM established the National Technical Training Program in 1985, recognizing the need for an ongoing educational program to increase the technical competence and professionalism of Federal, State, and Tribal personnel. The program delivers training related to permit approval, bond release, reclamation, and enforcement. The training received serves to update technical expertise and fosters consistent application of standards. Training is provided in each of the disciplines involved in implementation of SMCRA, which include engineering, hydrology, blasting, agronomy, and botany. The program also ensures training is available to enable SMCRA staff to maintain the ability to gather and present information as an expert with the most recent data available. In addition, periodic training is needed to disseminate the latest technological and the other changes in regulatory and associated reclamation activities. All aspects of the training program, from the needs identification through course development and presentation, are a cooperative effort of State, Tribal, and OSM offices.

In FY 2001, the Technical Training Program provided 45 sessions of 31 courses to a total of 908 participants at 24 locations in 14 different States. Forty seven percent of the instructors were from 17 OSM offices, 44 percent from 17 States, five percent from Solicitor's offices, and four percent from other sources. The program met its goal of training 900 students, and had a 95 percent customer satisfaction rating, exceeding its target of 90 percent by 5 percent.

In FY 2001, a new course on subsidence was piloted to enhance scientific knowledge and technical skills in predicting subsidence and identifying methods to protect and/or minimize damages caused by subsidence impacts of longwall and room and pillar mining. This course will assist inspectors and technical staff in implementing requirements of the Energy Policy Act requirements. In FY 2001, in addition to regularly scheduled courses, several sessions were held to meet special requests, including sessions of the Blasting and Inspection course for Kentucky, and of Evidence Preparations to meet an urgent need of MSHA inspectors.

Also in FY 2001, in support of the government initiative component of the Administration Management Plan, the training program made its annual customer Needs Survey available through the Internet. In FY 2002, the program also will make GPRA follow-up evaluations and

other administrative processes available through the Internet. In FY 2002 and 2003, OSM intends to continue to meet its 90 percent customer satisfaction rate for its national training efforts and provide training to approximately 900 students.

Future plans for the training program for FY 2002 and FY 2003 include a benchmarking initiative with the States, development of new offerings including an Employee Orientation Program for OSM employees, a workshop on Acid-Forming Materials for AML staff, an Advanced Blasting course, and a course that will be developed in conjunction with the Fish and Wildlife Service on endangered species. The training program recently began working with the States on a coordinated effort to identify and document outstanding examples of State systems and processes. This benchmarking information will be shared through a series of presentations and seminars with State, Tribal and OSM staff for the purpose of improving service to regulatory and reclamation program customers. The program also will complete development of an Orientation program for new OSM staff. States have requested that pertinent parts of this course also be made available to their staff.

A new workshop will be developed for AML staff to address the long-term problems of acid-forming materials on abandoned mine lands that affect revegetation success, landform stability and water quality. This workshop will provide a forum that promotes information exchange between AML professionals and their agencies to improve AML reclamation success. Emphasis will be on field applications and reclamation techniques. Development of a new course, Advanced Blasting: Investigation and Analysis of Blasting Effects, will be completed. This course will enhance student skills in gathering and analyzing blast-related information. This will assist in resolving citizen complaints from ground vibrations, air blasts, fumes, and flyrock. And, as a part of the National Energy Policy initiative to streamline the permitting process OSM, in conjunction with the U.S. Fish and Wildlife Service, will develop a new course to further the Biological Opinion that is a model for streamlining the ESA process.

*b. TIPS Software Application Training*

TIPS Established a software application training program specific of the use of the software in Title IV and V applications, including permitting analysis, AML reclamation design, construction and monitoring. TIPS software training is a cooperative State-Federal effort: 18 of the 51 current TIPS instructors are from State programs.

In FY 2001, 370 technical professionals from the States, Tribes, OSM, and industry were trained in 42 classes under the TIPS computer applications training program. Twenty-eight of these classes were held at OSM's regional computer training facilities. Fourteen of these classes were conducted at customer sites. The table below shows the various courses conducted at customer sites. These classes are specially designed to address mining specific applications, as requested by TIPS users and the TIPS steering committee, and therefore are uniquely different from courses available from the vendors.

TIPS Customer Courses Conducted in FY 2001

COURSES
Global Positioning Systems (GPS)
ArcGIS (geographic information system)
ArcView(GIS)
Computer-Aided Design Applications
Statgraphics (Statistics software)
earthVision (dimensional modeling)
Groundwater Vistas
Galena slope stability
SurvCADD (geology model)
AquaChem (water quality)
SDPS (subsidence prediction)
Aqtesolv (ground water model)
SedCAD (surface water sediments)
GIS Online Courses

For FY 2002 and FY 2003, the TIPS training program plans on scheduling 30 classes to be held at regional training centers each year, with at least 12 classes conducted at trainee sites per year.

In FY 2001, the TIPS training program exceeded its target customer satisfaction rate of 88 percent by 1.7 percent, for an average satisfaction score of 89.7 percent. In FY 2002 and FY 2003, OSM intends to meet its 90 percent customer satisfaction rate for each year, and to provide training for approximately 800 students in each year.

*c. Regional/Site Specific Training*

OSM has regional training centers, which offer classes on customer requested topics and provide facilities for the national training program to minimize expenses. In FY 2002 and FY 2003, examples of such training may include:

- Tribal Training: OSM offers training to tribal staff in formal OSM training classes (NTTP and TIPS) as well as through courses offered by State universities and attendance at OSM forums and workshops. This effort is carried out under provisions of the Energy Policy Act of 1992, which includes:
  - (1) Courses relating to SMCRA to assist the Tribes (Navajo, Hopi, Crow and Northern Cheyenne) in their development of regulations and programs for assuming the regulation of surface coal mining and reclamation operations on Indian lands.
  - (2) Courses to enable the Tribes to assist OSM in the inspection and enforcement of surface mining activities on Indian lands, including, but not limited to, permitting, mine plan review, and bond release.

(3) Courses in the use of TIPS provided software and technology.

- Regression Time Series Analysis of Hydrology and Soils Data. The workshop provides advanced statistical analysis to 12 attendees in each class. In FY 2003, statistical expertise will become more important as final bond release applications in the West are considered by OSM and the States. OSM will continue to provide on demand advanced applied statistics workshops dealing with soils, vegetation, and hydrology issues in the arid and semi-arid western States.
- Electronic Permitting Workshop: In FY 2001, OSM conducted an electronic permitting workshop for the Western Regional Technical Team on Digital Photography Systems. In FY 2003, OSM and the Western Regional Technical Team plans to conduct a paperless permitting support interactive forum and exhibition. The forum will feature case studies and examples of electronic permitting. The exhibition will feature innovative technologies relating to electronic permitting, paperless permitting, digital imaging, and e-Government.

### **3. Technology Transfer**

A sound technical development program ensures that the most current and valid scientific information is available to the industry, States, and Tribes. OSM plans to attain a 92 percent service rate in FY 2003.

#### *a. Technology Development*

OSM seeks to meet the needs of State, Tribes, and all OSM staff, as well as the public and the coal industry by solving problems related to reclamation projects, and regulatory implementation through cooperative research efforts with other bureaus. OSM does not fund research of its own. OSM's research needs are coordinated with the regulatory and research programs of USGS and other Federal agencies having responsibility for or supporting environmental protection.

OSM participates on the Department of the Interior's Base Mapping Needs Committee to coordinate OSM's mapping needs with other Interior bureaus. The Base Mapping Needs Committee ranks and funds mapping requests based on multi-party needs; current work includes the 2003 National Map pilot project in Colorado.

OSM works with the academic community and private research organizations to identify potential areas of cooperation. The National Mine Land Reclamation Center (NMLRC), located at West Virginia University, receives funding from several Federal and State agencies including OSM and industry organizations to research solutions to environmental problems associated with coal mining.

An industry/government (State and Federal) academic task force developed joint action plans to define "best science" practices that are expected to solve acid mine drainage problems, and to work toward implementation of those practices through the coalfields. Cooperative efforts

involving many agencies, groups, and individuals are implementing the Acid Mine Drainage Technology Initiative (ADTI). NMLRC acts as the coordinator.

*b. Electronic Permitting*

The goal of Electronic Permitting is to obtain computer-generated permit applications in which all text, baseline data, models, drawings, and maps are in electronic media. As a long-term program that has significant monetary and time savings, electronic permitting provides more complete and up-to-date records for those involved in the permitting process. Currently, OSM is assisting primacy States in development and implementation of electronic permitting.

Electronic permitting provides State, Tribal, and OSM permit reviewers with computer-based tools to access electronic documents, maps and data, and to perform necessary environmental analyses. Electronic data and information can be downloaded directly onto computer systems, where users can access the computer databases and analytical software, such as those provided by TIPS, making data manipulation and analyses more efficient and accurate. Electronic permitting saves staff time by reducing many “clerical” aspects of accessing and transferring hard copy information. Additional benefits include the ability to share computer-based data with managers, field personnel, other agencies, the public and industry.

In FY 2003, OSM plans to continue to (1) coordinate activities with primacy States, tribes and industry; (2) sponsor interactive forums, training and workshops for primacy States, tribes and industry; and (3) expand Federal/Industry electronic data exchange initiatives. OSM will support electronic permitting initiatives of States by concentrating on the their needs in the area of data conversion, acquisition and storage, and interpretation of remote sensing data.

Examples of electronic permitting achievements include the following:

- *Alabama* – The Alabama Surface Mining Commission (ASMC) is accepting fully digital permits. Digital quadrangle maps have been acquired for coal mine areas.
- *Illinois* – The State currently has four basic coverages in ARC/INFO: (1) the permit boundary, (2) the annual affected acreage report, (3) the approved post-mining land use, and (4) the bond release status for parcels within the permit. The State has also made good progress in adding approved shadow areas, approved annual underground undermined acreage, groundwater monitoring wells, NPDES discharge points, and mine shaft locations. There are three full time GIS Specialists employed by the Illinois Reclamation Division for this effort.
- *Colorado* – Colorado’s permitting staff have developed an MS-based workflow database that tracks permitting information and generates electronic reports and correspondence automatically. In FY 2002 Colorado began a digital imaging project converting all existing permitting information into electronic format.
- *Kentucky and Virginia* – Permits are now processed electronically routinely. All permit applications are electronically routed and reviewed from submittal to approval. Permit

applications can be delivered electronically or in hard copy, in which case they are scanned into the office network by State personnel.

