



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

and Performance Information  
Fiscal Year 2013

**OFFICE OF  
SURFACE MINING  
RECLAMATION AND  
ENFORCEMENT**

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

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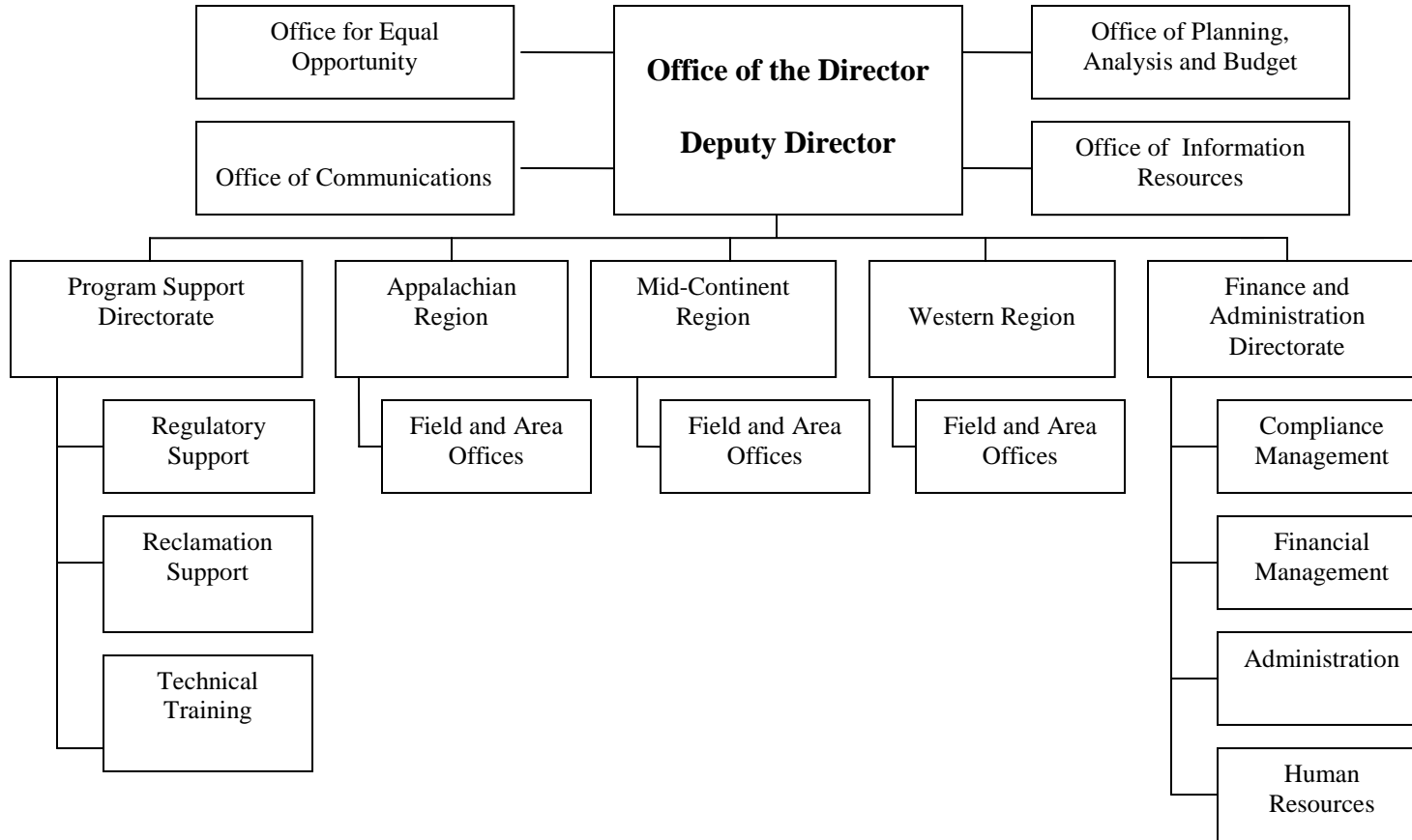
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# Office of Surface Mining Reclamation and Enforcement





## **GENERAL STATEMENT**

### **Overview**

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

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OSM's primary objectives are to:

- (1) ensure that coal mine surface activities are operated in a manner that protects citizens and the environment during mining,
  - (2) assure that the land is restored to beneficial use following mining, and
  - (3) address the effects of past mining by aggressively pursuing reclamation of abandoned coal mines.
- 

Over a billion tons of coal are produced each year in the United States, providing nearly 50 percent of the Nation's electricity.<sup>1</sup> Each ton of coal must be permitted and regulated under SMCRA.

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

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

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

In order to strike the proper balance between environmental protection and the nation's energy needs, OSM strives to maintain a regulatory environment that is both stable and consistent with

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<sup>1</sup> Source: U.S. Energy Information Administration, Annual Energy Review 2010 (October 2011).



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SMCRA, and is administered through State programs, or by OSM, as the regulatory authority. That regulatory stability should enable all parties, including producers, regulators and citizens, to have a common understanding of applicable requirements and rights so that each can make informed decisions affecting their economic and personal interests with a minimum of controversy.

It is important for the coal to be properly mined to reduce harmful environmental impacts of coal mining and to see that land is reclaimed in accordance with land use plans established during the permitting process and that are consistent with the law. Annual performance agreements developed for each State, with stakeholder input, outline the responsibilities and activities of both the State and OSM. Among other things, the agreements contain program evaluation goals and the technical or programmatic assistance that OSM may render to the States to address identified problems, both new issues and those remaining from prior years. With greater technical skills, OSM anticipates improved evaluation of permit-related actions and resolution of issues to prevent unanticipated situations that otherwise may occur as operations progress, thereby improving implementation of existing laws.

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

The budget provides for similar provisions where OSM is the regulatory authority for coal mining operations. For States and on Indian lands where OSM is the regulatory authority, OSM is proposing a new fee structure for the costs to review, administer, and enforce permits for coal mining. Also, appropriation language to offset OSM's budget with these permit fees is proposed in this budget request.

Review of State permitting actions and inspections of mine sites are among the most important ways to determine if the surface mining law is being properly implemented and to protect people and the environment during mining. In FY 2011, States completed 47,588 partial and 28,752 complete inspections for a total of 76,310 inspections. OSM completed 1,015 partial and 609 complete inspections in Federal Programs and on Indian Lands. Nationwide, about 86 percent of the sites inspected did not have off-site impacts. Off-site impacts are those that occurred off the permitted area that have the potential to harm the environment or the public. Off-site impacts identified on active sites are addressed through the inspection and enforcement processes. Also, it is important that the land is properly reclaimed. Reclamation and natural resource specialists inspect sites and monitor work done to return the land and water to its intended post-mining land use.

In addition, OSM provides regulatory developmental grants to the Crow and Hopi Tribes and the Navajo Nation to assist them in developing regulations and programs for regulating surface coal mining and reclamation operations on Indian lands.<sup>2</sup> In FY 2012 and 2013, OSM will continue to work with the Tribes to review applications for primacy as they are received.

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

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

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

The 2006 Amendments dramatically increased funding to States and Tribes, from \$145.3 million in FY 2007 to the most recent distribution of \$485.5 million in FY 2012. Because of the increased State and Tribal funding, OSM phased out Federal responsibility for addressing AML emergency projects in AML program States. States with AML programs have fully assumed this responsibility, and the FY 2012 enacted budget eliminated discretionary funding for OSM State emergency grants and Federally-managed emergency projects. The FY 2013 budget proposes to fund these projects under permanent appropriations.

The budget also includes a legislative proposal to reform the AML coal program, to eliminate unnecessary spending and focus reclamation efforts on the Nation's most dangerous abandoned coal mines. First, the budget proposes to eliminate the unrestricted payments to States and Tribes that have completed their abandoned coal mine reclamation. Terminating these payments will save taxpayers \$1.1 billion over the next decade. Second, the budget proposes to reform the allocation of grants for coal AML to a competitive process. The current production-based formula allocates funding to States that have the most current and historic coal production and not necessarily the most critical reclamation needs. A competitive process would address the highest priority AML coal sites. Third, the budget proposes to create a parallel hardrock AML program. (See Permanent Appropriations Section for more details.)

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<sup>2</sup> As authorized by the Energy Policy Act of 1992 and Section 710 (i) of SMCRA.

### **Youth in America's Great Outdoors**

As part of the Secretarial initiative to increase youth employment in DOI programs, OSM set a goal in FY 2011 and 2012 to increase youth engagement by 35 percent over the FY 2009 baseline. In FY 2011, OSM engaged 193 youth and exceeded its goal for the year by 56 percent. Accomplishments included engaging 119 youth from partnership efforts and 37 new and 37 continuing students under other hiring authorities. In FY 2012, OSM will continue to support the program through ongoing activities and partnerships, and seek to maintain employment levels achieved in youth focused programs.

Currently, OSM has several opportunities for youth involvement in natural resources. OSM partners with AmeriCorps Volunteers in Service to America (VISTA) program to bring environmental and economic improvement to communities affected by coal-polluted watersheds, and the Southwest Conservation Corps to provide trainees to OSM and regulatory authorities for on-the-ground work. In FY 2011, OSM engaged 119 youth from partnerships such as VISTA volunteers. Many volunteers worked with OSM, non-profit sponsors and individual watershed groups directly with monitoring and sampling in the watershed. Volunteers help develop and coordinate efforts within the community and local monitoring teams to ensure continued maintenance of the watersheds' water quality after the VISTA position is gone. The primary focus of sampling the water is to inventory acid mine drainage issues and other adverse water quality effects within the watershed caused by point and non-point source pollution. Other youth supported reforestation projects and regulatory projects with States such as inspector trainees and technical support.

In addition, OSM welcomes youth through the Student Temporary Employment Program (STEP). This is a Federal program that offers part-time paid positions to students in high school, college, vocational school or graduate school in order to gain experience in new fields. In FY 2011, OSM employed 37 new students and continued to support 37 prior students in both the regional and national offices, including those under STEP and other similar hiring authorities. Examples of work performed by students include:

- Working with OSM's mine map repositories in Pittsburgh and Wilkes-Barre, PA. They provided support to individual staff and program activities to assist reducing the backlog of cataloging and archiving abandoned underground mine maps collected throughout the Nation.
- Providing technical assistance, including data entry or GIS work, and assistance with Federal permitting.
- Processing payments, testing internal controls and analyzing financial data, and re-allocating travel charge card postings in OSM's Denver Finance Office.

## **Budget Highlights**

The FY 2013 Budget Request for OSM is \$140.6 million in current appropriations<sup>3</sup>, a decrease of \$9.5 million from the FY 2012 enacted level. Changes are due to proposed program changes, and fixed cost and related changes.

Program changes include (net change of -\$10.408 million):

- + \$3,994,000 to Improve Implementation and Support the States and Tribes;
- +209,000 to Support Project Monitoring of Federal Reclamation Projects.
- - \$10,916,000 in State and Tribal Regulatory Funding.
- -\$3,360,000 in Federal Programs and Indian Lands to Implement Federal Cost Recovery of Fees for Services; and
- -\$335,000 for Watershed Cooperative Agreements.

Fixed Costs and Related Changes include (net change of +\$897,000):

- +\$223,000 for 0.5% Pay Raise;
- +\$247,000 for a Change in Pay Days;
- +\$275,000 for Federal Health Benefit Plans;
- +\$5,000 for Unemployment Compensation;
- +\$49,000 for Workers Compensation;
- -\$91,000 for Rental Payments; and
- +\$189,000 for a Working Capital Fund Adjustments, including IT Transformation.

The requested programmatic increase of \$3.994 million and 25 FTE would be used to improve implementation of existing laws and for technical support to the States and Tribes.

In addition to discretionary appropriations, the budget includes \$537.2 million in mandatory funding for reclamation grants to States and Tribes, and for United Mine Workers of America (UMWA) health benefits. Mandatory funding is further described under the Permanent Appropriations Section. A summary table of the Budget is shown below. Increases and decreases are detailed by account, activity and sub-activity in the table contained in the Budget-at-a-Glance Section.

