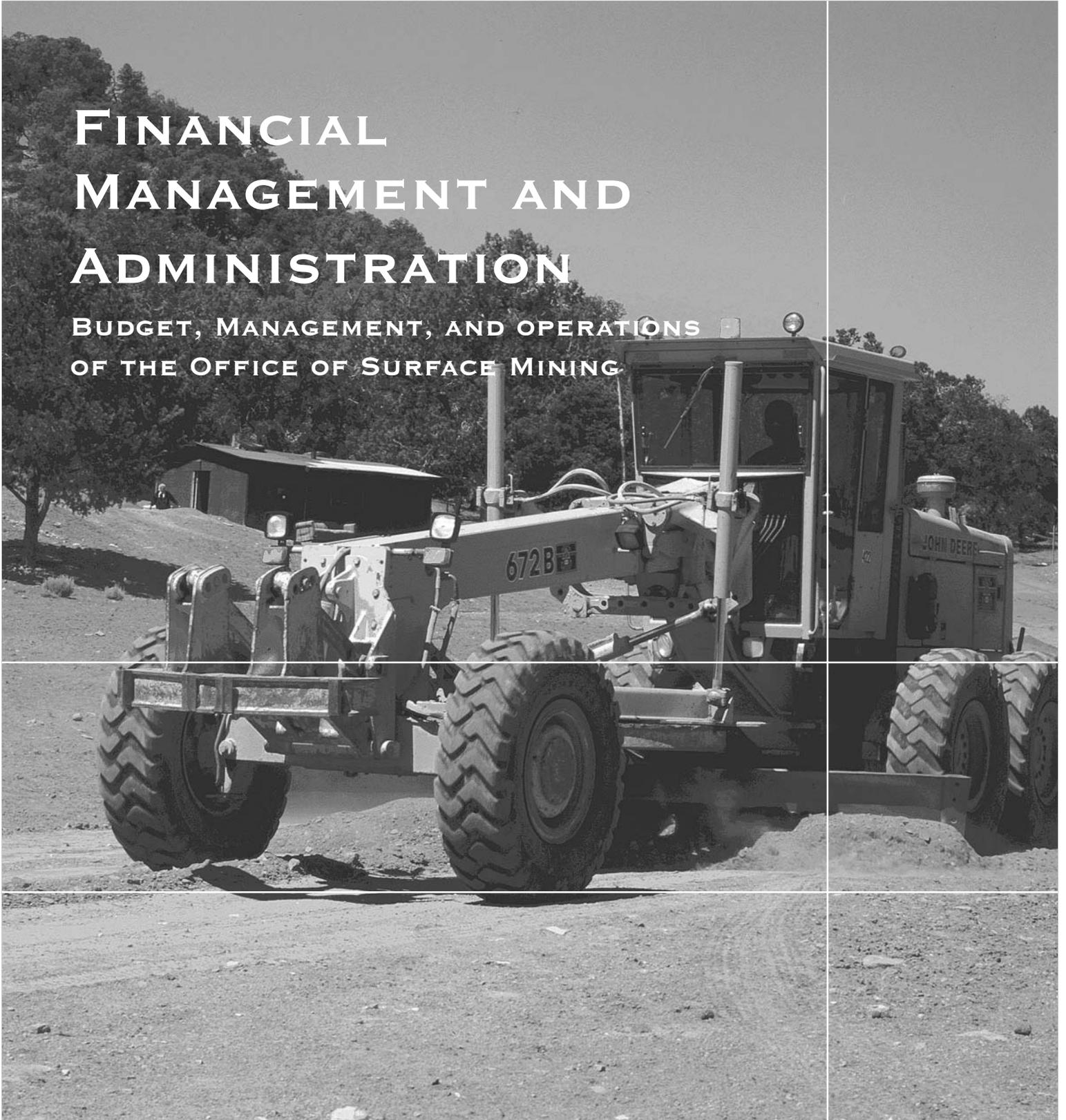


FINANCIAL MANAGEMENT AND ADMINISTRATION

BUDGET, MANAGEMENT, AND OPERATIONS
OF THE OFFICE OF SURFACE MINING



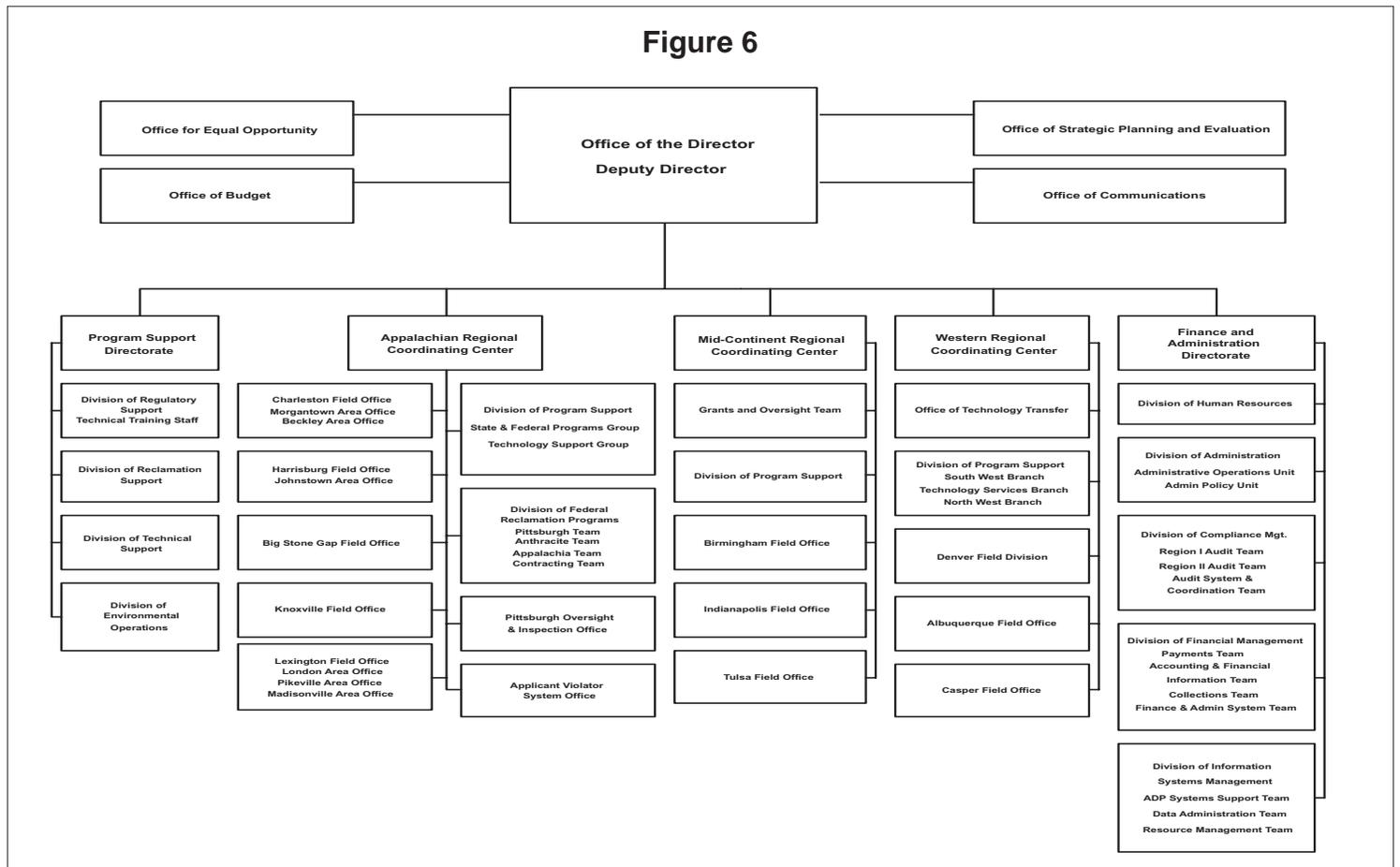
Since 1977, protecting the environment during coal mining and making sure the land is reclaimed after the coal is removed have been required by the Surface Mining Law. Making sure those requirements are met is the responsibility of the Office of Surface Mining. Functionally, the agency is organized around the two principal requirements of the Surface Mining Law: reclaiming abandoned mines and regulating active coal mining.

Organization

The Office of Surface Mining is field-oriented, with headquarters in Washington, D.C. Three regional coordi-

nating centers (Pittsburgh, Pennsylvania; Alton, Illinois; and Denver, Colorado) provide technical assistance to the field offices, states, and tribes. Ten field offices (Albuquerque, New Mexico; Big Stone Gap, Virginia; Birmingham, Alabama; Casper, Wyoming; Charleston, West Virginia; Harrisburg, Pennsylvania; Indianapolis, Indiana; Knoxville, Tennessee; Lexington, Kentucky; and