

# **BUDGET** The United States Department of the Interior **JUSTIFICATIONS**

and Performance Information  
Fiscal Year 2012

## **OFFICE OF SURFACE MINING RECLAMATION AND ENFORCEMENT**

NOTICE: These budget justifications are prepared for the Interior, Environment and Related Agencies Appropriations Subcommittees. Approval for release of the justifications prior to their printing in the public record of the Subcommittee hearings may be obtained through the Office of Budget of the Department of the Interior.



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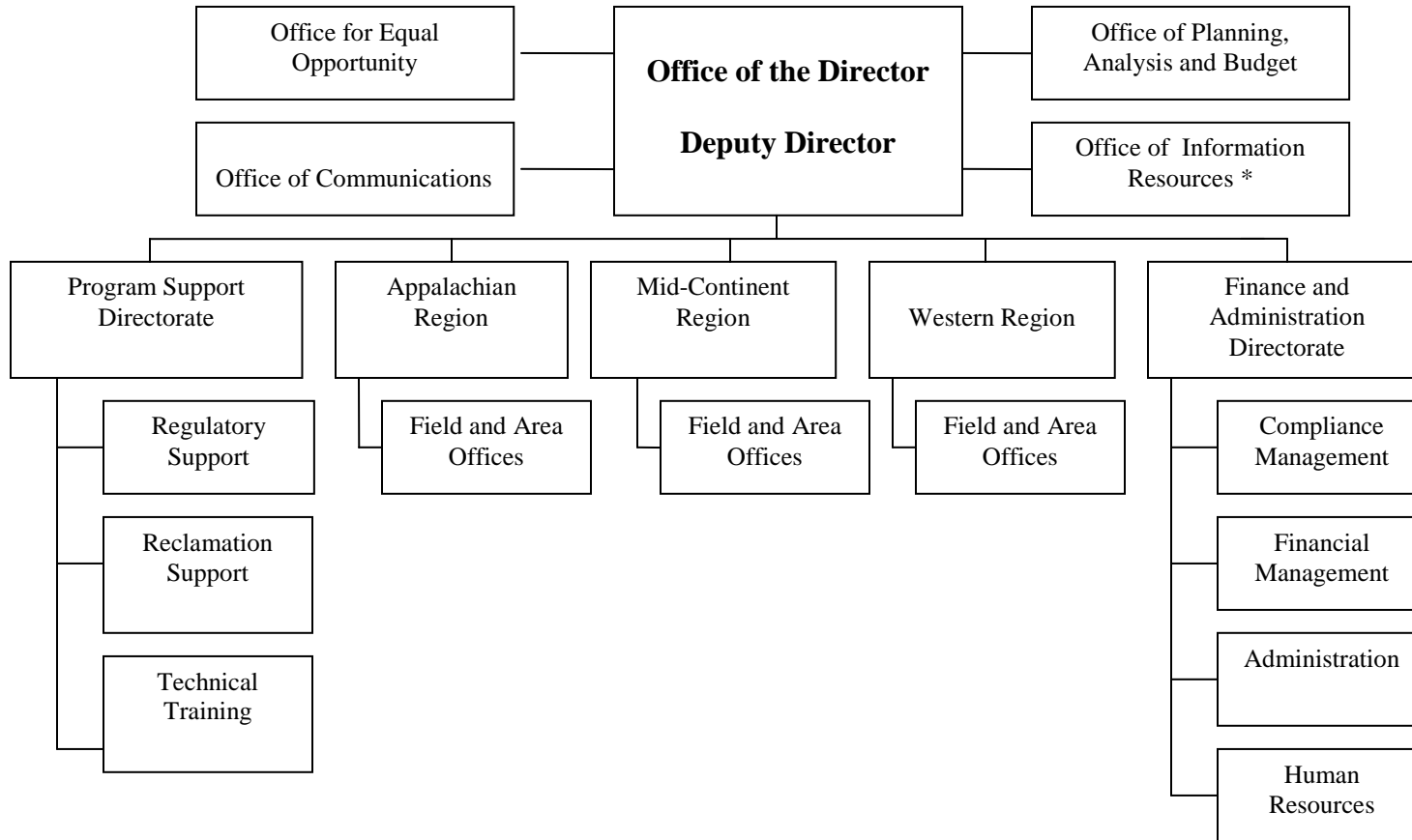
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## Office of Surface Mining Reclamation and Enforcement



\*Office title changed by Secretarial Order 3309 dated 12/14/10.





## **GENERAL STATEMENT**

### **Overview**

The mission of the Office of Surface Mining Reclamation and Enforcement (OSM) is to carry out the requirements of the Surface Mining Control and Reclamation Act (SMCRA or the Act) in cooperation with the States and Tribes.

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OSM's primary objectives are to:

- (1) ensure that coal mine surface activities are operated in a manner that protects citizens and the environment during mining,
  - (2) assure that the land is restored to beneficial use following mining, and
  - (3) address the effects of past mining by aggressively pursuing reclamation of abandoned coal mines.
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Over a billion tons of coal are produced each year in the United States, providing nearly 50 percent of the Nation's electricity.<sup>1</sup> Each ton of coal must be permitted and regulated under SMCRA.

OSM regulates coal production and reclaims abandoned mines, or delegates those responsibilities to States and Tribes upon approval of their regulatory and reclamation programs. With this authority, States and Tribes regulate about 97 percent of the Nation's coal production and complete over 90 percent of the abandoned mine lands abatement work. Of the almost 2,400 government employees directly involved on a daily basis in implementing the regulatory and restoration programs of the Act, less than 25 percent work for OSM. Therefore, the major task of OSM is to oversee the State and Tribal programs, and provide training and technical tools to ensure effective, consistent, and high quality regulatory and reclamation programs across the Nation.

OSM's budget supports the Presidential and Secretarial initiatives for responsible production of coal through the protection, preservation, and restoration of mined lands; restoration of lands left unreclaimed; and provision of opportunities for youth. Further details on OSM's contributions are provided below.

### **Responsible Production of Coal Title V of SMCRA (State and Tribal Regulatory Grants)**

In order to strike the proper balance between environmental protection and the nation's energy needs, OSM strives to maintain a regulatory environment that is both stable and consistent with SMCRA, and is administered through State programs, or by OSM, as the regulatory authority.

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<sup>1</sup> Source: U.S. Energy Information Administration, Annual Energy Review 2009 (August 2010).

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That regulatory stability should enable all parties, including producers, regulators and citizens, to have a common understanding of applicable requirements and rights so that each can make informed decisions affecting their economic and personal interests with a minimum of controversy.

It is important for the coal to be properly mined to reduce harmful environmental impacts of coal mining and to see that land is reclaimed in accordance with land use plans established during the permitting process and that are consistent with the law. On June 11, 2009, the Department of the Interior entered into a Memorandum of Understanding (MOU)<sup>2</sup> with the U.S. Army Corps of Engineers and the U.S. Environmental Protection Agency to reduce the harmful environmental impacts of mountain-top mining in six states in central Appalachia. As part of this collaborative effort, OSM is eliciting stakeholder input and reviewing its stream protection rules to develop a more thorough assessment of the environmental impacts of different approaches to stream protection and, ultimately, a more effective rule.

In addition, OSM is evaluating how to conduct oversight of state permitting, enforcement, and regulatory activities more effectively under SMCRA, and increasing Federal oversight capabilities as we move forward.

To assist primacy States with their regulatory programs, OSM provides assistance, training and funding in the form of regulatory grants, which are up to 50 percent of a state's operating costs. The budget decreases Federal grants to states in order to encourage states to increase their cost recovery fees for services to the coal industry. Though other industries pay fees to cover up to 100% of oversight costs, the coal industry pays very little, creating a de facto subsidy for coal production. As part of the Presidential commitment to end subsidies to fossil-fuel industries, the budget encourages States to increase their cost recovery fees from the coal industry, and decreases Federal grants to States and Tribes accordingly.

Review of State permitting actions and inspections of mine sites are among the most important ways to determine if the surface mining law is being properly implemented and to ensure a safe environment during mining. In FY 2010, States completed 49,799 partial and 29,095 complete inspections for a total of 78,894 inspections. OSM completed 1,010 partial and 620 complete inspections in Federal Programs and on Indian Lands. Nationwide, about 86 percent of the sites inspected did not have off-site impacts. Off-site impacts are those that occurred off the permitted area that have the potential to harm the environment or the public. Off-site impacts identified on active sites are addressed through the inspection and enforcement processes. Also, it is important that the land is properly reclaimed. Reclamation and natural resource specialists inspect sites and monitor work done to return the land to its intended post-mining land use.

In addition, OSM provides regulatory developmental grants to the Crow and Hopi Tribes and the Navajo Nation to assist them in developing regulations and programs for regulating surface coal mining and reclamation operations on Indian lands.<sup>3</sup> In FY 2012, OSM will continue to work with the Tribes to review applications for primacy as they are received.

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<sup>2</sup> The MOU, including the associated Interagency Action Plan (IAD) and OSM's actions to date may be found on OSM's webpage at [www.osmre.gov](http://www.osmre.gov).

<sup>3</sup> As authorized by the Energy Policy Act of 1992 and Section 710 (i) of SMCRA.

**Restoration of Lands Left Unreclaimed  
Title IV (Abandoned Mine Land Reclamation)**

SMCRA authorized an Abandoned Mine Land (AML) Reclamation fee based on coal production in order to hold the entire coal industry responsible for reclaiming coal mine lands left abandoned across the country. OSM collects the AML fee, and then distributes the fee receipts to States and Tribes for reclamation activities. The current law allows the fees to be used for purposes other than reclamation of abandoned coal mine lands. Therefore, the fees are not spent on the highest priority AML coal sites.

The Tax Relief and Health Care Act of 2006, which included the 2006 Amendments to SMCRA, extended the fee authorization through September 30, 2021, made reclamation grants from the AML fund mandatory, and created new mandatory and unrestricted payments to States and Tribes that had completed their coal reclamation work.

The 2006 Amendments dramatically increased funding to States and Tribes, from \$145.3 million in FY 2007 to the most recent distribution of \$395.6 million in FY 2011. Because of the increased State and Tribal funding, OSM began phasing out Federal responsibility for addressing AML emergency projects. In FY 2012, States with AML programs will have fully assumed this responsibility, and the budget request eliminates discretionary funding for OSM State emergency grants and Federally-managed emergency projects. The budget proposes to fund these projects under permanent appropriations.

The budget also includes a legislative proposal to reform the AML coal program, to eliminate unnecessary spending and focus reclamation efforts on the Nation's most dangerous abandoned coal mines. First, the budget proposes to eliminate the unrestricted payments to States and Tribes that have completed their abandoned coal mine reclamation. Terminating these payments will save taxpayers \$1.2 billion over the next decade. Second, the budget proposes to reform the allocation of grants for coal AML to a competitive process. The current production-based formula allocates funding to States that have the most coal production and not necessarily the most critical reclamation needs. A competitive process would address the highest priority AML coal sites. Third, the budget proposes to create a parallel hardrock AML program, with fees collected by OSM and distributed competitively by the Bureau of Land Management. (See the Permanent Appropriations Section for more details.)

**Youth in America's Great Outdoors**

As part of the Secretarial initiative to increase youth employment in DOI programs, OSM set a goal in FY 2010 and FY 2011 to increase youth engagement by 35 percent over the FY 2009 baseline. In FY 2010, OSM engaged 218 youth and exceeded its goal for the year by 114 percent. Accomplishments included engaging 198 youth from partnership efforts and 20 new students under other hiring authorities. In FY 2012, OSM will continue to support the program through ongoing activities and partnerships, with a cumulative goal of engaging 219 youth in its programs.

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Currently, OSM has several opportunities for youth involvement in natural resources. OSM partners with AmeriCorps Volunteers in Service to America (VISTA) program to bring environmental and economic improvement to communities affected by coal-polluted watersheds. In FY 2010, OSM engaged 198 youth from partnerships such as VISTA volunteers. Those volunteers worked with OSM, non-profit sponsors and individual watershed groups. Projects are undertaken to meet five core goals – 1) capacity building, 2) environmental monitoring, 3) outreach and education, 4) economic redevelopment and 5) professional development for the volunteer. The volunteer works directly with monitoring and sampling in the watershed. Volunteers help develop and coordinate efforts within the community and local monitoring teams to ensure continued maintenance of the watersheds' water quality after the VISTA position is gone. The primary focus of sampling the water is to inventory acid mine drainage issues and other adverse water quality effects within the watershed caused by point and non-point source pollution.

OSM also supported VISTAs involved in its reforestation projects and in regulatory projects with States. The reforestation program applies good science to support forest reclamation. There are enormous environmental, cultural, and economic benefits to restoring trees to those areas that were forested before mining. These include: increased carbon sequestration, increased land values and economic productivity, reduction in peak storm flows that reduce flooding potential, restoration of habitat for threatened or endangered species, and improved water quality. The work with youth compliments OSM's activities in reforestation.

Partnering activities involving youth in watershed, reforestation, and regulatory and reclamation activities will continue in FY 2012.

In addition, OSM welcomes youth through the Student Temporary Employment Program (STEP). This is a Federal program that offers part-time paid positions to students in high school, college, vocational school or graduate school in order to gain experience in new fields. In FY 2010, OSM employed 20 new students in both the regional and national offices, including those under STEP and other similar hiring authorities. Examples of work performed by students are listed below:

- Eleven summer students, and two part-time students under STEP for the year, assisted the Appalachian Regional Offices by working with OSM's mine map repositories in Pittsburgh and Wilkes-Barre, PA. They provided support to individual staff and program activities to assist reducing the backlog of cataloging and archiving abandoned underground mine maps collected throughout the Nation.
- Five STEP students hired were placed in State program offices to provide technical assistance, including data entry or GIS work. Projects include constructing a hydrology and soils database for the State of Texas, and imaging Title V permit files for use via mobile computing as the State of Indiana moves toward electronic permitting.

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- Students also assisted in various financial and administrative duties during FY 2010. They helped with daily tasks such as clerical and administrative support, as well as one student being provided on-the-job auditor training for a future career conducting reclamation fee audits.

**Budget Highlights**

The FY 2012 Budget Request for OSM is \$145.9 million in current appropriations, a decrease of \$16.9 million from the FY 2011 CR level. Changes are due to proposed program changes, fixed cost changes, and administrative cost savings.

Program changes include:

- +\$3,932,000 for Expansion/Enhancement of Oversight and Stream Protection (+25FTE);
- -\$10,991,000 for State and Tribal regulatory grants;
- -\$1,500,000 in State emergency grants;
- -\$2,000,000 in Federal emergency projects;
- -\$500,000 for Audit activities related to the export coal issue;
- -\$972,000 in Federal high-priority projects;
- -\$60,000 for Program Support and Efficiencies;
- -\$1,200,000 for the Applied Science Program (technical studies and preservation of underground mine maps);
- -\$2,256,000 in Federal Reclamation Program Staff (-18 FTE); and
- -\$160,000 for Coal Outcrop Fire Projects and monitoring.

Fixed Costs Changes include (net change of +\$61,000):

- -\$259,000 for Changes in Pay Days;
- +\$414,000 for Space Rental Payments;
- -\$61,000 for Workers Compensation;
- -\$239,000 for Working Capital Fund without the Pay Raise;
- +\$239,000 for Health Plan Costs; and
- +\$33,000 for DOI Working Capital Fund.

Administrative Cost Changes include (total of -\$1,310,000):

- -\$518,000 in Travel efficiencies;
- -\$200,000 for Information Technology and e-mail efficiencies; and
- -\$592,000 for Administrative Cost Savings.

The requested programmatic increase of \$3.9 million and 25 FTE would be used to support the Department's commitment to significantly reduce the harmful environmental impacts of coal mining in Appalachia under a June 2009 Memorandum of Understanding with the U.S. Army Corps of Engineers and the U.S. Environmental Protection Agency. OSM is committed to expand and enhance its oversight of State regulatory programs and strengthen stream protections.

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In addition to discretionary appropriations, the budget includes \$539.1 million in mandatory funding for reclamation grants to States and Tribes, and for United Mine Workers of America (UMWA) health benefits. Mandatory funding is further described under the Permanent Appropriations Section. A summary table of the Budget is shown below. Increases and decreases are detailed by account, activity and sub-activity in the table contained in the Budget-at-a-Glance Section.

**Total FY 2012 Budget Request**

(dollars in thousands)

<b>Budget Authority</b>	<b>2010 Actual</b>	<b>2010 Enacted/ 2011 CR<sup>1</sup></b>	<b>2012 Request</b>	<b>Change from 2011 CR</b>
Regulation & Technology	127,280	127,280	118,469	-8,811
Abandoned Mine Reclamation Fund	35,588	35,588	27,443	-8,145
<b>Total, Discretionary</b>	<b>162,868</b>	<b>162,868</b>	<b>145,912</b>	<b>-16,956</b>
Payments (or Grants) to States in Lieu of Coal Fee Receipts (Treasury Funds)	227,200	245,500	85,400 <sup>2</sup>	-160,100
Mandatory Grants to Non-Certified States (AML Funds)	141,914	150,133	228,400 <sup>2</sup>	+78,267
Funds Transferred to UMWA Health Benefit Plans (both AML and Treasury funds)	172,699	273,310	225,253	-48,057
<b>Total, Mandatory</b>	<b>541,784</b>	<b>668,943</b>	<b>539,053</b>	<b>-129,890</b>
<b>Total, OSM</b>	<b>704,652</b>	<b>831,811</b>	<b>684,965</b>	<b>-146,846</b>

<sup>1</sup> Mandatory funding for FY 2011 CR represents the actual amounts provided.

<sup>2</sup> Does not include funding for certified States and Tribes. These two amounts will be combined for a total of \$313.8 million in distribution to States/Tribes/OSM on a competitive basis.

The FY 2012 budget provides \$60.3 million (41 percent) for OSM's discretionary grants to the States and Tribes for regulatory programs. OSM will use the balance of the budget to provide technical assistance to the States, conduct oversight responsibilities, and carry out its fiscal responsibilities for collecting revenues and awarding grants. OSM implements these programs through three regional and 19 field and area offices.

**Government-Wide Initiatives.** In response to the requirements issued through OMB Memorandum M-10-19 regarding Government-wide initiatives, OSM is participating with Departmental offices and the other bureaus of the Department in a coordinated, agency-wide approach to the planning and implementation for each initiative. The Department is coordinating these efforts through organized steering committees or implementation groups that engage each bureau and office. This enables a consistent and structured response across the Department. Descriptions of the Department's strategies and accomplishments for each initiative are provided in the General Statement of the Department-Wide Programs budget justification.

**Accountable Government Initiative (Administrative Cost Savings).** In support of the President's commitment on fiscal discipline and spending restraint, OSM is participating in an aggressive Department-wide effort to curb non-essential administrative spending. In accordance with this initiative, OSM's justification assumes \$1.3 million in savings in 2012 against actual 2010 expenditures. A specific implementation plan will be completed in the near future; however, the activities where savings will be realized include: advisory contracts; travel and transportation of people and things, including employee relocation; printing; and supplies. There will be no programmatic impact of implementing these savings initiatives, as functions will be performed in a more efficient and more effective manner. These cost savings build upon management efficiencies that the bureau began implementing in 2011. These management efficiencies are in the areas of IT infrastructure consolidation, travel and relocation, and strategic sourcing. Examples of savings opportunities within OSM include the following:

- Reduced expenditures for travel and relocation through adoption of new technologies and efficiency improvements such as the use of teleconferencing, shared Web sites, and other technologies that will enable real-time communications and shared access to documents that will enable meetings to be conducted remotely and electronically.
- Consolidation of information technology services, such as the implementation of a common e-mail system and the consolidation of servers, data centers, and help desks.
- Emphasis on strategic sourcing by coordinating and consolidating acquisition needs of equipment, supplies and materials to negotiate lower costs.

**Additional Cost Savings Efforts.** OSM has been working to reduce the footprint of departmental assets. Anticipated cost savings will result from taking actions to dispose of excess equipment, thereby reducing space needs; consolidating lease space; and taking advantage of telecommuting.

## Performance Summary

OSM strives to improve planning, eliminate duplicative processes, and involve stakeholders. OSM works with State and federal agencies, and Tribal governments; is responsible for federal, tribal, and private lands, reclaiming and protecting diverse sites, and enhancing technology transfer among many constituents. Although a small bureau, OSM is well positioned to lead such efforts,

particularly those related to implementing that part of a comprehensive energy strategy involving coal mining in an economically and environmentally viable manner.

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OSM serves as a policy leader and coordinator with its partners in carrying out the responsibilities of SMCRA. OSM is an innovator in promoting the effective administration of the Surface Mining Program and maximizing land and water restoration with available funds.

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**DOI Strategic Plan.** In accordance with the Government Performance and Results Act of 1993, the DOI Strategic Plan has been reviewed and updated in compliance with the three-year update requirement. The Department, in consultation with the bureaus, reviewed the organization and construct of the Strategic Plan in light of the Administration's priorities, goals, and objectives; recent innovations and efficiencies in delivering mission objectives; and the goal to provide a more integrated and focused approach to track performance across a wide range of DOI programs. Although many of the outcome goals and performance measures remain consistent from the previous Strategic Plan, the organizing principles for those goals and measures reflect the new approach to meeting the Department's mission responsibilities. The DOI Strategic Plan for FY 2011 – FY 2016 is the foundational structure for the description of program performance measurement and planning for the FY 2012 President's Budget. Budget and program plans for FY 2012 are fully consistent with the goals, outcomes, and measures described in the new version of the DOI Strategic Plan.

Additionally, this budget request describes its needs through strategic goals and associated performance measures through the traditional budget structure. OSM's Business Lines are:

Environmental Restoration,  
Environmental Protection,  
Technology Development and Transfer,  
Financial Management, and  
Executive Direction and Administration.

This budget has integrated OSM's performance goals and measures in support of these Business Lines. The "Goal Performance Tables" section displays OSM's key performance goals and targeted measures for FY 2011 – 2012. Goals specific to each Business Line can be found at the end of each section.



***Implementing the Surface Mining Control and Reclamation Act (SMCRA) – Effective Partnerships***

In implementing its mission responsibilities, OSM works closely with the States and Tribes in administering their regulatory and reclamation programs. OSM also recognizes the importance of working with industry and coal field citizens in implementing SMCRA. This budget supports using effective partnerships by communicating, consulting, and cooperating with these constituent groups to achieve SMCRA's objectives.

OSM continues to emphasize the importance of protecting the environment during and after coal mining operations. OSM oversees SMCRA's implementation in 24 primacy States through a process where OSM assists the States in the administration, implementation and maintenance of their approved regulatory programs. This process is undergoing evaluation and change as previously mentioned and detailed further in the Environmental Protection section of this document.

OSM, in cooperation with the 25 States and 3 Tribes that have reclamation programs, will continue to clean up land and waters degraded by past mining practices. The funding provided will assist in the removal of existing health and safety hazards and restoration of areas to productive use. Additionally, OSM has developed funding and operational mechanisms, such as Watershed Cooperative Agreements, to achieve additional reclamation at less cost in a cooperative manner.

OSM will continue its efforts to establish partnerships to improve and increase outreach efforts that allow full participation from its stakeholders in addressing common problems. These initiatives will assist OSM in forging a bond and partnership with its stakeholders that will endure.

To better serve its partners and the public, OSM continues to improve its abandoned mine site databases to include all eligible abandoned mine sites. OSM expanded its electronic permitting program to reduce paperwork and save time and money for both the States and industry. OSM's website contains comprehensive information on regulatory and reclamation matters.

As mining and engineering information technology continues to improve, OSM continues to provide to States and Tribes the most up-to-date information, technical training, technical assistance, and technology transfer. These programs greatly help the States and Tribes operate their regulatory and reclamation programs in fulfilling SMCRA's requirements.

Data Validation and Verification

OSM is confident that the data presented in this justification are reliable for use as a decision-making tool and showing program performance over time. Data validation and verification is accomplished through a three prong approach using: 1) audits by external staff from the Office of the Inspector General or the Administration's Program Assessment Rating Tool; 2) periodic reviews coordinated by OSM's Office of Planning, Analysis, and Budget; and 3) an annual self-assessment by program managers.

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The annual self-assessment by program managers complies with the Department of the Interior's Data Validation and Verification Guidance. The assessment covers the major area of data validation and five areas within data verification. The five areas dealing with data verification are: standards and procedures; data entry and transfer; data security and integrity; data quality and limitations; and oversight and certification. This assessment will be valuable in testing for potential weaknesses or gaps, and will elevate data validation and verification systems to ensure an acceptable functional level.

OSM collects information through various systems from multiple internal operations and from 26 States and 4 Indian Tribes participating in OSM programs. Abandoned Mine Land Program information is collected through the Abandoned Mine Land Inventory System (AMLIS), an online inventory used by the State Reclamation Programs and maintained by OSM. In accordance with the requirements of SMCRA, AMLIS contains data for known Priority 1 and 2 AML problems as defined by SMCRA. OSM recognizes that data must serve their intended purposes and stand up to independent, objective external inspection, as well as to internal control reviews and audits. Data collection methods are conducted in accordance with an agency policy directive developed in cooperation with the States.

Regulatory Program data collection methods are also conducted in accordance with an agency policy directive, which was developed in cooperation with the States. OSM automated the data collection forms contained in the directive to cut down on errors in the transfer of data from hard copy to electronic form. Certification of the data is also required at the field level where the data is collected. The data is now collected from OSM field offices through an internet-based system.

Customer service information for the Technology Development and Transfer programs are based on customer survey forms and class training records.

## Appropriations Language

### Regulation and Technology

*For necessary expenses to carry out the provisions of the Surface Mining Control and Reclamation Act of 1977, Public Law 95-87, as amended, \$118,509,000 to remain available until September 30, 2013: Provided, That appropriations for the Office of Surface Mining Reclamation and Enforcement may provide for the travel and per diem expenses of State and tribal personnel attending Office of Surface Mining Reclamation and Enforcement sponsored training: Provided further, That, in fiscal year 2012, up to \$40,000 collected by the Office of Surface Mining from permit fees pursuant to 30 U.S.C. 1257 shall be credited to this account as discretionary offsetting collections, to remain available until expended: Provided further, That the sum herein appropriated shall be reduced as collections are received during the fiscal year so as to result in a final fiscal year 2012 appropriation estimated at not more than \$118,469,000: Provided further, That in subsequent fiscal years, all amounts collected by the Office of Surface Mining from permit fees pursuant to 30 U.S.C. 1257 shall be credited to this account as discretionary offsetting collections, to remain available until expended.*

Note.—A full-year 2011 appropriation for this account was not enacted at the time the budget was prepared; therefore, this account is operating under a continuing resolution (P.L. 111-242, as amended). The amounts included for 2011 reflect the annualized level provided by the continuing resolution.

**Abandoned Mine Reclamation Fund**

*For necessary expenses to carry out title IV of the Surface Mining Control and Reclamation Act of 1977, Public Law 95-87, as amended, \$27,443,000, to be derived from receipts of the Abandoned Mine Reclamation Fund and to remain available until expended: Provided, That pursuant to Public Law 97-365, the Department of the Interior is authorized to use up to 20 percent from the recovery of the delinquent debt owed to the United States Government to pay for contracts to collect these debts. Provided further, That amounts provided under this heading may be used for the travel and per diem expenses of State and tribal personnel attending Office of Surface Mining Reclamation and Enforcement sponsored training.*

Note.—A full-year 2011 appropriation for this account was not enacted at the time the budget was prepared; therefore, this account is operating under a continuing resolution (P.L. 111-242, as amended). The amounts included for 2011 reflect the annualized level provided by the continuing resolution.

**Interior Administrative Provisions**

*With funds available for the Technical Innovation and Professional Services program in this Act, the Secretary may transfer title for computer hardware, software and other technical equipment to the State and Tribal regulatory and reclamation programs.*

**Justification of Proposed Language Changes**

Regulation and Technology

*Change: Provided further, That, in fiscal year 2012, up to \$40,000 collected by the Office of Surface Mining from permit fees pursuant to 30 U.S.C. 1257 shall be credited to this account as discretionary offsetting collections, to remain available until expended: Provided further, That the sum herein appropriated shall be reduced as collections are received during the fiscal year so as to result in a final fiscal year 2012 appropriation estimated at not more than \$118,469,000: Provided further, That in subsequent fiscal years, all amounts collected by the Office of Surface Mining from permit fees pursuant to 30 U.S.C. 1257 shall be credited to this account as discretionary offsetting collections, to remain available until expended.*

Note.—A full-year 2011 appropriation for this account was not enacted at the time the budget was prepared; therefore, this account is operating under a continuing resolution (P.L. 111-242, as amended). The amounts included for 2011 reflect the annualized level provided by the continuing resolution.

This change will allow OSM to retain coal mine permit application and renewal fees for the work performed as service to the coal industry. These fees will help ensure the efficient processing, review and enforcement of the permits issued, while recovering some of the regulatory operations costs from the industry that benefits from this service, thereby reducing subsidies to fossil fuel industries.

## Appropriations Language and Citations

### Regulation and Technology

*For necessary expenses to carry out the provisions of the Surface Mining Control and Reclamation Act of 1977, Public Law 95-87, as amended, \$118,509,000 to remain available until September 30, 2013: Provided, That appropriations for the Office of Surface Mining Reclamation and Enforcement may provide for the travel and per diem expenses of State and tribal personnel attending Office of Surface Mining Reclamation and Enforcement sponsored training: Provided further, That, in fiscal year 2012, up to \$40,000 collected by the Office of Surface Mining from permit fees pursuant to 30 U.S.C. 1257 shall be credited to this account as discretionary offsetting collections, to remain available until expended: Provided further, That the sum herein appropriated shall be reduced as collections are received during the fiscal year so as to result in a final fiscal year 2012 appropriation estimated at not more than \$118,469,000: Provided further, That in subsequent fiscal years, all amounts collected by the Office of Surface Mining from permit fees pursuant to 30 U.S.C. 1257 shall be credited to this account as discretionary offsetting collections, to remain available until expended.*

- 30 U.S.C. 1260, 1268 – These sections provide for the assessment and collection of penalties levied for violations of the Act, and for the denial of permits to those with unabated violations or unpaid penalties.

- 30 U.S.C. 1252, 1253, 1254, 1271, 1272, 1273, 1295, 1300, 1302 – These sections provide for aid to all primacy States for maintaining approved regulatory programs and evaluation of the States' performance in doing so; monitoring implementation of the grant programs; small operator assistance programs; and for regulatory programs in States without approved programs, on federal lands and on Indian lands; processing of permit applications and mine plans for federal lands operations; designating of lands unsuitable for surface mining through technical reviews; scientific/engineering support and technical training for States operating approved permanent programs and federally administered programs; initiation of technical studies; issuance of technical publications; approval of experimental practices to meet the needs of approved State programs and federally-administered programs; preparation of environmental assessments and environmental impact statements for permits and other actions; and training of

OSM staff and State staff to enable these agencies to more effectively carry out the provisions of the act.

- 30 U.S.C. 1257, as amended by Public Laws 101-508 and 102-486 - Provide for the regulatory authority to designate a qualified laboratory to obtain technical information and prepare technical findings required by the operator for the permit application, and for the regulatory authority to assume the cost for such services. Further, the Act provides for the Secretary to provide or assume the cost of training for regulatory program compliance and permit application preparation for eligible small operators.

### **Abandoned Mine Reclamation Fund**

1. *For necessary expenses to carry out title IV of the Surface Mining Control and Reclamation Act of 1977, Public Law 95-87, as amended, \$27,443,000, to be derived from receipts of the Abandoned Mine Reclamation Fund and to remain available until expended: Provided, That pursuant to Public Law 97-365, the Department of the Interior is authorized to use up to 20 percent from the recovery of the delinquent debt owed to the United States Government to pay for contracts to collect these debts.*

- 30 U.S.C. 1231, 1232, 1233 and 1239 – Provides for the payment of fees and other monies into the Abandoned Mine Reclamation fund (Fund). The Fund consists of amounts deposited from time to time, derived from reclamation fees, donations, audit recoveries, interest charges, and administrative collection fees.

The funds collected are used for the reclamation and restoration of land and water resources adversely affected by past mining. SMCRA provides for the use of the monies for the purpose of protecting public health and facilities, safety, general welfare, and property from extreme danger and adverse effects of coal mining practices; restoration of land and water resources and the environment previously degraded by adverse effects of coal mining operations. It also provides that monies in the Abandoned Mine Reclamation Fund will be used to cover the administrative expenses of the Federal Government, accomplish abandoned mine reclamation and develop guidelines on the distribution of monies in the Fund.

- The Tax Relief and Health Care Act of 2006, which included the Surface Mining Control and Reclamation Act Amendments of 2006

*Office of Surface Mining Reclamation and Enforcement*

(Public Law 109-432) extended the authority to collect the mine reclamation fee and revised the distribution of the fee.

2. *Provided further*, That amounts provided under this heading may be used for the travel and per diem expenses of State and tribal personnel attending Office of Surface Mining Reclamation and Enforcement sponsored training.

●30 U.S.C. 1231, 1232, 1233 and 1239 – Provides for the payment of fees and other monies into the Abandoned Mine Reclamation fund (Fund). The Fund consists of amounts deposited from time to time, derived from reclamation fees, donations, audit recoveries, interest charges, and administrative collection fees.

The funds collected are used for the reclamation and restoration of land and water resources adversely affected by past mining. SMCRA provides for the use of the monies for the purpose of protecting public health and facilities, safety, general welfare, and property from extreme danger and adverse effects of coal mining practices; restoration of land and water resources and the environment previously degraded by adverse effects of coal mining operations. It also provides that monies in the Abandoned Mine Reclamation Fund will be used to cover the administrative expenses of the Federal Government, accomplish abandoned mine reclamation and develop guidelines on the distribution of monies in the Fund.



**DEPARTMENT OF THE INTERIOR**

**SUMMARY OF REQUIREMENTS (in thousands of dollars)**

APPROPRIATION:	REGULATION AND TECHNOLOGY				ABANDONED MINE RECLAMATION FUND			
	FTE	\$\$	FTE	\$\$	FTE	\$\$	FTE	\$\$
FY 2011 ESTIMATE			344	127,280			177	35,588
<b>FIXED COSTS &amp; RELATED CHANGES:</b>								
Adjustment for Pay Raise - Jan 11		0				0		
Adjustment for Pay Raise - Jan 12		0				0		
Adjustment for Worker's Compensation		-40				-21		
Adjustment for WCF without Pay Raise		-155				-84		
Adjustment for Unemployment Compensation		0				0		
Adjustment for GSA space rent rate		290				124		
Adjustment for Working Capital Fund		-22				-11		
Adjustment for Federal Employee Health Insurance		157				82		
Adjustment for Changes in Pay Days		-181				-78		
TOTAL Adjustment for Fixed Costs		49				12		12
Administrative Cost Savings								-449
Program Changes			25	-7,999			-18	-7,708
Total Requirements (2012 budget request)			369	118,469			159	27,443

REGULATION AND TECHNOLOGY							ABANDONED MINE RECLAMATION FUND						TOTAL		Inc / Dec (- /+) From 2011 CR	
Comparison by Business Lines	2010 Actual	2011 CR	Fixed Costs & Related Changes	Admin Cost Savings	Program Changes	2012 Budget Request	2010 Actual	2011 CR	Fixed Costs & Related Changes	Admin Cost Savings	Program Changes	2012 Budget Request	2011 CR	2012 Budget Request		
Environmental Restoration	260	260	0	0	-160	100	16,364	16,364	7	-148	-6,728	9,495	16,624	9,595	-7,029	
	FTE	0	0	0	0	0	83	83	0	0	-18	65	83	65	-18	
Environmental Protection	94,771	94,771	-20	-255	-7,059	87,437	0	0	0	0	0	0	94,771	87,437	-7,334	
	FTE	191	191	0	0	25	216	0	0	0	0	0	191	216	25	
Technology Dev. & Transfer	15,663	15,663	-3	-347	-834	14,479	4,032	4,032	0	-116	-366	3,550	19,695	18,029	-1,666	
	FTE	91	91	0	0	91	20	20	0	0	0	20	111	111	0	
Financial Management	516	516	0	-10	0	506	6,961	6,961	-2	-53	-500	6,406	7,477	6,912	-565	
	FTE	2	2	0	0	2	41	41	0	0	0	41	43	43	0	
Executive Dir. & Admin.	16,070	16,070	72	-249	54	15,947	8,231	8,231	7	-132	-114	7,992	24,301	23,939	-362	
	FTE	60	60	0	0	60	33	33	0	0	0	33	93	93	0	
<b>TOTAL</b>	<b>127,280</b>	<b>127,280</b>	<b>49</b>	<b>-861</b>	<b>-7,999</b>	<b>118,469</b>	<b>35,588</b>	<b>35,588</b>	<b>12</b>	<b>-449</b>	<b>-7,708</b>	<b>27,443</b>	<b>162,868</b>	<b>145,912</b>	<b>-16,956</b>	
	FTE	344	344	0	0	25	369	177	177	0	0	-18	159	521	528	7

\*FTE data for FY 2012 do not correspond to those printed in the FY 2012 Budget Appendix due to an oversight.

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**Justification of Fixed Costs and Related Changes**

Regulation and Technology	2010 Budget	2010 Enacted / 2011 CR	2012 Fixed Costs Change
<b><u>Additional Operational Costs from 2011 and 2012 January Pay Raises</u></b>			
<b>1. 2010 Pay Raise, 3 Quarters in 2010 Budget (2.0%)</b> <i>Amount of pay raise absorbed</i>	+\$543 [0]	N/A	N/A
<b>2. 2009 Pay Raise, 1 Quarter (3.9%)</b> <i>Amount of pay raise absorbed</i>	+\$355 [0]	N/A	N/A
<b>3. 2010 Pay Raise, 1 Quarter (2.0%)</b> <i>Amount of pay raise absorbed</i>	N/A	N/A [\$176]	N/A
<b>4. 2011 Pay Raise, 3 Quarters in 2011 Budget (0%)</b>	N/A	\$0	N/A
<b>5. 2011 Pay Raise, 1 Quarter (0%)</b>	N/A	N/A	\$0
<b>6. 2012 Pay Raise (0%)</b>	N/A	N/A	\$0
<b>7. Non-Foreign Area COLA Adjustment to Locality Pay</b> <i>Amount of pay raise absorbed</i>	N/A	\$0	\$0
<p>These adjustments are for an additional amount needed to fund estimated pay raises for Federal employees. Lines 1 and 2, 2010 pay raise estimates provided as a point of reference.</p> <p>Line 3 is the amount absorbed in 2011 to fund the enacted 2.0% January 2010 pay raise from October through December 2010.</p> <p>Lines 4 and 5, 2011 pay raise is shown as "0" to reflect the first year of the Administration-directed 2-year pay freeze at the 2010 level.</p> <p>Line 6 is shown as "0" to reflect the second year of the Administration-directed 2-year pay freeze at the 2010 level.</p>			
	<b>2010 Budget</b>	<b>2010 Enacted / 2011 CR</b>	<b>2012 Fixed Costs Change</b>
<b><u>Other Fixed Cost Changes</u></b>			
<b>One Less Pay Day</b> This adjustment reflects the decreased costs resulting from the fact that there is one less pay day in 2012 than in 2011.	N/A	N/A	-\$181
<b>Employer Share of Federal Health Benefit Plans</b> <i>Amount of health benefits absorbed</i>	+\$140 [0]	\$0 [+\$153]	+\$157 [0]
The adjustment is for changes in the Federal government's share of the cost of health insurance coverage for Federal employees. For 2012, the increase is 6.8%.			
<b>Worker's Compensation Payments</b> <i>Amount of workers compensation absorbed</i>	+\$50 [0]	\$0 [-\$43]	-\$40 [0]
The adjustment is for actual charges through June 2010 in the costs of compensating injured employees and dependents of employees who suffer accidental deaths while on duty. Costs for 2012 will reimburse the Department of Labor, Federal Employees Compensation Fund, pursuant to 5 U.S.C. 8147(b) as amended by Public Law 94-273.			
<b>Unemployment Compensation Payments</b> <i>Amount of unemployment compensation absorbed</i>	-\$1 [0]	\$0 [-\$1]	\$0 [0]
The adjustment is for estimated changes in the costs of unemployment compensation claims to be paid to the Department of Labor, Federal Employees Compensation Account, in the Unemployment Trust Fund, pursuant to Public Law 96-499.			

