

## ENVIRONMENTAL RESTORATION

(dollars in thousands)

		2003 Actual	2004 Estimate	Uncontroll. & Related Changes (+/-)	Program Changes (+/-)	2005 Budget Request	Change from 2004 (+/-)
Regulation & Technology*	\$\$\$	257	432	2	-173	261	-171
	FTE	1	1	0	0	1	0
Abandoned Mine Land	\$\$\$	173,561	173,467	162	49,600	**223,229	49,762
	FTE	108	106	-4	0	102	-4
TOTAL	\$\$\$	173,818	173,899	164	49,427	223,490	49,591
	FTE	109	107	-4	0	103	-4

\*FY 2003 includes actual civil penalty collections (\$96,413) and FY 2004 and 2005 include estimated civil penalty collections (\$271,000 and \$100,000 respectively).

\*\*\$53 million is pending approval of proposed legislation to reauthorize collection of reclamation fees.

### MISSION GOAL: TO PROVIDE A CLEANER AND SAFER ENVIRONMENT FOR THE AMERICAN PEOPLE BY RECLAIMING AND RESTORING LAND AND WATER DEGRADED BY PAST MINING

The Environmental Restoration business line funds the abandoned mine land program (AML). The program addresses threats to public health, safety, and general welfare through the reclamation of environmental hazards caused by past mining practices. Through this business line 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 program (where OSM has reclamation responsibility), and fosters partnerships for the Clean Streams Program aimed at addressing acid mine drainage/water pollution problems.

The total magnitude of the abandoned mine problem is difficult to assess, but OSM has developed a national inventory that contains information on over 17,700 problem areas associated with abandoned mine lands, mostly coal. A problem area is a geographical area, such as a watershed, that contains one or more problems. The more serious problem areas are classified as priority 1 (extreme danger to public health and safety), priority 2 (adverse affects to public health, safety, and general welfare), or priority 3 (environmental hazards). Since 1977, over 225,000 equivalent acres of priority 1, 2, and 3 health and safety, and environmental-related coal problems have been reclaimed.

OSM's Environmental Restoration business line supports accomplishment of the Department of the Interior's Resource Protection and Serving Communities mission goal components in the strategic plan. As stewards of our nation's natural and cultural resources, the Department is entrusted with safeguarding these treasures for future generations. Environmental problems associated with abandoned mine sites, such as, water pollution, open portals and pits, land stripped of natural vegetation, and refuse piles degrade our natural resources. Through the reclamation of these problems, our land and water resources are improved for beneficial uses, such as, agriculture, wildlife habitat or development.

Mine site cleanups not only improve our environment, but also safeguard people and property. In addition, these communities are revitalized through the creation of jobs associated with reclamation projects.

OSM's authority to collect the abandoned mine reclamation fee expires on September 30, 2004, the end of FY 2004. Therefore, prior to program reauthorization during formulation of the FY 2004 budget, the Administration began using the Program Assessment Rating Tool (PART) to identify strengths and weaknesses of programs and to make informed budget, management, and policy decisions. The process generated extensive information on program effectiveness and accountability, including the need for additional performance measures.

The principal PART findings for the AML program are:

- The program is well managed and implemented with considerable coordination among program stakeholders;
- The increased use of AML funding by states for other uses is slowing the reclamation in states with large numbers of AML sites; and
- OSM needs to develop long term measures that are more outcome oriented and develop an efficiency measure.

The PART recommended that the Administration:

- Propose legislative changes to the program's authorization to increase the rate of pre-1977 abandoned coal mine land reclaimed;
- Extend the coal fee, which expires on September 30, 2004, to fund the remaining work; and
- Develop long-term measures that are more outcomes oriented and develop at least one efficiency measure.

OSM has made great progress in addressing the PART findings and recommendations. As shown in the text box below, OSM developed more meaningful performance measures and will be collecting data for those measures beginning in FY 2004. OSM is also proposing legislative changes to the AML program consistent with the PART findings.

OSM completed a PART Assessment of the AML Program, representing 55 percent of the agency's total budget. As a result, OSM, States and Tribes developed new performance and efficiency measures to be consistent with the recommendations. The new measures developed are now in place for data collection and accomplishments will be reported for those at the end of FY 2004. The new measures include:

- Number of stream-miles for which degradation from past surface coal mining has been improved.
- Number of surface acres of water for which degradation from coal mining has been improved.
- Number of active partnering and leveraging agreements.
- The amount of increased funds derived from active partnering and leveraging agreements.
- Number of people with reduced exposure potential to safety risks from abandoned mine lands.
- Percentage of declared emergencies abated within six months.
- Number of people directly affected (emergency abatements).
- Percent of AML grant funds obligated nationally by States and Tribes.

