

FY 2002 Annual Performance Plan

FY 2000 Annual Performance Report

**Office of Surface Mining
Reclamation and Enforcement**



DEPARTMENT OF THE INTERIOR



Office of Surface Mining

FY 2002 Annual Performance Plan

FY 2000 Annual Performance Report

**A COMMENT ON THE PERFORMANCE GOALS
CONTAINED IN THIS DOCUMENT**

The goals that appear in the Fiscal Year 2002 Annual Performance Plan are based on the Department's most recent revision of its Government Performance and Results Act strategic plan. This strategic plan, which covers the period from Fiscal Year 2000 to Fiscal Year 2005, was completed under the guidance and direction of the previous Administration and, therefore, does not necessarily reflect the policies and management priorities of the current Administration.

During 2001, the Department will review and, where appropriate, revise the current strategic plan. This review process will incorporate the views and concerns of the Department's partners and constituencies and will, in some cases, be the basis for new or restated annual performance goals and measures to provide overall direction to Interior's programs and deliver program results.



DEPARTMENT OF THE INTERIOR
OFFICE OF SURFACE MINING RECLAMATION AND ENFORCEMENT

The Office of Surface Mining Reclamation and Enforcement (OSM) is pleased to present its Fiscal Year 2000 Annual Performance Report and Fiscal Year 2002 Annual Performance Plan. This is our second consolidated report measuring our progress under the Government Performance and Results Act. OSM is making overall progress in achieving its two mission goals as identified in this report.

Since enactment of the Surface Mining Control and Reclamation Act (SMCRA) in 1977, OSM has provided over \$918 million in grants to States and Indian Tribes to fund the regulation of active coal mines. Since 1979, OSM has provided more than \$2.9 billion in grants to States and Tribes to clean up mine sites that were abandoned before passage of SMCRA. In fact, over 140,000 acres of abandoned coal mine sites have been reclaimed under OSM's Abandoned Mine Land Program. Extending our record of consultation and cooperation with States, Tribes, local entities, industry, and the public will be a key factor in the next few years if we hope to match these past achievements.

The United States possesses one-fourth of the world's coal resources, with over 275 billion tons of recoverable reserves. Because of the vast domestic coal resources and the fact that over one-half of the electricity generated in the U.S. comes from coal-fired utilities, coal must be a key part of U.S. energy policy. In Fiscal Year 2002, OSM will work to identify innovations it can implement that will help maintain or enhance domestic coal production while maintaining environmental quality and protecting public health and safety.

We believe strongly this balance can be achieved and benefit all.

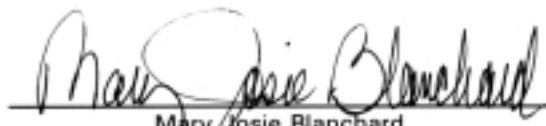
Glenda Owens
Acting Director

Office of Surface Mining Reclamation and Enforcement
Senior Management Commitment

The management of the Office of Surface Mining (OSM) supports the goals and objectives of the Government Performance and Results Act (GPRA) and is committed to transforming OSM into a performance based agency. In accordance with GPRA guidance, this consolidated report has been prepared to show FY 2000 results and FY 2001 and FY 2002 planned goals and management reforms. OSM's senior management responsible for preparing this report and for assuring its integrity and objectivity are:


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Executive Summary

THE OFFICE OF SURFACE MINING (OSM) IS THE LEAD FEDERAL AGENCY FOR CARRYING OUT THE MANDATES OF THE SURFACE MINING CONTROL AND RECLAMATION ACT (SMCRA). OSM'S PRIMARY GOAL IS TO PROTECT SOCIETY AND THE ENVIRONMENT FROM THE ADVERSE EFFECTS OF SURFACE COAL MINING OPERATIONS.

Protection of society focuses on preventing fatalities or injuries by eliminating hazards such as highwalls and dangerous water bodies created by past mining and preventing off-site impacts from current mining activities. Protection of the environment focuses primarily on water pollution caused by either soil erosion or Acid

Mine Drainage (AMD) and the restoration of marred lands. OSM's mission goal of "Environmental Restoration" addresses the vestiges of past mining that occurred prior to the passage of SMCRA in 1977, and the mission goal of "Environmental Protection" addresses current mining since 1977.

OSM is making overall progress in achieving its two mission goals. In FY 2000, two performance targets were met and two performance targets were not met. Not meeting the two annual performance targets is not considered an environmental problem, but rather overly optimistic projections based on limited historical baseline data for years that had higher than average results. OSM is confident that its verification efforts provide reasonably reliable data for showing program results.

Mission Goals	Long-Term Goals	FY2000 Results
Environmental Restoration (Abandoned Mine Lands): To provide a cleaner and safer environment by reclaiming and restoring land and water degraded by past mining.	Increase the number of acres reclaimed (FY 05 target of 40,000 additional acres restored).	Met target of 8,100 acres. Reported acres reclaimed totaled 12,176. Continuation of positive trend in addressing a massive problem.
	Increase the number of new cooperative Acid Mine Drainage Projects under the Clean Streams Initiative (FY 05 target of 230 additional projects).	Did not meet target of 42 projects. Actual results were 35 projects. Continuation of positive trend. Eight projects were in review, but did not meet deadline. OSM does not have direct control over these results.
Environmental Protection (Current Coal Mining): 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.	Maintain the percentage of sites free of offsite impacts (FY 05 target of 94 percent).	Met target of 94 percent. Slight increase over past three years. Long-term target may need to be revised due to limited baseline data.
	Increase the number of acres released from phase III bonds (FY 05 target of 400,000 additional acres released).	Did not meet target of 100,000 acres released. Actual results were 63,071 acres released. Issue may be more a lack of industry reporting than lack of protection of the environment. OSM does not have direct control over these results; measure may be revised.

ENVIRONMENTAL RESTORATION (ABANDONED MINE LAND RECLAMATION)

Congress established, through SMCRA, the Abandoned Mine Land (AML) Fund for the reclamation of mine lands left abandoned prior to 1977. The AML fund authorizes the collection of fees (35 cents a ton for surface mining and 15 cents a ton for underground mining) from coal operators. Approximately \$275 million is collected annually. These funds are used for environmental restoration.

Environmental restoration is accomplished through the AML Program and addresses health, safety, and environmental problems found on over 1.5 million acres of land disturbed during past mining and over 11,500 miles of streams polluted by these unreclaimed lands. The major component of the AML Program is State and Tribal programs that are funded through grants.

OSM maintains an AML inventory of Abandoned Mine Land coal problems. These problems are classified into five priorities, with the vast majority of restoration efforts addressing priority 1 (extreme danger to public health, safety, and general welfare) and priority 2 (adverse effects to public health, safety, and general welfare) sites. Priority 3 (environmental hazards) sites are also included in the AML Inventory.

The Federal Program focuses on the emergency program and coordinating special focus initiatives such as the Appalachian Clean Streams Initiative.

The Appalachian Clean Streams Initiative component of the AML Program supports local efforts to eliminate environmental and economic impacts of acid mine drainage from abandoned coal mines. The objective is to facilitate the efforts of local groups in cleaning streams polluted by acid mine drainage. Besides lowering Federal costs, this initiative provides the unique feature of allowing different groups of citizens, industry, and government agencies to pool resources and actually work together on the same projects. The public learns first hand how difficult it can be to reclaim these problems with limited resources and government agencies gain fresh ideas from a wide variety of people and com-

panies interested in protecting the environment with limited resources.

Measuring the final results of the environmental restoration effort – a safe and clean environment – is a difficult task. A single quantifiable standard does not exist to measure the variety and extent of the problems or the successful reclamation of land and water. OSM uses a calculated projection of the number of acres reclaimed, as an indicator of success. Since 1977, over 140,000 acres of priority 1, 2, and 3 health and safety related coal problems, such as underground fires, subsidence, landslides, open shafts, and unstable man-made cliffs (highwalls), have been reclaimed. Over 560,000 acres of priority 1, 2, and 3 problem sites are currently included in the AML Inventory.

Although it is not a goal or measured result, the environmental restoration effort helps stimulate the coal mining region economies in two ways. First, restoration work provides an immediate economic stimulus, creating 17 jobs for every \$1 million spent. Second, by restoring a quality environment, communities are helped to prepare for new economic development.



This mine opening, or entry portal, in Eastern Pennsylvania was abandoned in the early 1900's. Today, a large quantity of acid mine drainage flows from the open portal polluting rivers many miles downstream.

ENVIRONMENTAL PROTECTION (CURRENT COAL MINING)

Current coal mining operations include over 4.4 million acres in 26 States and on lands of three Indian Tribes. During mining, the potential risk from safety and environmental hazards increases. Fatalities, injuries, and property damage can result from blasting or the failure of large water impoundments. Environmental damages can occur far from the minesite and impact large numbers of people if water runoff containing pollutants is allowed to enter streams and other waterways.

How well we protect the environment, people, and property from the adverse effects of coal mining is measured by the number of incidents that occur outside the boundaries of the permitted areas being mined. These are known as off-site impacts. In FY 2000, 94.1 percent of the mine sites were free of off-site impacts.

The indicator of currently mined land being restored that meets the criteria of contour, topsoil and revegetation success is the number of acres released from Phase III bonds. In FY 2000, 63,071 acres were released from Phase III bonds. This number did not meet the target of 100,000 acres. This is not seen as an environmental problem, but rather an overly optimistic projection based on limited historical baseline data for years that had higher than average bond releases and a lack of reporting by industry for which OSM does not have direct control.

The principal means of providing environmental protection within the framework of SMCRA is through "primacy" States that receive Federal grant funding. Federal programs exist in States that chose not to have State regulatory programs. OSM supports the States with a Technology Development and Transfer Program and a National Technical Training Program. Small coal operators can receive financial assistance for obtaining technical data required to satisfy permitting requirements.



Preventing off-site environmental damage is an important element of the Surface Mining Law. Here at this Kentucky mine site, a small berm is left at the base of a contour mining operation to prevent water from carrying sediment down the hillside and off the mine site. When mining is completed, the berm will be included in the reclamation and graded into the finished contour of the land.

STRATEGIC INITIATIVES

Coal Production Energy Strategy

OSM will continue to protect the environment while assuring a domestic coal supply essential to the Nation's energy requirements.

Using Effective Partnerships

OSM will continue to encourage partnership participation by working with States and Tribes through their reclamation and regulatory agencies, and through private and grass-roots associations.

Management Reforms

OSM has, or will, engage in the following reform initiatives to help fulfill the President's vision of a government that has a citizen-based focus and is results-oriented.

- De-layering management levels to streamline organizations.
- Making greater use of performance-based contracts.
- Expanding the application of online procurement and other e-government services and information.
- Expanding A-76 competitions and making more accurate FAIR Act inventories.

In addition OSM will continue internal reforms that:

- Support the Department of the Interior's management reform initiatives.
- Provide services that add value and are uniquely Federal.
- Establish rules and policies that enable more efficient and effective reclamation.
- Implement OSM's Succession Planning.
- Increase OSM's problem solving capabilities through better technology.

About This Document

The Government Performance and Results Act (GPRA) requires agencies to submit annual performance plans to Congress with their fiscal year budget request, and to prepare an annual performance report at the end of each fiscal year (FY) on how well they met their goals.

OSM has combined in this document the FY 2000 Annual Performance Report (Report) with the FY 2002 Annual Performance Plan (Plan). We believe this consolidated Plan and Report will be more useful to Congress and the appropriations process than submitting multiple documents. In this consolidated document we present an overview of what has been accomplished through OSM programs in FY 2000, what we plan to accomplish in current FY 2001, and what we propose to accomplish with requested resources in FY 2002. This consolidated document shows performance trends and helps managers make decisions and resource allocations.