*Office of Surface Mining Reclamation and Enforcement*

	<b>2010 Budget</b>	<b>2010 Enacted / 2011 CR</b>	<b>2012 Fixed Costs Change</b>
<b>Rental Payments</b>	+\$88	\$0	+\$290
<i>Amount of rental payments absorbed</i>	<i>[0]</i>	<i>[\$309]</i>	<i>[0]</i>
<p>The adjustment is for changes in the costs payable to General Services Administration and others resulting from changes in rates for office and non-office space as estimated by GSA, as well as the rental costs of other currently occupied space. These costs include building security; in the case of GSA space, these are paid to DHS. Costs of mandatory office relocations, i.e., relocations in cases where due to external events there is no alternative but to vacate the currently occupied space, are also included.</p>			
<b>Increased Staff in 2010</b>	\$0	N/A	N/A
<i>Amount of health benefits absorbed</i>	<i>[0]</i>	<i>[\$0]</i>	<i>[0]</i>
<b>Departmental Working Capital Fund</b>	+\$72	\$0	-\$177
<i>Amount of WCF payments absorbed</i>	<i>[0]</i>	<i>[0]</i>	<i>[0]</i>
<p>The change reflects expected changes in the charges for centrally billed Department services and other services through the Working Capital Fund. These charges are displayed in the Budget Justification for Department Management.</p>			

Office of Surface Mining Reclamation and Enforcement

**Justification of Fixed Costs and Related Changes**

Abandoned Mine Reclamation Fund	2010 Budget	2010 Enacted / 2011 CR	2012 Fixed Costs Change
<b><u>Additional Operational Costs from 2011 and 2012 January Pay Raises</u></b>			
<b>1. 2010 Pay Raise, 3 Quarters in 2010 Budget (2.0%)</b> <i>Amount of pay raise absorbed</i>	+\$279 [0]	N/A	N/A
<b>2. 2009 Pay Raise, 1 Quarter (3.9%)</b> <i>Amount of pay raise absorbed</i>	+\$180 [0]	N/A	N/A
<b>3. 2010 Pay Raise, 1 Quarter (2.0%)</b> <i>Amount of pay raise absorbed</i>	N/A	N/A [94]	N/A
<b>4. 2011 Pay Raise, 3 Quarters in 2011 Budget (0%)</b>	N/A	\$0	N/A
<b>5. 2011 Pay Raise, 1 Quarter (0%)</b>	N/A	N/A	\$0
<b>6. 2012 Pay Raise (0%)</b>	N/A	N/A	\$0
<b>7. Non-Foreign Area COLA Adjustment to Locality Pay</b> <i>Amount of pay raise absorbed</i>	N/A	\$0	\$0
<p>These adjustments are for an additional amount needed to fund estimated pay raises for Federal employees. Lines 1 and 2, 2010 pay raise estimates provided as a point of reference.</p> <p>Line 3 is the amount absorbed in 2011 to fund the enacted 2.0% January 2010 pay raise from October through December 2010.</p> <p>Lines 4 and 5, 2011 pay raise is shown as "0" to reflect the first year of the Administration-directed 2-year pay freeze at the 2010 level.</p> <p>Line 6 is shown as "0" to reflect the second year of the Administration-directed 2-year pay freeze at the 2010 level.</p>			

	2010 Budget	2010 Enacted / 2011 CR	2012 Fixed Costs Change
<b><u>Other Fixed Cost Changes</u></b>			
<b>One Less Pay Day</b> This adjustment reflects the decreased costs resulting from the fact that there is one less pay day in 2012 than in 2011.	N/A	N/A	-\$78
<b>Employer Share of Federal Health Benefit Plans</b> <i>Amount of health benefits absorbed</i>	+\$71 [0]	\$0 [+\$81]	+\$82 [0]
The adjustment is for changes in the Federal government's share of the cost of health insurance coverage for Federal employees. For 2012, the increase is 6.8%.			
<b>Worker's Compensation Payments</b> <i>Amount of workers compensation absorbed</i>	+\$27 [0]	\$0 [-\$23]	-\$21 [0]
The adjustment is for actual charges through June 2010 in the costs of compensating injured employees and dependents of employees who suffer accidental deaths while on duty. Costs for 2012 will reimburse the Department of Labor, Federal Employees Compensation Fund, pursuant to 5 U.S.C. 8147(b) as amended by Public Law 94-273.			

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<b>Unemployment Compensation Payments</b>	-\$1	\$0	\$0
<i>Amount of unemployment compensation absorbed</i>	<i>[0]</i>	<i>[-\$1]</i>	<i>[0]</i>
<p>The adjustment is for estimated changes in the costs of unemployment compensation claims to be paid to the Department of Labor, Federal Employees Compensation Account, in the Unemployment Trust Fund, pursuant to Public Law 96-499.</p>			
<b>Rental Payments</b>	+\$47	\$0	+\$124
<i>Amount of rental payments absorbed</i>	<i>[0]</i>	<i>[\$167]</i>	<i>[0]</i>
<p>The adjustment is for changes in the costs payable to General Services Administration and others resulting from changes in rates for office and non-office space as estimated by GSA, as well as the rental costs of other currently occupied space. These costs include building security; in the case of GSA space, these are paid to DHS. Costs of mandatory office relocations, i.e., relocations in cases where due to external events there is no alternative but to vacate the currently occupied space, are also included.</p>			
<b>Increased Staff in 2010</b>	\$0	N/A	N/A
<i>Amount of health benefits absorbed</i>	<i>[0]</i>	<i>[\$0]</i>	<i>[0]</i>
<b>Departmental Working Capital Fund</b>	+\$39	\$0	-\$95
<i>Amount of WCF payments absorbed</i>	<i>[0]</i>	<i>[0]</i>	<i>[0]</i>
<p>The change reflects expected changes in the charges for centrally billed Department services and other services through the Working Capital Fund. These charges are displayed in the Budget Justification for Department Management.</p>			



Office of Surface Mining Reclamation and Enforcement

<b>Goal Performance Table</b>											
<b>Mission Area 1: Provide Natural and Cultural Resource Protection and Experiences</b>											
<b>Goal # 1: Protect America's Landscapes</b>											
<b>Supporting Performance Measures</b>	<b>Type</b>	<b>2006 Actual</b>	<b>2007 Actual</b>	<b>2008 Actual</b>	<b>2009 Actual</b>	<b>2010 Plan</b>	<b>2010 Actual</b>	<b>2011 Plan</b>	<b>2012 Plan</b>	<b>Change from 2011 Plan to 2012</b>	<b>Long-Term Target 2016</b>
Strategy #1: Improve land and water health by managing the wetlands, uplands, and riparian areas that comprise our national parks, wildlife refuges, and BLM lands.											
Number of Federal, private and tribal land and surface water acres reclaimed or mitigated from the effects of natural resource degradation from past mining. (Calculated equivalent acres) (SP)	A	6,983	6,658	9,909	5,838	7,700	16,565	11,000	11,000	0	14,000
<b>Total Actual/Projected Costs (\$000)</b>		\$199,515	\$206,985	\$183,813	\$180,325	\$262,700	198,240	\$270,888	\$341,243	-----	
<b>Actual/Projected Cost per GPRA Acre (in dollars)</b>		\$28,571	\$31,088	\$18,550	\$30,888	\$34,117	\$11,967	\$24,626	\$31,022	-----	
Contributing Programs	Environmental Restoration and Permanent Appropriations: Projected costs are based on anticipated budget with long-term targets held constant for discretionary funding. FY 2011: Includes all discretionary funding under the AML appropriation (\$35.588 million for the FY 2011 CR), and mandatory funding to noncertified States (\$235.3 million). FY 2012: Includes all discretionary funding under the AML appropriation (\$27.443 million), and mandatory funding to non-certified States (\$313.8 million).										
Comments	The target is higher in 2012, as states have been receiving substantial funding increases appropriate to reclaiming Priority 1 and 2 sites.										
Number of new active partnering and leveraging agreements and amendments to prior agreements. (BUR)	C	55	53	18	9	13	15	9	9	0	10
Contributing Programs	Environmental Restoration										
Comments	Due to OSM no longer providing separate current year funding for clean stream projects related to the SMCRA Amendments of 2006 (P.L. 109-432), only watershed cooperative agreements have been counted since FY 2008. The measure description was modified to reflect reporting of current year agreements and related funding for this measure and the one below.										

Office of Surface Mining Reclamation and Enforcement

<b>Goal Performance Table</b>											
<b>Mission Area 1: Provide Natural and Cultural Resource Protection and Experiences</b>											
<b>Goal # 1: Protect America's Landscapes</b>											
<b>Supporting Performance Measures</b>	<b>Type</b>	<b>2006 Actual</b>	<b>2007 Actual</b>	<b>2008 Actual</b>	<b>2009 Actual</b>	<b>2010 Plan</b>	<b>2010 Actual</b>	<b>2011 Plan</b>	<b>2012 Plan</b>	<b>Change from 2011 Plan to 2012</b>	<b>Long-Term Target 2016</b>
The amount of increased funds derived from new active partnering and leveraging agreements and amendments. (BUR)	A	5,800,000	28,963,461	5,548,452	4,784,459	3,125,000	4,203,656	2,125,000	3,125,000	1,000,000	3,375,000
Contributing Programs	Environmental Restoration										
Customer service rate in the quality of technical assistance. (Applies to both the Resource Protection and Resource Use Goals.) (BUR)	A	99.6%	99%	96%	100%	95%	100%	96%	96%	0%	97%
Contributing Programs	Technology Development and Transfer										
Percent satisfaction with the scientific and technical products and assistance. (Applies to both the Resource Protection and Resource Use Goals.) (BUR)	A	89.3%	92%	92%	99%	94%	99%	96%	96%	0%	97%
Contributing Programs	Technology Development and Transfer										
Customer effectiveness rate in the quality of technical training – NTTP. (Applies to both the Resource Protection and Resource Use Goals.) (BUR)	A	97%	96%	96%	95%	93%	97%	93%	93%	0%	93%
Contributing Programs	Technology Development and Transfer										
Number of students trained – NTTP. (Applies to both the Resource Protection and Resource Use Goals.) (BUR)	A	1,446	1,746	1,426	1,053	1,000	1,027	950	850	-100	850
Contributing Programs	Technology Development and Transfer										



Office of Surface Mining Reclamation and Enforcement

<b>Goal Performance Table</b>											
<b>Mission Area 1: Provide Natural and Cultural Resource Protection and Experiences</b>											
<b>Goal # 1: Protect America's Landscapes</b>											
<b>Supporting Performance Measures</b>	<b>Type</b>	<b>2006 Actual</b>	<b>2007 Actual</b>	<b>2008 Actual</b>	<b>2009 Actual</b>	<b>2010 Plan</b>	<b>2010 Actual</b>	<b>2011 Plan</b>	<b>2012 Plan</b>	<b>Change from 2011 Plan to 2012</b>	<b>Long-Term Target 2016</b>
Customer satisfaction rate for TIPS training. (Applies to both the Resource Protection and Resource Use Goals.) (BUR)	A	91%	90%	97%	96%	93%	98%	93%	93%	0%	93%
Contributing Programs	Technology Development and Transfer										
Increase the number of permits reporting by e-filing. (BUR)	C	64%	69%	73%	76%	80%	82%	85%	---	---	---
Contributing Programs	Financial Management										
Comments	After FY 2011, OSM will replace this measure with a new measure, Percent of Payments Processed Automatically.										
Percent of Payments Processed Automatically. (BUR)	A	N/A	N/A	N/A	N/A	N/A	36%	48%	60%	N/A	86%
Contributing Programs	Financial Management										
Comments	This measure will replace the e-filing rate measure in FY 2012. In FY 2010, 910 of 2,535 payments were processed automatically.										
AML Fee Collection rate. (BUR)	A	99.9%	99.9%	99.9%	99.8%	99%	99.9%	99%	99%	0%	99%
Contributing Programs	Financial Management										
Provide appropriate grant funding within 60 days of a complete grant application for abandoned mine lands grants (BUR)	A	100%	100%	100%	100%	93%	100%	96%	96%	0%	96%
Contributing Programs	Environmental Restoration										

Office of Surface Mining Reclamation and Enforcement

<b>Goal Performance Table</b>											
<b>Mission Area 1: Provide Natural and Cultural Resource Protection and Experiences</b>											
<b>Goal # 1: Protect America's Landscapes</b>											
<b>Supporting Performance Measures</b>	<b>Type</b>	<b>2006 Actual</b>	<b>2007 Actual</b>	<b>2008 Actual</b>	<b>2009 Actual</b>	<b>2010 Plan</b>	<b>2010 Actual</b>	<b>2011 Plan</b>	<b>2012 Plan</b>	<b>Change from 2011 Plan to 2012</b>	<b>Long-Term Target 2016</b>
Strategy #1: Improve land and water health by managing the wetlands, uplands, and riparian areas that comprise our national parks, wildlife refuges, and BLM lands.											
Number of people with reduced exposure potential to safety risks from abandoned mine lands. (BUR)	A	393,728	270,102	255,640	272,143	160,000	191,250	160,000	160,000	0	160,000
Contributing Programs	Environmental Restoration										
Number of people directly affected (Emergencies abated). (BUR)	A	32,601	43,580	68,764	82,339	16,700	49,946	16,700	N/A	N/A	N/A
Contributing Programs	Environmental Restoration										
Percentage of declared emergencies abated within six months. (BUR)	A	97.8%	98.5%	99.7%	99%	95%	98%	95%	N/A	N/A	N/A
Contributing Programs	Environmental Restoration										
Comments	Emergency Projects will be addressed from one source of funding in 2012. This measure will be revised in the future to reflect proposed legislative changes and associated performance.										

Office of Surface Mining Reclamation and Enforcement

Goal Performance Table											
Mission Area 2: Sustainably Manage Energy, Water, and Natural Resources											
Goal #1: Secure America's Energy Resources											
Supporting Performance Measures	Type	2006 Actual	2007 Actual	2008 Actual	2009 Actual	2010 Plan	2010 Actual	2011 Plan	2012 Plan	Change from 2011 Plan to 2012	Long-Term Target 2016
Strategy #1: Ensure environmental compliance and the safety of energy development.											
Percent of active coal mining sites that are free of off-site impacts. (SP)	C	92% (7,454 of 8,142 sites)	90.2% (7,103 of 7,877 sites)	88% (6,864 of 7,784 sites)	88% (6,879 of 7,845 sites)	88% (6,800 of 7,716 sites)	86% (6,548 of 7,571 sites)	88% (6,789 of 7,672 sites)	88% (6,741 of 7,636 sites)	0%)	88% (6,741 of 7,636 sites)
<b>Total Actual/Projected Costs (\$000)</b>		\$113,684	\$99,689	\$111,388	\$108,119	\$110,000	\$116,996	\$127,280	\$129,469	-----	
<b>Actual/Projected Cost per Inspectable Unit (in dollars)</b>		\$13,963	\$12,656	\$14,310	\$13,792	\$ 14,256	\$15,453	\$16,590	\$16,955	-----	
Contributing Programs	Environmental Protection										
Comments	The target remains stable through 2012. OSM evaluation of data collection, analysis, and reporting requirements is part of the ongoing effort to improve oversight of State regulatory programs. Targets will be reviewed at the completion of this effort. The FY 2011 projected cost is based on the current CR rate; for FY 2012, projected costs include anticipated cost recovery for services to the coal industry.										
Percent of mined acreage reclaimed). (SP)	A	48% (1,534,301 of 3,225,261 acres)	53.4% (1,928,521 of 3,609,121 acres)	83% (2,044,886 of 2,467,139 acres)	89% (2,165,011 of 2,435,110 acres)	75% (1,578,233 of 2,105,752 acres)	98% (2,305,795 of 2,359,120 acres)	75% (1,578,233 of 2,105,752 acres)	75% (1,578,233 of 2,105,752 acres)	0%	75% (1,578,233 of 2,105,752 acres)
<b>Total Actual/Projected Costs (\$000)</b>		\$113,684	\$99,689	\$111,388	\$108,119	\$110,000	\$116,996	\$127,280	\$129,469	-----	
<b>Actual/Projected Cost per Acres Reclaimed (in dollars)</b>		\$74	\$52	\$54	\$50	\$70	\$51	\$81	\$75	-----	
Contributing Programs	Environmental Protection										
Comments	The target remains stable through 2012. OSM evaluation of data collection, analysis, and reporting requirements is part of the ongoing effort to improve oversight of State regulatory programs. Targets will be reviewed at the completion of this effort. The FY 2011 projected cost is based on the current CR rate; for FY 2012, projected costs include anticipated cost recovery for services to the coal industry.										

Office of Surface Mining Reclamation and Enforcement

<b>Goal Performance Table</b>											
<b>Mission Area 2: Sustainably Manage Energy, Water, and Natural Resources</b>											
<b>Goal #1: Secure America's Energy Resources</b>											
<b>Supporting Performance Measures</b>	<b>Type</b>	<b>2006 Actual</b>	<b>2007 Actual</b>	<b>2008 Actual</b>	<b>2009 Actual</b>	<b>2010 Plan</b>	<b>2010 Actual</b>	<b>2011 Plan</b>	<b>2012 Plan</b>	<b>Change from 2011 Plan to 2012</b>	<b>Long-Term Target 2016</b>
Number of acres where reclamation goals are achieved as evidenced by release from Phase III Performance Bonds. (BUR)	C	49,796	51,105	48,828	38,312	45,000	50,231	45,000	45,000	0	41,000
Contributing Programs	Environmental Protection										
Number of acres released from Phase I & II Performance Bonds. (BUR)	C	89,894	110,198	89,047	93,875	80,000	111,136	80,000	80,000	0	80,000
Contributing Programs	Environmental Protection										
Customer service rate in the quality of technical assistance. (Applies to both the Resource Protection and Resource Use Goals.) (BUR)	A	99.6%	99%	96%	100%	95%	100%	96%	96%	0%	97%
Contributing Programs	Technology Development and Transfer										
Percent satisfaction with the scientific and technical products and assistance. (Applies to both the Resource Protection and Resource Use Goals.) (BUR)	A	89.3%	92%	92%	99%	94%	99%	96%	96%	0%	97%
Contributing Programs	Technology Development and Transfer										
Customer effectiveness rate in the quality of technical training – NTTIP. (Applies to both the Resource Protection and Resource Use Goals.) (BUR)	A	97%	96%	96%	95%	93%	97%	93%	93%	0%	93%
Contributing Programs	Technology Development and Transfer										

Office of Surface Mining Reclamation and Enforcement

<b>Goal Performance Table</b>											
<b>Mission Area 2: Sustainably Manage Energy, Water, and Natural Resources</b>											
<b>Goal #1: Secure America's Energy Resources</b>											
<b>Supporting Performance Measures</b>	<b>Type</b>	<b>2006 Actual</b>	<b>2007 Actual</b>	<b>2008 Actual</b>	<b>2009 Actual</b>	<b>2010 Plan</b>	<b>2010 Actual</b>	<b>2011 Plan</b>	<b>2012 Plan</b>	<b>Change from 2011 Plan to 2012</b>	<b>Long-Term Target 2016</b>
Number of students trained – NTTP. (Applies to both the Resource Protection and Resource Use Goals.) (BUR)	A	1,446	1,746	1,426	1,053	1,000	1,027	950	850	-100	850
Contributing Programs	Technology Development and Transfer										
Customer satisfaction rate for TIPS training. (Applies to both the Resource Protection and Resource Use Goals.) (BUR)	A	91%	90%	97%	96%	93%	98%	93%	93%	0%	93%
Contributing Programs	Technology Development and Transfer										
Customer satisfaction in the quality and timeliness of AVS provided services. (BUR)	A	97%	98%	98%	98%	96%	98%	96%	96%	0%	96%
Contributing Programs	Technology Development and Transfer										
Provide appropriate grant funding within 60 days of a complete grant application for regulatory grants (BUR)	A	100%	90%	100%	100%	93%	100%	96%	96%	0%	96%
Contributing Programs	Environmental Protection										
Completion of the technical review of Federal/Indian Land permit actions within 90 days (BUR)	A	96%	97%	90%	87%	81%	93%	81%	81%	0%	81%
Contributing Programs	Environmental Protection										

Office of Surface Mining Reclamation and Enforcement

<b>Goal Performance Table</b>											
<b>Mission Area 5: Building a 21<sup>st</sup> Century Department of the Interior Youth Stewardship and Engagement</b>											
<b>Supporting Performance Measures</b>	<b>Type</b>	<b>2006 Actual</b>	<b>2007 Actual</b>	<b>2008 Actual</b>	<b>2009 Actual</b>	<b>2010 Plan</b>	<b>2010 Actual</b>	<b>2011 Plan</b>	<b>2012 Plan</b>	<b>Change from 2011 Plan to 2012</b>	<b>Long-Term Target 2016</b>
Increase DOI and affiliated partnership employment in youth focused programs by 35 percent over the base year of FY 2009. (HPG)	C	N/A	N/A	N/A	102	138	218	219	219	0	N/A
Contributing Programs	All Programs										
Comments	Maintain employment in youth focused programs. This is a cumulative measure and represents OSM's contribution to the larger effort undertaken by DOI. High performance goals are not projected as long-term measures.										

Office of Surface Mining Reclamation and Enforcement

<b>Target Codes:</b>
SP = Strategic Plan Measure
HPG = High Performance Goal
ARRA = Recovery Act Measure
BUR = Bureau Specific Measures
UNK = Prior year data unavailable
<b>Type Codes:</b>
C = Cumulative
A = Annual
<b>Key to Measure Types</b> <b>The Goal Performance Table in this section includes a column called Type.</b> Each measure in the Goal Performance Table has measure Type: A or C. Each classification reflects a different timeframe between when a result is realized, in terms of a changing target value, relative to when funds are budgeted.
<b>A - Annual-result performance measures (“Annual” measures)</b> For these performance measures, the 2012 budget request reflects the resources that support the performance target for that year only. This is typical of any performance measure target for an operational effort that is repeated annually.
<b>C - Cumulative-result performance measures (“Cumulative” measures)</b> For these performance measures, the 2012 budget request reflects only an annual increment of funding that is being used to maintain or reach the level of achievement reflected in the target. While these measures reflect the level of performance achieved over a number of years, the target value for a given fiscal year reflects the level of performance which is expected to be reached by the end of that fiscal year, and no further.





**INTRODUCTION**

The following tables provide a snapshot of the cost changes by appropriation, business line and activities within those business lines. Below is a brief description of each appropriation and summary of business line within each appropriation.

**Regulation and Technology**

This appropriation finances the regulatory functions of SMCRA as administered by the States and OSM. Federal activities related to the administration and monitoring of State regulatory programs and OSM’s technical training, assistance, and transfer activities related to environmental protection are also financed by this appropriation. The request is \$118,469,000 (including an estimated \$100,000 in civil penalty collections); a decrease of \$8,811,000 from the 2010 Enacted/2011 CR level.

**Abandoned Mine Land**

This appropriation supports the discretionary reclamation program functions carried out by the States and OSM. The Fund is derived from a fee levied on coal production sales, use and transfers. The Fund also supports Federal activities related to the administration and monitoring of State programs, as well as OSM’s technical training, assistance, and transfer activities related to environmental restoration. The request is \$27,443,000, a decrease of \$8,145,000 from the 2010 Enacted/2011 CR level.

**Summary of 2010 Enacted/CR Level and 2012 Request  
By Appropriation and Business Line**

(dollars in thousands)

<b>Regulation and Technology</b>	2010 Enacted /2011 CR Level	2012 Request	Change from 2011 CR
Environmental Restoration	260	100	-160
Environmental Protection	94,771	87,438	-7,333
Technology Development & Transfer	15,663	14,478	-1,185
Financial Management	516	506	-10
Executive Direction	16,070	15,947	-123
<b>Total Appropriation</b>	<b>127,280</b>	<b>118,469</b>	<b>-8,811</b>
<b>Abandoned Mine Reclamation Fund</b>	2010 Enacted /2011CR Level	2012 Request	Change from 2011 CR
Environmental Restoration	16,364	9,495	-6,869
Technology Development & Transfer	4,032	3,550	-482
Financial Management	6,961	6,406	-555
Executive Direction	8,231	7,992	-239
<b>Total Appropriation</b>	<b>35,588</b>	<b>27,443</b>	<b>-8,145</b>
<b>Total Discretionary Appropriation</b>	<b>162,868</b>	<b>145,912</b>	<b>-16,956</b>

**Summary of 2010 Enacted/CR Level and 2012 Request  
By FTE**

(dollars in thousands)

<b>Regulation and Technology</b>	2010 Enacted /2011 CR Level	2012 Request	Change from 2011 CR
Environmental Restoration	0	0	0
Environmental Protection	191	216	+25
Technology Development & Transfer	91	91	0
Financial Management	2	2	0
Executive Direction	60	60	0
Total Appropriation	344	369	+25

<b>Abandoned Mine Reclamation Fund</b>	2010 Enacted /2011CR Level	2012 Request	Change from 2011 CR
Environmental Restoration	83	65	-18
Technology Development & Transfer	20	20	0
Financial Management	41	41	0
Executive Direction	33	33	0
Total Appropriation	177	159	-18

<b>Total Discretionary Appropriation</b>	<b>521</b>	<b>528</b>	<b>+7</b>
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FTE data for FY 2012 do not correspond to those printed in the FY 2012 Budget Appendix due to an oversight.

Office of Surface Mining Reclamation and Enforcement

**Budget at a Glance  
(Dollars in Thousands)**

	2010 Actual	2010 Enacted/ 2011 C.R.	2012				
			Fixed Costs & Related Changes*	Administrative Cost Savings	Program Changes	Request	Inc (+)/Dec (-) from 2011
<b>Discretionary</b>							
<b>Appropriation: Regulation and Technology</b>	<b>127,280</b>	<b>127,280</b>	<b>49</b>	<b>-861</b>	<b>-7,999</b>	<b>118,469</b>	<b>-8,811</b>
<b>Environmental Restoration</b>	<b>260</b>	<b>260</b>	<b>0</b>	<b>0</b>	<b>-160</b>	<b>100</b>	<b>-160</b>
<i>Coal Outcrop Fire Projects</i>	260	260	0	0	-160	100	-160
<b>Environmental Protection</b>	<b>94,771</b>	<b>94,771</b>	<b>-20</b>	<b>-254</b>	<b>-7,059</b>	<b>87,438</b>	<b>-7,333</b>
<i>State and Tribal Funding</i>	71,314	71,314	0	0	-10,991	60,323	-10,991
<i>State Program Evaluation</i>	8,630	8,630	-16	-120	3,932	12,426	3,796
<i>Expand/Enhance Oversight and Stream Protection</i>					[3,932]		
<i>Federal Programs</i>	5,981	5,981	-1	-45		5,935	-46
<i>Federal Lands</i>	1,540	1,540		-4		1,536	-4
<i>Indian Lands</i>	2,461	2,461	-1	-14		2,446	-15
<i>Program Development and Maintenance</i>	4,845	4,845	-2	-71	0	4,772	-73
<b>Technology, Development &amp; Transfer</b>	<b>15,663</b>	<b>15,663</b>	<b>-3</b>	<b>-348</b>	<b>-834</b>	<b>14,478</b>	<b>-1,185</b>
<i>Technical Assistance</i>	11,069	11,069	-1	-108	0	10,960	-109
<i>Training</i>	2,753	2,753	-1	-217	0	2,535	-218
<i>Technology Transfer</i>	1,841	1,841	-1	-23	-834	983	-858
<i>Applied Science Program</i>				0	[-834]		
<b>Financial Management</b>	<b>516</b>	<b>516</b>	<b>0</b>	<b>-10</b>	<b>0</b>	<b>506</b>	<b>-10</b>
<i>Revenue Management</i>	418	418	0	-7	0	411	-7
<i>Grants Financial Management</i>	98	98	0	-3	0	95	-3
<b>Executive Direction and Administration</b>	<b>16,070</b>	<b>16,070</b>	<b>72</b>	<b>-249</b>	<b>54</b>	<b>15,947</b>	<b>-123</b>
<i>Executive Direction</i>	2,682	2,682	0	-23	0	2,659	-23
<i>Administrative Support</i>	4,450	4,450	-1	-28	0	4,421	-29
<i>General Services</i>	8,938	8,938	73	-198	54	8,867	-71

Office of Surface Mining Reclamation and Enforcement

**Budget at a Glance  
(Dollars in Thousands)**

	2012						
	2010 Actual	2010 Enacted/ 2011 C.R.	Fixed Costs & Related Changes*	Administrative Cost Savings	Program Changes	Request	Inc (+)/Dec (-) from 2011
<b>Appropriation: Abandoned Mine Reclamation Fund</b>	<b>35,588</b>	<b>35,588</b>	<b>12</b>	<b>-449</b>	<b>-7,708</b>	<b>27,443</b>	<b>-8,145</b>
<b>Environmental Restoration</b>	<b>16,364</b>	<b>16,364</b>	<b>7</b>	<b>-148</b>	<b>-6,728</b>	<b>9,495</b>	<b>-6,869</b>
State and Tribal Funding - Emergency Grants	1,500	1,500	0	0	-1,500	0	-1,500
State Program Evaluation	2,710	2,710	0	-44	0	2,666	-44
Federal Reclamation Programs - Projects	4,523	4,523	0	0	-2,972	1,551	-2,972
Emergency Projects	[2,000]	[2,000]	0	0	[-2,000]	0	0
High-Priority Projects	[972]	[972]	0	0	[-972]	0	0
Watershed Projects	[1,551]	[1,551]	0	0	0	[1,551]	0
Federal Reclamation Program - Operations	4,364	4,364	8	-47	-2,256	2,069	-2,295
Reduce Staff	0	0	0	0	[-2,256]	0	0
Program Development and Maintenance	3,267	3,267	-1	-57	0	3,209	-58
<b>Technology, Development &amp; Transfer</b>	<b>4,032</b>	<b>4,032</b>	<b>0</b>	<b>-116</b>	<b>-366</b>	<b>3,550</b>	<b>-482</b>
Technical Assistance	1,632	1,632	0	-44	0	1,588	-44
Training	861	861	0	-66	0	795	-66
Technology Transfer	1,539	1,539	0	-6	-366	1,167	-372
Applied Science Program	0	0	0	0	[-366]	0	0
<b>Financial Management</b>	<b>6,961</b>	<b>6,961</b>	<b>-2</b>	<b>-53</b>	<b>-500</b>	<b>6,406</b>	<b>-555</b>
Fee Compliance	6,866	6,866	-2	-52	-500	6,312	-554
Reduce Audit Activities - Export Coal Issue					[-500]	0	0
Grants Financial Management	95	95	0	-1	0	94	-1
<b>Executive Direction and Administration</b>	<b>8,231</b>	<b>8,231</b>	<b>7</b>	<b>-132</b>	<b>-114</b>	<b>7,992</b>	<b>-239</b>
Executive Direction	1,428	1,428	-1	-12	0	1,415	-13
Administrative Support	2,342	2,342	0	-15	0	2,327	-15
General Services	4,461	4,461	8	-105	-114	4,250	-211
<b>Total, Discretionary Funding</b>	<b>162,868</b>	<b>162,868</b>	<b>61</b>	<b>-1,310</b>	<b>-15,707</b>	<b>145,912</b>	<b>-16,956</b>

Office of Surface Mining Reclamation and Enforcement

**Budget at a Glance  
(Dollars in Thousands)**

	2010 Actual	2010 Enacted/ 2011 C.R.	2012				Inc (+)/Dec (-) from 2011
			Fixed Costs & Related Changes*	Administrative Cost Savings	Program Changes	Request	
<b>Mandatory</b>							
<b>Payments to States and Tribes in Lieu of Coal Fee Receipts (Treasury Funds)**</b>	<b>227,200</b>	<b>245,500</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>85,400</b>	<b>-160,100</b>
<i>Prior Balance Replacement Fund</i>	187,000	187,000	0	0	0	187,000	
<i>Legislative Proposal - Change in Distribution of Funds</i>						85,400	
<i>Less Payments to Certified States and Tribes</i>					0	-101,600	
<i>In Lieu Payments to Certified States and Tribes</i>	40,200	58,500	0	0	0	82,600	
<i>Less Payments to Certified States and Tribes</i>					0	-82,600	
<b>Mandatory Grants to Noncertified States (AML Funds)**</b>	<b>141,914</b>	<b>150,133</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>228,400</b>	<b>78,267</b>
<i>Grants to Noncertified States - Change in Distribution of Funds</i>						228,400	
<i>State &amp; Tribal Share - Change in Distribution of Funds</i>	39,229	36,779	0	0	0	-52,000	
<i>Historic Coal Fund - Change in Distribution of Funds</i>	89,867	100,980	0	0	0	-163,400	
<i>Minimum Program - Change in Distribution of Funds</i>	12,818	12,374	0	0	0	-13,000	
<b>United Mine Workers of America Health Benefit Plans (UMWA)</b>	<b>172,699</b>	<b>273,310</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>225,253</b>	<b>-48,057</b>
<i>Payments to United Mine Workers of America Health Benefit Plans (AML Fund Interest)</i>	63,890	57,246	0	0	0	64,062	6,816
<i>Payments to United Mine Workers of America Health Benefit Plans (U.S. Treasury Funds)</i>	108,809	216,064	0	0	0	161,191	-54,873
<b>Total, Mandatory Funding</b>	<b>541,813</b>	<b>668,943</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>539,053</b>	<b>-129,890</b>

\* These may net to zero. See the specific sections for details.

\*\*The requested amounts for FY 2012 are proposed to be allocated under a competitive process.



**ENVIRONMENTAL RESTORATION**

## Environmental Restoration Summary of Budget Request

(dollars in thousands)	2010 Actual	2010 Enacted / 2011 CR	2012				Change From 2011 CR (+/-)
			Fixed Costs & Related Changes (+/-)	Admin Cost Savings (-)	Program Changes (+/-)	Budget Request	
<b>Regulation and Technology</b>	<b>260</b>	<b>260</b>	<b>0</b>	<b>0</b>	<b>-160</b>	<b>100</b>	<b>-160</b>
Coal Outcrop Fires	160	160	0	0	-160	0	-160
Civil Penalties (Authority)*	100	100	0	0	0	100	0
<i>FTE</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>
<b>Abandoned Mine Reclamation Fund</b>	<b>16,364</b>	<b>16,364</b>	<b>7</b>	<b>-148</b>	<b>-6,728</b>	<b>9,495</b>	<b>-6,869</b>
State and Tribal Funding – Emergency Grants	1,500	1,500	0	0	-1,500	0	-1,500
<i>FTE</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>
State Program Evaluation	2,710	2,710	0	-44	0	2,666	-44
<i>FTE</i>	<i>23</i>	<i>23</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>23</i>	<i>0</i>
Federal Programs - Projects	4,523	4,523	0	0	-2,972	1,551	-2,972
Watershed Cooperative Agreements	[1,551]	[1,551]	0	0	0	[1,551]	0
Federally-Managed Emergencies	[2,000]	[2,000]	0	0	[-2,000]	0	[-2,000]
High-Priority Reclamation Projects	[972]	[972]	0	0	[-972]	0	[-972]
Federal Programs - Operations	4,364	4,364	8	-47	-2,256	2,069	-2,295
<i>FTE</i>	<i>38</i>	<i>38</i>	<i>0</i>	<i>0</i>	<i>-18</i>	<i>20</i>	<i>-18</i>
Program Development and Maintenance	3,267	3,267	-1	-57	0	3,209	-58
<i>FTE</i>	<i>22</i>	<i>22</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>22</i>	<i>0</i>
<b>Total, Environmental Restoration</b>	<b>16,624</b>	<b>16,624</b>	<b>7</b>	<b>-148</b>	<b>-6,888</b>	<b>9,595</b>	<b>-7,029</b>
<b>Total FTE</b>	<b>83</b>	<b>83</b>	<b>0</b>	<b>0</b>	<b>-18</b>	<b>65</b>	<b>-18</b>

\*FY 2010 actual civil penalty collections were \$201,612. FY 2011 CR and 2012 President's Budget includes estimated civil penalty collections of \$100,000.

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Administrative Cost Savings of -\$148,000 include reductions in travel, information technology, and strategic sourcing of supplies, materials and equipment. Fixed costs are covered with net changes of +\$7,000. See the discussion in the General Statement for planned efficiencies.

In addition to the discretionary appropriations above, OSM will distribute mandatory funding for AML reclamation as outlined in the Permanent Appropriations Section.

**Summary of 2012 Program Changes**

<b>Request Component</b>	<b>(\$000)</b>	<b>FTE</b>
State and Tribal Funding:		
Decrease in Emergency Funding	-1,500	0
Federal Reclamation Program Projects:		
Decrease in Federally-Managed Emergency Projects	-2,000	0
Decrease in Federal High-Priority Projects	-972	0
Federal Reclamation Program Staff Reduction	-2,256	-18
Coal Outcrop Fires	-160	
<b>Total Program Changes</b>	<b>-6,888</b>	<b>-18</b>

**Justification of 2012 Program Changes**

The 2012 budget for Environmental Restoration is \$9,595,000 and 65 FTE, program decreases of \$6,888,000 and 18 FTE from the 2010 Enacted/annualized 2011 Continuing Resolution. Most of these program reductions are components of a larger policy to combine responsibility for AML sites and for the emergency issues that develop on them, and shift all abandoned mine reclamation projects from discretionary to mandatory funding, as further described in the Permanent Appropriations Section.

**State and Tribal Funding – Emergency Grants (-\$1,500,000):** Because they received increased mandatory funding for abandoned mine lands reclamation, the responsibility to abate emergency projects that develop on AML sites was transferred to all States with active AML programs. Therefore, the FY 2012 budget eliminates this discretionary grant funding.

**Federal Emergency Project Funding (-\$2,000,000):** Previously, OSM addressed AML emergencies in States without their own emergency programs. States with AML programs have now assumed responsibility for AML emergencies in their regions, using their mandatory funding. Therefore, the budget eliminates the additional discretionary funding. For States without AML programs, OSM will address emergency projects under the mandatory funding proposal in FY 2012.

**Federal High Priority Project Funding (-\$972,000):** OSM has addressed the non-emergency AML sites in States without their own AML programs. These AML sites, like all other coal AML sites, will be eligible for competitive funding in the legislative proposal described in the



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Permanent Appropriations Section. Therefore, discretionary funding for this program is eliminated from this activity.

**Federal Reclamation Program Operations Staff (-\$2,256,000; -18 FTE):** In FY 2010, OSM initiated the transition of funding for the AML emergency programs to the States and Tribes. This includes Federal Emergency Project Funding. The reduction in discretionary funding allows for a reduction in the Federal reclamation program staff associated with this activity. To the extent possible, staff will be reassigned to support one of OSM's top priorities—oversight and stream protection—or fill available vacancies for which they qualify.