- *North Dakota* – Following its success in 2001, North Dakota’s partnership with their coal industry and the production of the nation’s first paperless coal mine permit, one mining company is planning to convert a second permit to electronic format, in addition to assisting a sister mine in converting all its documents into electronic format in preparation for a paperless permit application submittal. These fully paperless coal mine permits will also be on a CD-ROM on file at the Public Service Commission, at OSM, and at the County Auditor’s Office (the public access site). Each CD-ROM contains all the information normally contained in numerous three-inch binders and on many CAD maps and drawings.
- *Utah* – Utah currently retrieves water-quality information and reports water-quality data electronically, by means of either the Internet or e-mail. Utah is preparing mine permit information in GIS format, and will make these maps available directly over the Internet.
- *West Virginia* – West Virginia provides operators the electronic permit format via CD. The operator submits the application via CD, floppy disk or e-mail. West Virginia plans on making the electronic permit fully functional on the Internet in FY 2003.

*c. Technology Transfer and Publications*

Technology Transfer is accomplished through a variety of activities. State technical representatives meet frequently with OSM regional staff to share resources whenever practicable to resolve regional technical issues. OSM sponsors or attends interactive technical forums, computer applications workshops, and technical seminars to address mining and reclamation environmental issues. After coordinating the need of States, Tribes, and industry, OSM plans and presents technical topic forums. The following describe the two types of forums.

Mountaintop Mining EIS Workshops: To document the state-of-the-art in reclamation technology and explore impacts of regulatory decisions on mining practices, the Mountaintop Mining EIS Steering Committee sponsored several workshops. The workshops were targeted for specialized audiences based on expertise and experience in various topics and attendance was generally by invitation only. OSM was instrumental in the planning of the workshops, which were organized by West Virginia University and the U.S. Department of Energy through an arrangement with U.S. EPA.

Bond Release: The fifth in a series of five Interactive Bond Release Forums on Arid and Semi-Arid Areas is scheduled for FY 2002. OSM will continue co-sponsoring bond release forums in FY 2003 and subsequent years because of increased permitting activity and increased bond release inspections related to bond release applications. The states are continuing to encounter new issues needing discussion and resolution in all regions and find the interactive technical forums a suitable format.

Coal Combustion By-Products: OSM has successfully pioneered numerous technology transfer events and products on this topic with the focus on the use of these materials in reclamation, and will continue to advance this issue through FY 2003. During FY 2001, OSM published proceedings of a second technical interactive forum, improved its technical information website, participated in interagency negotiations with the U.S. EPA on future rulemaking presented technical papers at coal and CCB symposia and served on related national and international technical steering committees. An additional technical interactive forum is being planned for April 16-18, 2002.

Reforestation Initiative: OSM began an effort to encourage reforestation practices that would increase the amount of mined land reclaimed as forest. This effort has resulted in technical and policy symposia, a website, speaking at professional organizations, a video, and publications that transfer state-of-the-art science and technology. In September of 2000, the Interior and DOE entered into an MOU to promote a market-based approach to reclaiming abandoned mined lands through reforestation. OSM will work with numerous private, tribal, and State interest groups to identify potential reforestation sites and work to facilitate funding partnerships between potential reforestation sites and work to facilitate funding partnerships between potential donors. A technical interactive forum on the "Market-Based Approaches to Mined Land Reclamation and Reforestation" is currently being planned for FY 2002.

Reports, Forum, and Workshop Proceedings: OSM publishes and co-sponsors the publication of numerous forums and workshop proceedings and various tropical reports. These publications are distributed to interested parties at technology transfer events, upon request, and at various websites maintained by OSM. The agency uses the Internet to make available and seek comments to its reports and technology transfer products for as wide a client audience as possible. In FY 2002 and 2003, OSM will continue to develop, distribute, and communicate these products.

OSM Technical Library: OSM maintains a technical library in its Western Regional Coordinating Center located in Denver, Colorado, which provides access to technical, scientific, and legal information for the agency, States, tribes, industry, citizen groups and the public through a variety of services, reference assistance, technical research, document delivery, and the dissemination of critical current awareness information. The library projects that it will receive approximately 350 requests in FY 2002 and again in FY 2003. As well as providing technical information and services to State Regulatory Agencies and other OSM customers on a variety of mining-related topics, the technical library shares its collection through interlibrary loan with libraries around the world. The library catalog was made web-accessible for anyone with internet access during the FY 2001.

*d. Experimental Practices Program*

Section 711 of SMCRA allows variances from Sections 515 and 516 performance standards as alternative or experimental mining and reclamation practices to encourage advances in mining technology or to allow innovative industrial, commercial, residential, or public (including recreational) post-mining land uses. However, the experimental practices must be at least as environmentally protective as the performance standards promulgated under Sections 515 and

516 of SMCRA. The experimental practice also must not reduce the protection afforded public health and safety below that provided by the applicable performance standards. Approval and monitoring of a permit containing an experimental practice requires a close working relationship between the operator, the regulatory authority, and OSM.

Since the inception of the program, 35 experimental practices have been approved. Fourteen were determined to be successful and three unsuccessful; thirteen are currently underway; one was terminated due to regulation change, and four have been completed but final reports not yet received.

OSM received ten new experimental practices from Virginia, Ohio, and Kentucky in FY 2002. An additional 15 applications are anticipated in FY 2002, all from Kentucky and Virginia. It is likely that the interest in experimental practices will continue at the same level in FY 2003.

*e. Educational Outreach*

To make the public and students aware of OSM's responsibilities and of its environmental stewardship mission, OSM staff provides educational outreach to the science teachers associations, science classes, educational fairs, Earth Day events, career days, foreign visitors, grassroots organizations, and professional associations and societies. This outreach includes demonstrating surface mining reclamation using an open-pit mine model with reclamation equipment and activities in place and providing educational posters and materials involved in permitting, monitoring and reclaiming a mine site. Additional outreach is provided through publications and distribution of forum proceedings, such as the Approaching Bond Release: Revegetation, Reclamation Issues, and Surface Mining Applications in the Arid and Semi-Arid West, the Boy Scout Mining Information Handbook, and the integration of the Handbook of Western Reclamation Techniques into university curricula, conversion of important technical documents into electronic format, and compilations of technical information such as OSM's Mid-Continent Regional Coordinating Center's Comprehensive Technology Transfer CD Outreach efforts will continue in FY 2002 and 2003.

**Justification of Program Changes:**

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Technology Development & Transfer	FY 2003 Budget Request	Program Changes (+/-)
\$(000)	16,757	0
FTE	133	0

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*Office of Surface Mining  
Reclamation and Enforcement*



*FY 2003 Budget Justification*

***FINANCIAL  
MANAGEMENT***

**BUSINESS LINE: FINANCIAL MANAGEMENT**

		FY 2002 Enacted	Uncontrollable Costs	Program Change	FY 2003 Request	Difference from FY 02
Regulation & Technology **	\$\$\$	477	8	0	485	8
	FTE	4	0	0	4	0
Abandoned Mine Land	\$\$\$	6,070	109	0	6,179	109
	FTE	58	0	0	58	0
TOTAL	\$\$\$	6,547	117	0	6,664	117
	FTE	62	0	0	62	0

*These amounts do not reflect the Administration's proposal to include the cost of CSRS/FEHB in this Budget. For FY 2003, the estimated amount for this business line is \$409.*

**Operational Processes (Program Activities):** OSM carries out its program financial management responsibilities through three activities: fee compliance, revenue management, and grants management. This business line does not include administrative accounting or reporting for appropriated funds.

***FINANCIAL MANAGEMENT ENCOMPASSES***

<p><i>Fee Compliance</i></p> <ul style="list-style-type: none"> <li>• <i>Company Reporting</i></li> <li>• <i>Collection</i></li> <li>• <i>Accounting</i></li> <li>• <i>Audits</i></li> <li>• <i>Investment of AML fees</i></li> <li>• <i>Compliance Assistance to Operators</i></li> <li>• <i>Regulatory and Policy Development on Fee compliance issues</i></li> </ul> <p style="text-align: center; padding: 10px 0 10px 40px;"><i>Revenue Management</i></p> <ul style="list-style-type: none"> <li>• <i>Accounting and collection of revenue other than AML fees</i> <i>(e.g. civil penalties and Federal performance bonds)</i></li> </ul> <p style="text-align: center; padding: 10px 0 10px 40px;"><i>Grants Management</i></p>
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Fee compliance covers the company reporting, collection, accounting, audit, and investment of abandoned mine reclamation fees, assistance to operators on compliance matters, and regulatory and policy development on fee compliance issues.

Grants management includes accounting for and reporting on grants awarded to States and Tribes for AML and regulatory purposes.

Revenue management involves the accounting and collection of revenue other than reclamation fees, such as civil penalties

assessed under Federal citations for mining violations and Federal performance bonds forfeited by coal mine permittees.

**Strategic Outcome:** Accurate and timely accounting for program financial transactions, maximization of revenue for the restoration and protection of the environment, and prompt financial services to States, Tribes, and industry.

**Indicator Measure(s):** Performance will be measured by the Office of Inspector General financial statement audit opinion for fee compliance, revenue management, grants financial services, and the fee compliance rate for operators reporting coal tonnage.

<b>Table 15: Strategic Goals and FY 2003 Measures</b>	<b>2001 Actuals</b>	<b>2002 Enacted</b>	<b>2003 Estimate</b>
<p><i>Through 2005, OSM will maintain a 99 percent AML reclamation fee collection rate on fees due during the year. OSM will also attain a 93 percent on-time reporting and payment compliance rate by coal operators. While some non-payments and non-reporting will probably always be present due to such factors as errors and financial difficulties, OSM will work to minimize these problems and measure the level of collections and on-time reporting.</i></p> <ul style="list-style-type: none"> <li>• OSM will maintain a 99% fee collection rate as measured by the percent of fees due that are collected (indicates success in generating funds for reclamation – total collections shown in \$ millions).</li> <li>• OSM will attain a 93 % initial compliance rate as measured by the percentage of permits that report and pay on time.</li> </ul>	<p>99.78% \$284m</p>	<p>99% \$285m</p>	<p>99% \$292m</p>
<p><i>Through 2005, OSM’s annual financial statements will be free of any material weaknesses regarding fee compliance, revenue, and grants financial services as determined by the Office of the Inspector General.</i></p> <ul style="list-style-type: none"> <li>• In FY 2003, OSM will have no material weaknesses in any of OSM’s annual financial statements as determined by the Office of the Inspector General.</li> </ul>	<p>92.28%</p>	<p>93%</p>	<p>93%</p>
<p><i>Through 2005, OSM will process requests for grant payments within one day, 99 percent of the time by measuring the total days to process requests compared to number of requests received.</i></p> <ul style="list-style-type: none"> <li>• In FY 2003, OSM will process requests for grant payments within one day, 99 percent of the time by measuring the total days to process requests compared to number of requests received.</li> </ul>	<p>100</p>	<p>100</p>	<p>100</p>
<p><i>Through 2005, OSM will process requests for grant payments within one day, 99 percent of the time by measuring the total days to process requests compared to number of requests received.</i></p> <ul style="list-style-type: none"> <li>• In FY 2003, OSM will process requests for grant payments within one day, 99 percent of the time by measuring the total days to process requests compared to number of requests received.</li> </ul>	<p>99%</p>	<p>99%</p>	<p>99%</p>
<p><i>Through 2005, OSM will conduct customer surveys to determine accuracy, timeliness and overall satisfaction of grants financial management.</i></p> <p>OSM will attain a 95% customer service rating for overall satisfaction in grants financial management.</p>	<p>90%</p>	<p>95%</p>	<p>95%</p>

**Data Verification and Validation for Measure:** OSM has various internal controls and system capabilities to assure accurate and timely reporting of data. Additionally, the data and measures for this business line are subject to audit annually by the Department of the Interior's Office of the Inspector General.

