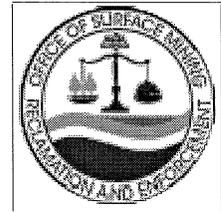


# *Applicant/Violator System Office*

## *System Advisory Memorandum*



**SAM # 7 DATE: July 21, 2014**

---

***Subject:* ORGANIZATIONAL FAMILY TREE MAINTENANCE: INTERSTATE and INTRASTATE COMPANIES**

This System Advisory Memorandum (SAM) revises previous SAM #7, dated November 30, 2012, on this same subject. The purpose of this SAM is to provide guidance and establish procedures governing the maintenance of entity organizational family tree (Entity OFT) information in the Applicant/Violator System (AVS).

### **Definitions**

The following definitions apply to this guidance.

Interstate Company – Interstate business entities are those that hold surface coal mining permits in more than one State. Any organization shown in the AVS having no applications or permits is considered an interstate organization.

Intrastate Company – Intrastate business entities are those that hold surface coal mining permits in only one State.

Organizational Family Tree – An organizational family tree is the name we have given to the structure of a business' relationships and associations as shown in the AVS. An Entity OFT is comprised of owners, shareholders, officers, directors, partners, managers, members, and subsidiaries of the business. These relationships and associations comprise the information required to be disclosed by applicants for permits under section 507(b)(4) of the Surface Mining Control and Reclamation Act of 1977, as amended, and provided for by Federal regulation under 30 CFR 778.11.

### **Guidance**

Following is the guidance governing the responsibilities for updating Entity OFT information in the AVS. This guidance addresses (1) interstate business entities, (2) intrastate business entities, and (3) interstate parent entities with wholly-owned intrastate subsidiaries.

#### Interstate Business Entities

We, the AVS Office, will continue to be solely responsible for updating and maintaining all Entity OFT data in the AVS for Interstate business entities. We have performed this function in the AVS since 1991 to eliminate multiple and conflicting entries on Entity OFTs that would compromise the accuracy and completeness of the data in the computerized information system and impair system efficiency.

- We will update and maintain relationship and association information on Entity OFTs in the AVS for all parent and wholly-owned subsidiary companies that are interstate companies. We will add and update beginning and ending dates, and correct erroneous associations where the error is documented and the information provided is credible.
- We will maintain a point of contact with a representative of each interstate business. Interstate businesses are required, by regulation, to provide updates of this information to each regulatory authority where the business holds a permit. In 1991, under an agreement with the Interstate Mining Compact Commission on behalf of the States, OSMRE began performing the Entity OFT updates in the AVS for interstate businesses. OSMRE then coordinated with interstate businesses whereby they would provide their updates to the AVS Office. Such coordination is established and will continue. However, this coordination does not relieve interstate businesses engaged in surface coal mining from their regulatory obligation to provide this information to all regulatory authorities with jurisdiction.
- We will ensure credible documentation is provided to support any reported changes. We will not accept requests for changes where the documentation is less sufficient than what would be required by a regulatory authority.
- We will perform the credibly documented updates within 10 business days of receiving the information. All updates can be identified in the AVS by the source of the person performing the update.
- We will notify the appropriate regulatory authorities of updates we perform for interstate businesses.
- We will assist regulatory authorities with changes they cannot perform in the AVS. For example, only we can correct an entity name or the relationship/association description of an entity to an interstate business entity.
- If a regulatory authority receives relationship/association information for an interstate business entity, they should review the information they received against the information in the AVS. If the information is not reflected in the AVS, the regulatory authority should forward the information to the AVS office for review and update.
- All Entity OFTs for interstate businesses in the AVS will be locked. This feature in the AVS limits the possibility of duplicate or conflicting information being entered and ensures documentation of all interstate updates is maintained in one location.

- If a regulatory authority discovers during its application review that the entity OFT has, or will have, applications in multiple states and the entity OFT is not locked, the regulatory authority should forward the data to the AVS office for updates.

### Intrastate Business Entities

The regulatory authority with jurisdiction over an issued permit has the exclusive authority to create, update, and maintain Entity OFTs in the AVS for an intrastate permittee. Regulatory authorities will maintain the accuracy and completeness of this information to ensure the efficient and effective operation of the AVS.

- Each regulatory authority will maintain the Entity OFT information in the AVS for all intrastate business entities in its jurisdiction.
- We will notify the appropriate regulatory authority if the AVS Office should become aware of a relationship to an intrastate business entity that is not in the AVS.
- Regulatory authorities can update or correct the relationship/association description of any entity to an intrastate business entity.

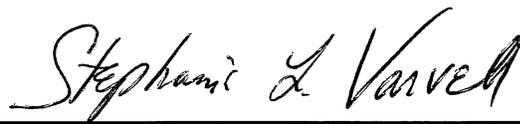
### Interstate Parent Entities with Wholly-Owned Intrastate Subsidiaries

Both the AVS Office and regulatory authorities have responsibilities with regard to interstate parent entities with wholly-owned intrastate subsidiaries.

- The AVS Office will update and maintain the Entity OFTs for all interstate parent businesses whose wholly-owned subsidiaries are intrastate permittees.
- The regulatory authority with jurisdiction over an intrastate subsidiary will update and maintain the Entity OFTs for the wholly-owned intrastate subsidiary of an interstate parent business entity.

If you have questions regarding the procedures for maintaining interstate and intrastate relationship and association information, please contact your AVS User Assistance Liaison at 1-800-643-9748, or the AVS User Guide at:  
<http://www.osmre.gov/programs/AVS.shtm>

**Signed:**



---

**Stephanie L. Varvell, Chief,  
Applicant/Violator System Office**