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<sup>3</sup> This amount does not include \$100,000 in civil penalty authority.

**Total FY 2013 Budget Request**

(Dollars in thousands)

| <b>Budget Authority</b>  | <b>2011 Actual</b> | <b>2012 Enacted</b> | <b>2013 Request</b> | <b>Change from 2012</b> |
|--|--------------------|---------------------|---------------------|-------------------------|
| Regulation & Technology <sup>1</sup>   | 127,453            | 122,713             | 113,053             | -9,660                  |
| Abandoned Mine Reclamation Fund  | 35,517             | 27,399              | 27,548              | +149                    |
| <b>Total, Discretionary</b>  | <b>162,970</b>     | <b>150,112</b>      | <b>140,601</b>      | <b>-9,511</b>           |
| Payments (or Grants) to States in Lieu of Coal Fee Receipts (Treasury Funds) | 245,425            | 265,300             | 85,200 <sup>2</sup> | -180,100                |
| Mandatory Grants to Non-Certified States (AML Funds)                         | 150,133            | 220,196             | 221,400             | +1,204                  |
| Funds Transferred to UMWA Health Benefit Plans (both AML and Treasury funds) | 273,310            | 253,991             | 230,626             | -23,365                 |
| <b>Total, Mandatory</b>  | <b>668,868</b>     | <b>739,487</b>      | <b>537,226</b>      | <b>-202,261</b>         |
| <b>Total, OSM</b>  | <b>831,838</b>     | <b>889,599</b>      | <b>677,827</b>      | <b>-211,772</b>         |

<sup>1</sup> Actual civil penalty collections of \$527,000 are included in 2011.

Estimated civil penalty collections of \$100,000 are not included in 2012 or 2013

<sup>2</sup> Does not include funding for certified States and Tribes. A total of \$306.6 million is estimated for distribution to States/Tribes/OSM on a competitive basis.

The FY 2013 budget provides \$57.7 million (41 percent) for OSM's discretionary grants to the States and Tribes for regulatory programs. OSM will use the balance of the budget to provide technical assistance to the States, conduct oversight responsibilities, and carry out its fiscal responsibilities for collecting revenues and awarding grants. OSM implements these programs through three regional and 19 field and area offices.

**Campaign to Cut Waste**

Over the last two years, the Administration has implemented a series of management reforms to curb uncontrolled growth in contract spending, terminate poorly performing information

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technology projects, deploy state of the art fraud detection tools, focus agency leaders on achieving ambitious improvements in high priority areas, and open Government up to the public to increase accountability and accelerate innovation.

In November 2011, President Obama issued an Executive Order reinforcing these performance and management reforms and the achievement of efficiencies and cost-cutting across the government. This Executive Order identifies specific savings as part of the Administration's Campaign to Cut Waste to achieve a 20 percent reduction in administrative spending from 2010 to 2013. Each agency is directed to establish a plan to reduce the combined costs associated with travel, employee information technology devices, printing, executive fleet efficiencies, and extraneous promotional items and other areas.

The Department of the Interior's goal is to reduce administrative spending by \$207 million from 2010 levels by the end of 2013. To meet this goal, the Department is leading efforts to reduce waste and create efficiencies by reviewing projected and actual administrative spending to allocate efficiency targets for bureaus and Departmental offices to achieve the 20 percent target. Additional details on the Campaign to Cut Waste can be found at <http://www.whitehouse.gov/the-press-office/2011/11/09/executive-order-promoting-efficient-spending>.

## Performance Summary

OSM strives to improve planning, eliminate duplicative processes, and involve stakeholders. OSM works with State and federal agencies, and Tribal governments; is responsible for federal, tribal, and private lands, reclaiming and protecting diverse sites, and enhancing technology transfer among many constituents. Although a small bureau, OSM is well positioned to lead such efforts, particularly those related to implementing that part of a comprehensive energy strategy involving coal mining in an economically and environmentally viable manner.

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

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**DOI Strategic Plan:** The FY 2011-2016 DOI Strategic Plan, in compliance with the principles of the GPRA Modernization Act of 2010, provides a collection of mission objectives, goals, strategies and corresponding metrics that provide an integrated and focused approach for tracking performance across a wide range of DOI programs. While the DOI Strategic Plan for FY 2011 – FY 2016 is the foundational structure for the description of program performance measurement and planning for the FY 2013 President’s Budget, further details for achieving the Strategic Plan’s goals are presented in the DOI Annual Performance Plan and Report (APP&R). Bureau and program specific plans for FY 2013 are fully consistent with the goals, outcomes, and measures described in the FY 2011-2016 version of the DOI Strategic Plan and related implementation information in the Annual Performance Plan and Report (APP&R).

**DOI Strategic Plan Mission Areas:** OSM directly contributes to three of the five Mission Areas under the Department’s Strategic Plan. A brief summary of pertinent program activities for each Area follows. Please see the APP&R for a complete list of the Mission Areas.

### Mission Area 1 *Provide Natural and Cultural Resource Protection and Experiences*

#### Goal #1 *Protect America’s Landscapes*

OSM provides mandatory grants, and technical assistance and training to States and Tribes for the reclamation of lands mined and abandoned prior to the passage of the Surface Mining Control and Reclamation Act of 1977. OSM is responsible for the reclamation of high priority sites on lands in States without Abandoned Mined Land Reclamation Programs. OSM also collects the AML reclamation fee from industry.

### Mission Area 2 *Sustainably Manage Energy, Water, and Natural Resources*

#### Goal #1 *Secure America’s Energy Resources*

##### Strategy #1 *Ensure environmental compliance and the safety of energy development*

OSM implements SMCRA in Federal Programs and on Indian Lands, and provides financial support through grants, and technical assistance and training, to States and Tribes with approved State regulatory programs. OSM also conducts oversight and evaluation of State programs.

Mission Area 5, *Building a 21<sup>st</sup> Century Department of the Interior*

OSM has several opportunities for youth involvement in natural resources. Partnering activities involving youth in watershed, reforestation, and regulatory and reclamation activities will continue in FY 2012-13 to the extent funding allows. OSM partners with organizations, such as the AmeriCorps Volunteers in Service to America program, to bring environmental and economic improvement to communities affected by coal-polluted watersheds. OSM also partners with its States and Tribes where activities involve youth in watershed, reforestation, and regulatory and reclamation activities. In addition, OSM welcomes youth through direct hire programs such as the Student Temporary Employment Program. This is a Federal program that offers part-time paid positions to students in high school, college, vocational school or graduate school in order to gain experience in new fields.

The above programs also contribute to Secretary Salazar's *Youth in the Great Outdoors* initiative. In addition, OSM supports reforestation with over 225 individuals from nearly 120 different organizations to plant trees on reclaimed mined lands. Many of these programs involve youth in tree-planting activities throughout the year.

Further details on accomplishments under the Departmental Strategic Plan goals and Bureau performance goals are contained in the "Goal Performance Tables" section of this document and the APP&R.

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

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

This budget has integrated OSM's performance goals and measures in support of these Business Lines.



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

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

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

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

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

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

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

**Data Validation and Verification**

OSM is confident that the data presented in this justification are reliable for use as a decision-making tool and showing program performance over time. Data validation and verification is accomplished through a three prong approach using: 1) audits by external staff from the Office of the Inspector General or the Government Accounting Office; 2) periodic reviews coordinated

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by OSM's Office of Planning, Analysis, and Budget; and 3) an annual self-assessment by program managers.

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

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

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

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

## Appropriations Language

### Regulation and Technology

For necessary expenses to carry out the provisions of the Surface Mining Control and Reclamation Act of 1977, Public Law 95-87, as amended, [\$122,950,000]\$113,053,000 to remain available until September 30, [2013]2014: Provided, That appropriations for the Office of Surface Mining Reclamation and Enforcement may provide for the travel and per diem expenses of State and tribal personnel attending Office of Surface Mining Reclamation and Enforcement sponsored training. [Provided further, That, in fiscal year 2012, up to \$40,000 collected by the Office of Surface Mining from permit fees pursuant to 30 U.S.C. 1257 shall be credited to this account as discretionary offsetting collections, to remain available until expended: Provided further, That the sum herein appropriated shall be reduced as collections are received during the fiscal year so as to result in a final fiscal year 2012 appropriation estimated at not more than \$122,713,000: Provided further, That in subsequent fiscal years, all amounts collected of the Office of Surface Mining from permit fees pursuant to 30 U.S.C 1257 shall be credited to this account as discretionary offsetting collections, to remain available until expended.]

*In addition, for costs to review, administer, and enforce permits issued by the Bureau pursuant to section 507 of Public Law 95-87 (30 U.S.C. 1257), \$3,400,000, to remain available until expended: Provided, That fees assessed and collected by the Bureau pursuant to section 507 of Public Law 95-87 (U.S.C. 1257) shall be credited to this account as discretionary offsetting collections, to remain available until expended: Provided further, That the sum herein appropriated from the general fund shall be reduced as collections are received during the fiscal year, so as to result in a fiscal year 2013 appropriation estimated at not more than \$113,053,000. (Department of the Interior, Environment, and Related Agencies Appropriations Act, 2012.)*

### **Abandoned Mine Reclamation Fund**

For necessary expenses to carry out title IV of the Surface Mining Control and Reclamation Act of 1977, Public Law 95-87, as amended, [\$27,443,000]\$27,548,000, to be derived from receipts of the Abandoned Mine Reclamation Fund and to remain available until expended: *Provided*, That pursuant to Public Law 97-365, the Department of the Interior is authorized to use up to 20 percent from the recovery of the delinquent debt owed to the United States Government to pay for contracts to collect these debts: *Provided further*, That funds made available under title IV of Public Law 95-87 may be used for any required non-Federal share of the cost of projects funded by the Federal Government for the purpose of environmental restoration related to treatment or abatement of acid mine drainage from abandoned mines: *Provided further*, That such projects must be consistent with the purposes and priorities of the Surface Mining Control and Reclamation Act: *Provided further*, That amounts provided under this heading may be used for the travel and per diem expenses of State and tribal personnel attending Office of Surface Mining Reclamation and Enforcement sponsored training. (*Department of the Interior, Environment, and Related Agencies Appropriations Act, 2012.*)

### **Interior Administrative Provisions**

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

**Justification of Proposed Language Changes**

Regulation and Technology

*Change: In addition, for costs to review, administer, and enforce permits issued by the Bureau pursuant to section 507 of Public Law 95-87 (30 U.S.C. 1257), \$3,400,000, to remain available until expended: Provided, That fees assessed and collected by the Bureau pursuant to section 507 of Public Law 95-87 (U.S.C. 1257) shall be credited to this account as discretionary offsetting collections, to remain available until expended: Provided further, That the sum herein appropriated from the general fund shall be reduced as collections are received during the fiscal year, so as to result in a fiscal year 2013 appropriation estimated at not more than \$113,053,000.*

This change provides for \$3.4 million in budget resources to be offset with anticipated collections for fees for services to review, administer and enforce permits in Federal and Indian Lands Programs where OSM is the regulatory authority. In the event the fees collected are less than \$3.4 million, the difference will be provided in appropriated budget from the U.S. Treasury.

