

OSM NEWS

U.S. Department of the Interior
Office of Surface Mining

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FY 2003 INTERIOR BUDGET SUPPORTS
FEDERAL AND STATE SURFACE MINING PROGRAMS

The Interior Department's budget request for the Office of Surface Mining Reclamation and Enforcement (OSM) for fiscal year 2003 includes \$283.6 million for state and federal programs to protect the environment during coal mining, assure prompt reclamation after mining, and clean up abandoned mine lands.

Included in this amount is \$4.2 million to reflect a government-wide legislative proposal to shift the full cost of the Federal Government's pension system and employee health benefits program for current employees to their employing agencies. Without the legislative proposal, OSM's FY 2003 request is \$279.4 million. (Funding totals discussed below exclude the legislative proposal.)

"President Bush's budget supports our regulatory and abandoned mine lands (AML) reclamation programs plus those of 24 States that receive federal funds from the Interior Department for their surface mining programs," said OSM Acting Director Glenda Owens. "The surface mining program has already accomplished an impressive amount of reclamation, and we will continue to work with States to address what remains to be done."

Since enactment of the Surface Mining Control and Reclamation Act (SMCRA) in 1977, OSM has provided nearly \$1 billion in grants to States and Indian Tribes to fund the regulation of active coal mines. OSM has also provided more than \$3 billion in grants to States and Tribes to clean up mine sites that were abandoned before passage of SMCRA. Over 180,000 acres of abandoned coal mine sites have been reclaimed under OSM's AML program.

OSM's net FY 2003 budget request includes: \$105.4 million for the Regulation & Technology account, and \$174 million for the AML account. The request will also enable OSM to continue directly administering Federal regulatory and reclamation programs in States that do not operate their own surface mining programs, and on Federal lands and Indian lands.

Another component to the OSM budget is a continuing obligation under the Energy Policy Act of 1992 to provide interest from the Abandoned Mine Land Fund to the United Mine Workers of America Combined Benefits Fund to defray health care costs for retired miners and their dependents whose companies have gone bankrupt or are no longer in business. OSM's mandatory transfer to the fund for FY 2003 is estimated at \$70 million.

Regulatory program grants to States are budgeted at \$57.6 million in the FY 2003 request. OSM matches dollar for dollar the funds States use to operate programs for issuing coal mine permits, inspecting surface coal mines, enforcing environmental standards, and assuring reclamation of surface coal mines.

State and tribal AML reclamation grants, including Clean Streams grants to assist in the clean up of streams in the Appalachian Coal Region are budgeted at \$142.1 million in the FY 2003 request. AML state reclamation grant funding is reduced by a total of \$17 million for FY 2003; however, \$2 million in carryover funds from the Federal AML emergency program will be transferred to the AML State grant program resulting in a total AML grant level of \$144.1 million. Funding support for Clean Streams grants continues at the FY2002 level

of \$10 million. The request also eliminates one-time funding of \$500,000 for the State of Pennsylvania's acid mine drainage demonstration project.

State reclamation grants for the AML program still continue to provide sufficient funding for States to start new reclamation projects and complete ongoing ones. Carry-over funding from prior years is also available to support AML projects. OSM pays 100 percent of State and Tribal costs for reclaiming lands that were abandoned unreclaimed or inadequately reclaimed before the enactment of SMCRA in 1977.

The AML program is funded by production fees of 35 cents per ton of surface mined coal, 15 cents per ton of coal mined underground, and 10 cents per ton of lignite.

In 2003, OSM will carry out the Secretary's management strategy, implementing the President's five government-wide initiatives for strategic management of human capital, competitive sourcing, improved financial performance, expanded electronic government, and budget and performance integration.

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