



OFFICE OF SURFACE MINING RECLAMATION AND ENFORCEMENT

Mission – The mission of the Office of Surface Mining Reclamation and Enforcement is to ensure 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.

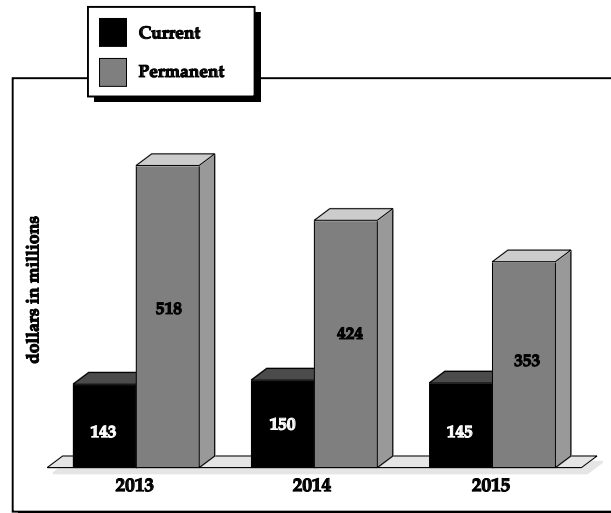
Budget Overview – The 2015 budget request for OSM is \$144.8 million in current appropriations, \$5.3 million below the 2014 enacted level. The OSM estimates that staffing will equal 500 full time equivalents in 2015, an increase of 12 FTE from the 2014 level.

Regulation and Technology – The 2015 budget for Regulation and Technology is \$116.1 million, a programmatic decrease of \$6.6 million below the 2014 level. The request includes \$12.6 million, an increase of nearly \$4.0 million above 2014, to improve implementation of existing laws and support State and tribal programs. State and tribal regulatory grants are funded at \$55.2 million in 2015, a decrease of \$13.4 million below 2014. States are encouraged to recover more of their regulatory costs from the coal industry for services provided. 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 recover \$1.9 million of the costs for services provided in 2015.

The budget includes \$1.2 million for applied science to conduct studies that will advance technologies and practices specific to coal mined sites for more comprehensive ecosystem restoration including reforestation and reclamation using native vegetation and plant habitat, \$1.5 million to more fully deploy the Geo-Mine project, \$750,000 to support electronic permitting, \$500,000 for a cost recovery data application, and \$200,000 to improve the monitoring of financial information.

Abandoned Mine Reclamation Fund – The total current funding requested for this account is \$28.7 million, a

OSM Funding



programmatic increase of \$1.3 million above 2014. 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. The increase includes \$700,000 for applied science studies pertaining to abandoned mines and \$291,000 for project monitoring.

Legislative Proposals – In 2015, OSM will distribute an estimated \$352.7 million in permanent appropriations. This includes \$186.0 million to non-certified States and Tribes in reclamation grants and \$166.7 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 permanent payments to States and Tribes that have finished restoring their abandoned coal mines, saving the taxpayer \$48.0 million in 2015 and \$295.0 million 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.

The budget proposes to restore coal fees to the 1977 levels which were in effect until an amendment to the Surface

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.
- Requires that land is adequately reclaimed and restored to beneficial use during and following the mining process through regulation.
- 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 re-establishing wildlife habitat.

Mining Control and Reclamation Act in 2006 reduced the fees. The proposal to return the fees to historic levels will generate an additional \$52.0 million in 2015 that will be used to reclaim priority abandoned mine sites and reduce some of the \$3.9 billion in remaining dangerous AML sites nationwide.

The budget also includes 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, 2015. The fee will be collected by OSM, and the receipts will be distributed through a set allocation of funds between Federal and non-Federal lands. Based on need, the Secretary will disperse the non-Federal share to States and Tribes who will select their own priority restoration projects, using national criteria. The proposed hardrock AML fee and reclamation program will operate in parallel to the coal AML reclamation program, as two parts of a larger proposal to ensure the Nation's most dangerous 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 \$936,000 are fully funded in the 2015 budget request.