**Operational Processes  
(Program Activities):**

Approximately 95 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.

**ENVIRONMENTAL RESTORATION  
ENCOMPASSES**

*State and Tribal AML Reclamation Operations*

- *Reclamation Grants*
- *Clean Streams Program*
- *Watershed Cooperative Agreements*

*Federal and State Reclamation*

- *Emergency Programs*
- *High Priority Projects*
- *Outcrop and Underground Fire Control*
- *Civil Penalty Reclamation*
- *Bond Forfeiture Reclamation*

*Program Development and Maintenance*

*State Program Evaluation*

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.

The Environmental Restoration program activities improve natural resources and reduce the risk to public health, safety, and general welfare by correcting problems caused by past mining. OSM has identified success indicators to show incremental accomplishments for the mission goal. In fiscal years 2002 and 2003, OSM held a series of meetings with our State and Tribal partners to discuss the existing goals and measures for the restoration business line. As a result of these meetings and in line with the Departmental Strategic Plan and PART review, OSM has identified new goals with associated objectives and measures to indicate program accomplishments. These goals and measures are identified at the end of this business line section.

**Actions Required to Achieve Annual Goals:** In FY 2004, OSM will continue to encourage partnership participation by working with States and Tribes through their reclamation agencies, and through private and grass-roots associations. In addition, OSM will increase efforts to leverage funding from other government and non-government organizations to address abandoned mine sites. This emphasis on partnership and leveraging of resources supports Secretary Norton's 4C's philosophy – Communication, Consultation and Cooperation in the service of Conservation.

**Resources, Skills, and Technology Needed:** OSM and the AML program States and Tribes will continue to need a diverse and multi disciplinary cadre of individuals with 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 2005 President's Budget requests \$202.6 million for State and Tribal funding for AML reclamation and emergency programs; \$9 million for Federally Managed State emergencies; \$2.5 million for State Program Evaluation; \$6.2 million for Federal Reclamation Program of which \$0.4 million is for Federal Program Emergencies; and \$3.1 million for Program Development and Maintenance.

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 1– Justification of Program and Performance, Environmental Restoration**  
 Summary Increases/Decreases for FY 2005  
 (Dollars in Thousands)

Program Activity			Regulation & Technology			Abandoned Mine Lands			Total			Inc/Dec
			2003	2004	2005	2003	2004	2005	2003	2004	2005	
State and Tribal Funding	<i>Non-Certified States</i>	\$\$\$	0	0	0	158,547	158,601	149,601	158,547	158,601	149,601	-9,000
	<i>Certified States*</i>	\$\$\$	0	0	0	Included above	Included above	53,000			53,000	+53,000
	<i>Federally Managed State Emergencies</i>	\$\$\$	0	0	0	0	0	9,000	0	0	9,000	+9,000
		FTE	0	0	0	0	0	0	0	0	0	0
State Program Evaluation		\$\$\$	0	0	0	2,497	2,516	2,544	2,497	2,516	2,544	+28
		FTE	0	0	0	24	24	23	24	24	23	-1
Federal Reclamation Program	Projects: <i>Emergency High-Priority</i>		96**	272**	100**	4,033	3,802	410	4,129	4,075	510	-3,565
		\$\$\$				0	0	410				
	Operations	\$\$\$	161	160	161	5,433	5,474	5,556	5,594	5,633	5,717	+84
		FTE	1	1	1	54	53	51	56	54	52	-2
Program Dev/Maintenance		\$\$\$	0	0	0	3,051	3,074	3118	3,051	3,074	3,118	+44
		FTE	0	0	0	30	29	28	30	29	28	-1
TOTAL		\$\$\$	257	432	261	173,561	173,467	223,229	173,818	173,899	223,490	49,591
		FTE	1	1	1	108	106	102	109	107	103	-4

\*\$53 million is pending approval of proposed legislation to reauthorize collection of reclamation fees.

\*\*FY 2003 includes actual civil penalty collections (\$96,413) and FY 2004 and 2005 include estimated civil penalty collections (\$271,000 and \$100,000 respectively).

NOTE: Federal FTE figures for the Federally Managed State Emergencies are reflected under the Federal Reclamation Program.

