



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.

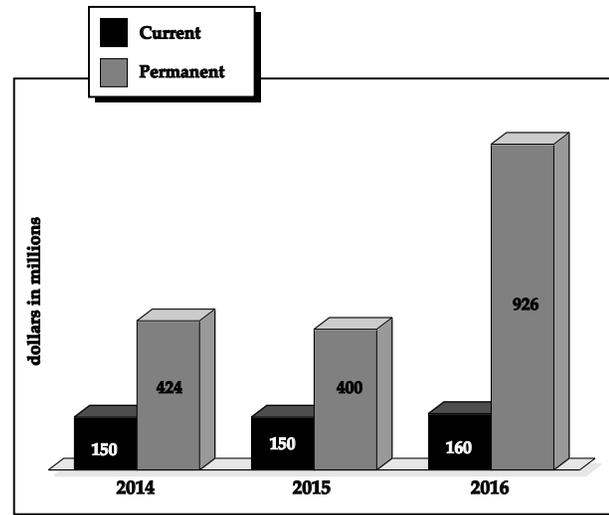
Budget Overview – The 2016 budget for OSMRE is \$160.5 million in current appropriations, \$10.4 million above the 2015 enacted level. The OSMRE estimates staffing will equal 511 full time equivalents in 2016, an increase of 23 FTE from the 2015 level.

Regulation and Technology – The 2016 budget for Regulation and Technology is \$128.4 million, an increase of \$5.7 million above the 2015 level. The request includes \$12.6 million, a program increase of \$3.8 million above the 2015 level, to improve implementation of existing laws and support State and tribal programs. The budget includes \$65.5 million for State and tribal regulatory grants, a decrease of \$3.1 million below the 2015 level, including a program increase of \$2.0 million for tribal regulatory grants. This request fully funds estimated State requirements based on the return each year of an estimated \$3 million in previously appropriated regulatory grant funds by States. Funds from prior years are available to address any shortages which might occur in 2016.

As in prior years, 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 OSMRE is the regulatory authority and encourages States to further pursue cost-recovery options. The OSMRE expects to recover \$1.9 million of the costs for services provided in 2016.

The budget includes program increases of \$2.5 million to advance the OSMRE GeoMine Project and \$1.2 million for applied science to conduct studies to advance technologies and practices specific to coal mined sites for more comprehensive ecosystem restoration including reforestation and reclamation using native vegetation and

OSMRE Funding



plants. To expand the use of reforestation techniques in coal mine reclamation and provide opportunities for youth and community engagement, the request includes a program increase of \$1.0 million. Additional program increases include \$750,000 to support electronic permitting, \$500,000 for a cost recovery data application, \$290,000 for support of legal reviews of coal mining issues by the Office of the Solicitor, and \$200,000 to improve financial information monitoring.

Abandoned Mine Reclamation Fund – The 2016 budget for the Abandoned Mine Reclamation Fund is \$32.1 million, an increase of \$4.7 million above the 2015 level. The Surface Mining Control and Reclamation Act established the Abandoned Mine Reclamation Fund to receive Abandoned Mine Land fees and finance reclamation of coal AML sites. The budget includes a \$2.0 million program increase for technical assistance to States, Tribes, and communities on AML site reclamation and area-wide reclamation planning and a \$1.4 million program increase to evaluate AML program implementation, including identifying more effective and efficient tools for AML site identification, contract management, and program oversight. The budget also includes program increases of \$700,000 for applied science studies pertaining to

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 land is adequately reclaimed and restored to beneficial use during and following the mining process through regulation.
- Institutes nationwide programs to protect 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.

abandoned mines, \$293,000 for AML project monitoring, and \$150,000 for support within the Office of the Solicitor.

Legislative Proposals – The 2016 budget proposes to distribute an estimated \$926.1 million in permanent appropriations. This includes \$385.3 million to non-certified States and Tribes in reclamation grants and \$540.8 million in payments to the United Mine Workers of America retiree health and pension plans. The Administration proposes legislation to revitalize communities impacted by abandoned coal mines, reform current funding of abandoned coal mine land clean-up, increase funding for hardrock abandoned mine land clean-up, and provide for coal miners, retirees, and their families.

The budget proposes legislation to make available to States and Tribes \$1.0 billion of unappropriated AML funds to expedite cleanup and redevelopment of abandoned mine sites and associated polluted waters in a manner that facilitates sustainable revitalization in coalfield communities. As part of the President's POWER+ Plan, this proposal will add \$200.0 million annually to the OSMRE permanent appropriation to apply to unreclaimed AML sites in 2016 and is complemented by the OSMRE current request of \$2.0 million to provide area-wide planning technical assistance and \$1.0 million for the Appalachian Regional Reforestation Initiative.

The budget proposes to end permanent appropriated payments to States and Tribes that have finished restoring their abandoned coal mines, saving the taxpayer \$34.0 million in 2016 and \$224.0 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. Additionally, the budget proposes to restore coal fees to the 1977 levels, which were in effect until an amendment to the Surface Mining Control and Reclamation Act in 2006 reduced

the fees. The proposal to return the fees to historic levels will generate an additional \$49.0 million in 2016 that will be used to reclaim priority abandoned mine sites and address over \$4 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, 2016. The fee will be collected by OSMRE, 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.