SUMMARY OF BUREAU APPROPRIATIONS

(all dollar amounts in thousands)

Comparison of 2015 Request with 2014 Enacted

	2014 Enacted		2015 Request		Change	
	FTE	Amount	FTE	Amount	FTE	Amount
Current						
Regulation and Technology	345	122,713	357	116,110	+12	-6,603
Abandoned Mine Reclamation Fund	143	27,399	143	28,695	0	+1,296
Subtotal, Current (w/o oc and cp)	488	150,112	500	144,805	+12	-5,307
Civil Penalties	0	100	0	100	0	0
Offsetting Collections	0	40	0	1,900	0	+1,860
Subtotal, Current (w/ oc and cp)	488	150,252	500	146,805	+12	-3,447
Permanent						
Payments to UMWA Health Plans (AML)	0	12,359	0	21,645	0	+9,286
Payments to UMWA Health Plans (Treasury Funds)	0	112,925	0	145,078	0	+32,153
Payments to States in Lieu of						
Coal Fee Receipts (Treasury Funds)	0	131,903	0	0	0	-131,903
Mandatory Grants to States and Tribes (AML)	0	166,415	0	186,000	0	+19,585
Subtotal, Permanent	0	423,602	0	352,723	0	-70,879
TOTAL, OFFICE OF SURFACE MINING (w/o oc and cp)	488	573,714	500	497,528	+12	-76,186
TOTAL, OFFICE OF SURFACE MINING (w/ oc and cp)	488	573,854	500	499,528	+12	-74,326

HIGHLIGHTS OF BUDGET CHANGES

By Appropriation Activity/Subactivity

APPROPRIATION: Regulation and Technology

	2013 Actual	2014 Enacted	2015 Request	Change
Environmental Protection.....	87,029	91,832	81,191	-10,641
Permitting fees.....	40	40	1,900	+1,860
Offsetting collections.....	-38	-40	-1,900	-1,860
Technology Development and Transfer...	13,699	14,455	18,009	+3,554
Financial Management.....	479	505	707	+202
Executive Direction/ Administration.....	15,088	15,921	16,203	+282
TOTAL APPROPRIATION <i>(w/o civil penalties)</i> ..	116,297	122,713	116,110	-6,603
Civil Penalties.....	730	100	100	0
TOTAL APPROPRIATION <i>(w/civil penalties)</i>	117,027	122,813	116,210	-6,603

Detail of Budget Changes

2015 Change from 2014 Enacted

TOTAL APPROPRIATION	-6,603
Environmental Protection.....	-10,641
Reduce State and Tribal Regulatory Grants	-13,373
Improve Implementation and Support to States and Tribes.....	+3,843
Federal Programs	-1,302
Indian Lands	-558
Cost Recovery Data Application.....	+500
Fixed Costs	+249
Technology Development and Transfer.....	+3,554
Applied Science Projects	+1,199
Expand Geo-mine Project.....	+1,500
Support Electronic Permitting.....	+750
Fixed Costs	+105
Financial Management.....	+202
Program Monitoring	+200
Fixed Costs	+2
Executive Direction.....	+282
Indirect Cost Negotiation.....	+5
Fixed Costs	+277
Subtotals for Changes Across Multiple Subactivities	
Fixed Costs	[+633]

APPROPRIATION: Abandoned Mine Reclamation Fund

	2013 Actual	2014 Enacted	2015 Request	Change
Environmental Restoration.....	8,984	9,480	9,853	+373
Technology Development and Transfer...	3,359	3,544	4,269	+725
Financial Management	6,061	6,396	6,448	+52
Executive Direction and Administration.	7,562	7,979	8,125	+146
TOTAL APPROPRIATION	25,966	27,399	28,695	+1,296

Detail of Budget Changes

	2015 Change from <u>2014 Enacted</u>
TOTAL APPROPRIATION	+1,296
Environmental Restoration.....	+373
Project Monitoring	+291
Fixed Costs	+82
Technology Development and Transfer.....	+725
Applied Science Projects	+700
Fixed Costs	+25
Financial Management	+52
Fixed Costs	+52
Executive Direction.....	+146
Indirect Cost Negotiation.....	+2
Fixed Costs	+144
Subtotals for Changes Across Multiple Subactivities	
Fixed Costs	[+303]