**Actions Required to Achieve Annual Goals:** OSM will use technology to increase compliance and improve processing of collections. This includes using the Internet to ease the coal companies' reporting burden and electronic file transfer to receive quarterly coal production reports, provide information to companies, and allow companies to make payments on-line. OSM will continue to use new and streamlined collection services as they become available and will work with customers and stakeholder to ensure fair and consistent policies.

In accordance with guidelines established by the Chief Financial Officer's Council, OSM is converting to a new grant disbursement system. OSM will need to ensure a smooth transition to the new system through cooperative training with Treasury and customer Service. OSM has over 174 grants and cooperative agreements with the States and Tribes, accounting for over \$259 million.

**Resources, Skills, and Technology Needed:** To support program activities and to ensure that operators continue to support the surface mining program by paying appropriate fees, OSM plans to maintain a highly trained cadre of fee compliance auditors, program accountants, and financial systems personnel. Training will continue so that financial management personnel maintain a high level of skill and technical expertise. OSM will also continue to use contractors to handle billing, data entry and appropriate collection functions.

OSM must continually maintain and enhance the program financial data systems to ensure that an effective, efficient, and accurate financial and accounting operation remains in effect. The most significant of these systems is the Fee Billing and Collection System (FEEBACS). The system is at the end of its effective life cycle and must be re-designed. OSM issued a contract in FY 2001 to determine the most effective design and development approach for the new system.

In FY 2003, the President's Budget requests \$6 million for the Fee Compliance Program activity; \$394,000 for the Revenue Management program activity; and \$175,000 for the Grants Financial Management program activity to meet the annual goals discussed above.

The following section details, by program activity, the funding and FTE resources required to meet the annual performance measures.

**Table 16 – Justification of Program and Performance**  
**Financial Management**  
 Summary Increases/Decreases for FY 2003  
*(Dollars in Thousands)*

Program Activity		Regulation & Technology		Abandoned Mine Lands		Total		Inc/Dec
		2002	2003	2002	2003	2002	2003	
Fee Compliance	\$\$\$	0	0	5,988	6,095	5,988	6,095	107
	FTE	0	0	57	57	57	57	0
Revenue Management	\$\$\$	388	394	0	0	388	394	6
	FTE	3	3	0	0	3	3	0
Grants Financial Management	\$\$\$	89	91	82	84	171	175	4
	FTE	1	1	1	1	2	2	0
TOTAL	\$\$\$	477	485	6,070	6,179	6,547	6,664	117
	FTE	4	4	58	58	62	62	0

*These amounts do not reflect the Administration's proposal to include the cost of CSRS/FEHB in this Budget. For FY 2003, the estimated amount for this business line is \$409.*

## ONGOING PROGRAM

### 1. Fee Compliance

OSM's Fee Compliance Program carries out SMCRA's requirements to ensure coal operators accurately report tonnage and pay reclamation fees. The program goal is to maximize compliance by fairly and consistently applying policy and collection procedures at a reasonable cost. In FY 2001, the program achieved a 99.78 percent collection rate resulting in \$284 million in total collections. The program achieved a 92.28 percent compliance rate for operators filing their tonnage reports on time. After working closely with the industry, almost all of the required reports were filed. OSM's goal is to increase the initial on-time reporting level to reduce the follow-up effort that is currently required. In terms of efficiency, the total direct program cost was less than two percent of the amount collected. The Office of Inspector General's last report on the program concluded it was operated efficiently, effectively. The emphasis on efficiency has enabled OSM to reduce program staffing to the level necessary to maintain the revenue stream.

Since the inception of the AML Fund through FY 2001, OSM has collected \$5.5 billion. The Abandoned Mine Land Reclamation Act of 1990 required OSM to invest the unappropriated balance of the Fund in U.S. Treasury issued public debt securities after October 1, 1991. This has generated interest of over \$669.9 million through FY 2001, of which \$574 million has been transferred to the United Mine Workers Combined Benefit Fund, as of January 1, 2002, as required by law. The responsibility for making daily investments, and accounting for and reporting of the resulting earnings, has required a growing amount of OSM resources. Table 19 details the actual and projected annual collections and earnings of the AML Fund. During FY 2003, OSM plans to achieve or exceed the following goals:

- Collect over 99 percent of the reclamation fees due; and
- Ensure that 93 percent of permit holders report and pay on time.

The Fee Compliance Program is comprised of two highly integrated components, -- collections and audits -- that work hand-in-hand to maximize compliance, minimize the burden on industry, and ensure the efficient use of resources. Together these two components provide a wide range of services to a variety of internal and external customers. These components are further described as follows:

#### *a. AML Fee Collection*

The collection component assures that the AML Fee payment requirements of SMCRA are consistently and fairly applied across the country, creating a level playing field for all coal companies. In FY 2001, OSM collected 99.78 percent of the AML Fees due during the year. Total AML Fee collections were \$284 million.

To assist in managing AML Fee collections, OSM utilizes the Fee Billing Accounting and Collection System (FEEBACS). This computerized system provides subsidiary accounts

receivable and management information needed to manage the fee compliance program. FEEBACS is integrated with the Applicant Violator System to track new permits from initial permitting through fee reporting. AML fee payments are tracked by permit number of producing coal companies for each quarter of the year. In addition, the system issues quarterly OSM-1 coal reclamation fee reports for industry coal sale reporting and fee computation. The package includes all data available on potentially producing permits to simplify the reporting requirements by industry. The forms are pre-printed and mailed to the companies to facilitate tonnage reporting and fee payment. Beginning in 2001, companies could elect to report over the Internet, using the E-filing system described below. The FEEBACS system is a critical part of the Fee Compliance program.

Payment of AML fees is due thirty days after the end of each calendar quarter. Companies either mail their OSM-1 forms and payments to a lockbox operated by a commercial bank or they pay fees by electronic fund transfer from their local bank to Treasury. OSM-1 Reports covering over 3,300 permits are processed each quarter. Unless paid timely, the amount due is subject to penalties, interest, and administrative costs in accordance with the Debt Collection Improvement Act of 1996.

OSM has developed an internet-based system to allow coal companies to file their quarterly coal production reports electronically. Companies tested the system in January 2001 and the comments were very positive. Currently, over 140 companies use the system to file their quarterly reports. The new system helps streamline the reporting process, makes it easier for companies to report on time, reduces errors, and makes it easier to follow-up with companies that have not reported.

The E-filing system was cited as an outstanding process improvement by the Denver Federal Executive Board and was given their 2001 Excellence in Government Award. During FY 2002, the system will be enhanced to allow companies to make payment online, using the Treasury Department's PayGov payment method.

During FY 2003, OSM plans to continue promoting the use of E-filing and online payment by companies.

*b. AML Fee Audit*

SMCRA requires OSM to conduct audits to ensure full compliance with the law's reclamation fee requirements, so funds are available for State, Tribal, and Federal reclamation efforts. To meet that mandate, the audit program is designed to promote timely and accurate reporting of coal tonnage and to ensure correct fee payments.

The audit staff is strategically located in field offices in most of the coal-producing areas, which is instrumental in providing direct service to coal operators. To ensure quality, all work is carried out in accordance with Government Auditing Standards issued by the Comptroller General of the United States. The continuing professional education and training of OSM's auditing staff is emphasized in accordance with those standards.

By structuring the audit program so that all companies have the potential to be audited, an effective deterrent to noncompliance is always present. To support the program goal of maximizing compliance, OSM auditors conducted more than 200 on-site reviews of coal companies' records in FY 2001. Beyond the deterrent effect, this provides an opportunity to assist industry on accounting and reporting matters. For example, when instances of non-compliance are identified, the auditors explain each issue and how similar occurrences can be avoided in the future.

Auditors also provide several other services necessary to achieve a high level of compliance, including the following:

- *Examining all permit transactions recorded by regulatory authorities:* The audit staff reviews all newly issued coal mining permits and transactions (transfers and amendments), which can affect the parties responsible for paying fees. By continuing these efforts, the program has greater assurance that all producing permits are identified in a timely manner, and operators are informed of their reporting and payment responsibilities.
- *Examining mining permits and other operator-reported data:* Discrepancies are communicated to the accounting and collection team to assure quality control. The 1990 SMCRA amendments added several items, which operators are required to report, such as the shipping points and customers. The auditors are required to verify this data as well as the tonnage for completeness and accuracy.
- *Providing an audit appeal process to resolve disputed audit findings:* OSM instituted this process to provide an administrative means to resolve disagreements on additional fees owned. It has provided a mechanism to avoid costly litigation, and is regarded by all as good customer service.
- *Identifying refunds for operators who have overpaid:* OSM's mandate is to ensure tonnage is accurately reported. Refunds can result from over reporting of tonnage discovered through audits and operators submitting refund claims that must be verified.
- *Developing necessary revisions to the fee requirements:* Periodically governing regulations and policies must be adapted to changes in the industry. The auditors have the most direct contact with operators and the subject-matter expertise to identify, develop, test, and implement any needed changes. This is part of an ongoing effort to ensure fairness and a level playing field among all operators in paying fees.
- *Verifying claims for fee exemption under the provisions in the regulations:* There are several categories of coal removal not subject to fees. These claims must be validated. A record review is necessary because of the various requirements that must be met.
- *Coordinating efforts to assist operators on fee-related matters:* The operators have a working relationship with OSM auditors, the first line of OSM presence, which many operators encounter on a recurring basis. Calls are regularly received by the audit field

offices for assistance, most commonly in filing tonnage reports and calculating fees. To provide operators the information they need to comply; the auditor first contacted coordinates these inquiries. It is OSM's intent to continue working with operators to address issues relating to all aspects of the fee program.

Another important benefit of the audit program is that all audit results are routinely provided to the Internal Revenue Service, which is responsible for administering Federal coal excise taxes. Revenue from that tax is designated for the Black Lung Disability Trust Fund. OSM audit results have helped significantly in identifying companies that have underpaid excise taxes.

In FY 2002, the audit group received the Office of Personnel Management's PILLAR (Performance Incentives and Leadership Linked to Achieve Results) Award. This award is given annually to two federal programs with demonstrated success in performance management.