Tulsa, Oklahoma), and six area offices (Beckley, West Virginia; Johnstown, Pennsylvania; London, Kentucky; Madisonville, Kentucky; Morgantown, West Virginia; and Pikeville, Kentucky) located where coal mining is most active, are responsible for the on-the-ground regulation and oversight (see figure 6). The Office of Surface Mining also maintains a financial

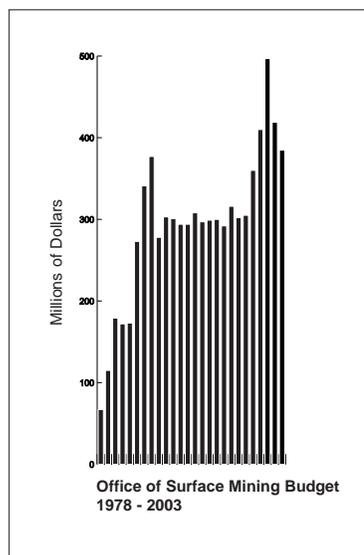
Figure 6



(Left) Mining on the Navajo and Hopi reservation has evolved into a close partnership between the company and the residents. One example is the extensive road system that spans more than 150 miles within and adjacent to the mine lease area. These roads provide access for mining vehicles and residents. The paved roads are maintained year-round and unpaved roads are graded on a regular basis.

management office in Denver, Colorado; an Anthracite Office in Wilkes-Barre, Pennsylvania; Appalachia Abandoned Mine Land Office in Ashland, Kentucky; and Oversight and Inspection Offices in Columbus, Ohio and Olympia, Washington.