## Appropriations Language and Citations

### Regulation and Technology

*For necessary expenses to carry out the provisions of the Surface Mining Control and Reclamation Act of 1977, Public Law 95-87, as amended, \$113,053,000 to remain available until September 30, 2014: Provided, That appropriations for the Office of Surface Mining Reclamation and Enforcement may provide for the travel and per diem expenses of State and tribal personnel attending Office of Surface Mining Reclamation and Enforcement sponsored training. In addition, for costs to review, administer, and enforce permits issued by the Bureau pursuant to section 507 of Public Law 95-87 (30 U.S.C. 1257), \$3,400,000, to remain available until expended: Provided, That fees assessed and collected by the Bureau pursuant to section 507 of Public Law 95-87 (U.S.C. 1257) shall be credited to this account as discretionary offsetting collections, to remain available until expended: Provided further, That the sum herein appropriated from the general fund shall be reduced as collections are received during the fiscal year, so as to result in a fiscal year 2013 appropriation estimated at not more than \$113,053,000.*

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

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

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

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

### **Abandoned Mine Reclamation Fund**

*For necessary expenses to carry out title IV of the Surface Mining Control and Reclamation Act of 1977, Public Law 95-87, as amended, \$27,548,000, to be derived from receipts of the Abandoned Mine Reclamation Fund and to remain available until expended: Provided, That pursuant to Public Law 97-365, the Department of the Interior is authorized to use up to 20 percent from the recovery of the delinquent debt owed to the United States Government to pay for contracts to collect these debts: Provided further, That funds made available under title IV of Public Law 95-87 may be used for any required non-Federal share of the cost of projects funded by the Federal Government for the purpose of environmental restoration related to treatment or abatement of acid mine drainage from abandoned mines: Provided further, That such projects must be consistent with the purposes and priorities of the Surface Mining Control and Reclamation Act: Provided further, That amounts provided under this heading may be used for the travel and per diem expenses of State and tribal personnel attending Office of Surface Mining Reclamation and Enforcement sponsored training.*

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

The funds collected are used for the reclamation and restoration of land and water resources adversely affected by past mining.

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

- The Tax Relief and Health Care Act of 2006, which included the Surface Mining Control and Reclamation Act Amendments of 2006 (Public Law 109-432) extended the authority to collect the mine reclamation fee and revised the distribution of the fee.

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

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

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





**DEPARTMENT OF THE INTERIOR**

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

| APPROPRIATION:  | REGULATION AND TECHNOLOGY |      |     |         | ABANDONED MINE RECLAMATION FUND |      |     |        |
|---|---------------------------|------|-----|---------|---------------------------------|------|-----|--------|
|   | FTE                       | \$\$ | FTE | \$\$    | FTE                             | \$\$ | FTE | \$\$   |
| FY 2012 ENACTED   |                           |      | 344 | 122,713 |                                 |      | 159 | 27,399 |
| FIXED COSTS & RELATED CHANGES:                                |                           |      |     |         |                                 |      |     |        |
| Adjustment for Pay Raise - Jan 2013                           |                           | 155  |     |         |                                 | 68   |     |        |
| Adjustment for Change in Number of Paid Days                  |                           | 172  |     |         |                                 | 75   |     |        |
| Adjustment for Employer Share of Federal Health Benefit Plans |                           | 192  |     |         |                                 | 83   |     |        |
| Adjustment for Worker's Compensation                          |                           | 33   |     |         |                                 | 16   |     |        |
| Adjustment for Unemployment Compensation                      |                           | 3    |     |         |                                 | 2    |     |        |
| Adjustment for GSA Rental Payments                            |                           | -62  |     |         |                                 | -29  |     |        |
| Adjustment for Working Capital Fund                           |                           | 3    |     |         |                                 | 1    |     |        |
| Adjustment for IT Transformation                              |                           | 126  |     |         |                                 | 59   |     |        |
| TOTAL Adjustment for Fixed Costs                              |                           | 622  |     | 622     |                                 | 275  |     | 275    |
| PROGRAM CHANGES   | 25                        |      | 25  | -10,282 |                                 |      |     | -126   |
| TOTAL REQUIREMENTS (2013 President's Budget)                  |                           |      | 369 | 113,053 |                                 |      | 159 | 27,548 |

| Comparison by Business Lines | REGULATION AND TECHNOLOGY |                |                               |                 |                         | ABANDONED MINE RECLAMATION FUND |               |                               |                 |                         | TOTAL         |                         | Inc / Dec (-/+)<br>From 2012 Enacted |               |
|------------------------------|---------------------------|----------------|-------------------------------|-----------------|-------------------------|---------------------------------|---------------|-------------------------------|-----------------|-------------------------|---------------|-------------------------|--------------------------------------|---------------|
|                              | 2011 Actual               | 2012 Enacted   | Fixed Costs & Related Changes | Program Changes | 2013 President's Budget | 2011 Actual                     | 2012 Enacted  | Fixed Costs & Related Changes | Program Changes | 2013 President's Budget | 2012 Enacted  | 2013 President's Budget |                                      |               |
| Environmental Restoration*   | \$\$                      | 688            | 0                             | 0               | 0                       | 15,015                          | 9,480         | 93                            | -126            | 9,447                   | 9,480         | 9,447                   | -33                                  |               |
|                              | FTE                       | 0              | 0                             | 0               | 0                       | 75                              | 65            | 0                             | -18             | 65                      | 65            | 65                      | 0                                    |               |
| Environmental Protection     | \$\$                      | 94,578         | 91,832                        | 305             | -10,282                 | 81,855                          | 0             | 0                             | 0               | 0                       | 91,832        | 81,855                  | -9,977                               |               |
|                              | FTE                       | 186            | 191                           | 0               | 25                      | 216                             | 0             | 0                             | 0               | 0                       | 191           | 216                     | 25                                   |               |
| Technology Dev. & Transfer   | \$\$                      | 15,455         | 14,455                        | 129             | 0                       | 14,584                          | 5,751         | 3,544                         | 27              | 0                       | 3,571         | 17,999                  | 18,155                               | 156           |
|                              | FTE                       | 90             | 91                            | 0               | 0                       | 91                              | 19            | 20                            | 0               | 0                       | 20            | 111                     | 111                                  | 0             |
| Financial Management         | \$\$                      | 513            | 505                           | 0               | 0                       | 505                             | 6,443         | 6,396                         | 59              | 0                       | 6,455         | 6,901                   | 6,960                                | 59            |
|                              | FTE                       | 2              | 2                             | 0               | 0                       | 2                               | 41            | 41                            | 0               | 0                       | 41            | 43                      | 43                                   | 0             |
| Executive Dir. & Admin.      | \$\$                      | 16,219         | 15,921                        | 188             | 0                       | 16,109                          | 8,308         | 7,979                         | 96              | 0                       | 8,075         | 23,900                  | 24,184                               | 284           |
|                              | FTE                       | 59             | 60                            | 0               | 0                       | 60                              | 32            | 33                            | 0               | 0                       | 33            | 93                      | 93                                   | 0             |
| <b>TOTAL</b>                 | \$\$                      | <b>127,453</b> | <b>122,713</b>                | <b>622</b>      | <b>-10,282</b>          | <b>113,053</b>                  | <b>35,517</b> | <b>27,399</b>                 | <b>275</b>      | <b>-126</b>             | <b>27,548</b> | <b>150,112</b>          | <b>140,601</b>                       | <b>-9,511</b> |
|                              | FTE                       | <b>337</b>     | <b>344</b>                    | <b>0</b>        | <b>25</b>               | <b>369</b>                      | <b>167</b>    | <b>159</b>                    | <b>0</b>        | <b>-18</b>              | <b>159</b>    | <b>503</b>              | <b>528</b>                           | <b>25</b>     |

\*Actual Civil Penalty collections of \$527,000 are included in 2011. Estimated Civil Penalty collections of \$100,000 are not included in 2012 or 2013.

\*\*Appropriation language provides for \$3,400,000 in offsetting collections which will increase Environmental Protection to \$85,255,000 in 2013.

**Justification of Fixed Costs**

(\$ in thousands)

**Regulation and Technology**

| <b>Pay Raise and Pay-Related Changes</b>         | <b>2011<br/>Actual</b> | <b>2012<br/>Change</b> | <b>2013<br/>Change</b> |
|--|------------------------|------------------------|------------------------|
| Calendar Year 2010 Quarter 4                     | -                      |                        |                        |
| <i>[amount absorbed]</i>                         | <i>[+176]</i>          |                        |                        |
| Calendar Year 2011 Quarters 1-3                  | -                      |                        |                        |
| Calendar Year 2011 Quarter 4                     |                        | +0                     |                        |
| Calendar Year 2012 Quarters 1-3                  |                        | +0                     |                        |
| Calendar Year 2012 Quarter 4                     |                        |                        | +0                     |
| Calendar Year 2013 Quarters 1-3                  |                        |                        | +155                   |
| Non-Foreign Area COLA Adjustment to Locality Pay | -                      | -                      |                        |
| Change in Number of Paid Days                    |                        |                        | +172                   |
| Employer Share of Federal Health Benefit Plans   | +153                   | +157                   | +192                   |

| <b>Other Fixed Cost Changes and Projections</b>   | <b>2011<br/>Actual</b> | <b>2012<br/>Change</b> | <b>2013<br/>Change</b> |
|---|------------------------|------------------------|------------------------|
| <b>Worker's Compensation Payments</b>   | -43                    | -40                    | +33                    |
| The adjustment is for changes in the costs of compensating injured employees and dependents of employees who suffer accidental deaths while on duty. Costs for the BY will reimburse the Department of Labor, Federal Employees Compensation Fund, pursuant to 5 U.S.C. 8147(b) as amended by Public Law 94-273.  |                        |                        |                        |
| <b>Unemployment Compensation Payments</b>   | -1                     | +0                     | +3                     |
| The adjustment is for projected changes in the costs of unemployment compensation claims to be paid to the Department of Labor, Federal Employees Compensation Account, in the Unemployment Trust Fund, pursuant to Public Law 96-499.  |                        |                        |                        |
| <b>GSA Rental Payments</b>  | +309                   | +290                   | -62                    |
| The adjustment is for changes in the costs payable to General Services Administration (GSA) and others resulting from changes in rates for office and non-office space as estimated by GSA, as well as the rental costs of other currently occupied space. These costs include building security; in the case of GSA space, these are paid to DHS. Costs of mandatory office relocations, i.e. relocations in cases where due to external events there is no alternative but to vacate the currently occupied space, are also included. |                        |                        |                        |
| <b>Departmental Working Capital Fund</b>  | +0                     | -177                   | +129                   |
| The change reflects expected changes in the charges for centrally billed Department services and other services through the Working Capital Fund. These charges are displayed in the Budget Justification for Departmental Management.  |                        |                        |                        |

| <b>Internal Realignments and Non-Policy/Program Changes (Net-Zero)</b> | <b>2013<br/>(+/-)</b> |
|--|-----------------------|
| N/A  |                       |

*Office of Surface Mining Reclamation and Enforcement*

**Justification of Fixed Costs**

*(Dollars in Thousands)*

**Abandoned Mine Reclamation Fund**

| <b>Pay Raise and Pay-Related Changes</b>         | <b>2011<br/>Actual</b> | <b>2012<br/>Change</b> | <b>2013<br/>Change</b> |
|--|------------------------|------------------------|------------------------|
| Calendar Year 2010 Quarter 4                     | -                      |                        |                        |
| <i>[amount absorbed]</i>                         | <i>[+194]</i>          |                        |                        |
| Calendar Year 2011 Quarters 1-3                  | -                      |                        |                        |
| Calendar Year 2011 Quarter 4                     |                        | +0                     |                        |
| Calendar Year 2012 Quarters 1-3                  |                        | +0                     |                        |
| Calendar Year 2012 Quarter 4                     |                        |                        | +0                     |
| Calendar Year 2013 Quarters 1-3                  |                        |                        | +68                    |
| Non-Foreign Area COLA Adjustment to Locality Pay | -                      | -                      |                        |
| Change in Number of Paid Days                    |                        |                        | +75                    |
| Employer Share of Federal Health Benefit Plans   | +81                    | +82                    | +83                    |

| <b>Other Fixed Cost Changes and Projections</b>   | <b>2011<br/>Actual</b> | <b>2012<br/>Change</b> | <b>2013<br/>Change</b> |
|---|------------------------|------------------------|------------------------|
| <b>Worker's Compensation Payments</b>   | -23                    | -21                    | +16                    |
| The adjustment is for changes in the costs of compensating injured employees and dependents of employees who suffer accidental deaths while on duty. Costs for the BY will reimburse the Department of Labor, Federal Employees Compensation Fund, pursuant to 5 U.S.C. 8147(b) as amended by Public Law 94-273.  |                        |                        |                        |
| <b>Unemployment Compensation Payments</b>   | -1                     | +0                     | +2                     |
| The adjustment is for projected changes in the costs of unemployment compensation claims to be paid to the Department of Labor, Federal Employees Compensation Account, in the Unemployment Trust Fund, pursuant to Public Law 96-499.  |                        |                        |                        |
| <b>GSA Rental Payments</b>  | +167                   | +124                   | -29                    |
| The adjustment is for changes in the costs payable to General Services Administration (GSA) and others resulting from changes in rates for office and non-office space as estimated by GSA, as well as the rental costs of other currently occupied space. These costs include building security; in the case of GSA space, these are paid to DHS. Costs of mandatory office relocations, i.e. relocations in cases where due to external events there is no alternative but to vacate the currently occupied space, are also included. |                        |                        |                        |
| <b>Departmental Working Capital Fund</b>  | +0                     | -95                    | +60                    |
| The change reflects expected changes in the charges for centrally billed Department services and other services through the Working Capital Fund. These charges are displayed in the Budget Justification for Departmental Management.  |                        |                        |                        |

| <b>Internal Realignments and Non-Policy/Program Changes (Net-Zero)</b> | <b>2013<br/>(+/-)</b> |
|--|-----------------------|
| N/A  |                       |