In FY 2003 and beyond, OSM will continue to ensure the fee compliance program is adapted as needed to changes in the industry, and undertake other initiatives to allow the program to remain efficient and effective. These activities will include:

- *Working with the States.* Because the state regulatory authorities and the fee compliance auditors have the most direct contact with coal operators, it is vital that information is shared and additional methods explored for ways to reduce the burden on the industry.
- *Focusing on audit frequency.* Coal companies have requested more frequent audits to reduce their record-keeping burden. This also helps to minimize any interest and penalty charges that may accrue as a result of errors in reporting.
- *Conducting outreach sessions with industry and other stakeholders.* This activity helps ensure operators have the information needed to comply, and maximizes communications and coordination for keeping the program successful.

**Table 17-Actual and Estimated Deposits to the AML fund  
AML Production Fees, Investment Earnings, and Associated Fees**  
(Production in millions of tons)  
(Dollars in Millions)

	<b>2001 “Actuals”</b>	2001 Projections <i>(as submitted in FY 2001)</i>		2002 Projections		2003 Projections		2004 Projections	
		<i>DOE</i>	<i>OSM</i>	<i>DOE</i>	<i>OSM</i>	<i>DOE</i>	<i>OSM</i>	<i>DOE</i>	<i>OSM</i>
Production *		<i>DOE</i>	<i>OSM</i>	<i>DOE</i>	<i>OSM</i>	<i>DOE</i>	<i>OSM</i>	<i>DOE</i>	<i>OSM</i>
Underground	<b>390</b>	432	400	386	403	393	410	400	417
Surface	<b>638</b>	609	601	655	636	673	654	687	668
Lignite	<b>83</b>	89	86	100	88	96	84	97	84
AML Fees **	<b>\$284.0</b>	\$275.5		\$285.2		\$292.2		\$298.1	
Investment	<b>\$103.5</b>	\$102.1		\$47.6		\$60.7		\$78.0	
Total	<b>\$387.5</b>	\$377.6		\$332.8		\$352.9		\$376.1	

*\*DOE Production is based on the Department of Energy (DOE) “Annual Energy Outlook 2001, OSM Case”. OSM tonnage uses the last reported production (Fiscal Year 2001) and then increases or decreases based on the percentage increase or decrease in DOE production for each coal type. The OSM projections are usually lower because AML fees are assessed on the tonnage sold, used, or transferred while the DOE figures are based on the tonnage produced.*

*\*\*AML Fees are calculated based on the OSM tonnage estimates multiplied by the applicable fee rate: \$.15, \$.35, and \$.10 for underground, surface, and lignite, respectively. This calculation is then adjusted for moisture content, reduced coal prices and fees, administrative fees and uncollectible fee estimates.*

**Table 18 – Summary Status of Abandoned Mine Reclamation Fund**  
(Dollars in Thousands)

Fiscal Year	Receipts & Interest Income			Appropriations			Unappropriated AML Fund Balance
	Amount	Interest Earned	Cumulative	Amount	Transfer To UMWA	Cumulative	
1978	105,444		105,444	36,647		36,647	68,797
1979	184,433		289,877	61,451		98,098	191,779
1980	199,000		488,877	94,843		192,941	295,936
1981	192,657		681,534	82,485		275,426	406,108
1982	222,644		904,178	115,333		390,759	513,419
1983	197,196		1,101,374	213,079		603,838	497,536
1984	216,554		1,317,928	271,228		875,066	442,862
1985	226,426		1,544,354	296,941		1,172,007	372,347
1986	219,162		1,763,516	197,277		1,369,284	394,232
1987	215,304		1,978,820	203,720		1,573,004	405,816
1988	229,890		2,208,710	199,380 <sup>1</sup>		1,772,384	436,326
1989	235,493		2,444,203	193,160		1,965,544	478,659
1990	243,519		2,687,722	192,772		2,158,316	529,406
1991	243,761		2,931,483	198,955		2,357,271	574,212
1992	241,954	39,328	3,212,765	187,803		2,545,074	667,691
1993	238,153	30,633	3,481,551	187,930		2,733,004	748,547
1994	244,296	40,090	3,765,937	190,107 <sup>2</sup>		2,923,111	842,826
1995	255,416	61,730	4,083,083	182,386		3,105,497	977,586
1996	256,451	69,383	4,408,917	173,887	47,184	3,326,568	1,082,349
1997	266,783	81,006	4,756,706	177,085	31,374	3,535,027	1,221,679
1998	273,039	67,031	5,096,776	177,624 <sup>3</sup>	32,562	3,745,213	1,351,563
1999	276,674	82,831	5,456,281	185,392	81,766	4,012,371	1,443,910
2000	274,297	94,370	5,824,948	195,873	108,959 <sup>4</sup>	4,317,203	1,507,745
2001	284,044	103,496	6,212,488	215,038	181,845 <sup>5</sup>	4,714,086	1,498,402
2002	285,179	47,626	6,545,293	203,455	90,278 <sup>6</sup>	5,007,819	1,537,474
2003	292,196	60,733	6,898,222	174,300	70,000	5,252,119	1,646,103

/1 Total does not include \$7M transferred into the fund by supplemental authority, which does not affect the Unappropriated Balance.

/2 Total includes \$7.2 M transferred into the fund by supplemental authority, which does not affect the Unappropriated Balance.

/3 Total does not include \$3.2M transferred into the fund by supplemental authority, which does not affect the Unappropriated Balance.

/4 Total includes one-time \$68M emergency appropriation, as well as the annual appropriation of \$41m.

/5 Total includes annual amount of \$102.9M, as well as \$78.9M of the one-time \$96.7M mandated under PL 106-291.

/6 Total includes annual amount of \$113.6M, less \$23.3M returned by UMWACBF as mandated under PL 106-291.

The FY 2002-2003 receipt figures and interest earnings are projections. Beginning in FY 1992, SMCRA was amended to allow the AML Fund to be invested. The Energy Policy Act of 1992 provided that funds from the interest earned could be transferred to the United Mine Workers of America Combined Benefit Fund.

## **2. Grants Financial Management**

This activity accounts for and disburses reclamation and regulatory grants to States and Tribes under the Environmental Restoration and Environmental Protection business lines. Grants represent the majority of OSM's budget and fund the protection and restoration of land, water, and structures. The grants financial management activity includes the disbursement, accounting, reporting and recovery of grant funds. It also includes the computer systems used to support these functions.

After grants are issued, the grant disbursement system allows States and Tribes to request funds and receive payment within one day. The grants tracking system allows grant specialists to track grant awards, disbursements and costs, and manage the grant financing. Grant awards are entered into the Grants Information Financial Tracking System (GIFTS) to establish a grant account balance. As States and tribes need funds, they submit a drawdown request for funds through OSM's on-line Draw-Down Express system. The Draw-Down Express System automatically checks GIFTS to assure that funds are available. If funds are available, the system approves the disbursement and a payment is issued. GIFTS is updated as payments are made. As States and Tribes spend the grant funds they have received, they submit cost reports, which are entered into the system. GIFTS gives OSM grant specialists and States and tribes on-line reports, which show the status of grant funds.

During FY 2002, OSM plans to migrate its payment processes to a Government Grant Payment System replacing the present Draw-Down Express System. This is required of all government agencies that made grant payments. OSM will continue to work with the States and tribe to make sure that their grants management needs are met. During FY 2003, OSM plans to meet or exceed the following measures:

- 99 percent of grant payment requests will be processed within one day; and
- 95 percent of States and tribes will rate our services as satisfactory or better.

The Table on the following page details the AML Unappropriated Balance as of December 31, 2001, by a description of its allocation.

*Office of Surface Mining Reclamation and Enforcement*

**Office of Surface Mining  
AML Unappropriated Balance  
December 31, 2001**

**Total Funds to be Allocated: \$1,297,325,800.74**

<b>Description of Allocation</b>	<b>Balance as of 10/02/01 1/</b>	<b>LESS: 2002 Appropriation 6/</b>	<b>LESS: 2002 /5 UMWA Trans.</b>	<b>Post Appr. &amp; Trans. Balance</b>	<b>Investment Int. 10/02/00-12/31/2001</b>	<b>Collections for 10/02/00-12/31/2001</b>	<b>Balance As of 12/31/2001</b>
Ramp Allocation	\$280,550,798		(\$18,055,572)	\$262,495,226	\$3,622,165	(\$8,182,894)	\$257,934,497
Federal Expense 2/	\$137,924,795	(\$59,970,000)	(\$36,111,144)	\$41,843,652	\$7,244,331	(\$16,365,788)	\$32,722,194
Historical Coal 3/	\$198,141,324	(\$64,568,250)	(\$36,111,144)	\$97,461,930	\$7,244,331	(\$16,365,788)	\$88,340,473
<b>Total Fed Share 1/ &amp; 4/</b>	<b>\$616,616,917</b>	<b>(\$124,538,250)</b>	<b>(\$90,277,859)</b>	<b>\$401,800,808</b>	<b>\$18,110,826</b>	<b>(\$40,914,470)</b>	<b>\$378,997,164</b>
<b>Total State Share</b>	<b>\$881,611,443</b>	<b>(\$78,916,750)</b>	<b>\$0</b>	<b>\$802,694,693</b>	<b>\$0</b>	<b>\$115,633,944</b>	<b>\$918,328,637</b>
<b>Total</b>	<b>\$1,498,228,360</b>	<b>(\$203,455,000)</b>	<b>(\$90,277,859)</b>	<b>\$1,204,495,501</b>	<b>\$18,110,826</b>	<b>\$74,719,474</b>	<b>\$1,297,325,801</b>

- 1/ With P.L. 106-291, Congress authorized a transfer to the United Mine Workers Combined Benefit Fund using interest earned in FY 1992-1995. \$78,901,536.83 (net of \$173,996.17, a Congressionally reduced appropriation, subsequently restored) was transferred under this law.
- 2/ The Federal Expense Distribution was calculated using 2001 distribution levels.
- 3/ The Historical Coal Distribution was calculated using 2001 distribution levels.
- 4/ This amount includes interest income received of \$39,328,466.11 prior to 10/01/92. Per Congressional appropriation language, OSM used \$7,000,000 of that leaving remaining interest earned of \$32,328,486.11. The remaining balance of investment earnings in all years after all transfers is \$107,040,829.57.
- 5/ \$113,606,256.60 is the amount transferred at the beginning of FY 2001 to the United Mine Workers Benefit Fund for estimated expenses in FY 2001 and for adjustments to actual expenditures in FY 1996, FY 1997, FY 1998, FY 1999, FY 2000 and FY 2001. \$79,075,533 was transferred pursuant to P.L. 106-291.

### **3. Revenue Management**

The Revenue Management activity involves managing a variety of non-fee revenues and receivables that come from the agency's operations. These include the following:

- Federal civil penalties issued for mining violations. The total outstanding balance of open civil penalty cases was \$336,551 at the end of FY 2001, including interest and late charges. New civil penalties recorded in FY 2001 totaled \$93,060.
- Bond forfeitures by federally permitted mining companies.
- Fees for mine permit reviews and blaster certification training.