Budget and Appropriations



The Department of the Interior and Related Agencies Appropriations Act of 2003 (Public Law 108-7) appropriated

\$105,092,000 from the General Fund for the Office of Surface Mining's regulation and technology activities

(\$2,292,000 more than 2002). Also, \$191,745,000 was made available for obligation from the Abandoned Mine Reclamation Fund (\$11,710,000 less than 2002). That same public law reduced \$683,098 and \$1,246,343 from the Regulation and Technology and the Abandoned Mine Land appropriations respectively for the purpose of a "government-wide" reduction. And, as authorized by Public Law 108-7, \$89,858,283 of interest was transferred to the United Mine Workers of America Combined Benefit Fund (see Table 13).

TABLE 13: APPROPRIATIONS¹

	2003	2002
Regulation & Technology		
Environmental Restoration	160,947	157,400
Environmental Protection	78,644,467	77,743,965
<i>Regulatory Grants</i>	<i>(57,200,763)</i>	<i>(56,575,000)</i>
Technology Development & Transfer	12,511,146	12,549,616
Financial Management	481,847	445,037
Executive Direction & Administration		
<i>Executive Direction</i>	<i>(2,401,289)</i>	<i>(2,346,529)</i>
<i>Administrative Support</i>	<i>(4,249,200)</i>	<i>(3,995,441)</i>
<i>General Services</i>	<i>(5,960,006)</i>	<i>(5,521,012)</i>
Subtotal:	104,408,902	102,759,000
Abandoned Mine Reclamation Fund		
Environmental Restoration	16,501,042	27,112,000
<i>Reclamation Grants</i>	<i>(158,547,698)</i>	<i>(159,585,000)</i>
Environmental Protection	0	0
Technology Development & Transfer	2,649,665	4,118,000
Financial Management	6,138,836	6,070,000
Executive Direction & Administration		
<i>Executive Direction</i>	<i>(1,304,465)</i>	<i>(1,269,100)</i>
<i>Administrative Support</i>	<i>(2,173,778)</i>	<i>(2,160,900)</i>
<i>General Services</i>	<i>(3,183,174)</i>	<i>(3,122,000)</i>
Subtotal:	190,498,658	203,437,000
Legislated Office of Surface Mining Budget	294,907,560	306,196,000
Legislated Transfer to United Mine Workers Fund	89,858,283	113,681,198
Total	384,765,843	419,877,198

1. The appropriation figures for both years include reprogramming, transfers, and rescissions.

The 2003 Regulation and Technology appropriation included the following provisions:

- Where the Office of Surface Mining is the regulatory authority, proceeds of performance bonds forfeited under Section 509 of Surface Mining Law can be used to reclaim lands where the mine operator did not meet all the requirements of the Law and the permit. In 2003, this resulted in revenue collections of \$22,073.
- Federal civil penalties and related interest collected under Section 518 of Surface Mining Law can be used to reclaim coal mine lands abandoned after August 3, 1977. In 2003, \$97,320 in civil penalties was collected. Of that amount, \$96,413 (base penalty and interest) was deposited

into the Civil Penalty Fund for reclamation purposes, while \$907 (penalties and administrative charges) was transferred to Treasury. During 2003, \$80,965 from this fund was obligated for post-Surface Mining Law reclamation projects.

- State regulatory program grants were funded at \$57,575,000 which was \$1,000,000 more than 2002. These grants are used to fund state regulatory program payroll and other operational costs.

The Abandoned Mine Land appropriation included the following provisions:

- State reclamation grants were funded at \$159,585,000, which was the same amount appropriated in 2002.

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

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

- Federally administered emergency reclamation project expenditures were limited to \$11,000,000, which was the same amount appropriated in 2002.

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

All appropriation provisions were met.

Financial Management

The Office of Surface Mining financial management includes three principal activities: Fee Compliance, Grants Management, and Revenue Management.

Fee Compliance

Fee Compliance includes the collection, accounting, audit, investment of Abandoned Mine Land Reclamation fees, assistance to operators on compliance matters, and regulatory and policy development on fee issues. During 2003 direct program costs were only about two percent of collections.