Section I

Introduction and Overview

1.1 INTRODUCTION

The Office of Surface Mining Reclamation and Enforcement (OSM) was established with the signing of the Surface Mining Control and Reclamation Act of 1977 (SMCRA), Public Law 95-87, August 3, 1977. OSM's two mission goals, Environmental Restoration and Environmental Protection, are very similar in that they focus on protecting society and the environment from the adverse effects of coal mining. Safety concerns include fatalities or injuries caused by blasting activities, failure of unstable land, or failure of water impoundments. Health and environmental problems include water pollution caused by runoff containing excessive sediment, toxic metals, and acid. The difference between the two goals is that Environmental Restoration addresses problems caused by mining occurring before the enactment of SMCRA and Environmental Protection addresses current mining since 1977.

OSM's mandates are carried out primarily through grants and cooperative agreements with States and Indian Tribes (grants disbursements account for 67 percent of the OSM budget) that implement regulatory and reclamation programs in accordance with standards in SMCRA and its implementing regulations.

OSM Funding -FY 2002	
AML State Grants	46%
Regulatory State Grants	21%
OSM Programs	33%

Currently, 24 States have "primacy," or approved State regulatory programs. Each State program includes key elements such as permitting and bonding requirements,

on-the-ground performance standards which mining operations must meet, mine inspection and enforcement requirements, and procedures for designating lands as unsuitable for mining. In primacy States, OSM's mission becomes one of oversight, backup enforcement authority, and programmatic and technical assistance to the States.

In the absence of a State program or a cooperative agreement with a State to regulate mining on Federal lands, OSM serves as the regulatory authority in 12 States. OSM also provides funds to Indian Tribes to develop regulatory programs on Indian lands.

SMCRA provides the means for restoring abandoned coal mines through establishment of the Abandoned Mine Reclamation Fund based on collection of a tonnage-based reclamation fee assessed on current coal production. Legislative authority for collecting the fee expires September 30, 2004. Each year, Congress appropriates monies from the Fund which are used primarily by 23 AML Program States and three Indian Programs for on-the-ground reclamation projects. Through these projects, safety hazards are removed, highwalls eliminated, and causes of water and air pollution are treated or eliminated.

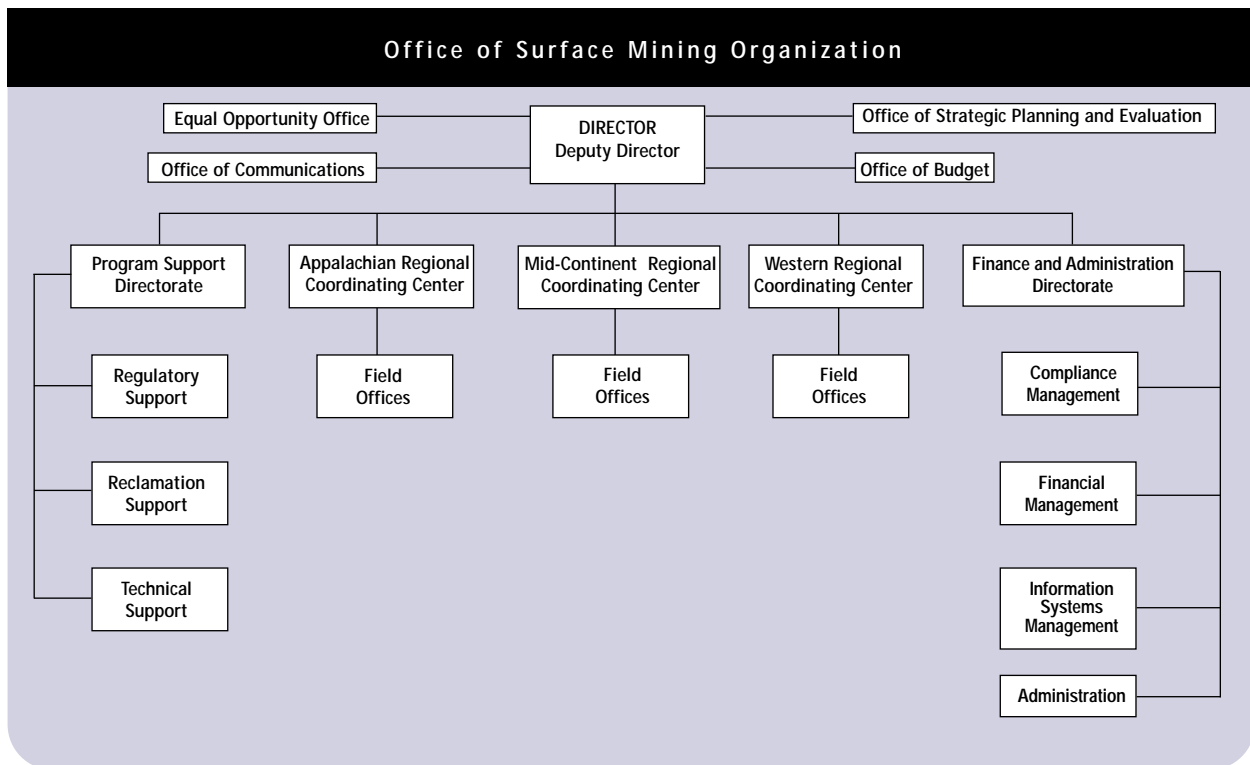
Additionally, monies are used to fund Federal and State AML emergency programs aimed at addressing unanticipated occurrences; for example, subsidence and landslides and the damages these events cause to human life and property. OSM conducts similar activities in non-program States and on Federal and other Indian lands. For States and Indian Tribes having approved AML Programs, OSM provides programmatic and technical assistance to the States and Indian Tribes and conducts oversight activities.

Organizational and Funding Structures

OSM is a field results-oriented organization, with headquarters in Washington, D.C., three regional coordinating centers, ten field offices, and six area offices. All organizational units support both mission goals and conduct or support the five major business lines (functions) of the agency.

The budget is further defined by OSM's five business lines. The business lines of Environmental Restoration and Environmental Protection are supported by the Technical Development and Transfer, Financial Management, and Executive Direction and Administration business lines. (See the GPRA Mission Goal - Budget Activity Tables for a detailed funding list.)

OSM has two budget Appropriations "Abandoned Mine Reclamation Funds" and "Regulation and Technology".



Business Line	Description	Major Activities	Major Outputs and Measures
Environmental Restoration	Primary component for eliminating hazards caused by past mining.	State & Tribal Reclamation Grants, State Emergency Grants, Federal Emergency Program, Clean Streams Initiative, Outcrop & Underground Fire Control, Civil Penalty Projects, Bond Forfeiture Projects, and Program Operations	Acres reclaimed and number of Clean Streams Initiative Projects started
Environmental Protection	Primary component for protecting the environment during current mining.	State & Tribal Regulatory Grants, Federal Lands Program, Federal Programs, and Program Operations	Off-site impacts, acres released from phase III bonds, and acres under permit
Technology Development and Transfer	Activities to enhance the technical skills needed for restoring and protecting the environment.	Technical Training, Technical Assistance, Small Operator Assistance Program Grants, Applicant Violator System (AVS), and Technical Information Processing System (TIPS)	Students trained and customer satisfaction
Financial Management	Provides services to coal operators in ensuring full compliance with the reclamation fee requirements, disburses funds to States and Tribes, and accounts for all AML funds.	Fee Compliance, Revenue Management, and Grants Management	Fees collected, fee compliance rate, customer satisfaction, and process efficiency
Executive Direction & Administration	Provides executive policy direction, administrative support, and fixed costs such as office space for all other Business Lines.	Director's staff offices, administrative support, rent, and telecommunications	Policy guidance, administrative support, human resource and civil rights compliance, and office space

STRATEGIC INITIATIVES

OSM, has developed the following strategic initiatives to better accomplish its mission of protecting the environment while assuring a domestic coal supply essential to the Nation's energy requirements.

Coal Production Energy Strategy

The United States possesses one-fourth of the world's coal resources. Because of the abundance of this

resource and the fact that over one-half of the electricity generated in the Nation comes from coal-fired utilities, coal must remain a vital part of the Nation's energy policy. OSM recognizes that a number of issues addressing the extraction of coal must be addressed so that the environment is protected during and after mining operations. OSM will work to identify innovations it can implement that will assure domestic coal production while maintaining environmental quality and protecting public health and safety.

OSM will focus its technology development and transfer activities on eliminating, minimizing, or mitigating the impacts of mining and use of fossil fuels, such as the impacts from blasting and the disposal of wastes from coal combustion and processing. In addition, regulatory changes to foster innovation through removal of disincentives may also be necessary.

Enhancing Effective Partnerships

OSM will continue to focus on developing new approaches in implementing SMCRA. These initiatives include continuing emphasis on the Appalachian Clean Streams Initiative to facilitate and enhance State and local partnerships to clean up acid mine drainage and improve the aquatic environment and quality of life for coalfield citizens. Acid mine drainage is the number one water pollutant in the coal fields of the Appalachian area causing major environmental and public health problems. Through this initiative, over 100 State and Federal agencies, local soil and water conservation districts, national conservation organizations, private foundations, and coalfield residents have formalized their commitment to work together through a Statement of Mutual Intent. Many of the demonstration projects that have received funding since program inception are now completed, under construction, or in design, with construction to commence soon.

Advancing AML enhancement and re-mining are additional examples of these new approaches and continue to remain OSM priorities. These initiatives foster additional production and reclamation that might otherwise not occur, with reduced cost to the Government.

Enhancing AML Reclamation allows more sites to be reclaimed by allowing contractors to offset reclamation costs by removing and selling coal found incidental to reclamation projects. Re-mining allows current operators to mine previously mined sites. Re-mining operators mine the now economical coal left by previous operations, as part of their current operations, and reclaim the entire site as part of their post-mining reclamation responsibilities. These operations may resolve many environmental problems created by past mining.

OSM recognizes the importance of working with the States and Indian Tribes, industry and coal field citizens

in implementing SMCRA. To this end, OSM is committed to continue to work together with its partners to better implement the surface mining program. OSM and its partners have been working in concert to develop sound policies and implement procedures which not only enhance the environment for all Americans but also support the coal industry as economical, progressive, and responsible. As an example, OSM and the States revised OSM's approach to oversight from a process review to measuring on-the-ground results.

The Acid Drainage Technology Initiative (ADTI) is a primary example of another effective partnership at work. The ADTI is a partnership-based joint venture, which includes OSM, coal producing States, academia, industry, and other Government agencies and groups. Its purpose is to identify, evaluate, and develop "best science" practices to predict the likelihood of acid mine drainage discharges prior to mining, and to identify successful remediation practices for existing sources of acid mine drainage. Two manuals, one focusing on reclamation techniques and the other on prediction, have been issued to date.

Management Reforms

OSM has, or will, engage in the following reform initiatives to help fulfill the President's vision of a government that has a citizen-based focus and is results-oriented.

- De-layering management levels to streamline organizations.
- Making greater use of performance-based contracts.
- Expanding the application of online procurement and other e-government services and information.
- Expanding A-76 competitions and making more accurate FAIR Act inventories.

In addition OSM will continue internal reforms that:

- Support the Department of the Interior's management reform initiatives.
- Provide services that add value and are uniquely Federal.
- Establish rules and policies that enable more efficient and effective reclamation.
- Implement OSM's Succession Planning.
- Increase OSM's problem solving capabilities through better technology.

1.2 MISSION STATEMENT

OSM's mission is to carry out the requirements of the Surface Mining Control and Reclamation Act in cooperation with States and Tribes. Our primary objectives are to:

- Ensure that coal mines are operated in a manner that protects citizens and the environment during mining,
- Ensure that the land is restored to beneficial use following mining, and
- Mitigate the effects of past mining by aggressively pursuing reclamation of abandoned mines.