**Eliminate Coal Outcrop Fire Projects and monitoring (-\$160,000):** Coal outcrops are ignited by forest/brush fires, lightning, and campfires and occur mostly in the western States. These projects are not eligible for funding under the AML program because they are coal deposits that have never been mined. Funding is proposed for elimination in FY 2012 because there is no need for OSM to be involved in the process. There are other responsible parties, i.e., States and Federal land management agencies, to address these issues.

**MISSION GOAL: TO PROVIDE A CLEANER AND SAFER ENVIRONMENT  
FOR THE AMERICAN PEOPLE BY RECLAIMING AND RESTORING  
LAND AND WATER DEGRADED BY PAST MINING**

As stewards of our nation's natural and cultural resources, the Department is entrusted with safeguarding these treasures for future generations. Environmental problems associated with abandoned mine sites, such as water pollution, open portals and pits, land stripped of natural vegetation, and refuse piles degrade our natural resources and create public health and safety risks. Through the reclamation of these problems, our land and water resources are improved for beneficial uses, such as, agriculture, wildlife habitat or development. Mine site reclamation not only improves our environment, but also safeguards people and property, and revitalizes communities by creating jobs.

The Environmental Restoration business line funds operations and projects for the abandoned mine land program (AML). OSM evaluates State and Tribal AML programs, abates high-priority coal mining-related hazards through the Federal Reclamation program (where OSM has reclamation responsibility), and fosters partnerships aimed at addressing acid mine drainage and other water pollution problems.

The total magnitude of the abandoned mine problem is difficult to assess. Since 1977, over 255,000 equivalent acres of priority 1 and 2 public health, safety and associated environmental related coal problems have been reclaimed. OSM has developed a national inventory that contains information on over 19,000 problem areas associated with abandoned mine lands, mostly coal. A problem area is a geographical area, such as a watershed, that contains one or more problems. The more serious problem areas are classified as priority 1 (extreme danger to public health and safety), priority 2 (adverse affects to public health, safety, or environmental problems adjacent to this priority), or priority 3 (adverse effects to land, water and the environment). Remaining Priority 1 and 2 coal-related sites are estimated at almost \$4 billion to fully address.

The authority to collect the mine reclamation fee and distribution of the fee was revised by the Tax Relief and Health Care Act of 2006, which included the Surface Mining Control and Reclamation Act Amendments of 2006 (Public Law 109-432). This Act extended the authority for fee collection through September 30, 2021, and changed the way State and Tribal reclamation grants are to be funded, beginning in FY 2008. State and Tribal reclamation grants have become permanent appropriations. The remaining activities funded under the discretionary appropriation include State Program Evaluation, Federal Reclamation Programs and OSM operations.

**Operational Processes  
(Program Activities):**

OSM will continue to support the Watershed Cooperative Agreement Program under the current appropriation requested. This program supports cooperative conservation in that it provides funding to local volunteer non-profit watershed organizations in their efforts to improve their local environment and has positive impacts on the local economic climate of nearby communities.

<p style="text-align: center;"><b>ENVIRONMENTAL RESTORATION ENCOMPASSES</b></p> <p>State Program Evaluation</p> <p>Federal Reclamation Program</p> <ul style="list-style-type: none"><li>• <i>Program Operations</i></li><li>• <i>Watershed Cooperative Agreements</i></li><li>• <i>Civil Penalty Reclamation</i></li><li>• <i>Bond Forfeiture Reclamation</i></li></ul> <p>Program Development and Maintenance</p>
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Evaluation and oversight of the State and Tribal AML reclamation operations is coordinated by OSM through the State Program Evaluation program activity. This business line also funds the Program Development and Maintenance program activity, which provides policy direction and ensures State/Tribal programs are amended as needed.

The Environmental Restoration program activities improve natural resources and reduce the risk to public health, safety, and general welfare by correcting problems caused by past mining. OSM has identified success indicators to show incremental accomplishments for the mission goal. These goals and measures are identified at the end of this business line section.

**Actions Required to Achieve Annual Goals:** In FY 2012 and beyond, OSM will continue to encourage partnership participation by working with States and Tribes through their reclamation agencies, and through private and grass-roots associations. In addition, OSM will increase efforts to leverage funding from other government and non-government organizations to address abandoned mine sites. This emphasis on partnership and leveraging of resources supports cooperative conservation efforts.

**Resources, Skills, and Technology Needed:** OSM will continue to need a diverse and multidisciplinary cadre of individuals with scientific and engineering skills. These human resources establish reclamation project design and construction criteria either directly or in conjunction with contractors for Federal Programs, review and monitor watershed cooperative agreement projects, and civil penalty and bond forfeiture reclamation projects. Program analysts, grant specialists, and other support personnel are needed to implement the State/Tribal grants program and to conduct program evaluations. Computer systems personnel and contractors are needed to maintain the Abandoned Mine Land Inventory System. OSM maintains the system and network by which the States and Tribes manage their data.

*Office of Surface Mining Reclamation and Enforcement*

The following section details, by program activity, the funding and FTE resources required to meet the annual performance measures. It also includes examples of the types of efforts used to evaluate programs, address emergency and high-priority issues and manage those projects, and provide reclamation support services to communities affected by coal mining issues.

## **2012 PROGRAM PERFORMANCE**

### **Abandoned Mine Land Fund**

The Surface Mining Control and Reclamation Act (SMCRA) established the Abandoned Mine Reclamation Fund (AML Fund) to receive the AML fees and finance reclamation of coal AML sites. Before the 2006 SMCRA amendments, the reclamation grants were funded through discretionary appropriations. These grants are now funded from permanent (mandatory) appropriations. A discussion of the funding of these grants and the proposed changes to apply that funding to the Nation's highest priority coal problems can be found under the Permanent Appropriations Section.

The FY 2012 budget, from the AML Fund for Environmental Restoration, will cover discretionary spending for the following activities listed below and presented in detail in this section.

- State Program Evaluation,
- Federal Reclamation Program Operations,
- Watershed cooperative agreements administered by OSM, and
- Program Development and Maintenance.

Funding appropriated from the AML fund will also cover federal expenses requested and outlined in subsequent business line chapters to cover technical assistance and training, financial management, and executive direction. High-priority coal projects under the Federal Reclamation Program in States and Tribes without approved AML programs are proposed to be covered by Permanent Appropriations.

### **Addressing AML Emergencies**

AML sites and the emergencies that develop on them have been a separate issues in AML programs undertaken by States with a different process for allocating funding. The 2006 Amendments created different sources of funding for addressing AML issues by allowing for the appropriation of both discretionary and mandatory grants. Though a state may assume responsibility for addressing the AML issues in its borders, unless it chooses to, OSM has been responsible for addressing any emergencies that arise on the AML coal sites. Longstanding AML issues and AML emergencies are intrinsically linked, so the strategy to address AML issues should consider the emergencies that may arise in these areas and their relative risk factors. Therefore, it is more efficient and cost effective to combine responsibility for these related issues to a single manager, from a single source of funding.

The program reductions in the budget reflect the decision to combine AML emergencies with other AML issues, for both management responsibility and budgeting. Because the 2006 SMCRA Amendments made the AML grants to States mandatory, the Budget proposes to fund all AML reclamation activities through mandatory appropriations, to increase the efficiency of these programs, and more effectively prioritize funding for the highest priority sites. See permanent appropriations tab for further description of this proposal.

**1. State and Tribal Funding - Emergency Program**

This program activity was originally used to distribute grants to States and Tribes for their AML and emergency programs. Emergencies are AML problems that occur suddenly and present a high probability of substantial physical harm to the health, safety, or general welfare of people, and have to be addressed immediately. Under provisions of SMCRA, each State AML Reclamation Program may request authority from OSM to administer an AML Emergency Response Program within its borders.

The 2006 SMCRA Amendments transferred grants for AML programs to mandatory funding, but left the emergency programs discretionary. The increase in mandatory funding available to the States and Tribes allows them to also assume the responsibility for emergency issues. OSM made this transition for those States with AML programs in FY 2010. OSM’s FY 2012 budget eliminates funding for State Emergency Grants and Federal Emergency Projects. Table 1 below identifies those States and Tribes with AML programs, those States with established emergency programs as of 2010, the States that assumed responsibility for addressing emergency projects 2010 – 2011, and the States without an AML program where OSM is the responsible for addressing those projects.

	AML Program		Emergency Issues	
State and Tribal Responsibility	Alabama Alaska Arkansas Colorado Illinois Indiana Iowa Kansas Kentucky Louisiana Maryland Mississippi Montana New Mexico	North Dakota Ohio Oklahoma Pennsylvania Tennessee Texas Utah Virginia West Virginia Wyoming Crow Tribe Hopi Tribe Navajo Nation	Alabama Alaska Arkansas Colorado <sup>1</sup> Illinois Indiana Iowa Kansas Kentucky <sup>1</sup> Louisiana <sup>1</sup> Maryland <sup>1</sup> Mississippi <sup>1</sup> Montana New Mexico <sup>1</sup>	North Dakota Ohio Oklahoma Pennsylvania <sup>1</sup> Tennessee <sup>1</sup> Texas Utah <sup>1</sup> Virginia West Virginia Wyoming Crow Tribe <sup>1</sup> Hopi Tribe <sup>1</sup> Navajo Nation <sup>1</sup>
Federal Responsibility	California Georgia Idaho Massachusetts Michigan North Carolina	Oregon Rhode Island South Dakota Washington	California Georgia Idaho Massachusetts Michigan North Carolina	Oregon Rhode Island South Dakota Washington

<sup>1</sup> These States and Tribes assumed responsibility for addressing AML emergencies beginning in FY 2010. Previously, AML emergency issues in these States were addressed federally. In FY 2010, only 6 of the 12 States and Tribes identified above had Federal emergency funding obligated for projects.

When the 2006 amendments dramatically increased funding for AML reclamation and made this funding mandatory, OSM began to transfer responsibility for funding to those States with active AML programs. The FY 2012 budget eliminates all funding for this purpose and proposes that these types of projects be funded under the permanent appropriations.

## **2. State Program Evaluation**

SMCRA requires OSM to monitor the progress and quality of each State and Tribal program to ensure that their reclamation programs function effectively. This program area is an integral part of the State and Tribal funding. Evaluation of State and Tribal reclamation programs ensure efficient and effective use of program dollars for the intended purpose.

OSM analyzes documents submitted by States and Tribes (e.g. grant applications, amendments, reports), and conducts on-site evaluations of selected reclamation projects. OSM also provides the States and Tribes with expert technical assistance on reclamation projects. OSM, States, and Tribes hold conferences and forums to discuss reclamation issues, technology, and solutions to reclamation problems.

OSM, in consultation with States and Tribes, developed a review system that provides for enhancement and performance evaluation of programs, rather than oversight. This system, which is based on principles of excellence, recognizes that evaluation involves an ongoing relationship between OSM and the State or Tribal agencies. OSM is responsible for assisting in program enhancement while monitoring compliance with SMCRA. OSM's oversight policy is being reviewed for regulatory programs and future changes to the reclamation program oversight may also be made. In the meantime, the current process is outlined below.

The current evaluation system does not require that each program be reviewed each year in each of the six areas covered under the principles of excellence. Instead, the system allows each State or Tribe to develop, with the appropriate Field Office, an agreement which addresses the areas to be reviewed and establishes applicable performance measures. Since much of the enhancement and performance evaluation is trend analysis and because the interaction between the programs and OSM is continual, the programmatic agreements can be for periods longer than one year. However, OSM reviews them each year to determine the progress being made.

These agreements first address the overriding goal of the AML program, which is successful reclamation. They recognize that if the State or Tribe is permanently reclaiming abandoned mine sites by abating hazards, reducing or mitigating adverse effects of past mining, and restoring adversely affected lands and water to beneficial use, then it is conducting an overall successful program.

OSM encourages States and Tribes to maintain ongoing programs for post-project monitoring to assure that completed reclamation projects receive adequate maintenance until reclaimed lands are stable, and to ensure the effectiveness of reclamation designs. OSM evaluations of post-construction monitoring ensure implementation of these types of State monitoring plans.

### 3. Federal Reclamation Program

OSM addresses environmental hazards on a priority basis when an emergency occurs in States without AML programs; administers projects funded by federal civil penalties collected from operators and projects funded from bonds forfeited by operators of federally permitted sites; and monitors watershed cooperative agreement projects. Funding of \$2.1 million is requested for operations associated with this work. An additional \$1.5 million is requested for Watershed Cooperative Agreement Projects.

This program activity is being reduced by 18 full-time equivalent (FTE) staff due to the transition of the emergency program to States with Abandoned Mine Land programs. Prior to FY 2011, some States with AML Programs relied on OSM to address emergencies in their States. Due to the increase in mandatory funding for States with AML programs, OSM transitioned this responsibility to all States with AML programs beginning in FY 2010.

#### *a. Federal Emergency Projects*

Emergencies are AML problems that occur suddenly and present a high probability of substantial physical harm to the health, safety, or general welfare of people, and have to be addressed immediately. As previously discussed, OSM manages emergency abatement projects in States and on Tribal lands without AML programs. Prior to FY 2011, OSM also operated programs in States and Tribes that had AML programs but choose not to be responsible for abatement of emergency projects.

Emergency work provides immediate relief from abandoned mine hazards that threaten public health and safety on federal and Indian lands in States without an emergency program. Emergencies are generally the result of two different types of events. The most common emergencies are subsidence events, the caving in of old underground mines. Subsidence can impact man-made structures on the surface and may be life threatening when they occur in areas, such as in schools, parks, playgrounds, and residential areas. These types of emergencies are most common in the Midwestern States and anthracite regions of northeastern Pennsylvania.

The second type of emergency event is landslides. These are usually the result of unstable mine spoil placed on steep hillsides. This occurs generally in the steep slope areas of Appalachia, and especially in eastern Kentucky and southern West Virginia. Landslides can impact homes and other man-made structures and may block streams, which, in turn, can cause flooding either above or below the blocked stream. Because of the large quantities of earth moved, landslides are generally more costly to abate than other AML problem types.

When notified of a possible emergency situation, OSM personnel will visit the site, usually within 48 hours or less and perform a technical investigation. Should OSM determine that an emergency exists, OSM conducts remedial action as quickly as possible to abate the emergency situation. This does not always fully abate the problem, but addresses the emergency situation. The State or Tribal AML program will complete the reclamation after the emergency has been addressed.



*Office of Surface Mining Reclamation and Enforcement*

During FY 2010, the Appalachian Region declared 154 emergencies. Most of the emergencies occurred in Pennsylvania and Kentucky requiring \$8.5 million. Kentucky had 51 declared emergency projects that included: 10 subsidence events, 2 portal openings, 3 refuse or seam fire abatements, 1 highwall related to rock displacement and damage of residential safety fencing, 1 clogged stream channel, 1 clogged stream, 1 impoundment, 1 borehole backfill, and stabilizing 32 landslides. In Pennsylvania, OSM declared 102 emergencies comprised of: 5 hazardous gas problems, 78 subsidence problems, 7 portals, 3 vertical opening, 4 mine drainage problems, 2 mine or refuse fires, 2 shafts and 1 borehole backfill project. In addition, one project related to drainage was declared in Maryland.

During FY 2010, the Western Region declared eight emergencies. The emergencies included one mine subsidence in Colorado; and seven open adits in Washington. The Western Region spent \$322,150 on emergencies in FY 2010.

As previously discussed, OSM transitioned responsibility for these situations to the States and Tribes with AML programs during FY 2010. The FY 2012 request eliminates funding for federally-administered emergency programs to transition to mandatory funding. OSM will continue to work with the States and Tribes to assist with these projects, as needed, during FY 2011.

*b. Federal High-Priority Projects*

OSM manages projects in States and on Tribal lands where the State/Tribe is ineligible for an AML program. OSM reviews priority coal projects on its Abandoned Mine Land Inventory System (AMLIS) and selects projects for funding at the beginning of the year after review of the nature of the problem and site specific information. Those determined to be most critical are addressed first, however, a site in close proximity to one selected may be addressed concurrently for cost savings.

During FY 2010, \$388,300 was expended on four projects in Georgia, Washington and Oklahoma. In the Appalachian Region, \$210,000 was expended to correct highwall problems and 5 acres of spoil on a large abandoned strip mine area in Georgia. In the Western Region, \$166,300 was expended to close four dangerous adits on site mapping for a project in Washington. In the Mid-Continent Region, \$12,000 was expended for mapping and preliminary designs at two sites on Cherokee Tribal Lands in Sequoyah and Muskogee Counties, Oklahoma. The Cherokee West and Dwight Mission project sites include two hazardous water bodies, a dangerous highwall, dangerous piles and embankments, dumps, and mine spoils and future costs to remediate both sites are approximately \$1,180,000 for finalizing designs and bid specifications and the awarding of construction contracts.

In FY 2012, these sites will be eligible for mandatory funding described in the Permanent Appropriations Section.

*c. Program Staff*

To address Federal emergency projects, OSM funds program operations separately. OSM begins with the initial investigation on the site in order to make two threshold determinations: (1) does an emergency condition exist? and (2) is the condition related to an abandoned coal mine? Time is of the essence; in some instances, abatement activities begin within hours of OSM's initial investigation.

Once the determination is made that the site is eligible for funding as an emergency project, the Federal Reclamation Program staff obtains approval for project funding and develops the abatement plan. This includes:

- Compliance with the National Environmental Policy Act (NEPA) and the Historic Preservation Act;
- Obtaining the right of entry for access;
- Developing engineering plans and specifications needed for abatement;
- Preparing and mailing bid packages to potential construction contractors;
- Conducting pre-bid and pre-construction conferences;
- Awarding contracts;
- Coordinating, managing and inspecting all aspects of the ongoing construction; and
- Reviewing, approving and paying invoices.

Due to the transition to mandatory funding, a reduction of 18 FTE is proposed under this activity in FY 2012. In addition to addressing Federal emergency projects and providing technical assistance, OSM staff will administer high-priority projects selected under mandatory funding, and projects funded by federal civil penalties collected from operators and projects funded from bonds forfeited by operators of federally permitted sites; and monitor watershed cooperative agreement projects under this activity. It is essential to maintain a staffing level to cover these important reclamation activities.

*d. Watershed Cooperative Agreement Projects*

Environmental problems associated with abandoned mine sites, such as acid mine drainage, degrade our natural resources. The reclamation of these problems, our land and water resources are improved for beneficial uses such as wildlife habitat and recreational areas.

Acid mine drainage (AMD) is the number one water pollutant in the coalfields of the Appalachian area causing major environmental and public health problems. AMD problems are occurring in other regions as well. OSM's effort to control and eliminate AMD in streams and rivers supports the Department's commitment to clean water and strengthening local communities. Because of the extent and high reclamation cost of the pollution, this problem cannot be eliminated by any single government agency or group.

The FY 2012 budget request includes \$1.55 million for Watershed Cooperative Agreements, and \$0.15 million for program management, maintenance and assistance in this area. A companion project, the Acid Drainage Technology Initiative (ADTI), is also funded at almost \$0.2 million under the Technology Development and Transfer business line. See that business line section for further details on ADTI efforts.

The Watershed Cooperative Agreement Program was implemented by OSM in FY 1999. The purpose of the Watershed Cooperative Agreement Program is to make funds available directly to not-for-profit organizations, especially small local watershed organizations, to undertake local projects to clean streams affected by acid mining drainage (AMD). Applicants normally receive up to \$100,000 for each reclamation project, primarily for project construction; however, administrative costs associated with completion of the project may be allowed. Applicants are required to have other partners contributing either funding or in-kind services.

OSM participation with other funding sources has increased local volunteer interest and involvement in local watershed protection and remediation projects. These projects are designed to improve adverse water quality impacts from past mining activity.

Following are four examples of projects funded under the Watershed Cooperative Agreement Program (WCAP):

Saxman Run Mine Drainage Treatment and Hydroelectric Project: The Upper Saxman abandoned mine drainage (AMD) discharge, located in Derry Township, PA, is one of the largest sources of AMD pollution within the entire Loyalhanna Creek Watershed. This single discharge flows at an average rate of 5,000 gallons-per-minute and contributes over 630 tons of iron oxide into Saxman Run annually. Current technology requires more than 50 acres of land to carry out passive treatment of an alkaline discharge of this flow amount and iron content. Due to the location of this discharge, treatment would not have been possible.

In searching for a solution to relocate the discharge to a site of future treatment, the Loyalhanna Watershed Association developed a “micro-hydroelectric” concept for this project. With a constant supply of water gushing from the Upper Saxman discharge, it was determined feasible to generate an alternative source of electricity from the flowing mine water. In 2010, a vertical Kaplan turbine was installed at the end of a 1,800 foot transmission pipeline re-locating the discharge downstream to a site where future treatment of the discharge can occur. In doing so, 3KW of electricity is produced through a localized process, and the electricity generated is currently powering an existing active treatment system operated by Saint Vincent College adjacent to the turbine site. This system treats a small portion of a second AMD discharge in the area.

The energy produced from this project will ultimately contribute a portion of the electricity needed for reclamation of the two discharges polluting Saxman Run. Essentially, the water from these discharges will be treated using the energy they already produce. This project is the first of its kind in Pennsylvania, and likely, the United States.

Funding for this project was provided by OSM, Pennsylvania Department of Environmental Protection Grant Programs, The Foundation for Pennsylvania Watersheds, and The Dominion Foundation. The total project cost is \$439,666 with OSM contributing \$80,000 and partners contributing the remaining \$359,666.

West Branch Headwaters Project: The Sunday Creek watershed is approximately 139 square miles encompassing parts of three counties in southeast Ohio. Phase I of the two phase project was completed in 2010 and involved installation of four monitoring wells, sealing four stream captures and reclaiming a 1.28 acre gob pile. The four stream captures collectively captured an estimated 25 million gallons of net alkaline water annually that would otherwise provide buffering capacity to the stream helping of mitigate some of the effects of AMD entering the stream. Phase II, to be constructed in early 2011, will involve constructing a limestone bed to be used as passive treatment for additional AMD discharges. It is projected that this project will provide annual reductions of acid loading of 10,731 lbs/year and metal reductions of 59,787 lbs/year. This project is funded by several governmental agencies including OSM, Ohio Division of Mineral Resources Management, Ohio EPA and services provided by the watershed group. Total project cost is projected to be \$505,478. Phase I was funded for \$285,950 with OSM contributing \$100,000 and partners contributing the remaining \$185,950. The application for Phase II is anticipated in the second quarter of FY 2011.

Ferguson Watershed Cooperative Agreement Project, Oskaloosa, Iowa: The Ferguson Watershed Cooperative Agreement Reclamation Project application was submitted by the Pathfinders Resource Conservation and Development Inc. (RC&D) with a the Mahaska County Soil and Water Conservation District and the State Soil Conservation Service as partners. The total cost of the project was \$221,142, with partners providing \$121,142 of this amount. The site contained 10 acres which had been mined in 1965, and consisted of various highwalls and highly erodible acidic spoil materials with sparse vegetation, 4 acres of clogged stream lands, as well as 0.2 miles of clogged stream. Run-off and an acid seep transported large volumes of acid forming material to the adjacent stream and the surrounding areas, killing vegetation and damaging downstream habitat. The acid forming material was deposited into Muchakinock Creek, which contributed to loss of aquatic habitat and a listing on the 303(d) list of polluted streams in Iowa. Also an acid seep was located on the western edge of the project site. Polluted water with low pH, high iron, suspended solids, and manganese, flowed directly into the adjacent stream. Reclamation consisted of a terrace being constructed on the graded spoil to control erosion from run-off and channel storm water run-off. A pond was created to hold and slow water release into the landscape and adjacent stream. A wetland area was also created to detain and treat the acid mine drainage seepage on the lower west edge of the area. Acid spoil was treated with lime, mulched to introduce organic material, fertilized, and a permanent vegetative cover established. The AMD concern was removed with the reclamation activities.

Bert AML/AMD Project, Eddyville, Iowa: The Chariton Valley RC&D and other partners received a Cooperative Watershed Agreement Grant in April 2010 for the Bert AML/AMD Reclamation Project. Partners included the Monroe County Soil and Water Conservation District and the State Division of Soil Conservation. The partners contributed \$196,148 of a total project cost of \$296,148. The 1967 abandoned coal mine site consisted of approximately 11 acres of

acidic spoils, highwalls and clogged streams that during precipitation events, carried acid mine drainage into the nearby Gray's Creek. The highwall was located adjacent to and ran parallel with a series of three pit ponds. Sloughing from the face of the highwall had also clogged the ephemeral stream entering the site from the west and filled a pond with sediment. During reclamation the highwall was reduced and backfilled, thereby creating a wetland and a new pond with a controlled rock-lined and grassed channel system. Agricultural lime was incorporated into the upper 12 inches of the subgrade to neutralize the acid spoil materials. The site was vegetated to control and infiltrate surface water runoff before entering into Gray's Creek. Approximately 0.2 acres of wetland and 1.6 acres of pond designated as waters of the U. S. were mitigated with approximately 1.5 acres of open water and 0.9 acres of wetlands.

*e. Civil Penalty Reclamation Projects*

Federal civil penalties collected under Section 518 of SMCRA are authorized to be used for reclaiming lands mined and abandoned after passage of SMCRA on August 3, 1977. These funds are derived from monetary civil penalties from OSM-issued citations nationwide. The funds are also available for reclamation of bond forfeiture sites. These funds are divided among projects proposed by both State and Federal regulatory authorities and used for project costs only.

Since the major coal producing States administer their own programs, civil penalty revenues available to OSM have decreased to levels that are not sufficient for all emergency post act reclamation needs. Funding in the amount of \$212,000 was provided to four projects in FY 2010. The following projects were undertaken with these funds:

The Kansas Department of Health and Environmental, Surface Mining Section, was provided \$100,000 to stabilize reclamation work at the Clemens Coal Company - 303 Tipple Civil Penalty Project. The funds are being used to repair erosion damage and terraces, construct water control structures, and repair vegetation with the intent of establishing a self sustaining stable mine site.

The Oklahoma Department of Mines was provided \$6,000 to perform reseeding and other repairs on the K&R Permit 4148 Civil Penalty Project. The reseeding is intended to stabilize the road shoulder and protect motorists along this roadside area of past coal mining.

Virginia was provided \$6,000 for the reclamation of clogged stream lands (Hash Hollow Post-Act Portal Project). This project eliminated sedimentation problems to a private driveway and corrected property and erosion damage to a state road. Approximately 20 citizens were impacted by the problem.

OSM awarded \$100,000 to correct acid mine drainage (AMD) issues that developed on a previously reclaimed bond forfeiture site (A&W Reclamation Project) in Tennessee. The A&W project was a two phase project. The first part was completed in 2009 with dewatering the highwall pit. Under phase two, the contractor eliminated approximately

600 feet x 15 feet of highwall and reclaimed 3 acres of highwall spoil. The reclamation of the highwall pit eliminated AMD drainage into the Taylor's Creek watershed. A 600 foot drain was constructed to carry the watershed drainage through the reclaimed pit.

*f. Bond Forfeitures*

These funds are receipts from forfeited performance bonds and can only be used to reclaim lands where the bond was forfeited where OSM was the regulatory authority. States have their own regulatory coal program for this purpose. Forfeited funds are site-specific and cannot be used to reclaim other sites or for other purposes. Surplus amounts must be returned to the operator. Using the forfeited funds, OSM issues and administers contracts for reclamation in accordance with the mining plan developed during the permit process. OSM is mandated under SMCRA to reclaim sites that have been abandoned and forfeited in Federal program States. Bond forfeiture is an important component of OSM's mission to restore lands abused by mining.

In FY 2010, OSM used a combination of civil penalty and forfeited monies to conduct reclamation on three abandoned and forfeited permits. The Phil Mac forfeiture project consisted of dewatering and backfilling a six acre mine pit and reclaiming twenty five acres of disturbance at a cost of \$111,000. The A&W project corrected acid mine drainage (AMD) issues that developed on a previously reclaimed bond forfeiture site at an estimated cost of \$100,000 using both forfeited money and civil penalty money. The Peabody project dewatered a low area on the site which acted as a recharge zone for off-site low pH and iron seeps/springs and provided positive drainage to improve the overall flow from the permit area. The cost for this work was approximately \$25,000, which included the remaining \$5,400 in forfeited funds.

*g. Outcrop and Underground Fire Control Projects*

Pursuant to Public Law 83-738, as amended by Public Law 102-486 (Energy Policy Act of 1992), project funds are provided to control or extinguish outcrop and underground fires. Funds for this purpose are provided by the Regulation and Technology appropriation to control or extinguish coal fires, and monitor the projects. These projects are not eligible for funding under the AML program because they are coal deposits that have never been mined, but are exposed naturally. Coal outcrops are ignited by forest/brush fires, lighting, and campfires and occur mostly in the western States. The purpose of these projects is to prevent injury and loss of life, protect public health, conserve natural resources and protect public and private property. This program was originally authorized under the former Bureau of Mines and subsequently transferred to OSM.

Funds of \$40,000 were provided to North Dakota in FY 2009, to partner with the U.S. Forest Service in the suppression of 15 coal outcrop fires located on both private and Forest lands. Work continued using these funds in FY 2010. Outcrop fires are considered to be wildfires, uncontrolled and presenting potential threats to property and human safety. At least 35 more outcrop fires have been identified and are being monitored.

Funding for these projects is proposed for elimination in FY 2012 because there is no need for OSM to be involved in the process. There are other responsible parties, i.e., States and Federal land management agencies, to address these issues.

#### **4. Program Development and Maintenance**

This program activity provides \$3.2 million in funding for reclamation program management and programmatic guidance to States and Tribes. The Program Development and Maintenance activity is an integral part of the State and Tribal funding program. OSM has an ongoing process of reviewing existing policies in the Environmental Restoration business line. Whenever necessary, policies are revised to meet the existing need of the programs and to keep abreast of changes to the law.

OSM, in consultation with the States and Tribes, developed an oversight review system that provides for enhancement and performance evaluation of reclamation programs. OSM also assists States and Tribes to build on successes by providing ongoing technical assistance, by continually enhancing the primacy grants process, by ensuring National Environmental Policy Act compliance, and by conducting program-focused enhancement and performance evaluation. OSM encourages States to assume responsibility for their reclamation and emergency abatement programs, and supports implementation of their AML programs through technical and program assistance as needed.

OSM emphasizes State, Tribal and Federal partnerships in the AML program. OSM works directly with the States and Tribes, through State and Tribal associations and with other Federal agencies, to coordinate and enhance reclamation. Such relationships foster coordination essential to land reclamation. New policy and changes to existing policy are circulated to the States and Tribes for input prior to being finalized enabling OSM to make programmatic decisions in a collegial manner. Examples of activities are: (1) working with States/Tribes to develop improved strategic plan measurements for the AML program; (2) holding meetings/workshops with the State/Tribal grantees to provide training for new employees to keep them abreast of policies and procedures and to solicit their input on issues in the grants program; and (3) working with the National Association of Abandoned Mine Land Programs (NAAMLPL) to decide winners of the annual AML Reclamation Awards.

##### *a. AML Inventory*

OSM manages a national Abandoned Mine Land Inventory System (AMLIS), which serves as a planning and evaluation tool for the States, Tribes, OSM, and the public. In accordance with the requirements of SMCRA, AMLIS contains data for known eligible Priority 1 and 2, pre-SMCRA coal reclamation problems. Each problem is classified as unfunded, funded (in progress) or completed. The AMLIS also contains information regarding funded and completed Priority 3 coal and post-SMCRA coal problems, as well as information on completed non-coal problems. Coal projects selected for funding by States or Tribes are contained in AMLIS prior to funding,

except for those emergency sites that may be entered after completion due to the immediate need for reclamation.

The States and Tribes use the inventory to assist them in planning to make funding decisions and to report program accomplishments. OSM uses AMLIS to record and report AML Program accomplishments under GPRA. States, Tribes, and OSM have access to enter and modify information in AMLIS electronically.

A web-based version of AMLIS was deployed in FY 2003 and enhancements are underway and expected to be complete in FY 2011, among other things, to implement requirements of the 2006 SMCRA Amendments. The web-based version enables the public to access this information readily via OSM's website at <http://www.osmre.gov/aml/AMLIS/AMLIS.shtm>. AMLIS users can search for information about individual Problem Areas or query the Inventory. The results of a query can be shown in preformatted reports, or on a map, and can be downloaded in various formats.

*b. Grants Management*

OSM supports and participates in Grants.gov, the government-wide electronic grants announcement and application system, and the Department of the Interior's grants simplification efforts based on Public Law 106-107. OSM uses DOI's Financial and Business Management System (FBMS) financial assistance module for internal processing of all grant and cooperative agreement obligation and deobligation transactions. Recipients have been provided training, and will receive further training and assistance in using electronic options to file their applications and reports. OSM has included training on Grants.gov in its recipient training programs.

OSM has a decentralized grants management organization, with a small policy staff at headquarters. The day-to-day grants and program management is performed in regional/field offices. Accounting and reporting occurs under the Financial Management business line activity. OSM and the State/Tribal grantees cooperate to maximize the use of available funding and operate an effective program. Grantees provide input by participation on joint teams and by reviewing and commenting on changes in the program. In addition, OSM periodically holds meetings/workshops with the State/Tribal grantees to provide training for grantees and to keep them abreast of policies and procedures. This cooperative working relationship contributes to streamlined application and awards processes, faster obligation of federal funds, innovative program monitoring, and less paperwork-intensive reporting and close-out of grants.

*c. Rulemaking*

OSM assists States with development, administration, implementation, and maintenance of their approved AML programs. Decisions affecting State programs are Federal rulemaking actions. OSM evaluates State-initiated program changes (statutory, regulatory, or changes in the program's provisions, scope, or objectives), as well as OSM required modifications that are a result of legal interpretations or changes to SMCRA and Federal regulations. In its evaluation, OSM solicits public comments through proposed rules published in the Federal Register, holds



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public meetings, maintains the administrative record, approves or does not approve proposed State program amendments, and publishes the decisions as final rules in the Federal Register.

## **2011 PLANNED PROGRAM PERFORMANCE**

In 2011, the planned activities in the Environmental Restoration program activity include:

- Through grants provided to States and Tribes, 11,000 equivalent acres of abandoned coal mine sites will be reclaimed. This includes completion of several projects started in States and on Indian Lands in earlier years.
- Continue partnerships with watershed groups and related reclamation by awarding approximately 9 watershed cooperative agreements.
- Continue to use funds from civil penalty projects to reclaim eligible sites.
- Continue partnerships supporting youth with other organizations such as VISTA, watershed interns and Student Temporary Experience Program (STEP) appointments.
- Improve the Abandoned Mine Land Inventory Information System by updating the legacy AMLIS to incorporate changes to SMCRA and other enhancements.
- Provide technical assistance to State AML programs as they continue to do increased numbers of projects funded by the 2006 SMCRA Amendments and implement emergency project responsibilities.
- Achieve the goals for performance measures identified under this business line and support the Youth Program by providing educational and employment opportunities to young adults in fields associated with surface coal mining reclamation.

## **2010 PROGRAM ACCOMPLISHMENTS**

In 2010, the major accomplishments in the Environmental Restoration program activity include:

- Awarded 15 watershed cooperative agreements in 3 States (PA, WV, and OH) totaling \$750,000). This leveraged over \$4.2 million in partnering funds.
- Provided opportunities to 218 youth including VISTA (Volunteers in Service to America) and watershed interns, and students under other hiring authorities.
- Declared and addressed 162 emergencies under the Federal Emergency Program.
- Provided \$395.6 million in grants to 25 States and 3 Tribes in mandatory AML funding.
- Achieved performance as shown on the goal performance table associated with this business line.

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<b>Goal Performance Table</b>											
<b>Mission Area 1: Provide Natural and Cultural Resource Protection and Experiences</b>											
<b>Goal # 1: Protect America's Landscapes</b>											
<b>Supporting Performance Measures</b>	<b>Type</b>	<b>2006 Actual</b>	<b>2007 Actual</b>	<b>2008 Actual</b>	<b>2009 Actual</b>	<b>2010 Plan</b>	<b>2010 Actual</b>	<b>2011 Plan</b>	<b>2012 Plan</b>	<b>Change from 2011 Plan to 2012</b>	<b>Long-Term Target 2016</b>
Strategy #1: Improve land and water health by managing the wetlands, uplands, and riparian areas that comprise our national parks, wildlife refuges, and BLM lands.											
Number of Federal, private and tribal land and surface water acres reclaimed or mitigated from the effects of natural resource degradation from past mining. (Calculated equivalent acres) (SP)	A	6,983	6,658	9,909	5,838	7,700	16,565	11,000	11,000	0	14,000
<b>Total Actual/Projected Costs (\$000)</b>		\$199,515	\$206,985	\$183,813	\$180,325	\$262,700	198,240	\$270,888	\$341,243	----	
<b>Actual/Projected Cost per GPRA Acre (in dollars)</b>		\$28,571	\$31,088	\$18,550	\$30,888	\$34,117	\$11,967	\$24,626	\$31,022	----	
Contributing Programs	Environmental Restoration Permanent Appropriations: Projected costs are based on anticipated budget with long-term targets held constant for discretionary funding. FY 2011: Includes all discretionary funding under the AML appropriation (\$35.588 million for the FY 2011 CR), and mandatory funding to noncertified States (\$235.3 million). FY 2012: Includes all discretionary funding under the AML appropriation (\$27.443 million), and mandatory funding to non-certified States (\$313.8 million).										
Comments	The target is higher in 2012, as states have been receiving substantial funding increases appropriate to reclaiming Priority 1 and 2 sites.										
Number of new active partnering and leveraging agreements and amendments to prior agreements. (BUR)	C	55	53	18	9	13	15	9	9	0	10
Contributing Programs	Environmental Restoration										
Comments	Due to OSM no longer providing separate current year funding for clean stream projects related to the SMCRA Amendments of 2006 (P.L. 109-432), only watershed cooperative agreements have been counted since FY 2008. The measure description was modified to reflect reporting of current year agreements and related funding for this measure and the one below.										