The current balance owed by coal companies is \$3,002,726. Of this amount, the Office of Surface Mining assigned \$745,789 to the Office of the Solicitor for legal action and referred \$300,700 to the Department of Treasury because the Office of Surface Mining had exhausted all debt collection avenues. The remaining \$1,956,238 is going through the appeal process, payment plans, or initial debt collection procedures. Table 14 summarizes collections management. Although the Office of Surface Mining is working to eliminate noncompliance, some level of noncompliance will probably always occur as a result of company errors and financial difficulties.

TABLE 14: COLLECTIONS MANAGEMENT

Category	Amount Collected	Balance Owed
AML Fees ¹	\$282,554,597	\$2,728,591
Civil Penalties	\$97,320	\$274,135
Administrative	0	0
Total	\$282,651,917	\$3,002,726

1. Abandoned Mine Land Fees & Audits

Grants Management

Grants management includes the accounting, disbursement, and reporting on grants awarded to states and tribes for Abandoned Mine Land and regulatory grants. All states and tribes have remote access to the Office of Surface Mining or U.S. Treasury systems to request payments. They receive those payments the next business day. Grant recipients can also access on-line reports maintained by the Office of Surface Mining so they can track their grant activity. During 2003, the Office of Surface Mining provided \$239,981,073 of grants to the states and Indian tribes.

Revenue Management

Revenue management involves managing a variety of non-fee revenues and receivables that come from Office of Surface Mining's operations. These include the accounting and collection of revenue for civil penalties issued for mining violations, bond forfeitures by federally permitted mining companies, and fees for mine permit reviews and blaster certification training. During 2003, \$97,320 was collected in civil penalties. The amount collected is low due to the good financial condition of the companies that incur civil penalties, i.e. companies that are in good financial condition fix their violations and incur relatively small penalties.

Administrative Accounting

The Office of Surface Mining also performs accounting functions needed by program offices to implement the Surface Mining Law. This includes paying bills, accounting for expenditures, issuing financial management reports, assuring that expenditures are within allocations, collecting administrative debts, and maintaining computer systems that support these functions.

Audited Financial Statements

Since 1990, the Office of Surface Mining has prepared an annual financial statement, as required by the Chief Financial Officers Act of 1990 (Public Law 101-576). In 2003, KPMG LLP audited the financial statements included in this report and gave the Office of Surface Mining its 13th consecutive "clean" audit opinion. This means that Office of Surface Mining financial results are fairly stated and conform to generally accepted accounting principles for federal agencies.

Cost Accounting

The Office of Surface Mining continued to enhance its cost accounting in 2003, by providing fiscal year comparative data for each program, graphical representation of costs for all programs, supporting data depicting direct charges, overhead and allocation, and summary level program activities to facilitate cost comparison between offices and regions.

Electronic Funds Transfer

The Office of Surface Mining continued to emphasize compliance with the Electronic Funds Transfer provisions of the Debt Collection Improvement Act of 1996. The Office of Surface Mining transmitted 99.95 percent of vendor payments and 100 percent of miscellaneous payments electronically in 2003, for a total of 100 percent of all dollars paid.

Integrated Charge Card

During 2003 use of the Integrated Charge Card included 11,352 transactions and \$ 3,107,771 was spent, covering 14 percent of all vendor dollars disbursed.

E-Government Initiatives

The Office of Surface Mining is working on expanding electronic government, one of the President's five Management Agenda goals for improving federal management and delivering results that matter to the American people. Initiatives in this area include:

■ **Electronic-filing of quarterly Coal Reclamation Fee Reports (OSM-1 Forms).** Electronic filing can be accomplished using a website where coal companies file their quarterly Coal Reclamation Fee Reports (OSM-1 Forms). The E-filing system streamlines reporting, lowers costs, and reduces the dependency on paper-based processes. Currently approximately 27 percent of the companies file on-line, reporting 68.9 percent of the total reclamation fees.

■ **Treasury Department's Pay.gov.** Coal companies can also pay the quarterly coal reclamation fees to the Office of Surface Mining using the Internet. Companies schedule their payments using the Office of Surface Mining's E-filing system and Treasury's Pay.gov system. During 2003, 103 companies used Pay.gov to make payments of \$21 million or 30.6 percent of the reclamation fees collected.

■ **Single Source Coal Reporting.** The Office of Surface Mining modified its E-Filing website to allow companies to report excise taxes to the Internal Revenue Service, and safety and production data to the Mine Health and Safety Administration and the Commonwealth of Pennsylvania, while filing quarterly Coal Reclamation Fee Reports with the Office of Surface Mining. The system consolidates reporting to multiple agencies and reduces redundant reporting. Since the Single Source Coal Reporting pilot program began in January 2003, twenty-one companies have tested the system's various filing options. Of the companies that participated, 81 percent reported that it was either substantially easier to use than filing each form separately, or somewhat easier to use. Currently, the Single Source Coal Reporting option is available only through the pilot program. A comprehensive filing system is being evaluated under the Business Gateway Initiative led by the Small Business Administration.

