



NEWS RELEASE

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Fiscal Year 2014 Budget for Office of Surface Mining Reclamation and Enforcement Strengthens Compliance and Invests in Scientific Studies

(Washington, DC) – President Obama’s proposed \$143.1 million in discretionary funding for the [Office of Surface Mining Reclamation and Enforcement](http://www.osmre.gov) (OSM) in fiscal year (FY) 2014 focuses funding on improving compliance with coal production laws and reducing federal subsidies to the coal industry. The budget request also provides \$1.6 million for scientific studies and proposes changes in mandatory funding to address the most critical needs for reclaiming abandoned coal mine sites.

The proposed discretionary budget is a decrease of \$7.1 million from the bureau’s FY 2012 enacted level, reflecting cost-cutting measures and tough budget priorities. The [FY 2014 budget](#) provides an increase of \$4.0 million to improve implementation of the Surface Mining Control and Reclamation Act of 1977 (SMCRA) and to support approved state and tribal surface coal mining regulatory programs. Overall, state and tribal regulatory grants are funded at \$57.7 million, a reduction of \$11 million from 2012.

“OSM’s 2014 budget enables us to concentrate on our mission of protecting the natural environment while continuing to provide for the Nation’s energy needs,” said OSM Director Joe Pizarchik. “While maintaining the need for fiscal austerity, this year’s budget affirms our commitment to work with our state and tribal partners as we continue to protect communities and strengthen the economy across the Nation.”

SMCRA allows coal-producing states and tribes to assume primary responsibility — or primacy — for regulating surface coal mining operations within their borders. To date, 24 states have achieved primacy, while OSM remains the regulatory authority in Tennessee and Washington State. No tribes have achieved primacy to date, though OSM is working with the Navajo Nation as well as the Crow and Hopi Tribes to enable them to do so.

The FY 2014 budget encourages primacy states to maintain funding levels for their regulatory programs by increasing the fees that each state charges the coal industry for reviewing, administering, and inspecting permits. Likewise, where OSM is the regulatory authority for coal mining operations (Tennessee, Washington, and on Indian lands), the budget calls for a reduction in the costs of administration, which will be offset by \$2.4 million in fees that OSM proposes to collect from industry for the permitting and inspection services OSM provides.



In addition, the budget requests \$1.6 million to address critical challenges in energy production by investing in studies that advance technologies and best practices specific to coal mine sites. These studies will provide for more comprehensive ecosystem restoration, including reforestation and reclamation using native vegetation.

In FY 2014, OSM will distribute an estimated \$468.5 million in mandatory funds under the Abandoned Mine Land (AML) program. These funds are not subject to an annual appropriation. Of this total, the budget proposes \$273.5 million for high-priority abandoned coal mine reclamation and provides \$195 million for payments to the United Mine Workers of America Health Plans.

With regard to the reclamation fee that mine operators pay on each ton of coal produced, the FY 2014 budget proposes to return rates to the levels in effect before Congress reduced the fee by amending SMCRA in 2006. The President's budget will focus the additional funds on the highest priority remaining AML sites. To reduce the deficit, the Administration will submit legislation to terminate mandatory payments to the states and tribes that have finished restoring their abandoned coal mines, saving \$327 million over 10 years. The budget also proposes to build off the success of SMCRA's AML Fund to create a parallel fund to reclaim abandoned hardrock (e.g., gold or copper) mines.

OSM will hold a teleconference on April 12, 2013, at 3:00 p.m. Eastern time, for interested parties to learn more about President Obama's proposed Fiscal Year 2014 budget for OSM. To join the call, please dial 888-982-4611, and use the passcode 6054516.

For instant updates on OSM, follow the bureau on Twitter at www.twitter.com/OSMRE or visit the OSM home page at www.osmre.gov.

OSM carries out the requirements of the Surface Mining Control and Reclamation Act in cooperation with states and tribes. The bureau's objectives are to ensure that coal mining activities are conducted in a manner that protects citizens and the environment during mining, to ensure that the land is restored to beneficial use after mining, and to mitigate the effects of past mining by pursuing reclamation of abandoned coal mines.

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