## ONGOING PROGRAM

### 1. State and Tribal Funding

The grant funding provided to States and Tribes support the DOI Resource Protection and Serving Communities mission goal areas. The reclamation project work undertaken with these funds restores land to beneficial uses, improves the quality of life for coal field citizens, and promotes job creation in these economic depressed areas. Two-thirds (\$135.1 million) of the requested \$202.6 million for grants will be used to address the most serious health and safety problems (priority 1 and 2s) caused by past mining that pose imminent harm or adversely affect people and property. About one-third (\$67.5 million) of the request will address environmental clean up projects and water pollution caused by acid mine drainage in the Appalachian states through the Cleans Streams program.

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. OSM's authority to collect the abandoned mine reclamation fee expires on September 30, 2004.

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: 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 - 2004, and none are included in the Administration's FY 2005 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 under the Federal Reclamation Program in States and Tribes without approved AML programs;
- (b) The supplemental amount to minimum program States;
- (c) The approved State Emergency Programs;
- (d) The Small Operator Assistance 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.

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.

The above approach to fee collection and distribution will remain in place during FY 2004. OSM's authority to collect the abandoned mine reclamation fee expires on September 30, 2004. This budget proposal includes legislation that reauthorizes the AML Program.

OSM's FY 2005 budget supports the legislative proposal and changes to the AML Program as follows:

- An increase of \$53 million to accelerate the payment of state share account balances to certified states;
- An increase in funds available to non-certified States to accelerate the completion of priority one and two projects;
- Coal production fee rates are slightly reduced to provide fee relief, while remaining revenue neutral (i.e., disbursements will not exceed collections in any given year); and
- OSM's proposal addresses the transfer of interest to the United Mine Workers of America Combined Benefit Funds for the use of unassigned beneficiaries.

Details on the provisions of the proposal will be available through the legislative process.

*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.

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-two States and three Tribes will receive reclamation grant funding in FY 2004. In addition, Missouri may receive funding in FY 2005. Missouri did not receive an AML grant in 2003 due to the failure of the Missouri legislature to fully fund the (Title V) Regulatory Program. OSM is uncertain whether Missouri will reinstate a State (Title V) Regulatory Program in time to be eligible to receive 2005 AML Grants. For FY 2005, \$202.6 million is requested for grants, which includes \$53 million for certified States and Tribes.

Each year, the States and Tribes select reclamation projects from their inventories of eligible Problem Areas. AML 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 does not require 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. For FY 2005, the minimum funding level request is \$2 million.

*b. Clean Streams Program*

In FY 2005, OSM proposes to maintain funding for the Clean Streams Program by making available \$6.9 million to fund State Reclamation Grants, \$0.2 million for the Acid Drainage Technology Initiative (ADTI) and \$0.15 for program management, maintenance and assistance. Funding is not being requested for the Watershed Cooperative Agreement Program due to sufficient carryover funds being available from previous years. Further discussion of ADTI is under the Technology Development and Transfer business line. 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 increased considerably in just a few years.

AMD is the number one water pollutant in the coalfields 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'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 2003, approximately \$26 million in matching grant funds have been committed by participating States to 98 projects. States identified the projects and secured additional sources of funding, wherever possible. Through FY 2003, partnering sources have contributed 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 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.

Following are examples of Clean Streams projects:

- **Numine, White Lake, Armstrong County, Pennsylvania** – This project, funded with \$180,315 in Appalachian Clean Streams Program funds, was completed in 2003 by the Pennsylvania Department of Environmental Protection (PADEP). It treated mine discharge with flow of 14 gallons per minute, characterized by high acidity and aluminum, from the toe of a reclaimed abandoned underground mine refuse pile. The failure of previous treatment in 1988 left this discharge as one of the worst and largest in the Cowanshannock Creek watershed, which is stocked with trout in some segments. In 2002/2003, PADEP removed the existing unsuccessful treatment system and installed state of the art passive treatment technology. This included a pre-treatment buried limestone bed to generate alkalinity using on-site uncontaminated water, a large vertical flow limestone bed with redundant flushing systems to help prevent clogging in the system and to further neutralize the acidity and add alkalinity, and a precipitation pond to remove the aluminum. The design of the treatment system would discharge uncontaminated water into White Lake. These technologies were unavailable in the 1980s during the first attempts to clean up the discharge. The whole system is developed with the additional intent of providing recreational, interpretative and educational opportunities for the schools and citizens in the area. This project demonstrates partnership, persistence, and use of ever improving technology to address a serious environmental problem.
- **Peabody Washer Project, Alabama** - The Peabody Washer AMD Remediation Project, located in Tuscaloosa, Alabama, includes a four-acre gob pile, stacked 100 feet high with unstable outer slopes. The unstable refuse flows freely into two clogged sediment ponds, which in turn drain directly into the Holt Lake section of the Black Warrior River. Over the years, large amounts of sediment and debris have been deposited, forming a sandbar that extends 20 feet into the river. This continual buildup of sediment within the river poses a hazard to navigation and is detrimental to water quality. Drainage intermittently flowing through the gob material was analyzed by the Alabama Dept. of Industrial