Office of Surface Mining Reclamation and Enforcement

| <b>Goal Performance Table</b>   |  |                    |                    |                    |                    |                  |                    |                  |                  |                                      |                              |
|---|--|--------------------|--------------------|--------------------|--------------------|------------------|--------------------|------------------|------------------|--------------------------------------|------------------------------|
| <b>Mission Area 1: Provide Natural and Cultural Resource Protection and Experiences</b>   |  |                    |                    |                    |                    |                  |                    |                  |                  |                                      |                              |
| <b>Goal # 1: Protect America's Landscapes</b>   |  |                    |                    |                    |                    |                  |                    |                  |                  |                                      |                              |
| <b>Supporting Performance Measures</b>  | <b>Type</b>  | <b>2007 Actual</b> | <b>2008 Actual</b> | <b>2009 Actual</b> | <b>2010 Actual</b> | <b>2011 Plan</b> | <b>2011 Actual</b> | <b>2012 Plan</b> | <b>2013 Plan</b> | <b>Change from 2012 Plan to 2013</b> | <b>Long-Term Target 2016</b> |
| Strategy #1: Improve land and water health by managing the wetlands, uplands, and riparian areas that comprise our national parks, wildlife refuges, and BLM lands.                             |  |                    |                    |                    |                    |                  |                    |                  |                  |                                      |                              |
| Number of Federal, private and tribal land and surface water acres reclaimed or mitigated from the effects of natural resource degradation from past mining. (Calculated equivalent acres) (SP) | A  | 6,658              | 9,909              | 5,838              | 16,565             | 11,000           | 10,836             | 11,000           | 13,000           | +2,000                               | 14,000                       |
| <b>Total Actual/Projected Costs (\$000)</b>   |  | \$186,393          | \$223,950          | \$219,717          | \$262,742          | \$270,889        | \$270,889          | \$332,899        | \$334,148        | -----                                | -----                        |
| <b>Actual/Projected Cost per GPRA Acre (in dollars)</b>   |  | \$27,995           | \$22,601           | \$37,636           | \$15,861           | \$24,626         | \$24,999           | \$30,264         | \$25,704         | -----                                | -----                        |
| Contributing Programs   | Environmental Restoration and Permanent Appropriations: Projected costs are based on anticipated budget with long-term targets held constant for discretionary funding. For FY 2013 the projected costs include all discretionary funding under the AML appropriation (\$27.548 million), and estimated mandatory funding (\$306.6 million). The dollar figures were adjusted for prior and future years based on budget authority instead of actual expenditures. This is consistent with the DOI Annual Performance Plan and Report. |                    |                    |                    |                    |                  |                    |                  |                  |                                      |                              |
| Comments  | The target is higher in 2012, as states have been receiving substantial funding increases appropriate to reclaiming Priority 1 and 2 sites.  |                    |                    |                    |                    |                  |                    |                  |                  |                                      |                              |
| Number of new active partnering and leveraging agreements and amendments to prior agreements. (BUR)   | C  | 53                 | 18                 | 9                  | 15                 | 9                | 18                 | 13               | 13               | 0                                    | 13                           |
| Contributing Programs   | Environmental Restoration  |                    |                    |                    |                    |                  |                    |                  |                  |                                      |                              |
| Comment   | An increase in work by watershed groups occurred at the end of FY 2010 and into FY 2011. Properly planned watershed projects can take 2-3 years before the partner funding and projects come together. Therefore the number awarded in FY 2011 is much higher than planned.  |                    |                    |                    |                    |                  |                    |                  |                  |                                      |                              |
| Comments  | Due to OSM no longer providing separate current year funding for clean stream projects related to the SMCRA Amendments of 2006 (P.L. 109-432), only watershed cooperative agreements have been counted since FY 2008. The measure description was modified to reflect reporting of current year agreements and related funding for this measure and the one below.   |                    |                    |                    |                    |                  |                    |                  |                  |                                      |                              |

Office of Surface Mining Reclamation and Enforcement

| <b>Goal Performance Table</b>  |   |                    |                    |                    |                    |                  |                    |                  |                  |                                      |                              |
|--|---|--------------------|--------------------|--------------------|--------------------|------------------|--------------------|------------------|------------------|--------------------------------------|------------------------------|
| <b>Mission Area 1: Provide Natural and Cultural Resource Protection and Experiences</b>                                |   |                    |                    |                    |                    |                  |                    |                  |                  |                                      |                              |
| <b>Goal # 1: Protect America's Landscapes</b>  |   |                    |                    |                    |                    |                  |                    |                  |                  |                                      |                              |
| <b>Supporting Performance Measures</b>   | <b>Type</b>   | <b>2007 Actual</b> | <b>2008 Actual</b> | <b>2009 Actual</b> | <b>2010 Actual</b> | <b>2011 Plan</b> | <b>2011 Actual</b> | <b>2012 Plan</b> | <b>2013 Plan</b> | <b>Change from 2012 Plan to 2013</b> | <b>Long-Term Target 2016</b> |
| The amount of increased funds derived from new active partnering and leveraging agreements and amendments. (BUR)       | A   | \$28,963,461       | \$5,548,452        | \$4,784,459        | \$4,203,656        | \$2,125,000      | \$8,366,331        | \$3,125,000      | \$3,125,000      | \$0                                  | \$3,125,000                  |
| Contributing Programs  | Environmental Restoration   |                    |                    |                    |                    |                  |                    |                  |                  |                                      |                              |
| Comment  | The number of projects and amounts contributed by other partners increased more than anticipated in FY 2011. Watershed groups are adapting to the economic environment and leveraging funds through new financial partnerships.                 |                    |                    |                    |                    |                  |                    |                  |                  |                                      |                              |
| Customer service rate in the quality of technical assistance. (Applies to both Mission Areas.) (BUR)                   | A   | 99%                | 96%                | 100%               | 100%               | 96%              | 100%               | 97%              | 98%              | +1%                                  | 100%                         |
| Contributing Programs  | Technology Development and Transfer   |                    |                    |                    |                    |                  |                    |                  |                  |                                      |                              |
| Percent satisfaction with the scientific and technical products and assistance. (Applies to both Mission Areas.) (BUR) | A   | 92%                | 92%                | 99%                | 99%                | 96%              | 100%               | 96%              | 97%              | +1%                                  | 97%                          |
| Contributing Programs  | Technology Development and Transfer   |                    |                    |                    |                    |                  |                    |                  |                  |                                      |                              |
| Customer effectiveness rate in the quality of technical training – NTTP. (Applies to both Mission Areas.) (BUR)        | A   | 96%                | 96%                | 95%                | 97%                | 93%              | 95%                | 93%              | 93%              | 0%                                   | 93%                          |
| Contributing Programs  | Technology Development and Transfer   |                    |                    |                    |                    |                  |                    |                  |                  |                                      |                              |
| Number of students trained – NTTP. (Applies to both Mission Areas.) (BUR)  | A   | 1,746              | 1,426              | 1,053              | 1,027              | 950              | 768                | 850              | 850              | 0                                    | 850                          |
| Contributing Programs  | Technology Development and Transfer   |                    |                    |                    |                    |                  |                    |                  |                  |                                      |                              |
| Comment  | The actual was less than the goal for FY 2011 due to the need to cancel seven courses. Cancellations were necessary due to weather, and challenges relating to the availability of instructors, course coordinators and, in one case, students. |                    |                    |                    |                    |                  |                    |                  |                  |                                      |                              |

Office of Surface Mining Reclamation and Enforcement

| <b>Goal Performance Table</b>  |  |                    |                    |                    |                    |                  |                    |                  |                  |                                      |                              |
|--|--|--------------------|--------------------|--------------------|--------------------|------------------|--------------------|------------------|------------------|--------------------------------------|------------------------------|
| <b>Mission Area 1: Provide Natural and Cultural Resource Protection and Experiences</b>                                |  |                    |                    |                    |                    |                  |                    |                  |                  |                                      |                              |
| <b>Goal # 1: Protect America's Landscapes</b>  |  |                    |                    |                    |                    |                  |                    |                  |                  |                                      |                              |
| <b>Supporting Performance Measures</b>   | <b>Type</b>  | <b>2007 Actual</b> | <b>2008 Actual</b> | <b>2009 Actual</b> | <b>2010 Actual</b> | <b>2011 Plan</b> | <b>2011 Actual</b> | <b>2012 Plan</b> | <b>2013 Plan</b> | <b>Change from 2012 Plan to 2013</b> | <b>Long-Term Target 2016</b> |
| Customer satisfaction rate for TIPS training. Applies to both Mission Areas.) (BUR)                                    | A  | 90%                | 97%                | 96%                | 98%                | 93%              | 96%                | 93%              | 93%              | 0%                                   | 93%                          |
| Contributing Programs  | Technology Development and Transfer  |                    |                    |                    |                    |                  |                    |                  |                  |                                      |                              |
| Increase the number of permits reporting by e-filing. (BUR)  | C  | 69%                | 73%                | 76%                | 82%                | 85%              | 85%                | ---              | ---              | ---                                  | ---                          |
| Contributing Programs  | Financial Management   |                    |                    |                    |                    |                  |                    |                  |                  |                                      |                              |
| Comments   | OSM discontinued this measure because of the relatively high rate of e-filing participation, diminishing returns from efforts to encourage increased e-filing, and better measures of performance. It is replaced with a new measure, Percent of Payments Processed Automatically shown below. |                    |                    |                    |                    |                  |                    |                  |                  |                                      |                              |
| Percent of Payments Processed Automatically. (BUR)   | A  | N/A                | N/A                | N/A                | 36%                | 48%              | 65%                | 65%              | 72%              | +7%                                  | 86%                          |
| Contributing Programs  | Financial Management   |                    |                    |                    |                    |                  |                    |                  |                  |                                      |                              |
| Comments   | This measure replaced the e-filing rate measure above. In FY 2011, of the 5,879 payments received, 3,844 were processed automatically.   |                    |                    |                    |                    |                  |                    |                  |                  |                                      |                              |
| AML Fee Collection rate. (BUR)   | A  | 99.9%              | 99.9%              | 99.8%              | 99.9               | 99%              | 100%               | 99%              | 99%              | 0%                                   | 99%                          |
| Contributing Programs  | Financial Management   |                    |                    |                    |                    |                  |                    |                  |                  |                                      |                              |
| Provide appropriate grant funding within 60 days of a complete grant application for abandoned mine lands grants (BUR) | A  | 100%               | 100%               | 100%               | 100%               | 96%              | 100%               | 96%              | 96%              | 0%                                   | 96%                          |
| Contributing Programs  | Environmental Restoration  |                    |                    |                    |                    |                  |                    |                  |                  |                                      |                              |



