



OFFICE OF SURFACE MINING RECLAMATION AND ENFORCEMENT

Mission – The Office of Surface Mining was established in 1977 to carry out the requirements of the Surface Mining Control and Reclamation Act in cooperation with States and Indian Tribes. OSM's primary objectives are to ensure that coal mines are operated in a manner that protects citizens and the environment during mining, ensure that the land is restored to beneficial use following mining, and mitigate the effects of past mining by aggressively pursuing reclamation of abandoned coal mines.

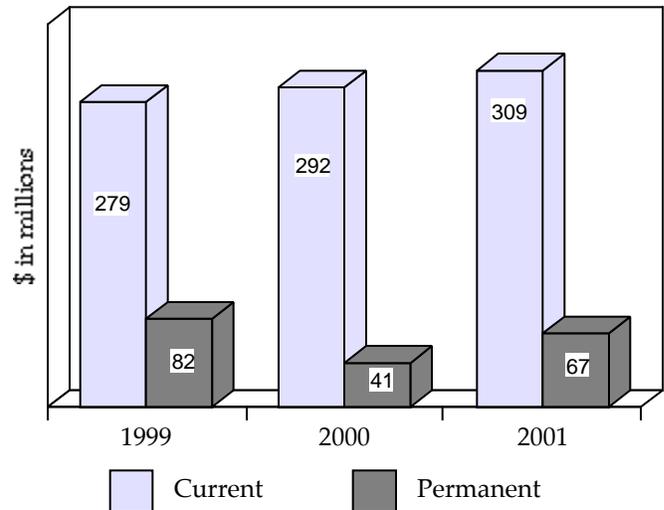
Program Overview – OSM carries out its mandates by providing grants to States and Tribes to implement their own regulatory and reclamation programs consistent with OSM standards. OSM also administers programs on Federal lands in areas without State reclamation programs. OSM works closely with States and Tribes to implement its results-oriented regulatory oversight system and provides technical information and tools to help States and tribal partners to develop sufficient knowledge, expertise, and capability to meet their responsibilities under SMCRA.

In the last few years, OSM has focused on innovative approaches to implementing SMCRA. OSM has shifted its oversight program from a process review to measuring on-the-ground results. This effort earned OSM Vice-President Gore's National Performance Review "Hammer Award." To maximize reclamation, OSM has implemented creative approaches and incentives to encourage reclamation of abandoned mine sites. Efforts such as the Appalachian Clean Streams Initiative, remining, and enhanced abandoned mine lands reclamation have been successful in enabling OSM to leverage and stretch its resources to reclaim lands and waters that otherwise might never be restored.

Budget Overview – The 2001 request for OSM is \$309.2 million, an increase of \$17.5 million above the 2000 enacted level of \$291.7 million. The requested budget fully covers OSM's uncontrollable cost increases, thereby continuing core mission services at current levels.

In 2001, OSM will continue to advance the Secretary's priority of environmental restoration while protecting

OSM Funding



the public by accelerating the reclamation of abandoned mine sites that pose significant threats to human health and safety. A \$15.3 million increase in appropriations from the Abandoned Mine Reclamation Fund will support OSM's abandoned mine land reclamation activities, which include State and tribal reclamation grants, high-priority Federal reclamation efforts and other projects. These programs and activities are consistent with the Administration's Clean Water Action Plan and will result in an estimated 1,000 additional acres being reclaimed than would otherwise be the case. Reclaiming this land strengthens local communities, not only by restoring land to productive use but also by removing health, safety, and general welfare hazards and by generating additional economic benefits.

Of the increase for appropriations from the AML Fund, \$2.0 million in additional funds will be available for the Appalachian Clean Streams Initiative, for a total of \$10.0 million to address acid mine drainage problems in local communities. Acid mine drainage from abandoned coal mines continues to be a major source of water pollution nationwide, and in Appalachia, acid mine drainage is the leading cause of aquatic habitat destruction impacting

many native species, such as brook trout. The Appalachian Clean Streams Initiative has been particularly effective in fostering community partnerships and maximizing efficiency in the use of local resources in restoring water resources damaged by acid mine drainage. In the three years from 1997 through 1999, the Clean Streams program funded 57 projects with \$13.4 million; in 2000, OSM plans to fund an additional 30 projects with \$8.0 million. The additional funding in 2001 will enable OSM and its partners to build upon the proven success of the Clean Streams Initiative by funding 46 new local projects.