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<b>Goal Performance Table</b>											
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The amount of increased funds derived from new active partnering and leveraging agreements and amendments. (BUR)	A	5,800,000	28,963,461	5,548,452	4,784,459	3,125,000	4,203,656	2,125,000	3,125,000	1,000,000	3,375,000
Contributing Programs	Environmental Restoration										
Provide appropriate grant funding within 60 days of a complete grant application for abandoned mine lands grants. (BUR)	A	100%	100%	100%	100%	93%	100%	96%	96%	0%	96%
Contributing Programs	Environmental Restoration										

Office of Surface Mining Reclamation and Enforcement

<b>Goal Performance Table</b>											
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Number of people with reduced exposure potential to safety risks from abandoned mine lands. (BUR)	A	393,728	270,102	255,640	272,143	160,000	191,250	160,000	160,000	0	160,000
Contributing Programs	Environmental Restoration										
Comments	This measure is associated with the performance measure for the number of acres reclaimed.										
Number of people directly affected (Emergencies abated). (BUR)	A	32,601	43,580	68,764	82,339	16,700	49,946	16,700	N/A	N/A	N/A
Contributing Programs	Environmental Restoration										
Percentage of declared emergencies abated within six months. (BUR)	A	97.8%	98.5%	99.7%	99%	95%	98%	95%	N/A	N/A	N/A
Contributing Programs	Environmental Restoration										
Comments	Emergency Projects will be addressed from one source of funding in 2012. This measure will be revised in the future to reflect proposed legislative changes and associated performance.										
Target Codes: SP = Strategic Plan; BUR = Bureau Measure											
Type Codes: C = Cumulative; A = Annual											



**ENVIRONMENTAL PROTECTION**

## Environmental Protection Summary of Budget Request

(dollars in thousands)	2010 Actual	2010 Enacted / 2011 CR	2012				Change From 2011 CR (+/-)
			Fixed Costs & Related Changes (+/-)	Admin Cost Savings (-)	Program Changes (+/-)	Budget Request	
<b>Regulation and Technology</b>	<b>94,771</b>	<b>94,771</b>	<b>-20</b>	<b>-254</b>	<b>-7,059</b>	<b>87,438</b>	<b>-7,333</b>
State and Tribal Funding	71,314	71,314	0	0	-10,991	60,323	-10,991
<i>FTE</i>	0	0	0	0	0	0	0
State Program Evaluation	8,630	8,630	-16	-120	+3,932	12,426	+3,796
<i>FTE</i>	80	80	0	0	+25	105	+25
Federal Programs	5,981	5,981	-1	-45	0	5,935	-46
<i>FTE</i>	45	45	0	0	0	45	0
Federal Lands	1,540	1,540	0	-4	0	1,536	-4
<i>FTE</i>	6	6	0	0	0	6	0
Indian Lands	2,461	2,461	-1	-14	0	2,446	-15
<i>FTE</i>	20	20	0	0	0	20	0
Program Development and Maintenance	4,845	4,845	-2	-71	0	4,772	-73
<i>FTE</i>	40	40	0	0	0	40	0
<b>Total, Environmental Protection</b>	<b>94,771</b>	<b>94,771</b>	<b>-20</b>	<b>-254</b>	<b>-7,059</b>	<b>87,438</b>	<b>-7,333</b>
<i>Total FTE</i>	<i>191</i>	<i>191</i>	<i>0</i>	<i>0</i>	<i>25</i>	<i>216</i>	<i>25</i>

Administrative Cost Savings of -\$254,000 include reductions in travel, information technology, and strategic sourcing of supplies, materials and equipment. Fixed costs are covered with net changes of -\$20,000. See the discussion in the General Statement for planned efficiencies.

**Summary of 2012 Program Changes**

Request Component	(\$000)	FTE
<u>State and Tribal Funding</u>		
• Decrease in State and Tribal Funding	-10,991	0
• Expand/Enhance Oversight and Stream Protection	+3,932	+25
<b>Total Program Changes</b>	<b>-7,059</b>	<b>+25</b>

**Justification of 2012 Program Changes**

The 2012 budget for Environmental Protection is \$87,438,000 and 216 FTE, a program change of -\$7,333,000 and +25 FTE from the 2010 Enacted/annualized 2011 Continuing Resolution.

**State and Tribal Funding (-\$10,991,000):** The Federal Government currently provides funding to States and Tribes to regulate the coal industry. To eliminate a de facto subsidy of the coal industry, the budget encourages States to increase their cost recovery fees for coal mine permits. With additional funding from fees, the States will need less Federal grant funding, so the budget reduces grant funding accordingly. Because the decreased Federal funding should be offset by user fees for services to the industry, there should be no reduction in regulatory performance.

OSM is consulting the States to determine the best way to recover the fees for services to industry. States are encouraged to increase fees to cover Federal subsidies.

**Expand/Enhance Federal Oversight and Stream Protection (+3,932,000; +25 FTE):** The requested increase of \$3.9 million and 25 FTE would be used to support the Administration's commitment to significantly reduce the harmful environmental impacts of coal mining in Appalachia, formalized in a Memorandum of Understanding (MOU) with the Army Corps of Engineers and the Environmental Protection Agency. OSM is committed to expand and enhance its oversight of State regulatory programs and strengthen stream protections to maintain the hydrologic balance of watersheds.

OSM will require increased resources and technical skills to implement this new strategic direction—i.e., enhanced oversight, stream protection, coordinated permitting, and increased transparency as priorities for the coming years—while continuing to provide the technical support and training that States and Tribes need to maintain program effectiveness. With a greater field presence for enhanced oversight, OSM anticipates increased and independent inspections, national priority reviews of compliance issues, review of permit-related actions, and Federal enforcement, as needed.



**MISSION GOAL: TO PROTECT PEOPLE AND THE ENVIRONMENT  
DURING CURRENT MINING OPERATIONS AND TO ENSURE THAT THE LAND  
IS RESTORED TO BENEFICIAL USE AFTER MINING HAS CEASED.**

The Environmental Protection business line provides resources to administer a regulatory program over coal mine operations in 24 primacy States, in Federal program States, and on Federal and Indian lands. The program addresses the protection of public health, safety, and general welfare from the adverse affects of current mining, and restoration of land at the conclusion of mining. Current coal mining operations include over 4.4 million acres in 26 States and on the lands of four Indian Tribes. During active mining, the potential risk from safety and environmental hazards exists within the permitted site. However, because of required SMCRA precautions, long-term effects are minimized. If these safeguards are not taken during and after current mining, the nation could face reclamation costs that far exceed the \$8.9 billion cost of addressing existing priority 1, 2, and 3 AML problems.

OSM administers Federal programs in Washington and Tennessee. OSM also administers the Indian Lands Program for mining on Navajo Nation, Hopi, Ute Mountain Ute Tribe, and Crow Tribal lands. States assist OSM through cooperative agreements to regulate mining on Federal lands. OSM supports State regulatory programs with grants and technical assistance.

***ENVIRONMENTAL PROTECTION  
ENCOMPASSES:***

*State and Tribal Funding*

- *State Grants*
- *State Regulatory Activities*
- *Cooperative Agreement Funding*
- *Tribal Regulatory Development Grants*

*State Program Evaluation*

*Federal Program*

*Federal Lands Program*

*Indian Lands Program*

*Program Development and Maintenance*

**Operational Processes (Program Activities):** Program activities within this business line ensure the environment is protected during surface coal mining operations and that coal operators adequately reclaim disturbed land after mining is completed.

This business line also provides for OSM's costs to ensure that States' programs are current with all Federal regulatory requirements. The State and Tribal funding program activity includes grants to States and Tribes to regulate coal operations on lands

within their borders. For States with cooperative agreements, this activity also includes grants to regulate coal operations on Federal lands.

Finally, this activity includes grants to Tribes to develop regulatory programs and to assist OSM in the regulation of surface coal mining and reclamation operations on Indian lands. The State Program Evaluation activity funds OSM's oversight of State programs. The Federal Program activity funds OSM activities to ensure SMCRA compliance for non-primacy States (States with a federally-administered regulatory program). The Federal Lands Program activity funds OSM's

activities in preparing Mining Plan Decision Documents for leased Federal coal as well as any regulatory activities on Federal lands not covered by a cooperative agreement. The Indian Lands Program activity funds OSM's regulatory responsibilities on Indian Lands.

OSM's Environmental Protection mission goal promotes responsible mineral extraction and addresses the protection of public health, safety, and general welfare from the adverse affects of current surface coal mining and reclamation operations since the enactment of SMCRA in 1977. The performance measures for this goal are the protection of the environment and public from off-site impacts resulting from surface coal mining operations and successful reclamation on lands affected by surface coal mining operations. This goal is accomplished through the cooperative efforts of the OSM and State and Tribal regulatory offices. The following measures are used by OSM as indicators of annual performance.

Off-site impacts are negative effects resulting from surface coal mining activities such as, blasting or water runoff that affect people, land, water, or structures outside the permitted area of mining operations. The severity of the impacts is rated as minor, moderate, or major. Due to the nature of mining, it is inevitable that some impacts will occur, though they should be minimized when possible.

Acres released from Phase I, II, or III Bond Release. This performance measure is the number of acres of land that are reclaimed every year by active coal mine operators, and is dependent on the operator to file an application for the release. This is documented and measured through a series of bond releases. The bonds are required to assure that funds are available for reclamation in case the operator fails to reclaim the mined land. Phase III bond release shows the number of acres that have been fully reclaimed from current mining operations, and have met the performance standards.

Percent of mined acreage reclaimed is currently represented as a ratio of the cumulative number of acres reclaimed and the cumulative number of mined acres.

**Actions Required to Achieve Annual Goals:** OSM continues its outreach to interested parties to address concerns related to mountaintop removal operations, acid mine drainage, and slurry and other impoundments, to evaluate its rules, to advance remining efforts, and to ensure that contemporaneous reclamation is occurring. OSM will continue to practice cooperative conservation through working in partnership with States and Tribes to carry out the mission of the SMCRA. The shift in OSM's role from direct enforcement to oversight has refocused actions on mission accomplishment while fostering better working relationships with States.

**Resources, Skills, and Technology Needed:** Program analysts, reclamation specialists, grant specialists, and various support personnel are needed to implement the State regulatory program and to conduct program evaluations. OSM and the primacy States also will continue to need a diverse and multidisciplinary cadre of personnel skilled in scientific and engineering areas to review mine permits, determine whether performance bond coverage and amounts are sufficient to ensure reclamation, conduct mine site inspections, and implement enforcement actions when necessary. Computer systems personnel are needed to help maintain various data systems, such as the National Inspection and Enforcement Tracking System that contains data from OSM's oversight and regulatory program inspections.

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For FY 2012, the President's Budget requests \$60.3 million to fund 24 State regulatory programs up to the maximum 50 percent Federal match level and a potential Tribal regulatory program at 100 percent. Additionally, this amount will provide funding for up to 14 Federal lands cooperative agreements with States and full funding of three Tribal regulatory program development grants.

The FY 2012 budget request includes \$12.4 million, a net increase of \$3.8 million over the 2010 Enacted/ 2011 CR, to expand and enhance its State program oversight activities and \$5.9 million to fund regulatory programs in non-primacy States such as Tennessee and Washington. Also included in the FY 2012 budget request is \$1.5 million for OSM to regulate coal mining on Federal lands, \$2.4 million for regulatory programs on Indian Lands, and \$4.8 million for program development and maintenance to ensure that regulatory standards adequately reflect changes in technologies and program needs.

The following section details, by program activity, the funding and FTE resources required to meet the annual performance measures. It also includes examples of cooperative work between OSM, States, and Tribes to regulate coal-mining activities that will continue in FY 2012 and support this budget request.

## 2012 PROGRAM PERFORMANCE

### 1. State and Tribal Funding

The \$60.323 million requested for FY 2010 for State and Tribal Funding recognizes the need for a change in supporting the regulatory programs with cost recovery from the coal mining industry. This activity promotes responsible coal extraction using technology to minimize the impact of operations on people, structures, and the environment.

#### *a. State Grants*

The principal means of providing environmental protection within the framework of SMCRA is through "primacy" States that receive Federal grant funding. Primacy States have the most direct and critical responsibilities for conducting regulatory operations to minimize the impact of coal extraction operations on people and the environment. The States have the unique capabilities and knowledge to regulate the lands within their borders. Providing up to a 50 percent match of State funding in Federal grants to primacy States encourages States to take this responsibility, while ensuring that regulations are consistent across the Nation.

#### *b. State Regulatory Activities*

Activities of State regulatory authorities include: permit review and issuance, with reliance on the Applicant Violator System (AVS) to ensure that permits will not be issued to operators with outstanding violations; inspection and enforcement; designation of lands unsuitable for mining; and ensuring timely reclamation after mining. In addition, individual States may conduct special activities to address specific needs. These activities may include upgrading permitting programs, computerizing systems to improve review of pending permits, and drafting regulations that respond to changes in Federal rules.

All active and inactive sites, facilities, and areas that support coal mining and reclamation within a State are inspected by the State regulatory authority for compliance with all program requirements. SMCRA requires all active inspectable units under the permanent program to have four complete and eight partial inspections per year. Four complete inspections are required annually for all inactive units.

*c. Cooperative Agreement Funding*

Cooperative agreements with OSM allow States to review permit applications and issue permits, and conduct the required inspections of regulated facilities on Federal lands. Cooperative agreements provide for uniform enforcement of State program requirements at all facilities within the State and reduce both direct Federal program costs and Federal staff requirements. SMCRA section 705 (c) sets the amount that a State may receive through a cooperative agreement at up to 100 percent of the amount that the Federal Government would have to spend to do the same work. The regulations further state that no grant may exceed the actual costs to the State for this activity.

Currently, the following 14 States have entered into cooperative agreements with OSM to administer most surface coal mining requirements on Federal lands: Alabama, Colorado, Illinois, Indiana, Kentucky, Montana, New Mexico, North Dakota, Ohio, Oklahoma, Utah, Virginia, West Virginia, and Wyoming.

*d. Tribal Regulatory Development and Regulatory Program Grants*

As allowed by the Energy Policy Act of 1992 and Section 710 (i) of SMCRA, OSM provides grants to the Crow and Hopi Tribes and the Navajo Nation to assist them in developing regulations and programs for regulating surface coal mining and reclamation operations on Indian lands. The grant amounts are based on each Tribe's anticipated workload to develop a Tribal program (including Tribal laws, regulations and policies), to assist OSM with surface coal mine inspections and enforcement (including permitting activities, mine plan review and bond release), and to sponsor employment training and education concerning mining and mineral resources. These grants fund 100 percent of the Tribal primacy development activities.

The Surface Mining Control and Reclamation Act Amendments of 2006 provides for Indian Tribes to apply for, and obtain approval of, a tribal program regulating in whole, or in part, surface coal mining and reclamation operations on reservation land under the jurisdiction of the Indian tribe. The legislation also provides for 100 percent funding of the costs of developing, administering, and enforcing an approved tribal program. Discussions on the submission of applications for tribal primacy began in 2007. OSM is reviewing informal materials (statute and regulations) as they are received from the Tribes. Applications for tribal primacy could be submitted by the Crow Tribe and Navajo Nation in 2012, and by the Hopi Tribe in 2013.

## 2. State Program Evaluation

State Program Evaluation activities ensure the efficient and effective operation of state regulatory programs.

In June 2009, the U.S. Department of the Interior entered into a Memorandum of Understanding (MOU) with the Army Corps of Engineers and the Environmental Protection Agency to reduce the harmful environmental impacts of mountaintop mining in six states in central Appalachia. The MOU committed OSM, among other things, to reevaluate and determine how it would more effectively conduct oversight of state regulatory activities. Although the June 2009 MOU focuses on six states in central Appalachia, any changes to OSM's oversight policy would apply nationwide. Therefore, OSM took a comprehensive look at all oversight policies and procedures. In November 2009, OSM announced a number of immediate and proposed actions that it would take to meet these commitments, and during FY 2010 OSM took steps to:

- increase the number of oversight inspections;
- implement policies to promote increased inspection consistency;
- clarify the authority and responsibility to review state permitting procedures and permits;
- intensify oversight activities and establish action plans to resolve identified issues;
- seek greater public involvement in the oversight process;
- improve data and information quality and availability; and
- ensure that we are collecting and reporting appropriate and accurate data and performance measures to Congress, the public, the media, and other stakeholders.

### a. Priority National Reviews

Beginning in November 2009, OSM took immediate action steps as a result of the MOU by conducting national priority reviews of two program requirements - approximate original contour (AOC) and bond adequacy. OSM conducted a total of 91 permit reviews and 58 mine site evaluations on AOC in 23 states. The AOC review identified areas for improvement within the state programs as well as areas where states were not properly implementing the approved regulatory program. OSM is monitoring the states to ensure that corrective actions identified by OSM are implemented, and OSM is working with the states to implement changes that will improve AOC compliance. OSM also reviewed bond adequacy and found issues in 10 states. OSM is working with the states to ensure they re-evaluate their bonding procedures and take corrective action on specific deficient bonds. In addition, OSM has scheduled a workshop on Bonding Cost Estimation for FY 2011 and will encourage attendance of staff in those states that could improve their bond calculation processes. During FY 2012, OSM will conduct another priority national review of additional aspects of States' bonding programs to accomplish land and water reclamation through effective financial assurance mechanisms.

### b. Oversight Policy and Procedures

OSM oversight of state programs focuses on the evaluation of states' administration, implementation, maintenance and enforcement of their regulatory programs in meeting environmental protection goals, achieving reclamation, and providing customer service. In

developing annual evaluation plans, OSM Field Offices and the states are encouraged to reach consensus on oversight topics to be evaluated and how the evaluations are conducted. OSM developed in FY 2010 and will implement in FY 2011 a policy updates of many of the oversight tools. Three such policies and their purposes are:

Directive REG-8, Oversight of State Regulatory Programs: This Directive was extensively revised to underscore the fundamental purpose of oversight while maintaining the cooperative relationship with States. The revised Directive clarifies review of state permitting procedures and state-issued permits; establishes inspection criteria; improves outreach; and details consistent reporting of results. With these changes, the bureau is increasing transparency by providing better accessibility and providing more opportunities for input from all interested parties regarding OSM's oversight process.

Directive REG-23, Corrective Actions for Regulatory Program Problems and Action Plans: This Directive will provide measured strategies to document and resolve problems identified during oversight.

Directive INE-35, Ten-Day Notices: This Directive establishes the policy and procedures that OSM will follow when staff have reason to believe there is a violation of SMCRA, the State regulatory program, or a State-issued permit at a coal mine. The new directive generally requires OSM to take steps to correct violations if the State does not act to do so for situations involving on-the-ground violations at a coal mine and where permitting issues may exist. OSM will take enforcement action on all types of violations, including violations of performance standards or permit conditions and violations of permitting requirements.

c. *Oversight Inspections*

SMCRA requires the Secretary to conduct mine inspections to evaluate the administration of State programs. Inspections are conducted on a range of sites - from those actively producing coal to forfeited bond sites awaiting reclamation. OSM's policy gives its regional and field managers discretion and flexibility to be proactive and to prioritize and selectively target their inspections to focus on those topics and activities that present the best opportunity for environmental improvement or the best means of evaluating the impact of program implementation on society and the environment. For example, inspections may focus on high-priority problems such as acid mine drainage, impoundments and other problem areas, as well as current coal mining operations and abandoned mine sites awaiting reclamation. This policy allows for the most effective use of available resources. At the beginning of each year, OSM determines the sites that will be inspected in each State based on a number of factors, such as a particular program focus for the year and a stratified sample.

As part of OSM's immediate oversight improvement efforts, OSM increased the number of oversight inspections in FY 2010 to 2,067 a 40 percent increase over the number conducted in FY 2009. State inspectors accompanied OSM on most oversight inspections; however, OSM conducted 439 oversight inspections without state participation. OSM planned and conducted

200 independent oversight inspections where advance notice to the state was not given. OSM does not notify permittees of inspections in advance.

OSM intends to sustain this increased level of oversight inspections for FY 2011 to capture additional data and identify more conclusive findings and trends. The projected FY 2011 and 2012 oversight inspection workload may increase as OSM's enhanced oversight activities described above are implemented. The actual number will be adjusted depending on the program areas, the presence or absence of problems, input from the public, and the terms of the performance agreements in each State.

Inspection and Enforcement (I&E) Tracking System: Effective oversight requires the regular collection and analysis of pertinent, accurate, and usable data. Improved data collection and analysis has significant benefits by making it easier to evaluate performance, spot trends, increase productivity of oversight staff, direct limited resources and keep staff and the public better informed. As part of the oversight process, OSM conducts hundreds of Federal mine site inspections every year and uses the results of those inspections to evaluate state programs. The "legacy" I&E Tracking System was a computer program that facilitated tracking and analysis of inspection results. Previously, the tracking system existed in an outdated and cumbersome environment that lacked a centralized National database with minimal geospatial capability.

In 2009, OSM began modernizing the system. The team completed work in September 2010. The resulting system is a web-based, centralized, dynamic database that includes a powerful geospatial component. The application is accessible internally to all OSM inspectors and management through the wide area network and via VPN. Future plans include adding public facing access to the information during FY 2011 and possible other enhancements during FY 2012.

Consistent with the intent of SMCRA that states take the lead in regulating coal mining, states performed 78,894 inspections in FY 2010. See Table 2.

In addition, the Applicant Violator System (AVS) Office continues to promote the use of alternative enforcement to compel compliance with SMCRA through outreach and marketing efforts. As part of this effort, the AVS Office provides training, investigative services and identifies sites with outstanding violations for regulatory authorities to consider pursuing alternative enforcement when primary enforcement is not enough. These activities will continue through FY 2012.

*d. Ten Day Notices*

The primary emphasis of oversight inspections is to identify issues and resolve them before they become problems and to evaluate whether environmental protection and reclamation goals are being achieved. When a Federal inspection reveals violations of State programs (other than imminent danger of significant environmental harm or danger to the public, both of which require immediate issuance of a cessation order) and the State does not take prompt action, a Ten-Day Notice (TDN) is issued to the State. All such notices require written responses from the State regarding the actions taken to resolve the alleged violations, or a statement of good cause for not taking such action. A Federal review, which may include a field inspection, is



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conducted following a TDN when the State does not act or show good cause for not doing so. If the review or inspection shows that a violation exists, and the State fails to take appropriate action, a Federal enforcement action may be taken.

The inspection component also includes the process for addressing citizen requests for a Federal inspection. Citizen requests received by OSM in primacy States are referred directly to the State regulatory authority using the TDN process, unless there is evidence that imminent danger of significant environmental harm or immediate danger to the public exists. In such cases, OSM will immediately conduct a Federal inspection. The State official and citizen requestor are notified prior to the inspection and given the opportunity to accompany the inspector when a Federal inspection is conducted.

During FY 2010, OSM observed a marked increase in the number of potential violations. Of the 86 TDNs issued, there were 197 potential violations. While the number of TDNs issued increased by 22 percent over FY 2009, the number of potential violations increased by 47 percent. The states have worked with OSM to address the majority of the identified violations, and OSM and the states will continue to work to resolve those that are still outstanding. Results of the oversight activities in FY 2011 will indicate whether this trend of increased TDNs is sustained.

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Table 2 provides data on the number of state inspections and OSM oversight inspections conducted in primacy states. State data is for the time period of July 1, 2009, through June 30, 2010.

<b>Table 2 – FY 2010 Primacy State and OSM Inspections</b>				
	<b>STATE</b>			<b>OSM TOTAL</b>
	<b>PARTIAL</b>	<b>COMPLETE</b>	<b>TOTAL</b>	
Alabama	235	3,049	3,284	49
Alaska	67	28	95	4
Arkansas	59	28	87	6
Colorado	231	148	379	12
Illinois	639	365	1,004	107
Indiana	763	668	1,431	71
Iowa	0	12	12	1
Kansas	78	42	120	6
Kentucky	15,915	7,914	23,829	526
Louisiana	21	8	29	8
Maryland	509	296	805	34
Mississippi	8	4	12	3
Missouri	32	42	74	33
Montana	86	78	164	8
New Mexico	83	36	119	7
North Dakota	500	110	610	13
Ohio	1,894	951	2,845	201
Oklahoma	276	213	489	19
Pennsylvania	9,953	5,560	15,513	423
Texas	273	136	409	11
Utah	205	116	321	10
Virginia	2,718	1,729	4,447	108
West Virginia	15,014	7,418	22,432	393
Wyoming	240	144	384	14
<b>Total</b>	<b>49,799</b>	<b>29,095</b>	<b>78,894</b>	<b>2,067</b>

### **3. Federal Programs**

Federal Programs regulate coal mining in States without approved regulatory programs. These Programs promote responsible coal extraction using technology to minimize the impact of operations on people, structures, and the environment.

The permit review process in federally administered programs consists of review of the permit application package for administrative completeness and technical adequacy, preparation of findings and supporting documentation, and conducting an environmental analysis. Review timeframes vary depending on the complexity of a permit application, the size of the mine, and the response times of applicants submitting additional information required to process the permit application.

Of all Federal program states, Tennessee has the most permits. The two mines in the state of Washington are not currently producing coal, although they may resume production in the future. Programs also are in place for Arizona, California, Idaho, Massachusetts, Michigan, North Carolina, Oregon, Rhode Island, and South Dakota, though they are not currently producing coal. The following bullets highlight key characteristics of two of the largest Federal programs, Tennessee and Washington:

Tennessee: There are 18 active coal producing sites, 16 active non-producing sites, (tipples, preparation plants, etc.), 141 mine sites that are inactive, (either in temporary cessation or undergoing reclamation activities), and 168 abandoned sites in Tennessee. Coal production has stabilized in recent years at approximately 3 million tons annually. OSM has discussed with the State the possible return of the primacy program on numerous occasions over the years, but little interest is shown in assuming the program.

In response to the 2009 Federal MOU, an interagency group was formed in Tennessee comprised of State and Federal agencies including: OSM, the Army Corps of Engineers, the Environmental Protection Agency, the United States Fish and Wildlife Service and the Tennessee Department of Environment and Conservation. The purpose of the group is to improve permit coordination between regulatory authorities who issue Clean Water Act permits and regulatory authorities who issue Surface Coal Mining permits which are all needed for a coal mine. The group completed a major effort in 2010 by executing a Local Inter-agency Working Agreement. The Agreement includes a permit process flow chart and ten Standard Operating Procedures for processing, reviewing, and issuing final decisions on surface coal mining applications in Tennessee. The group continues to meet regularly to review new applications and improve the established processes, resulting in more efficient and effective decisions related to surface coal mining activities.

In October 2010, OSM received a Lands Unsuitable for Mining petition from the State of Tennessee covering more than 250 square miles of ridgelines in State Wildlife Management Areas. OSM accepted the petition and will process it during FY 2011 and FY 2012.

Washington: There are two surface coal mines regulated under the Washington Federal Program. The Centralia Mine produced coal for the adjacent Centralia Power Plant beginning in 1971 until November 2006 when the parent company, Trans-Alta Corporation halted mining because of high costs to recover the remaining coal. Coal for the plant now comes from Montana. OSM is working with the company to revise reclamation plans and schedules. Significant reclamation is being accomplished each year. OSM denied a request to continue temporary cessation for one pit, and the decision was upheld on appeal.

The Pacific Coast Coal Company (PCC) mine near the City of Black Diamond has not produced coal since 2000. OSM ordered PCC to begin reclamation in January 2010 and subsequently took enforcement actions to force PCC to begin reclamation in 2010 in accordance with the order. In July 2010, PCC submitted a revision application to recommence mining. OSM denied the application, and PCC has appealed the decision to the Office of Hearings and Appeals.

Table 3 provides inspection and enforcement data for Federal program States during FY 2010.

<b>Table 3 – FY 2010 Federal Program States Inspection / Violation Data</b>					
<b>STATE</b>	<b>INSPECTIONS</b>			<b>NOV'S</b>	<b>FTA CO'S</b>
	COMPLETE	PARTIAL	TOTAL	VIOLATIONS	VIOLATIONS
Tennessee	548	910	1,458	74	1
Washington	6	50	56	3	1
<b>TOTALS</b>	<b>554</b>	<b>960</b>	<b>1,514</b>	<b>77</b>	<b>2</b>

#### **4. Federal Lands Program**

OSM regulates coal mining activities on Federal lands. Fourteen States (Alabama, Colorado, Illinois, Indiana, Kentucky, Montana, New Mexico, North Dakota, Ohio, Oklahoma, Utah, Virginia, West Virginia, and Wyoming) have cooperative agreements and regulate coal mining on Federal lands within their borders. Currently there is no coal mining on Federal lands in Federal Program States. OSM also prepares mining plan decision documents under the Mineral Leasing Act, and processes valid existing rights claims that involve certain Federal Lands under this program activity. As part of the Federal lands program, OSM consults and coordinates, as applicable, with State Historic Preservation Offices, the Fish and Wildlife Service (FWS), Bureau of Land Management (BLM), U.S. Forest Service (USFS), National Park Service (NPS), the Environmental Protection Agency (EPA) and the Army Corps of Engineers (COE). Processing of mining plan decision documents constitutes the largest part of the workload under this program activity.

Table 4 provides projected mining plan decision document workload data.

<b>Table 4 – Mining Plan Decision Document Workload on Leased Federal Coal, by Fiscal Year</b>		
<b>Mining Plans and Modifications to Existing Mining Plans</b>		
<b>Activity</b>	<b>FY 2010 Actual</b>	<b>FY 2011 Projected</b>
In progress prior FY	8	3
Anticipated current FY	0	12
Total FY Workload	8	15
Completed in FY	5	5
Balance, end of FY	3	10

Under this program activity, OSM also provides support to BLM and USFS in leasing activities that involve Federal coal resources. OSM’s participation in NEPA compliance analyses prepared at the leasing stage ensures the consideration of OSM mine plan approval concerns. This cooperative effort saves mining companies valuable time in the leasing and mine plan approval process; it also may result in improved resource recovery. In addition, satisfactory evaluation of the environmental impacts of coal mining in the proposed lease area at the time of leasing can reduce the likelihood of the need for a subsequent Environmental Assessment (EA) or Environmental Impact Statement (EIS) for mining plan approval under SMCRA.

During FY 2010, OSM processed two valid existing rights (VER) determinations for haul roads within the Daniel Boone National Forest supporting coal mining operations in Kentucky. Similar levels of VER activity are anticipated for FY 2012.

## **5. Indian Lands Program**

OSM is responsible for coal mining and reclamation activities on Indian lands. The Indian lands program includes permit application review, determination of performance bond amounts, inspection and enforcement, bond release, and maintaining a staff to coordinate with the individual Tribes and other Federal agencies, as necessary. The proposed budget provides \$2.4 million to fund the activities to promote responsible mineral extraction on Indian lands to meet the Nation’s energy needs.

The Crow, Hopi and Ute Mountain Ute Tribes, and the Navajo Nation have coal-mining activities on their lands. The McKinley Mine and the Navajo Mine are large surface mines on lands within the Navajo Nation. Mining operations have ceased at the McKinley Mine, and it is currently being reclaimed. The Kayenta Mine Complex, which includes the Kayenta mining operation and the now idle Black Mesa mining operation, involves Navajo coal beneath Navajo surface, and coal jointly owned by the Navajo Nation and the Hopi Tribe – most of which is beneath Navajo surface and some of which is beneath Hopi surface. There are two surface mines

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in Montana that mine coal owned by the Crow Tribe, one of which operates within the boundaries of the Crow Reservation. At a mine in New Mexico, the only involvement of Indian lands is where a haul road crossed the Ute Mountain Ute Reservation. The haul road is now reclaimed and is currently under the period of extended responsibility for successful revegetation. An underground mining operation in Colorado also extracts Federal coal beneath Ute Mountain Ute owned surface. The Crow, Northern Cheyenne and Hopi Tribes, and the Navajo Nation are evaluating coal properties for future development. The mines on Indian lands are among the largest in the United States, with a total of about 101,500 acres regulated by OSM.

OSM coordinates closely with Indian Tribes through the regulatory process. The Federal trust responsibility is a legal obligation under which the United States has charged itself with moral obligations of the highest responsibility and trust toward Indian Tribes. OSM ensures that the lands and trust resources of Federally-recognized Tribes and their members are identified, conserved, and protected. In fulfilling these responsibilities, OSM operates within a government-to-government relationship with Indian Tribes. To aid in meeting trust responsibilities, OSM, BIA, BLM and the DOI Office of Natural Resources Revenue sponsor a continuing Indian Trust Responsibilities and Federal Obligations training program.

<b>Table 5 – FY 2010 Indian Lands Inspection Data</b>				
TRIBE	INSPECTIONS			NOV'S
	COMPLETE	PARTIAL	TOTAL	VIOLATIONS
Crow Tribe	8	18	26	5
Hopi Tribe	2	0	2	0
Navajo Nation	52	23	75	11
Ute Tribe	4	9	13	0
<b>TOTALS</b>	<b>66</b>	<b>50</b>	<b>116</b>	<b>16</b>

<b>Table 6 – Permit and Permit Revision Workload where OSM is the Regulatory Authority, by Fiscal Year</b>				
<b>Activity</b>	<b>Federal Programs</b>		<b>Indian Lands</b>	
	<b>FY 2010 Actual</b>	<b>FY 2011 Projected</b>	<b>FY 2010 Actual</b>	<b>FY 2011 Projected</b>
In progress previous FY	77	86	52	47
Anticipated current FY	178	200	74	65
Total FY workload	255	286	126	112
Completed in FY	169	57	79	60
Balance, end of FY	86	229	47	52

## 6. Program Development and Maintenance

Work elements under this program are primarily related to policy actions, such as rulemaking, grants management and special studies that support the other program activities in the environmental protection business line.

### *a. Rulemaking*

OSM issues Federal rules and prepares the associated information collection clearance packages. Functions under this program activity include rule development and preparation of environmental assessments, environmental impact statements, records of compliance, and economic analyses for all rules prepared by OSM. Before developing a formal proposed rule, OSM involves interested parties. Stakeholder participation results in improved regulatory proposals. OSM also maintains the administrative record for rules and coordinates rule publication with the Office of the Federal Register.

OSM Rulemaking Initiative on Stream Protections: On June 11, 2009, the Department of the Interior entered into a Memorandum of Understanding (MOU) with the Army Corps of Engineers and the Environmental Protection Agency to reduce the harmful environmental impacts of mountain-top mining in six states in central Appalachia. As part of this collaborative effort, OSM published an Advanced Notice of Proposed Rulemaking to seek public input on revisions to current stream protection rules. OSM is committed to evaluating its Stream Protection Rules and proposing changes as necessary.

In April 2010, in support of the potential Stream Protection Rulemaking, OSM published a Federal Register Notice of Intent to conduct an Environmental Impact Statement for the rule. The notice included a list of concepts under consideration for the proposed rule. OSM also reached out to stakeholders to obtain their input on the rule’s draft concepts. Stakeholder feedback obtained at fifteen outreach sessions will enable OSM to develop a more thorough assessment of the environmental impacts of different approaches to stream protection and, ultimately, a more effective rule.

Rulemaking Associated with State Programs: OSM assists States with development, administration, implementation, and maintenance of their approved regulatory programs. Decisions affecting State programs are Federal rulemaking actions. OSM evaluates State-initiated program changes (statutory, regulatory, or changes in the program’s provisions, scope, or objectives), as well as OSM required modifications that are a result of legal interpretations or changes to SMCRA and Federal Regulations. In its evaluation, OSM solicits public comments through proposed rules published in the Federal Register, holds public meetings, maintains the administrative record, approves or does not approve proposed State program amendments, and publishes the decisions as final rules in the Federal Register. During FY 2010, OSM completed activity on 13 State programs amendments as shown in Table 7.

States may be required to amend their programs as a result of changes to SMCRA and Federal regulations. Under the authority of section 521(b) of SMCRA, OSM recommends withdrawal, in whole or in part, of an approved State program if it finds--after conducting hearings, establishing remedial actions, monitoring compliance, evaluating performance, and implementing the rulemakings associated with such withdrawal--that a State is failing to enforce its approved program. Under section 521(b), OSM also responds to third-party requests to evaluate a State’s program.

When a State program amendment is required, OSM notifies the State of the required change and reviews the State submission and either approves or disapproves the proposed change. This activity represents a significant workload for OSM staff.

During FY 2010, the State Program Amendment activity was identified as follows:

<b>Table 7 – FY 2010 State Program Amendment Activity</b>				
<i>Number of Amendments</i>				
<b>Amendment Type</b>	<b>Pending Oct. 1, 2009</b>	<b>Received FY 2010</b>	<b>Completed FY 2010</b>	<b>Pending Sept. 30, 2010</b>
Pre-Submission Assistance	0	10	9	1
Formal	13	16	4	25
<b>Total</b>	13	26	13	26



*b. Grants Management*

OSM supports and participates in the Administration's E-Government initiative, and Health and Human Services' government-wide electronic grants application system (Grants.gov), and the Department of the Interior's (DOI) grants simplification efforts based on Public Law 106-107. OSM is currently using DOI's Financial and Business Management System (FBMS) financial assistance module for internal processing of all grant and cooperative agreement transactions. Recipients have been provided training in Grants.gov and FBMS, and will receive further training and assistance in using the system to expedite their applications and reports. OSM and the State/Tribal grantees cooperate to maximize the use of available funding and operate an effective program. This cooperative working relationship contributes to a streamlined application and awards process, faster obligation of Federal funds, innovative program monitoring, less paperwork, and intensive reporting and close-out of grants.

*c. Special Projects*

OSM special projects include interpretation of SMCRA, reports to Congress, legislative analyses, and assistance in response to litigation. OSM also conducts studies and analyses in response to Departmental initiatives and coordinates with other DOI bureaus and Federal agencies, including the Fish and Wildlife Service (Endangered Species Act), Advisory Council on Historic Preservation (National Historic Preservation Act), EPA (Clean Water Act, Resource Conservation and Recovery Act, and others), Army Corps of Engineers (Section 404 permits), and Mine Safety and Health Administration, and the Small Business Administration (Small Business Regulatory Enforcement Fairness Act) all of whose activities can affect the surface coal mining regulatory program.

### **2011 PLANNED PROGRAM PERFORMANCE**

In 2011, the planned activities in the Environmental Protection program activity include:

- Continue to assist Tribes in development of Tribal programs and review and make timely decisions on Tribal program submissions.
- Continue to implement oversight enhancements.
- Achieve the goals for performance measures identified under this business line and support the Youth Program by providing educational and employment opportunities to young adults in fields associated with surface coal mining regulation and reclamation.

### **2010 PROGRAM PERFORMANCE ACCOMPLISHMENTS**

In 2010, the major accomplishments in the Environmental Protection program activity included:

- States performed 29,095 complete mine inspections and 49,799 partial inspections to ensure coal mines are operated safely and in accordance with environmental laws.
- OSM staff increased the number of field inspections by 40 percent nation-wide as part of enhanced enforcement oversight
- OSM staff reviewed State compliance with national priority topic review requirements on approximate original contour and bonding adequacy.
- Action plans were developed to implement the MOU.
- Achieved performance as shown on the goal performance table associated with this business line.

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<b>Goal Performance Table</b>											
<b>Mission Area 2: Sustainably Manage Energy, Water, and Natural Resources</b>											
<b>Goal #1: Secure America's Energy Resources</b>											
<b>Supporting Performance Measures</b>	<b>Type</b>	<b>2006 Actual</b>	<b>2007 Actual</b>	<b>2008 Actual</b>	<b>2009 Actual</b>	<b>2010 Plan</b>	<b>2010 Actual</b>	<b>2011 Plan</b>	<b>2012 Plan</b>	<b>Change from 2011 Plan to 2012</b>	<b>Long-Term Target 2016</b>
Strategy #1: Ensure environmental compliance and the safety of energy development.											
Percent of active coal mining sites that are free of off-site impacts. (SP)	A	92% (7,454 of 8,142 sites)	90.2% (7,103 of 7,877 sites)	88% (6,864 of 7,784 sites)	88% (6,879 of 7,845 sites)	88% (6,800 of 7,716 sites)	86% (6,548 of 7,571 sites)	88% (6,789 of 7,672 sites)	88% (6,741 of 7,636 sites)	0%)	88% (6,741 of 7,636 sites)
<b>Total Actual/Projected Costs (\$000)</b>		\$113,684	\$99,689	\$111,388	\$108,119	\$110,000	\$116,996	\$127,280	\$129,469	-----	
<b>Actual/Projected Cost per Inspectable Unit (in dollars)</b>		\$13,963	\$12,656	\$14,310	\$13,792	\$ 14,256	\$15,453	\$16,590	\$16,955	-----	
Contributing Programs	Environmental Protection										
Comments	The target remains stable through 2012. OSM evaluation of data collection, analysis, and reporting requirements is part of the ongoing effort to improve oversight of State regulatory programs. Targets will be reviewed at the completion of this effort. The FY 2011 projected cost is based on the current CR rate; for FY 2012, projected costs include anticipated cost recovery for services to the coal industry.										
Percent of mined acreage reclaimed). (SP)	C	48% (1,534,301 of 3,225,261 acres)	53.4% (1,928,521 of 3,609,121 acres)	83% (2,044,886 of 2,467,139 acres)	89% (2,165,011 of 2,435,110 acres)	75% (1,578,233 of 2,105,752 acres)	98% (2,305,795 of 2,359,120 acres)	75% (1,578,233 of 2,105,752 acres)	75% (1,578,233 of 2,105,752 acres)	0%	75% (1,578,233 of 2,105,752 acres)
<b>Total Actual/Projected Costs (\$000)</b>		\$113,684	\$99,689	\$111,388	\$108,119	\$110,000	\$116,996	\$127,280	\$129,469	-----	
<b>Actual/Projected Cost per Acres Reclaimed (in dollars)</b>		\$74	\$52	\$54	\$50	\$70	\$51	\$81	\$75	-----	
Contributing Programs	Environmental Protection										
Comments	The target remains stable through 2012. OSM evaluation of data collection, analysis, and reporting requirements is part of the ongoing effort to improve oversight of State regulatory programs. Targets will be reviewed at the completion of this effort. The FY 2011 projected cost is based on the current CR rate; for FY 2012, projected costs include anticipated cost recovery for services to the coal industry.										