Office of Surface Mining Reclamation and Enforcement

| <b>Goal Performance Table</b>   |   |                    |                    |                    |                    |                  |                    |                  |                  |                                      |                              |
|---|---|--------------------|--------------------|--------------------|--------------------|------------------|--------------------|------------------|------------------|--------------------------------------|------------------------------|
| <b>Mission Area 1: Provide Natural and Cultural Resource Protection and Experiences</b>   |   |                    |                    |                    |                    |                  |                    |                  |                  |                                      |                              |
| <b>Goal # 1: Protect America's Landscapes</b>   |   |                    |                    |                    |                    |                  |                    |                  |                  |                                      |                              |
| <b>Supporting Performance Measures</b>  | <b>Type</b>   | <b>2007 Actual</b> | <b>2008 Actual</b> | <b>2009 Actual</b> | <b>2010 Actual</b> | <b>2011 Plan</b> | <b>2011 Actual</b> | <b>2012 Plan</b> | <b>2013 Plan</b> | <b>Change from 2012 Plan to 2013</b> | <b>Long-Term Target 2016</b> |
| Strategy #1: Improve land and water health by managing the wetlands, uplands, and riparian areas that comprise our national parks, wildlife refuges, and BLM lands. |   |                    |                    |                    |                    |                  |                    |                  |                  |                                      |                              |
| Number of people with reduced exposure potential to safety risks from abandoned mine lands. (BUR)   | A   | 270,102            | 255,640            | 272,143            | 191,250            | 160,000          | 630,282            | 160,000          | 160,000          | 0                                    | 160,000                      |
| Contributing Programs   | Environmental Restoration   |                    |                    |                    |                    |                  |                    |                  |                  |                                      |                              |
| Comment   | The FY 2011 accomplishments far exceeded the plan. States are provided the option of using data other than the calculated census data for populations in the area of the reclaimed sites. Of the 630,282 people with reduced exposures, 86% (540,006) were for sites in Wyoming. The increase in population was due to the reclamation of sites in proximity to recreational areas. |                    |                    |                    |                    |                  |                    |                  |                  |                                      |                              |
| Number of people directly affected (Emergencies abated). (BUR)  | A   | 43,580             | 68,764             | 82,339             | 49,946             | 16,700           | 69,543             | 16,700           | 16,700           | 0                                    | 16,700                       |
| Contributing Programs   | Environmental Restoration   |                    |                    |                    |                    |                  |                    |                  |                  |                                      |                              |
| Percentage of declared emergencies abated within six months. (BUR)  | A   | 98.5%              | 99.7%              | 99%                | 98%                | 95%              | 96%                | 95%              | 95%              | 0                                    | See comment                  |
| Contributing Programs   | Environmental Restoration   |                    |                    |                    |                    |                  |                    |                  |                  |                                      |                              |
| Comments  | This measure will be revised in the future to reflect proposed legislative changes and associated performance.  |                    |                    |                    |                    |                  |                    |                  |                  |                                      |                              |

Office of Surface Mining Reclamation and Enforcement

| <b>Goal Performance Table</b>  |   |   |                                       |                                       |                                       |                                       |  |                                       |                                       |                                      |                               |
|--|---|---|---------------------------------------|---------------------------------------|---------------------------------------|---------------------------------------|--|---------------------------------------|---------------------------------------|--------------------------------------|-------------------------------|
| <b>Mission Area 2: Sustainably Manage Energy, Water, and Natural Resources</b>     |   |   |                                       |                                       |                                       |                                       |  |                                       |                                       |                                      |                               |
| <b>Goal #1: Secure America's Energy Resources</b>                                  |   |   |                                       |                                       |                                       |                                       |  |                                       |                                       |                                      |                               |
| <b>Supporting Performance Measures</b>   | <b>Type</b>   | <b>2007 Actual</b>                      | <b>2008 Actual</b>                    | <b>2009 Actual</b>                    | <b>2010 Actual</b>                    | <b>2011 Plan</b>                      | <b>2011 Actual</b>                     | <b>2012 Plan</b>                      | <b>2013 Plan</b>                      | <b>Change from 2012 Plan to 2013</b> | <b>Long-Term Target 2016</b>  |
| Strategy #1: Ensure environmental compliance and the safety of energy development. |   |   |                                       |                                       |                                       |                                       |  |                                       |                                       |                                      |                               |
| Percent of active coal mining sites that are free of off-site impacts. (SP)        | C   | 90.2%<br>(7,103 of 7,877 sites)         | 88%<br>(6,864 of 7,784 sites)         | 88%<br>(6,879 of 7,845 sites)         | 86%<br>(6,548 of 7,571 sites)         | 88%<br>(6,789 of 7,672 sites)         | 86%<br>(6,588 of 7,675 sites)          | 88%<br>(6,705 of 7,620 sites)         | 88%<br>(6,706 of 7,621 sites)         | 0%                                   | 88%<br>(6,695 of 7,608 sites) |
| <b>Total Actual/Projected Costs (\$000)</b>  |   | \$109,261                               | \$118,371                             | \$120,156                             | \$127,180                             | \$127,180                             | \$126,926                              | \$122,713                             | \$133,053                             | -----                                |                               |
| <b>Actual/Projected Cost per Inspectable Unit (in dollars)</b>                     |   | \$13,870                                | \$15,207                              | \$15,316                              | \$16,798                              | \$16,577                              | \$16,538                               | \$16,104                              | \$17,459                              | -----                                |                               |
| Contributing Programs  | Environmental Protection  |   |                                       |                                       |                                       |                                       |  |                                       |                                       |                                      |                               |
| Comments   | The target remains stable through 2013. OSM evaluation of data collection, analysis, and reporting requirements is part of the ongoing effort to improve oversight of State regulatory programs. The dollar figures were adjusted for prior and future years based on budget authority instead of actual expenditures. This is consistent with the DOI Annual Performance Plan and Report.. For FY 2013, projected costs relate to requested budget authority and do not include the anticipated cost recovery for services to the coal industry. |   |                                       |                                       |                                       |                                       |  |                                       |                                       |                                      |                               |
| Percent of mined acreage reclaimed). (SP)  | A   | 53.4%<br>(1,928,521 of 3,609,121 acres) | 83%<br>(2,044,886 of 2,467,139 acres) | 89%<br>(2,165,011 of 2,435,110 acres) | 98%<br>(2,305,795 of 2,359,120 acres) | 75%<br>(1,578,233 of 2,105,752 acres) | 104%<br>(2,418,963 of 2,327,333 acres) | 75%<br>(1,578,233 of 2,105,752 acres) | 75%<br>(1,578,233 of 2,105,752 acres) | 0%                                   | See comment                   |
| <b>Total Actual/Projected Costs (\$000)</b>  |   | \$109,261                               | \$118,371                             | \$120,156                             | \$127,180                             | \$127,180                             | \$126,926                              | \$122,713                             | \$133,053                             | -----                                |                               |
| <b>Actual/Projected Cost per Acres Reclaimed (in dollars)</b>                      |   | \$57                                    | \$58                                  | \$55                                  | \$55                                  | \$81                                  | \$52                                   | \$78                                  | \$64                                  | -----                                |                               |
| Contributing Programs  | Environmental Protection  |   |                                       |                                       |                                       |                                       |  |                                       |                                       |                                      |                               |
| Comments   | Targets are under review due to recent changes in data collection that will assist with baseline date for future projections and will change in the future. For FY 2013, the target is consistent with FY 2012 and projected costs relate to requested budget authority and do not include anticipated cost recovery for services to the coal industry.   |   |                                       |                                       |                                       |                                       |  |                                       |                                       |                                      |                               |

Office of Surface Mining Reclamation and Enforcement

| <b>Goal Performance Table</b>   |   |                    |                    |                    |                    |                  |                    |                  |                  |                                      |                              |
|---|---|--------------------|--------------------|--------------------|--------------------|------------------|--------------------|------------------|------------------|--------------------------------------|------------------------------|
| <b>Mission Area 2: Sustainably Manage Energy, Water, and Natural Resources</b>  |   |                    |                    |                    |                    |                  |                    |                  |                  |                                      |                              |
| <b>Goal #1: Secure America's Energy Resources</b>   |   |                    |                    |                    |                    |                  |                    |                  |                  |                                      |                              |
| <b>Supporting Performance Measures</b>  | <b>Type</b>   | <b>2007 Actual</b> | <b>2008 Actual</b> | <b>2009 Actual</b> | <b>2010 Actual</b> | <b>2011 Plan</b> | <b>2011 Actual</b> | <b>2012 Plan</b> | <b>2013 Plan</b> | <b>Change from 2012 Plan to 2013</b> | <b>Long-Term Target 2016</b> |
| Number of acres where reclamation goals are achieved as evidenced by release from Phase III Performance Bonds. (BUR)  | C   | 51,105             | 48,828             | 38,312             | 50,231             | 45,000           | 35,334             | 41,000           | 41,000           | 0                                    | 41,000                       |
| Contributing Programs   | Environmental Protection  |                    |                    |                    |                    |                  |                    |                  |                  |                                      |                              |
| Comment   | Acreage released from Phase III is expected to remain stable in all regions for the foreseeable future.   |                    |                    |                    |                    |                  |                    |                  |                  |                                      |                              |
| Number of acres released from Phase I & II Performance Bonds. (BUR)   | C   | 110,198            | 89,047             | 93,875             | 111,136            | 80,000           | 76,720             | 80,000           | 77,000           | -3,000                               | 80,000                       |
| Contributing Programs   | Environmental Protection  |                    |                    |                    |                    |                  |                    |                  |                  |                                      |                              |
| Comment   | A reduction in acreage released from Phases I and II is expected for the Appalachian and Mid-Continent Regions after 2012. Therefore, the goal was slightly reduced to reflect the most recent estimates. |                    |                    |                    |                    |                  |                    |                  |                  |                                      |                              |
| Customer service rate in the quality of technical assistance. Applies to both Mission Areas.) (BUR)                   | A   | 99%                | 96%                | 100%               | 100%               | 96%              | 100%               | 97%              | 98%              | +1%                                  | 100%                         |
| Contributing Programs   | Technology Development and Transfer   |                    |                    |                    |                    |                  |                    |                  |                  |                                      |                              |
| Percent satisfaction with the scientific and technical products and assistance. Applies to both Mission Areas.) (BUR) | A   | 92%                | 92%                | 99%                | 99%                | 96%              | 100%               | 97%              | 98%              | +1%                                  | 100%                         |
| Contributing Programs   | Technology Development and Transfer   |                    |                    |                    |                    |                  |                    |                  |                  |                                      |                              |
| Customer effectiveness rate in the quality of technical training – NTTP. Applies to both Mission Areas.) (BUR)        | A   | 96%                | 96%                | 95%                | 97%                | 93%              | 95%                | 93%              | 93%              | 0%                                   | 93%                          |
| Contributing Programs   | Technology Development and Transfer   |                    |                    |                    |                    |                  |                    |                  |                  |                                      |                              |
| Number of students trained – NTTP. Applies to both Mission Areas.) (BUR)  | A   | 1,746              | 1,426              | 1,053              | 1,027              | 950              | 768                | 850              | 850              | 0                                    | 850                          |