Information Technology

The Office of Surface Mining continues to use information technology to improve efficiency and provide accurate and up-to-date information. During 2003 the security of the agency's automated information systems and telecommunications network (including both the Wide and Local Area Networks) have been significantly improved. These improvements reduced security threats and improved the integrity of automated information systems through increased network perimeter security; issuance of an updated security policy; upgrading and purchasing additional security software; increased frequency of network security vulnerability scans; increased security training for management and staff; implementing a Virtual Private Network; and improving the password security policy. In addition, the agency has improved its firewall software, implemented better Intrusion Detection Software, met the Office of Management and Budget A130 requirements for certification and accreditation of information systems in Washington, D.C. Headquarters and the Financial Management office in Denver, Colorado, and is moving toward a common Enterprise Environment.

Human Resources Management

Automated Recruitment

During 2003, the QuickHire Automated Recruitment, Rating and Ranking System (SMART), continued to be a significant tool for the Division of Human Resources. In 40 months of use the Office of Surface Mining has attracted over 11,000 applicants to its jobs despite being in a hiring freeze. Using this system more diverse candidates are being attracted. Currently, more than 40 percent are minority candidates and over 50 percent are women.

Minority Recruitment

The Office of Surface Mining continues to extend outreach to the minority community to gain a more diverse applicant pool and greater interest in working for

the Office of Surface Mining. Staff attended various minority based conferences and colleges and met with members of the minority community and minority business. Efforts were continued with the Interior Department to encourage a unified approach to attract more candidates and save the individual bureaus travel costs. This effort will be expanded in 2004 as part of the Bureau Work force Plan.

Competitive Sourcing

The Office of Surface Mining completed an analysis on 50 percent of the positions in its 2000 Competitive Sourcing Inventory using the Javitts Wagner O'Day preferred source program. In addition, the Competitive Sourcing Study results have been linked with the Work Force Plan and Competitive Sourcing Study is currently in the process of being implemented.

Succession Planning

As part of the succession planning process that was started three years ago, staff worked with the Interior Department's Human Resources Work force Planning subcommittee to develop plans for each division of the Office of Surface Mining.

Retirement calculations and counseling sessions continued during 2003, and 106 employees were eligible for immediate retirement, with approximately 70 percent being employed outside of Washington, D.C. Over twice that number are currently eligible for early retirement which means they will be eligible for immediate retirement within the next few years. Almost 80 percent of the second group are employed outside of Washington, D.C. Many employees requested multiple retirement calculations and associated actions, such as military payback, in order to prepare for and make decisions about retirement.

Monitoring Potential Conflicts of Interest

Sections 201(f) and 517(g) of the Surface Mining Law prohibits any federal or state employee "performing any function or duty under this Act" from having "direct or indirect financial interests in underground or surface coal mining operations." The Office of Surface Mining monitors compliance to prevent conflicts with an employee's official duties. In 2002¹⁵, 611 Office of Surface Mining, 585 other federal, and 1,684 state employees filed financial disclosure statements. One violation was identified and resolved by the head of the state regulatory authority. In addition, 309 Office of Surface Mining employees received annual ethics training.

Labor Management Partnership

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

Equal Opportunity

The Office of Surface Mining instituted a hiring freeze, effective July 11, 2002. As a result, only limited improvement was achieved in the representation of women, minorities, and persons with disabilities. Nevertheless, there were encouraging improvements and during 2003, one Hispanic female was converted from a student position to a permanent employee, and 12 White females and 14 minorities were promoted. One of the promotions included an African American female to the GS-15 level. Prior to this promotion, excluding the Office of Surface Mining's Deputy Director, there were no African American females at the GS-15 or above level. In spite of these small but positive gains, separations continue to have a negative impact on the work force. For example,

15. Data for 2002 are reported here because 2003 federal statistics will not be available until January 2004 and state statistics until May 2004.

29 employees left the Office of Surface Mining during the year. This included 10 White females and 4 minorities.

The Office of Surface Mining strives for a diverse work force that is free from illegal discrimination. As a result, pertinent Equal Employment Opportunity training has been provided to managers and employees throughout the year. The training, which focused on Diversity, Alternative Dispute Resolution (ADR), the prevention of Sexual Harassment, Sexual Orientation and Complaints processing, received positive feedback from the participants.

Alternative Dispute Resolution continues to play a major role in resolving informal complaints. As a result, more than a third of the employees that received training used it for conflict resolution. During 2003, only five employees were counseled due to allegations of discrimination. As in the past, this decrease in the Equal Employment Opportunity counseling can be attributed to training in conflict resolution skills. In addition to employees, all counselors received 32 hours of training in conflict resolution. This training enabled them to better address disputes raised by employees.