Civil penalty collections are used to reclaim post-SMCRA mine sites. To maximize the collection rate on civil penalties, OSM uses all of the debt collection tools available. These tools include demand letters, personal contact with the debtor, use of payment plans, referral to private collection agencies or the Department of Treasury, litigation through the Solicitor's Office, and referral to the Department of Treasury for payment offset. Additionally, delinquent civil penalties are reported to the Applicant Violator System so that violators and debtors do not obtain permits to mine coal until the outstanding debt and violations have been resolved. These are the same tools used in the AML Fee collection program. However, because the majority of the companies that incur AML Fees are viable, the collection rate for AML Fees is higher than the collection rate for civil penalties.

During 2002-2003 OSM plans to continue to refer civil penalty debt that is more than 180 days delinquent to the Department of Treasury for collection, in accordance with the Debt Collection Improvement Act of 1996. OSM has a memorandum of understanding with the Department of Treasury whereby they will provide collection services on debts over 180 days delinquent. During FY 2001, OSM referred 100 percent of qualifying civil penalty debts to Treasury.

Bond forfeitures on federally permitted lands are used to reclaim mine sites when a company fails to perform reclamation. It is a positive indicator that bond forfeitures have declined over the past three years.

**Justification of Program Changes:**

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Financial Management	FY 2003 Budget Request	Program Changes (+/-)
\$(000)	6,664	0
FTE	62	0

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*Office of Surface Mining  
Reclamation and Enforcement*



*FY 2003 Budget Justification*

***EXECUTIVE  
DIRECTION AND  
ADMINISTRATION***

**BUSINESS LINE: EXECUTIVE DIRECTION AND ADMINISTRATION**

		FY 2002 Enacted	Uncontrollable Costs	Program Change	FY 2003 Request	Difference from FY 02
Regulation & Technology **	\$\$\$	12,271	422	0	12,693	422
	FTE	68	0	0	68	0
Abandoned Mine Land	\$\$\$	6,552	229	-76	6,705	153
	FTE	37	0	0	37	0
TOTAL	\$\$\$	18,823	651	-76	19,398	575
	FTE	105	0	0	105	0

*These amounts do not reflect the Administration's proposal to include the cost of CSRS/FEHB in this Budget. For FY 2003, the estimated amount for this business line is \$691.*

**Operational Processes (Program Activities):** The funding request for this business line is to support activities of Executive Direction, Administrative Support and General Services. Executive Direction provides executive leadership and policy direction for the Bureau, which includes the immediate office of the Director. Administrative Support provides all of the support services for day-to-day operations, such as Human Resources, Procurement, Information Technology, and Finance and Accounting. General Service's funds bureau-wide fixed costs such as office space, telephones, US postage, Unemployment Compensation etc., and Department-wide fixed costs assessed to OSM.

***EXECUTIVE DIRECTION AND ADMINISTRATION  
ENCOMPASSES***

- Director's Office
- Administrative support for day to day operations
  - Human Resources
  - Administration
  - Finance and Accounting
  - Information Systems Management
- General Services (*Office space, telephones, postage, unemployment and workers compensation, working capital fund, and other fixed costs*)

Except for the Human Resources measures below, OSM did not incorporate goals and measures for this business line in its annual plan. The human resources measure supports the Department's diversity initiatives and human resources plan. Additional measures have been developed for other administrative activities and are used internally.

**Strategic Outcome:** Attain a workforce reflective of the nations diversity.

**Indicator/Measure(s):** Baseline indicators were gathered and analyzed during FY 1999, for use during OSM's Five-Year Strategic Plan Report-FY 2000 through FY 2005.

<b>Table 19: Strategic Measures and FY 2003 Measures</b>
<p><i>Through 2005, OSM will enhance the human resource program through a diverse, highly qualified, well-trained, motivated and informed workforce that supports the mission of OSM.</i></p> <ul style="list-style-type: none"><li>• OSM will make reasonable progress towards a diversified workforce using statistical analysis of OSM's diversity profiles compared to the Civilian Labor Force and an analysis of OSM's new hires.</li><li>• OSM will make reasonable progress towards the elimination of complaints dealing with accommodation and accessibility for persons with disabilities.</li><li>• OSM Human Resources will continue to automate Human Resources services to provide more efficiencies.</li></ul>

**Data Verification and Validation for Measures:** Data will be verified through the OSM/DOI personnel system and standard comparison reports which are produced by the Federal Personnel/Payroll System (FPPS).

**Actions Required to Achieve Annual Goals:** OSM has developed appropriate measures for the goal of increased diversity within the OSM workforce. During FY 2003, OSM will continue to work to meet its goal based upon analysis of the baseline data collected in previous years,

**Resources, Skills, and Technology Needed:** OSM and the States and Tribes will continue to need a diverse and multi-disciplinary cadre of personnel to accomplish the mission and goals of SMCRA. In addition, these personnel will guide OSM through technical and policy decisions to ensure that coal-mining activities, including post-mining reclamation, are carried out in such a manner that the safety and health of coalfield citizens is protected and the environment is not degraded.

**FY 2003 Budget Request:** The FY 2003 President's Budget requests \$19.4 million for Executive Direction and Administrative activities. Of this total, \$3.8 million will be used to provide executive direction and effective policy guidance for the overall program and liaison efforts with States, Tribes, coalfield citizens, Congress, and other Federal agencies. Administrative support and services for OSM will require \$6.4 million and basic bureau-wide fixed overhead costs in general services will cost \$9.2 million.

**Table 20 – Justification of Program and Performance**  
**Executive Direction**  
 Summary Increases/Decreases for FY 2003  
 (Dollars in Thousands)

Program Activity		Regulation & Technology		Abandoned Mine Lands		Total		Inc/Dec
		2002	2003	2002	2003	2002	2003	
Executive Direction	\$\$\$	2,417	2,458	1,293	1,313	3,710	3,771	61
	FTE	22	22	11	11	33	33	0
Administrative Support	\$\$\$	4,148	4,236	2,137	2,188	6,285	6,424	139
	FTE	46	46	26	26	72	72	0
General Services	\$\$\$	5,706	5,999	3,122	3,204	8,828	9,203	375
	FTE	0	0	0	0	0	0	0
TOTAL	\$\$\$	12,271	12,693	6,552	6,705	18,823	19,398	575
	FTE	68	68	37	37	105	105	0

*These amounts do not reflect the Administration's proposal to include the cost of CSRS/FEHB in this Budget. For FY 2003, the estimated amount for this business line is \$691.*

## **ONGOING PROGRAM**

### **1. Executive Direction**

This activity provides executive direction and leadership, and policy and program management guidance for all areas of responsibility for the Office of Surface Mining Reclamation and Enforcement.

The Executive Direction activity includes the salaries and operating expenses for the office of the Director and immediate staff offices, which include Equal Opportunity, Communications, Strategic Planning and Evaluation, and the Budget Office.

#### *a. Office of the Director*

The Director is the Chief Executive of the Office of Surface Mining (OSM). The Director provides the leadership and direction of OSM activities within the limits delegated under SMCRA. The Director's primary objectives are to aggressively pursue the reclamation of abandoned mine lands (AML) and to prevent environmental problems in the coalfields by working through the State agencies. OSM makes every effort to obtain full public involvement in the design and development of agency policy. An extensive outreach approach, carried out two years ago, stimulated a more cohesive partnership that has led to better understanding and cooperation among OSM's stakeholders.

In FY 2003, OSM will continue outreach efforts, which promote public participation in policy making. The arena for such participation includes public meetings on proposed rulemaking and conferences, which promote discussion and exchange of information on the current state of the coal industry and OSM's evolving role. OSM will continue to take positive steps to contact States, Tribes, citizens, and industry and encourage their participation.

In addition to guiding policy decisions, the Director provides direct supervision to the following staff offices; Office of Equal Opportunity, Office of Communication, Office of Strategic Planning and Evaluation, and the Budget Office.

#### *b. Office for Equal Opportunity (OEO)*

This Office is responsible for promoting equal employment opportunities for all OSM. The Office:

- provides technical guidance and assistance to field Equal Opportunity managers as well as to OSM employees.
- supervises designated collateral duty Equal Opportunity Counselors.
- processes discrimination complaints and informal disputes.

- develops and implements affirmative employment and diversity plans in order to enhance diversity throughout the Bureau.
- ensures that all programs and activities are fully accessible for the disabled.
- maintains a Civil Rights Compliance program for federally-assisted and conducted programs.

In addition, this Office is responsible for the Special Emphasis and Minority Higher Education programs for the Bureau. Under these programs, the Office has guided OSM in the development of memoranda of understanding, partnerships, and cooperative agreements with Historically Black Colleges and Universities, Hispanic Serving Institutions, and Tribal Colleges and Universities. In part, these initiatives are in response to Executive Orders of the President to work more closely with minority colleges and universities in an effort to enhance recruitment and stimulate curriculum related to OSM's mission. These initiatives will foster the implementation of DOI's and OSM's five-year strategic plan to improve outreach and diversity in the workforce.

*c. Office of Communications (OC)*

This office plans, coordinates, produces, and distributes the following under the direction of the Director:

- Publications,
- Audiovisuals,
- Fact sheets,
- Reports,
- Photos,
- Exhibits, and
- News releases.

These items contain information about OSM programs, policies, and Congressional activities, the public, the coal industry, citizen groups, and the media. OC responds to requests for information from the news media and the public. OC also maintains a Correspondence Tracking System to manage official correspondence. The Office provides direction for internal communications and functions as the principal point of contact for arranging media interviews and briefings with key officials.

*d. Office of Strategic Planning and Evaluation (OSPE)*

OSPE, coordinates the development and maintenance of the bureau's strategic and annual plans, the performance measurement system as required by the Government Performance and Results Act (GPRA), and ensures that the Strategic Plan for the Bureau is consistent with GPRA requirements and is responsible for implementation of Executive Orders and Presidential Memorandum on Customer Service Standards. This Office is responsible for evaluating program effectiveness, which is an integral part of OSM's planning process

and has established a system to test management controls and provide assurances that the bureau is in compliance with the Federal Managers' Financial Integrity Act. OSPE also serves as the Bureau's liaison with the Office of the Inspector General (OIG), the General Accounting Office (GAO), and the Department and coordinates OSM's responses and tracks all audit findings throughout the process of resolution and implementation.