Office of Surface Mining Reclamation and Enforcement

| <b>Goal Performance Table</b>  |   |                    |                    |                    |                    |                  |                    |                  |                  |                                      |                              |
|--|---|--------------------|--------------------|--------------------|--------------------|------------------|--------------------|------------------|------------------|--------------------------------------|------------------------------|
| <b>Mission Area 2: Sustainably Manage Energy, Water, and Natural Resources</b>                               |   |                    |                    |                    |                    |                  |                    |                  |                  |                                      |                              |
| <b>Goal #1: Secure America's Energy Resources</b>  |   |                    |                    |                    |                    |                  |                    |                  |                  |                                      |                              |
| <b>Supporting Performance Measures</b>   | <b>Type</b>   | <b>2007 Actual</b> | <b>2008 Actual</b> | <b>2009 Actual</b> | <b>2010 Actual</b> | <b>2011 Plan</b> | <b>2011 Actual</b> | <b>2012 Plan</b> | <b>2013 Plan</b> | <b>Change from 2012 Plan to 2013</b> | <b>Long-Term Target 2016</b> |
| Contributing Programs  | Technology Development and Transfer   |                    |                    |                    |                    |                  |                    |                  |                  |                                      |                              |
| Comment  | The actual was less than the goal for FY 2011 due to the need to cancel seven courses. Cancellations were necessary due to weather, and challenges relating to the availability of instructors, course coordinators and, in one case, students. |                    |                    |                    |                    |                  |                    |                  |                  |                                      |                              |
| Customer satisfaction rate for TIPS training. Applies to both Mission Areas.) (BUR)                          | A   | 90%                | 97%                | 96%                | 98%                | 93%              | 96%                | 93%              | 93%              | 0%                                   | 93%                          |
| Contributing Programs  | Technology Development and Transfer   |                    |                    |                    |                    |                  |                    |                  |                  |                                      |                              |
| Customer satisfaction in the quality and timeliness of AVS provided services. (BUR)                          | A   | 98%                | 98%                | 98%                | 98%                | 96%              | 99%                | 96%              | 96%              | 0%                                   | 96%                          |
| Contributing Programs  | Technology Development and Transfer   |                    |                    |                    |                    |                  |                    |                  |                  |                                      |                              |
| Provide appropriate grant funding within 60 days of a complete grant application for regulatory grants (BUR) | A   | 90%                | 100%               | 100%               | 100%               | 96%              | 100%               | 96%              | 96%              | 0%                                   | 96%                          |
| Contributing Programs  | Environmental Protection  |                    |                    |                    |                    |                  |                    |                  |                  |                                      |                              |
| Completion of the technical review of Federal/Indian Land permit actions within 90 days (BUR)                | A   | 97%                | 90%                | 87%                | 93%                | 81%              | 82%                | 70%              | 70%              | 0%                                   | -----                        |
| Contributing Programs  | Environmental Protection  |                    |                    |                    |                    |                  |                    |                  |                  |                                      |                              |

Office of Surface Mining Reclamation and Enforcement

| <b>Goal Performance Table</b>   |  |                    |                    |                    |                    |                  |                    |                  |                  |                                      |                              |
|---|--|--------------------|--------------------|--------------------|--------------------|------------------|--------------------|------------------|------------------|--------------------------------------|------------------------------|
| <b>Mission Area 5: Building a 21<sup>st</sup> Century Department of the Interior<br/>Youth Stewardship and Engagement</b>       |  |                    |                    |                    |                    |                  |                    |                  |                  |                                      |                              |
| <b>Supporting Performance Measures</b>  | <b>Type</b>  | <b>2007 Actual</b> | <b>2008 Actual</b> | <b>2009 Actual</b> | <b>2010 Actual</b> | <b>2011 Plan</b> | <b>2011 Actual</b> | <b>2012 Plan</b> | <b>2013 Plan</b> | <b>Change from 2011 Plan to 2012</b> | <b>Long-Term Target 2016</b> |
| Increase DOI and affiliated partnership employment in youth focused programs by 35 percent over the base year of FY 2009. (HPG) | C  | N/A                | N/A                | 124                | 254                | 167              | 193                | 167              | 167              | 0                                    | ---                          |
| Contributing Programs   | All Programs   |                    |                    |                    |                    |                  |                    |                  |                  |                                      |                              |
| Comments  | OSM will seek to maintain employment levels achieved in youth focused programs. The baseline data for this measure was adjusted and represents the total youth employed by DOI partners for the fiscal year, rather than using 2009 as a base with a cumulative count for subsequent fiscal years. This measure represents OSM's contribution to the larger effort undertaken by DOI, with a goal of a 35% increase of the youth employed in 2009. High performance goals are not projected as long-term measures. |                    |                    |                    |                    |                  |                    |                  |                  |                                      |                              |

Office of Surface Mining Reclamation and Enforcement

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



**INTRODUCTION**

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

**Regulation and Technology**

This appropriation finances the regulatory functions of SMCRA as administered by the States and OSM. Federal activities related to the administration and monitoring of State regulatory programs and OSM’s technical training, assistance, and transfer activities related to environmental protection are also financed by this appropriation. The request is \$113,053,000; a decrease of \$9,660,000 from the 2012 Enacted level. In addition, OSM is requesting budget resources of \$3.4 million to be offset by collection of permit fees.

**Abandoned Mine Reclamation Fund**

This appropriation supports the discretionary reclamation program functions carried out by the States and OSM. The Fund is derived from a fee levied on coal production sales, use and transfers. The Fund also supports Federal activities related to the administration and monitoring of State programs, as well as OSM’s technical training, assistance, and transfer activities related to environmental restoration. The request is \$27,548,000, an increase of \$149,000 from the 2012 level.

**Summary of 2012 Enacted Level and 2013 Request  
By Appropriation and Business Line**

(dollars in thousands)

| <b>Regulation and Technology</b>  | 2012 Enacted Level | 2013 Request   | Change from 2012 |
|-----------------------------------|--------------------|----------------|------------------|
| Environmental Restoration         | 0                  | 0              | 0                |
| Environmental Protection          | 91,832             | 81,855         | -9,977           |
| Technology Development & Transfer | 14,455             | 14,584         | 129              |
| Financial Management              | 505                | 505            | 0                |
| Executive Direction               | 15,921             | 16,109         | 188              |
| <b>Total Appropriation</b>        | <b>122,713</b>     | <b>113,053</b> | <b>-9,660</b>    |

| <b>Abandoned Mine Reclamation Fund</b> | 2012 Enacted Level | 2013 Request  | Change from 2012 |
|--|--------------------|---------------|------------------|
| Environmental Restoration              | 9,480              | 9,447         | -33              |
| Technology Development & Transfer      | 3,544              | 3,571         | 27               |
| Financial Management                   | 6,396              | 6,455         | 59               |
| Executive Direction                    | 7,979              | 8,075         | 96               |
| <b>Total Appropriation</b>             | <b>27,399</b>      | <b>27,548</b> | <b>149</b>       |

|  |                |                |               |
|--|----------------|----------------|---------------|
| <b>Total Discretionary Appropriation</b> | <b>150,112</b> | <b>140,601</b> | <b>-9,511</b> |
| Civil Penalty Authority                  | 100            | 100            |               |
| <b>Total</b>                             | <b>150,212</b> | <b>140,701</b> |               |



**Summary of 2012 Enacted Level and 2013 Request  
By FTE**

| <b>Regulation and Technology</b>         | 2012 Enacted Level | 2013 Request | Change from 2012 |
|--|--------------------|--------------|------------------|
| Environmental Restoration                | 0                  | 0            | 0                |
| Environmental Protection                 | 191                | 216          | +25              |
| Technology Development & Transfer        | 91                 | 91           | 0                |
| Financial Management                     | 2                  | 2            | 0                |
| Executive Direction                      | 60                 | 60           | 0                |
| Total Appropriation                      | 344                | 369          | +25              |
| <b>Abandoned Mine Reclamation Fund</b>   | 2012 Enacted Level | 2013 Request | Change from 2012 |
| Environmental Restoration                | 65                 | 65           | 0                |
| Technology Development & Transfer        | 20                 | 20           | 0                |
| Financial Management                     | 41                 | 41           | 0                |
| Executive Direction                      | 33                 | 33           | 0                |
| Total Appropriation                      | 159                | 159          | 0                |
| <b>Total Discretionary Appropriation</b> | <b>503</b>         | <b>528</b>   | <b>+25</b>       |

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

|   | 2013           |                |                                |                 |                    |                           |
|---|----------------|----------------|--------------------------------|-----------------|--------------------|---------------------------|
|   | 2011 Actual    | 2012 Enacted   | Fixed Costs & Related Changes* | Program Changes | President's Budget | Inc (+)/Dec (-) from 2012 |
| <b>Discretionary</b>                                    |                |                |                                |                 |                    |                           |
| <b>Appropriation: Regulation and Technology</b>         | <b>126,926</b> | <b>122,713</b> | <b>622</b>                     | <b>-10,282</b>  | <b>113,053</b>     | <b>-9,660</b>             |
| <b>Environmental Restoration</b>                        | <b>161</b>     | <b>0</b>       | <b>0</b>                       | <b>0</b>        | <b>0</b>           | <b>0</b>                  |
| <i>Coal Outcrop Fire Projects</i>                       | 161            | 0              | 0                              | 0               | 0                  | 0                         |
| <b>Environmental Protection</b>                         | <b>94,578</b>  | <b>91,832</b>  | <b>305</b>                     | <b>-10,282</b>  | <b>81,855</b>      | <b>-9,977</b>             |
| <i>State and Tribal Funding</i>                         | 68,700         | 68,590         | 0                              | -10,916         | 57,674             | -10,916                   |
| <i>State Program Evaluation</i>                         | 9,277          | 8,616          | 148                            | 3,994           | 12,758             | 4,142                     |
| <i>Federal Programs</i>                                 | 5,978          | 5,898          | 64                             | -2,372          | 3,590              | -2,308                    |
| <i>Decrease to be covered by Offsetting Collections</i> |                | [+28]          |                                | [+2,372]        | [+2,400]           | [2,372]                   |
| <i>Federal Lands</i>                                    | 1,540          | 1,534          | 9                              | 0               | 1,543              | 9                         |
| <i>Indian Lands</i>                                     | 2,466          | 2,430          | 27                             | -988            | 1,469              | -961                      |
| <i>Decrease to be covered by Offsetting Collections</i> |                | [+12]          |                                | [+988]          | [+1,000]           | [988]                     |
| <i>Program Development and Maintenance</i>              | 6,617          | 4,764          | 57                             | 0               | 4,821              | 57                        |
| <b>Technology, Development &amp; Transfer</b>           | <b>15,455</b>  | <b>14,455</b>  | <b>129</b>                     | <b>0</b>        | <b>14,584</b>      | <b>129</b>                |
| <i>Technical Assistance</i>                             | 11,014         | 10,943         | 68                             | 0               | 11,011             | 68                        |
| <i>Training</i>   | 2,599          | 2,531          | 31                             | 0               | 2,562              | 31                        |
| <i>Technology Transfer</i>                              | 1,842          | 981            | 30                             | 0               | 1,011              | 30                        |
| <b>Financial Management</b>                             | <b>513</b>     | <b>505</b>     | <b>0</b>                       | <b>0</b>        | <b>505</b>         | <b>0</b>                  |
| <i>Revenue Management</i>                               | 415            | 410            | 0                              | 0               | 410                | 0                         |
| <i>Grants Financial Management</i>                      | 98             | 95             | 0                              | 0               | 95                 | 0                         |
| <b>Executive Direction and Administration</b>           | <b>16,219</b>  | <b>15,921</b>  | <b>188</b>                     | <b>0</b>        | <b>16,109</b>      | <b>188</b>                |
| <i>Executive Direction</i>                              | 2,678          | 2,654          | 36                             | 0               | 2,690              | 36                        |
| <i>Administrative Support</i>                           | 4,446          | 4,414          | 49                             | 0               | 4,463              | 49                        |
| <i>General Services</i>                                 | 9,095          | 8,853          | 103                            | 0               | 8,956              | 103                       |