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Number of acres where reclamation goals are achieved as evidenced by release from Phase III Performance Bonds. (BUR)	C	49,796	51,105	48,828	38,312	45,000	50,231	45,000	45,000	0	41,000
Contributing Programs	Environmental Protection										
Number of acres released from Phase I & II Performance Bonds. (BUR)	C	89,894	110,198	89,047	93,875	80,000	111,136	80,000	80,000	0	80,000
Contributing Programs	Environmental Protection										
Provide appropriate grant funding within 60 days of a complete grant application for regulatory grants (BUR)	A	100%	90%	100%	100%	93%	100%	96%	96%	0%	96%
Contributing Programs	Environmental Protection										
Completion of the technical review of Federal/Indian Land permit actions within 90 days. (BUR)	A	96%	97%	90%	87%	81%	93%	81%	81%	0%	81%
Contributing Programs	Environmental Protection										
Target Codes: SP = Strategic Plan; BUR = Bureau Measure Type Codes: C = Cumulative; A = Annual											

**TECHNOLOGY DEVELOPMENT AND TRANSFER**

## Technology Development and Transfer Summary of Budget Request

(dollars in thousands)	2010 Actual	2010 Enacted / 2011 CR	2012				Change From 2011 CR (+/-)
			Fixed Costs & Related Changes (+/-)	Admin Cost Savings (-)	Program Changes (+/-)	Budget Request	
<b>Regulation and Technology</b>	<b>15,663</b>	<b>15,663</b>	<b>-3</b>	<b>-348</b>	<b>-834</b>	<b>14,478</b>	<b>-1,185</b>
Technical Assistance	11,069	11,069	-1	-108	0	10,960	-109
<i>FTE</i>	49	49	0	0	0	49	0
Training	2,753	2,753	-1	-217	0	2,535	-218
<i>FTE</i>	22	22	0	0	0	22	0
Technology Transfer	1,841	1,841	-1	-23	-834	983	-858
<i>FTE</i>	20	20	0	0	0	20	0
<b>Abandoned Mine Reclamation Fund</b>	<b>4,032</b>	<b>4,032</b>	<b>0</b>	<b>-116</b>	<b>-366</b>	<b>3,550</b>	<b>-482</b>
Technical Assistance	1,632	1,632	0	-44	0	1,588	-44
<i>FTE</i>	10	10	0	0	0	10	0
Training	861	861	0	-66	0	795	-66
<i>FTE</i>	6	6	0	0	0	6	0
Technology Transfer	1,539	1,539	0	-6	-366	1,167	-372
<i>FTE</i>	4	4	0	0	0	4	0
<b>Total, Technology Development and Transfer</b>	<b>19,695</b>	<b>19,695</b>	<b>-3</b>	<b>-464</b>	<b>-1,200</b>	<b>18,028</b>	<b>-1,667</b>
<i>FTE</i>	<i>111</i>	<i>111</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>111</i>	<i>0</i>

Administrative Cost Savings of -\$464,000 include reductions in travel, information technology, and strategic sourcing of supplies, materials and equipment. Fixed costs are covered with net changes of -\$3,000. See the discussion in the General Statement for planned efficiencies.

**Summary of 2012 Program Changes**

<b>Request Component</b>	<b>(\$000)</b>	<b>FTE</b>
Technology Transfer		
Eliminate Technical Studies Program	-\$1,200	0
<b>Total Program Changes</b>	<b>-\$1,200</b>	<b>0</b>

**Justification of 2012 Program Changes**

The 2012 budget request for Technology Development and Transfer is \$18,028,000 and 111 FTE, a program change of -\$1,667,000 from the 2010 Enacted/annualized 2011 Continuing Resolution.

**Eliminate Technical Studies Program (-\$1,200,000):** The budget eliminates the technical studies program which includes funding for applied science projects to universities to address issues specific to coal mining, and funding to States for the preservation of old mine maps, which help evaluate the threat posed by abandoned underground mine voids to miners, the public, infrastructure and the environment. This program is reduced in order to fund higher priority requirements. OSM will provide direct technical assistance to the States and Tribes to address technical on-the-ground issues instead of funding nationwide or regional studies.

Overview

The Technology Development and Transfer (TDT) business line (program activity) provides resources for technical assistance, training, technology development and technology transfer program sub-activities. This program activity supports and enhances the technical skills that States and Tribes need to operate their regulatory and reclamation programs.

Through support of OSM's restoration and protection goals, TDT funds implement effective partnerships with OSM's stakeholders. TDT is a nation-wide program that provides resources to States and Tribes that meet their specific technical and training needs in carrying out the requirements of SMCRA.

In 2011 and 2012, OSM will continue to promote, to the extent possible, the use of Technical Innovation and Professional Services (TIPS) in technical decision-making processes related to SMCRA; address the remediation of acid mine drainage through participation in the Acid Drainage Technology Initiative; finalize changes and provide training and technical assistance to meet identified needs of States and Tribes. Also, OSM's technology transfer program will continue its support for electronic permitting and mobile computing efforts, by sponsoring interactive technical forums and related workshops. In addition, OSM will continue to provide regional technical service, libraries, and more efficient access to COALEX (a computer-assisted library search service).

**Operational Process (Program Activities):** The Technology Development and Transfer program activities enhance the technical skills that States and Tribes need to operate their regulatory and reclamation programs in order to more effectively implement SMCRA. These program activities are an integral part of accomplishing Environmental Restoration and Environmental Protection to achieve OSM's goals and outcomes.

OSM provides technical training to OSM staff, and States and Tribes on a variety of topics. New technologies, changes in regulations, and staff turnover necessitate the need for continued technical training. To solve problems related to the environmental effects of coal mining, OSM provides multidisciplinary technical assistance and works with industry, States, Tribes and the public on technical issues arising from new regulations. Other technical assistance efforts include the TIPS, the Applicant Violator System (AVS), and Electronic

***TECHNOLOGY DEVELOPMENT & TRANSFER  
ENCOMPASSES:***

*Technology Development*

*Technology Transfer*

*Technical Training*

*Technical Innovation and Professional Services (TIPS)*

*Applicant Violator System (AVS)*

Permitting (EP). OSM also established an intergovernmental team, the National Technology Transfer Team (NTTT) to provide direction, communication and coordination of efforts related

to technology transfer and development. This team is a permanent entity and will continue throughout FY 2011 and FY 2012. Technology transfer is a major part of OSM's cooperative effort with States and Tribes.

The outcome of TDT program performance is ultimately measured by the success of the regulatory and reclamation programs in carrying out their environmental restoration and protection missions. In addition, performance for the business line is measured through the number of staff technically trained (including knowledge and skills taught and applied), the utilization of automated technologies (such as TIPS), and the quality and timeliness of technical assistance provided by OSM, determined via evaluations and customer service surveys.

**Actions Required to Achieve Annual Goals:** In FY 2012, OSM plans continued improvements in this business line. As responses are received from the customer surveys, the activities within the business lines will be evaluated to identify any needed improvements or changes. Also, the National Technical Training Program (NTTP), TIPS, the National Mine Map Repository (NMMR), and AVS will increase access to users by continuing to provide material via the Internet and supporting the Administration's E-Government initiative. In addition, the NTTT will continue to work with the Regional Technology Transfer Teams to provide direction, communication, and coordination efforts related to technical issues and studies.

**Resources, Skills, and Technology Needed:** An ongoing goal for FY 2012 is to continue ensuring States, Tribes, and OSM have the best available technical data and information needed to make good science-based decisions regarding mining plans, reclamation project design, permit reviews, and acid mine drainage remediation and prevention. To successfully implement the surface mining regulatory and reclamation programs, OSM, as well as the States and Tribes, must maintain multi-disciplinary staffs that are fully competent in addressing a wide variety of technical issues that impact these programs.

The total FY 2012 request for this business line is \$18.0 million. The request includes \$12.5 million for Technical Assistance (including the Applicant Violator System support); \$3.3 million for Technical Training; and \$2.2 million for Technology Transfer efforts to meet the annual goals set forth above.

Included in the FY 2012 request for the Technology Transfer program activity is almost \$200,000 for the Acid Drainage Technology Initiative (ADTI), an ongoing effort of OSM, State and other Federal agencies, academia, and industry. The objectives of the ADTI are to compile, assess, and document the "best-science" technology solutions to acid mine drainage (AMD) reclamation problems as well as to refine the most effective methods for accurate AMD prediction.

The following section details, by program activity, the funding and FTE resources required to meet our customer satisfaction performance measures. It also includes examples of the types of technical training, assistance efforts, and transfer provided by this business line.



## 2012 PROGRAM PERFORMANCE

The following program activities support OSM's goal to strengthen the capabilities of the States, Tribes, and OSM staff to implement SMCRA effectively through quality technical and scientific information, expertise, and training. Skill and knowledge enhancement is critical to the continued success of the Surface Mining program. In addition, OSM will provide opportunities to students and interns, either directly or through cooperative agreements with others, under various activities described in this section in support of the Secretarial Initiative.

OSM's stakeholders (States, Tribes, public and industry) continue to express support for Technology Development and Transfer efforts and encourage OSM to provide the types of technical support needed to effectively and efficiently meet SMCRA, the National Environmental Policy Act, and other environmental and safety laws. Cost-effective compliance will help industry remain competitive with other energy sources. Helping the States, Tribes and industry achieve up-front compliance will reduce the need for additional regulatory resources. The TDT program area described in the following pages represents those activities where OSM staff provide direct technical support and ongoing efforts in other business lines. Many activities not yet conducted in FY 2011 will identify the needs for activities in FY 2012. In addition, adjustments in activities may be necessary during FY 2011 and 2012 in order to focus resources on regulatory program activities as OSM completes evaluations on regulatory activities and rulemakings, and related implementation plans under the June 2009 MOU. Therefore, the discussions are representative of the types of activities that will be conducted in the future.

### 1. Technical Assistance

This program activity provides assistance to State regulatory and reclamation staff, and to OSM staff that review and monitor State programs, develop rules or policy, litigate SMCRA challenges or enforcement actions, or maintain other technical support infrastructure such as TIPS, AVS, and technical training programs.

Technical assistance is provided specific to abandoned mine land projects, civil penalty and bond forfeiture projects, and other regulatory matters. These types of endeavors are integral parts of the Environmental Restoration and Protection business lines and are not included in this program activity.

Customer surveys are used to document the responsiveness of OSM's technical assistance to its customers in a timely and professional manner. By meeting the technical assistance needs, OSM can help effectively achieve OSM's Environmental Restoration and Environmental Protection mission goals.

#### *a. Technical Policy Assistance*

OSM specialists provide technical assistance to State and OSM regulatory and reclamation policy staff. The areas of assistance include rulemaking; citizen complaint investigations regarding offsite impacts relating to mining; guideline development; State program amendments; State mining permit evaluation; AML problem evaluation; blasting policy; prime farmland

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reclamation; soil substitution, coal combustion by-product placement; reclamation bonding sufficiency and bond release; threatened and endangered species; land unsuitability determinations; participation as technical experts on interagency committees; Acid mine drainage (AMD) prevention and remediation; Acid and Toxic Forming materials handling; stream and underground mine flooding; mountaintop mining and valley fills; permit findings; remining; impoundment stability; subsidence caused by underground mining; and assistance in fostering tribal primacy by helping tribes develop technical capabilities.

Examples of activities for FY 2010-2011 include:

Blasting: In FY 2011, OSM will complete development of a national certified blaster tracking system in coordination with the Interstate Mining Compact Commission. The tracking system documents Federal and State certified blasters authorized to handle and detonate explosives on coal mines. The tracking system assists regulatory authorities locally and nationally to track the status (active, expired, suspended, etc.) of certified blasters and alerts regulatory authorities about blasters with performance issues. Furthermore, the system facilitates reciprocity of certifications between regulatory authorities so as to reduce state and federal training and testing costs. OSM will continue to facilitate state discussions on blasting related topics in FY 2012 which will result in a better understanding of the blasting technical topics and in more consistent application of blasting rules nationally.

Acid Mine Drainage: Surface and underground coal mining activities expose iron sulfide minerals in rock to weathering. The interaction of these rocks/minerals with air and water can result in AMD, which is the number one water quality problem in Appalachia and to a lesser, but still serious, extent in other coal and hard rock mining regions. OSM, in cooperation with the U.S. Geological Survey, is enhancing AMD Treat, the AMD treatment cost modeling program. The enhancement, underway in FY 2010 and FY 2011, will bring improved modeling of alkaline waters and more accurate estimation of sludge volumes, a significant cost component of AMD abatement. OSM will convert the AMD Treat legacy software application to a modern programming code in future years.

OSM will continue to participate in the Acid Drainage Technology Initiative (ADTI), a collaborative effort among federal agencies, industry, the States, academia, and the National Mine Land Reclamation Center to promote communication and technology enhancement in the field of AMD and TDS prediction and treatment. One current project is a comprehensive review of passive treatment technology literature for coal mine drainage. Passive treatment now includes a collection of anaerobic, aerobic, microbiological and limestone based techniques. These technologies have been applied to hundreds of coal mine discharges with a wide range of chemical composition and flow, sometimes with mixed results. The goal of the review is to provide a current analysis of coal mine drainage design criteria and expected performance and share these results with all practitioners.

Designating Areas Unsuitable for Surface Coal Mining: Section 522 of SMCRA establishes a process by which the public may petition the regulatory authority to limit or prohibit all or

certain types of surface coal mining operations on non-Federal lands to protect certain features or environmental values. OSM receives and processes these petitions for all lands for which it is the regulatory authority. The decision-making process includes preparation of an environmental impact statement and a takings implication assessment.

OSM also is responsible for making valid existing rights (VER) determinations under section 522 (e) for all Federal lands and all lands for which OSM is the regulatory authority. Section 522 (e) prohibits or limits surface coal mining operating within certain areas, subject to valid existing rights.

Both unsuitability determinations and VER determinations require substantial technical and programmatic resources also supported by the Environmental Protection business line. They also involve litigation support if a takings claim is subsequently filed against the Federal Government.

*b. Site-Specific Technical Assistance*

OSM specialists assist in the technical aspects of compliance monitoring (including inspection and enforcement assistance), experimental practice reviews, reclamation cost estimate calculation, bond release application reviews, bond approval reviews, bond forfeiture reclamation designs, land unsuitability determinations, surveying, revegetation, geologic sampling, AML designs, subsidence and AMD abatement, and any technical assistance on citizen complaints and ten-day notices. Following are examples of the types of assistance provided to States and Tribes.

Illinois Palzo AML Reclamation Project Assistance: OSM is providing technical assistance to the Illinois AML program in the investigation and remediation of a severe AMD problem at the Palzo AML site near Carrier Mills, IL. Technical assistance involves monitoring AMD and developing plans for remediation using a series of passive treatment systems. Demonstration of new technology, a sulfate reducing bioreactor, is planned. OSM is also conducting biological monitoring on the stream to determine baseline conditions for future monitoring of reclamation success.

Cumulative Hydrologic Impact Assessment (CHIA): The environmental community has been critical of the CHIA process in many states, and recently threatened litigation in Kentucky if the State did not improve the process. Kentucky formed a team comprised of representatives from the State, OSM, environmental organizations and industry to overhaul the current process. OSM provided technical support and technology transfer, explaining the best practices of other CHIA processes across the country, as well as a cooperative agreement for nearly \$328,000 in financial support to establish 237 trend stations across Kentucky to serve as baseline monitoring of and compile an electronic database and geographic information system for each cumulative impact area. EPA also supported the effort with an additional \$50,000.

Down-hole Camera Assists Colorado in AML Reclamation: An OSM supplied down hole camera was used by the Colorado Division of Reclamation, Mining and Safety to investigate and

fill four large subsidence holes in a Colorado Springs neighborhood that is underlain by the abandoned Rapson Coal mine, which was worked from 1900 to 1915, prior to residential development. The camera helped to detect the voids and then assisted in monitoring the filling activities to ensure that the mine workings were adequately reclaimed.

Bond Approval and Administration: To ensure that bonds are sufficient to reclaim forfeited sites on lands OSM has or shares regulatory authority responsibilities, OSM calculates bond amounts using engineering and science-based reclamation cost estimates. OSM announced in FY 2010 that bonding would be a national oversight priority review topic. OSM engineers assisted field staff conducting independent cost estimates to determine if states with full-cost bonding are establishing adequate bond amounts to ensure fulfillment of the reclamation plan. These findings will be released in FY 2011 and follow-up bonding evaluations will occur during evaluation years 2011 and 2012.

*c. National Mine Map Repository (NMMR)*

OSM maintains the NMMR, authorized under the former U.S. Bureau of Mines and subsequently transferred to OSM in the mid-1980s. This repository, located in OSM's Appalachian Regional Office in Pittsburgh, Pennsylvania, maintains the only national inventory of mine maps and includes more than 300,000 abandoned coal and non-coal underground mines from throughout the United States. These maps, and the associated information, are used to fulfill customer requests for unique information that can range from rare maps for small projects to national collections for large interstate infrastructure projects such as high speed rail or electricity transmission lines. The maps bring great value to any project that depends on knowing the subsurface conditions of the earth for infrastructure design or public safety projects. Such underground voids have the potential to induce subsidence damage to homes, businesses, and infrastructure; and to endanger underground miners. NMMR customers include state regulatory and reclamation staff, local government agencies, developers, engineering and mining companies, architects, universities, law firms, environmental consultants, pollution control boards, realtors, law-enforcement agencies, historical societies, and homeowners. Receipts from the sale of maps and charges for NMMR research services are minimal and support the program.

Through a variety of sources, the NMMR continuously expands its collection of digital maps. The increased awareness of the value of historical mine maps in recent years has resulted in a significant influx of new maps to the NMMR collection. The maps come from various sources including public and private donations, OSM-funded cooperative agreements and state map archives. The NMMR maintains an ongoing program of mine map scanning and preservation, including providing technical assistance and electronic backup storage of digital maps to other agencies and educational institutions preserving mine map collections. NMMR staff are currently involved in several important initiatives to improve mine map acquisition, archiving, availability and consistency. These initiatives include such projects as making the NMMR map index searchable over the internet; and sponsoring workshops on digital imaging, processing, and the preservation of map images.

*d. Permitting*

Tennessee Electronic Permitting: The Knoxville Field Office (KFO) serves as a leader in promoting new technology in implementing SMCRA by creating the first federal electronic permitting process. The Electronic Permit Application Control Solution (EPACS) encompasses all of the permitting aspects of the Tennessee SMCRA application. EPACS consists of two major components, the client tool that allows the applicant to electronically prepare and transmit the application; and the internal tracking tool that allows management and staff to track and review the application. During FY 2010, the KFO completed several items to facilitate the release of EPACS. KFO distributed the client software application to the Tennessee coal mine industry during an industry meeting. Training on the EPACS client tool was performed throughout FY 2010 with a commitment for further training and troubleshooting throughout FY 2011. Future efforts will center on developing software tools to enhance review and facilitate submission of application material. KFO presented EPACS at the Interstate Mining Compact Commission (IMCC) Benchmarking Workshop on E-Permitting and Mobile Computing meeting that was held early in FY 2010.

*e. Technical Innovation and Professional Services (TIPS)*

The goal of TIPS is to provide State, Tribal, and OSM personnel with a comprehensive set of analytical tools to aid in technical decision-making related to regulatory and reclamation processes. The services provided are centered around off-the-shelf scientific and engineering computer hardware and software supported by OSM in partnership with the states and tribes. This technical assistance has grown from a few applications available on a single specially designed shared workstation, to a suite of software on each user's desktop computer.

TIPS is a national program that continues to research emerging technologies and their application to SMCRA. One method is by acquiring limited quantities of technological tools such as GPS-based mobile computing devices, placing them into the states, tribes, and OSM offices for testing, and supporting the use of those that are successful through information and training throughout the country. Offices may elect to adopt these new technologies, at their own cost, to achieve their program goals. TIPS refers to this strategy as "seeding technology" where planting a few seeds of technological resources may lead to an increase in effective solutions relative to SMCRA issues.

Currently, TIPS assistance consists of providing commercial software applications to state, tribal, and OSM offices at considerable cost savings by sharing the commercial licenses for the software via the Internet and OSM Wide Area Network. The 30 commercially available software applications cover a wide range of regulatory and AML subjects. The customer base covers over 100 state, tribal and OSM office locations throughout the country—about 1000 users. TIPS provides customized training courses on these software applications. The TIPS program initiated OSM's first Reverse-Proxy Server that will allow TIPS to provide access to geospatial data and will allow users an automated download process for software instead of sending out software updates via CD/DVD.

Examples of OSM TIPS related initiatives include:

Indiana AML utilizes ArcGIS software: During FY2010, as in previous years, the TIPS training program lead the way in training techniques for using GIS software to generate high quality maps and data analyses. After attending a TIPS training course, Indiana staff used ArcPAD/ArcGIS in the field to record locations and other relevant information such as planting dates, weed control, total trees, and total trees by species. According to Indiana “ArcGIS saves staff at least 1 day’s time per project in project management and improves communication accuracy and speed amongst staff and between staff and contractors”.

2D & 3D earthVision software: EarthVision 2 and 3-dimensional modeling software has been part of the TIPS core applications for many years. Recently there has been a resurgence of how the States, Tribes and our other partners are using this modeling application. For example, members of the Eastern PA Coalition for Abandoned Mine Reclamation attended the TIPS earthVison class and then used the software “to understand the complex nature of the geology and hydrology compared the typical layer cake geology of the Bituminous Coal regions”. This is critical in carrying out their non-profit function of reclaiming abandoned coal mines.

Establishment of Coal Mining Spatial Data Standards: As part of OSM’s oversight enhancement activities the TIPS program is continuing the effort of establishing American Society for Testing and Materials (ASTM) coal mining spatial data standards for Title IV and Title V coal-mining spatial datasets. This work is being done as a collaborative effort with Federal, State, industry, environmental community and public participation. Use of these standards will facilitate data sharing and the delivery of information to the public through a future national coal-mining data system. We now have eleven approved ASTM standards (4-Title IV and 7-Title V).

GeoMine—Interagency Appalachian Coal Mining Geographic Information System Pilot Project: As part of activities associated with the DOI-EPA-USACE June 2009 Interagency MOU the OSM, EPA, USACE and FWS reached a consensus that they “should explore the development of a common geo-referenced (GIS) database”. Based on further discussions with state officials it was determined that a 2-year small pilot project would be conducted for the regulatory programs of Kentucky, Tennessee, Virginia, and West Virginia. The envisioned Interagency Appalachian Coal Mining Geographic Information System Pilot Project (GeoMine) will assist the Federal and state agencies in helping meet the goals of the June 2009 Interagency MOU resulting in better decision making, greater transparency, and robust public participation. With OSM’s TIPS program as the lead, the GeoMine pilot project has begun detailed planning and prototyping that will continue into FY 2012.

Remote Sensing Program: During FY 2010, TIPS continued to acquire and use high resolution satellite imagery to support on-the-ground SMCRA activities. Examples of projects underway that will continue in FY 2011 include: determining which remote image data products and services support virtual inspection; conducting a comprehensive assessment of compliance with “approximate original contour” in West Virginia using satellite imagery (along with other geospatial tools), and using imagery to assist in the inventory of AML sites, and identification of areas where there is potential for re-mining in Virginia. The use of remotely sensed imagery to support on-the-ground SMCRA activities will continue in FY 2011 and FY 2012.

*f. Reclamation Support Activities*

Enhanced Contemporaneous Reclamation Evaluation: At mines where OSM has regulatory authority, inspectors from OSM with assistance from technical specialists, are using GPS units to locate on-site boundaries and input data in the field, as the areas are being reclaimed. The field data (slopes, topsoil depths, etc) are subsequently downloaded into a GIS under development for each mine.

*g. Applicant/Violator System (AVS)*

The AVS is a National information database OSM maintains to support many types of research and program efforts, but primarily it supports permit eligibility determinations under section 510(c) of SMCRA. As part of the permit review process, State and Federal regulatory authorities use the information contained in the AVS to evaluate an applicant's mining and violation history in order to determine the applicant's eligibility to engage in surface coal mining operations.

During FY 2010, the AVS Office processed 3,106 requests for data evaluations from State and Federal regulatory authorities and state abandoned mine land program officials to assist the regulators with spotting permit eligibility problems. OSM also collected or settled payments of Federal civil penalties and reclamation fees in the amount of \$598,639 from entities trying to remedy violation information contained in the AVS. The AVS Office staff also continued to monitor reclamation accomplishments related to the largest bankruptcy in the history of coal mining. These activities will continue through FY 2012.

In addition to its primary mission, the AVS Office completed several major accomplishments. The AVS Office continues to implement system improvements based on user feedback. During FY 2010, OSM placed 18 system improvements into production, and OSM will continue to work with system users to identify and implement improvements during FY 2011. An AVS Users Guide was developed and posted on our website for use by State & Federal regulatory personnel tasked with performing data entry. In addition, a condensed version was developed and posted to assist public users with navigating through the system.

AVS Office staff provides services to customers, including the coal industry, citizens groups, and other Federal agencies. Some of the services provided include: technical assistance in interpreting data retrieved from the AVS; updating information in the AVS for coal companies that mine in more than one State; providing system training to users; and providing investigative assistance to regulatory authorities on complex ownership and control issues.

Customer surveys are used to document the responsiveness of AVS services provided to its customers. This year, the AVS Office received a customer satisfaction rating of 98% and exceeded a 70% response rate on returned customer surveys. OSM attributes the success of this approach to a shared conviction by all the staff that serving customers is the office's primary business.

## 2. Technical Training

Technical Training provides OSM, State, and Tribal staff the necessary knowledge and skills to implement the surface mining program. The various training program components are explained below.

### a. National Technical Training Program

OSM established the National Technical Training Program in 1985, recognizing the need for an ongoing educational program to increase the technical competence and professionalism of Federal, State, and Tribal personnel. The program delivers training related to permit approval, bond release, reclamation, and enforcement. The training serves to build and update technical expertise and fosters consistent application of standards. Training is provided in each of the disciplines involved in implementation of SMCRA, which include aquatic biology, geology, engineering, hydrology, blasting, agronomy, and botany.

All aspects of the program from identification of needs through course development and presentation are cooperative efforts of State, Tribal, and OSM offices. Of the 28 State and Tribal programs, 21 have fewer than 50 employees and another 4 have fewer than 100 employees. There is an economy of scale achieved by the pooling of State and Federal resources that allows instruction in a wide variety of subjects each year for all State, Tribal, and OSM programs. Following are a few comments received on student evaluations from employees and supervisors.

- ✓ I had not thought about how important PMLU [post mining land use] is and how important it is to discuss the PMLU with the mine operator from the start making sure PMLU is worked in properly. *SMCRA Principles and Field Processes (student)*
- ✓ Instructors did an excellent job and training info will be very useful for conducting inspections. *Applied Engineering Principles (student)*
- ✓ Employee routinely makes written findings on coal mine permit applications. The course helped the employee make appropriate comments concerning the findings. Employee's perspective on preparing written findings since the class has enabled him to prepare written findings in a more comprehensive manner. *Permit Findings Workshop (Supervisor)*
- ✓ The employee is better able to understand the whole process of permitting, licensing, bonding of an application. They are able to analyze and perceive the consequences/benefits of decision making. Student was very satisfied as an attendee and continues to draw from the learning experience. Student applies and implements instruction received and is able to reference the course through materials provided. *Bonding Workshop: Cost Estimation (Supervisor)*



**Meeting Office Specific Needs of Mining and Reclamation Staff through Special Sessions:**

In addition to regularly scheduled FY 2010 courses, NTTP offered a number of special courses including a special session of the “Coalfield Communications” class for the State of Alaska as well as sessions of the “Effective Writing” class for the State of Indiana and for OSM’s Casper field office.

In FY 2011, we will hold several special sessions at the request of States and Tribes including sessions of the “Coalfield Communications” course for Kentucky blasting staff, “Effective Writing” for the Crow Nation, and reforestation workshops for Appalachian states.

**New Course Offerings:** Development of the new “SMCRA Principles and Field Procedures” course was completed in FY 2010. The first session of the course was held in September 2010 with the participation of 32 students from 7 States, 2 Tribes, and 8 OSM offices. This intensive course was developed to provide new field staff with a jumpstart in understanding SMCRA’s two missions and in how to conduct field investigations. The course provides a comprehensive historical perspective on how SMCRA came about and how it is implemented through primacy programs. In addition, students learn inspection essentials including the fundamentals of soil and water testing, engineering design, blasting, grading, communications and conflict resolution, erosion and sediment control, mine plan review, legal basics, enforcement procedures, and AML project management basics. This is a two week course and about half the time is spent on mine sites learning basic inspection and investigation skills. The course was very well received with many students expressing enthusiasm for applying their newly acquired knowledge and skills in inspection and oversight activities.

In FY 2010, the course development team completed work on the new “Acid-Forming Materials” course. The pilot was held in October 2010. The course provides students with information on critical aspects of acid-forming geology/mineralogy and weathering and subsequent impacts on reclamation planning and mitigation of mine soils and plant systems.

In FY 2011, NTTP will begin work on two new courses—one is a “Mine Gas Workshop” that will provide students with basic information on detecting hazardous mine gases they may encounter on AML projects or at or near active mine sites. Work will also begin on a new course on “Biological Assessment for Stream Protection.” The course will focus on methodologies for assessing streams and, in the future, a complementary course will be developed on stream restoration.

**Course Enhancements:** In addition to the new courses, revisions were made to several classes including the “AML Reclamation Projects” course to incorporate changes from the 2006 AML amendments and to add information on map reading and on why projects sometimes fail. Changes were also made to the “Bonding: Legal and Administrative Aspects” course to incorporate regulatory changes.

Revisions are planned for FY 2011 for several courses including “Enforcement Tools and Applications” to place additional emphasis on solving problems resulting from under-bonding and multi-state bankruptcies. The “Bonding Cost-Estimation Workshop” will be updated to revise course exercises, incorporate new standard reference materials for cost construction, and

address issues resulting from OSM's FY 2010 bonding oversight study. Revisions will be made to hydrology courses as hydrology staff is available later in FY 2011.

**Plans for FY 2011 and 2012:** NTTP received approximately 2,000 requests for spaces in FY 2011, and anticipates it will receive another 200 requests for special sessions during the year. The NTTP Steering Committee, made up of OSM and State managers, will determine how additional new sessions will be added to the 41 existing regular classes already scheduled.

**Annual Program Planning to Identify Training Needs:** Each Spring OSM conducts a Training Needs Survey for the following fiscal year to determine the training needs of the 1,800 State and Tribal regulatory and reclamation staff, as well as the 520 OSM regulatory and reclamation staff. NTTP analyzes the annual survey results to determine if there is sufficient interest to justify a course, and if so, how many sessions of the course are needed. Students are assigned to classes that are closest to their office to minimize travel costs and to provide students with field experience most similar to their geographic working conditions. The number of requests for courses usually exceeds the number of spaces available by 50-55 percent, so students who are not assigned to classes are put on a waiting list. Those on the waiting list are notified 30 days prior to class if space becomes available.

To address changing on-the-ground needs, NTTP staff continues to work with offices to meet subject specific needs that arise subsequent to the Needs Survey. To assure that students are receiving the latest technical and programmatic information, NTTP continually reviews courses based on student, supervisor, and instructor feedback, and revises or add courses accordingly in consultation with the NTTP Steering Committee.

*b. TIPS Software Application Training*

The tools that TIPS provides to state, tribal, and Federal offices ensure that all agencies with SMCRA responsibilities are using the same advanced software and hardware tools to conduct the business required by the Act. TIPS offers more than just software and hardware; the program also provides specialized training to use these tools in mining and reclamation. The TIPS Training Program is a collaborative effort among OSM, States, and Tribes. Course developers and instructors are reclamation experts who use TIPS software to solve a wide-range of complex permitting and abandoned mine land problems. Although most of TIPS tools are off-the-shelf applications, TIPS training is tailored exclusively to mining and reclamation uses; this kind of training can be found nowhere else. TIPS courses are delivered on-site at the customer's request, and in specialized training centers in OSM's Regional Offices: Denver, Colorado; Alton, Illinois; and Pittsburgh, Pennsylvania.

*c. Regional/Site Specific Training*

OSM regions also conduct courses and workshops on-site at State and Tribe- selected locations to address specific State or Tribal needs. For example, at the request of the states, five training sessions were conducted in FY 2010 by the Mid-Continent Region that provided detailed

explanations of how the November 2008 revisions to the Federal regulations will affect state reclamation activities. Employees and managers from 10 Mid-Continent states participated. Post training surveys showed a high level of satisfaction with the training and the information provided.

### **3. Technology Transfer**

Technology Transfer is an integral component of OSM's Restoration and Protection business lines providing national support to State and Tribal programs. Technology Transfer is accomplished through a variety of activities. State technical representatives meet frequently with OSM regional staff to share resources whenever practicable to resolve regional technical issues. OSM sponsors or participates in interactive technical forums, computer applications workshops, and technical seminars to address mining and reclamation environmental issues. OSM partners with the States, Tribes and industry to develop technology transfer priorities.

The OSM national and regional technology transfer teams evaluate initiatives to encourage networking and information sharing that will result in program improvement or enhancement. OSM's Technology Transfer activities bring a new approach to nationwide cooperation and customer service. They encourage the timely and efficient use of our natural resources while protecting the environment.

#### *a. Technical Studies Program*

One of OSM's missions is to advance and transfer science and technologies that will improve the effectiveness of environmental protection and restoration associated with coal mining. OSM's Technical Studies Program specifically addresses the needs of individual State programs as well as national interests. The program funds applied science projects that result in better mining and reclamation practices, thus providing better environmental protection and less off-site impacts. It also funds projects to preserve old mine maps, which help evaluate the threat posed by abandoned underground mine voids to miners, the public, infrastructure and the environment. OSM will concentrate its resources on technical assistance on-the-ground and not fund studies or mine map projects in FY 2012.

Examples of Applied Science Projects recently completed include:

*Predicting Contaminant Leaching Potentials for Central Appalachian Overburden and Coal Refuse Materials:* The goal was to predict and study the pattern and concentrations of the total dissolved solids (TDS), which is high-salt and/or high pH-producing material, released from common overburden and coarse/fine coal waste in central Appalachia. This is the first project that has quantified in such detail, the pattern of TDS that leaches from mine spoils, coal refuse and overburden. The researchers measured each component of the TDS and how much of each element of concern (such as arsenic or selenium, and others) was to potentially drain from the mine spoils, coal refuse and/or the overburden. Through detailed TDS and overburden analysis, the researchers were able to link the type of overburden and coal waste to the type of pH and

TDS it will produce. The techniques of this study have given the States a tool to better predict the pattern and concentrations of TDS coming from mine sites.

*The Use of Commercial Weed Fabric and Irrigation to Enhance Growth and Survival of Aspen and Serviceberry on Reclaimed Surface Mine Lands:* This project was designed to determine the effectiveness of landscape fabric to control competing vegetation and to improve growth and survival of aspen and serviceberry planted on reclaimed surface coal mine lands at high elevation sites in Colorado. This methodology can be a useful tool to ensure survival and growth of woody perennials on reclaimed surface mine lands where regeneration of trees and shrubs has been problematic due to competition for soil moisture from natural regenerating or replanted herbs and forbs.

*Improved Static Test Prediction of Acid Generation Potential:* A surface analysis using X-Ray photoelectron spectroscopy (XPS) was applied in the characterization of minerals common to mining operations. Samples collected from mines were analyzed with XPS, and the results demonstrated that the technique holds strong potential as a complimentary method to traditional acid-base accounting for explaining the chemistry of toxic, sulfur-bearing species such as jarosite, barite, anhydrite, as well as reduced forms of sulfur (pyrite and galena). Mineral speciation is proving to be helpful in understanding the complex chemistry of soils and rocks associated with mining. Great importance is being placed on the application of cutting edge characterization techniques that can assist in reducing errors in acid base accounting related to mine soils.

*b. Technology Transfer and Publications*

Technology Transfer is accomplished through a variety of activities including: conducting workshops and technical forums; publication of workshop proceedings, handbooks, and other materials; maintenance of the OSM technical library and various information websites. Development of the stream protection rule will likely necessitate additional workshops in FY 2012 related to stream protection and restoration and related activities. Examples of past activities include:

Reforestation Initiative: OSM continues its effort to encourage proper reforestation practices to increase the amount of mined land reclaimed as healthy, productive forests. This effort has resulted in technical and policy symposia, a reforestation website, presentations at professional meetings, and published bulletins by the 33-member Science Team (made up of university researchers) on state-of-the-art reforestation practices. Since 2004, about 70 million trees have been planted on about 103,000 mined acres in the eastern coal fields by partners of the Appalachian Regional Reforestation Initiative (ARRI). In FY 2010, ARRI partners organized over 2,500 volunteers to plant approximately 177,500 trees on post-bond release mine sites across Appalachia. The volunteers learned about planting trees using the Forestry Reclamation Approach and the positive environmental and economic impacts of forests in their state.

Workshops, Forums and Benchmarking meetings: National and regional workshops and forums facilitate the exchange of information between technical experts in the mining and reclamation fields, and also communicate that knowledge to the wide audience of regulators, citizens and

mining company officials. Two examples of national and regional events that occurred in FY2010 and FY 2011 are:

- Electronic Permitting Benchmarking Meeting: Building on the success of the previous benchmarking sessions and forums, in October 2010 a highly successful workshop on electronic permitting systems and mobile computing technologies was held that featured presentations by three states (Virginia, West Virginia and Kentucky) and OSM, each of which have robust E-permitting programs. The meeting, sponsored by OSM and the IMCC, featured a general overview of these four programs and a series of presentations on mobile computing technologies that have proven effective in the field with much information sharing among participants.
- Protecting Threatened Bats at Coal Mines: OSM co-sponsored a national technical forum on “Protecting Threatened Bats at Coal Mines” in Charleston, WV, August 31 through September 3, 2010. The other sponsors included Bat Conservation International and the West Virginia Department of Environmental Protection. There were 86 participants at this event representing the eastern and midwestern coal mining states, OSM, the Fish and Wildlife Service, academia, and the coal industry. The event focused on White-Nose Syndrome impacts; Federal efforts for the recovery of the Indiana bat; implementation of the OSM/FWS Indiana Bat Protection and Enhancement Plan Guidelines; status of on-the-ground recovery efforts; and research efforts and needs.

Reports, Forums and Workshop Proceedings: OSM publishes and co-sponsors the publication of proceedings from numerous forums and workshops and various topical reports. During FY 2010, OSM published the proceedings of “Geomorphic Reclamation and Natural Stream Design at Coal Mines: A Technical Interactive Forum.” During FY 2011, OSM will publish the proceedings of “Protecting Threatened Bats at Coal Mines: A Technical Interactive Forum.” These publications are distributed to interested parties at technology transfer events, upon request, and at various websites maintained by OSM. The agency publishes proceedings, reports and notices in paper copy, on CD, and over the Internet to reach the widest audience possible.