*e. Budget Office*

The Budget Office is responsible for the development and management of all bureau-wide budget activities including the administrative control of funds from all sources, and for compliance with the provisions of the Anti-Deficiency and Chief Financial Officer's Act. This office provides central policy coordination and uniform procedures for budget formulation, presentation, and execution, which includes preparation of budget requests for Departmental, OMB and Congressional approval. The Budget Office leads preparation for hearings with the Appropriation Subcommittees, coordinates budget hearings with the Authorizing Subcommittees, and prepares responses to Congressional committee questions for the hearing's record, edits hearing transcripts, and provides budget effect and capability statements and other documents responding to various Congressional actions on the President's Budget request for OSM. Following enactment of an annual appropriation, this office coordinates the preparation of internal operating budgets for each office and issues allotments and allocations to program managers, leads periodic program and financial reviews and tracks and reports on budget execution.

**2. Administrative Support**

This program includes the administrative functions necessary to support the program activities of OSM. The specific functions are included in four organizational areas: Administration, Human Resources, Information Systems Management, and Administrative Financial Management.

*a. Administration*

The Division of Administration is responsible for development of the Bureau-wide administrative policy and procedures. The Division also implements several of these support activities.

- acquisition,
- property management,
- vehicle fleet management,
- space management,
- telecommunications,
- safety management,
- occupational health,

- physical security,
- printing,
- records management,
- Freedom of Information Act,
- Privacy Act, and
- FAIR Act (Competitive Sourcing)

The Division of Administration also provides administrative support to headquarters offices. These support activities include office moves, provision of general supplies, property management, mailroom functions, security and safety management, and telecommunications. The Division also manages the bureau-wide fixed cost accounts in General Services.

The Division of Administration will continue efforts to increase customer satisfaction by improving administrative program support and services to all employees. Focus will be placed on (1) implementing Activity Based Costing to reflect and capture the true costs of the Division's activities, (2) continuing to enhance of the property and vehicle management system, (3) continuing to implement the OSM plan for achieving competitive sourcing goals based on DOI and OMB guidance, and (4) working with focus groups to improve customer service.

*b. Human Resources (HR)*

The Division of Human Resources develops and implements policies, standards and systems for the effective use of people to accomplish the overall mission of OSM. Specifically, the human resources program helps managers get the right people to do the job; gives managers advice and assistance; and provides processing and record keeping on recruitment, classification, and compensation benefits, employee performance, awards, financial disclosure holdings, disciplinary actions, and retirement. This office, through automated systems such as SMART (Quick Hire), the Federal Personnel and Payroll System (FPPS), Employee Express, and direct on-line access to personnel history files, brings human resources information and services directly to the manager, employee and applicant.

The Division of Human Resources continues to automate personnel processes to streamline and improve the effectiveness of Human Resources service delivery to OSM. To improve quality of life standards, the office offers seminars for employees on a variety of work/life issues.

Special ongoing initiatives coordinated through the human resources program are highlighted below:

- *Targeted Recruitment*: Human Resources, in conjunction and cooperation with OSM's Office of Equal Opportunity, continues to expand recruitment of the

number of women, minorities, and persons with disabilities identified in under represented occupations.

- *Automation of Personnel Records:* OSM implemented a digital Official Personnel Folder system to eliminate all paper documents. This secured, read-only system, offers many flexibilities not attainable under a paper system. This system has enhanced OSM's capability to centralize personnel operations, so that documents can be transmitted quickly by e-mail or telefax to managers or employees as needed. Other inherent benefits include reduced storage and more efficient project management. Employees can also access their ethics and performance/award records.
- *Automated On-line Recruitment:* This system provides a larger more diverse applicant pool that can be screened and provided to management more efficiently.
- *Automated Classification:* Human Resources is implementing an automated position description (PD) and classification program to bring all PD's and the ability to quickly build classifiable PD's to manager's desktops.

*c. Information Systems Management (ISM)*

The Information Systems Management (ISM) activity provides agency-wide technical support to OSM management and staff in the design, development, procurement and operation of computerized information systems. In addition, ISM is responsible for the telecommunications infrastructure that interconnects all OSM offices and several State and Tribal offices via a high-speed, area network (OSMNET). ISM will continue customizing the OSMNET for more efficient performance, providing higher capacity connections in support of agency Information Systems, and in support of the increasing use of the Internet to accomplish OSM's mission. ISM will continue in FY 2003 to work with the Regions in tying together the use of Novell and Windows network architecture to implement a seamless nationwide LAN resource network.

ISM is also responsible for the administration of the agency's Information Technology (IT) Security Plan. The security plan ensures the safety of OSM's IT information and computer technology hardware and software resources. During FY 2001, ISM raised the level of IT security awareness among all OSM employees, and enhanced the capability to monitor and verify compliance with the DOI IT Security Plan, especially with remote systems. This process will continue into FY 2003. Through implementation of virus filtering and traffic monitoring systems, ISM will significantly enhance efforts to manage existing systems for security, ensure new systems are secure before connection to the Internet, keep systems safe by time installations of patches and fixes, and strengthen incident handling and responses.

ISM is one of OSM's representatives for the following management programs and initiatives: e-Government, Enterprise Architecture, and the Government Paperwork

Elimination Act. ISM will continue to operate and maintain Intranet connectivity, develop IT strategic planning, implement IT policy, and coordinate compilation of the IT budget. ISM is redesigning the OSM Intranet to meet changing requirements, incorporate e-Government needs, and Section 508 accessibility.

*d. Administrative Financial Management*

The Financial Management activity funded in this business line provides OSM's program offices with accounting and financial services for appropriated and unappropriated operational funds to implement SMCRA. OSM also bills, collects and accounts for funds derived from program activities reflected in other business lines. These services include paying bills, accounting for receipts and expenditures, issuing financial and management reports, assuring that expenditures are within the allocations, collecting administrative debts, and maintaining the computer systems that support these functions.

Accomplishments in this area include an unqualified audit opinion, enhancements of the Management and Performance Accounting System (MAPS) to provide on-line performance data to program managers, and an enhanced managerial cost accounting program to provide performance cost information. This activity also increased efficiency of financial processing by improving the travel and purchase card processes. This has resulted in payment of invoices the day following receipt. Vendors were paid on time 99.7 percent of the time during FY 2001. OSM also increased electronic transfer payments to 97.2 percent of all payments and 99.9 percent of the dollar amounts paid.

**3. General Services**

This is a funding activity, which includes essential fixed costs to support OSM's program missions. No personnel or operational activities are funded by this component.

<b>Line Items</b>	<b>FY 2002</b>	<b>FY 2003</b>	<b>Change</b>
Rent	5,000,000	5,151,000	150,000
Telecommunications	870,619	840,440	-30,179
Postage	100,000	100,000	0
Gasoline	152,400	155,000	2,600
DOI Working Capital Fund	1,094,000	1,331,000	237,000
DOI Reimbursable Services	265,900	265,900	0
Unemployment Compensation	32,200	10,200	-22,200
Worker's Compensation	247,750	333,750	86,000
Bureau Wide Printing	375,000	375,000	0
Aircraft Services	34,962	36,000	1,038
Service Contracts	378,000	378,000	30,000
GSA Work Orders	277,169	227,710	-49,459
<b>Total</b>	<b>8,828,000</b>	<b>9,203,000</b>	<b>375,000</b>

**Justification of Program Changes:**

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Executive Direction & Administration	FY 2003 Budget Request	Program Changes (+/-)
\$(000)	19,398	-76
FTE	105	0

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Program Changes:

A decrease of \$0.076 million is proposed for general services efficiencies.

*Office of Surface Mining  
Reclamation and Enforcement*



*FY 2003 Budget Justification*

***BUDGET EXHIBITS***

**DEPARTMENT OF THE INTERIOR**  
**Office of Surface Mining Reclamation and Enforcement**  
**Employee Count by Grade**

	2001 Actual	2002 Estimate	2003 Estimate
Executive Level V	0	1	1
<b>Executive Subtotal</b>	<b>0</b>	<b>1</b>	<b>1</b>
ES-6	0	0	0
ES-5	3	3	3
ES-4	1	1	1
ES-3	0	0	0
ES-2	0	1	1
ES-1	1	1	1
<b>ES Subtotal</b>	<b>5</b>	<b>6</b>	<b>6</b>
GS/ GM 15	30	30	30
GS/ GM 14	62	62	62
GS/ GM 13	169	170	171
GS/ GM 12	204	206	207
GS/ GM 11	39	40	40
GS/ GM 10	1	1	1
GS/ GM 9	21	22	23
GS/ GM 8	15	15	15
GS/ GM 7	33	35	34
GS/ GM 6	21	21	21
GS/ GM 5	13	14	12
GS/ GM 4	9	9	9
GS/ GM 3	3	3	3
GS/ GM 2	2	2	2
GS/ GM 1	0	0	0
<b>Total Employee Count by Grade at end of fiscal year</b>	<b>627</b>	<b>637</b>	<b>637</b>

**Department of the Interior**  
**Office of Surface Mining Reclamation and Enforcement**  
**Regulation and Technology**  
 Program and Financing  
 (dollars in millions)

14-1801-0-1-302	2001 Actual	2002 Enacted	2003 Estimate
<b>Obligations by program activity:</b>			
00.02 Environmental Protection	87	78	79
00.03 Technology Development & Transfer	12	13	13
00.04 Financial Management	1	1	1
00.05 Executive Direction & Administration	11	12	12
09.01 Reimbursable Program	2	1	1
10.00 Total Obligations	113	105	106
<b><u>Budgetary resources available for obligation</u></b>			
21.40 Unobligated balance available, start of year: Uninvested balance	11	1	0
22.00 New budget authority (gross)	102	104	106
22.10 Resources available from recoveries of prior year obligations	2	0	0
23.90 Total budgetary resources available for obligation	115	105	106
23.95 New obligations	-113	-105	-106
24.40 Unobligated balance available, end of year: Uninvested balance	1	0	0
<b><u>New budget authority (gross), detail</u></b>			
Current:			
40.00 Appropriation (general fund)	101	103	105
Permanent:			
68.00 Spending authority from offsetting collections: Offsetting collections (cash)	1	1	1
68.90 Spending authority from offsetting collections: Offsetting collections (total discretionary)	1	1	1
70.00 total new budget authority (gross)	102	104	106

*Office of Surface Mining Reclamation and Enforcement*

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14-1801-0-1-302	2001 Actual	2002 Enacted	2003 Estimate
<b><u>Change in unpaid obligations</u></b>			
72.40 Unpaid obligations; start of year: obligated balance, start of year	27	42	37
73.10 Total new obligations	113	105	106
73.20 Total outlays (gross)	-94	-110	-108
73.40 Adjustments in expired accounts	-2	0	0
73.45 Recoveries of prior year obligations	-2	0	0
74.40 Unpaid obligations, end of year: Obligated balance, end of year	42	37	35
<b><u>Outlays (gross), detail</u></b>			
86.90 Outlays from new discretionary authority	67	71	72
86.93 Outlays from discretionary balances	26	39	36
87.00 Total outlays (gross)	94	110	108
<b><u>Offsets</u></b>			
Against gross budget authority and outlays:			
88.00 Offsetting collections (cash) from: Federal sources	1	1	1
<b><u>Net budget authority and outlays</u></b>			
89.00 Budget authority	101	103	105
90.00 Outlays	94	109	107

