



U.S. Office of Surface Mining
**News
Release**



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**OSM Budget Increases Funding for States and Tribal Regulatory Programs
And
Implements Funding Changes To The Abandoned Mine Lands Program**

(Washington, DC) – The President’s proposed budget for the Office of Surface Mining for Fiscal Year 2008 would provide more money for State and Tribal programs to regulate the coal mining industry. It also reflects significant changes Congress made in the Abandoned Mine Lands program last year.

OSM’s FY 2008 proposed discretionary budget is \$168.3 million, a decrease of \$129.9 million from the 2007 President’s Budget. This reduction is due to the shift of reclamation grant funding from discretionary appropriations to mandatory appropriations authorized by Title II of the Tax Relief and Health Care Act of 2006 (Public Law 109-432) enacted by Congress in December. Mandatory appropriations do not require annual Congressional approval.

Estimates for funding in FY 2008 under the new law are \$288.4 million for grants to States and Tribes for Abandoned Mine Land Reclamation and \$113 million for payments to the United Mine Workers of America Health Plans.

OSM’s total budget estimate for FY 2008 is \$569.7 million of which \$168.3 million is in discretionary funds and \$401.4 million is in mandatory funds.

Regulation and Technology Appropriations – The total requested funding for this appropriation is \$115.5 million, an increase of \$3.3 million above FY 2007 President’s budget. The largest part of the increase, \$2.2 million, helps States fund implementation of the Surface Mining Control and Reclamation Act, which sets forth minimum uniform requirements for minimizing adverse effects of all coal surface mining including exploration activities and the surface effects of underground coal mining. The remaining budget increase of \$1.1 million funds OSM’s fixed costs and other program changes within the Regulation and Technology programs.

Abandoned Mine Lands Appropriation - The FY2008 AML request of \$52.8 million is a net decrease of \$133.1 million from the FY2007 President's Budget. Increases include \$0.5 million to support the Watershed Cooperative Agreement Program and fixed costs and related program changes of \$0.6 million. There is a decrease of \$134.2 million in AML funding for grants to States and Tribes which is now supported by mandatory appropriations authorized under the Surface Mining Control and Reclamation Act Amendments of 2006.

AML Reauthorization - The AML fund was reauthorized through September 30, 2021, with a reduced fee structure to be phased in over that time. For FY 2008, the new fee structure from fees on mined coal is – 9 cents per ton on lignite, 13.5 cents per ton on underground mined coal and 31.5 cents per ton on surface mined coal.

Accrued interest on unappropriated funds is available for mandatory transfer under AML to the United Mine Workers health plans to defray health care costs for retired miners and their dependents.

A portion of the AML fund will support discretionary Federal expenditures. All other expenditures from the Abandoned Mine Land Fee Collections are for mandatory spending for grants to States and Tribes. Approximately 83 percent of the fees collected will be allocated to States and Tribes that have remaining coal problems to be addressed. Due to restrictions in the law, only 50 percent of that amount will be distributed in FY 2008.

Over a 7-year period, all States and Tribes will receive, from the General Treasury Fund, an amount equivalent to their unappropriated State and Tribal share balances in the AML fund as of October 1, 2007.

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Estimated AML Funding Distributions

State/Tribe	FY 2007 Estimated Pending Appropriation	FY 2008 Estimated Pending Collections
Alabama	2.6	5.1
Alaska	1.5	1.5
Arkansas	1.5	1.5
Colorado	2.4	6.6
Crow Tribe	0.5	1.8
Hopi Tribe	0.4	1.4
Illinois	7.3	10.6
Indiana	4.5	10.6
Iowa	1.5	1.5
Kansas	1.5	1.5
Kentucky	13.6	30.5
Louisiana	0.1	0.3
Maryland	1.5	1.5
Missouri	1.5	1.5
Montana	3.1	10.2
Navajo Nation	2.0	6.3
New Mexico	1.5	4.3
North Dakota	1.5	2.9
Ohio	4.9	8.1
Oklahoma	1.5	1.5
Pennsylvania	21.4	27.5
Tennessee	-	1.5
Texas	1.3	4.4
Utah	1.5	3.6
Virginia	3.4	7.3
West Virginia	18.7	38.1
Wyoming	29.5	109.0
National Total	\$ 130.7	\$ 300.6

(\$ rounded in millions)