



OFFICE OF SURFACE MINING RECLAMATION AND ENFORCEMENT

Mission – The mission of the Office of Surface Mining Reclamation and Enforcement is to ensure that through a nationwide regulatory program, coal mining is conducted in a manner that protects communities and the environment during mining, restores the land to beneficial use following mining, and mitigates the effects of past mining by aggressively pursuing reclamation of abandoned mine lands.

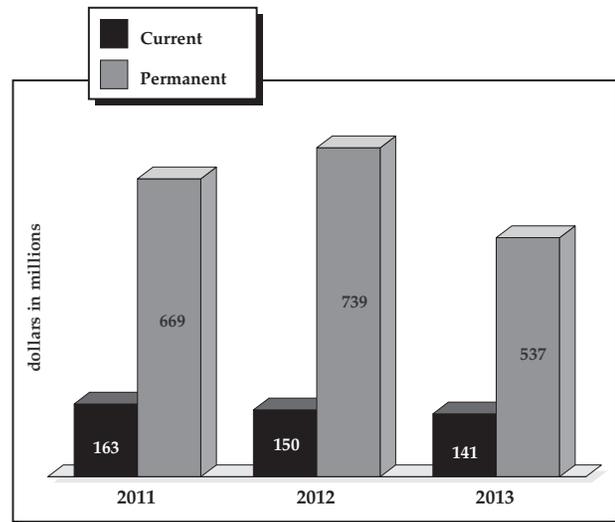
Budget Overview – The 2013 budget request for OSM is \$140.7 million in discretionary appropriations, \$9.5 million below the 2012 enacted level. The OSM estimates that staffing will equal 528 full time equivalents in 2013.

Regulation and Technology – The 2013 budget for Regulation and Technology is \$113.1 million, a decrease of \$9.7 million below the 2012 level. The request includes \$12.8 million, an increase of \$4.1 million above the 2012, to improve implementation of existing laws and support States and Tribes. State and tribal regulatory grants are funded at \$57.7 million in 2013, a decrease of \$10.9 million below 2012. States are encouraged to recover more of their regulatory costs from the coal industry through user fees. In addition, the budget proposes to recover the cost of reviewing, administering, and enforcing permits for surface coal mining and reclamation in Federal Programs and on Indian Lands where OSM is the regulatory authority. The OSM expects to collect \$3.4 million in these permit fees in 2013.

Abandoned Mine Reclamation Fund – The total discretionary funding requested for this account is \$27.5 million, an increase of \$149,000 above the 2012 enacted level. The Surface Mining Control and Reclamation Act established the Abandoned Mine Reclamation Fund to receive the Abandoned Mine Land fees and finance reclamation of coal AML sites.

Better Government – Secretary Salazar signed Secretarial Order 3315 on October 26, 2011, to better align certain functions of OSM and the Bureau of Land Management. In order to plan for this, Secretary Salazar has asked the Directors of OSM and BLM and other Interior officials to report by February 15, 2012, on the consultations with

OSM Funding



the Bureaus' employees, congressional committees, and interested parties such as Tribes, State regulatory officials, industry, and representatives of communities affected by coal mining.

Legislative Proposals – In 2013, OSM will distribute \$537.2 million in permanent appropriations. This includes \$306.6 million to States and Tribes in reclamation grants and \$230.6 million in payments to the United Mine Workers of America retiree health plans. The Administration proposes to focus reclamation grant funds on the highest priority AML sites. The budget proposes to end mandatory payments to States and Tribes that have finished restoring their abandoned coal mines, saving the taxpayer \$137.0 million in 2013 and approximately \$1.1 billion over the next ten years. These payments currently can be used for any purpose and therefore may not contribute to the goal of addressing abandoned mine hazards. This proposal will competitively allocate the remaining reclamation funding and provide funding for AML emergency situations and the administration of AML programs. Instead of using production-based formulas, OSM will establish an advisory council to review and rank reclamation projects proposed by States, Tribes, and

OFFICE OF SURFACE MINING RECLAMATION AND ENFORCEMENT FACTS

- Created in 1977 when Congress enacted the Surface Mining Control and Reclamation Act.
- Ensures coal mining operations are conducted in an environmentally responsible manner.
- Regulates that land is adequately reclaimed and restored to beneficial use during and following the mining process.
- Institutes nationwide programs to protect the society and the environment from the adverse effects of surface coal mining operations.
- Trains hundreds of State and tribal professionals in a broad range of reclamation skills such as reestablishing wildlife habitat.

other parties and recommend the distribution of funds to the highest priority sites. This proposal will ensure the Nation's most dangerous abandoned coal mines are addressed before the AML fee expires in 2021.