**Office of Surface Mining Reclamation and Enforcement**  
**Abandoned Mine Reclamation Fund**  
 Program and Financing  
 (dollars in millions)

14-5015-0-1-302	2001 Actual	2002 Enacted	2003 Estimate
<b><u>Obligations by program activity:</u></b>			
00.01 Environmental Restoration	225	207	175
00.02 Technology Development & Transfer	4	4	4
00.03 Financial Management	6	6	6
00.04 Executive Direction & Administration	7	7	7
00.06 Transfer to UMWA/Combined Benefits	182	90	70
10.00 Total Obligations	424	314	262
<b><u>Budgetary resources available for obligation</u></b>			
21.40 Unobligated balance available, start of year:	54	49	43
22.00 New budget authority (gross)	397	293	244
22.10 Resources available from recoveries	22	15	15
23.90 Total budgetary resources available for obligation	473	357	302
23.95 Total new obligations	-424	-314	-262
24.40 Unobligated balance available, end of year	49	43	40
<b><u>New budget authority (gross), detail</u></b>			
Discretionary:			
40.20 Appropriation (special fund, definite)	215	203	174
Mandatory:			
60.20 Appropriation (special fund)	182	90	70
70.00 Total new budget authority (gross)	397	293	244

*Office of Surface Mining Reclamation and Enforcement*

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14-5015-0-1-302	2001 Actual	2002 Enacted	2003 Estimate
<b><u>Change in unpaid obligations</u></b>			
Unpaid obligations, start of year:			
72.40 Obligated balance, start of year	251	311	383
73.10 Total new obligations	424	314	262
73.20 Total outlays (gross)	-434	-227	-207
73.45 Recoveries of prior year obligations	-22	-15	-15
Unpaid obligations, end of year:			
74.40 Obligated balance end of year	311	383	423
<b><u>Outlays (gross), detail</u></b>			
86.90 Outlays from new discretionary authority	161	56	48
86.93 Outlays from discretionary balances	0	81	89
86.97 Outlays from new permanent authority	182	90	70
87.00 Total outlays	343	227	207
<b><u>Net budget authority and outlays</u></b>			
89.00 Budget authority	397	293	244
90.00 Outlays	343	227	207
92.01 Total investments, start of year: par value	1,845	1,865	1,983
92.02 Total investments, end of year: par value	1,865	1,983	2,129

**Summary of Requirements by Object Class  
Regulation and Technology  
(dollars in millions)**

Object Class	FY 2002 Enacted		Uncontrollable and Related Changes		Program Changes		FY 2003 Request	
	FTE	Amount	FTE	Amount	FTE	Amount	FTE	Amount
<b>11 Personnel Compensation</b>								
11.1 Full-time Permanent	415	29		1			415	30
11.X All other salaries								
<b>Total Personnel Compensation</b>	<b>415</b>	<b>29</b>	<b>0</b>	<b>1</b>	<b>0</b>	<b>0</b>	<b>415</b>	<b>30</b>
<b><u>Other Object Classes</u></b>								
12.1 Personnel Benefits		5						5
21.0 Travel and transportation of persons		2						2
23.1 Rental Payments to GSA		3						3
23.2 Rental Payments to Others		1						1
23.3 Communications, utilities and		*						*
25.2 Other Services		4						4
25.7 Operation and maintenance of equip		1						*
26.0 Supplies and materials		1						1
31.0 Equipment		1						1
41.0 Grants, subsidies and contributions		57				1		58
99.9 Below reporting threshold								
<b>Total requirements</b>	<b>415</b>	<b>104</b>	<b>0</b>	<b>1</b>	<b>0</b>	<b>1</b>	<b>415</b>	<b>105</b>

**Summary of Requirements by Object Class  
Abandoned Mine Reclamation Fund  
(dollars in millions)**

Object Class	FY 2002 Enacted		Uncontrollable and Related Changes		Program Changes		FY 2003 Request	
	FTE	Amount	FTE	Amount	FTE	Amount	FTE	Amount
11 Personnel Compensation								
11.1 Full-Time Permanent	222	15					222	15
Total Personnel Compensation	222	15					222	15
Other Objects								
12.1 Personnel Benefits		3						3
21.0 Travel and trans of persons		1						1
23.1 Rental Payments to GSA		2						2
23.3 Communications, utilities and misc.		1						1
25.2 Other Services		53						53
31.0 Equipment		1						1
41.0 Grants, subsidies and Contributions		235						183
99.9 Below reporting threshold		3						3
<b>Total Requirements</b>	<b>222</b>	<b>314</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>222</b>	<b>262</b>

**Department of the Interior**  
**Office of Surface Mining Reclamation and Enforcement**  
**Regulation and Technology**  
 Object Classification  
 (dollars in millions)

14-1801-0-1-302	FY 2001 Actual	FY 2002 Enacted	FY 2003 Estimate
<b>Direct Obligations:</b>			
<u>Personnel Compensation:</u>			
1111 Full-time permanent	26	29	30
1113 Positions other than full-time permanent	*	*	*
1115 Other Personnel Compensation	1	*	*
1119 Total Personnel Compensation	27	29	30
1121 Personnel Benefits	5	5	5
1130 Benefits for former Personnel	*	*	*
1210 Travel and Transportation of Persons	2	2	2
1220 Transportation of Things	*	*	*
1231 Rental Payments to GSA	2	3	3
1232 Rental Payments to Others	*	1	1
1233 Communications, Utilities and Misc. Charges	1	*	*
1240 Printing and Reproduction	*	*	*
1251 Advisory and assistance services	*	*	*
1252 Other Services	2	4	4
1257 Operation and maintenance of equipment	*	1	*
1260 Supplies and Materials	1	1	1
1310 Equipment	2	1	1
1410 Grants, Subsidies and Contributions	68	57	58
1420 Insurance Claims	*	*	*
1430 Interest and Dividends	*	*	*
<i>9900 Subtotal, Direct Obligations</i>	<i>111</i>	<i>104</i>	<i>105</i>
<u>Reimbursable Obligations:</u>			
2111 Full-time permanent (Reimbursable)	1	0	0
2252 Other Services	1	1	1
<b>9999 Total Obligations</b>	<b>113</b>	<b>105</b>	<b>106</b>

**Department of the Interior**  
**Office of Surface Mining Reclamation and Enforcement**  
**Abandoned Mine Reclamation Fund**  
 Object Classification  
 (dollars in millions)

14-5015-0-1-302	FY 2001 Actual	FY 2002 Enacted	FY2003 Estimate
<b>Direct Obligations:</b>			
<u>Personnel Compensation:</u>			
1111 Full-time permanent	15	15	15
1113 Positions other than full-time permanent	*	*	*
1115 Other Personnel Compensation	*	*	*
1119 Total Personnel Compensation	15	15	15
1121 Personnel Benefits	3	3	3
1210 Travel and Transportation of Persons	1	1	1
1231 Rental Payments to GSA	2	2	2
1232 Rental Payments to Others	*	*	*
1233 Communications, Utilities and Misc. Charges	1	1	1
1252 Other Services	54	53	53
1260 Supplies and Materials	*	*	*
1310 Equipment	2	1	1
1410 Grants, Subsidies and Contributions	345	235	183
9995 Below reporting threshold	1	3	3
<i>9900 Subtotal, Direct Obligations</i>	<i>424</i>	<i>314</i>	<i>262</i>
<b>9999 Total Obligations</b>	<b>424</b>	<b>314</b>	<b>262</b>

*Office of Surface Mining  
Reclamation and Enforcement*



*FY 2003 Budget Justification*

***AUTHORIZATIONS***

30 U.S.C. 1231, 1232, 1233 and 1239 - Provides for the payment of fees and other monies into the Abandoned Mine Reclamation fund (Fund). The Fund consists of amounts deposited, from time to time, derived from reclamation fees, donations, audit recoveries, interest charges, and administrative collection fees.

The funds collected are used for the reclamation and restoration of land and water resources adversely affected by past mining. SMCRA provides for the use of the monies for the purpose of protecting public health and facilities, safety, general welfare, and property from extreme danger and adverse effects of coal mining practices; restoration of land and water resources and the environment previously degraded by adverse effects of coal mining operations. It also provides that monies in the Abandoned Mine Reclamation Fund will be used to cover the administrative expenses of the Federal Government, accomplish abandoned mine reclamation and develop guidelines on the distribution of monies in the Fund.

30 U.S.C. 1257, as amended by Public Laws 101-508 and 102-486 - Provide for the regulatory authority to designate a qualified laboratory to obtain technical information and prepare technical findings required by the operator for the permit application, and for the regulatory authority to assume the cost for such services. Further, the Act provides for the Secretary to provide or assume the cost of training for regulatory program compliance and permit application preparation for eligible small operators.

30 U.S.C. 1252, 1253, 1254, 1271, 1272, 1273, 1295, 1300, 1302 - These sections provide for aid to all primacy States for maintaining approved regulatory programs and evaluation of the States= performance in doing so; monitoring implementation of the grant programs; small operator assistance programs; and for regulatory programs in States without approved programs, on Federal lands and on Indian lands; processing of permit applications and mine plans for Federal lands operations; designating of lands unsuitable for surface mining through technical reviews; scientific/engineering support and technical training for States operating approved permanent programs and federally administered programs; initiation of technical studies; issuance of technical publications; approval of experimental practices to meet the needs of approved State programs and federally-administered programs; preparation of environmental assessments and impact statements for permits and other actions; and training of OSM staff and State staff to enable these agencies to more effectively carry out the provisions of the act.

30 U.S.C. 1260, 1268 - These sections provide for the assessment and collection of penalties levied for violations of the Act, and for the denial of permits to those with unabated violations or unpaid penalties.