Finally, the budget proposes legislative reforms to strengthen the health care and pension plans that provide for the health and retirement security of coal miners and their families. The budget proposes to revise the formula for general fund payments to the 1993 UMWA Health Benefits Plan. The new formula will consider all beneficiaries enrolled in the Plan as of enactment, as well as those

retirees whose health benefits were denied or reduced as the result of a bituminous coal industry bankruptcy proceeding commenced in 2012. Additionally, the proposal will transfer funds through the Pension Benefit Guaranty Corporation to the trustees of the 1974 UMWA Pension

Plan to ensure the plan's long-term solvency. The 1974 Plan, which covers more than 100,000 mineworkers, is significantly underfunded and approaching insolvency.

Fixed Costs - Fixed costs of \$509,000 are fully funded.

SUMMARY OF BUREAU APPROPRIATIONS
(all dollar amounts in thousands)

Comparison of 2016 Request with 2015 Enacted

	2015 Enacted		2016 Request		Change	
	FTE	Amount	FTE	Amount	FTE	Amount
Current						
Regulation and Technology	345	122,713	362	128,388	+17	+5,675
Abandoned Mine Reclamation Fund	143	27,399	149	32,074	+6	+4,675
Subtotal, Current (<i>w/o cp and oc</i>)	488	150,112	511	160,462	+23	+10,350
Civil Penalties	0	100	0	100	0	0
Offsetting Collections	0	40	0	1,900	0	+1,860
Subtotal, Current (<i>w/ cp and oc</i>)	488	150,252	511	162,462	+23	+12,210
Permanent						
Payments to UMWA Health Plans (AML).....	0	31,803	0	50,807	0	+19,004
Payments to UMWA Health Plans (Treasury Funds)	0	141,730	0	126,619	0	-15,111
Payments to UMWA Health Plans (Treasury Funds) Proposed.....	0	0	0	363,381	0	+363,381
Payments to States in Lieu of Coal Fee Receipts (Treasury Funds).....	0	58,754	0	0	0	-58,754
Mandatory Grants to States and Tribes (AML).....	0	167,791	0	185,300	0	+17,509
Reclaim and Redevelop AML Sites	0	0	0	200,000	0	+200,000
Subtotal, Permanent.....	0	400,078	0	926,107	0	+526,029
TOTAL, OFFICE OF SURFACE MINING AND ENFORCEMENT (<i>w/o cp and oc</i>)	488	550,190	511	1,086,569	+23	+536,379
TOTAL, OFFICE OF SURFACE MINING AND ENFORCEMENT (<i>w/ cp and oc</i>).....	488	550,330	511	1,088,569	+23	+538,239

HIGHLIGHTS OF BUDGET CHANGES

By Appropriation Activity/Subactivity

APPROPRIATION: Regulation and Technology

	2014 Actual	2015 Enacted	2016 Request	Change
Environmental Protection.....	91,832	91,832	91,880	+48
Permitting Fees.....	26	40	1,900	+1,860
Offsetting Collections.....	-26	-40	-1,900	-1,860
Technology Development and Transfer...	14,455	14,455	20,086	+5,631
Financial Management.....	505	505	711	+206
Executive Direction and Administration.	15,921	15,921	15,711	-210
TOTAL APPROPRIATION <i>(w/o civil penalties)</i> ..	122,713	122,713	128,388	+5,675
Civil Penalties.....	399	100	100	0
TOTAL APPROPRIATION <i>(w/ civil penalties)</i> ...	123,112	122,813	128,488	+5,675

Detail of Budget Changes

	2016 Change from <u>2015 Enacted</u>
TOTAL APPROPRIATION	+5,675
Environmental Protection.....	+48
Reduce State and Tribal Regulatory Grants	-3,129
Improve Implementation and Support to States and Tribes	+3,846
Federal Programs, Decrease Covered by Offsetting Collections	-1,302
Indian Lands, Decrease Covered by Offsetting Collections	-558
Cost Recovery Data Application.....	+500
Solicitor Support.....	+290
Fixed Costs	+401
Technology Development and Transfer.....	+5,631
Support Electronic Permitting	+750
Applied Science Projects	+1,199
Expand GeoMine Project.....	+2,500
Expand Reforestation Initiative.....	+1,000
Fixed Costs	+182
Financial Management	+206
Program Monitoring.....	+200
Fixed Costs	+6
Executive Direction.....	-210
Indirect Cost Negotiation.....	+2
Fixed Costs	-212
Subtotals for Changes Across Multiple Subactivities	
Fixed Costs	[+377]

APPROPRIATION: Abandoned Mine Reclamation Fund

	2014 Actual	2015 Enacted	2016 Request	Change
Environmental Restoration.....	9,480	9,480	11,431	+1,951
Technology Development and Transfer...	3,544	3,544	6,283	+2,739
Financial Management.....	6,396	6,396	6,477	+81
Executive Direction and Administration.	7,979	7,979	7,883	-96
TOTAL APPROPRIATION	27,399	27,399	32,074	+4,675

Detail of Budget Changes

2016 Change from
2015 Enacted

TOTAL APPROPRIATION	+4,675
Environmental Restoration.....	+1,951
Project Monitoring	+293
Solicitor Support.....	+150
Review AML Program	+1,400
Fixed Costs	+108
Technology Development and Transfer.....	+2,739
Technical Assistance for AML Site Reclamation.	+2,000
Applied Science Projects	+700
Fixed Costs	+39
Financial Management	+81
Fixed Costs	+81
Executive Direction.....	-96
Fixed Costs	-96
Subtotals for Changes Across Multiple Subactivities	
Fixed Costs	[+132]