The 2001 budget proposes to extend for an additional 10 years the fee on coal production that funds the AML program. The fee is currently scheduled to expire at the end of 2004. Extension of the fee will provide assurance that OSM and the States will be able to continue to address abandoned mine land reclamation needs, which are currently estimated to be \$4.2 billion.

The fee extension is part of the President's proposal to ensure continued benefits for retired coal miners and their dependents. Interest on the unappropriated balance of the AML fund is available to support health care for unassigned beneficiaries of the United Mine Workers

of America Combined Benefit Fund.

Funding for primacy States, which receive Federal matching grants to fund 50 percent of their administration of State regulatory programs under SMCRA, has been relatively level since 1993. In past years, State funding did not keep pace with cost of living increases because unfavorable economic conditions did not allow States to match offered Federal funds. In the recent improved economic climate, States are able to fund these increases and are willing and able to increase their portion of funding for environmental enforcement. OSM has been proactive in addressing this issue that strains State budgets and jeopardizes State program effectiveness by reprogramming available money; however, Federal funding has not been available to meet the States' needs. In 2001, OSM requests an increase of \$541,000 to ease this strain on States.

Government Performance and Results Act— The projects enabled by these funding increases will facilitate OSM's compliance with GPRA. Increased grant funding will allow OSM to transfer more responsibility to States and Tribes for emergency abatement and mitigation and for restoration and improvement of water quality of streams affected by acid mine drainage.

SUMMARY OF BUREAU APPROPRIATIONS
(all dollar amounts in thousands)

Comparison of 2001 Request with 2000 Enacted:

	2000 Enacted		2001 Request		Change From 2000	
	<u>FTE</u>	<u>Amount</u>	<u>FTE</u>	<u>Amount</u>	<u>FTE</u>	<u>Amount</u>
Appropriations						
Regulation and Technology	426	95,860	429	98,076	3	+2,216
Abandoned Mine Reclamation Fund	221	195,873	221	211,158	0	+15,285
Subtotal, Appropriations.....	640	291,733	650	309,234	3	+17,501
Permanents and Trusts						
Abandoned Mine Reclamation Fund Transfer.....	0	41,000*	0	67,000	0	+26,000
Subtotal, Permanents and Trusts	0	41,000	0	67,000	0	+26,000
TOTAL, OFFICE OF SURFACE MINING	647	332,733	650	376,234	3	+43,501

* Does not include a \$68.0 million one-time appropriation from AML interest to the UMWA Combined Benefit Fund.

HIGHLIGHTS OF BUDGET CHANGES
By Appropriation Activity/Subactivity

APPROPRIATION: Regulation and Technology

	<u>1999 Actual</u>	<u>2000 Enacted</u>	<u>2001 Request</u>	<u>Change from 2000 Enacted</u>
Environmental Restoration	419	425	432	+7
Environmental Protection	70,018	72,049	73,442	+1,393
Technology Development & Transfer	11,300	11,491	11,846	+355
Financial Management.....	511	521	537	+16
Executive Direction & Administration ...	11,060	11,374	11,819	+445
TOTAL APPROPRIATION	93,308	95,860	98,076	+2,216

Highlights of Budget Changes

Uncontrollable Costs Net Increase	<u>Amount</u> [+1,675]
Environmental Protection	+1,393
<p>A \$541 programmatic increase is requested for State regulatory grants. The additional funding will enable States that have responsibility for regulating coal mining to properly implement their programs by meeting increased program costs. This increase supports OSM's goal of better environmental protection. Uncontrollable costs total \$852.</p>	

APPROPRIATION: Abandoned Mine Reclamation Fund

	<u>1999 Actual</u>	<u>2000 Enacted</u>	<u>2001 Request</u>	<u>Change from 2000 Enacted</u>
Environmental Restoration	170,140	181,019	195,785	+14,766
Environmental Protection	0	0	0	0
Technology Development & Transfer	3,473	3,536	3,599	+63
Financial Management.....	5,860	5,205	5,414	+209
Executive Direction & Administration ...	5,919	6,113	6,360	+247
TOTAL APPROPRIATION	185,392	195,873	211,158	+15,285

Highlights of Budget Changes

Uncontrollable Costs Net Increase	<u>Amount</u> [+886]
Environmental Restoration	+14,766
<p>A \$14,399 programmatic increase is requested for the Abandoned Mine Lands (AML) reclamation program to aggressively accelerate restoration of abandoned mine sites adversely affected by past coal mining practices. Of this increase, up to \$2,000 will be available for the Appalachian Clean Streams Initiative to accelerate the cleanup of polluted streams caused by past coal mining practices. These increases directly support OSM's goal of better reclamation. Uncontrollable costs total \$367.</p>	