Located in eastern Kentucky, this pleasant scene in a reclaimed slurry impoundment that is being turned into a county park. Coal refuse was disposed of behind a large embankment or dam. Under an experimental practice, the company created a recreational lake in lieu of covering the slurry impoundment with the required four feet of non-toxic earth material. The entire face of the dam was covered with more than two feet of soil and grass planted. The lake is approximately 21 acres and has 6,200 feet of shoreline. Stocked with more than 10,000 fish, it is a serene, peaceful setting complete with paved roads, parking, and picnic areas. When final bond is released, the land will be transferred to the county as a permanent public recreation area.

1.3 LINKAGE TO DEPARTMENTAL GOALS

OSM's two mission goals support the Department of the Interior's goal to **"Protect the Environment and Preserve Our Nation's Natural and Cultural Resources."**

Trust Responsibilities

OSM also supports the Department's goal in "Meeting our Trust responsibilities to Indian Tribes and our commitments to Island Communities." OSM supports this goal by providing grants to the Crow, Hopi, Navajo, and Northern Cheyenne Tribes to assist them in developing programs for regulating surface coal mining and reclamation operations on Indian lands. The development of these programs includes creating tribal mining regulations and policies; working with OSM in the inspection and enforcement of coal mining activities on Indian lands (including permitting, mine plan review, and bond release); and education in the area of mining and mineral resources.

DOI GOAL - Protect the Environment and Preserve Our Nation's Natural and Cultural Resources

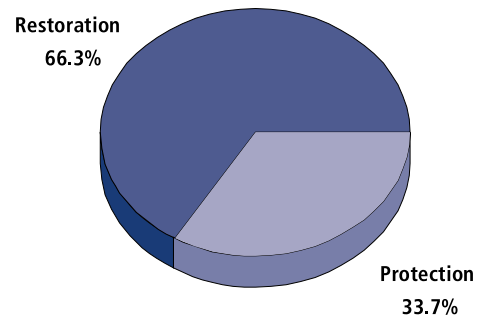
OSM GOALS and INITIATIVES

Mission Goals	Long-Term Goals	Strategic Initiatives
<p>Environmental Restoration - To provide a safer and cleaner environment by reclaiming and restoring land and water degraded by past mining.</p> <p>Environmental Protection - 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.</p>	<p>Increase the number of acres reclaimed (FY 05 target of 40,000 additional acres restored).</p> <p>Increase the number of new cooperative Acid Mine Drainage Projects under the Clean Streams Initiative (FY 05 target of 230 additional projects).</p> <p>Maintain the percentage of sites free of off-site impacts (FY05 target of 94 percent).</p> <p>Increase the number of acres released from Phase III bonds (FY05 target of 400,000 additional acres released).</p>	<p>Coal Production Energy Strategy OSM will work to protect the environment while assuring a domestic coal supply essential to the Nation's energy requirements.</p> <p>Using Effective Partnerships Continue to encourage partnership participation by working with States and Tribes through their reclamation and regulatory agencies, and through private and grass-roots associations.</p> <p>Management Reforms OSM has, or will, engage in the following reform initiatives to help fulfill the President's vision of a government that has a citizen-based focus and is results-oriented.</p> <ul style="list-style-type: none"> • De-layering management levels to streamline organizations. • Making greater use of performance-based contracts. • Expanding the application of online procurement and other e-government services and information. • Expanding A-76 competitions and making more accurate FAIR Act inventories. <p>In addition OSM will continue internal reforms that:</p> <ul style="list-style-type: none"> • Support the Department of the Interior's management reform initiatives. • Provide services that add value and are uniquely Federal. • Establish rules and policies that enable more efficient and effective reclamation. • Implement OSM's Succession Planning • Increase OSM's problem solving capabilities through better technology.

1.4 LINKAGE TO BUDGET

OSM's "Performance Efforts" are operationally linked to the budget. Beginning in FY 1997, OSM's budget activities were restructured around the five business lines of Environmental Restoration, Environmental Protection, Technical Development and Transfer, and Executive Direction and Administrative Support, that show clear lines of support for accomplishing the mission goals. A business-line based accounting system was developed to determine budget activities costs better, to determine performance output costs, and to enhance the management decisionmaking process.

**OSM Funding - FY 2000
By Mission Goals**



Annual Planning Cycle



1.5 ADJUSTMENTS TO THE STRATEGIC PLAN

Long-term targets for four goals are being adjusted downward through this plan to reflect lower than expected FY 2000 actual results and FY 2002 funding reductions for the Environmental Restoration Mission Goal. The original long-term targets were based on limited baseline data that had higher than average results causing high projections.

1.6 FY 2002 ANNUAL PERFORMANCE PLAN "AT-A-GLANCE"

DOI GOAL	OSM MISSION GOALS	LONG-TERM GOALS	FY 2002 ANNUAL GOALS
Protect the Environment and Preserve Our Nation's Natural and Cultural Resources	Environmental Restoration - To provide a cleaner and safer environment by reclaiming and restoring land and water degraded by past mining.	<p>Increase the number of acres reclaimed (FY 05 target of 40,000 additional acres restored).</p> <p>Increase the number of new cooperative Acid Mine Drainage Projects under the Clean Streams Initiative (FY 05 target of 230 additional projects).</p>	<p>The AML Program will reclaim 7,000 acres.</p> <p>The Office of Surface Mining will provide funding for 40 new cooperative Acid Mine Drainage Projects under the Clean Streams Initiative.</p> <p>The Surface Mining Program will maintain the percentage of sites that are free of off-site impacts at 94%.</p>
	Environmental Protection - 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.	<p>Maintain the percentage of sites free of off-site impacts (FY05 target of 94 percent).</p> <p>Increase the number of acres released from Phase III bonds (FY05 target of 400,000 additional acres released).</p>	<p>The Surface Mining Program will release 75,000 acres from Phase III Performance Bonds.</p>

Section II

Mission Goal

2.1 ENVIRONMENTAL RESTORATION MISSION GOAL (AML RECLAMATION)

DESCRIPTION

The Environmental Restoration Mission Goal addresses threats to the public health, safety, and general welfare caused by past mining practices. The total magnitude of the problem is difficult to assess, but OSM has developed a national inventory that contains information on over 13,700 problem areas associated with abandoned mine lands. 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, and general welfare problems), or priority 3 (environmental hazards). Other problem areas are classified as either priority 4 (public facilities such as utilities or roads) or priority 5 (publicly owned land adversely affected by coal mining practices).



Locations of AML Problems Eligible for AML Funding

Since 1977, over 140,000 acres of priority 1, 2, and 3 health and safety related coal problems have been reclaimed. Over 560,000 acres of priority 1, 2, and 3 problem sites are currently included in the AML Inventory.

AML Priorities

Expenditures from the AML Fund on lands and water eligible for reclamation are reflected by the following priorities:

- (1) The protection of public health, safety, general welfare, and property from extreme danger of adverse effects of coal mining practices;
- (2) The protection of public health, safety and general welfare from adverse effects of coal mining practices;
- (3) The restoration of land and water resources and the environment previously degraded by adverse effects of coal mining practices including measures for the conservation and development of soil, water, woodland, fish and wildlife, recreation resources and agricultural productivity;
- (4) Research and demonstration projects relating to the development of surface mining reclamation and water quality control program methods and techniques;
- (5) The protection, repair, replacement, construction, or enhancement of public facilities such as utilities, roads, recreation, and conservation facilities adversely affected by coal mining practices.

Problems areas are addressed through the AML Program. The AML Program includes the following:

- Twenty-three State and three Tribal reclamation programs, which are funded through Federal grants, undertake the majority of reclamation projects.
- State and Federal emergency programs address unforeseen problems that require immediate action to safeguard people and property. Emergencies are generally the result of either subsidence, the caving in of old underground mines which impacts surface structures or leaves dangerous depressions, or landslides.
- Federal non-emergency programs address problems in States without an approved reclamation program.
- The Clean Streams Initiative focuses on efforts to clean-up Acid Mine Drainage (AMD) through partnerships with local grass-roots organizations and other interested parties.
- Civil Penalties, Bond Forfeitures, and Outcrop and Underground Fire Control Projects address restoration projects often not eligible for AML funding. Civil penalty and bond forfeiture projects address post-1977 abandoned mine sites where operators failed to adequately reclaim the land. Coal outcrop fires are a long-term threat to public safety and property. (These post-SMCRA restoration efforts are funded through the Regulation and Technology Appropriation).
- Technology Development and Transfer programs that support the States, Tribes, Federal agencies, the coal industry, and citizens by providing technical information and tools for carrying out the requirements of SMCRA.
- The National Technical Training Program, a cooperative effort with States and Tribes, that provides instruction on such subjects as acid mine drainage, blasting, hydrology, and revegetation.
- Financial Management includes the Fee Compliance Program and Grants Financial Management Fee

Annual Performance Measure

AML Acres Reclaimed

Measuring the final results of the environmental restoration effort – a safe and clean environment – is a difficult task. A single quantifiable standard does not exist to measure the variety and extent of the problems or the successful reclamation of land and water. OSM uses a calculated projection of the number of acres reclaimed as an indicator of success. Reclamation problems in the Inventory can involve 30 different types of hazards having five different units of measurement: miles, acres, feet, counts, and gallons per minute.

Annual Performance Measure

Cleans Streams Initiative

Acid mine drainage (AMD) is the number one water pollutant in the coal fields of the Appalachian area causing major environmental and public health problems. OSM's emphasis on the Clean Streams Initiative combined with increasing watershed stewardship at the community level, and more sophisticated and cost-effective treatment technology, has promoted increased water restoration projects. OSM has partnered with over 100 government agencies, private watershed groups, environmental groups, private foundations, coal producers, and private individuals on these projects. To further these type projects, in 1999, OSM implemented the Watershed Cooperative Agreement Program. The program allows OSM to award money directly to private not-for-profit agencies, such as small watershed organizations, to undertake local AMD reclamation projects. This program is intended to provide "finishing" money; that is, the final amount necessary to complement the contributions of other supporting partners so that actual construction can proceed.

FY 2002 GOALS

- 01.01 In FY 2002, the Surface Mining Program will reclaim 7,000 acres.
- 01.02 In FY 2002, the Office of Surface Mining will provide funding for 40 new cooperative Acid Mine Drainage Projects under the Clean Streams Initiative.



Reclamation of this West Virginia abandoned mine site eliminated 6,000 linear feet of highwall and sealed four mine openings. To prevent future damage, an under-drain was placed along the length of the highwall to collect drainage from auger holes. Since no topsoil was available, the spoil was direct seeded with a special seed mix. Today this landscape bears little resemblance to its appearance before the abandoned highwalls and spoil were reclaimed.

FY 2002 FUNDING CHANGES

A \$12.6 million reduction is requested to reflect the termination of a one time funding specifically earmarked for the State of Pennsylvania. A reduction of \$35 million is taken from State and Tribal reclamation grants. The balance of the \$47.8 million reduction, \$200,000, will result from streamlining savings.

