



U.S. Office of Surface Mining

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Pennsylvania Awarded \$24 Million to Reclaim Dangerous Abandoned Mine Lands

Bush Administration proposal would accelerate reclamation of hazardous abandoned mines

(WASHINGTON) – Interior Secretary Gale Norton today announced that the Interior Department's Office of Surface Mining has awarded Pennsylvania \$24,044,625 to help reclaim dangerous abandoned mine lands. The grant will assist the state in regulating federal and non-federal lands.

The grant is part of OSM's Abandoned Mine Land program which is due to expire on September 30, 2004. President Bush has proposed legislation to continue the program and accelerate the rate of reclamation for the most dangerous sites.

The proposal, which would reauthorize the government's authority to collect an Abandoned Mine Land fee from coal companies, would provide sufficient funding to eliminate all significant health and safety problems within 25 years. The same job would take almost 50 years if the current system were continued. The President's proposal would remove an average of 142,000 people from risk annually by eliminating health and safety hazards posed by abandoned mines.

"America benefited from coal for 200 years, but residents living near coalfields have lived with the consequences and the risks to their health and safety for too long," said Secretary Norton. "The Abandoned Mine Land program has made thousands of Americans living in the coalfields safer, but the job is not finished. "

In Pennsylvania almost \$1.04 billion worth of high-priority problems remain and more than 1,649,959 Pennsylvanians are living less than a mile from a dangerous abandoned mine site. Thousands more live every day with the environmental impacts of abandoned, un-reclaimed coal mines.

"The administration's legislation will let us get serious about saving lives, improving health and safety and restoring ruined landscapes by directing more money to where the worst problems are and by speeding up the rate we remove hazards. The President's proposal will enable us to remove 45,386 more Pennsylvanians from risk every year," said Norton.

Under President Bush's proposed legislation Pennsylvania would receive an initial increase of \$11.4 million dollars annually, raising Pennsylvania's share of cleanup funds from about \$24.1 million yearly to \$35.5 million, nearly a 50 percent increase. Total funding will amount to close \$1.2 billion dollars over the next 22 years.

Sen. Arlen Specter has introduced the Administration's proposal as S. 2049. Rep. John Peterson introduced the legislation in the House as H.R. 3778. Pennsylvania Gov. Ed Rendell joined the Secretary to announce the proposed legislation at a Feb. 4 event in Harrisburg. Secretary Norton also toured an AML area near Cadiz, Ohio on Saturday, Feb. 21, 2004.

The 1977 Surface Mining Control and Reclamation Act established the Office of Surface Mining (OSM) and authorized the office to collect fees to finance reclamation of abandoned mine lands. Through the AML program, problems at many high-priority sites have been addressed. However, when AML coal fee collection authority expires in September 2004, approximately \$3 billion in significant health and safety problems will still remain. These are not merely "ugly landscapes" that need to be cleaned up; these are serious health and safety hazards. A recent study conducted by OSM found that 3.5 million Americans live less than one mile from health and safety hazards created by abandoned coal mines.

There is a fundamental imbalance between the goals established by the 1977 Act and the requirements for allocating funds under the Act. The statutory allocation formula limits the ability of the AML program to meet its primary objective of abating AML problems on a priority basis. The majority of grant funding, or 71 percent, is distributed to states on the basis of current production. Yet there is no relationship between current production and the magnitude of the AML problem in each state. As a result, some states have completed reclamation on all of the abandoned coal mine sites or are working on low-priority sites, while others are still decades away from completing reclamation of the most critical high-priority sites.

Interwoven with the allocation issue is the need to address states and Indian tribes that have been certified as having completed the reclamation of coal mining related AML sites. Unappropriated balances in the AML fund that would be available under the 1977 Act to certified states and tribes are expected to reach about \$530.0 million by the end of September 2004.

An Administration legislative proposal accompanying the 2005 budget will correct the fundamental imbalance in the current law. To support this legislation, the President is requesting a record increase of \$53 million for the AML program in his Fiscal Year 2005 budget proposal; resulting in an additional \$15 million dollars for certified states and \$38 million for non-certified states in the first year. This is the largest funding increase since states established their AML programs almost 20 years ago. The reauthorization proposal will direct resources to sites where the danger is greatest, by allocating grants solely on a historic production basis. States and Tribes having certified completion of all high priority projects will not receive allocations from new collections under the proposal but will receive unappropriated balances due them on an expedited basis, over a ten-year period, at a rate of \$53 million per year. By focusing the allocation of AML dollars, this proposal will yield a savings of \$3.2 billion over the life of the program. In addition the proposed reforms will allow for a phased in fee reduction of nearly 20 percent.

The proposed reauthorization will not only direct dollars to the most serious reclamation problems, it will also increase AML fund interest transfers to the United Mine Workers of America Combined Benefit Fund for the health benefit expenses of the unassigned beneficiaries (the 17,000 beneficiaries covered under the CBF that were employed by companies that no longer exist). The administration's proposal will remove the \$70 million cap on the amount of interest that may be transferred annually and will make all interest earned on the account available for transfer as needed, including the \$100 million in "stranded" interest from prior years. Moreover, this proposal will clarify the AML Fund's investment policies to reflect both the needs of the fund and the unassigned beneficiaries of the CBF, supporting the administration's ongoing effort to increase the fund's return on investment. This change, along with the administration's recently announced extension of the prescription drug program and the transfer of stranded interest will provide the CBF with an additional \$310 million over the next two years alone.