



U.S. Office of Surface Mining
**News
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Contact: Ben Owens
(202) 208-7941
bowens@osmre.gov

OSM's Budget Reflects Commitment to Maintain State and Tribal Regulatory Grants; Continues to Implement 2006 Amendments to the Abandoned Mine Land Program

(Washington, DC) – The President's proposed budget for the Office of Surface Mining for Fiscal Year 2009 provides resources to fund State and Tribal programs that permit and regulate domestic coal production that provides more than 50 percent of the Nation's electricity. The budget also continues to implement changes Congress made to the Abandoned Mine Land (AML) Reclamation Program in December 2006.

OSM's proposed discretionary budget is \$149.3 million, a decrease of \$21.1 million from the 2008 enacted level. The budget for 2009 reflects OSM's commitment to maintain State and Tribal regulatory grants and effectively implement amendments to the AML Reclamation Program.

Estimated mandatory appropriations of \$479.1 million in FY 2009 include \$298.4 million for grants to States and Tribes for AML reclamation and other authorized purposes, and \$180.7 million for payments to the United Mine Workers of America Health Plans.

Regulation and Technology Appropriations – The total requested funding for this appropriation is \$118.5 million, which remains level with the FY 2008 enacted level. The FY 2009 State and Tribal grant program maintains most of the robust funding provided in 2008 and supports Tribal primacy; the requested level for these grants is increased by \$7.3 million, or 13 percent above 2007 for a total of \$63.7 million.

Slight decreases from the FY 2008 enacted level reflect efficiencies achieved through cost saving measures.. Offsetting increases include funding for fixed costs and for increased services acquired from Interior's service providers funded through the working capital fund.

Abandoned Mine Reclamation Appropriation - The total requested funding for this appropriation is \$30.8 million, a net decrease of \$21.1 million below the FY 2008 enacted level. The major decreases are \$20.0 million in State and Federal emergency grant funding and \$1.4 million in related Federal reclamation

operations. Carryover funding will be available in FY 2009 as OSM begins phasing out Federal responsibility for emergency programs and transitions that responsibility to the States.

Beginning in 2008, States and Tribes receive substantial increases in funding provided by mandatory appropriations authorized under the Surface Mining Control and Reclamation Act (SMCRA) Amendments of 2006. The 2009 AML mandatory grant payments will total an estimated \$298.4 million compared to \$132.0 million in 2007. States will be in a financial position to begin to assume responsibility for emergency projects beginning with a transition year in FY 2009.

Other reductions in this appropriation are due to efficiencies achieved through cost saving measures. An increase of \$0.5 million is requested to maintain audits of coal operators while OSM supports Department of Justice litigation on the constitutionality of assessing abandoned coal mine reclamation fees on coal that is exported.

Other increases are for services acquired from the Department's service providers through the working capital fund, and fixed costs.

Highlights of OSM's proposed FY 2009 budget are online at http://www.osmre.gov/news/020408_Brief.pdf.

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