**GPRA MISSION GOAL - BUDGET ACTIVITY TABLE
ENVIRONMENTAL RESTORATION MISSION GOAL**

Budget Activity/Subactivity (subactivity linked to goal) (\$000)	FY 2000 Actual		FY 2001		FY 2002 Pres. Budget	
	Budget Activity	Restoration Goal	Budget Activity	Restoration Goal	Budget Activity	Restoration Goal
Environmental Restoration - AML (Reclamation Program Grants, State Emergency Program Grants, Clean Streams Initiative, State Program Evaluation, Federal Emergency Projects, Federal High-Priority Projects, Program Operations, Program Dev. & Maintenance, AML Inv., and Grants Management)	181,019	181,019	199,270	199,270	149,926	149,926
Technology Dev. & Transfer - AML (Technical Assistance, Mine Map Repository, Reclamation Support Activities, TIPS, Training, Technology Transfer)	3,536	1,958	3,591	2,094	4,136	2,639
Financial Management - AML (Fee Compliance, Revenue Mgt., and Grants Mgt.)	5,205	5,205	5,402	5,402	6,070	6,070
Executive Dir. & Admin - AML (Director's Staff Offices, Administrative Support, and fixed costs for rent and telecommunications)	6,113	6,113	6,302	6,302	6,651	6,651
AML Appropriation Subtotal	195,873	194,295	214,565	213,068	166,783	165,286
Environmental Restoration - R&T (Outcrop and Underground Fire Control, Civil Penalty Reclamation, and Bond Forfeitures)	425	425	431	431	435	435
Environmental Protection - R&T (State Grants, State Regulatory Activities, Cooperative Agreement Funding, Tribal Regulatory Dev., Prog. Grants, State Program Evaluations, Federal Programs, Federal Lands Prog., Program Dev. & Maintenance, and Grants Mgt.)	72,049	0	76,274	0	76,741	0
Technical Dev. and Transfer - R&T (Technical Asst., TIPS, Technical Training, Experimental Practices, AVS, and Technology Transfer)	11,491	0	11,820	0	12,151	0
Financial Management - R&T (Revenue Mgt. & Grants Mgt.)	521	0	536	0	477	0
Executive Direction & Administration (Director's Staff Offices, Administrative Support, and fixed costs for rent and telecommunications)	11,374	0	11,793	0	12,371	0
R&T Appropriation Subtotal	95,860	425	100,854	431	102,175	435
TOTAL	291,733	194,720	315,419	213,499	268,958	165,721

ENVIRONMENTAL RESTORATION PERFORMANCE TABLES

Mission Goal: Environmental Restoration

Long-Term Goals:

Increase the number of acres reclaimed (FY 05 target of 40,000 additional acres reclaimed).

Increase the number of new cooperative Acid Mine Drainage Projects under the Clean Streams Initiative (FY 05 target of 230 additional projects).

Annual Performance Measure: In FY 2002

01.01 The AML Program will reclaim 7,000 acres. 1/

01.02 The Office of Surface Mining will provide funding for 40 new cooperative Acid Mine Drainage Projects under the Clean Streams Initiative.

	FY 98 Actual	FY 99 Actual	FY 00 Plan	FY 00 Actual	FY 01 Plan	FY 02 Plan
01.01	7,201 acres	10,949 acres <u>2/</u>	8,100 acres	12,176 acres <u>3/</u>	8,600 acres <u>4/</u>	7,000 acres
01.02	9 projects	29 projects	42 projects	35 projects	35 projects <u>5/</u>	40 projects

1/ Includes priority 1,2, and 3 problems for pre-SMCRA grant programs, coal interim sites, coal insolvent sites and acid mine drainage.

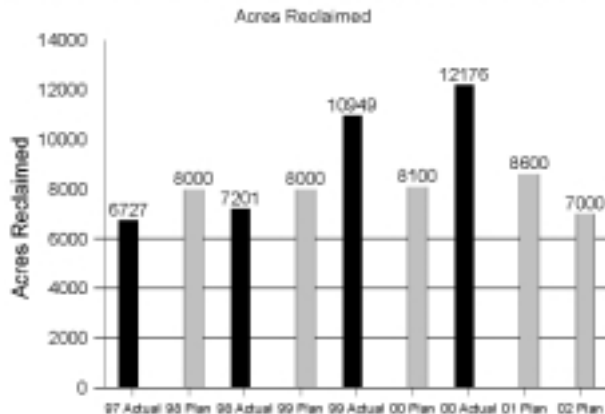
2/ The accomplishments reported by the States and Tribes for FY 1999 included more than one fiscal year. OSM's calculated estimate for FY1999 actual is 7,400 acres. FY 2000 - FY 2002 planned results uses 7,400 acres as the baseline for the number of acres for which reclamation is initiated. Actual project completion may occur one to three years after funding.

3/ The accomplishments reported by the States and Tribes for FY 2000 included more than one fiscal year. OSM's calculated estimate for FY 2000 actual is 8,100 acres. FY 2000 - FY 2002 planned results uses 7,400 acres as the baseline for the number of acres for which reclamation is initiated. Actual project completion may occur one to three years after funding.

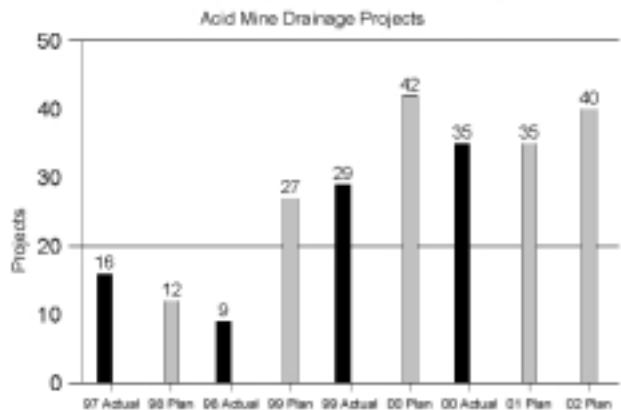
4/ The FY 2001 planned target was revised from 9,100 acres to reflect the factors indicated in footnotes 2 and 3.

5/ The FY 2001 planned target was revised from 46 projects based on four years of data rather than just 1997 and 1998. The more recent data shows that the projects being funded are larger than initially anticipated reducing resources available for a higher number of projects to be indicated during the year. Although the number of projects initiated may be less, this does not automatically mean that less environmental restoration will occur as the size of the projects are larger than initially projected.

Annual Performance Measures - Restoration



Annual Performance Measures - Restoration



In addition to the annual performance measures for environmental restoration, OSM tracks other workload and performance statistics that are used to monitor program performance. The following table shows an additional fourteen workload and performance statistics.

Environmental Restoration Mission Goal Workload and Performance Statistics				
	FY 97 Actual	FY 98 Actual	FY 99 Actual	FY 00 Actual
Environmental Restoration Business Line				
Number of emergency hazards abated	402	406	308	339
Number of persons directly impacted by emergency abatements (based on the number of persons impacted by federal emergency projects)	26,000	22,000	27,000	16,000
Percent of instances where OSM awards AML grants within 60 days	92%	90%	93%	100%
Technical Development and Transfer Business Line Performance Statistics				
Customer satisfaction rate in the quality of OSM's technical training (based on surveys covering both mission goals)	85%	88.6%	91.4%	94%
Customer service rate in the quality of OSM's technical assistance activities (based on surveys covering both mission goals)			97.6%	93.3%
Customer satisfaction rate for technical training in the use of the Technical Information Processing System (TIPS) (based on surveys covering both mission goals)		85%	88%	89.7%
Customer satisfaction rate in the quality of OSM's technical transfer activities (based on surveys covering both mission goals)			93.2%	98.5%
Students trained annually by OSM (applies to both mission goals)	1,010	819	997	902
Customer satisfaction rate in the quality and timeliness of Applicant Violator System (AVS) services (based on surveys covering both mission goals)			96.1%	97%
Financial Management Business Line Performance Statistics				
Fee collection rate as measured by percent of fees due that are collected (indicates success in generating funds for reclamation-total collections shown in \$millions)	99.76% (\$266.8M)	99.78% (\$273M)	99.82% (\$276.6M)	99.83% (\$274.4M)
Initial fee compliance rate as measured by percent of permits reporting and paying on time (shows compliance before OSM follow-up compliance actions)				91.8%
Debt processing rate within the first 180 days (applies to both mission goals)	97.9%	99.3%	97%	100%
Percent of instances where OSM processes requests for grant payments within one day (applies to both mission goals)	99%	95%	99.7%	100%
Customer service rate for accuracy, timeliness, and overall satisfaction of grants financial management (applies to both mission goals)	90%	90%	95%	100%

GOAL DESCRIPTION

The Environmental Restoration Mission Goal addresses the enhancement of public health, safety, and general welfare by correcting problems caused by past mining. It is difficult to fully show annual progress in achieving the Environmental Restoration Goal. OSM has chosen two annual performance measures supported by 14 workload and performance statistics to indicate annual progress. As OSM gains more experience and receives feedback on our annual performance reporting, performance measures may be revised or added.

Annual Performance Measure 01.01, the number of acres reclaimed annually, gives the primary perspective of what is being accomplished and what remains to be done. OSM has identified over 560,000 acres of priority 1, 2, and 3 coal-related health and safety problems such as underground fires, subsidence, highwalls, landslides, open shafts, and polluted water. The total magnitude of the problem, which is found nationwide, is unknown. What we know is that the costs to reclaim known problems far exceed the resources of the AML Program. What is important to the public is that the AML Program address these problems as quickly as possible so that we can all live in a safer and cleaner environment. The AML Program has reclaimed approximately 142,000 acres of coal-related problems to date. At the FY 2000 target rate of 8,100 acres, it will take over 50 years to reclaim the remaining 418,000 acres of currently known unreclaimed priority 1, 2, and 3 coal-related problems.

Annual Performance Measure 01.02, the number of new cooperative Acid Mine Projects under the Clean Streams Initiative, focuses on a small, but important and highly visible component of the AML program. This measure gives an indication of non-AML Program staff who are directly involved in reclamation activities. Increasing numbers of projects indicate more support and involvement of the public in reclamation activities. The Clean Streams Initiative is unique in that it enables joint Federal, State, and public effort on a small scale to do the same type of reclamation activities that the Federal and State AML Programs undertake on a larger scale. While reducing Federal costs, it also enables the

public to understand the problems encountered during reclamation; but more importantly, it provides opportunities to a wide spectrum of individuals to share innovations and successful approaches to reclamation. Since the Clean Streams Initiative currently amounts to less than five percent of the funding for the Restoration Goal, not meeting the target for new projects each year will not have a major negative effect on the long-term goal of restoring AML problems. However, if in the future this initiative brings in substantial additional non-AML Fund resources, it has the potential of having a major positive effect on addressing AML problems.

Estimated Acres Reclaimed

Using FY 1998 as the "base year, the "regular" (i.e., non-emergency, non-clean streams) grants was \$131.1 million. The actual acres reported reclaimed in FY 1998 were 7,201 acres.

The cost per acre for reclamation base is \$18,000 per acre (\$131.1 million divided by 7,201 acres). However this includes the dollars that are spent on planning, design, monitoring, administration, etc. by the States. OSM's assumption is that almost all of the increases over the base are going to go to construction (planning, etc. costs are remaining fairly steady), thus, our planning estimate is that the cost of reclamation per acre drops to approximately \$13,000 per acre.

Calculated amount for FY 2000 based on assumptions of 8,100 acres.

- FY 2000 "regular" grant amount = \$142.6 mil
- Increase over FY 1998 = \$11.5 mil
- \$11.5 mil / \$13,000/acre = 885 acres
- 7,201 acres + 885 acres = 8,086 acres (8,100 acres rounded)

FY 2000 Annual Performance Goal (Measures):			
		Met	Not Met
01.01	The Surface Mining Program will reclaim 8,100 acres.	12,176	
01.02	The Office of Surface Mining will provide funding for 42 new cooperative Acid Mine Drainage Projects under the Clean Streams Initiative.		35
Total		1	1

The baseline data for both measures are limited, but both give an indication of positive trends in achieving a safer and cleaner environment. While striving to make improvements, OSM will also consider revising the targets to better reflect program constraints and external factors. For example, the number of new projects is constrained by funding. New projects were larger than anticipated, therefore, reducing the number that would be undertaken. However, the net environmental benefits and public participation may be as great as if a larger number of smaller projects had been undertaken.