Relations as having low pH (3.48), no alkalinity, and acidity of 83 mg/l. The project was completed on October 29, 2003. The eroded slope of the refuse pile has been graded, stabilized and plated with onsite soil material. Coal refuse material clogging the two large sediment ponds was removed and buried at the base of the refuse pile. The ponds were then plated with two feet of on-site soil and the dams repaired so that sediment from the site could be trapped and drainage from the refuse pile safely transmitted through the remainder of the site. Alkaline leach beds were installed within Pond #1 and below Pond #2 to trap and treat the acid mine drainage produced by the site. Lime, slag, and fertilizer were applied and disked on all finished graded surfaces. The entire site was revegetated. Post-construction water sampling indicates that water quality is improving.

The Watershed Cooperative Agreement Program was implemented by OSM in FY 1999 as part of the Clean Streams Program. The purpose of the Watershed Cooperative Agreement Program is to make funds available directly to not-for-profit organizations, especially small local watershed organizations, to undertake local projects to clean streams affected by acid mining drainage (AMD). Applicants normally receive up to \$100,000 for each reclamation project, primarily for project construction; however, administrative costs associated with completion of the project may be allowed. Applicants are required to have other partners contributing either funding or in-kind services.

Since FY 1999, OSM has awarded 85 cooperative agreements totaling more than \$6.5 million. In FY 2003, 21 new cooperative agreements were awarded for a total of \$1,740,783, and 8 amendments to existing agreements provided an additional \$276,100.

Following are examples of projects funded under the Watershed Cooperative Agreement Program:

- **The Potomac Hill Run AMD Project** was awarded to the Georges Creek Watershed Association to construct a passive AMD treatment system near Potomac Hill Run in Allegany County, Maryland. The proposed AMD project is located in a small sub-watershed of Georges Creek, a tributary of the North Branch of the Potomac River, and has been severely impacted by over a century of surface and underground mining activities. The problem drainage is a significant source of AMD with a flow rate of 35 gpm and a pH of 3.5, which contributes 8.5 lbs. a day of iron into the stream. The project involved diverting AMD from several underground seeps to a steel slag leach bed and constructing an Alkalinity Producing system and an oxidizing/settling pond. The project also involved the removal and reclamation of approximately 5 acres of abandoned toxic spoil material. The treatment system removes iron and acid from the AMD and discharges net alkaline water into Potomac Hill Run which flows for a length of 1.5 miles. The Watershed Association and the Maryland Department of Environment will continue to monitor the water quality coming from the project. The total project cost was \$209,855, with OSM funding of \$125,000. Other

partners included the Allegany County Department of Public Works, The Maryland Small Creeks and Estuaries Program, Barton Mining, and the Appalachian Clean Streams Initiative.

- **The Simmons Run Project** is located on the Woodbury Wildlife Area in Coshocton County, Ohio. The discharges on the project site are located in the headwaters of Simmons Run within the Broken Aro Mine reclamation. During reclamation activities at the Broken Aro Mine, a mine seal was successfully placed on the western hillside, along an abandoned highwall with numerous deep mine workings which had contributed substantial amounts of acid mine drainage (AMD) to the Simmons Run headwaters. However, after reclamation of the western hillside, it became apparent that the discharges from the limited deep mining on the eastern hillside still contributed enough AMD to degrade Simmons Run. This project installed an anoxic limestone drain, and a Successive Alkalinity Producing System (SAPS) consisting of five treatment cells, to treat AMD coming from an old deep mine. Initial results show an increase in the pH from an average of 3.5 to 7.5. A pre-existing pond immediately downstream has risen from pH 4.0 to pH 7.5. Pending the results of more long term monitoring DOW may stock this pond in the future. Treating this site will enhance wildlife by expanding the area of wetlands, as well as possibly serving as an education example of different methods to treat AMD in conjunction with the Broken Aro Mine. Out of total project costs of \$240,737, OSM funding provided \$100,000, and the Ohio Division of Mineral Resources Management (DMRM) provided the balance in addition to \$44,951 of in-kind services.
- **The Howe Bridge AMD Treatment System** is on Mill Creek, a large watershed in Clarion County Pennsylvania that is heavily impacted by mine drainage from abandoned surface and underground coal mines. Since building one of the first passive treatment systems here in 1993, the Mill Creek Coalition has installed numerous passive treatment systems using the ever improving technologies and designs, and is starting to see improvement in the water quality of the streams. Last year they returned to the original Howe Bridge site, that was losing effectiveness because the limestone was almost gone, and the settling ponds were filled with iron sludge. Using funds from OSM's Watershed Cooperative Assistance Program (\$100,000), Pennsylvania's Growing Greener program (\$50,000), and Title IV AML grant funds awarded by OSM for resource recovery activities (\$27,000), the Mill Creek Coalition completely renovated the system, enlarging the treatment ponds, and installing the latest technology designed to help avoid clogging, thereby prolonging its life. The iron oxide contained in the settling ponds was dug out and placed in large porous synthetic tubes on the site for drying. When sufficient water has drained out of the sludge, it will be hauled away and sold as paint pigment. This use of iron oxide from acid mine drainage (AMD) for pigments is called resource recovery. It is still a small but growing beneficial use of certain specific types of mine drainage.