OSM Technical Library: OSM maintains a national agency library in the Denver, Colorado office. The library provides access to technical, scientific, and legal information for the bureau, as well as the States, Tribes, industry, citizen groups, and the public through a variety of services: reference assistance, technical research, document delivery, and the dissemination of critical current awareness information. During FY 2010, the library fielded over 500 requests for reference and research assistance, interlibrary loan requests, and document requests. In order to provide worldwide access to the specialized information resources in the collection, the library maintains a web-accessible bibliographic catalog of materials, as well as hosting technical documents and OSM Federal Register notices. This allows those materials to be made directly available via the Internet to interested persons. During FY 2011, the library will be exploring the use of e-books and e-journals, as well as establishing policies and procedures to accomplish this effort.

*c. Educational Outreach and Partnerships*

To make the public and students aware of OSM's responsibilities and its environmental stewardship mission, OSM staff provide educational outreach to science teachers associations, science classes, educational fairs, Earth Day events, career days, foreign visitors, grassroots organizations, and professional associations and societies. Additional outreach is provided through publications and distribution of forum proceedings. Outreach efforts continued in FY 2010 with OSM's participation in local activities supporting such events as American Chemistry Week, National Engineers Week, high school career days, and several primary grade school presentations that present age-appropriate information about environmental stewardship and promote careers in science, technology, engineering, and math to thousands of school children. Outreach opportunities and events are expected to continue in FY 2011 and FY 2012.

University Partnerships: Minority Higher Education Program: OSM works to build mutually beneficial partnerships with minority serving colleges and universities under the OSM Minority Higher Education Program (MHEP). OSM funded Applied Science Projects in MHEP schools in FY 2009 (Alabama A&M University) and FY 2011 (Clark Atlanta University), and provides guidance and direction on these projects to ensure that project results are achieved. In addition, the OSM TIPS program has been involved in a collaborative partnership with MHEP Adams State College (ASC), a Hispanic Serving Institution, in Alamosa, CO, since November 2009. TIPS and ASC staff share their expertise in managing educational programs and have identified several future ventures of interest to both parties, including the creation of Certificate Programs for TIPS courses and expanding distance learning opportunities for both TIPS and ASC customers. This partnership has already resulted in college accreditation for some TIPS courses, technical assistance to TIPS staff in creating on-line courses, and delivery of TIPS courses on ASC's campus. Additionally, the TIPS Training Program continued its collaborative efforts with Southwestern Indian Polytechnic Institute (SIPI), a MHEP partner in Albuquerque, NM. SIPI provides TIPS a training facility and student seats in a course in exchange for TIPS providing instructors and course materials.

## **2011 PLANNED PROGRAM PERFORMANCE**

In 2011, planned activities for Technology Development and Transfer include:

- Natural Stream Design Workshop: The Mid-Continent Region will cosponsor a workshop on Natural Stream Design in May 2011. The workshop will focus attention on the unique challenges and ecological benefits of utilizing natural stream design methods for coal mine reclamation in the Midwest.
- Begin development of two new technical training courses: a mine gas workshop that will provide basic information on detecting hazardous mine gases; and a course on biological assessment for stream protection.
- Finalize and publish a geospatial strategy that will modernize OSM's use and management of mine permitting and compliance information; increase public access to SMCRA data; and facilitate data-sharing with our SMCRA partners and others.
- Continue establishing American Society for Testing and Materials (ASTM) coal mining spatial data standards related to Environmental Restoration and Protection.
- Complete year one of the two year interagency effort to develop an Appalachian Coal Mining Geographic Information System Pilot Project.
- Disseminate results of projects as they are completed.
- Achieve the goals for performance measures identified under this business line and support the Youth Program by providing educational and employment opportunities to young adults in technical fields associated with surface coal mining regulation and reclamation.

## **2010 PROGRAM ACCOMPLISHMENTS**

In 2010, the major accomplishments in Technology Development and Transfer include:

- Provided support in a unique collaboration between the states of Montana and Colorado resulting in Montana adopting a version of Colorado's permit tracking system for use in their regulatory program and in Colorado improving their system.
- Secured approval for eleven ASTM spatial data standards for use in developing geographic information system data for SMCRA functions.
- Offered the first session of the new technical training course "SMCRA Principles and Field Procedures," and completed work on the new course "Acid-Forming Materials: Soils and Overburden."

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- Completed the national technical forum on Protecting Threatened Bats at Coal Mines in Charleston, West Virginia. Also conducted the workshop “Mine Drainage Technologies & Practices for Abandoned Mine Lands” in Morgantown, West Virginia.
- Funded 10 Underground Mine Map Projects in 8 states for \$272,560 to support state efforts to locate, scan and archive underground mine maps.
- NTTP conducted 51 training sessions and educated 1,027 students from OSM (205), States (758) and Tribes (24), and other entities (40).
- Thirty instructor-led classes were held in FY 2010 with 393 students completing class sessions. Additionally, 106 students attended on-site training courses sponsored by TIPS, bringing the FY 2010 total to 499 students trained.
- Achieved performance as shown on the goal performance table associated with business line.



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<b>Goal Performance Table</b>											
<b>Mission Area 1: Provide Natural and Cultural Resource Protection and Experiences</b>											
<b>Goal # 1: Protect America’s Landscapes (and)</b>											
<b>Mission Area 2: Sustainably Manage Energy, Water, and Natural Resources</b>											
<b>Goal #1: Secure America’s Energy Resources</b>											
<b>Supporting Performance Measures</b>	<b>Type</b>	<b>2006 Actual</b>	<b>2007 Actual</b>	<b>2008 Actual</b>	<b>2009 Actual</b>	<b>2010 Plan</b>	<b>2010 Actual</b>	<b>2011 Plan</b>	<b>2012 Plan</b>	<b>Change from 2011 Plan to 2012</b>	<b>Long-Term Target 2016</b>
Customer service rate in the quality of technical assistance. (Applies to both the Resource Protection and Resource Use Goals.) (BUR)	A	99.6%	99%	96%	100%	95%	100%	96%	96%	0%	97%
Contributing Programs	Technology Development and Transfer										
Percent satisfaction with the scientific and technical products and assistance. (Applies to both the Resource Protection and Resource Use Goals.) (BUR)	A	89.3%	92%	92%	99%	94%	99%	96%	96%	0%	97%
Contributing Programs	Technology Development and Transfer										
Customer effectiveness rate in the quality of technical training – NTTP. (Applies to both the Resource Protection and Resource Use Goals.) (BUR)	A	97%	96%	96%	95%	93%	97%	93%	93%	0%	93%
Contributing Programs	Technology Development and Transfer										
Number of students trained – NTTP. (Applies to both the Resource Protection and Resource Use Goals.) (BUR)	A	1,446	1,746	1,426	1,053	1,000	1,027	950	850	-100	850
Contributing Programs	Technology Development and Transfer										
Customer satisfaction rate for TIPS training. (Applies to both the Resource Protection and Resource Use Goals.) (BUR)	A	91%	90%	97%	96%	93%	98%	93%	93%	0%	93%

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<b>Goal Performance Table</b>											
<b>Mission Area 1: Provide Natural and Cultural Resource Protection and Experiences</b>											
<b>Goal # 1: Protect America's Landscapes (and)</b>											
<b>Mission Area 2: Sustainably Manage Energy, Water, and Natural Resources</b>											
<b>Goal #1: Secure America's Energy Resources</b>											
<b>Supporting Performance Measures</b>	<b>Type</b>	<b>2006 Actual</b>	<b>2007 Actual</b>	<b>2008 Actual</b>	<b>2009 Actual</b>	<b>2010 Plan</b>	<b>2010 Actual</b>	<b>2011 Plan</b>	<b>2012 Plan</b>	<b>Change from 2011 Plan to 2012</b>	<b>Long-Term Target 2016</b>
Contributing Programs	Technology Development and Transfer										
Customer satisfaction in the quality and timeliness of AVS provided services. (Applies to both the Resource Protection and Resource Use Goals.) (BUR)	A	97%	98%	98%	98%	96%	98%	96%	96%	0%	96%
Contributing Programs	Technology Development and Transfer										
Target Codes: SP = Strategic Plan; BUR = Bureau Measure											
Type Codes: C = Cumulative; A = Annual											

**FINANCIAL MANAGEMENT**

## Financial Management Summary of Budget Request

(dollars in thousands)	2010 Actual	2010 Enacted / 2011 CR	2012				Change From 2011 CR (+/-)
			Fixed Costs & Related Changes (+/-)	Admin Cost Savings (-)	Program Changes (+/-)	Budget Request	
<b>Regulation and Technology</b>	<b>516</b>	<b>516</b>	<b>0</b>	<b>-10</b>	<b>0</b>	<b>506</b>	<b>-10</b>
Revenue Management	418	418	0	-7	0	411	-7
<i>FTE</i>	<i>1</i>	<i>1</i>				<i>1</i>	<i>0</i>
Grants Financial Management	98	98	0	-3	0	95	-3
<i>FTE</i>	<i>1</i>	<i>1</i>				<i>1</i>	<i>0</i>
<b>Abandoned Mine Reclamation Fund</b>	<b>6,961</b>	<b>6,961</b>	<b>-2</b>	<b>-53</b>	<b>-500</b>	<b>6,406</b>	<b>-555</b>
Fee Compliance	6,866	6,866	-2	-52	-500	6,312	-554
<i>FTE</i>	<i>40</i>	<i>40</i>				<i>40</i>	<i>0</i>
Grants Financial Management	95	95	0	-1	0	94	-1
<i>FTE</i>	<i>1</i>	<i>1</i>				<i>1</i>	<i>0</i>
<b>Total, Financial Management</b>	<b>7,477</b>	<b>7,477</b>	<b>-2</b>	<b>-63</b>	<b>-500</b>	<b>6,912</b>	<b>-565</b>
<b>Total FTE</b>	<b>43</b>	<b>43</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>43</b>	<b>0</b>

Administrative Cost Savings of -\$63,000 include reductions in travel, information technology, and strategic sourcing of supplies, materials and equipment. Fixed costs are covered with net changes of -\$2,000. See the discussion in the General Statement for planned efficiencies.

**Summary of 2012 Program Changes**

Request Component	(\$000)	FTE
Fee Compliance		
Eliminate Funding for Audit Activities Related to Coal Export Issue	-\$500	0
<b>Total Program Changes</b>	<b>-\$500</b>	<b>0</b>

**Justification of 2012 Program Changes**

The 2012 budget for Financial Management is \$6,912,000 and 43 FTE, a program change of -\$500,000 from the 2010 Enacted/annualized 2011 Continuing Resolution.

**Audit Activities Related to Coal Export Issue (-\$500,000):** In FY 2009, OSM requested and received a \$500,000 increase in its budget to maintain audits of coal operators during its support of the Department of Justice litigation on the constitutionality of assessing abandoned coal mine reclamation fees on coal sold for export. The funding was to enable OSM to maintain current performance levels while it resolved \$140 million in fee refund claims. The funding level was requested for a two-year period. After eight years of litigation, the case that had been decided against the Government was won by the Government through appeal. However, due to additional filing by the plaintiffs, litigation is still pending. Funding provided in FY 2009 and FY 2010 will remain available as carryover funds for this purpose in the event the final decision is unfavorable to OSM. Therefore, the funding is no longer needed in FY 2012.

Overview

This business line provides resources for the Financial Management program activity. OSM carries out its financial management program responsibilities through three activities: fee compliance, revenue management, and grants management.

- Fee compliance covers the collection, accounting, audit and investment of abandoned mine reclamation fees, assistance to operators on compliance matters, and regulatory and policy development on fee compliance issues.
- Grants management includes accounting for and reporting on grants awarded to State and Tribes for AML and regulatory purposes.
- Revenue management involves the accounting and collection of revenue other than reclamation fees, such as civil penalties assessed under Federal citations for mining violations and Federal performance bonds forfeited by coal mine permittees.

Financial Management operations are an integral part of OSM's Environmental Restoration and Environmental Protection mission goal areas. State and Tribal grant funding (reclamation and regulatory) disbursement for the administration of regulatory activities and reclamation clean up projects is managed through this program activity. OSM, States, and Tribes fund reclamation project work through the fees collected from current mine operators after they are appropriated by Congress annually. These projects clean up environmental hazards resulting from past mining operations that degrade land and water resources. The regulatory grants fund the administration of State regulatory programs that protect people and the environment from adverse affects associated with current mining and ensure the land is restored at the conclusion of mining.

**Operational Processes (Program Activities):**

As previously discussed, OSM carries out its financial management program responsibilities through three activities: fee compliance, revenue management, and grants management. This business line does not include administrative accounting or reporting for appropriated funds.

The outcome of OSM's Financial Management program performance is mostly measured by the success of the Surface Mining Program in carrying out the two major missions of the organization -- Environmental Restoration and Environmental Protection. The Financial Management business line is an integral part and supports accomplishment of both missions. In addition, OSM identified workload indicators for this business line as measures of the efficiency and effectiveness of financial management operations. These measures or indicators include: the Office of Inspector General financial statement audit opinion for fee compliance, revenue management, grants financial services; and the fee collection rate for operators reporting coal tonnage.

<p style="text-align: center;"><b>Fee Compliance</b></p> <ul style="list-style-type: none"><li>• <i>Company Reporting</i></li><li>• <i>Collection</i></li><li>• <i>Accounting</i></li><li>• <i>Audits</i></li><li>• <i>Investment of AML Fees</i></li><li>• <i>Compliance Assistance to Operators</i></li><li>• <i>Development of Regulatory and Policy Issues</i></li></ul> <p style="text-align: center;"><b>Grants Management</b></p> <ul style="list-style-type: none"><li>• <i>Accounting and Reporting</i></li></ul> <p style="text-align: center;"><b>Revenue Management</b></p> <ul style="list-style-type: none"><li>• <i>Accounting and collection of revenue other than AML fees (e.g. civil penalties and Federal performance bonds)</i></li></ul>
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**Actions Required to Achieve Annual Goals:** OSM will use technology and customer service initiatives to increase compliance and improve processing of collections. This includes using the Internet to ease the coal companies' reporting burden, receive quarterly coal production reports, provide information to companies, and allow companies to make payments on-line. OSM will continue to use new and streamlined collection services as they become available and will work with customers and stakeholders to ensure fair and consistent policies.

In FY 2010 and 2011, OSM will continue to pursue opportunities to participate in e-government projects, such as the Single Source Coal Reporting project, a component of the Small Business Administration's Business Gateway initiative. OSM will also enhance and maintain its Coal Fee Collection Management System (CFCMS), which consolidated three outdated subsidiary systems into one contemporary system. CFCMS supports the continued success of the fee compliance program.

In accordance with guidelines established by the Chief Financial Officer's Council, OSM converted to a new grant disbursement system in FY 2007 with the implementation of the new Departmental core accounting system. OSM has over 233 grants and cooperative agreements with the States and Tribes, accounting for over \$660 million.

**Resources, Skills, and Technology Needed:** To support program activities and to ensure that operators continue to support the surface mining program by paying appropriate fees, OSM plans to maintain a highly trained cadre of fee compliance auditors, program accountants, and financial systems personnel. Training will continue so that financial management personnel maintain a high level of skill and technical expertise. OSM will also continue to use contractors to handle

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billing, data entry and appropriate collection functions, and redesign the principal systems that support the Fee Compliance Program.

The following section details, by program activity, the funding and FTE resources required to meet the performance measures.

## **2012 Program Performance**

### **1. Fee Compliance**

The fee compliance activity provides funding used by OSM, States and Tribes to restore land and water degraded by past mining practices to beneficial uses. The fee is collected by OSM from active coal operators based upon tons of coal produced and sold. The use of this money funds the accomplishment of the Department's Resource Protection goal.

OSM's Fee Compliance Program carries out SMCRA's requirements to ensure coal operators accurately report tonnage and pay reclamation fees. The program goal is to maximize compliance by fairly and consistently applying policy and collection procedures at a reasonable cost. In FY 2010, the program achieved a 99.93 percent collection rate resulting in \$251.6 million in total collections. Collections declined from FY 2009 due to the decrease in coal production. The program achieved a 99.96 percent compliance rate for operators filing their tonnage reports after working closely with the industry. OSM also increased the percentage of permits that filed OSM-1 Reports electronically, from 76 percent in FY 2009 to 82.3 percent in FY 2010. OSM's goal is to increase the percent of permittees that file electronically, to facilitate compliance by coal companies and to realize the benefits of E-government. We expect a smaller increase in filings in FY 2011 to meet our target goal of 85 percent in FY 2011. We will discontinue this goal for FY 2012 because we are reaching the saturation point for electronic filing, and because we plan to track a new performance improvement measure. In terms of efficiency, the total direct program cost was less than two percent of the amount collected.

The Fee Compliance Program is comprised of two highly integrated components, -- collections and audits -- that work hand-in-hand to maximize compliance, minimize the burden on industry, and ensure the efficient use of resources. For example, key initiatives that these components will pursue in FY 2012 include:

- Enhancing and maintaining the new Coal Fee Collection Management System (CFCMS). Enhancements to the system will help OSM further automate and streamline processes.
- Continuing the coordination and enhancement of the consolidated coal data reporting system (Single Source Coal Reporting System). This project is being coordinated with the Internal Revenue Service and the Small business Administration to streamline the reporting of information by coal companies.
- Further automating the processing of payments through the Department of the Treasury's Pay.Gov payment system and through an automated lockbox.
- Increasing the use of automation in conducting fee compliance audits to further improve efficiency.

Details on these and other services the collection and audit components provide are described in the following sections.

*a. AML Fee Collection*

The collection component assures that the AML Fee payment requirements of SMCRA are consistently and fairly applied across the country. In FY 2010 OSM collected 99.93 percent of the AML Fees due during the year. Total AML Fee collections were \$251.6 million.

To assist in managing AML Fee collections, OSM utilizes the Coal Fee Collection Management System (CFCMS). This computerized system provides subsidiary accounts receivable and management information needed to manage the fee compliance program. CFCMS is integrated with the Applicant Violator System to track new permits from initial permitting through fee reporting. AML fee payments are tracked by permit number of producing coal companies each quarter. In addition, the system issues quarterly OSM-1 coal reclamation fee reports for industry coal sale reporting and fee computation. The package includes all data available on potentially producing permits to simplify the reporting requirements by industry. The forms are pre-printed and mailed to the companies to facilitate tonnage reporting and fee payment. Beginning in 2001, companies could elect to report over the Internet, using the E-filing system described below.

OSM-1 Reports covering over 2,700 permits are processed each quarter. OSM uses an internet-based system to allow coal companies to file their quarterly coal production reports electronically. Companies report that the system saves them time and money. This is evidenced by the fact that over 440 companies voluntarily use the E-filing system. The companies use the system to report on over 2,100 permits and 98% of the coal tonnage produced in the country. The system helps streamline the reporting process, makes it easier for companies to report on time, reduces errors, and makes it easier to follow-up with companies that have not reported. The system also allows companies to make payment online, using the Treasury Department's Pay.Gov payment method. This feature saves companies time and wire transfer costs, while providing OSM with faster information about collections for investment purposes. Over 43 percent of reclamation fees were paid electronically using Pay.Gov, in the second quarter of 2010. During FY 2011 and 2012, OSM will continue promoting the use of E-filing and online payment by companies.

OSM completed a full year of operation under the second phase of the Coal Fee Collection Management System (CFCMS) in 2010. The system replaced the Fee Billing and Collection System (FEEBACS), the last and largest of OSM's three outdated legacy systems. OSM also decommissioned the old FEEBACS system in FY 2010. The Coal Fee Collection Management System assures the ongoing support for the Fee Compliance Program. During FY 2011, OSM plans to streamline related business processes and implement enhancements to the CFCMS system. Examples include the following:

- 1) An automated lockbox feature to automatically post check payments received through OSM's lockbox,
- 2) Automated posting of e-filed tonnage information, and



3) A streamlined document imaging process.

OSM will continue to enhance the CFCMS system during FY 2012 to realize efficiencies in its processes and maximize the return on this investment.

OSM will also enhance the E-filing/Single Source Coal Reporting System to expand the types of transactions that can be accomplished through the system. For example, in conjunction with changes incorporated into the new CFCMS system, OSM will bill companies for low dollar amounts through the e-filing system as well as post credits for overpayments on the E-filing system. We will also begin planning for providing more payment options through the E-filing system. These changes are expected to provide further efficiencies while increasing the appeal of E-filing.

*b. AML Fee Audit*

SMCRA requires OSM to conduct audits to ensure full compliance with the law's reclamation fee requirements, so funds are available for State, Tribal, and Federal reclamation efforts. To meet that mandate, the compliance program is designed to promote timely and accurate reporting of coal tonnage and to ensure correct fee payments. In addition to conducting a comprehensive audit program, this includes providing the information and assistance operators need to comply, and taking enforcement action when non-compliance occurs.

The audit staff is strategically stationed in locations which minimize travel costs to coal company's recordkeeping locations. To ensure quality, audits are performed in accordance with Government Auditing Standards issued by the Comptroller General of the United States. The continuing professional education and training of OSM's auditing staff is emphasized in accordance with those standards.

By structuring the audit program so that all companies have the potential to be audited, an effective deterrent to noncompliance is always present. To support the program goal of maximizing compliance, OSM auditors will conduct more than 150 audits and compliance checks in FY 2012. Beyond the deterrent effect, this provides an opportunity to directly assist industry on accounting and reporting matters. For example, when instances of non-compliance are identified, the auditors explain each issue and how similar occurrences can be avoided in the future.

Auditors also provide several other services necessary to achieve a high level of compliance. The following are a few examples of the work planned for FY 2012.

- *Increasing audit automation:* By applying computer techniques to the data gathering, analysis, and reporting function, the audit staff has been able to maintain a high compliance level despite limited resources. To further improve efficiency, OSM will continue to work with coal companies to increase the use of electronic transaction files in the audit process.

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- *Examining all permit transactions recorded by regulatory authorities:* The audit staff will need to review more than 1,500 newly issued coal mining permits and transactions (transfers and amendments), which can affect the parties responsible for paying fees. In FY 2010, the staff handled 1,826 permit transactions. By continuing these efforts, the program provides greater assurance that all producing permits are identified in a timely manner, and operators are informed of their reporting and payment responsibilities.
- *Developing necessary revisions to the fee requirements and process:* The auditors have the most direct contact with operators and the subject-matter expertise to identify, develop, test, and implement any needed changes. This is part of an ongoing effort to ensure fairness and a level playing field among all operators in paying fees.
- *Promoting E-government:* This work will cover promoting electronic tonnage reporting and fee payment by demonstrating the systems for companies during audits and notifying the collection staff of those interested in enrolling.
- *Coordinating work with the Internal Revenue Service:* OSM will continue working with the IRS to ensure that the fee compliance and coal excise tax compliance programs function together more efficiently. SMCRA requires OSM to forward audit results to the IRS and both agencies coordinate issues affecting the industry.

Overall, there also will be a continued emphasis on improving compliance and customer service in FY 2012 and beyond.

**Table 8 – Actual and Estimated Deposits to the AML Fund**  
**AML Production Fees**  
*(Production in millions of tons)*  
*(Dollars in Millions)*

	2010 Actuals	2010 Projections <i>(as submitted in FY 2009)</i>		2011 Projections		2012 Projections		2013 Projections	
		DOE	OSM	DOE	OSM	DOE	OSM	DOE	OSM
Production *									
Underground	324	366	359	316	338	325	346	331	352
Surface	641	734	709	726	687	743	703	743	705
Lignite	74	77	79	78	76	81	79	85	82
AML Fees **	\$251.8	\$279.5		\$269.2		\$275.5		\$246.4	

*\*DOE Production is based on the Department of Energy (DOE) Table 121 “Annual Energy Outlook 2010, Reference Case Forecast”. OSM tonnage uses the last reported production (Fiscal Year 2010) and then increases or decreases based on the percentage increase or decrease in DOE production for each coal type. The OSM projections are usually lower because AML fees are assessed on the tonnage sold, used, or transferred while the DOE figures are based on the tonnage produced.*

*\*\*AML Fees are calculated based on the OSM tonnage estimates multiplied by the applicable fee rate: \$0.135, \$0.315, and \$0.9 for underground, surface, and lignite, respectively, through 2012. The rates will decrease to 28 cents, 12 cents and 8 cents, starting in 2013. This calculation is then adjusted for moisture content, reduced coal prices and fees, administrative fees and uncollectible fee estimates.*

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**Table 9 – Summary Status of Abandoned Mine Reclamation Fund**  
(dollars in thousands)

Fiscal Year	Receipts and Interest Income			Appropriations			Transfer To UMWA Health & Retirement Funds	Cumulative Appropriated Balance	Cumulative Unappropriated AML Fund Balance
	Amount	Interest Earned	Cumulative	Amount Appropriated from AML Fund /1	footnote	Appropriations from Other Sources /2			
1978	105,444		105,444	36,647				36,647	68,797
1979	184,433		289,877	61,451				98,098	191,779
1980	199,000		488,877	94,843				192,941	295,936
1981	192,657		681,534	82,485				275,426	406,108
1982	222,644		904,178	115,333				390,759	513,419
1983	197,196		1,101,374	213,079				603,838	497,536
1984	216,554		1,317,928	271,228				875,066	442,862
1985	226,426		1,544,354	296,941				1,172,007	372,347
1986	219,162		1,763,516	197,277				1,369,284	394,232
1987	215,304		1,978,820	203,720				1,573,004	405,816
1988	229,890		2,208,710	199,380	/1	7,000		1,772,384	436,326
1989	235,493		2,444,203	193,160				1,965,544	478,659
1990	243,519		2,687,722	192,772				2,158,316	529,406
1991	243,761		2,931,483	198,955				2,357,271	574,212
1992	241,954	39,328	3,212,765	187,803				2,545,074	667,691
1993	238,153	30,633	3,481,551	187,930				2,733,004	748,547
1994	244,296	40,090	3,765,937	190,107	/2	7,200		2,923,111	842,826
1995	255,416	61,730	4,083,083	182,386				3,105,497	977,586
1996	256,451	69,383	4,408,917	173,887			47,184	3,326,568	1,082,349
1997	266,783	81,006	4,756,706	177,085			31,374	3,535,027	1,221,679
1998	273,039	67,031	5,096,776	177,624	/3	3,163	32,562	3,745,213	1,351,563
1999	276,674	82,831	5,456,281	185,392			81,766	4,012,371	1,443,910
2000	274,297	94,370	5,824,948	195,873	/4		108,959	4,317,203	1,507,745
2001	284,044	103,496	6,212,488	215,038	/5		182,018	4,714,259	1,498,229
2002	287,066	43,278	6,542,832	203,455	/6		90,179	5,007,893	1,534,939
2003	282,555	23,620	6,849,007	190,499	/7		89,858	5,288,250	1,560,757
2004	287,023	45,694	7,181,724	190,591			14,966	5,493,807	1,687,917
2005	293,604	75,017	7,550,345	188,205			66,533	5,748,545	1,801,800
2006	302,992	95,687	7,949,024	185,248			59,004	5,992,797	1,956,227
2007	304,880	105,818	8,359,722	185,393			114,329	6,292,519	2,067,203
2008	286,272	83,764	8,729,758	139,334	/8		100,394	6,532,247	2,197,511
2009	272,764	55,465	9,057,987	142,977	/9		61,224	6,736,448	2,321,539
2010	251,784	55,193	9,364,964	177,502	/10		63,926	6,977,876	2,387,088
2011	269,201	60,429	9,694,594	199,688	/11		57,246	7,234,810	2,459,784
2012	275,455	72,023	10,042,072	271,050			72,023	7,577,883	2,464,189

/1 Total does not include \$7M transferred into the fund by supplemental authority, which does not affect the Unappropriated Balance.

/2 Total includes \$7.2 M transferred into the fund by supplemental authority, which does not affect the Unappropriated Balance.

/3 Total does not include 3.2M transferred into the fund by supplemental authority, which does not affect the Unappropriated Balance.

/4 Total includes one-time \$68M emergency appropriation, as well as the annual appropriation of \$41m.

/5 Total includes annual amount of \$102.9M, as well as \$81.6M of the one-time \$96.7M mandated under PL 106-291.

/6 Total includes annual amount of \$113.6M, less \$23.4M returned by UMWACBF trustees mandated under PL 106-291.

/7 Total includes annual amount of \$56M as well as \$33.8M mandated under PL108-7.

/8 Total includes annual amount of \$52M as well as \$87.4M mandated under PL 109-432.

/9 Total includes annual amount of \$52M as well as \$90M mandated under PL 109-432.

/10 Total includes annual amount of \$35.5M as well as \$141.9M mandated under PL 109-432.

/11 Total includes CR amount of \$35.5M and projected amount of \$164.1M mandated under PL 109-432

Notes: FY 2011 figures are estimates except for the UMWA transfer. FY 2012 figures are estimates

## **2. Grant Financial Management**

This activity accounts for and disburses reclamation and regulatory grants to States and Tribes under OSM's Environmental Restoration and Environmental Protection business lines. The grants financial management activity includes the disbursement, accounting, reporting and recovery of grant funds. It also includes the computer systems used to support these functions.

As a result of amendments to SMCRA enacted at the beginning of FY 2007, most AML grant activity is now mandatory and no longer part of OSM's discretionary budget. Starting in FY 2008 the grant distribution was calculated based on the new amendments to SMCRA as a result of Public Law 109-432. During the first four years, mandatory distributions are gradually phased in and given to the states. The phase-in ends with FY 2012 payments.

Along with the mandatory AML distributions given to the states, mandatory treasury funds are also distributed to the states as part of the grant distribution.

In FY 2007, OSM completed its deployment process to convert its accounting systems to the Department's Financial and Business Management System (FBMS). In FY 2010, FBMS converted from the EGrants Plus grants management system to PRISM to facilitate all functions related to the administration of financial assistance programs. This conversion allowed for a real time interface to occur with grant awards. PRISM also enhances reporting and monitoring functions. Starting in FY2011 PRISM will be the new system of record for all administrative functions related to financial assistance programs. As new bureaus convert to FBMS in the coming years, OSM will continue to go through enhancement deployments.

The table on the following page details the AML Unappropriated Balance as of September 30, 2010, by a description of its allocation.

Office of Surface Mining Reclamation and Enforcement

Office Of Surface Mining  
 AML Unappropriated Balance  
 September 30, 2010  
 Prepared by the Division of Financial Management

Total Funds to be Allocated: \$2,387,083,291.60

Description of Allocation	Balance as of 10/01/09 1/	LESS: 2010 Appropriation	LESS: 2010 Treasury Funds	LESS: 2010 5/ UMWBF Transfer	Post Appr. & Trans. Balance	Investment Int. 10/01/09-9/30/10	Collections for 10/01/09-9/30/10	Balance As Of 9/30/10
RAMP Allocation 6/	\$5,551,565.17			(\$5,551,565.17)	\$0.00			\$0.00
Federal Expense 2/ 6/	\$402,853,933.81	(\$48,405,950.00)			\$354,447,983.81		\$50,399,540.06	\$404,847,523.87
Historical Coal 3/	\$643,822,350.63	(\$89,867,499.00)	\$227,171,499.00		\$781,126,350.63		\$75,599,310.10	\$856,725,660.73
Investment Interest	\$142,924,246.03	\$0.00		(\$58,374,812.53)	\$84,549,433.50	\$55,192,777.68	\$0.00	\$139,742,211.18
					\$1,220,123,767.94		\$125,998,850.16	\$1,401,315,395.78
<b>Total Fed Share 1/ and 4/</b>	<b>\$1,195,152,095.64</b>	<b>(\$138,273,449.00)</b>	<b>\$227,171,499.00</b>	<b>(\$63,926,377.70)</b>	<b>\$1,220,123,767.94</b>	<b>\$55,192,777.68</b>	<b>\$125,998,850.16</b>	<b>\$1,401,315,395.78</b>
<b>Total State Share</b>	<b>\$1,126,383,492.93</b>	<b>(\$39,229,038.00)</b>	<b>(\$227,171,499.00)</b>	<b>\$0.00</b>	<b>\$859,982,955.93</b>	<b>\$0.00</b>	<b>\$125,784,939.89</b>	<b>\$985,767,895.82</b>
<b>Total</b>	<b>\$2,321,535,588.57</b>	<b>(\$177,502,487.00)</b>	<b>\$0.00</b>	<b>(\$63,926,377.70)</b>	<b>\$2,080,106,723.87</b>	<b>\$55,192,777.68</b>	<b>\$251,783,790.05</b>	<b>\$2,387,083,291.60</b>

- 1/ With Public Law 106-291, Congress authorized a transfer to the United Mine Workers Combined Benefit Fund using interest earned in FY 1992-1995. \$78,976,478.05 (net of \$173,996.17, a Congressionally reduced appropriation, subsequently restored) was transferred under this law, \$23,427,452.36 (net) was returned to OSM in 2002, leaving a remaining balance in this pool of \$41,133,755.64. Due to a downturn in interest rates, this pool is now depleted
- 2/ The Federal Expense Distribution was calculated using 2005 distribution levels
- 3/ The Historical Coal Distribution was calculated using 2005 distribution levels
- 4/ This amount includes interest income received of \$39,328,466.11 prior to 10/01/92. Per Congressional appropriation language, OSM used \$7,000,000 of that leaving remaining interest earned of \$32,328,466.11.
- 5/ \$59,003,832.73 is the amount transferred at the beginning of FY 2006 to the United Mine Workers Benefit Fund for estimated expenses in FY 2006 and for adjustments to actual expenditures in FY 1996 through FY 2005, inclusive
- 6/ Public Law 109-54 provided for a one time transfer of the RAMP balance g(2) as of September 30 to the Federal Expense account g(3). The balance at September 30, 2005 was \$361,118,412.64.

### **3. Revenue Management**

The Revenue Management activity involves managing a variety of non-fee revenues and receivables that come from the agency's operations. These include the following:

- Federal civil penalties issued for mining violations. The total outstanding balance of open civil penalty cases was \$753,261 at the end of FY 2010, including interest and late charges. New civil penalties recorded in FY 2010 totaled \$299,511, a 62% decrease from FY 2009.
- Bond forfeitures by federally permitted mining companies.
- Fees for mine permit reviews and blaster certification training.

The bonds and penalties assessed ensure responsible management practices in the extraction of coal resources. Levy of penalties and fees help to ensure operators' compliance with coal mining regulations and ensure the land is restored to beneficial use at the conclusion of mining operations.

Civil penalty collections are used to reclaim post-SMCRA mine sites. To maximize the collection rate on civil penalties, OSM uses all of the debt collection tools available. These tools include demand letters, personal contact with the debtor, use of payment plans, referral to private collection agencies through Department of Treasury, litigation through the Solicitor's Office, and referral to the Department of Treasury for payment offset. Additionally, delinquent civil penalties are reported to the Applicant Violator System so that violators and debtors do not obtain permits to mine coal until the outstanding debt and violations have been resolved. These are the same tools used in the AML Fee collection program. However, because the majority of the companies that incur AML Fees are viable, the collection rate for AML Fees is higher than the collection rate for civil penalties.

During 2011-2012 OSM will continue to refer civil penalty debt that is more than 180 days delinquent to the Department of Treasury for collection, in accordance with the Debt Collection Improvement Act of 1996. OSM has a memorandum of understanding with the Department of Treasury whereby they will provide collection services on debts over 180 days delinquent. During FY 2010, OSM referred 100 percent of qualifying civil penalty debts to Treasury.

**FINANCIAL MANAGEMENT  
2011 PLANNED PROGRAM PERFORMANCE ACTIVITIES**

OSM will maintain a high rate of fee compliance. To help ensure that results continue to be achieved efficiently, OSM will:

- Enhance the Coal Fee Collection Management System to continue to create operational efficiencies.
- Promote increased use of E-Filing by coal companies to file their coal reclamation fee reports electronically.
- OSM will implement a new updated version of the E-filing/Single Source Coal Reporting System for coal companies to use and enhancements will be added to the program this year.
- Promote increased use of the Pay.Gov payment system by coal companies to enable OSM to automatically process coal reclamation fee payments.
- Automate the lock-box payment application process.
- Achieve the goals for performance measures identified under this business line and support the Youth Program by providing educational and employment opportunities to young adults in administrative, accounting, and auditing fields.

**2010 PROGRAM PERFORMANCE ACCOMPLISHMENTS**

In 2010, the major accomplishments in the Financial Management program activity include:

- Collected \$251.6 million in coal reclamation fees resulting in a collection rate of 99.9 percent.
- Completed a complete year of operation of Phase 2 of the Coal Fee Collection Management System which replaced three outdated collection systems with one contemporary system.
- Increased the enrollment in E-filing so that 82% of the active reporting permits are reported electronically through OSM's internet-based coal reclamation fee system.
- Increased the use of the Treasury's Pay.Gov system so that over 43% of coal reclamation fees were paid electronically through this efficient method.
- Completed the conversion to PRISM from eGrants Plus which contains a real time interface between PRISM and FBMS to allow better efficiency between the two systems.



Office of Surface Mining Reclamation and Enforcement

<b>Goal Performance Table</b>											
<b>Mission Area 1: Provide Natural and Cultural Resource Protection and Experiences</b>											
<b>Goal # 1: Protect America's Landscapes</b>											
<b>Supporting Performance Measures</b>	<b>Type</b>	<b>2006 Actual</b>	<b>2007 Actual</b>	<b>2008 Actual</b>	<b>2009 Actual</b>	<b>2010 Plan</b>	<b>2010 Actual</b>	<b>2011 Plan</b>	<b>2012 Plan</b>	<b>Change from 2011 Plan to 2012</b>	<b>Long-Term Target 2016</b>
Increase the number of permits reporting by e-filing. (BUR)	C	64%	69%	73%	76%	80%	82%	85%	---	---	---
Contributing Programs	Financial Management										
Comments	After FY 2011, OSM will replace this measure with a new measure, Percent of Payments Processed Automatically.										
Percent of Payments Processed Automatically. (BUR)	A	N/A	N/A	N/A	N/A	N/A	36%	48%	60%	60%	86%
Contributing Programs	Financial Management										
Comments	This measure will replace the e-filing rate measure in FY 2012. In FY 2010, 910 of 2,535 payments were processed automatically.										
AML Fee Collection rate. (BUR)	A	99.9%	99.9%	99.9%	99.8%	99%	99.9%	99%	99%	0%	99%
Contributing Programs	Financial Management										
Target Codes: BUR = Bureau Measure Type Codes: C = Cumulative; A = Annual											



**EXECUTIVE DIRECTION**

## Executive Direction Summary of Budget Request

<i>(Dollars in Thousands)</i>	<b>2010 Actual</b>	<b>2010 Enacted / 2011 CR</b>	<b>2012</b>				<b>Change From 2011 CR (+/-)</b>
			<b>Fixed Costs &amp; Related Changes (+/-)</b>	<b>Admin Cost Savings (-)</b>	<b>Program Changes (+/-)</b>	<b>Budget Request</b>	
<b>Regulation and Technology</b>	<b>16,070</b>	<b>16,070</b>	<b>72</b>	<b>-249</b>	<b>54</b>	<b>15,947</b>	<b>-123</b>
Executive Direction	2,682	2,682	0	-23	0	2,659	-23
<i>FTE</i>	25	25	0	0	0	25	0
Administrative Support	4,450	4,450	-1	-28	0	4,421	-29
<i>FTE</i>	35	35	0	0	0	35	0
General Services	8,938	8,938	73	-198	54	8,867	-71
<i>FTE</i>	0	0	0	0	0	0	0
<b>Abandoned Mine Reclamation Fund</b>	<b>8,231</b>	<b>8,231</b>	<b>7</b>	<b>-132</b>	<b>-114</b>	<b>7,992</b>	<b>-239</b>
Executive Direction	1,428	1,428	-1	-12	0	1,415	-13
<i>FTE</i>	14	14	0	0	0	14	0
Administrative Support	2,342	2,342	0	-15	0	2,327	-15
<i>FTE</i>	19	19	0	0	0	19	0
General Services	4,461	4,461	8	-105	-114	4,250	-211
<i>FTE</i>	0	0	0	0	0	0	0
<b>Total, Executive Direction</b>	<b>24,301</b>	<b>24,301</b>	<b>79</b>	<b>-381</b>	<b>-60</b>	<b>23,939</b>	<b>-362</b>
<b>Total FTE</b>	<b>93</b>	<b>93</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>93</b>	<b>0</b>

Administrative Cost Savings of -\$381,000 include reductions in travel, information technology, and strategic sourcing of supplies, materials and equipment. Fixed costs are covered with net changes of +\$79,000. See the discussion in the General Statement for planned efficiencies.