Since its inception in 1977, the AML Program has reclaimed 142,000 acres of high priority coal-related problem areas. In FY 2000, 12,176 acres were reported reclaimed (accomplishments from prior years but not reported until FY 2000 are included), an increase of 1,227 acres or 11 percent over FY 1999. This increase continues an upwards trend showing that OSM and the States have increased their capacity and intent to address reclamation problems as quickly as possible. Although the annual performance target for new cooperative AMD projects was not met, actual results continue on a positive trend. The target was 42 projects and the actual was 35 projects. Factors included in not meeting the target were: 1) size of new projects funded were larger than expected, reducing resources for additional projects, and 2) unexpected delays by project applicants in submitting required paperwork for approving projects. Seven additional projects were expected in FY 2000, but did not meet submission deadlines. Four of these projects were funded in the first quarter of FY 2001.

The following project descriptions illustrate the types and scopes of AML projects:

Westmoreland County, Pennsylvania: Located in an urban area, a three story apartment building began to collapse recently, when the ground shifted because of instability caused by the collapse of old mine workings 100 feet below the surface. Twenty two families (40

people), some of whom literally escaped with only the clothes on their back became homeless as the building was condemned. The Red Cross incurred \$44,000 in emergency assistance costs. Reclamation efforts, which will cost in the hundreds of thousands of dollars, will include pumping a mixture of cement and fly ash into the ground that collapsed. Because these underground mine workings were previously not considered to have a high likelihood of a subsidence potential, this area was not included in the AML Inventory as a high priority problem.

Pleasant View Project in Hopkins County, Kentucky: Located in a suburban area, the Pleasant View Project covered 250 acres of barren waste land and included 1,375,000 cubic yards of mine waste containing heavy metals and 300,000,000 gallons of highly acid (pH 2.5) water. Runoff from this site contaminated a significant stretch of downstream wetlands to such an extent, that the affected area was completely devoid of any aquatic life. The two year reclamation effort cost \$4 million dollars and involved moving 2.5 million cubic yards of material to fill in the strip pits and to grade the surrounding areas, 10 tons of seed for replanting, 500 tons of straw mulch, 26,000 tons of agricultural limestone, and 88 tons of fertilizer.

**AML RECLAMATION ACCOMPLISHMENTS
HISTORICAL DATA THROUGH SEPTEMBER 30, 2000
PRIORITY 1, 2, AND 3 PROBLEMS**

Problem Types	Units	Number of Units	GPRA Acres	Cost of Completed Reclamation	Remaining Reclamation Costs
Bench	Acres	710	710	\$3,236,513	\$12,275,286
Clogged Streams	Miles	340	1,696	\$36,765,940	\$48,448,396
Clogged Stream Lands	Acres	18,147	18,147	\$173,580,838	\$195,271,399
Dangerous Highwalls	Feet	1,863,839	26,722	\$226,554,564	\$604,412,958
Dangerous Impoundments	Count	468	3,089	\$16,396,088	\$16,715,122
Industrial/Residential Waste	Acres	189	189	\$690,449	\$774,465
Dangerous Piles & Embankments	Acres	9,710	9,664	\$158,597,803	\$286,661,940
Dangerous Slides	Acres	2,858	2,887	\$105,723,806	\$93,757,750
Equipment/Facilities	Count	563	60	\$5,482,670	\$4,400,362
Gases: Hazardous Explosive	Count	29	29	\$365,321	\$2,757,381
Gobs (Coal waste piles)	Acres	5,353	5,354	\$63,780,129	\$66,046,345
Highwalls	Feet	140,747	2,011	\$10,237,097	\$1,147,538,954
Hazardous Equipment & Facilities	Count	2,630	269	\$17,298,163	\$27,204,076
Haul Road	Acres	305	305	\$2,533,677	\$5,349,367
Hazardous Water Body	Count	521	2,755	\$27,451,584	\$48,950,823
Industrial/Residential Waste	Acres	613	613	\$3,170,380	\$10,629,330
Mine Opening	Count	360	36	\$808,853	\$7,266,407
Other	-----	751,632	186	\$7,191,104	\$22,768,916
Polluted Water: Agricultural & Industrial	Count	156	756	\$34,422,952	\$103,181,816
Polluted Water: Human Consumption	Count	6,165	30,821	\$59,103,355	\$3,759,861,047
Portals	Count	7,948	815	\$31,310,588	\$20,587,887
Pits	Acres	1,128	1,128	\$6,504,872	\$42,568,800
Subsidence	Acres	5,095	5,093	\$213,595,746	\$397,745,959
Spoil Area	Acres	21,284	21,283	\$54,333,139	\$291,828,598
Surface Burning	Acres	1,066	1,066	\$27,779,596	\$21,451,999
Slurry	Acres	1,950	1,950	\$17,408,568	\$9,850,893
Slump	Acres	85	85	\$813,099	\$98,384,046
Underground Mine Fire	Acres	1,287	1,287	\$75,052,707	\$865,296,472
Vertical Opening	Count	3,701	418	\$23,430,258	\$33,152,938
Water Problems	Gal/Min	95,267	2,894	\$5,218,462	\$94,401,405
Total			142,316	1,408,838,321	\$8,338,766,672

Note: 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).

Source: Abandoned Mine Land Inventory System (AMLIS).

01.01 AML Acres Reclaimed Annually	
Data Validation	OSM has concluded that the number of acres reclaimed is a valid indicator to show how the AML program is restoring the environment.
Data Verification	OSM uses the following three-pronged approach for verifying and validating performance measure data: 1) a self-assessment by program managers conducted annually for all performance measures; 2) periodic reviews coordinated by the Office of Strategic Planning and Evaluation; 3) audits by external staff from such agencies as the Office of the Inspector General or GAO. AMLIS data is reviewed before it is entered into the system and is automatically reviewed through a variety of internal controls. During program evaluation activities, OSM spot checks documentation related to State/Tribal site priority settings to ensure that the on-the-ground conditions are being classified properly in the inventory. The OIG audited the process and no problems were identified.
Data Source	Data collected from internal OSM operations and externally from 23 State and 3 Tribal programs through an automated system - Abandoned Mine Land Inventory System (AMLIS). All hazard measurement units are converted to acres based on standardized conversion factors.
Data Limitations	OSM is confident that the data for these performance measure are reasonably reliable for the intended purpose of showing program results over time. Having multiple sources of data increases the potential for problems.
Planned Improvements	The primary improvement for FY 2001 is adding a data field to indicate the year projects are completed. Currently annual accomplishments are the difference between the cumulative totals at the end of each reporting year and the previous year's total.

01.02 Number of New Cooperative AMD Projects	
Data Validation	OSM has concluded that the number of new cooperative AMD Projects is a valid indicator to show progress in the Clean Stream Initiative.
Data Verification	OSM uses the following three-pronged approach for verifying and validating performance measure data: 1) a self-assessment by program managers conducted annually for all performance measures; 2) periodic reviews coordinated by the Office of Strategic Planning and Evaluation; 3) audits by external staff from such agencies as the Office of the Inspector General or GAO. No problems have been identified.
Data Source	Data collected from States and Watershed groups through a manual system.
Data Limitations	OSM is confident that the data for these performance measure are reasonably reliable for the intended purpose of showing program results over time. Having multiple sources of data increases the potential for problems.
Planned Improvements	None planned for FY 2001.

**2.2 ENVIRONMENTAL PROTECTION
MISSION GOAL
(CURRENT COAL MINING)**

DESCRIPTION

Regulatory programs under SMCRA ensure that the environment is protected during coal mining and that the land is adequately reclaimed during and following the mining process. During 2000, coal mining activities occurred in 26 States and on lands of three Tribes. Twenty-four States have approval to administer State regulatory programs. OSM administers Federal programs in Washington and Tennessee. OSM also administers the Indian Lands Program for mining on Navajo, Hopi, and Crow Tribal lands. States assist OSM through cooperative agreements to regulate mining on Federal lands. OSM supports State programs with grants and technical assistance. Program components include:

- State and Tribal Regulatory Programs, which are partially funded through Federal grants, are the primary regulators of current mining.
- Federal programs that regulate current mining in States without approved programs and provide oversight assistance in States with approved regulatory programs.
- Technology Development and Transfer programs that support the States, Tribes, Federal agencies, the coal industry, and citizens by providing technical information and tools for carrying out the requirements of SMCRA.
- The National Technical Training Program, a cooperative effort with States and Tribes, that provides instruction on such subjects as acid mine drainage, blasting, hydrology, and revegetation.
- The Small Operator Assistance Program (SOAP), which provides for State grants to help small mine operators obtain technical data required for permitting, engineering analyses for hydrologic impact determination, and fish and wildlife protection plans.

- Financial Management includes Grants Financial Management.

Annual Performance Measure

Phase III Bond Release

These are the number of acres that have been fully reclaimed from current mining operations, meet the performance standards, and released as useful and productive restored land. This performance measure is the acreage of land that is released every year by active coal mine operators (and is dependent on the operator filing application for the release). This is done 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. OSM also reports the acreage of Phase I and Phase II bond release in order to show the progression of reclamation toward Phase III in the reporting year.

Annual Performance Measure

Off-site Impacts

Protecting the environment, people, and property is measured by the number of times incidents occur outside the boundaries of the permitted areas being mined. These are known as off-site impacts and the goal is to not have any incidents occur. It is inevitable that some impacts will occur - 100% compliance is not realistic. The impacts are damaging affects that would occur as a result of blasting, land stability, hydrology, encroachment, etc. that would affect people, land, water, or structures outside the permitted area of mining operations. In addition, analyses are conducted on the three categories of impact (minor, moderate, or major) in relation to the severity of any impacts.

FY 2002 GOALS

- 02.01 In FY2002, the Surface Mining Program will maintain the percentage of sites that are free of off-site impacts to 94 percent.

- 02.02 In FY2002, the Surface Mining Program will release 75,000 acres from Phase III Performance Bonds.



One of the basic objectives of the Surface Mining Law is to see that operators return mined land to its original condition so it can support the pre-mining land use or a higher alternative use. This Kentucky mine was reclaimed to farm land that is completely integrated into the existing agricultural landscape. Slopes were graded to provide gently rolling hay fields draining into a permanent impoundment that is stocked with fish. This is the quality of reclamation envisioned by architects of the Surface Mining Law.

FY 2002 FUNDING CHANGES

An increase of \$1.3 million is being requested for the Environmental Protection Goal to cover uncontrollable costs.

**GPRA MISSION GOAL - BUDGET ACTIVITY TABLE
ENVIRONMENTAL PROTECTION MISSION GOAL**

Budget Activity/Subactivity (subactivity linked to goal) (\$000)	FY2000 Enacted		FY2001 Enacted		FY2001 Pres. Budget	
	Budget Activity	Protection Goal	Budget Activity	Protection Goal	Budget Activity	Protection Goal
Environmental Restoration - AML (Reclamation Program Grants, State Emergency Program Grants, Clean Streams Initiative, State Program Evaluation, Federal Emergency Projects, Federal High-Priority Projects, Program Operations, Program Dev. & Maintenance, AML Inv., and Grants Management)	181,019	0	199,270	0	149,926	0
Technology Dev. & Transfer - AML (SOAP)	3,536	1,515	3,591	1,497	4,136	1,497
Financial Management - AML (Fee Compliance, Revenue Mgt., and Grants Mgt.)	5,205	0	5,402	0	6,070	0
Executive Dir. & Admin - AML (Director's Staff Offices, Administrative Support, and fixed costs for rent and telecommunications)	6,113	0	6,302	0	6,651	0
AML Appropriation Subtotal	195,873	1,515	214,565	1,497	166,783	1,497
Environmental Restoration - R&T (Post-SMCRA Restoration includes: Outcrop and Underground Fire Control, Civil Penalty Reclamation, and Bond Forfeitures)	425	0	431	0	435	0
Environmental Protection - R&T (State Grants, State Regulatory Activities, Cooperative Agreement Funding, Tribal Regulatory Dev., Prog. Grants, State Program Evaluations, Federal Programs, Federal Lands Prog., Program Dev. & Maintenance, and Grants Mgt.)	72,049	72,049	76,274	76,274	76,741	76,741
Technical Dev. and Transfer - R&T (Technical Asst., TIPS, Technical Training, Experimental Practices, AVS, and Technology Transfer)	11,491	11,491	11,820	11,820	12,151	12,151
Financial Management - R&T (Revenue Mgt. & Grants Mgt.)	521	521	536	536	477	477
Executive Direction & Administration (Director's Staff Offices, Administrative Support, and fixed costs for rent and telecommunications)	11,374	11,374	11,793	11,793	12,371	12,371
R&T Appropriation Subtotal	95,860	95,435	100,854	100,423	102,175	101,740
TOTAL	291,733	96,950	315,419	101,920	268,958	103,237

ENVIRONMENTAL PROTECTION PERFORMANCE TABLES

Mission Goal: Environmental Protection: 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.

