

1997 Annual Report

**TABLE 12
ABANDONED MINE LAND FEE COLLECTIONS AND FUNDING
1997**

State/Tribe	AML Collections	State Share Distribution ¹	Federal Share Distribution ¹	Emergency Distribution ¹	Total Distribution ¹
Alabama	\$4,851,677	\$1,975,950	\$1,499,331	\$300,000	\$3,775,281
Alaska	488,718	161,371	1,338,629	25,000	1,525,000
Arkansas	4,965	0	1,500,000	13,000	1,513,000
Colorado	5,963,323	1,465,692	730,697	0	2,196,389
Illinois	7,943,781	2,995,766	5,554,491	588,970	9,139,227
Indiana	10,411,785	3,178,937	1,808,368	247,998	5,235,303
Iowa	(1,498)	8,578	1,491,422	0	1,500,000
Kansas	119,335	46,360	1,453,640	450,000	1,950,000
Kentucky	34,667,136	10,726,006	5,443,753	0	16,169,759
Louisiana	347,709	94,703	0	0	94,703
Maryland	780,778	315,490	1,184,510	0	1,500,000
Missouri	240,766	152,216	1,347,784	0	1,500,000
Montana	11,567,223	3,542,623	0	125,000	3,667,623
New Mexico	5,435,569	1,360,695	177,642	0	1,538,337
North Dakota	2,943,505	905,112	594,888	50,000	1,550,000
Ohio	6,776,572	2,830,472	3,404,974	2,240,000	8,475,446
Oklahoma	513,080	188,766	1,311,234	0	1,500,000
Pennsylvania	13,774,589	4,661,876	17,954,870	0	22,616,746
Tennessee	867,468	0	0	0	0
Texas	5,410,906	1,568,195	0	0	1,568,195
Utah	4,042,767	995,928	504,072	0	1,500,000
Virginia	7,345,660	2,594,372	1,670,858	500,000	4,765,230
Washington	1,409,330	0	0	0	0
West Virginia ²	37,031,480	10,482,615	10,319,037	1,704,032	22,505,684
Wyoming	93,924,310	22,020,872	0	0	22,020,872
Crow Tribe	1,944,478	463,527	0	0	463,527
Hopi Tribe	1,201,646	430,504	0	0	430,504
Navajo Tribe	6,776,799	2,974,174	0	0	2,974,174
Total	\$266,783,857	\$76,140,800	\$59,290,200	\$6,244,000	\$141,675,000

1. The term "Distribution" is now used instead of "Allocation." Allocation refers to the "pooling" of monies collected for the AML Fund. State and federal share distribution amounts are based on formulas and parameters provided annually by the Assistant Director, Program Support. Emergency distribution amounts are based on estimates provided by the states and approved by the Deputy Director.

2. The state of West Virginia received an additional \$3,733,543 from an account that was recovered from prior years and carried forward for future emergency needs. West Virginia's total emergency funding is \$5,437,575.

In 1996, \$47.2 million was transferred and in 1997, \$31.4 million was transferred. These transfers are used to pay the estimated health benefit costs for certain coal miners and their beneficiaries paid by the Fund. Once all benefits have been paid, the advance is adjusted to reflect the actual expense of the beneficiaries health care. These adjustments either increase or decrease future advances. The adjustment process is a two-year process during which time the transferred funds are not available to the Abandoned Mine Land Fund for investment.

The Surface Mining Law also requires the Office of Surface Mining to ensure active coal operators fully comply with the fee provisions. Accordingly, the primary goal in this area is to achieve a high rate of compliance. In 1997, the compliance rate for tonnage reporting and fee payment was 99 percent, which resulted in more than \$267 million in revenue for the Fund. To achieve this rate of success, it is necessary for the Office of Surface Mining to

- track all mines that have the potential of producing coal,
- provide coal mine operators with the information and assistance needed to comply, and
- Conduct a comprehensive audit program.

During 1997, Office of Surface Mining auditors conducted 350 on-site fee compliance audits of coal companies, and identified 5.5 million under-reported or non-reported tons on which fees had not been paid. When such instances of non-compliance are found, the auditors explain each issue and how similar occurrences can be avoided in the future. The high compliance rate can be attributed to this cooperative approach and the overall efficiency of the audit and collection program. Most important, the compliance increased collections by over \$10 million from 1996-1997.

A 1997 Office of Inspector General report on the Office of Surface Mining's fee compliance program, including both the fee collection and audit functions, concluded that the activities were conducted in a highly efficient and effective manner and in accordance with the Surface Mining Law. Those conclusions reflect the Office of Surface Mining's emphasis on the best possible execution of this vital program that provides the funding for state, tribal, and federal Abandoned Mine Land reclamation throughout the country.

investing in certain market-based securities issued by the U.S. Treasury, such as bills, notes, bonds, and one-day certificates. Total investment earnings for 1997 were \$89.4 million. The average interest earned during the year was 5.03 percent. At the end of the year, the Office of Surface Mining had more than \$1.5 billion invested in Treasury securities. The Energy Policy Act of 1992 (Public Law 102-486) stipulated that investment earnings would be available annually for transfer to the United Mine Workers of America Combined Benefit Fund beginning in 1996.