For FY 2005, 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.

*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. The funding for this activity supports DOI's goal to protect lives, resources, and property under the Serving Communities mission component.

States that operate their own emergency programs, fund the emergency projects from their AML grants. Emergency project funds originate in the Federal Share portion of the AML Allocation and are in addition to States' regular AML grant allocation. During FY 2003 OSM turned over emergency program authority to Iowa, bringing to fourteen the number of active State emergency programs. The following States now operate their own emergency programs: Alabama, Alaska, Arkansas, Illinois, Indiana, Iowa, 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, 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 2005 request includes funds for the State administered programs. Funding for Federally managed State emergencies and Federal program emergencies is identified under the Federal Reclamation Program. Previous OSM appropriation language has limited expenditures of current year funds in any one state to \$4.5 million. In the past, West Virginia, Pennsylvania, and Kentucky have all reached this limit. 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. This program area is an integral part of the State and Tribal funding. Evaluation of State and Tribal reclamation programs ensure efficient and effective use of program dollars for the intended purpose. Funds provided under this activity (\$2.5 million) support the Department's Serving Communities goal.

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

Through the Federal Reclamation sub-activity, funds (\$15.2 million) are provided for the elimination of the highest priority environmental hazards associated with past mining in non-primacy States; and, elimination of hazards that pose imminent harm to people and property in States without an emergency program (Kentucky and Pennsylvania). Note that \$9 million will be from State and Tribal funding for the Federally managed State emergencies. These activities support the Department's Serving Communities goal.

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, and where 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, 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 Midwestern states and 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 2003, OSM started 284 reclamation projects in response to emergencies. The most emergencies, (170) occurred in Pennsylvania, followed by Kentucky (108). Kentucky emergencies required the most funding, over \$9.1 million, primarily in abating landslides. This was due in part to heavy rains that fell in late winter and early spring. About \$2 million was spent in Pennsylvania, generally related to lower-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 2003 of the 971 potential emergencies referred to the Federal program, 284 were determined to be emergencies. Of the remainder, 623 were determined not to be emergencies or did not result from coal mining, or were reclaimed by the landowner, while 64 were still under investigation at the close of the fiscal year.

OSM is requesting \$9,000,000 in funding for the Federally managed State emergency program for FY 2005, and \$410,000 for Federal Program Emergencies.

*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 2003, OSM completed three high priority projects. Two were located in Tennessee and resulted in the reclamation of 102 acres. One project for 11 acres was completed in Georgia. One project closed 4 mine entries in a public park in California. Seven projects in Washington continued ongoing reclamation efforts. Tennessee, with an unfunded inventory of projects over \$13 million, remains the largest consumer of OSM's high-priority funds.

OSM is not requesting funding for the Federal high-priority projects in FY 2005, as sufficient carryover funding will be available for the program.

*c. Outcrop and Underground Fire Control Projects*

Pursuant to Public Law 83-738, as amended by Public Law 102-486 (Energy 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 to control or extinguish coal fires. 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.

During FY 2003, the states of Montana, North Dakota and Wyoming as well as the Navajo Nation were awarded a total of \$101,000 in coal outcrop funding. Montana will complete one coal outcrop fire known as the Poker Jim fire with this funding. This fire is located in Rosebud County near Ashland, Montana. North Dakota concentrated on extinguishing 8 priority fires in western North Dakota on U. S. Forest Service lands. Wyoming will complete the Echeta coal outcrop fire located in Campbell County under this grant. The Navajo Tribe is in the process of eliminating a coal outcrop fire located on Navajo Tribal Trust lands, 30 miles southwest of Farmington, New Mexico.