Long-Term Goal: Maintain the percentage of sites free of off-site impacts (FY05 target of 94 percent).

Increase the number of acres released from Phase III bonds (FY05 target of 400,000 additional acres released).

Annual Performance Measures: In FY 2002

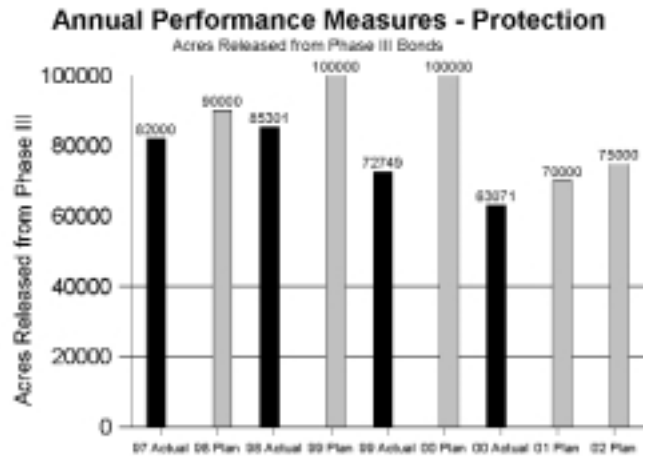
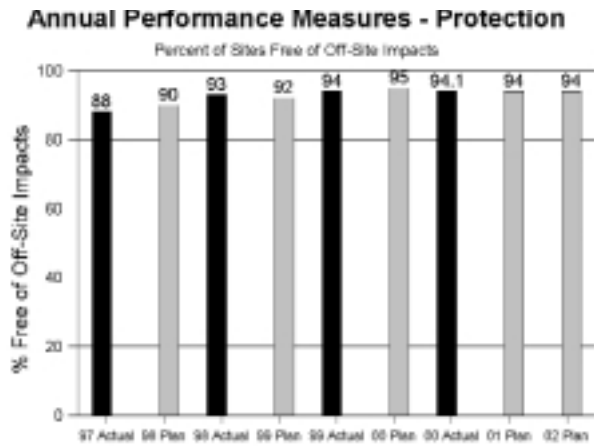
02.01 The Surface Mining Program will maintain the percentage of sites that are free of off-site impacts to 94%.

02.02 The Surface Mining Program will release 110,000 acres annually from Phase III Performance Bonds.

	FY 98 Actual	FY 99 Actual	FY 00 Plan	FY 00 Actual	FY 01 Plan	FY 02 Plan
02.01	93%	94% ^{1/}	94%	94.1%	94% ^{2/}	94%
02.02	85,301 acres	72,749 acres	100,000 acres	63,071 acres	70,000 acres ^{2/}	75,000 acres

1/ For some States with a large number of mines, the number and percentage of mines free of off-site impacts are estimates based upon representative samples of mines.

2/ The FY 2001 planned targets were revised from 95% and 110,000 acres based on four years of data rather than just FY 1997 data. Actual results in FY 1999 and FY 2000 has caused lower expectations for FY 2001 and FY 2002.



In addition to the major goal measures for environmental protection, OSM has other performance statistics that are used to measure and monitor program performance. The following table shows the additional eleven workload measures and performance statistics.

Environmental Restoration Mission Goal Workload and Performance Statistics				
	FY 97 Actual	FY 98 Actual	FY 99 Actual	FY 00 Actual
Environmental Protection Business Line Performance Statistics				
The number of acres released from Phase I & II Performance Bonds	115,000 Acres	144,829 Acres	102,860 Acres	101,803 Acres
Percent of instances where OSM awards regulatory grants within 60 days	92.8%	89%	85%	96%
Technical Development and Transfer Business Line Performance Statistics				
Customer satisfaction rate in the quality of OSM's technical training (based on surveys covering both mission goals)	85%	88.6%	91.4%	94%
Customer service rate in the quality of OSM's technical assistance activities (based on surveys covering both mission goals)			97.6%	93.3%
Customer satisfaction rate for technical training in and in the use of the Technical Information Processing System (TIPS) (based on surveys covering both mission goals)		85%	88%	89.7%
Customer satisfaction rate in the quality of OSM's technical transfer activities (based on surveys covering both mission goals)			93.2%	98.5%
Number of students trained annually by OSM (applies to both mission goals)	1,010	819	997	902
Customer satisfaction rate in the quality and timeliness of Applicant Violator System (AVS) services (based on surveys covering both mission goals)			96.1%	97%
Financial Management Business Line Performance Statistics				
Percent of instances where OSM processes requests for grant payments within one day (applies to both mission goals)	99%	95%	99.7%	100%
Customer service rate for accuracy, timeliness, and overall satisfaction of grants financial management (applies to both mission goals)	90%	90%	95%	100%
Debt processing rate within the first 180 days (applies to both mission goals)	97.9%	99.3%	97%	100%

GOAL DESCRIPTION

The Environmental Protection Mission Goal addresses the protection of public health, safety, and general welfare from the adverse affects of current mining since 1977. Current coal mining operations includes over 4.4 million acres in 26 States and on lands of three Indian Tribes. During active mining, the potential risk from safety and environmental hazards increases within the permitted site. However, because of required precautions, long-term effects are minimized. If safeguards are not taken during and after current mining, the Nation could face reclamation costs that far exceed the \$30 billion cost of addressing AML problems. It is difficult to fully show annual progress in achieving the Environmental Protection Goal. OSM has chosen two primary annual performance measures supported by 11 workload and performance statistics to indicate annual progress. As OSM gains more experience and receives feedback on our annual performance reporting, performance measures may be revised or added.

Annual Performance Measure 02.01, Off-site impacts, are negative effects from blasting or water runoff that affect people, land, water, or structures outside the permitted area of mining operations. The severity of the impacts are rated as minor, moderate, or major. It is the ultimate goal of the Surface Mining Program to have 100 percent of mine sites free of off-site impacts.

Annual Performance Measure 02.02, Acres released from Phase III Bonds, indicate that after mining, the permitted mine sites have been returned to a productive state that no longer poses safety or environmental threats. Phase III bond releases are the number of acres that have been fully reclaimed from current mining operations, have met the performance standards, and have been released as useful and productive restored land. This performance measure is the acreage of land that is released every year by active coal mine operators (and is dependent on the operator to file application for the release). This is done 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. OSM is also reporting the acreage of Phase I and Phase II bond releases in order to show the progression of reclamation toward Phase III in the reporting year.

Taken together, these two measures provide an indication of the safety and environmental status of mine sites both during and after mining.

FY 2000 Annual Performance Goals (Measures):		Target		
		Exceeded	Met	Not Met
02.01	The Surface Mining Program will maintain the percentage of sites that are free of off-site impacts at 94%.		94.1%	
02.02	The Surface Mining Program will release 100,000 acres annually from Phase III Performance Bonds.			63,071 acres
Total			1	1

The baseline data for both measures are limited, but both give an indication of positive trends in achieving a safe and clean environment. While striving to make improvements, OSM will also consider revising the targets to better reflect program constraints and external factors.

Off-site impacts - Protecting the environment, people, and property is measured by the number of incidents that occur outside the boundaries of the permitted areas being mined. These are known as off-site impacts and the goal is to not have any incidents occur. It is inevitable that some impacts will occur - 100 percent compliance is not realistic. In 2000, the Surface Mining Program's goal was to have 94 percent of the mines free of off-site impacts and that goal was realized. Of

the 6 percent that had off-site incidents, only 10 percent were in the category of major severity. There was a 33 percent decrease in the number of impacts and resources affected from 1999. This decrease from 1999 breaks down to a decrease of 32 percent in minor severity; 44 percent in moderate severity; and 7 percent in major severity. (See the following Table)

Resources Affected		People			Land			Water			Structures		
	Tot	Min	Mod	Maj	Min	Mod	Maj	Min	Mod	Maj	Min	Mod	Maj
2000	100%	4%	2%	2%	23%	5%	3%	45%	8%	4%	2%	1%	1%

	1998		1999		2000	
	# of Impacts	% of total	# of Impacts	% of total	# of Impacts	% of total
Minor	892	72%	705	73%	482	73%
Moderate	238	20%	196	20%	109	17%
Major	102	8%	71	7%	66	10%
Total	1232		972		655	

The goal of 100,000 acres for Phase III bond release in FY 2000 was established three years ago based on only one year's data with no basis for knowing if that one year was typical or unusually high or low. The past two years have not only missed their target, but have been substantially below the FY 1997 level which formed the basis for these goals.

It is not yet clear what an appropriate number would be for a goal or even if acres per year for Phase III bond release is an appropriate measure. While complete restoration of land as exemplified by Phase III bond release and is the ultimate goal and purpose of the surface mining regulatory program, OSM has virtually no control over such releases or any way of directly affecting how many acres may be released in any given year. Applying for bond release is a discretionary act on the part of the permittee. Except in those very limited circumstances where OSM is the Regulatory authority (Tennessee, Washington and Indian lands), those release applications are processed by States.

OSM did several things in FY 2000 to promote bond release. Its Western Region, which has the most acres available for Phase III bond release, initiated a contemporaneous inspection initiative where it is the

Regulatory authority (Washington and Indian lands) to assure that reclamation is evaluated as it occurs. This reduces the uncertainty and administrative efforts associated with applying for bond release as well as simplifying the bond release inspection process. This initiative has been well received by industry and shared with states. The Western Region also simplified its Phase I bond release guidance and its administrative procedures for processing bond release applications. It also began simplifying its Termination of Jurisdiction guidance and is working on Phase II and III guidance. These efforts have resulted in a substantial increase in Phase I bond release applications in the past year which is a necessary precursor to Phase III releases. National forums addressing the issues associated with Phase III releases have also continued and been very well attended by states and industry. These efforts will continue in FY 2001, and, over time, will contribute to increased Phase III bond releases. However, determining a quantifiable corollary between these actions and the number of acres that will receive Phase III bond release in the immediate future is not possible.

02.01 Off-site Impact	
Data Validation	OSM has concluded that the percentage of off-site impacts coupled with the number of acres released annually from Phase III bonding are valid indicators for the results of the Surface Mining efforts in protecting the environment.
Data Verification	OSM uses the following three prong approach for verifying and validating performance measure data: 1) a self-assessment by program managers conducted annually for all performance measures; 2) periodic reviews coordinated by the Office of Strategic Planning and Evaluation; 3) audits by external staff from such agencies as the Office of the Inspector General or GAO.
Data Source	Data collected from internal OSM operations and externally from 24 State and 4 Tribal programs through a manual system. OSM Directive REG-8 establishes procedures for conducting oversight of State regulatory programs and the reporting of data.
Data Limitations	OSM is confident that the data for these performance measures are reasonably reliable for the intended purpose of showing program results over time. Having multiple sources of data increases the potential for problems. OIG identified minor variations among various data sources.
Planned Improvements	In FY 2001, OSM will reconcile the data and document the reasons for the data variations.