**Summary of 2012 Program Change**

<b>Request Component</b>	<b>(\$000)</b>	<b>FTE</b>
Program Support and Efficiencies	-\$60	0

### **Justification of 2012 Program Change**

The 2012 budget request for Executive Direction is \$23,939,000 and 93 FTE, a program reduction of \$60,000 from the 2010 Enacted/annualized 2011 Continuing Resolution.

**Program Support and Efficiencies (-\$60,000):** this is a net change associated with program changes in staffing from the AML staff and regulatory support staff. Efficiencies in space from one program area to another are anticipated as we undertake these moves.

### Overview

The Executive Direction business line provides administrative support to the other four business lines. Executive Direction program performance is an integral part of the Environmental Restoration, Environmental Protection, Technology Development and Transfer, and Financial Management business lines. The business line functions are carried out at OSM's headquarters location in Washington, D.C. This business line includes the Director's and staff offices, information technology, administration, human resources, and internal financial management for the organization. Executive Direction provides internal executive direction and administrative support to programs, regions, and field offices through the development and coordination of agency policy, budget, plans and other guidance documents. Also, Executive Direction coordinates the implementation of Departmental and Administration initiatives in the bureau.

The performance outcomes for Executive Direction are accomplished through the efficient and effective operations of the two major agency business lines (i.e., environmental restoration and environmental protection) and two support programs (technology development and transfer and financial management). Through providing administrative support functions for these programs Executive Direction supports the Department of the Interior goals and measures in the new strategic plan.

**Operational Processes (Program Activities):** The funding request for this business line is to support activities of Executive Direction, Administrative Support and General Services. Executive Direction provides executive leadership and policy direction for the Bureau, which includes the immediate office of the Director. Administrative Support provides all of the support services for day-to-day operations, such as information technology, human resources, procurement, and finance and accounting. General Services funds bureau-wide fixed costs such as office space, telephones, US postage, unemployment compensation etc., and Department-wide fixed costs assessed to OSM.

***EXECUTIVE DIRECTION AND ADMINISTRATION ENCOMPASSES:***

- Director's and Staff Offices
- Administrative support for day to day operations
  - Human Resources
  - Administration
  - Finance and Accounting
- Information Technology
- General Services (Office space, telephones, postage, unemployment and workers compensation, working capital fund, and other fixed costs)

The Offices in the Executive Direction business line performance is an integral component of OSM's Environmental Restoration and Environmental Protection mission goal areas; and the technology development and transfer and finance support functions. Through accomplishment of OSM's two mission goals the business line supports the Departmental Resource Protection, Resource Use and Serving Communities goal areas.

The outcome of program performance will be measured by the success of the Surface Mining

program in carrying out the environmental restoration and protection missions. Also, performance will be measured through OSM's contribution to the accomplishment of the Departmental initiatives and high priority goals.

**Actions Required to Achieve Annual Goals:** OSM will continue to review its programs for management efficiencies and savings.

**Resources, Skills, and Technology Needed:** OSM and the States and Tribes will continue to need a diverse and multi-disciplinary cadre of personnel to accomplish the mission and goals of SMCRA. In addition, these personnel will guide OSM through technical and policy decisions to ensure that coal-mining activities, including post-mining reclamation, are carried out in such a manner that the safety and health of coalfield citizens is protected and the environment is not degraded.

**FY 2012 Budget Request:** The request is for \$23.9 million for Executive Direction and Administrative activities. Of this total, \$4.1 million will be used to provide executive direction and effective policy guidance for the overall program and liaison efforts with States, Tribes, coalfield citizens, Congress, and other Federal agencies. Administrative support and services for OSM will require \$6.7 million and basic bureau-wide fixed overhead costs in general services will cost \$13.1 million.

Program/Project Support of Bureau, Department, and Government-wide Costs (Section 405 Compliance)

As previously mentioned, the Executive Direction activity provides executive direction and leadership, and policy and program management guidance for all areas of responsibility for OSM. It includes the Director's Office staff and all Staff Offices located in Washington, D. C. The Administration activity includes all the administrative functions necessary to support program activities. It includes four organization areas: Administration, Human Resources, Administrative Financial Management, and Information Technology. The General Services activity includes essential fixed costs to support OSM's program missions such as rent, telecommunications, the DOI working capital fund, and service contracts. OSM does not compute separate overhead charges, deductions, reserves or holdbacks to fund these activities; rather, they are identified as a business line within the budget presentation. Further information on specific elements of each activity can be found in the Executive Direction and Administration program justification.

Within the Executive Direction and Administration business line, OSM includes external administrative costs to include amounts paid to the Department to support Departmental or Government-wide costs. Itemized lists of the budget for activities included in the DOI Working Capital Fund that are centrally billed, fee for service and directly billed are included in the Budget Exhibits.

OSM also has support functions at the regional and field offices that ensure various activities are integrated so the mission is accomplished. The majority of these costs are comprised of the salary and benefits for field office directors, regional directors and their administrative staff. These costs are not identified under Executive Direction and Administration, rather they are included in the program funding requested. OSM provides allocations to its regions based on the overall program activities and does not identify separate funding for support functions.

Activity Based Costing allows OSM to internally track indirect costs associated with various organizational units and program activities. This is important to determine the full cost of program activities for evaluation purposes. One way in which some indirect costs are associated with program activities is based on FTE consumption. This method is based on the assumption that labor hours correlate to the consumption of these costs using a ratio of FTE per each program activity to total OSM FTEs. Data using this method is made available to managers for program evaluation; however, OSM does not request funding at this level of detail.

## 2012 PROGRAM PERFORMANCE ESTIMATES

### 1. Executive Direction

This activity provides executive direction and leadership, and policy and program management guidance for all areas of responsibility for OSM. The Executive Direction activity includes the salaries and operating expenses for the Office of the Director and four immediate staff offices, which include Equal Opportunity; Communications; Planning, Analysis and Budget; and the Office of Information Resources.

#### *a. Office of the Director*

The Director is OSM's Chief Executive. The Director provides the leadership and direction of OSM activities within the limits delegated under SMCRA. The Director's primary objectives are to aggressively pursue the reclamation of abandoned mine lands (AML) and to prevent environmental problems in the coalfields by working through the State agencies. OSM makes every effort to obtain full public involvement in the design and development of agency policy. An extensive outreach approach stimulated a more cohesive partnership that has led to better understanding and cooperation among OSM's stakeholders.

In FY 2011, OSM will continue outreach efforts which promote public participation in policy making. The arena for such participation includes public meetings on proposed rulemaking and conferences, which promote discussion and exchange of information on the current state of the coal industry and OSM's evolving role. OSM will continue to take positive steps to contact States, Tribes, citizens, and industry and encourage their participation.

In addition to guiding policy decisions, the Director provides direct supervision to the following staff offices: Office of Equal Opportunity, Office of Communication, Office of Planning, Analysis and Budget and the Office of Information Resources.

#### *b. Office for Equal Opportunity (EO)*

This Office is responsible for promoting equal employment opportunities for all OSM employees. The staff advises and assists the OSM Director in carrying out the Bureau's responsibilities relative to Titles VI and VII of the Civil Rights Act of 1964, as amended; the Age Discrimination in Employment Act of 1967; the Rehabilitation Act of 1973; as well as Executive Orders, regulatory guidelines, and other nondiscrimination laws within the Federal Government. The Office:

- Provides leadership, direction, and policy guidance for EEO Program development.
- Provides for the prompt, fair and impartial processing of complaints of discrimination;
- Provides technical assistance and advice to employees and managers on all EO issues;
- Communicates the bureau's equal employment opportunity policy and program and its employment needs to all sources of job candidates without regard to race, color, religion, sex, national origin, age or handicap;

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- Ensures that a reasonable accommodation program is in place and is implemented in a fair and timely manner;
- Ensures that an alternative dispute resolution program is available for both the pre-complaint process and the formal complaint process;
- Develops, monitors and evaluates EEOC MD-715 Affirmative Employment Program Plans to promote equal employment opportunities;
- Conducts studies on systemic employment problems, assesses the effect of policies and practices on equal employment, identifies employment barriers, recommends solutions and develops written guidance for management; and
- Maintains a Civil Rights Compliance program for federally assisted and conducted programs.

In addition, the office is responsible for Special Emphasis programs and assists the bureau in creating a model equal employment program which ensures that all OSM employees and applicants for employment have equal access. It is responsible for implementing initiatives in response to Presidential Executive Orders, which provides for agencies to work more closely with Historically Black Colleges and Universities, Hispanic Serving Institutions and Tribal Colleges and Universities in an effort to enhance opportunities for minority serving institutions to participate and benefit from programs related to surface coal mining and reclamation activities.

*c. Office of Communications (OC)*

This Office plans, coordinates, produces, and distributes the following under the direction of the Director:

- Publications
- Audiovisuals
- Fact sheets
- Reports
- Photos
- Exhibits
- News releases

These items contain information about OSM programs, policies, and Congressional activities for use by the public, the coal industry, citizen groups, and the media. OC responds to requests for information from the news media and the public. OC also maintains a Correspondence Tracking System to manage official correspondence. The Office provides direction for internal communications and functions as the principal point of contact for arranging media interviews and briefings with key officials, and coordinates OSM's annual reclamation awards for active and abandoned mines.



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### *d. Office of Planning, Analysis and Budget (OPAB)*

This Office is responsible for nationwide planning and analysis, and budgetary functions for OSM, including the integration of organizational performance measures into the budget process. The major functions of the Office include:

- Develops and maintains OSM's strategic plan in coordination with Departmental and OSM management;
- Performs trend analyses and modeling to identify changing national and regional needs; and analyzes policy proposals for new initiatives and modifications to existing programs; and
- Carries out the formulation, presentation, execution, and analysis of OSM's budget; providing policy, central coordination, uniform budget procedures and controls; and manages OSM's interface with OMB and Congressional committees on appropriations and other budget-related matters.

In addition, the Office coordinates internal control and other program assessment reviews, in accordance with Executive Orders and Departmental initiatives; and monitors implementation of recommendations from evaluations and reports conducted internally and externally.

### *e. Office of Information Resources (OIR)*

The Office of Information Resources provides advice and assistance to the Director, Deputy Director, and other senior OSM managers to ensure that information technology is acquired and information resources are managed for the bureau in a manner that is consistent with the requirements of the Information Technology Management Reform Act of 1996, the Government Information Security Reform Act of 2000, and Chapter 35 of Title 44 USC and industry best practices.

This Office is responsible for OSM's information technology (IT) management. Major functions include:

- Provides advice and assistance to management and employees on IT policy, applicable laws, regulations, and directives;
- Establishes a management framework for and coordinates OSM's nationwide IT capital planning and investment control activities, including approval of IT expenditures within OSM; and
- Develops and implements IT strategic planning to ensure that all of OSM's electronic information systems are administered and developed in accordance with policies, long-range systems and strategic planning.

In addition, the Office manages other aspects of OSM information flow to the public indicative of government transparency, accuracy, and responsiveness, such as Freedom of Information Act requests, records management, and Privacy Act Programs. Enterprise architecture, IT security, asset management, telecommunications, project management and IT career and skills management are also coordinated through the OIR.

## 2. Administrative Support

This program includes the administrative functions necessary to support the program activities of OSM. The specific functions are included in four organizational areas: Administration, Human Resources, Administrative Financial Management, and Information Technology.

This function is responsible for managing OSM's financial and administrative activities. It has primary responsibility for implementing the requirements covering the following five Presidential Management Agenda scorecards: improved financial management, competitive sourcing, management of human capital, transportation and energy management, and real property. In addition, it is responsible for reporting output costs as part of OSM's Activity Based Costing initiative. This is also a requirement under the budget and performance integration scorecard. This subactivity provides the policy and direction for information technology (IT) program planning, investment, and portfolio management, information technology security, and enterprise architecture.

### *a. Administration*

The Division of Administration is responsible for development of the Bureau-wide administrative policy and procedures. The Division also implements the following support activities.

- acquisition
- property management
- vehicle fleet management
- space management
- emergency coordination
- employee safety
- employee occupational health
- physical security
- printing, and publications FAIR Act Inventory

The Division of Administration also provides administrative support to headquarters offices. These support activities include office moves, provision of general supplies, and services, property management, mailroom functions, and security and safety management. The Division also manages the bureau-wide fixed cost accounts in General Services (GS).

The Division of Administration is responsible for providing guidance to ensure OSM meets its competitive sourcing goals. OSM developed and completed a competitive sourcing plan that identified the functions and activities to be studied throughout OSM. Studies were completed where appropriate. OSM does not plan to conduct any future competitive sourcing studies due to the small number of FTE identified as being commercial in nature and appropriate for study. The Division of Administration maintains a presence on the Departmental Center for

Competitive Sourcing Excellence working group as an active member to ensure OSM needs and requirements are met. Annually, the Division of Administration provides guidance in the completion of the FAIR Act Inventory to identify all functions throughout OSM and their designation as either inherently governmental or commercial in nature. OSM coordinates its competitive sourcing and strategic human capital planning to ensure, where possible, they support achievement of OSM goals.

The Division of Administration is responsible for providing advice on all matters pertaining to OSM's Emergency Management Program. The Division of Administration provides direction, coordination, and implementation of all aspects of the emergency management program, including, but not limited to: internal policy development; program guidance and direction as it relates to emergency response/continuity of operations/recovery planning, readiness, and, security; coordination of OSM's response/recovery role to declared emergencies and/or disasters on a government-wide basis.

*b. Human Resources (HR)*

The Division of Human Resources develops and implements policies, standards and systems for the effective use of human resources to accomplish the overall mission of OSM. Specifically, the human resources program provides managers and employees advice and technical assistance on the full range of human resources programs in accordance with OSM, DOI, OPM and other federal policies and guidelines. The Division provides processing and record keeping on recruitment, staffing and hiring; conducts position classification and organizational analysis; administers pay and compensation programs for general schedule and senior executive service positions; advises and processes employee and retirement benefits; oversees performance management, awards and recognition programs; manages ethics and financial disclosure holdings programs; implements the personnel security (HSPD-12) process for both federal and contractor staff; provides mandatory employee development and training assistance; and provides guidance on employee relations and workplace issues including disciplinary actions. The staff has increased the use of automated systems such as SMART and its updated version of XI QuickHire, the Federal Personnel and Payroll System (FPPS), Employee Express, DOI Learning Management System (LMS), Personnel Investigative Processing System (PIPS), and the e-QUIP web site linking employees to security forms needed for background investigations. These improvements provide direct on-line personnel history files, human resources information and services directly to the manager, employee and applicant. The Division of Human Resources continually expands its technical systems, updates its internal website, and streamlines its personnel processes in order to effectively provide the most current information to OSM staff.

Special ongoing initiatives this office is working on under the Departmental Human Resource Plan, are highlighted below:

- Recruitment: Human Resources, in conjunction and cooperation with OSM's Office of Equal Opportunity, continues to expand recruitment of the number of women, minorities, and persons with disabilities identified in under-represented occupations. OSM established a team to promote workforce diversity by partnering with Historically Black

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Colleges and Universities, and Hispanic Serving Institutions to promote OSM as an employer of choice to attract applicants to increase our workforce diversity.

- Strategic Management of Human Capital: OSM's workforce plan identified skills and competencies needed for the OSM transition to technical transfer direction. The workforce plan outlines recruitment efforts that are focused on the anticipated retirement loss of human capital, putting employees closer to the customers, competitive sourcing impacts, and a general review of how we are organized and the proper use of both human and fiscal resources. To promote retention in positions where skill gaps have been identified, OSM utilizes several programs including, student loan repayments, relocation allowances, and retention incentives. In addition, OSM uses honorary, non-monetary, and monetary awards to reward employees based on their contributions to the work of the organization.
- Work Force Planning: OSM continues to implement its workforce plan. The Plan links to individual hiring decisions made during the course of the year, thus empowering managers to focus on developing competencies and skills needed to accomplish OSM mission goals. In addition, OSM established a Leadership, Education and Development (LEAD) Program to enhance career advancement within the Bureau. Five employees began the program in 2009 and will completed their studies in 2010. OSM is evaluating the continuation of this program as part of its workforce planning efforts.
- Automated On-line Recruitment: This system provides a larger more diverse applicant pool that can be screened and provided to management more efficiently. OSM upgraded to the new QuickHire XI version to ensure that our customers have the best access possible to this data and that our recruitment program is at its highest efficiency.

### *c. Administrative Financial Management*

The Financial Management activity funded in this business line provides OSM's program offices with accounting and financial services for operational funds to implement SMCRA. OSM also bills, collects and accounts for funds derived from program activities reflected in other business lines. These services include paying bills, accounting for receipts and expenditures, issuing financial and management reports, assuring that expenditures are within the allocations, collecting administrative debts, and maintaining the computer systems that support these functions.

Over the past several years OSM has been involved in annual deployments of various modules to the Departmental-wide Financial and Business Management System (FBMS). The real property module was fully developed in FY 2010 and implemented in FY 2011. The FBMS system is a major enterprise management initiative that will integrate financial management, acquisition, property management, grants administration and other subsidiary systems. It will revamp administrative processes throughout the Department of the Interior.

A major percentage of the Administrative Financial Management resources have been and will continue to be devoted to the successful future deployments of other bureaus and enhancements of the FBMS system while maintaining the high quality and timeliness of on-going administrative financial business.

*d. Information Technology (IT)*

OSM is heavily automated and dependent upon information technology to provide efficient and accurate Management Information to assist OSM's program managers in accomplishing the agency's mission.

OSM utilizes Active Directory, with the System Center Configuration Manager (SCCM) module, the recommended DOI standard directory system environment for Microsoft. This centralized management of user services through Active Directory plays a vital role in the OSM network migration, and provides the mechanism for centrally managing software deployment and network maintenance and IT Security. This continued migration to central IT management continues to allow the Office of Information Resources (OIR) to reduce costs, improve IT security, reduce administrative overhead and improve system-wide configurations. As IT operations are transitioned to service providers, OIR staff will increasingly assume management of the service-level-agreement (SLA) contracts to assure OSM mission needs are met timely and efficiently.

OIR is also responsible for the administration of the agency's Information Technology (IT) Security Plan ensuring the security of OSM's IT information and computer technology hardware and software resources. Continuous monitoring of IT security compliance is key to ensuring the operation resources of OSM. Additionally, employee awareness and compliance is monitored with OSM's information technology security training program. The annual security improvements and mandated training program raises the level of IT security awareness among all OSM employees, and enhances OSM's ability to monitor and verify compliance with the DOI IT Security Plan. As of 2010, the Federal Information Systems Security Awareness (FISSA) Training was restructured to include Privacy, Records Management and Rules of Behavior. Also, bureaus and offices are required to provide specialized or role-based security training (RBST) to employees having significant IT security responsibilities. DOI defines "significant IT security responsibility" as any employee or contractor job role or function that includes: (1) elevated or advanced rights, beyond a general user, to any DOI IT system or (2) IT security program management, oversight, policy, compliance or implementation responsibilities.

OIR also coordinates through a bureau-wide enterprise service OSM's virus filtering and continuous traffic monitoring systems. These systems significantly enhance efforts to manage security for both new and existing systems by ensuring timely installation of software patches and fixes while strengthening incident handling responses.

OSM continues to advance in its Capital Planning and Investment Control (CPIC) process maturity. The bureau has been assessed through Stage 3 maturity, and has moved onto Stage 4 maturity, developing artifacts of leadership maturity expressed in the Government

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Accountability Office's (GAO) Information Technology Investment Maturity (ITIM) Model. OSM works closely with DOI counterparts to ensure the CPIC program is maintaining the desired results of the program.

OSM continues to participate in the following management programs and initiatives: E-Gov Scorecard. OSM continues collaboration with the Small Business Administration (SBA) in representing the Department as one of the 22 partner agencies participating in the Business Gateway E-Government Initiative. Each year, existing goals are modified and new goals were added to the OIR's E-Government scorecard reporting requirements to reflect OMB's and the Department's priorities. OIR continues to provide responsive and compliant FOIA program support, maintain Privacy Act Program awareness and loss-mitigation strategy, and continues modernization of the OSM Records Management Program. OIR will continue to evaluate its programs to meet the challenges of these evolving requirements, operate and maintain intranet connectivity, develop Departmental IT strategic plans, implement IT policy, and coordinate compilation of the IT budget.

OSM is currently participating in a number of cost saving initiatives that are now being advocated by DOI. The centralization and consolidation of servers is expected to provide hardware and software cost avoidance by reducing the need for new hardware and software but the longer term benefit is improved security and the reduction in the cost of maintaining the systems. Additionally, OSM is involved in the reduction of desktop and laptop computers to a minimal amount. Additional efficiencies by migrating to the new Windows 7 operating system will allow OSM to reduce the number of administrative accounts and the risk with having them and provide greater central management of software at the desktop level. These efficiencies are expected to aid OSM in keeping the IT budget within the current range and allow for minor improvements in 2011 and 2012.

**3. General Services**

This is a funding activity that includes essential fixed costs to support OSM's program missions. No personnel or operational activities are funded by this component. The costs below are estimates for FY 2011 and 2012 based on FY 2010 actual obligations.

<i>Line Item</i>	<i>FY 2011 Estimate</i>	<i>FY 2012 Estimate</i>	<i>Estimated Change</i>
Rent and utilities	6,870,000	7,224,000	354,000
Telecommunications	300,000	300,000	0
Postage	30,000	30,000	0
DOI Working Capital Fund	2,919,300	2,691,900	-227,400
DOI Program Requirements	100,000	100,000	0
Unemployment Compensation	4,000	4,000	0
Worker's Compensation	366,000	305,000	-61,000
Bureau-wide Printing/Supplies	400,000	300,000	-100,000
Service Contracts	450,000	450,000	0
GSA Work Authorizations	100,000	100,000	0
Operational Support Contracts (including support contracts such as QuickHire, Quicktime, software licenses, and direct billing items)	1,859,700	1,612,100	-247,600
<i>Total</i>	<i>13,399,000</i>	<i>13,117,000</i>	<i>-282,000</i>

## **2011 PLANNED PROGRAM PERFORMANCE**

Plans include:

- Equal Opportunity – focus on developing training methodologies to adapt to the various generations emerging in the workforce.
- Human Capital – implement action plan for actions developed from the recent Human Capital Survey.
- Budget and Performance Integration – Continue to refine activity based costing methods in conjunction with the Department’s review and integration with FBMS.
- Capital Planning and Investment Capital (CPIC) – Conduct required evaluations for all IT programs and major investments.
- Revise the automated budget formulation module (eBudget) to move to a new software platform (Cold fusion to ASP.net).
- Continue to consolidate and maintain servers and computers OSM-wide.

## **2010 PROGRAM PERFORMANCE ACCOMPLISHMENTS**

In 2010, the major accomplishments in the Executive Direction program activity include:

- Information Technology – Completed Certification and Accreditation (C&A) on 100% of our Headquarters and Regional enclaves and our six major IT investments.
- Budget/Performance – Integrated budget and performance measures continue to be reported in the budget justification.
- Supported the Department’s audit opinion on its 2010 and 2009 financial statements.
- Human Resources – Continued work to refine workforce plans which outline future human resource strategies.
- Capital Planning and Investment Capital (CPIC) – Completed required evaluations for all IT programs and major investments.



**EXECUTIVE DIRECTION PERFORMANCE OVERVIEW**

The business line provides administrative support to the other four business lines. Executive Direction program performance is an integral part of the Environmental Restoration, Environmental Protection, Technology Development and Transfer, and Financial Management business lines. Please see performance information at the end of each of these business line chapters. In addition, staff and administrative offices provide educational and employment opportunities to youth in the areas of communications, budget and planning, information technology, auditing, and general administration and contribute to the accomplishments of the Youth Program.



**PERMANENT APPROPRIATIONS**

**ALLOCATIONS TO STATES AND TRIBES  
PAYMENTS TO UNITED MINE WORKERS OF AMERICA HEALTH BENEFIT  
FUNDS**

OSM receives mandatory funding to distribute grants to States and Tribes and transfers to three health benefit plans under the United Mine Workers of America (UMWA) Health Benefit Funds. These payments are derived from the AML Fund and General Treasury. The 2012 budget includes a legislative proposal that would alter the payment structure to States and Tribes to reduce unnecessary spending and direct the available reclamation funds to the highest priority coal AML sites across the Nation, those sites with the most urgent environmental and safety hazards.

**Table 10 – Permanent Appropriation Estimates  
(Dollars in Millions)**

Permanent Appropriation	FY	FY	FY 2012		Change from 2012 Current to Proposed
	2010 Actuals	2011 Actuals	Estimates Current	Estimates Proposed	
<b>Payment (or Grants) to States in Lieu of Coal Fee Receipts (U.S. Treasury Funds)</b>	<b>227.2</b>	<b>245.5</b>	<b>269.6</b>	<b>85.4</b>	<b>-184.2</b>
• Prior Balance Payments <i>Grants to non-certified States</i>	187.0	187.0	187.0	0	-187
• <i>Grants to certified States and Tribes</i>	[85.4]	[85.4]	[85.4]	0	-85.4
• In Lieu Payments to Certified States	[101.6]	[101.6]	[101.6]	0	-101.6
• Competitive Grant Program	40.2	58.5	82.6	0	-82.6
	0	0	0	85.4	+85.4
<b>Mandatory Grants to Noncertified States (AML Fund)</b>	<b>141.9</b>	<b>150.1</b>	<b>228.4</b>	<b>228.4</b>	<b>0</b>
• State and Tribal Share	39.2	36.8	52.0	0	-52
• Historic Coal Fund	89.9	101.0	163.4	0	-163.4
• Minimum Program Fund	12.8	12.3	13.0	0	-13
• Competitive Grant Program	0	0	0	228.4	+228.4
<b>Subtotal- Payments to States and Tribes</b>	<b>369.1</b>	<b>395.6</b>	<b>498.0</b>	<b>313.8</b>	<b>-184.2</b>
Payments to UMWA Health Benefit Funds (AML Fund Interest)	63.9	57.2	64.1	64.1	0.0
Supplemental Payments to UMWA Health Benefit Funds (Treasury Funds)	108.8	216.1	161.2	161.2	0.0
<b>Subtotal- Payments to UMWA</b>	<b>172.7</b>	<b>273.3</b>	<b>225.3</b>	<b>225.3</b>	<b>0.0</b>
<b>Total Mandatory Funding</b>	<b>541.8</b>	<b>668.9</b>	<b>723.3</b>	<b>539.1</b>	<b>-184.2</b>
<b>Subtotal from AML Fund</b>	<b>205.8</b>	<b>207.3</b>	<b>292.5</b>	<b>292.5</b>	<b>0</b>
<b>Subtotal from Treasury</b>	<b>336.0</b>	<b>461.1</b>	<b>430.8</b>	<b>246.6</b>	<b>[-184.2]</b>

**GOAL: TO DISTRIBUTE FUNDS TO STATES AND TRIBES FOR THE RECLAMATION OF THE HIGHEST PRIORITY COAL SITES AND TRANSFER FUNDS TO THE UNITED MINE WORKERS OF AMERICA HEALTH BENEFIT FUNDS**

One of the basic concepts of SMCRA was to charge a fee on coal production to finance the reclamation of abandoned mines across the country. Prior to 2006, the fee was deposited in the AML Fund and distributed through the appropriations process to States and Tribes for reclamation and to OSM for administrative expenses. In 2006, amendments to SMCRA extended the authority to collect the reclamation fee and altered the distribution of payments beginning in 2008.<sup>4</sup>

***Collection of Reclamation Fees***

Reclamation fees collected are placed in the Abandoned Mine Reclamation Fund (AML Fund). In 2012, the reclamation fee will be: 31.5 cents/ton of surface mined coal; 13.5 cents/ton of coal mined underground; and 9 cents/ton of lignite; or ten percent of the value of the coal, whichever is less. Total fee receipts are estimated to be \$275.5 million. Current reclamation fee collections are primarily distributed through mandatory grants to noncertified States (those States with remaining coal problems) to address abandoned coal mine lands. The remaining funds collected are available for discretionary appropriations.

Interest accrues on the AML Fund. This interest earned becomes part of the AML Fund and is available for transfer to the UMWA Health Benefit Funds in order to help finance three health care plans.

**Allocation and Distribution of Reclamation Funds to States and Tribes**

Generally, States must have an approved SMCRA regulatory (Title V) program and an approved reclamation (Title IV) program to be eligible to receive mandatory AML funding. Three Tribes (Crow, Hopi, and Navajo) are eligible for funding through the AML program, and each has an approved reclamation program. In 2008, Tennessee also became eligible for AML program funding although it does not have an approved regulatory program. A total of twenty-five States and three Tribes received reclamation funding in 2011.

***AML Fund***

Noncertified States are allocated mandatory grants from the reclamation fees collected the previous fiscal year. The amount of the grant for each noncertified state is determined through a formula that adds the following allocations:

1. Half of reclamation fees collected in that state (known as the State Share);

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<sup>4</sup> OSM published regulations implementing the Act (November 14, 2008, 73 FR 67576) which became effective on January 13, 2009.

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2. A portion of 30% of all reclamation fees collected nationwide and the amount of the State/Tribal Share forgone by certified States and Tribes; the portion for each individual States is divided proportionately based on historic coal production (known as Historic Coal Share); and
3. Any amount needed to ensure that each noncertified state receives at least \$3 million annually (known as the Minimum Program Funds).

SMCRA specifies the eligible uses of each of specific allocation. All funding provided to noncertified States and Tribes can be used to address hazards and problems on abandoned coal mine lands, such as underground fires, subsidence, landslides, open shafts, unstable or burning refuse piles, acid mine drainage, and dangerous, unstable highwalls. Some of the allocations are restricted to use on priority 1 and 2 coal mine sites, i.e., minimum program funds, while other allocations may be used to address water supplies affected by coal mining, i.e., State Share. In certain circumstances, State Share and Historic Coal Share funds may also be used to address noncoal sites, such as abandoned hardrock mine lands. Western States, in particular, often use their reclamation funds to address high priority hardrock AML sites, for which there is no other source of Federal funding.

For FY 2012, OSM estimates noncertified States will receive \$228.4 million in grants from the AML Fund (\$52 million in State Share; \$163.4 in Historic Coal Share; and \$13 million in Minimum Program Funds). Payments were phased-in over the first years after the 2006 amendments but will be made in full in 2012.

*Treasury Funds*

Mandatory payments from the Treasury to noncertified and certified States and Tribes are also allocated by formula:

1. Prior Balance payments are one-seventh of the unappropriated balance of each State or Tribes' State/Tribal Share as of October 1, 2007. In 2012, noncertified States will receive an estimated \$85.4 million in grants under the current law to use for coal reclamation and related purposes. Certified States would receive \$101.6 million, which can be used for any purpose approved by the state legislature or tribal councils, with priority given to addressing the impacts of mineral development.
2. In lieu payments to certified States and Tribes are equal to half of the reclamation fees collected in that State or Tribe in the previous fiscal year. In lieu payments to certified States and Tribes had been phased-in, but these phase-ins expired in 2011. Under current law, certified States and Tribes would receive \$82.6 million, which can be used for any purpose.

Total mandatory payments to States and Tribes from Treasury funds in 2012 are estimated to be \$269.6 million.

### **Distribution to the United Mine Workers of America Health Benefit Funds**

In addition, payments to three United Mine Workers of America (UMWA) Health Benefit Funds are required under Sections 402(h) and (i) of SMCRA:

- Annual transfers of all estimated AML Fund interest earnings for each fiscal year to the three UMWA Health Benefit Funds (the Combined Benefit Fund (CBF), the 1992 Plan, and the 1993 Plan), to the extent payments from premiums paid by operators and other sources (i.e., payments from other Federal agencies for benefit purposes) do not meet those plans' expenditure needs, subject to certain limitations. Transfers under the current law began in 2007 to the CBF and in 2008 to the 1992 and 1993 Plans.
- The three UMWA Health Benefit Funds are also entitled to payments from the Treasury, subject to the overall \$490 million cap on all annual transfers from the Treasury under the 2006 amendments, i.e., all in lieu payments to certified States and Tribe, prior balance payments, and transfers to the three UMWA Health Benefit Funds.
- In general, the amount the three UMWA Health Benefits Funds receive is dependant on the extent that their revenues do not meet their expenditures. When that occurs, OSM will transfer available funds in the following order as needed:
  - Estimated interest to be earned by the AML Fund during the fiscal year in question.
  - Unappropriated balance of the RAMP allocation. (Note: Funds were exhausted as of the FY 2010 distribution.)
  - Transfers from the U.S. Treasury, subject to the \$490 million cap on annual transfers from Treasury to both the UMWA Health Benefit Plans and States and Tribes.
  - Reserve fund created from existing stranded interest earned by the AML Fund.

In 2012, OSM estimates \$64.1 million in interest payments from AML fund, and an additional \$161.2 million from the Treasury will be transferred to the three UMWA Health Benefit Plans.

## **Legislative Proposal**

The budget proposes to reform three major components of the AML program to reduce unnecessary spending and ensure that the Nation's most dangerous abandoned coal mines are addressed.

First, the budget proposes to terminate the unrestricted payments to certified States and Tribes. Certified States and Tribes have already completed their coal reclamation projects and now use their AML payments for general revenue. These payments rarely contribute to the reclamation of abandoned coal mine lands. Terminating these payments will save the taxpayer \$1.2 billion over the next decade.

Second, the budget proposes to reform the allocation of grants for coal AML reclamation. Under current law, the funds are allocated by a production-based formula, which generally distributes funding to the States with the greatest current and historic coal production and not necessarily to the States with the most critical AML problems. Implementing the first component of this proposal will take care of some of this discrepancy. This second component will replace the formula-based allocation with a competitive allocation process designed to target the Nation's most dangerous and environmentally damaging coal AML sites, regardless of where the reclamation fees are generated. Using other DOI programs as a model, OSM will create and administer an advisory council, comprised of representatives from States, Tribes, and interest groups with AML coal reclamation knowledge. The council will review and rank reclamation projects proposed by States, Tribes, OSM (for Federal AML programs), and other parties and recommend the distribution of funds to the coal AML sites posing the most danger to public health and safety and/or damage to the environment. This system will leverage the knowledge and insight of on-the-ground professionals to allocate funds efficiently and transparently. In addition, this component will provide funding for the administration of State and Tribal AML programs, for immediate hazards associated with abandoned mine lands (emergency projects), and to OSM for support of the council.

Third, the budget proposes to build off of reforms to the coal AML program to create a parallel program for hardrock AML reclamation. Similar to the coal industry, hardrock producers left a legacy of abandoned mine sites that create environmental hazards. There is no similar hardrock reclamation fee, leaving States, Tribes, and Federal land managers to address these sites within their budgets, or using the coal reclamation funds when possible. To hold each industry responsible for the actions of its predecessors, the budget proposes a new reclamation fee on hardrock production. Once the fee is established, OSM would be responsible for collecting this fee, building off of expertise in collecting the coal reclamation fee. BLM would be responsible for allocating and distributing the receipts, using a competitive allocation program. Please see BLM's congressional justification for more details on their component of this proposal.

OSM will work with BLM to finalize details of this third component and to ensure that each bureau is coordinating and realizing efficiencies.



**Table 11: Mandatory Funding for States and Tribes, FY 2010-2012**  
(\$ rounded in millions)

State/Tribe	2010 Actuals	2011 Actuals	Hypothetical Distribution For FY 2012	
			Current	Proposed
Alabama	7.0	7.4	9.7	
Alaska	2.4	2.4	3.0	
Arkansas	2.3	2.3	3.0	
Colorado	7.4	7.3	8.9	
Illinois	16.1	17.2	24.6	
Indiana	13.0	13.1	16.8	
Iowa	2.4	2.5	3.0	
Kansas	2.4	2.4	3.0	
Kentucky	37.6	37.7	47.6	
Maryland	2.6	2.7	3.0	
Mississippi	0.2	0.3	0.4	
Missouri	2.5	2.5	3.0	
New Mexico	4.5	4.6	5.3	
North Dakota	3.4	3.4	4.1	
Ohio	11.6	12.3	17.1	
Oklahoma	2.5	2.5	3.0	
Pennsylvania	43.8	47.6	70.8	
Tennessee	2.6	2.6	3.0	
Utah	4.2	4.2	5.2	
Virginia	8.7	9.1	11.8	
West Virginia	49.9	51.3	67.5	
Competitive Distribution to all States				313.8
<b>Sub-total for noncertified States</b>	<b>227.1</b>	<b>235.3</b>	<b>313.8</b>	
Louisiana	0.3	0.4	0.4	
Montana	10.7	12.2	13.7	
Texas	4.2	4.7	5.0	
Wyoming	117.4	133.1	154.0	
Crow	1.8	1.9	2.2	
Hopi	1.1	1.2	1.2	
Navajo Nation	6.5	6.8	7.7	
<b>Sub-total for certified States and Tribes</b>	<b>142.0</b>	<b>160.3</b>	<b>184.2</b>	<b>0</b>
<b>Total for All States/Tribes</b>	<b>369.1</b>	<b>395.6</b>	<b>413.2</b>	<b>313.8</b>
<b>Source of Mandatory Funding:</b>				
• AML Fund	141.9	150.1	228.4	228.4
• Treasury	227.2	245.5	269.6	85.4

Noncertified States are those that have remaining coal problems to address.

Certified States and Tribes have certified that there are no remaining coal problems.