*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. In FY 2003 three emergency projects were funded in Alabama and Kentucky using civil penalty funds of \$80,965.

*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 must 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.

In FY 2003, 20 acres were reclaimed in the State of Tennessee at a cost of \$161,522. OSM anticipates reclaiming 75 acres in FY 2004, at a cost of \$290,000. In FY 2005 it is planned that 50 acres will be reclaimed at a cost of \$65,000.

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

This program activity provides funding for reclamation program management and programmatic guidance to States and Tribes. The Program Development and Maintenance activity is an integral part of the State and Tribal funding program. The fund for this activity (\$3.1 million) supports the Department's Serving Communities goal. 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, in consultation with the States and Tribes, developed an oversight review system that provides for enhancement and performance evaluation of reclamation programs. OSM also assists States and Tribes to build on successes by providing ongoing technical assistance, by continually enhancing the primacy grants process, and 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 abatement programs, and supports implementation of their AML programs through technical and program assistance as needed.

OSM emphasizes State/Tribal and Federal partnerships 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 improved strategic plan measurements for the AML program; (2) participating with EPA in conducting a Brownfields 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 2003, the State Reclamation Plan amendment activity was as follows:

<b>Table 2 – State Reclamation Plan Activity FY 03</b>				
<i>Number of Amendments</i>				
<b>Amendment Type</b>	<b>Pending Oct. 1, 2002</b>	<b>Received FY 2003</b>	<b>Completed FY 2003</b>	<b>Pending Sept. 30, 2003</b>
<b>Informal</b>	0	0	0	0
<b>Formal</b>	2	0	2	0
<b>Total</b>	2	0	2	0

*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 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.

A WEB based version of AMLIS was deployed in FY 2003. It enables the public to readily access information in OSM’s Abandoned Mine Land Inventory. They can search for information about individual Problem Areas or query the Inventory. The results of a query can be shown in preformatted reports or on a map. The results of a query can also

be downloaded. States, Indian tribes, and OSM are using a version of the WEB based AMLIS to enter/modify information.

*b. Grants Management*

OSM supports and participates in the Department of the Interior's grants simplification efforts based on Public Law 106-107, the Administration's e-Government initiative, and Health and Human Services' e-Grants program. 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 the 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 should permanently eliminate the environmental problems and their sources.

The rule includes a number of important safeguards to ensure that remining 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 the 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 41 areas to be eventually reclaimed under this concept. Ohio published its final rules in 1999, and

Virginia, Maryland and Alabama published its rules in 2000. In 2003, both Kentucky and West Virginia implemented program changes.

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. As a result of the July 2001 appeal by the KRC, part of the rule was upheld, and part was remanded back to OSM for clarification. After consulting with States and Tribes, OSM has determined to issue a final rule to address the remanded issue. This final rule was published November 20, 2003.

## FY 2003 PROGRAM PERFORMANCE ACCOMPLISHMENTS

In 2003, the major accomplishments in the Environmental Restoration program activity include:

- Through grants provided to States and Indian tribes, reclaimed 6,500+ equivalent acres of abandoned coal mine lands presenting health and safety hazards.
- Distributed \$6.9 million to 12 States under the Clean Streams Program to restore and improve the quality of watersheds damaged by mining; another \$2.7 million was available for non-profit organizations and an additional \$4.4 million was contributed by outside sources to fund watershed projects.
- Expanded assistance to communities interested in Brownfield grants.
- OSM placed 26 summer interns with watershed organizations in seven States.
- Awarded \$2 million in the form of watershed cooperative agreements to 21 organizations in four States for acid mine drainage treatment projects.
- OSM and States started 437 emergency abandoned coal mine reclamation projects and 216 non-emergency abandoned mine reclamation projects.
- Federal emergency abatement efforts directly affected 7,065 people.