02.02 Number of Acre Released From Phase III Bonds	
Data Validation	OSM has concluded that the number of acres released annually from Phase III bonding coupled with the percentage of off-site impacts are valid indicators for results of the Surface Mining efforts in protecting the environment.
Data Verification	OSM uses the following three prong approach for verifying and validating performance measure data: 1) a self-assessment by program managers conducted annually for all performance measures; 2) periodic reviews coordinated by the Office of Strategic Planning and Evaluation; 3) audits by external staff from such agencies as the Office of the Inspector General or GAO.
Data Source	Data collected from internal OSM operations and externally from 24 State and 4 Tribal programs through a manual system. OSM Directive REG-8 establishes procedures for conducting oversight of State regulatory programs and the reporting of data.
Data Limitations	OSM is confident that the data for these performance measures are reasonably reliable for the intended purpose of showing program results over time. Having multiple sources of data increases the potential for problems. OIG identified minor variations among various data sources.
Planned Improvements	In FY 2001, OSM will reconcile the data and document the reasons for the data variations.

Section III

Additional Annual Performance Plan Requirement

3.1 CUSTOMER SERVICE STANDARDS

OSM's customer service statistics for FY 2000 reflect the commitment to provide better service. They are:

- 100% service rate in awarding AML grants within 60 days.
- 96% service rate in awarding Regulatory grants within 60 days.
- 94% customer satisfaction rate in the quality of our technical training.
- 93% customer service rate for technical assistance activities.
- 90% customer satisfaction rate for technical training/assistance of the Technical Information Processing System (TIPS).
- 98% customer satisfaction rate for our technical transfer activities.
- 97% customer satisfaction rate in the quality and timeliness of Applicant Violator System provided services.
- 100% customer service rate in the accuracy, timeliness and overall satisfaction of grants financial management.

3.2 CROSSCUTTING ISSUES

OSM programs are focused on two areas – the coal mining industry and environmental protection – both of which involve a variety of crosscutting issues with other Federal agencies.

OSM (coal mining environmental and safety issues) and the Mine Safety and Health Administration (MSHA) (coal mining safety and health issues) coordinate activities, primarily those involving blasting and dam construction. In addition, because coal mining sometimes involves waterways, coordination with the Environmental

Protection Administration (EPA) and the U.S. Corps of Engineers (Corps) is also required.

OSM's environmental responsibilities focus on reclaiming abandoned mine lands with its primary partners, the States. However, some abandoned mines are found on Federal lands administered by the National Park Service, the Bureau of Land Management, and the U.S. Forest Service. Reclamation activities on these Federal lands are coordinated and technical expertise and resources are shared among the agencies.

3.3 MANAGEMENT ISSUES

Currently, neither the General Accounting Office (GAO) nor Interior's Office of Inspector General has identified any major performance or management challenges that limit OSM's effectiveness in carrying-out its mission.

3.4 DATA VERIFICATION AND VALIDATION

During the past several years, the Department of the Interior has addressed data reliability issues through internal reporting and tracking systems and other internal control mechanisms. A variety of approaches have been developed to accommodate the particular needs of offices with widely varying missions.

Last year, the Department began development of a more unified approach - a data validation and verification "matrix" that is being tested at various organizational levels. The matrix employs basic principles that are typically applied to technical data collection and auditing situations. The Department developed the matrix by reviewing recent literature, including the GAO report on data verification, participated in local data verification conferences, reviewed agency plans, and conferred with federal organizations that have demonstrated leadership

in the GPRA arena. The advice and perspectives of the DOI Office of the Inspector General (OIG) and a number of field-level personnel were also solicited. The result is a core set of criteria for data validation and a 5-part set of criteria for data verification applicable to GPRA goals.

Data validation criteria addresses central questions concerning the appropriateness of a goal relative to an organization's mission, and whether the goal is measurable, realistic, understandable, pertinent to decision making, and indicative of the activity being measured. Data verification centers on five critical areas: data standards and procedures, data handling, data quality, data integrity, and oversight. Each area includes an individual set of core criteria for evaluating the strengths and weaknesses of that specific aspect of data verification.

The Department-wide implementation strategy involves several aspects or phases, several of which are concurrent. Because data verification has the potential for being a very labor intensive undertaking, implementation will be staged over the next 18-24 months after which time we believe the basic tenets and benefits of data verification will be reinforced or fully integrated in the culture and practices of each Interior organization.

Phase I has been completed. It involved the development of the data verification criteria as described above. However, the OIG not only participated in the development and review of the criteria but intends to use the data verification guidelines as a check-listing tool for auditing Departmental and bureau goals as it turns greater attention to program evaluations in FY 2002. By internally distributing these guidelines in FY 2001 (Phase II), organizations have the opportunity to review their data verification practices and address weaknesses that have been detected (Phase III). The second phase has been completed while the third phase is expected to continue through this calendar year.

Concurrently, limited testing of a data verification evaluation process will occur for selected goals and offices (Phase IV). The tests will help gauge the workload involved with compliance and specific issues that arise

from ground-tested situations. Testing is expected to begin in April 2001 and continue through midyear. During the second half of the year, necessary refinements to the process will be made (Phase V) based on test results and other independent feedback. While data verification should be an integral component of most technical mission work undertaken in Interior, it may have received less emphasis among the planning communities in deference to other GPRA reporting priorities. This is not to say that inconsistencies cannot also exist in program offices where considerable delegated responsibility exists and field offices are widespread geographically. Some weaknesses have already been identified. The guidelines are an opportunity to communicate specific expectations and to "tune-up" programs and procedures as needed. The data verification process also recognizes that associated issues can develop at different levels of an organization, beginning with the point of data collection and ending with the office responsible for finalizing and publishing GPRA plans and reports. The guidelines can be applied at any point along the data journey.

After an evaluation strategy has been finalized, a cycle will be established to begin the piecemeal process of scheduled evaluations. It is improbable that resources will be available to evaluate data verification for all goals across all Departmental offices and bureaus, including affected field units, within the course of a single year. A complete cycle of evaluations will take a number of years to complete and may be supplanted or complemented by Legislative strategies or by other internal approaches under consideration for the final phase (VI) of Interior's overall data verification process. Phase VI would, at a minimum, rely on random IG audits, internal evaluations and certifications, and establishing clear accountability for goal achievement in performance contracts and standards to provide the incentives for achieving data verification success.

The basic strategy underlying our data verification approach is to establish clear expectations and requirements for achieving data credibility, ground tested for their practicality and reasonableness, that will enable organizations to position themselves to succeed in delivering accurate information to guide decision mak-

ing. The strategy has also focused on the pivotal concern that data verification could be viewed as another GPRA reporting burden instead of as an integral component of any business plan. Our incremental approach affords time for exercising leadership, cultural change, refining processes and establishing clear accountability. It avoids imposing a large front-end reporting burden that could be met with resistance or adversely affect other mission priorities - particularly at a time when resources could decline and process improvement benefits may not be fully realized.

3.5 PROGRAM EVALUATIONS

In compliance with the Federal Managers Financial Integrity Act (FMFIA), OMB Circular A-123, and Departmental Guidance the OSM completed the necessary reviews to ensure existing management controls provide assurance that information and financial resources are protected from waste, fraud, and abuse. (See page 39 for a list of evaluations for FY 2002.)

3.6 CAPITAL ASSETS/ CAPITAL PROGRAMMING

For FY 1999, OSM reported that it had no capital assets and therefore there was no need for any capital programming in FY 2001. Since that time, OSM revised its definition of capital assets by reducing the threshold for Information Technology (IT) investments to \$100,000 if the IT system is critical for accomplishing the agency's mission. Capital asset plans are now underway for the following mission critical IT systems: Fee Billing Accounting Collection System (FEEBACS), Applicant Violator System (AVS), Abandoned Mine Land Information System (AMLIS) and the Technical Information Processing System (TIPS). OSM also uses the Departmental Advance Budget and Accounting Information System (ABACIS).

3.7 USE OF NON-FEDERAL PARTIES IN PREPARING THIS ANNUAL PLAN

The staff and management of OSM, with input from representatives from the Surface Mining Program States, prepared this plan in conformance with Section 220.7

of OMB Circular A-11.

3.8 WAIVERS FOR MANAGERIAL ACCOUNTABILITY AND FLEXIBILITY

This Plan requests no waivers of administrative requirements to provide managerial accountability and flexibility.

3.9 MANAGEMENT REFORMS

OSM has engaged, or will engage, in the following reform initiatives to help fulfill the President's vision of a government that has a citizen-based focus and is results-oriented.

3.9.1 De-layering Management Levels to Streamline Organizations

Over the past five years, OSM has implemented a reorganization that shifted the agency's emphasis to achieving on-the-ground results. This reorganization was the result of completely rethinking what would be needed to make the Office of Surface Mining more effective.

The process started with interviews and surveys designed to solicit ideas from citizens, employees, states, interest groups, and the coal industry. These ideas became the building blocks for a new mission and vision statement that created a foundation for the basic planning process. The result was a top-to-bottom restructuring and a shift to a team-based work environment. A management council formed in the early stages of the reorganization has become a team of senior managers who are actively engaged in resolving both day-to-day and long-term OSM operational issues. This management concept is repeated at the regional level to include working input from all employees.

Restructuring the Office of Surface Mining decentralized many functions and delegated decision making to the regional level. This put the responsibility for making day-to-day decisions close to the active mining operations and

abandoned mine land reclamation projects. In addition, many staff organizational changes were made. For example, the number of Senior Executive Service (SES) staff was reduced from 11 to 6, and the supervisor to employee ratio went from 1:5 to 1:11.

3.9.2 Expanding the Application of Online Procurement and Other E-government Services and Information

On October 21, 1998, the Government Paperwork Elimination Act (GPEA), P. L. 105-277, Title XVII, was signed into law. GPEA requires agencies, by October 21, 2003, to provide for (1) the option of electronic maintenance, submission, or disclosure of information, when practicable as a substitute for paper; and (2) the use and acceptance of electronic signatures, when practicable. GPEA specifically states that electronic records and their related electronic signatures are not to be denied legal effect, validity, or enforceability merely because they are in electronic form. In order to comply with GPEA, we published a proposed rule on February 15, 2000 (65 FR 7706), which would revise our regulations to allow a coal operator (or the entity reporting for the operator) the option of electronically filing information required by OSM's Abandoned Mine Land (AML) Reclamation Program. At present, our regulations at 30 CFR 870.15(b) require that the operator use the paper version of the OSM-1 Form to report the required information when paying the AML fee. We expect to publish a final rule by May 30, 2001, which will allow OSM to accept future quarterly filings of the OSM-1 Form by approved electronic transmission in place of paper filings. This should result in easier filings for the operator and eventual savings for the government by eliminating the need to take the data from the paper form and enter it into our electronic data system.

During January 2001, OSM completed a pilot program giving coal operators the opportunity to

use a web-based application to electronically file their OSM-1, Coal Reclamation Fee Report. The Surface Mining Control and Reclamation Act of 1977 requires that coal operators report coal tonnage quarterly. Approximately 1,021 operators submit the OSM-1 four times a year. The electronic form is populated with the company information. Companies supply changed company information and new tonnage amounts. The pilot companies liked the on-line filing because it saved time and avoided calculation errors. In addition, the company can print a record of the data filed, access filed data on line through a secured site, and have on-line access to the Payer Handbook. Electronic filing will provide eventual savings for the Government by eliminating the need to enter the data from the paper system into the automated system. For the reporting quarter ending March 31, 2001, all coal companies may electronically file their OSM-1. OSM is also working with the larger companies to transfer the required information computer to computer.