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

|   | 2013           |                 |                                      |                    |                       |                              |
|---|----------------|-----------------|--------------------------------------|--------------------|-----------------------|------------------------------|
|   | 2011<br>Actual | 2012<br>Enacted | Fixed Costs<br>& Related<br>Changes* | Program<br>Changes | President's<br>Budget | Inc (+)/Dec (-)<br>from 2012 |
| <b>Discretionary</b>                                  |                |                 |                                      |                    |                       |                              |
| <b>Appropriation: Abandoned Mine Reclamation Fund</b> | <b>35,517</b>  | <b>27,399</b>   | <b>275</b>                           | <b>-126</b>        | <b>27,548</b>         | <b>149</b>                   |
| <b>Environmental Restoration</b>                      | <b>15,015</b>  | <b>9,480</b>    | <b>93</b>                            | <b>-126</b>        | <b>9,447</b>          | <b>-33</b>                   |
| <i>State and Tribal Funding - Emergency Grants</i>    | 0              | 0               | 0                                    | 0                  | 0                     | 0                            |
| <i>State Program Evaluation</i>                       | 2,700          | 2,662           | 33                                   | 0                  | 2,695                 | 33                           |
| <i>Federal Reclamation Programs - Projects</i>        | 4,314          | 1,548           | 0                                    | -335               | 1,213                 | -335                         |
| <i>Watershed Projects</i>                             | [1,548]        | [1,548]         | 0                                    | [-335]             | [1,213]               | 0                            |
| <i>Federal Reclamation Program - Operations</i>       | 4,561          | 2,066           | 29                                   | 209                | 2,304                 | 238                          |
| <i>Project Monitoring</i>                             | 0              | 0               | 0                                    | [209]              | [209]                 | [209]                        |
| <i>Program Development and Maintenance</i>            | 3,440          | 3,204           | 31                                   | 0                  | 3,235                 | 31                           |
| <b>Technology, Development &amp; Transfer</b>         | <b>5,751</b>   | <b>3,544</b>    | <b>27</b>                            | <b>0</b>           | <b>3,571</b>          | <b>27</b>                    |
| <i>Technical Assistance</i>                           | 3,103          | 1,585           | 13                                   | 0                  | 1,598                 | 13                           |
| <i>Training</i>                                       | 813            | 794             | 8                                    | 0                  | 802                   | 8                            |
| <i>Technology Transfer</i>                            | 1,835          | 1,165           | 6                                    | 0                  | 1,171                 | 6                            |
| <b>Financial Management</b>                           | <b>6,443</b>   | <b>6,396</b>    | <b>59</b>                            | <b>0</b>           | <b>6,455</b>          | <b>59</b>                    |
| <i>Fee Compliance</i>                                 | 6,347          | 6,302           | 56                                   | 0                  | 6,358                 | 56                           |
| <i>Grants Financial Management</i>                    | 96             | 94              | 3                                    | 0                  | 97                    | 3                            |
| <b>Executive Direction and Administration</b>         | <b>8,308</b>   | <b>7,979</b>    | <b>96</b>                            | <b>0</b>           | <b>8,075</b>          | <b>96</b>                    |
| <i>Executive Direction</i>                            | 1,426          | 1,413           | 20                                   | 0                  | 1,433                 | 20                           |
| <i>Administrative Support</i>                         | 2,340          | 2,323           | 27                                   | 0                  | 2,350                 | 27                           |
| <i>General Services</i>                               | 4,542          | 4,243           | 49                                   | 0                  | 4,292                 | 49                           |
| <b>Total, Discretionary Funding</b>                   | <b>162,443</b> | <b>150,112</b>  | <b>897</b>                           | <b>-10,408</b>     | <b>140,601</b>        | <b>-9,511</b>                |

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

|  | 2013           |                 |                                      |                    |                       |                              |
|--|----------------|-----------------|--------------------------------------|--------------------|-----------------------|------------------------------|
|  | 2011<br>Actual | 2012<br>Enacted | Fixed Costs<br>& Related<br>Changes* | Program<br>Changes | President's<br>Budget | Inc (+)/Dec (-)<br>from 2012 |
| <b>Total, Regulation and Technology</b>                      | <b>126,926</b> | <b>122,713</b>  | <b>622</b>                           | <b>-10,282</b>     | <b>113,053</b>        | <b>-9,660</b>                |
| <i>Civil Penalties</i>                                       | 527            | 100             | 0                                    | 0                  | 100                   | 0                            |
| <b>Total, Regulation and Technology with Civil Penalties</b> | <b>127,453</b> | <b>122,813</b>  | <b>622</b>                           | <b>-10,282</b>     | <b>113,153</b>        | <b>-9,660</b>                |
| <b>Total, Abandoned Mine Reclamation Fund</b>                | <b>35,517</b>  | <b>27,399</b>   | <b>275</b>                           | <b>-126</b>        | <b>27,548</b>         | <b>149</b>                   |
| <b>Offsetting Collections</b>                                | <b>0</b>       | <b>40</b>       | <b>0</b>                             | <b>3,360</b>       | <b>3,400</b>          | <b>3,360</b>                 |
| <b>Total, Budget Resources with Offsetting Collections</b>   | <b>162,970</b> | <b>150,252</b>  | <b>897</b>                           | <b>-7,048</b>      | <b>144,101</b>        | <b>-6,151</b>                |

**Mandatory**

|   |                |                |          |          |                |                 |
|---|----------------|----------------|----------|----------|----------------|-----------------|
| <b>Payments to States and Tribes in Lieu of Coal Fee Receipts (Treasury Funds)**</b>  | <b>245,425</b> | <b>265,300</b> | <b>0</b> | <b>0</b> | <b>85,200</b>  | <b>-180,100</b> |
| <i>Prior Balance Replacement Fund</i>   | 186,971        | 187,000        | 0        | 0        | 0              |                 |
| <i>In Lieu Payments to Certified States and Tribes</i>                                | 58,454         | 78,300         | 0        | 0        | 0              |                 |
| <i>Legislative Proposal - Change in Distribution of Funds</i>                         |                |                |          |          | 85,200         |                 |
| <b>Mandatory Grants to Noncertified States (AML Funds)**</b>                          | <b>150,133</b> | <b>220,196</b> | <b>0</b> | <b>0</b> | <b>221,400</b> | <b>1,204</b>    |
| Grants to Noncertified States - Change in Distribution of Funds                       |                |                |          | 0        | <b>221,400</b> |                 |
| <i>State &amp; Tribal Share - Change in Distribution of Funds</i>                     | 36,779         | 50,866         | 0        | 0        | 49,800         |                 |
| <i>Historic Coal Fund - Change in Distribution of Funds</i>                           | 100,980        | 155,873        | 0        | 0        | 158,100        |                 |
| <i>Minimum Program - Change in Distribution of Funds</i>                              | 12,374         | 13,457         | 0        | 0        | 13,500         |                 |
| <b>United Mine Workers of America Health Benefit Plans (UMWA)</b>                     | <b>273,310</b> | <b>253,991</b> | <b>0</b> | <b>0</b> | <b>230,626</b> | <b>-23,365</b>  |
| Payments to United Mine Workers of America Health Benefit Plans (AML Fund Interest)   | 57,246         | 48,430         | 0        | 0        | 55,724         | 7,294           |
| Payments to United Mine Workers of America Health Benefit Plans (U.S. Treasury Funds) | 216,064        | 205,561        | 0        | 0        | 174,902        | -30,659         |
| <b>Total, Mandatory Funding</b>   | <b>668,868</b> | <b>739,487</b> | <b>0</b> | <b>0</b> | <b>537,226</b> | <b>-202,261</b> |

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

\*\*The requested amounts for FY 2013 are proposed to be allocated under a competitive process.



## ENVIRONMENTAL RESTORATION

## Environmental Restoration Summary of Budget Request

| (dollars in thousands)                         | 2011<br>Actual | 2012<br>Enacted | 2013  |                             |                   | Change<br>From<br>2012<br>(+/-) |
|--|----------------|-----------------|---|-----------------------------|-------------------|---------------------------------|
|  |                |                 | Fixed<br>Costs &<br>Related<br>Changes<br>(+/-) | Program<br>Changes<br>(+/-) | Budget<br>Request |                                 |
| <b>Regulation and Technology</b>               | <b>688</b>     | <b>0</b>        | <b>0</b>  | <b>0</b>                    | <b>0</b>          | <b>0</b>                        |
| Coal Outcrop Fires                             | 161            | 0               | 0   | 0                           | 0                 | 0                               |
| FY 2011 Civil Penalty<br>Collections*          | 527            |                 |   |                             |                   |                                 |
| <i>FTE</i>                                     | <i>0</i>       | <i>0</i>        | <i>0</i>  | <i>0</i>                    | <i>0</i>          | <i>0</i>                        |
| <b>Abandoned Mine<br/>Reclamation Fund</b>     | <b>15,015</b>  | <b>9,480</b>    | <b>+93</b>                                      | <b>-126</b>                 | <b>9,447</b>      | <b>-33</b>                      |
| State and Tribal Funding –<br>Emergency Grants | 0              | 0               | 0   | 0                           | 0                 | 0                               |
| <i>FTE</i>                                     | <i>0</i>       | <i>0</i>        | <i>0</i>  | <i>0</i>                    | <i>0</i>          | <i>0</i>                        |
| State Program Evaluation                       | 2,700          | 2,662           | 33  | 0                           | 2,695             | +33                             |
| <i>FTE</i>                                     | <i>21</i>      | <i>23</i>       | <i>0</i>  | <i>0</i>                    | <i>23</i>         | <i>0</i>                        |
| Federal Programs - Projects                    | 4,314          | 1,548           | 0   | -335                        | 1,213             | -335                            |
| Watershed Cooperative<br>Agreements            | [1,548]        | [1,548]         | 0   | [-335]                      | [1,213]           | 0                               |
| Federal Programs -<br>Operations               | 4,561          | 2,066           | +29   | +209                        | 2,304             | +238                            |
| Project Monitoring                             | 0              | 0               | 0   | [+209]                      | [209]             | [+209]                          |
| <i>FTE</i>                                     | <i>34</i>      | <i>20</i>       | <i>0</i>  | <i>0</i>                    | <i>20</i>         | <i>0</i>                        |
| Program Development and<br>Maintenance         | 3,440          | 3,204           | +31   | 0                           | 3,235             | +31                             |
| <i>FTE</i>                                     | <i>20</i>      | <i>22</i>       | <i>0</i>  | <i>0</i>                    | <i>22</i>         | <i>0</i>                        |
| <b>Total, Environmental<br/>Restoration</b>    | <b>15,703</b>  | <b>9,480</b>    | <b>+93</b>                                      | <b>-126</b>                 | <b>9,447</b>      | <b>-33</b>                      |
| <b>Total FTE</b>                               | <b>75</b>      | <b>65</b>       | <b>0</b>  | <b>0</b>                    | <b>65</b>         | <b>0</b>                        |

\*Estimated civil penalty authority of \$100,000 is not included in 2012 or 2013.

Fixed Costs and Related Changes resulted in a net increase of \$93,000. Fixed Costs are covered with increases for the FY2013 pay raise of 0.5% (\$28,000), the change in pay days (\$31,000), and health plan costs (\$34,000).

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

**Summary of 2013 Program Changes**

| <b>Request Component</b>                                    | <b>(\$000)</b> | <b>FTE</b> |
|---|----------------|------------|
| Federal Reclamation Program Operations (Project Monitoring) | +209           | 0          |
| Federal Reclamation Program Projects:                       |                |            |
| Decrease in Watershed Cooperative Agreement Projects        | -335           | 0          |
| <b>Total Program Changes</b>                                | <b>-126</b>    | <b>0</b>   |

**Justification of 2013 Program Changes**

The 2013 budget for Environmental Restoration is \$9.4 million and 65 FTE, program changes are a net decrease of \$126,000 from the 2012 enacted level.

**Federal Program Operations (+\$209,000):** Funding will support staff review, evaluation, and monitoring of civil penalty, bond forfeiture, and abandoned mine land projects.

**Watershed Cooperative Agreement Projects (-\$335,000):** This decrease is due to the anticipated number of projects (13) and the carryover funding available to support them. We do not anticipate any reduction in performance.