Reference: P.L. 109-432, SMCRA Amendments Act of 2006



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**Exhibit A**  
**Working Capital Fund Tables**

**WORKING CAPITAL FUND REVENUE - Centralized Billing**  
**FY 2012 President's Budget**  
**OFFICE OF SURFACE MINING RECLAMATION & ENFORCEMENT**  
**(\$ in thousands)**

Activity/Office	2010 Actual	2011 Pres Budget	2011 Estimate	2012 Estimate
<b>Other OS Activities</b>				
Secretary's Immediate Office				
Document Management Unit	0.0	0.0	0.0	0.1
Office of the Executive Secretariat	0.0	0.0	0.0	0.1
Secretary's Immediate Office				
Departmental News and Information	6.4	6.4	6.4	6.2
Office of Communications	6.4	6.4	6.4	6.2
Departmental Museum	14.5	14.5	14.5	13.9
Secretary's Immediate Office	14.5	14.5	14.5	13.9
Policy, Management and Budget				
FedCenter	2.7	2.7	2.7	2.7
Office of Environmental Policy and Compliance	2.7	2.7	2.7	2.7
Invasive Species Coordinator	4.3	4.3	4.3	4.3
Invasive Species Council	25.2	25.2	25.2	23.8
Office of Policy Analysis	29.5	29.5	29.5	28.1
CPIC	1.2	1.2	1.2	1.1
Office of Budget	1.2	1.2	1.2	1.1
Activity Based Costing/Management	8.0	8.0	8.0	7.8
Travel Management Center	2.2	2.2	2.2	1.8
e-Gov Travel	9.3	9.3	9.3	7.9
Office of Financial Management	19.5	19.5	19.5	17.5
Space Management Initiative	2.6	2.6	2.6	2.5
		0.0		
Office of Property and Acquisition Management	2.6	2.6	2.6	2.5
SBA Certifications	0.1	0.1	0.1	0.0
Small and Disadvantaged Business Utilization	0.1	0.1	0.1	0.0
Planning and Performance Management	9.8	9.8	9.8	8.4
Office of Planning and Performance Management	9.8	9.8	9.8	8.4
DOI Access	4.8	4.8	7.3	8.0
Department-wide OWCP Coordination	2.9	2.9	2.9	3.0
Accountability Team	3.9	3.9	3.9	3.6
Employee and Labor Relations Tracking System	0.2	0.2	0.2	0.2
DOI LEARN	6.9	13.0	13.0	14.1
OPM Federal Employment Services	3.8	3.8	3.8	3.3
Office of Human Resources	22.5	28.7	31.1	32.3
EEO Complaints Tracking System	0.3	0.3	0.3	0.4
Special Emphasis Program	0.4	0.4	0.4	0.4
Accessible Technology Center	2.5	2.5	2.5	2.4

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**WORKING CAPITAL FUND REVENUE - Centralized Billing  
FY 2012 President's Budget  
OFFICE OF SURFACE MINING RECLAMATION & ENFORCEMENT  
(\$ in thousands)**

Activity/Office	2010 Actual	2011 Pres Budget	2011 Estimate	2012 Estimate
Office of Civil Rights	3.1	3.1	3.1	3.2
Occupational Health and Safety	11.8	12.0	11.4	12.2
Health and Safety Training Initiatives	1.4	1.1	1.1	0.0
Safety Management Information System	0.0	0.0	9.9	9.6
Office of Occupational Health and Safety	13.1	13.1	22.4	21.8
DOIU Management	0.0		11.4	4.2
DOI Executive Forums	0.9	0.9	0.9	0.9
Online Learning	4.1	4.1	3.8	3.7
Learning and Performance Center Management	5.3	5.3	4.5	3.1
Albuquerque Learning & Performance Center	3.3	3.3	3.1	0.9
Denver Learning & Performance Center	6.9	6.9	5.8	7.3
Washington Learning & Performance Center	26.2	26.2	22.8	13.0
Financial Management Training	33.9	33.9	28.5	0.0
SESCDP & Other Leadership Programs	1.5	1.5	1.3	1.3
DOI University	82.2	82.2	82.2	34.3
Security (Classified Information Facility)	3.5	3.5	3.5	3.4
Law Enforcement Coordination and Training	6.8	6.8	6.8	6.6
Victim Witness	0.0	1.3	1.3	1.2
Security (MIB/SIB Complex)	496.0	496.0	487.2	504.4
Office of Law Enforcement and Security	506.3	507.6	498.7	515.6
Interior Operations Center (Watch Office)	15.1	15.7	15.7	16.0
Emergency Preparedness	5.4	6.0	6.0	6.1
Emergency Response	6.8	8.6	8.6	8.4
MIB Health and Safety	0.0		8.8	8.2
Office of Emergency Management	27.3	30.4	39.2	38.7
Enterprise Services Network	263.3	289.0	289.0	276.7
Federal Relay Service	0.0		0.5	0.5
Web & Internal/External Comm	3.5	3.5	3.5	3.4
Unified Messaging	0.0		0.0	13.0
Enterprise Architecture	27.9	29.4	29.4	23.1
FOIA Tracking & Reporting System	11.2	12.8	12.8	6.6
Threat Management	9.9	9.9	9.9	13.4
IT Security	17.1	19.3	19.3	15.1
Capital Planning	14.2	14.2	14.2	11.1
Privacy (Information Management Support)	1.8	5.0	5.0	4.5
Data Resource Management Program	1.5	0.0	0.0	0.0
IT Security Certification & Accreditation	88.5	88.5	88.5	88.5
Electronic Records Management	10.5	10.5	10.5	6.0
Active Directory	10.0	13.7	13.7	20.6
Enterprise Resource Management	3.3	3.3	3.3	3.0
e-Authentication	2.2	0.0	0.0	0.0
IOS Collaboration	6.4	6.4	6.4	5.8

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**WORKING CAPITAL FUND REVENUE - Centralized Billing**  
**FY 2012 President's Budget**  
**OFFICE OF SURFACE MINING RECLAMATION & ENFORCEMENT**  
**(\$ in thousands)**

Activity/Office	2010 Actual	2011 Pres Budget	2011 Estimate	2012 Estimate
Network	18.9	0.0	0.0	0.0
Trusted Internet Connection	15.5	0.0	0.0	0.0
Data at Rest	0.3	0.3	0.3	1.4
Logging Extracts	2.4	2.4	0.0	0.0
OCIO Project Management Office	6.8	6.8	6.8	5.1
IT Asset Management	2.3	2.3	2.3	2.1
Two-Factor Authentication	0.5	0.0	0.0	0.0
Active Directory Optimization	5.3	0.0	0.0	0.0
Office of the Chief Information Officer	523.2	517.1	515.3	499.8
Alternative Dispute Resolution Training	0.4	0.4	0.4	0.4
Collaborative Action and Dispute Resolution	0.4	0.4	0.4	0.4
Conservation and Educational Partnerships	2.1	2.1	2.1	2.0
Youth, Partnerships and Service	2.1	2.1	2.1	2.0
NBC Appraisal Services Directorate				
Contingency Reserve	1.2	1.2	1.2	1.1
CFO Financial Statement Audit	275.4	275.4	275.4	275.4
Enterprise Geospatial Information Management	20.9	20.9	20.9	0.0
Department-wide Activities	297.5	297.5	297.5	276.6
e-Government Initiatives (WCF Contributions Only)	34.7	34.7	34.7	26.4
Department-wide Activities	34.7	34.7	34.7	26.4
Ethics	4.7	4.7	4.7	4.6
ALLEX Database	0.2	0.2	0.2	0.0
FOIA Appeals	5.8	5.8	5.8	1.9
Office of the Solicitor	10.7	10.7	10.7	6.5
<b>Subtotal Other OS Activities</b>	<b>1,609.3</b>	<b>1,613.8</b>	<b>1,623.7</b>	<b>1,537.9</b>

*Office of Surface Mining Reclamation and Enforcement*

**WORKING CAPITAL FUND REVENUE - Centralized Billing**  
**FY 2012 President's Budget**  
**OFFICE OF SURFACE MINING RECLAMATION & ENFORCEMENT**  
**(\$ in thousands)**

Activity/Office	2010 Actual	2011 Pres Budget	2011 Estimate	2012 Estimate
<b>National Business Center</b>				
NBC IT Security Improvement Plan	10.7	10.7	10.7	9.1
Information Mgmt. - FOIA and Records Management	2.7	2.7	2.7	2.7
Safety Management Information System	12.3	12.3	0.0	0.0
Telecommunication Services	162.8	163.4	163.4	163.3
Integrated Digital Voice Communications System	108.9	109.3	109.3	62.5
Desktop Services	9.2	9.3	9.3	9.3
Audio Visual Services	26.4	26.5	26.5	24.7
SIB Cabling O&M	4.7	4.7	4.7	4.4
Voice/Data Switching	37.1	37.3	37.3	34.7
NBC Information Technology Directorate	374.7	376.1	363.8	310.6
FPPS/Employee Express - O&M	122.2	124.6	124.6	111.0
HRMS (HR LOB W-2 Surcharge)	5.1	5.1	5.1	0.0
NBC Human Resources Directorate	127.3	129.6	129.6	111.0
Interior Complex Management & Services	91.9	77.9	77.9	63.7
Family Support Room	2.4	2.5	2.5	2.3
Property Accountability Services	52.3	52.5	52.5	47.7
Vehicle Fleet	3.0	3.0	3.0	3.0
Moving Services	19.7	19.7	19.7	18.0
Shipping and Receiving	27.0	27.1	27.1	25.2
Safety and Environmental Services	39.6	39.8	39.8	36.0
Space Management	22.9	23.0	23.0	24.0
Federal Executive Board	2.2	2.2	2.2	2.1
Health Unit	23.4	23.5	23.5	21.8
Passport & Visa Services	5.4	5.5	5.5	5.2
Mail and Messenger Services	55.4	55.6	55.6	48.1
Mail Policy	2.8	2.8	2.8	2.6
Special Events Services	3.0	3.0	3.0	2.9
Cultural Resources & Events Management	2.9	2.4	2.4	-0.1
Partnership Schools & Commemorative Programs	3.9	3.9	3.9	0.0
Departmental Library	30.1	31.2	31.2	28.0
NBC Administrative Operations Directorate	387.8	375.6	375.6	330.6
FBMS Hosting / Applications Management	252.0	252.0	252.0	239.9
FBMS Master Data Management	1.6	1.6	1.6	2.2
Transportation Services (Household Goods)	5.0	5.0	5.0	4.8
Consolidated Financial Statement System	0.0		19.9	21.8
Financial Systems	19.8	19.9	0.0	0.0
IDEAS	34.6	34.8	9.4	8.0
FBMS Redirect - IDEAS	0.0		25.3	26.6
NBC FBMS Conversion	6.8	6.8	6.8	5.1
NBC Financial Management Directorate	319.8	320.0	320.1	308.4

*Office of Surface Mining Reclamation and Enforcement*

**WORKING CAPITAL FUND REVENUE - Centralized Billing  
 FY 2012 President's Budget  
 OFFICE OF SURFACE MINING RECLAMATION & ENFORCEMENT  
 (\$ in thousands)**

<b>Activity/Office</b>	<b>2010 Actual</b>	<b>2011 Pres Budget</b>	<b>2011 Estimate</b>	<b>2012 Estimate</b>
Aviation Management System - O&M	0.0		0.0	4.8
Aviation Management	100.4	99.3	99.3	88.6
NBC Aviation Management Directorate	100.4	99.3	99.3	93.3
<b>Subtotal National Business Center</b>	1,310.0	1,300.7	1,288.5	1,154.0
<b>TOTAL</b>	2,919.3	2,914.5	2,912.1	2,691.9

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**WORKING CAPITAL FUND REVENUE - Direct Billing**  
**FY 2012 President's Budget**  
**OFFICE OF SURFACE MINING RECLAMATION & ENFORCEMENT**  
**(\$ in thousands)**

Activity/Office	2010 Actual <sup>1</sup>	2011 PY Collections	2011 Estimate	2012 Estimate
<b>Other OS Activities</b>				
Secretary's Immediate Office				
Secretary's Immediate Office				
Office of Environmental Policy and Compliance				
Office of Policy Analysis				
Office of Budget				
Single Audit Clearinghouse	0.0		0.3	0.3
Office of Financial Management	0.0		0.3	0.3
FBMS Change Orders	0.0	25.0	35.4	25.0
Financial Business Management System	0.0	25.0	35.4	25.0
Federal Assistance Award Data System	0.8		0.8	0.9
Office of Acquisition and Property Management	0.8		0.8	0.9
Office of Small & Disadvantaged Business Utilization				
Office of Wildland Fire Coordination				
Collaborative Action and Dispute Resolution				
Center for Competition Efficiency and Analysis				
Departmental Medals	0.0	4.0	0.0	0.0
DOI Access	20.7		28.6	33.6
e-OPF	0.0		0.0	10.4
Office of Human Resources	20.7	4.0	28.6	44.0
EEO Training	1.3		1.1	1.1
EEO Investigations	1.5		1.5	1.5
Office of Civil Rights	2.8		2.7	2.7
Office of Occupational Health and Safety				
Albuquerque Learning & Performance Center	0.8		0.0	0.6
Denver Learning & Performance Center	2.8		0.0	5.8
Washington Leadership & Performance Center	9.4		2.1	13.3
Online Learning	2.3		7.5	7.1
DOI University	15.4		9.6	26.9
Office of Law Enforcement and Security				
Office of Emergency Management				
Unified Messaging	0.0		102.2	102.2
Oracle Licenses and Support	9.7		0.0	0.0
Microsoft Enterprise Licenses	203.0	203.0	203.0	203.0
Anti-Virus Software Licenses	0.2	16.4	20.0	20.0
Enterprise Services Network	214.5	2.6	205.0	205.0
Federal Relay Service	0.9		0.0	0.0
Data at Rest Initiative	2.6		2.6	2.6
IOS Collaboration	78.6		81.0	82.6
EID Rack Space	12.0		12.4	12.6

<sup>1</sup> 2010 actual column reflects collections from 2010 and any prior years.



*Office of Surface Mining Reclamation and Enforcement*

**WORKING CAPITAL FUND REVENUE - Direct Billing  
 FY 2012 President's Budget  
 OFFICE OF SURFACE MINING RECLAMATION & ENFORCEMENT  
 (\$ in thousands)**

Activity/Office	2010 Actual <sup>1</sup>	2011 PY Collections	2011 Estimate	2012 Estimate
Office of the Chief Information Officer	521.5	222.0	626.1	628.0
e-Mail Archiving (Cobell Litigation)	59.5	151.3	148.3	170.6
Department-wide Programs	59.5	151.3	148.3	170.6
FY 2011 CFO Audit	0.0		122.0	0.0
FY 2012 CFO Audit	0.0		0.0	71.0
Department-wide Programs	0.0		122.0	71.0
Federal FSA Program	0.0	17.8	19.3	20.8
ESRI Enterprise Licenses	155.0		155.0	155.0
Department-wide Programs	155.0	17.8	174.3	175.8
Office of International Affairs				
Department-wide Programs				
Office of Valuation Services				
<b>Subtotal Other OS Activities</b>	<b>775.7</b>	<b>420.0</b>	<b>1,148.1</b>	<b>1,145.1</b>

<sup>1</sup> 2010 actual column reflects collections from 2010 and any prior years.

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**WORKING CAPITAL FUND REVENUE - Direct Billing  
 FY 2012 President's Budget  
 OFFICE OF SURFACE MINING RECLAMATION & ENFORCEMENT  
 (\$ in thousands)**

Activity/Office	2010 Actual <sup>1</sup>	2011 PY Collections	2011 Estimate	2012 Estimate
<b>National Business Center</b>				
Business Management Office				
NBC Acquisitions Services Directorate				
Creative Communications	63.7		47.4	47.4
Facilities Reimbursable Services	17.2		10.1	10.1
NBC Administrative Operations Directorate				
NBC Aviation Management Directorate				
NBC Financial Management Directorate				
Client Liaison and Product Development Division	1.7		1.6	1.6
Personnel & Payroll Systems Division	0.6		0.5	0.4
HR Management Systems Division	10.2		30.2	30.7
Quicktime Services	23.0		23.3	24.9
NBC Human Resources Directorate				
NBC Human Resources Directorate	35.5		55.6	57.6
NBC Information Technology Directorate				
NBC Office of the Director				
<b>Subtotal National Business Center</b>	<b>116.4</b>		<b>113.1</b>	<b>115.0</b>
<b>TOTAL</b>	<b>892.1</b>	<b>420.0</b>	<b>1,261.2</b>	<b>1,260.1</b>

<sup>1</sup> 2010 actual column reflects collections from 2010 and any prior years.

**Exhibit B**  
**MAX Tables/Budget Schedules**

**Department of the Interior**  
**Office of Surface Mining Reclamation and Enforcement**  
**Regulation and Technology**  
Program and Financing  
(dollars in millions)

14-1801-0-1-302	2010 Actual	2011 Estimate	2012 Estimate
<b><u>Obligations by program activity:</u></b>			
00.02 Environmental Protection	96	94	95
00.03 Technology Development & Transfer	17	16	16
00.04 Financial Management	1	1	1
00.05 Executive Direction & Administration	17	16	16
09.00 Total new obligations	131	127	118
<b><u>Budgetary resources:</u></b>			
10.00 Unobligated balance:			
Unobligated balance brought forward, Oct 1	9	9	9
10.21 Recoveries of prior year unpaid obligations	4	--	--
10.50 Unobligated balance (total)	13	9	9
<b><u>Budget Authority:</u></b>			
Appropriations, discretionary			
11.00 Appropriation	127	127	118
19.00 Budget authority (total)	127	127	118
19.30 Total budgetary resources available	140	136	127
19.41 Memorandum (non-add) entries:			
Unexpired unobligated balance, end of year	9	9	9
<b><u>Change in obligated balance:</u></b>			
Obligated balance, start of year (net):			
30.00 Unpaid obligations, brought forward, Oct 1	46	56	68
30.20 Obligated balance, start of year (net):	46	56	68
30.30 Obligations incurred, unexpired accounts	131	127	118
30.40 Outlays (gross)	-117	-115	-121
30.80 Recoveries of prior year unpaid obligations, unexpired			
Obligated balance, end of year (net):			
30.90 Unpaid obligations, end of year (gross):	-4		
31.00 Obligated balance, end of year (net)	56	68	65
<b><u>Budget authority and outlays (net)</u></b>			
Discretionary:			

*Office of Surface Mining Reclamation and Enforcement*

40.00 Budget authority (gross)	127	127	118
14-1801-0-1-302	2010 Actual	2011 Estimate	2012 Estimate
Outlays, gross:			
40.10 Outlays from new discretionary authority	77	86	80
40.11 Outlays from discretionary balances	40	29	41
40.20 Outlays, gross (total)	117	115	121
40.70 Budget authority, net (discretionary)	127	127	118
40.80 Outlays, net (discretionary)	117	115	121
41.80 Budget authority, net (total)	127	127	118
41.90 Outlays, net (total)	117	115	121

*Office of Surface Mining Reclamation and Enforcement*

**Department of the Interior**  
**Office of Surface Mining Reclamation and Enforcement**  
**Abandoned Mine Reclamation Fund**  
 Program and Financing  
 (dollars in millions)

14-5015-0-1-302	2010 Actual	2011 Estimate	2012 Estimate
<b><u>Obligations by program activity:</u></b>			
00.01 Environmental Restoration	16	18	13
00.02 Technology Development & Transfer	4	4	4
00.03 Financial Management	7	7	7
00.04 Executive Direction & Administration	8	8	8
00.05 AML Funded Grants to States	170	155	230
00.06 UMWA and other benefits	64	57	64
09.00 Total new Obligations	269	249	326
<b><u>Budgetary resources:</u></b>			
Unobligated balance:			
10.00 Unobligated balance brought forward, Oct 1	41	29	28
10.21 Recoveries of prior year unpaid obligations	15	5	5
10.50 Unobligated balance (total)	56	34	33
Budget Authority:			
Appropriations, discretionary			
11.01 Appropriation (special fund)	36	36	28
11.60 Appropriation, discretionary (total)	36	36	28
Appropriations, mandatory:			
12.01 01 Appropriation (AML & RAMP transfers to UMWA)	64	57	64
12.01 02 Appropriation (AML Grants to States)	142	150	228
12.60 Appropriations, mandatory (total)	206	207	292
Spending authority from offsetting collections, discretionary:			
19.00 Budget authority (total)	242	243	320
19.30 Total budgetary resources available	298	277	353
Memorandum (non-add) entries:			
19.41 Unexpired unobligated balance, end of year	29	28	27

*Office of Surface Mining Reclamation and Enforcement*

14-5015-0-1-302	2010 Actual	2011 Estimate	2012 Estimate
<b><u>Change in obligated balance:</u></b>			
Obligated balance, start of year (net):			
30.00 Unpaid obligations, brought forward, Oct 1 (gross)	182	218	215
30.20 Obligated balance, start of year (net)	182	218	215
30.30 Obligations incurred, unexpired accounts	269	249	326
30.40 Outlays (gross)	-218	-247	-236
30.80 Recoveries of prior year unpaid obligations, unexpired	-15	-5	-5
Obligated balance, end of year (net):			
30.90 Unpaid obligations, end of year (gross)	218	215	300
31.00 Obligated balance, end of year (net)	218	215	300
<b><u>Budget authority and outlays, net:</u></b>			
Discretionary:			
40.00 Budget authority, gross	36	36	28
Outlays, gross:			
40.10 Outlays from new discretionary authority	34	31	24
40.11 Outlays from discretionary balances	29	35	5
40.20 Outlays, gross (total)	63	66	29
40.70 Budget authority, net (discretionary)	36	36	28
40.80 Outlays, net (discretionary)	63	66	29
Mandatory:			
40.90 Budget authority, gross	206	207	292
Outlays, gross			
41.00 Outlays from new mandatory authority	97	99	127
41.01 Outlays from mandatory balances	58	82	80
41.10 Outlays, gross (total)	155	181	207
41.60 Budget authority, net (mandatory)	206	207	292
41.70 Outlays, net (mandatory)	155	181	207
41.80 Budget authority, net (total)	242	243	320
41.90 Outlays, net (total)	218	247	236
<b><u>Memorandum (non-add) entries</u></b>			
50.00 01 Total investments, SOY: Federal securities: Par Value	2,532	2,623	2,702
50.01 01 Total investments, EOY: Federal securities: Par Value	2,623	2,702	2,805

Office of Surface Mining Reclamation and Enforcement

**Department of the Interior**  
**Office of Surface Mining Reclamation and Enforcement**  
**Abandoned Mine Reclamation Fund**  
 Program and Financing  
 (dollars in millions)

14-1803-0	2010 Actual	2011 Estimate	2012 Estimate
<b><u>Obligations by program activity:</u></b>			
00.01 Payments in lieu of pre-FY 2008 balances (uncertified and certified States and Tribes)	85	85	85
00.02 Prior Balance Payments to Certified States and Tribes	102	102	102
00.03 In Lieu Payments to Certified States and Tribes	37	62	83
09.00 Total new obligations (object class 41.0)	224	249	270
<b><u>Budgetary Resources:</u></b>			
Unobligated balance:			
10.00 Unobligated balance brought forward, Oct 1	3	8	8
10.21 Recoveries of prior year unpaid obligations	2	--	--
10.50 Unobligated balance (total)	5	8	8
Budget authority:			
Appropriations, discretionary:			
11.60 Appropriation, discretionary (total)			
Appropriations, mandatory:			
12.00 Appropriation	227	249	270
12.60 Appropriation, mandatory (total)	227	249	270
19.00 Budget authority (total)	227	249	270
19.30 Total budgetary resources available	232	257	278
Memorandum (non-add) entries			
19.41 Unexpired unobligated balance, end of year	8	8	8
<b><u>Change in obligated balance:</u></b>			
Obligated balance, start of year (net):			
30.00 Unpaid obligations, brought forward, Oct 1 (gross)	302	406	268
30.20 Obligated balance, start of year	302	406	268
30.30 Obligations incurred, unexpired accounts	224	249	270
30.40 Outlays (gross)	-118	-387	-306
30.80 Recoveries of prior year unpaid obligations, unexpired	-2		
Obligated balance, end of year (net):			
30.90 Obligated balance, end of year (gross)	406	268	232
31.00 Obligated balance, end of year (net)	406	268	232
<b><u>Budget authority and outlays (net):</u></b>			
Discretionary:			
40.00 Budget authority, gross			
40.70 Budget authority, net (discretionary)			

*Office of Surface Mining Reclamation and Enforcement*

Mandatory:			
40.90 Budget authority (gross)	227	249	160
Outlays, gross:			
41.00 Outlays from new mandatory authority	11	144	261
41.01 Outlays from mandatory balances	107	243	146
41.10 Outlays, gross (total)	118	387	306
41.60 Budget authority, net (mandatory)	227	249	270
41.70 Outlays, net (mandatory)	118	387	306
41.80 Budget authority, net (total)	227	249	270
41.90 Outlays, net (total)	118	387	306



*Office of Surface Mining Reclamation and Enforcement*

**Department of the Interior**  
**Office of Surface Mining Reclamation and Enforcement**  
**Abandoned Mine Reclamation Fund**  
Program and Financing  
(dollars in millions)

14-1803-4	2010 Actual	2011 Estimate	2012 Estimate
<b><u>Obligations by program activity:</u></b>			
00.01 Prior Balance Payments to Certified States and Tribes	--	--	-102
00.03 In Lieu Payments to Certified States and Tribes			-83
09.00 Total new obligations (object class 41.0)	--	--	-185
<b><u>Budgetary Resources:</u></b>			
Unobligated balance:			
10.50 Unobligated balance (total)	--	--	--
Budget authority:			
Appropriations, discretionary			
11.60 Appropriation, discretionary (total)	--	--	--
Appropriations, mandatory:			
12.00 Appropriation			-185
12.60 Appropriations, mandatory (total)	--	--	-185
19.00 Budget authority (total)	--	--	-185
19.30 Total budgetary resources available	--	--	-185
<b><u>Change in obligated balance:</u></b>			
Obligated balance, start of year (net):			
30.00 Unpaid obligations, brought forward, Oct 1 (gross)	--	--	--
30.20 Obligated balance, start of year (net)	--	--	--
30.30 Obligations incurred, unexpired accounts	--	--	-185
30.40 Outlays (gross)	--	--	138
Obligated balance, end of year (net):			
30.90 Unpaid obligations, end of year (gross)	--	--	-47
31.00 Obligated balance, end of year (net)	--	--	-47
<b><u>Budget authority and outlays, net:</u></b>			
Discretionary:			
40.00 Budget authority, gross	--	--	--
40.70 Budget authority, net (discretionary)	--	--	--
Mandatory:			
40.90 Budget authority, gross	--	--	-185
Outlays, gross:			
41.00 Outlays from mandatory authority	--	--	-138
41.60 Budget authority, net (mandatory)	--	--	-185
41.70 Outlays, net (mandatory)	--	--	-138
41.80 Budget authority, net (total)	--	--	-185
41.90 Outlays, net (total)	--	--	-138

*Office of Surface Mining Reclamation and Enforcement*

**Department of the Interior**  
**Office of Surface Mining Reclamation and Enforcement**  
**Abandoned Mine Reclamation Fund**  
 Program and Financing  
 (dollars in millions)

14-1804-0	2010 Actual	2011 Estimate	2012 Estimate
<b><u>Obligations by program activity:</u></b>			
00.01 Direct program activity	109	216	161
09.00 Total new obligations (object class 25.2)	109	216	161
<b><u>Budgetary resources:</u></b>			
Budget authority:	63	109	128
Appropriations, mandatory (total):			
12.00 Appropriation	109	216	161
12.60 Appropriations, mandatory (total)	109	216	161
19.00 Budget authority (total)	109	216	161
19.30 Total budgetary resources available	109	216	161
<b><u>Change in obligated balance:</u></b>			
30.30 Obligations incurred, unexpired accounts	109	216	161
30.40 Outlays (gross)	-109	-216	-161
<b><u>Budget authority and outlays, net:</u></b>			
Mandatory:			
40.90 Budget authority, gross	109	216	161
Outlays (gross:			
41.00 Outlays from new mandatory authority	109	216	161
41.60 Budget authority, net (mandatory)	109	216	161
41.70 Outlays, net (mandatory)	109	216	161
41.80 Budget authority, net (total)	109	216	161
41.90 Outlays, net (total)	109	216	161

Office of Surface Mining Reclamation and Enforcement

**Department of the Interior**  
**Office of Surface Mining Reclamation and Enforcement**  
**Regulation and Technology**  
 Program and Financing  
 (dollars in millions)

Object Class	FY 2011 Estimate		DOI-wide Changes		Program Changes		FY 2012 Request	
	FTE	Amount	FTE	Amount	FTE	Amount	FTE	Amount
<b>11 Personnel Compensation</b>								
11.1 Full-time Permanent	344	33					369	33
11.X All other salaries								
Total Personnel Compensation	344	33	0	0	25	0	369	33
<b>Other Object Classes</b>								
12.1 Personnel Benefits		7						7
21.0 Travel and transportation of persons		2						2
23.1 Rental Payments to GSA		4						4
23.2 Rental Payments to Others		1						1
25.2 Other Services		6						6
26.0 Supplies and materials		2						2
31.0 Equipment		1						1
41.0 Grants, subsidies and contributions		71						62
99.0 Subtotal, obligations, Direct obligations		127						118
<b>Reimbursable obligations</b>								
11.1 Personnel compensation: Full-time permanent								
99.0 Subtotal, obligations, Reimbursable								
99.5 Below reporting threshold								
<b>99.9 Total requirements</b>	344	127	0	0	25	0	369	118

Office of Surface Mining Reclamation and Enforcement

**Summary of Requirements by Object Class**  
**Abandoned Mine Reclamation Fund**  
 Program and Financing  
 (dollars in millions)

Object Class	FY 2011 Estimate		DOI-wide Changes		Program Changes		FY 2012 Request	
	FTE	Amount	FTE	Amount	FTE	Amount	FTE	Amount
11 Personnel Compensation								
11.1 Full-Time Permanent	177	17					159	17
Total Personnel Compensation	177	17			-18		159	17
<u>Other Objects</u>								
12.1 Personnel Benefits		3						3
21.0 Travel and trans of persons		1						1
23.1 Rental Payments to GSA		2						2
23.3 Communications, utilities and misc.		1						1
25.2 Other Services		5						5
31.0 Equipment		1						1
41.0 Grants, subsidies and Contributions		211						290
99.9 Below reporting threshold		1						1
<b>Total Requirements</b>	<b>177</b>	<b>242</b>	<b>0</b>	<b>0</b>	<b>-18</b>	<b>0</b>	<b>159</b>	<b>321</b>

Office of Surface Mining Reclamation and Enforcement

**Department of the Interior**  
**Office of Surface Mining Reclamation and Enforcement**  
**Regulation and Technology**  
 Object Classification  
 (dollars in millions)

14-1801-0-1-302	FY 2010 Actual	FY 2011 Estimate	FY 2012 Estimate
<b>Direct Obligations:</b>			
Personnel Compensation:			
1111 Full-time permanent	33	33	33
1113 Positions other than full-time permanent	*	*	*
1115 Other Personnel Compensation	*	*	*
1119 Total Personnel Compensation	33	33	33
1121 Personnel Benefits	7	7	7
1130 Benefits for former Personnel	*	*	*
1210 Travel and Transportation of Persons	2	2	2
1220 Transportation of Things	*	*	*
1231 Rental Payments to GSA	4	4	4
1232 Rental Payments to Others	1	1	1
1233 Communications, Utilities and Misc. Charges	*	*	*
1240 Printing and Reproduction	*	*	*
1251 Advisory and assistance services	*	*	*
<i>1252 Other Services</i>	6	6	6
1257 Operation and maintenance of equipment	*	*	*
1260 Supplies and Materials	2	2	2
1310 Equipment	1	1	1
1410 Grants, Subsidies and Contributions	75	71	62
1420 Insurance Claims	*	*	*
1430 Interest and Dividends	*	*	*
<i>9900 Subtotal, Direct Obligations</i>	<i>131</i>	<i>127</i>	<i>118</i>
<b>Reimbursable Obligations:</b>			
2111 Full-time permanent (Reimbursable)	*	*	*
2252 Other Services	*	*	*
9995 Below reporting threshold			
<b>9999 Total Obligations</b>	<b>131</b>	<b>127</b>	<b>118</b>

*Office of Surface Mining Reclamation and Enforcement*

**Department of the Interior**  
**Office of Surface Mining Reclamation and Enforcement**  
**Abandoned Mine Reclamation Fund**  
 Object Classification  
 (dollars in millions)

14-5015-0-1-302	FY 2010 Actual	FY 2011 Estimate	FY 2012 Estimate
<b>Direct Obligations:</b>			
<u>Personnel Compensation:</u>			
1111 Full-time permanent	17	17	17
1113 Positions other than full-time permanent	*	*	*
1115 Other Personnel Compensation	*	*	*
1119 Total Personnel Compensation	17	17	17
1121 Personnel Benefits	3	3	3
1210 Travel and Transportation of Persons	1	1	1
1231 Rental Payments to GSA	2	2	2
1232 Rental Payments to Others	*	*	*
1233 Communications, Utilities and Misc. Charges	1	1	1
1252 Other Services	15	5	5
1260 Supplies and Materials	*	*	*
1310 Equipment	1	1	1
1410 Grants, Subsidies and Contributions	226	211	290
Reimbursable obligations:			
2252 Other services	*	*	*
9995 Below reporting threshold	3	1	1
<b>9999 Total Obligations</b>	<b>269</b>	<b>242</b>	<b>321</b>

*Office of Surface Mining Reclamation and Enforcement*

**Department of the Interior  
Office of Surface Mining Reclamation and Enforcement  
Abandoned Mine Reclamation Fund**

Object Classification  
(dollars in millions)

14-1803-0	FY 2010 Actual	FY 2011 Estimate	FY2012 Estimate
<b>Direct Obligations:</b> 14.10 Direct obligations: Grants, Subsidies and Contributions	224	249	270

*Office of Surface Mining Reclamation and Enforcement*

**Department of the Interior  
Office of Surface Mining Reclamation and Enforcement  
Abandoned Mine Reclamation Fund**

Object Classification  
(dollars in millions)

14-1803-4	FY 2010 Actual	FY 2011 Estimate	FY2012 Estimate
<b>Direct Obligations:</b> 14.10 Direct obligations: Grants, subsidies and contributions	--	--	-185



*Office of Surface Mining Reclamation and Enforcement*

**Department of the Interior  
Office of Surface Mining Reclamation and Enforcement  
Abandoned Mine Reclamation Fund**

Object Classification  
(dollars in millions)

14-1804-0	FY 2010 Actual	FY 2011 Estimate	FY2012 Estimate
<b>Direct Obligations:</b>			
12.52 Direct obligations: Other services	109	216	161

**Exhibit C**

**Department of the Interior  
Office of Surface Mining Reclamation and Enforcement  
Employee Count by Grade**

	FY 2010 Actual	FY 2011 Estimate	FY 2012 Estimate
Executive Level .....	1	1	1
SES.....	6	7	7
subtotal.....	7	8	8
GS/GM-15.....	27	27	28
GS/GM-14.....	59	59	57
GS/GM-13.....	140	140	138
GS-12.....	158	158	152
GS-11.....	28	28	31
GS-10.....	0	0	0
GS-9.....	31	31	33
GS-8.....	9	9	9
GS-7.....	27	27	40
GS-6.....	15	15	13
GS-5.....	12	12	12
GS-4.....	12	12	12
GS-3.....	3	3	3
GS-2.....	3	3	3
subtotal.....	524	524	531
Total employment (actual/projected) at end of fiscal year.....	531	532	539

Note: This is employee count projected at the end of each fiscal year and not FTE levels.

Office of Surface Mining Reclamation and Enforcement

<b>AML Reclamation Accomplishments</b> <b>Historical Data Through September 30, 2010</b> <b>Priority 1, 2, and 3 Problems</b>					
<b>Problem Type</b>	<b>Units</b>	<b>Number of Units</b>	<b>GPRA Acres</b>	<b>Cost of Completed Reclamation</b>	<b>Remaining Reclamation Costs</b>
Bench	Acres	658	658	2,870,657	14,327,003
Clogged Streams	Miles	454	2,270	49,691,850	69,510,776
Clogged Stream Lands	Acres	19,358	19,358	195,002,634	204,508,609
Dangerous Highwalls	Feet	2,818,821	40,269	359,675,578	762,248,972
Dangerous Impoundments	Count	997	4,985	36,316,532	29,759,667
Industrial/Residential Waste (Priority 1 & 2)	Acres	270	270	1,501,377	818,301
Dangerous Piles & Embankments	Acres	12,248	12,248	222,234,474	284,958,758
Dangerous Slides	Acres	3,465	3,465	156,731,406	95,244,404
Equipment/Facilities	Count	706	71	6,334,366	5,172,873
Gases: Hazardous Explosive	Count	37	37	510,809	2,374,002
Gobs (Coal waste piles)	Acres	6,503	6,503	81,154,101	64,482,477
Highwalls	Feet	197,110	2,816	14,792,084	1,255,130,579
Hazardous Equipment & Facilities	Count	4,642	464	26,483,733	25,843,082
Haul Road	Acres	570	570	4,513,246	4,394,936
Hazardous Water Body	Count	1,514	7,570	37,999,508	58,817,843
Industrial/Residential Waste (Priority 3)	Acres	1,085	1,085	5,503,929	10,920,823
Mine Opening	Count	709	71	2,748,172	8,781,786
Other	-----	108,251,613	108,251,613	7,761,107	24,067,540
Polluted Water: Agricultural & Industrial	Count	460	2,300	42,662,613	115,530,781
Polluted Water: Human Consumption	Count	36,151	180,755	204,275,244	3,765,759,139
Portals	Count	10,252	1,025	46,592,043	32,199,744
Pits	Acres	2,454	2,454	15,158,039	42,257,477
Subsidence	Acres	6,582	6,582	287,357,434	594,743,067
Spoil Area	Acres	84,415	84,415	73,882,352	304,109,411
Surface Burning	Acres	1,431	1,431	45,844,106	24,819,855
Slurry	Acres	2,462	2,462	25,951,853	6,374,497
Slump	Acres	374	374	2,784,804	98,262,295
Underground Mine Fire	Acres	1,670	1,670	92,943,306	844,566,206
Vertical Opening	Count	138,274	13,827	33,326,498	34,416,961
Water Problems	Gal/Min	9,122,506	9,122,506	13,616,553	146,093,214
<b>Total</b>		<b>120,727,791</b>	<b>117,774,124</b>	<b>2,096,220,408</b>	<b>8,930,495,078</b>
* Not converted to GPRA acres.					
<b>Note:</b> GPRA Acres are non-acre measures (feet of highwalls or number of portals that are converted by formula to acres. GPRA acres are used to measure program performance). Includes Acid Mine Drainage, Coal Interim Site Funding, Coal Insolvent Surety Site Funding, and Pre-SMCRA Coal State/Tribe Programs,					
<b>Source:</b> Abandoned Mine Land Inventory System (AMLIS).					



Office of Surface Mining Reclamation and Enforcement

By State and Tribe Funding Data						
FY 2010 Obligations for Grants, Cooperative Agreements and Federal Project Spending						
(DOLLARS IN THOUSANDS)						
STATE/TRIBE	Environmental Restoration			Environmental Protection(Regulatory)		TOTAL
	AML Funding	Federal Reclamation		Grants/Agreements		
	Emergency	High Priority	Emergency	Non-Federal	Federal	
	Projects	Projects	Projects	Lands	Lands	
Alabama	400			1,234	20	1,654
Alaska				238		238
Arkansas	15			153		168
California						
Colorado			7	344	1,956	2,307
Georgia		159				159
Illinois	1,000			2,903	166	4,069
Indiana	1,939			1,947		3,886
Iowa	252			74		326
Kansas	915			114		1,029
Kentucky			6,511	12,174	1,497	20,182
Louisiana				168		168
Maryland			54	714		768
Michigan						
Mississippi				160		160
Missouri	50			222		272
Montana	31			183	1,257	1,471
New Mexico				346	538	884
North Dakota	100			799		899
Ohio	2,300			2,862		5,162
Oklahoma	1,081			698	384	2,163
Oregon						
Pennsylvania			1,892	12,519		14,411
Rhode Island						
South Dakota						
Tennessee			63			63
Texas				1,977		1,977
Utah				251	1,839	2,090
Virginia	1,200			3,912		5,112
Washington		166	207			373
West Virginia	3,450			11,712		15,162
Wyoming				2,301		2,301
Cherokee Nation		12				12
Crow					408	408
Hopi					390	390
Navajo					1,165	1,165
N. Cheyenne						
Total	12,733	337	8,734	58,005	9,620	89,429