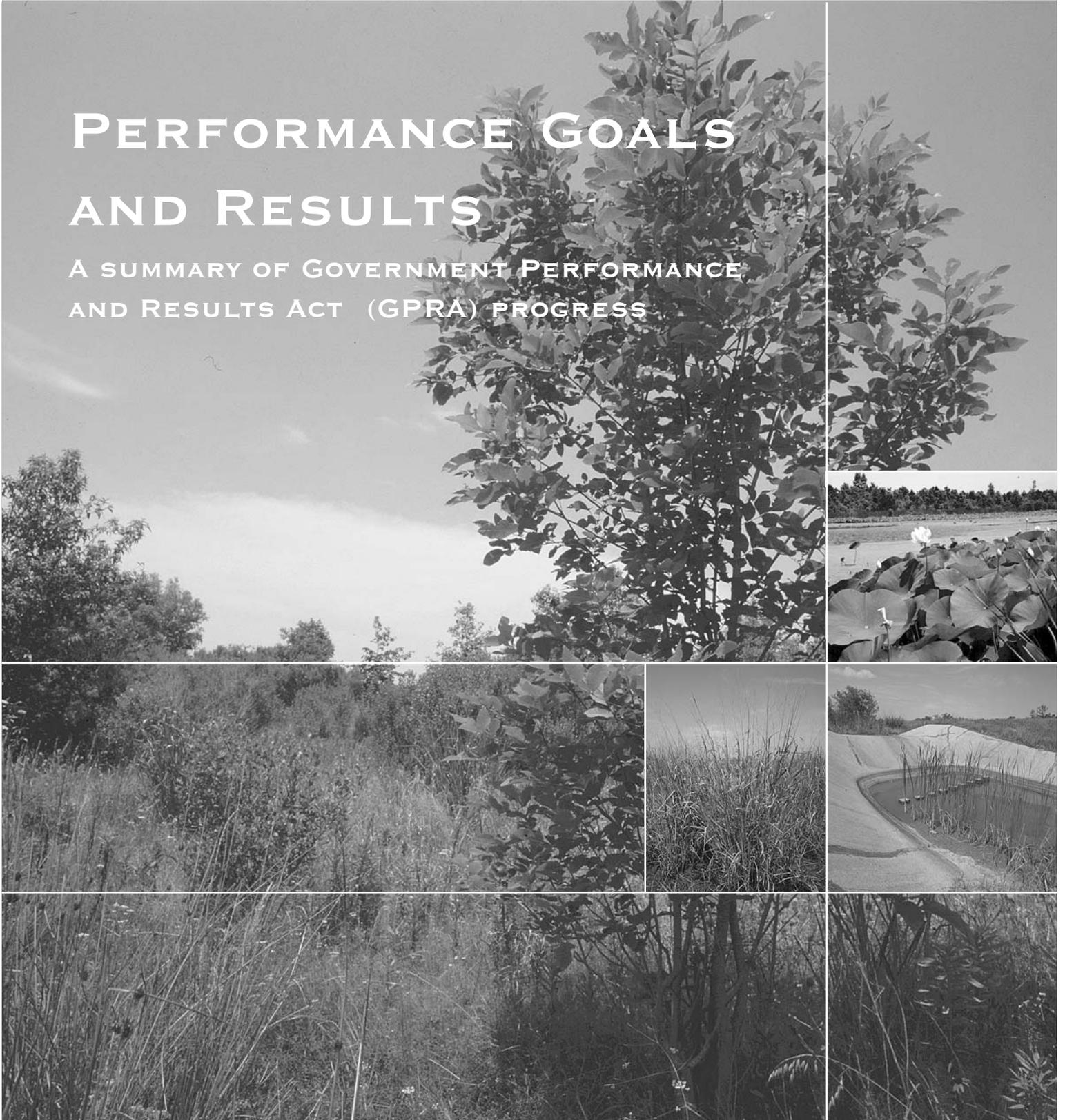
During the 2003, only two discrimination complaints were filed against the Office of Surface Mining. This number represents a 75 percent decrease over the previous year. This very impressive decrease can be attributed to a concerted management effort to resolve disputes at the earliest possible stage of the complaints process. At the end of the year the total case load was reduced by 43 percent.

In addition, during African American Heritage Month, the Office of Surface Mining sponsored an outstanding art exhibit titled, *Working in the Seams: An Initial Photographic View into African American Coal Culture of Southern Illinois*. The exhibit included more than 20 photographs and accompanying text which were

displayed in the main corridor of the Washington, D.C. Interior Department building. The exhibit was a cooperative effort by several researchers and photographers from Southern Illinois University at Carbondale and was well received by both the Interior Department employees and the public.

PERFORMANCE GOALS AND RESULTS

A SUMMARY OF GOVERNMENT PERFORMANCE
AND RESULTS ACT (GPRA) PROGRESS



The Office of Surface Mining's mission is to carry out the requirements of the Surface Mining Law in cooperation with states and tribes (see Figure 7). Our primary objectives are to ensure that coal mines are operated in a manner that protects citizens and the environment during mining, assures that the land is restored to beneficial use following mining, and to mitigate the effects of past mining by aggressively pursuing reclamation of abandoned coal mines.

