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OSM Announces Decisions Needed to Distribute Funds Under the 2006 AML Legislation

(Washington DC) – The U.S. Office of Surface Mining Reclamation and Enforcement (OSM) today announced new procedures for distributing mandatory funding to States and Tribes for restoring abandoned mine land, treating acid mine drainage and other uses.

The revisions were required by the 2006 Amendments to Title IV of the Surface Mining Control and Reclamation Act (SMCRA). These amendments extended the Interior Department's authority to collect Abandoned Mine Land (AML) fees through Sept. 30, 2021 and made the majority of the funding available to States and Tribes mandatory and without further appropriation by Congress.

Implementing the amendments required Interior to make several decisions to clarify legal points in order to make available the Fiscal Year 2008 funds to States and Indian tribes with AML reclamation programs under SMCRA. The funds will become available within the next few weeks as AML fee collections on FY 2007 coal production are finalized.

When Congress enacted the Surface Mining Control and Reclamation Act in 1977, it created the Office of Surface Mining Reclamation and Enforcement (OSM) and gave it the authority to collect fees on coal production to restore abandoned mine lands. AML funds to States and Tribes were subject to appropriation and distributed through grants.

The 2006 Amendments provide that in addition to the funds distributed to eligible States and Tribes based on Interior's prior year AML fee collections, each State and Tribe will be paid, over the next seven years, the equivalent of its unappropriated State or Tribal share balance from Treasury funds.

These unappropriated share balances – the difference between the amount of AML fee collection funds allocated to the State or Tribe by law and the amount that Congress had appropriated -- will remain in the AML fund and continue to earn interest to be transferred to the United Mine Workers of America health

benefit plans. The first of these Treasury payments to States and Tribes for unappropriated share balances will be made as part of the FY 2008 distribution.

States and Tribes that have not completed all of their coal reclamation projects will use the existing grants procedures to continue AML coal work. States and Tribes that have been certified as having completed their AML projects will be able to apply for grants for their equivalent unappropriated State or Tribal balance funds. The grants process for these certified States and Tribes is being streamlined to reduce paperwork and eliminate the requirement for subsequent approvals for projects or expenditures under the grants as long as all known coal problems are addressed.

"These decisions are consistent with guidance from the Office of the Solicitor as to how funds must be distributed and used," said Brent Wahlquist, Director of OSM. "They confirm the original intent of the Surface Mining Act that the AML fees be used for coal reclamation purposes," he said

The 2006 Amendments require a phase-in of the mandatory $3 million AML funding for uncertified states. OSM is working with the Interior Department's Office of the Solicitor to ensure that states receive maximum benefit for their AML programs. Full funding would begin in Fiscal Year 2012.

The 2006 Amendments are self implementing, and the decisions announced today will assist OSM in distributing funds under the 2006 Amendments within the next few weeks. OSM anticipates revising its regulations to make them consistent with the 2006 Amendments before the FY 2009 distribution.

Please see the Web links below for further information on the AML decisions and the official documents.

Fact Sheet - http://www.osmre.gov/news/120607FactSheet.pdf
Questions and Answers - http://www.osmre.gov/news/120607QA.pdf
Decision Document - http://www.osmre.gov/aml/DecisionDocument.pdf
M-Opinion/Guidance Document - http://www.osmre.gov/aml/Guidance.pdf

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