OSM's Statement of Employment and Financial Interest for Use by State Employees (OSM-23) is also available on-line. However the form must be printed and mailed to OSM until such time as electronic signature capabilities are developed and available. Respondents supply information on employment and financial interests. The information is used to determine if respondents are in compliance with Section 517(g) of the Surface Mining Control and Reclamation Act of 1977, which places an absolute prohibition on having a direct or indirect financial interest in underground or surface coal mining operations.

In FY 2000, OSM purchased and implemented a web-based automated rating and ranking process which allows OSM to advertise, rate and rank job applications, and produce selection certificates through the Internet. The system can input, store and organize applications and electronically image applicant resumes for retrieval at any time. It effectively eliminates all of the

paper handling that requires so much of our staffing specialists' time. This system generates correspondence, tracks the progress of candidates through the hiring process and archives records for future consideration. To determine best qualified lists, the system uses a mathematical algorithm to rank candidates based on factors regarding the skills, experience, and training deemed most important for the position. Special preferences based on disability, veterans preference and any other predetermined special qualifiers that we need are factored into the ranking calculations. The system is web-based and is presented directly through OSM's home page. For those candidates who do not have access to the Internet, paper applications can be scanned and electronically entered.

OSM's directive system has been converted from hard copy to an electronic image format and made available on the OSM web page, allowing the public to directly download or print them without having to make a written request. All active and historical directives, with all change notices, are now available to the public electronically through this process. In the next ninety days a revised search mechanism will be incorporated into the web site to allow the public to first view a summary table of all the OSM directive subject areas, such as AML, ADS, REG, etc. This table will contain a definition and explanation of each area, then allow the public to automatically hot-link to the beginning of the subject area.

OSM has provided Electronic Freedom of Information Act (E-FOIA) request and reply capabilities through the OSM web page. The public can request information by completing an online form providing a description of the documents requested, and submitting the form to the OSM FOIA Officer via electronic mail. Replies can be provided to the requester provided the documents exist in electronic or imaged format, and the requester specifies this format as a preference. Hot-links to frequently requested

OSM documents in electronic format are provided on the web page, and an additional hot-link to the Department's FOIA web site is provided the public to assist in making information more readily available and easier to find.

OSM processes over 90% of all payments through electronic commerce.

Currently OSM is using the Interior Department Electronic Acquisition System (IDEAS). IDEAS interfaces with our financial system, which electronically updates financial information at the time procurement information is captured for required reporting at the Departmental and Federal levels.

OSM plans to expand its use of IDEAS by implementing IDEAS-EC. The goal is to provide industry vendors an opportunity to gain free electronic access to OSM requests for proposals, invitations for bids, and requests for quotations. Additionally, there are plans for OSM to enhance industry/vendor outreach by distributing IDEAS-EC information at procurement trade fairs, workshops, and conferences for small, disadvantaged, and women-owned small businesses. OSM also plans to use the National Institute of Health contractor performance system. This system will be a single entry point for OSM contracting officers to search prospective contractors' performance record. It will also serve industry vendors. This will facilitate contracting officers' responsibility determinations, and industry vendors will benefit by a faster, easier and less costly awards process.

3.9.3 Making Greater Use of Performance-based Service Contracts (PBSC)

OSM has committed to using performance based work statements in our service contracts to the maximum extent practicable, and has employed PBSC in all of its major service contracts since FY98. OSM continues to report PBSC awards through the IDEAS acquisition data reporting function.

3.9.4 Expanding A-76 Competitions and Making More Accurate Federal Activities and Inventory Reform (FAIR) Act Inventories

In accordance with OMB and DOI requests, OSM developed an inventory of Inherently Governmental Functions and Commercial Activities in 1998. OSM updated its Commercial Activity Inventory in accordance with OMB guidance in 1999 and in 2000.

All 48.65 of OSM's Commercial Activity FTE's listed on the FY2000 inventory are in the "C" category. All of these FTE's comprise small functions involving 10 or fewer FTE's, and are exempt from the cost comparison requirements of OMB Circular A-76.

OSM will update its Commercial Activity inventory by June 2001.

In addition OSM will continue internal reforms that:

3.9.5 Provide services that add value and are uniquely Federal, supporting the States and Tribes as the primary achievers of SMCRA's goals and objectives.

3.9.6 Establish rules and policies that enable more efficient and effective reclamation. Initiatives include the AML Enhancement Rule, National Hydrology/Acid Mine Drainage Plan, Virginia Remining Experimental Practice, revision of the AOC formula, and Mountaintop Mining review.

3.9.7 Fully implements succession planning. Over half of OSM's workforce will be eligible to retire during the next ten years. About 20 percent are eligible to retire within five years. That means a transition is going to happen which OSM needs to plan for. This plan will help provide answers to the following questions.

1. Are OSM personnel equipped with the right skills and expertise to perform their job effectively?
2. Are similar offices treating work in

the same manner, staffing-wise?

3. Are core competencies identified and being used to assign personnel and evaluate performance?
4. Is there effective use of technologies and personnel?
5. What are training and/or professional development program needs?

If OSM determines that changes in direction are needed, it will be necessary to decide what types of analyses are needed to project the resource needs both in numbers and types of employees, and where those employees should be located. Succession Planning is the link between where OSM is now and where it needs to be in the future. Succession Planning will help OSM identify the human resources needed to implement the long range and strategic plan for the future.

3.9.8 Enhances problem solving through increased technical knowledge and technology. One of OSM's most visible programs is the National Technical Training Program, a cooperative effort with the States and Tribes that addresses regulatory and reclamation requirements. In 2000, 47 sessions were offered. Course topics include acid forming materials, water sampling, Indian trust responsibilities, evidence handling, and expert witness requirements.

TABLE: PROGRAM EVALUATION, SCOPE, METHODOLOGY, BUREAU GOALS

FY2002			
Program Evaluation	Scope	Methodology	Goal
State Program Evaluations	Annual review of each State regulatory and State/Tribe Abandoned Mine Land program based upon Performance Agreements.	Inspections, on-site review of program activities, and review of performance data.	ER EP
Acquisition Management	Review of specific program area or activity (tbd) to ensure effective and efficient operations.	Administer questionnaire to Contracting personnel.	ER EP
Personal Property Management	Review of specific program area or activity (tbd) to ensure effective and efficient operations.	Administer questionnaire to Property personnel.	ER EP
Sensitive Automated Information Systems	Review of specific program area or activity (tbd) to ensure effective and efficient operations.	Method of review to be determined.	ER EP
State Program Oversight	Review of specific program area or activity (tbd) to ensure effective and efficient operations.	Method of review to be determined.	ER EP
Small Operator Assistance Program	Review of specific program area or activity (tbd) to ensure effective and efficient operations.	Method of review to be determined.	EP
Federal Reclamation Program	Review of specific program area or activity (tbd) to ensure effective and efficient operations.	Method of review to be determined.	ER
Bonding	Review of adequacy of bond pools, AMD bonding, and self bonding.	Method of review to be determined.	EP

ER - Environmental Restoration Goal
EP - Environmental Protection Goal

Appendix I

FY 2000 Annual Performance Report At-A-Glance Table

The following table summarizes the final FY 2000 Annual Performance Report for OSM. OSM is making overall progress in achieving its two mission goals. In FY 2000, two performance targets were met and two performance targets were not met. Not meeting the two annual performance targets is not considered an environmental problem, but rather overly optimistic projections based on limited historical baseline data for years that had higher than average results.

GPRA Program Activity/ Mission Goal	Long-Term Goal By FY 2005	FY 2000 Annual Goals
Environmental Restoration - To provide a cleaner and safer environment by reclaiming and restoring land and water degraded by past mining.	<p>Increase the number of acres reclaimed (FY 05 target of 40,000 additional acres restored).</p> <p>Increase the number of new cooperative Acid Mine Drainage Projects under the Clean Streams Initiative (FY 05 target of 230 additional projects).</p>	<p>In FY 2000, the Surface Mining Program will reclaim 8,100 acres.</p> <p>In FY 2000, the Office of Surface Mining will provide funding for 42 new cooperative Acid Mine Drainage Projects under the Clean Streams Initiative during the fiscal year.</p>
Environmental Protection - 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.	<p>Increase the percentage of sites free of off-site impacts (FY 05 target of 94 percent).</p> <p>Increase the number of acres released from Phase III bonds (FY 05 target of 400,000 additional acres released).</p>	<p>In FY 2000, 94% of minesites will be free of off-sites .</p> <p>In FY 2000, 100,000 acres will be released from Phase III Performance Bonds.</p>

Long-Term by FY 2005	FY 00 Target	FY 00 Actual	Comment
40,000 acres	8,100 acres	12,176 acres	Accomplishments may include projects completed in prior years. Target is based on estimate of acres for which reclamation is initiated. Actual project completion may occur one to three years after funding.
230 projects	42 projects	35 projects	Accomplishment of the target is dependent on when and the number of projects submitted by eligible organizations. A number of projects were submitted later than originally planned preventing processing in FY 2000. Seven projects are in review and should be approved in the near future. Shortfall does not have a negative affect on protecting the environment.
94%	94%	94.1%	OSM is focusing its efforts in States that fall below the national average.
400,000 acres	100,000 acres	63,071 acres	FY 97's 82,000 acres served as the baseline for this measure. Subsequent accomplishments have fallen below this level. OSM will increase outreach efforts, but future targets may need to be reduced. The issue seems to be administrative rather than a failure to protect the environment.

Appendix II

FY 2001 Annual Performance Plan (Revised) At-A-Glance Table

The following table shows final FY 2001 goals reflecting the new FY 2000-2005 Strategic Plan and the enacted FY 2001 budget. Long-term targets for three goals are being adjusted downward through this plan to reflect lower than expected FY 2000 actual results and FY 2002 funding reductions for the Environmental Restoration Mission Goal. The original long-term targets were based on limited baseline data and were overly optimistic increases from these limited baselines.

Mission Goal	Long-Term Goal	FY 2001 Annual Goals	Comments	FY 2001 Enacted
Environmental Restoration - To provide a cleaner and safer environment by reclaiming and restoring land and water degraded by past mining.	<p>Increase the number of acres reclaimed (FY 05 target of 40,000 additional acres restored).</p> <p>Increase the number of new cooperative Acid Mine Drainage Projects under the Clean Streams Initiative (FY 05 target of 230 additional projects).</p>	<p>The Surface Mining Program will reclaim 8,600 acres during the fiscal year.</p> <p>The Office of Surface Mining will provide funding for 35 new cooperative Acid Mine Drainage Projects under the Clean Streams Initiative during the fiscal year.</p>	<p>Revised from 9,100 acres to reflect new baseline of FY 97-00 and funding shifts.</p> <p>Revised from 46 projects to reflect new baseline of FY 97-00.</p>	\$213,499,000
Environmental Protection - 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.	<p>Increase the percentage of sites free of off-site impacts (FY 05 target of 94 percent).</p> <p>Increase the number of acres released from Phase III bonds (FY 05 target of 400,000 additional acres released).</p>	<p>The Surface Mining Program will maintain the percentage of sites that are free of off-site impacts to 94% during the fiscal year.</p> <p>The Surface Mining Program will release 70,000 acres from Phase III bonding during the fiscal year.</p>	<p>Revised from 95% to reflect new baseline of FY 97-00.</p> <p>Revised from 110,00 acres to reflect new baseline of FY 97-00.</p>	\$101,920,000

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