## FY 2004 PLANNED PROGRAM PERFORMANCE

- Through grants provided to States and Indian tribes, will reclaim 6,900 equivalent acres of abandoned coal mines sites.
- Continue expansion of assistance to communities interested in Brownfield grants and Vista Watershed Development Coordinators in states, under the Appalachian Clean Streams Program.
- Meet performance goals as follows:

	<b>FY 2003 Actual</b>	<b>FY 2004 Plan</b>	<b>FY 2004 Plan versus FY 2003 Actual</b>
Number of land acres reclaimed or mitigated from the effects of degradation from past mining (Calculated equivalent acres). (SP)	6,539	6,900	361  (+5.5%)
Number of stream-miles for which degradation from past surface coal mining has been improved (SP)	UNK	150	
Number of surface acres of water for which degradation from coal mining has been improved. (SP)	UNK	150	
Number of people with reduced exposure potential to safety risks from abandoned mine lands. (SP)	UNK	10,000	
Number of active partnering and leveraging agreements. (PART)	UNK	56	

The amount of increased funds derived from active partnering and leveraging agreements. (PART)	UNK	70,000	
Percentage of declared emergencies abated within six months. (PART)	UNK	92%	
Number of people directly affected (emergency abatements).*(PART)	7,065	8,250	1,185 (+17%)
Percent of AML grant funds obligated nationally by States and Tribes. (PART)	UNK	90%	
<p>*The figures represent Federal emergencies only. A baseline for the State emergencies will be established after FY 2004 data is collected and future reports will include both Federal and State data.</p> <p><u>Accomplishment Data:</u> The data for measuring reclamation accomplishments will come from the Abandoned Mine Land Inventory System (AMLIS); from our State and Tribal partners; and a separate tracking system utilized for the Clean Streams projects.</p>			

**JUSTIFICATION OF 2005 PROGRAM CHANGES**

Environmental Restoration	FY 2005 Budget Request	Program Changes (+/-)
\$(000)	223,490	+\$49,427
FTE	102	0

State and Tribal Funding – Certified States (+\$53,000,000) - OSM has requested an increase of \$53.0 million to be used to pay down the unappropriated State/Tribal-share balances to certified States and Tribes. This is part of the Administration’s overall proposal to reauthorize the AML fee and make changes to SMCRA. Under the proposal, States and Tribes having certified as to the completion of all high priority projects will not receive additional allocations under the proposal but will receive unappropriated balances due them on an expedited basis over a ten-year period at a rate of \$53.0 million per year. Since \$53.0 million would go to only certified States and Tribes, the remainder of the grant appropriation will be available to increase grants to non-certified States for coal work.

This funding will correct the diversion of dollars away from the most serious problems and provide sufficient funding to eliminate all significant health and safety problems associated with abandoned coal mines within 25 years. This addresses the concern in the PART to increase the rate at which pre-Act AML problems are being reclaimed.

State and Tribal Funding – Non-certified States/Tribes (-\$9,000,000); State and Tribal Funding – Federally Managed State Emergency Projects (+9,000,000); - OSM is pursuing the reauthorization of the authority to collect the mine reclamation fee. As part of the reauthorization proposal, States with reclamation programs would assume responsibility for implementing their own emergency programs. In FY 2005, OSM does not anticipate that States will be ready to implement this provision. Therefore, OSM would continue to be responsible for implementing the emergency program in States that do not have reclamation programs at a cost of \$ 9 million.

OSM did not request funding for the Federal emergency program in FY 2003 and FY 2004, as sufficient carryover funds were available. While it is difficult to estimate the number of emergencies, OSM is duty bound to abate all declared emergencies that occur. In FY 2003, OSM started 284 emergency projects in six States. However, an extremely wet spring and summer of calendar year 2003 has resulted in a significant increase in declared emergencies, particularly landslides. While OSM expects available carryover from FY 2003 into FY 2004 will be sufficient to address FY 2004 emergencies, restoration of funding at \$9 million is necessary. Ultimately, as States take over their own emergency programs in the future years, funds will need to be transferred from the Federal emergency program to the State grant program.

Federal Reclamation Program - Emergency Projects (+\$410,000) - OSM is pursuing the reauthorization of the authority to collect the mine reclamation fee. As part of the reauthorization proposal, States with their own reclamation programs would assume responsibility for implementing their own emergency programs.

However, OSM would continue to be responsible for implementing the emergency program in States that do not operate reclamation programs. The primary non-program coal producing State is Tennessee, although Georgia and Washington have had mining within their borders. Over the past several years, OSM has averaged approximately \$400,000 in emergency project costs in non-program States. Therefore, OSM is requesting \$410,000 in funding to continue to implement its program responsibilities in protecting the lives and property of coal field citizens.

Federal Reclamation Program – High Priority Projects (-\$1,092,000) - OSM is proposing to forgo funding for one year reduction in its high priority project program, resulting in a \$1.1million reduction. OSM is able to offer this reduction because it expects to have sufficient prior year carryover to fund the program in FY 2005.