In accordance with the Government Performance and Results Act of 1993 and associated Office of Management and Budget guidance, the Office of Surface Mining prepared an annual performance plan for 2003. The Surface Mining plan focuses on on-the-ground program accomplishments to be achieved in each of our core mission goal areas.

In addition, the Office of Surface Mining sought improved management efficiencies through implementation of the President's Management Agenda and Secretary's Norton's Citizen-Centered Governance Plan. These initiatives compliment the Government Performance and Results Act and focus on program performance by improvement in five key management areas: Strategic Management of Human Capital, Competitive Sourcing, Electronic Government, Financial Management, and Budget and Performance Integration. The link between the budget resources and program performance was strengthened with a revision of the Agency's cost management system to capture the full cost of programs.

Secretary's Norton's Citizen-Centered Governance Plan implements the President's agenda within the Department

Figure 7

Mission

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

Vision

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

(Left) Over the last decade, postmining land use at this Texas mine has shifted away from predominantly agriculture and domesticated vegetation to tree-related uses and native vegetation. As part of this shift, wildlife habitat has become a significant percentage of the postmining land use. Several innovative practices were incorporated into the reclamation. Drop structures were designed to retain flood flow and enhance hydrology for wetland development. One wetland was constructed with shallow water depths and a concrete overflow structure to control water elevations. And, the revegetation integrated many species of woody and herbaceous plants on a relatively small habitat site.

of the Interior based upon the Secretary's vision of how the Department is to conduct business using the four Cs: Communication, Cooperation, and Consultation in the service of Conservation. In carrying out the mandates of the Surface Mining Law, the Office of Surface Mining continues to seek input from state and tribal partners, industry, citizens, and citizens groups. The development of the current suite of goals and measures was completed after extensive consultations with these partners and stakeholders in the mid-1990s. Starting in 2002 and continuing in 2003, the Office of Surface Mining is meeting with states and tribes to establish new measures which better reflect program performance. It is expected that these new measures will be reported on in 2004 and 2005.

Although the core mission has not changed in the 26 years since the passage of the Surface Mining Law, the coal industry itself has evolved and changed. New mining methods are being used to extract coal creating different environmental problems; a large amount of the coal industry has become consolidated with large mining corporations instead of the small "mom and pop" coal operations that were common in the 1960's and 70's. In addition, the day-to-day on-the-ground accomplishments are primarily due to program performance results achieved by the states and tribes, while the Office of Surface Mining's role has become more oversight and technical assistance.

The objectives of the Surface Mining Law are accomplished through our two mission goal areas; environmental restoration and environmental protection.

Environmental Restoration: Abandoned Mine Land Reclamation

Mission Goal: To provide a cleaner and safer environment by reclaiming and restoring land and water degraded by past mining.

In order to report on program accomplishment toward the final desired outcome (i.e. results) – restore a safe and clean environment in order to protect people and property--the Office of Surface Mining developed intermediate measures as indicators of program success. The primary measure is the number of acres reclaimed. For reporting consistency, reclamation results for each of the hazard types (e.g., number of open shafts, miles of stream, feet of highwall) listed in the inventory are converted to acres. It is estimated that over 1.5 million acres of land have been disturbed and 11,500 miles of streams polluted by coal mining. Since 1977, over 180,000 acres of health and safety coal related problems such as underground fires, subsidence, landslides, open shafts, and highwalls have been reclaimed and over 493 miles of streams have been reclaimed.

Performance Results

The 2003 goal of 6,900 acres to be reclaimed through the Abandoned Mine Land Program achieved 94 percent and 6,539 acres were actually reclaimed. The acres reported reclaimed by states and tribes are usually completed two to four years after initial grant funding. Duration of projects varies due to project size, type of problem being addressed, and weather conditions -- this year having above average rainfall slowed project progress.

A component of the Abandoned Mine Land Program is the Appalachian Clean Streams Program which is designed to facilitate development of partnerships, in the form of cooperative agreements to private not-for-profit organizations, to undertake local acid mine drainage reclamation projects. The 2003 goal of 28 new agreements was exceeded and 37 new agreements were awarded. One factor affecting annual performance is the amount awarded for each agreement. If the average awards are greater than planned, less funding will be available reducing the total number of agreements awarded.

Cost to Reclaim an Acre

In accordance with the Statement of Federal Financial Accounting Standards Number 4 – Managerial Cost Accounting “outputs produced by responsibility segments should be accumulated and, if practicable, measured in units (and) the full cost should be assigned to outputs...”. Full costs include operating costs in addition to other costs such as depreciation, bad debts, and future funding expenses. To comply with this standard the Office of Surface Mining has computed the cost per acre reclaimed. In the 2002 Office of Surface Mining Annual Report the cost per acre was reported as \$19,897 based on 8,019 acres reclaimed. The 8,019 acres were estimated and when actual figures were received, the number increased to 8,606 acres, resulting in a cost per acre of \$18,540. For 2003, this cost is determined to be \$23,987 per acre, measured on a full cost basis.

