

Memorandum of Understanding Between The Office of Surface Mining and The Conservation Fund

I. Purpose

The purpose of this Memorandum of Understanding (MOU) between the Office of Surface Mining (OSM), United States Department of the Interior and The Conservation Fund (the Fund) is to provide a framework for cooperative efforts between the two organizations. This agreement will provide the means for the partners to work together on joint projects to restore mined lands and water resources to beneficial uses.

II. Background

OSM protects society and the environment from the adverse effects of current surface coal mining operations and reclaims, through grants to States and Indian Tribes and cooperative agreements with non-government entities, land and water resources adversely affected by previous coal mining. OSM has identified and prioritized approximately 627,000 acres of abandoned mine land for reclamation. This mine land, in its unreclaimed condition, substantially degrades the quality of the environment, prevents or damages the beneficial use of land or water resources, or endangers the health and safety of the public.

The Conservation Fund is a publicly supported, national 501(c)(3) nonprofit organization which seeks to conserve land and water through land acquisition, demonstration projects, education and community-based activities. Through the efficient leveraging of financial resources, the Fund protects landscapes which are key components to wildlife habitat, outdoor recreation, scenic beauty and watershed protection. The transfer of private land to public ownership and management creates numerous benefits for society. Approximately 355 million acres of private land in the United States is underlain by coal (source: U.S. Geological Survey). Mining companies could take advantage of tax benefits and other incentives for donating (or selling at reduced prices) some of these parcels after resource extraction. Both reclaimed and partially reclaimed lands have potential as valuable public assets.

The Fund's Freshwater Institute incorporates this collaborative approach by focusing on sustainable and cost effective solutions for the development and utilization of fresh water resources through environmental restoration, the development of innovative treatment systems and beneficial uses such as aquaculture for rural development. The Freshwater Institute develops and improves innovative and cost-effective technologies for acid and waste water treatment which may be readily adopted to both active and

abandoned mine settings. Treating mine discharges to neutralize and remove metals is a significant business expense to the mining industry, amounting to millions of dollars per day. The development and transfer of cost effective water treatment technology would generate significant benefits for mining companies, rural landowners and society.

Mine discharges, when properly cleaned-up, are a major source of cold, fresh water in rural areas. Development of local aquiculture operations centered on these water supplies could provide the basis for sustainable economic development and contribute a significant source of dietary protein in many isolated and economically undeserved communities. For example, in West Virginia alone, the total annual economic impact of putting one-third of the State's available mine waters into aquiculture is estimated at \$96 million.

III. Intended Cooperative Efforts and Projects

This MOU will provide for continued cooperation between OSM and the Fund in their dealings with other Federal agencies, States/Tribes, academia, industries and citizen groups. Examples of potential joint projects include the following:

- Encouraging the mining industry and land holding companies to consider the advantages of transferring land from private to public ownership. Such transfers, in cooperation with local partners, would provide major benefits for natural resource conservation, habitat diversity, watershed protection and outdoor recreation, as well as tax relief and other corporate financial benefits. OSM will take the opportunity during its contacts with companies and State/Tribal agencies to disseminate information on the Fund's Corporate Lands program. The Fund will use its contacts to disseminate information on OSM's Abandoned Mine Land program and acid mine drainage (AMD) clean up activities.
- Developing new mechanisms to restore mined land and water to their highest and best uses. This might include reforestation for tree banking and carbon sequestration, creating biodiverse wildlife habitat and best management practices for water conservation and value-added water development, e.g., passive treatment systems, hydrologic routing, recharge areas and protecting springs and groundwater.
- Identifying, monitoring and developing mine water discharges as potential sources for aquiculture and other beneficial post-mining uses.
- Raising the level of awareness of government agencies, private organizations and the general public of the serious environmental problems associated with mine drainage from abandoned coal mines. AMD has a major impact on the vitality of aquatic ecosystems. If the AMD problem can be resolved, the affected

streams could provide major economic benefits by improving recreational waters, increasing the availability of potable water supplies and supporting major improvements to currently lifeless aquatic ecosystems.

- Developing strategic plans to develop and improve OSM's and the Freshwater Institute's programs of research and technology development, including opportunities for cooperative demonstration and applied research projects.
- Cooperating to secure additional resources and predictable funding sources for research and development and increasing technology transfer to other groups involved in AMD treatment, such as States/Tribes, universities and non-government organizations.
- Enhancing technical and policy information exchange among a broad spectrum of interested parties on water quality issues, particularly AMD, through scientific peer review, shared training and professional development and by supporting and participating in conferences and symposia.
- Participating in efforts to promote special initiatives such as the Clean Water Action Plan, American Heritage Rivers, Appalachian Clean Streams Initiative and the Acid Drainage Technology Initiative relating to clean water, river protection and pollution abatement.

IV. Statement of Mutual Benefits

The partners are dedicated to improving the technical and managerial understanding of land and water conservation and pollution prevention among corporate, community and environmental interests. Cooperative efforts will enhance and encourage the sharing of expertise, resources and facilities. Cooperation will also increase public understanding of the effectiveness of joint efforts among industry, citizen groups, government agencies and environmental organizations.

V. Responsibilities

OSM and the Fund will contribute expertise and technical understanding and will work cooperatively on projects and efforts carried out under this MOU.

VI. Special Provisions

- This MOU does not constitute an obligation or commitment of federal funds and will not give rise to a claim for federal funds. Any endeavor involving reimbursement or contribution of funds between the parties of this MOU will be

effected by an appropriate vehicle, e.g. grant, cooperative agreement, or contract, in accordance with applicable laws, regulations and procedures and will be subject to the availability of appropriated funds.

- OSM's participation in this MOU does not constitute an endorsement of the Fund or its undertakings.
- This MOU may be modified or amended as necessary upon written consent of the parties or may be terminated by either party with a 30-day written notice.
- This MOU will remain in effect for a period of four years from the date of its execution.

VII. Responsible Contacts

Mary Josie Blanchard
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Office of Surface Mining

Joseph Hankins
Program Director
Freshwater Institute

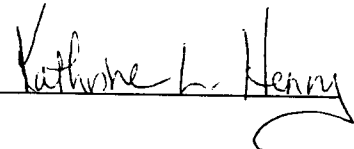
Gene Krueger
AML Program Administrator
Office of Surface Mining

Robert Putz
Director of Science
The Conservation Fund

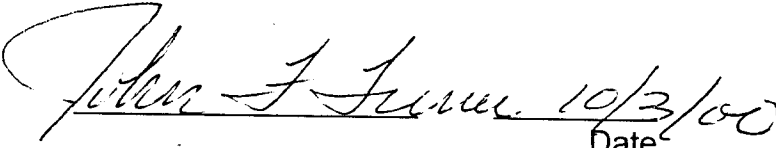
This MOU will become effective upon the signatures of the following:

Kathrine L. Henry
Acting Director
Office of Surface Mining

John F. Turner
President and CEO
The Conservation Fund



Date 10/3/00



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