OSM expects the carryover from FY 2003 into FY 2004 of \$2.7, along with an additional \$1.1 million in the FY 2004 budget, will provide sufficient funding for the program in FY 2005. The number of projects that would be funded will depend on the complexity and type of reclamation projects addressed.

Federal Reclamation Program – Watershed Projects (-\$2,710,000) - The carryover from FY 2003 into FY 2004 is \$4.0million. In FY 2004, OSM received an additional \$2.7 million. The average obligation for the last three years for watershed cooperative agreements is \$2.0 million per year. The carryover amount is more than the FY 2004 request and would be adequate to fund watershed cooperative agreements in FY 2005.

Federal Reclamation Program Projects – (-\$173,000) - Each year's appropriation authorizes OSM to keep civil penalties we collect to fund civil penalty reclamation projects. These projects address problems on post-SMCRA sites. The level of project funding authority has been \$275,000. The reduction would not actually reduce the program. Rather it would reflect the lower level of civil penalties collected each year and annual project expenditures. OSM has recently collected an average of \$28,000 and expended under \$90,000 annually. This has reduced carryover to a minimum level.

Federal Vehicle Fleet (-\$ 8,000) - In 2004, the Department and the bureaus began a collaborative effort to improve the management of vehicle fleets including examination of the infrastructure for fleet management within each bureau, the identification of best practices that could be used Department-wide, and the development of action plans to improve fleet management and realize cost savings.

In anticipation of improved fleet management and the resultant savings, the 2005 budget proposes a reduction in funding. To achieve these savings, the bureau will undertake fleet reductions and cost-savings by: (1) reducing the size of the fleet; (2) employ energy

saving practices by fleet operators; (3) acquire more efficient vehicles; (4) acquire the minimum sized vehicle to accomplish the mission; (5) dispose of underutilized vehicles; (6) freeze the acquisition of vehicles from the General Services Administration (GSA) Excess Vehicle program; and (7) explore and develop the use of inter-bureau motor pools.

## FY 2005 ENVIRONMENTAL RESTORATION PROGRAM PERFORMANCE

<b>Resource Protection End Outcome Goal 1.1: Improve Health of Watersheds, Landscapes, and Marine Resources</b>							
<b>End Outcome Measures:</b>	<b>FY 2002 Actual</b>	<b>FY 2003 Actual</b>	<b>FY 2004 Plan</b>	<b>FY 2004 Revised Final Plan</b>	<b>FY 2005 Plan</b>	<b>Change in Performance 2004 to Planned 2005</b>	<b>Long-term Target (2008)</b>
Number of land acres reclaimed or mitigated from the effects of degradation from past mining. (Calculated equivalent acres) (SP)	8,606	6,539	6,900	6,900	8,200	1,300 +19%	8,200
Number of stream-miles for which degradation from past surface coal mining has been improved (SP)	UNK	UNK	150	150	175	25 +17%	175
Number of surface acres of water for which degradation from coal mining has been improved. (SP)	UNK	UNK	150	150	175	25 +17%	175
<b>Bureau and PART Measures:</b>							
Number of active partnering and leveraging agreements. (PART)	UNK	UNK	56	56	56	0	56
The amount of increased funds derived from active partnering and leveraging agreements. (PART)	UNK	UNK	70,000	70,000	70,000	0	70,000

<b>Serving Communities End Outcome Goal 4.1: Protect lives, resources and property.</b>							
<b>End Outcome Measures:</b>	<b>FY 2002 Actual</b>	<b>FY 2003 Actual</b>	<b>FY 2004 Plan</b>	<b>FY 2004 Revised Final Plan</b>	<b>FY 2005 Plan</b>	<b>Change in Performance 2004 to Planned 2005</b>	<b>Long-term Target (2008)</b>
Number of people with reduced exposure potential to safety risks from abandoned mine lands. (SP)	UNK	UNK	10,000	10,000	11,000	1,000 +10%	11,000
<b>Bureau and PART Measures:</b>							
Percentage of declared emergencies abated within six months. (PART)	UNK	UNK	92%	92%	95%	+3%	95%
Number of people directly affected. (emergency abatements).* (PART)	UNK	7,065	8,250	8,250	8,250	0	8,250
Percent of AML grant funds obligated nationally by States and Tribes. (PART)	UNK	UNK	90%	90%	90%	0	90%
*The figures represent Federal emergencies only. A baseline for the State emergencies will be established after FY 2004 data is collected and future reports will include both Federal and State data. SP = DOI Strategic Plan Measure; PART = Program Assessment Rating Tool Measure; UNK = data is unavailable.							