Environmental Protection: Regulation of Active Coal Mines

Mission Goal: Protect people and the environment during current mining operations and to ensure that the land is restored to beneficial use after mining has ceased.

The Office of Surface Mining and state regulatory programs enforce performance standards of the Surface Mining Law for current mining. The law addresses protection of people, property, and the environment during current mining and restoring the land at the conclusion of the mining. Prior to 1977, there were no nationwide requirements for operators to restore the land following coal mining activities.

As with the Abandoned Mine Land Program, intermediate measures of program success have been developed. On-the-ground results are measured by the percentage of coal operations that are free of offsite impacts and by the acres released from Phase III Performance Bonds. It is the ultimate goal of the Surface

Mining Program to have 100 percent of mine sites free of offsite impacts. As part of each federal and state mine inspection, a determination is made as to whether any negative offsite impacts have occurred at the mine site. The goal of the Office of Surface Mining and state partners is to minimize offsite impacts at all mines.

Performance Results

The 2003 goal of 94 percent of mine sites being free of offsite impacts was not achieved by 1.2 percent as the actual percentage of sites free of offsite was 92.8 percent¹⁶.

The second measure for this goal is the number of acres released from Phase III Bonds, an indication that after mining, the permitted mine sites have been returned to a productive state that no longer poses safety or environmental threats. Phase III Bond releases are the number of acres that have been released as useful and productive land. The 2003 goal of 70,000 acres was not achieved by 9,359 acres as the actual acres released was 60,641¹⁶. Annual performance is dependent on mining operators filing application for bond release. Recent experience shows that reclamation is occurring, but that operators are not applying for bond release in a timely manner.

Program Assessment Rating Tool

Improving programs by focusing on results is an integral component of the President’s budget and performance integration initiative. To achieve this end, the Program Assessment Rating Tool was developed and implemented by the Office of Management and Budget. The Program Assessment Rating Tool is a series of questions designed to provide a consistent approach to rating programs across the federal government. Programs are rated in four distinct areas: purpose and design, strategic planning, program management, and program results. The

16. Estimated statistic, see footnote 2, page 1 for a description of the methodology and Table 10 for acreage by state.

Office of Management and Budget identified approximately 20 percent of federal programs that were rated for 2004 utilizing the Program Rating Assessment Tool. For the Office of Surface Mining, the Abandoned Mine Land Grants Program was selected for review under this process. For 2005, an additional 20 percent of programs were assessed. For the 2005 review, the Office of Surface Mining had its Regulation of Surface Coal Mining Activities selected for review. The Office of Management and Budget, along with Interior Department and Office of Surface Mining staff conducted the review.

United Mine Workers Combined Benefit Fund Program

Under Public Law 102-486 the Office of Surface Mining is required to transfer annually a portion of the interest earned from the Abandoned Mine Land Special Fund to the United Mine Workers of America Combined Benefit Fund.

Performance Measures

The Office of Surface Mining determined meaningful performance measures for this transfer are not possible. Once the transfer is made (within five business days of the request by the United Mine Workers of America Combined Benefit Fund), the Office of Surface Mining has no authority over how the transferred money is used. In February 2002, the Office of Surface Mining requested an audit of these funds by the Inspector General's office to ensure that the transferred funds were used in accordance with the provisions of Public Law 102-486, and Public Law 95-87. The Office of Inspector General was unable to perform the review due to higher priorities. The Office of Surface Mining plans to resubmit the request for review in 2005.

Figure 8

SUMMARY OF ANNUAL ABANDONED MINE LAND INTEREST COLLECTIONS AND TRANSFERS TO THE COMBINED BENEFIT FUND (CASH BASIS)

As of September 30, 2003
(in Thousands)

Year of Interest Collection	Interest Collection	1996 Transfer	1997 Transfer	1998 Transfer	1999 Transfer	2000 Transfer	2001 Transfer	2002 Transfer	2003 Transfer	Transfer To-Date	Interest Balance
1992	32,328	0	0	0	0	0	32,328			32,328	0
1993 - 1995	132,453	0	0	0	0	68,000	46,573	(23,253)	41,133	132,453	0
1996	69,384	47,184	0	(10,721)	9,554	(2,535)	3,413	4,688	17,801	69,384	0
1997	81,007		31,374	7,034	15,129	(4,240)	4,254	5,590	19,610	78,751	2,256
1998	67,031			36,249	9,495	7,961	3,896	5,049	1,580	64,230	2,801
1999	82,830				47,588	(2,708)	18,647	4,465	1,776	69,768	13,062
2000	94,369					42,482	5,231	21,317	970	70,000	24,369
2001	103,496						67,502	2,497	(48)	69,951	33,545
2002	43,278							70,000	(26,722)	43,278	0
2002	23,620								33,758	33,758	(10,138)
Total	729,796	47,184	31,374	32,562	81,766	108,960	181,844	90,353	89,858	663,901	65,895