The budget also assumes a legislative proposal to establish a new fee on hardrock mineral production to fund the reclamation of abandoned hardrock mines across the Country. Just as the coal industry is held responsible for the actions of its predecessors, the Administration proposes to hold the hardrock mining industry responsible for abandoned hardrock mines. The legislative proposal will levy an AML fee on uranium and metallic mines on both public and private lands. The proposed AML fee on the production of hardrock minerals will be based on the volume of material displaced after January 1, 2013. The fee will be collected by OSM. The receipts will be distrib-

uted through a competitive grant program to restore the most hazardous hardrock AML sites using an advisory council comprised of representatives of Federal agencies, States, Tribes, and non-government organizations. The advisory council will recommend objective criteria to rank AML projects to allocate funds for remediation to the sites with the most urgent environmental and safety hazards. The proposed hardrock AML fee and reclamation program would operate in parallel to the coal AML reclamation program, as two parts of a larger proposal to ensure the Nation's most dangerous abandoned coal and hardrock AML sites are addressed by the industries that created the problems. This proposal is expected to generate \$1.8 billion over ten years for the reclamation of abandoned mine lands.

Fixed Costs – Fixed costs of \$897,000 are fully funded.

SUMMARY OF BUREAU APPROPRIATIONS

(all dollar amounts in thousands)

Comparison of 2013 Request with 2012 Enacted

	2012 Enacted		2013 Request		Change	
	FTE	Amount	FTE	Amount	FTE	Amount
Current						
Regulation and Technology	344	122,813	369	113,153	+25	-9,660
Abandoned Mine Reclamation Fund	159	27,399	159	27,548	0	+149
Subtotal, Current (<i>w/o offsetting collections</i>)	503	150,212	528	140,701	+25	-9,511
Offsetting Collections	0	40	0	3,400	0	+3,360
Subtotal, Current (<i>w/offsetting collections</i>).....	0	150,252	0	144,101	0	-6,151
Permanent						
Payments to UMWA Health Plans (AML).....	0	48,430	0	55,724	0	+7,294
Payments to UMWA Health Plans (Treasury Funds)	0	205,561	0	174,902	0	-30,659
Payments to States in Lieu of						
Coal Fee Receipts (Treasury Funds)	0	265,300	0	85,200	0	-180,100
Mandatory Grants to States and Tribes (AML)	0	220,196	0	221,400	0	+1,204
Subtotal, Permanent.....	0	739,487	0	537,226	0	-202,261
TOTAL, OFFICE OF SURFACE MINING (<i>w/o OC</i>)	503	889,699	528	677,927	+25	-211,772
TOTAL, OFFICE OF SURFACE MINING (<i>w/ OC</i>)	503	889,739	528	681,327	+25	-208,412

HIGHLIGHTS OF BUDGET CHANGES

By Appropriation Activity/Subactivity

APPROPRIATION: Regulation and Technology

	2011 Actual	2012 Enacted	2013 Request	Change
Environmental Restoration.....	161	0	0	0
Environmental Protection.....	94,578	91,832	81,855	-9,977
Permitting fees.....	0	40	3,400	+3,360
Offsetting collections	0	-40	-3,400	-3,360
Technology Development and Transfer...	15,455	14,455	14,584	+129
Financial Management	513	505	505	0
Executive Direction/ Administration	16,219	15,921	16,109	+188
TOTAL APPROPRIATION <i>(w/o civil penalties)</i> ..	126,926	122,713	113,053	-9,660
Civil Penalties	527	100	100	0
TOTAL APPROPRIATION <i>(w/ civil penalties)</i> ...	127,453	122,813	113,153	-9,660

Detail of Budget Changes

2013 Change from 2012 Enacted

TOTAL APPROPRIATION	-9,660
Environmental Protection.....	-9,977
Reduce State and Tribal Regulatory Grants	-10,916
Improve Implementation and Support to States and Tribes.....	+3,994
Federal Programs	-2,372
Indian Lands	-988
Fixed Costs	+305
Technology Development and Transfer.....	+129
Fixed Costs	+129
Executive Direction.....	+188
Fixed Costs	+188
Subtotals for Changes Across Multiple Subactivities	
Fixed Costs	[+622]

APPROPRIATION: Abandoned Mine Reclamation Fund

	2011 Actual	2012 Enacted	2013 Request	Change
Environmental Restoration.....	15,015	9,480	9,447	-33
Technology Development and Transfer...	5,751	3,544	3,571	+27
Financial Management	6,443	6,396	6,455	+59
Executive Direction and Administration.	8,308	7,979	8,075	+96
TOTAL APPROPRIATION	35,517	27,399	27,548	+149

Detail of Budget Changes

2013 Change
from 2012 Enacted

TOTAL APPROPRIATION	+149
Environmental Restoration.....	-33
Project Monitoring	+209
Reduce Watershed Cooperative Agreements.....	-335
Fixed Costs	+93
Technology Development and Transfer.....	+27
Fixed Costs	+27
Financial Management	+59
Fixed Costs	+59
Executive Direction.....	+96
Fixed Costs	+96
Subtotals for Changes Across Multiple Subactivities	
Fixed Costs	[+275]