*Office of Surface Mining  
Reclamation and Enforcement*



*FY 2003 Budget Justification*

***AML  
ACCOMPLISHMENTS***

*Office of Surface Mining Reclamation and Enforcement*

**1978-2001 ABANDONED MINE LAND RECLAMATION ACCOMPLISHMENTS**

*Priority 1 and 2 Coal and Non-Coal Problems (Protection of Public Health, Safety, and General Welfare) and State Emergency Projects*

	Clogged Streams <sup>1</sup>	Clogged Stream Lands <sup>2</sup>	Dangerous Highwalls <sup>3</sup>	Dangerous Impoundments <sup>4</sup>	Dangerous Pile & Embankments <sup>2</sup>	Dangerous Slides <sup>2</sup>	Dangerous Gases <sup>4</sup>	Hazardous Equipment & Facilities <sup>4</sup>	Hazardous Water Bodies <sup>4</sup>	Industrial/Residential Waste <sup>2</sup>	Portals <sup>4</sup>	Polluted Water: Agriculture & Industrial <sup>4</sup>	Polluted Water: Human Consumption <sup>4</sup>	Subsidence <sup>2</sup>	Surface Burning <sup>2</sup>	Underground Mine Fires <sup>2</sup>	Vertical Openings <sup>4</sup>
Alaska	0.0	0.0	7,090.0	4.0	6.0	0.0	0.0	70.0	2.0	4.0	19.0	0.0	0.0	0.0	0.0	0.0	36.0
Alabama	2.0	162.0	200,850.0	1.0	1,444.0	21.0	0.0	457.0	63.0	24.0	988.0	1.0	13.0	21.0	68.0	0.0	372.0
Arkansas	1.0	0.0	54,626.0	1.0	751.0	0.0	0.0	1.0	68.0	21.0	24.0	0.0	0.0	11.0	4.0	0.0	102.0
California	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	29.0	0.0	0.0	1.0	0.0	0.0	39.0
CERT Tribes	0.0	0.0	5,070.0	0.0	100,019.0	0.0	0.0	6.0	2.0	0.0	51.0	0.0	0.0	31.0	0.0	0.0	17.0
Colorado	0.0	0.0	52,142.0	0.0	29.0	0.0	0.0	1.0	0.0	2.0	2,013.0	3.0	0.0	48.0	35.0	159.0	2,833.0
Crow Tribe	0.0	1.0	2,267.0	1.0	58.0	23.0	0.0	32.0	1.0	0.0	14.0	3.0	0.0	16.0	0.0	0.0	5.0
Georgia	0.0	0.0	9,150.0	3.0	3.0	0.0	0.0	0.0	0.0	0.0	112.0	0.0	1.0	0.0	0.0	0.0	11.0
Hopi Tribe	0.0	0.0	11,662.0	0.0	0.0	0.0	0.0	8.0	0.0	0.0	9.0	0.0	0.0	0.0	0.0	0.0	2.0
Iowa	7.0	628.0	55,010.0	3.0	814.0	0.0	0.0	4.0	22.0	11.0	1.0	12.0	2.0	2.0	0.0	0.0	20.0
Idaho	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Illinois	20.0	1,290.0	21,581.0	7.0	228.0	3.0	20.0	293.0	2.0	71.0	177.0	11.0	1.0	67.0	43.0	0.0	1,034.0
Indiana	14	121	117515	6	717	1	3	95	7	32	68	9	9	126	10	0	330
Kansas	1	9	117972	1	109	2	0	2	1	24	1	3	0	24	5	0	770
Kentucky	43	8749	22555	101	395	1964	0	201	28	28	1535	6	4608	50	214	83	122
Maryland	5	50	44030	1	197	66	0	22	20	32	34	23	6	15	0	0	6
Michigan	0	0	950	0	0	0	0	7	2	0	0	0	1	0	8	0	39
Missouri	11	1434	65902	6	479	0	0	27	11	71	35	33	15	4	19	7	126
Montana	8	77	18310	3	169	1	1	214	1	325	1051	17	12	493	302	69	576
Navajo Nation	0	1	39146	4	169	7	0	4	0	5	480	4	0	7	3	0	158
North Carolina	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	5
North Dakota	0	0	51329	4	303	35	0	14	18	2	13	6	0	1230	1	0	88
New Mexico	0	1	0	0	9	0	0	17	0	0	430	4	1	35	35	32	638
Ohio	33	5050	40359	7	96	366	4	43	8	34	222	2	40	74	81	3	174
Oklahoma	12	0	209164	0	0	0	0	13	176	6	152	3	3	9	0	0	97
Oregon	0	0	0	0	0	0	0	3	0	0	12	0	0	0	0	0	3
Pennsylvania	92	140	654826	44	556	37	0	307	115	17	250	2	31	2396	122	915	469
Rhode Island	0	0	0	0	0	0	0	0	0	0	0	0	0	6	0	0	0
South Dakota	0	0	135	0	0	0	0	4	0	0	5	0	0	1	0	0	1
Tennessee	0	147	22555	0	388	57	0	31	31	13	192	5	6	6	28	0	10
Texas	0	0	42115	0	1359	0	0	0	14	0	58	0	0	6	0	0	335
Utah	14	9	3425	1	138	0	19	155	0	2	2206	2	0	184	43	29	795
Virginia	72	838	24888	20	259	223	0	216	2	2	910	0	1584	8	40	0	99
Washington	0	0	0	0	3	0	0	7	0	0	30	0	0	6	15	0	74
West Virginia	44	150	188677	452	3910	475	4	475	6	35	1956	36	6975	250	430	19	129
Wyoming	114	1634	483141	136	1924	25	0	179	371	29	499	3	0	1111	12	41	564
<b>Total</b>	<b>493</b>	<b>20491</b>	<b>2566442</b>	<b>806</b>	<b>114532</b>	<b>3306</b>	<b>51</b>	<b>2908</b>	<b>971</b>	<b>790</b>	<b>13576</b>	<b>188</b>	<b>13308</b>	<b>6238</b>	<b>1518</b>	<b>1357</b>	<b>10079</b>

*Office of Surface Mining Reclamation and Enforcement*

**1978-2001 ABANDONED MINE LAND RECLAMATION ACCOMPLISHMENTS  
Priority 3 (Environmental Restoration)**

	Bench <sup>2</sup>	Industrial/Residential Waste <sup>2</sup>	Equipment/Facility <sup>4</sup>	Gobs <sup>2</sup>	Highwalls <sup>3</sup>	Haul Road <sup>2</sup>	Mine Openings <sup>4</sup>	Pits <sup>2</sup>	Spoil Area <sup>2</sup>	Slurry <sup>2</sup>	Slump <sup>2</sup>	Water Problems <sup>5</sup>
Alaska	0	0	0	7	0	0	0	0	47	9	0	0
Alabama	23	14	8	229	31,135	2	48	0	8,784	5	12	379
Arkansas	0	0	0	0	0	0	0	0	8	0	0	0
CERT Tribes	0	0	2	4	1,500	0	1	7	80	0	0	0
Colorado	3	5	7	159	2,028	0	18	83	829	0	0	1
Crow	5	0	0	26	2,295	13	1	18	26	0	5	0
Georgia	3	0	0	3	400	0	0	3	7	0	0	0
Hopi Tribe	0	0	0	25	51	15	0	10	10	0	0	0
Iowa	0	1	0	1	800	5	1	19	440	0	0	0
Illinois	1	6	145	2,382	10,480	177	58	568	1,868	1,112	1	821
Indiana	0	71	167	1,250	10,516	63	18	67	1,619	687	2	1,200,112
Kansas	0	0	1	89	3,200	0	0	23	316	10	0	0
Kentucky	624	0	53	232	2,000	0	69	4	1,031	58	5	0
Maryland	7	1	2	56	4,535	2	6	22	263	0	1	88
Michigan	0	0	1	27	0	1	0	1	10	0	11	0
Missouri	0	3	4	142	16,824	1	0	92	1,341	69	0	86
Montana	1	76	58	147	1,170	1	230	34	871	0	19	2,741
Navajo Nation	24	1	2	134	280	46	46	38	265	0	0	0
North Dakota	0	0	0	0	0	0	0	0	0	0	0	0
New Mexico	3	0	11	60	0	6	4	2	2	2	0	0
Ohio	0	0	3	126	9,620	0	19	17	411	0	0	0
Oklahoma	0	0	0	0	0	0	0	0	0	0	0	0
Oregon	0	0	0	0	0	0	1	0	0	0	0	0
Pennsylvania	0	0	21	52	5,108	0	19	78	1,711	1	26	90,330
Tennessee	76	0	15	67	130	8	0	47	333	0	4	360
Texas	0	0	0	8	0	0	0	0	348	0	0	0
Utah	4	7	64	255	550	3	0	8	55	1	16	20
Virginia	0	1	25	20	13,000	1	52	0	3	0	0	120
West Virginia	0	0	0	51	19,540	0	4	5	178	0	0	622
Wyoming	0	0	0	39	0	91	0	7,072	8,017	199	0	0
<b>Total</b>	<b>774</b>	<b>186</b>	<b>589</b>	<b>5,591</b>	<b>135,162</b>	<b>435</b>	<b>595</b>	<b>8,218</b>	<b>28,873</b>	<b>2,153</b>	<b>102</b>	<b>1,295,680</b>

<sup>1</sup> Miles    <sup>2</sup> Acres    <sup>3</sup> Feet    <sup>4</sup> Count    <sup>5</sup> Gallons/minute

*Office of Surface Mining  
Reclamation and Enforcement*



*FY 2003 Budget Justification*

***BY STATE  
INFORMATION***

*Office of Surface Mining Reclamation and Enforcement*

**By State and Tribe Funding Data**  
**FY 2001 Obligations for Grants, Cooperative Agreements and Federal Project Spending**  
*(Dollars in Thousands)*

STATE	Environmental Restoration				Environmental Protection			Tech. Dev. & Trans	
	AML Funding		Federal Reclamation			Regulatory		SOAP	
TRIBE				Program		Grants/Agreements			TOTAL
	Reclamation	Emergency	Clean	High Priority	Emergency	Non-Federal	Federal		
	Projects	Projects	Streams	Projects	Projects	Lands	Lands		
Alabama	3,602	400	290			974	14	55	5,335
Alaska	2,912	25				178			3,115
Arkansas	1,600	15				130			1,745
California				50					50
Colorado	2,871				23	491	1,356		4,741
Georgia				278					278
Illinois	10,974	780	736			2,568	115		15,173
Indiana	6,916	328	324			1,864			9,432
Iowa	1,615		173		39	146			1,973
Kansas	1,615	465				137			2,217
Kentucky	18,171		723		3,491	12,409	487	1,032	36,313
Louisiana	141					189			330
Maryland	868		164		20	487		35	1,574
Michigan					2				2
Mississippi						116			116
Missouri	1,836	50	172			491			2,549
Montana	3,847	125				223	738		4,933
New Mexico	5,304					267	422		5,993
North Dakota	1,706	100				274	213		2,293
Ohio	7,359	2,300	499			1,600		80	11,838
Oklahoma	1,600	60	153			697	391		2,901
Pennsylvania	40,231		2,098		1,950	11,223		225	55,727
Rhode Island					159				159
South Dakota									0
Tennessee				2,300	11				2,311
Texas	1,653					1,498			3,151
Utah	2,097					257	1,508		3,862
Virginia	4,316	2,050	309			3,333	4		10,012
Washington				213	200				413
West Virginia	23,113	3,500	1,259			8,143		225	36,240
Wyoming	29,185					234	1,719		31,138
Crow	686					63			749
Hopi	2,843					167			3,010
Navajo	4,271					433			4,704
N. Cheyenne						15			15
Total	181,332	10,198	6,900	2,841	5,895	48,607	6,967	1,652	264,392