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

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

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

The total magnitude of the abandoned mine problem is difficult to assess. Since 1977, over 265,000 equivalent acres of priority 1 and 2 public health, safety and associated environmental related coal problems have been reclaimed. OSM has developed a national inventory that contains information on over 19,000 problem areas associated with abandoned mine lands, mostly coal. A problem area is a geographical area, such as a watershed, that contains one or more problems. The more serious problem areas are classified as priority 1 (extreme danger to public health and safety), priority 2 (adverse affects to public health, safety, or environmental problems adjacent to this priority), or priority 3 (adverse effects to land, water and the environment). Remaining Priority 1 and 2 coal-related sites are estimated at almost \$4 billion to fully address.

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



**Operational Processes  
(Program Activities):**

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

|   |
|---|
| <p style="text-align: center;"><b>ENVIRONMENTAL RESTORATION ENCOMPASSES</b></p> <p>State Program Evaluation</p> <p>Federal Reclamation Program</p> <ul style="list-style-type: none"><li>• <i>Program Operations</i></li><li>• <i>Watershed Cooperative Agreements</i></li><li>• <i>Civil Penalty Reclamation</i></li><li>• <i>Bond Forfeiture Reclamation</i></li></ul> <p>Program Development and Maintenance</p> |
|---|

Evaluation and oversight of the State and Tribal AML reclamation operations is coordinated by OSM through the State Program Evaluation program activity. This business line also funds the Program Development and Maintenance program activity, which provides policy direction and ensures State/Tribal programs are amended as needed.

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

**Actions Required to Achieve Annual Goals:** In FY 2013 and beyond, OSM will continue to encourage partnership participation by working with States and Tribes through their reclamation agencies, and through private and grass-roots associations. In addition, OSM will increase efforts to leverage funding from other government and non-government organizations to address abandoned mine sites. This emphasis on partnership and leveraging of resources supports cooperative conservation efforts.

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

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

## **2013 PROGRAM PERFORMANCE**

### **Abandoned Mine Land Fund**

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

The FY 2013 budget, from the AML Fund for Environmental Restoration, will cover discretionary spending for State Program Evaluation, Federal Reclamation Program Operations and Projects, and Program Development and Maintenance.

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

### **Addressing AML Emergencies**

AML sites and the emergencies that develop on them have a different process for allocating funding in States with or without AML programs. The 2006 Amendments created different sources of funding for addressing AML issues by allowing for the appropriation of both discretionary and mandatory grants. Prior to 2006, though a state would assume responsibility for addressing the AML issues within its borders, unless a state chose to address emergencies, OSM has been responsible for such projects. Longstanding AML issues and AML emergencies are intrinsically linked, so the strategy to address AML issues should consider the emergencies that may arise in these areas and their relative risk factors. Therefore, it is more efficient and cost effective to combine responsibility for these related issues to a single manager, from a single source of funding. Thus, beginning in FY 2011, the responsibility for addressing emergency situations was transferred to States and Tribes with AML programs to be utilizing the mandatory grant funds received.

For reference, the table below identifies those States and Tribes with AML programs, those States with established emergency programs as of 2010, the States that assumed responsibility for addressing emergency projects 2010 – 2011, and the States without an AML program where OSM is the responsible for addressing those projects.

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

<sup>1</sup> These States and Tribes assumed responsibility for addressing AML emergencies beginning in FY 2010. Previously, AML emergency issues in these States were addressed by OSM. In FY 2011, only 3 of the 12 States and Tribes identified above had Federal emergency funding obligated for projects.

The FY 2013 budget proposes that emergency projects be funded under the permanent appropriations.

### 1. State Program Evaluation

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

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

OSM, in consultation with States and Tribes, developed a review system that provides for enhancement and performance evaluation of programs, rather than oversight. This system

recognizes that evaluation involves an ongoing relationship between OSM and the State or Tribal agencies. OSM is responsible for assisting in program enhancement while monitoring compliance with SMCRA. OSM's oversight policy is being reviewed for regulatory programs and future changes to the reclamation program oversight may also be made. In the meantime, the current process is outlined below.

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

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

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

## **2. Federal Reclamation Program**

OSM addresses environmental hazards on a priority basis when an emergency occurs in States without AML programs; administers projects funded by federal civil penalties collected from operators and projects funded from bonds forfeited by operators of federally permitted sites; monitors watershed cooperative agreement projects; and provides technical assistance to States and Tribes specific to the above projects.

### *a. Federal Emergency Projects*

Emergencies are AML problems that occur suddenly and present a high probability of substantial physical harm to the health, safety, or general welfare of people, and have to be addressed immediately. Emergency work provides immediate relief from abandoned mine hazards that threaten public health and safety on federal and Indian lands in States without an emergency program. Emergencies are generally the result of two different types of events. The most common emergencies are subsidence events, the caving in of old underground mines. Subsidence can impact man-made structures on the surface and may be life threatening when they occur in areas, such as in schools, parks, playgrounds, and residential areas. These types of emergencies are most common in the midwestern States and anthracite regions of northeastern Pennsylvania.

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The second type of emergency event is landslides. These are usually the result of unstable mine spoil placed on steep hillsides. This occurs generally in the steep slope areas of Appalachia, and especially in eastern Kentucky and southern West Virginia. Landslides can impact homes and other man-made structures and may block streams, which, in turn, can cause flooding either above or below the blocked stream. Because of the large quantities of earth moved, landslides are generally more costly to abate than other AML problem types. Although subsidence and landslide problems are the most common types of emergencies, it should be noted that other AML problems may also present life-threatening conditions. These include: abandoned vertical shafts, mine entries, hazardous and explosive gases, mine and refuse fires, dangerous high walls and uncontrolled mine pool blowouts.

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

During FY 2011 most of the work in the Appalachian Region was for 45 Federal emergency projects that began in FY 2010 in Kentucky, Pennsylvania and Maryland; and for assistance to Kentucky for 15 new emergency projects. Federal Emergency AML projects from 2010 included: 18 landslide projects in Kentucky; 25 projects in Pennsylvania (10 subsidence corrections; 4 mine gas abatements; 6 dangerous openings sealed; 3 mine drainage issues resolved; and 1 rockfall), 2 projects in Maryland ( 1 underground mine blowout and 1 mine drainage abatement project). In addition, OSM performed 15 AML emergency projects under a Memorandum of Agreement with Kentucky: 4 landslide corrections; 6 subsidence abatement projects; 3 refuse fires extinguished; and 2 rockfalls were stabilized.

During FY 2011, the Western Region addressed 11 emergencies. The emergencies included: 1 Carbon Dioxide gas leak and 3 mine openings in California; 3 mine shafts in Oregon; and 1 mine shaft and 3 subsidence openings (one under a road and one under a hiking trail) in Washington.

As previously discussed, OSM transitioned responsibility for these situations to the States and Tribes with AML programs during FY2011. See Table 1 for the States that remain under OSM's responsibility.

*b. Federal High-Priority Projects*

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

During FY 2011, \$224,700 was expended in the Western Region for the design of reclamation for 11 mine shafts (construction to be funded and completed in FY 2012), and review of 10 problem areas contained in AMLIS in Washington was conducted.

In the Mid-Continent Region, \$20,659 was expended for resource assessment activities in support of internal design work on two abandoned coal mine sites on Cherokee Tribal Lands in Sequoyah and Muskogee Counties, Oklahoma. The Cherokee West and Dwight Mission project sites include two hazardous water bodies, a dangerous highwall, dangerous piles and embankments, dumps, and mine spoils. Construction is expected to begin in FY 2012 and continue into early 2013.

In the Appalachian Region, a review of the priority project inventory in Michigan was initiated in late FY 2011 and reclamation of appropriate projects will begin FY 2012.

In FY 2013, Federal High-Priority Sites are proposed to be eligible for mandatory funding as described in the Permanent Appropriations Section.

*c. Program Staff*

To address Federal emergencies, and high priority, civil penalty, and bond forfeiture projects, OSM funds program operations separately. For emergency projects, OSM begins with the initial investigation on the site in order to make two threshold determinations: (1) does an emergency condition exist? and (2) is the condition related to an abandoned coal mine? Time is of the essence; in some instances, abatement activities begin within hours of OSM's initial investigation. For Federal high priority projects, the process is similar but begins with the determination of whether the condition is related to an abandoned coal mine, and if so, what is the priority of the problem for reclamation.

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

- Compliance with the National Environmental Policy Act (NEPA) and the Historic Preservation Act;
- Obtaining the right of entry for access;

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- Developing engineering plans and specifications needed for abatement;
- Preparing and mailing bid packages to potential construction contractors;
- Conducting pre-bid and pre-construction conferences;
- Awarding contracts;
- Coordinating, managing and inspecting all aspects of the ongoing construction; and
- Reviewing, approving and paying invoices.

Due to the transition of emergency projects to States with approved AML programs, Federal emergency projects and associated staffing were reduced in FY 2012. OSM staff will continue to address emergencies and high priority projects in non-program States as described earlier, as well as provide technical assistance. OSM staff will administer projects funded by Federal civil penalties collected from operators; projects funded from bonds forfeited by operators of federally permitted sites; and monitor watershed cooperative agreement projects under this activity.

It is essential to maintain a staffing level to cover these important reclamation activities. Therefore, the budget requests a slight increase in funding of \$209,000 to support project review, evaluation and monitoring associated with all Federal reclamation projects.

*d. Watershed Cooperative Agreement Projects*

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

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

The FY 2013 budget request includes \$1.2 million for Watershed Cooperative Agreements. A companion project, the Acid Drainage Technology Initiative (ADTI), is also funded at almost \$0.2 million under the Technology Development and Transfer business line. See that business line section for further details on ADTI efforts.

The Watershed Cooperative Agreement Program was implemented by OSM in FY 1999. The purpose of the Watershed Cooperative Agreement Program is to make funds available directly to not-for-profit organizations, especially small local watershed organizations, to undertake local projects to clean streams affected by acid mining drainage (AMD). Applicants normally receive up to \$100,000 for each reclamation project, primarily for project construction; however,



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administrative costs associated with completion of the project may be allowed. Applicants are required to have other partners contributing either funding or in-kind services.

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

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

Muddy Run Project: In 2011, OSM awarded \$64,108 in Watershed Cooperative Agreement (WCAP) assistance to Trout Unlimited to construct three passive treatment systems to treat a series of abandoned mine drainage (AMD) discharges that flow into Muddy Run, a tributary to the South Fork of Tangascootack Creek in Clinton County Pennsylvania. This contribution represents 14% of the total project cost of \$456,108. Other funding partners in the Muddy Creek project are Pennsylvania's Growing Greener program (\$380,000) and Trout Unlimited (\$12,000). The Clinton County Conservation District will maintain the treatment systems. Work has been underway for over a decade to treat sources of AMD into the South Fork of Tangascootack Creek. Three other treatment systems are already in operation in the watershed, and the WCAP has provided financial assistance on one of these additional sites. With this project, the aquatic habitat of the South Fork of Tangascootack will be restored, allowing the return of a healthy biotic environment and fish populations.

West Branch Harble Griffith Project: The West Branch of Raccoon Creek is approximately 23 square miles encompassing parts of Hocking and Vinton Counties in Ohio. The Harble Griffith Project is one of two projects being conducted in the West Branch watershed under the Watershed Cooperative Agreement program (the other being the Orland Gob Reclamation project). The first phase of the Harble Griffith project will reclaim a 29-acre ridgetop abandoned surface mine. Currently, the unreclaimed site consists of poor quality water filled pits, highwalls, and associated spoil piles. Reclamation efforts will eliminate the pit ponds, prevent water from contacting the acid-forming materials and provide positive drainage on the site. In addition to OSM funding (\$100,000), this project is being funded by Ohio Division of Mineral Resources Management, the Ohio EPA (through a Section 319 grant) and in-kind services provided by the Raccoon Creek Watershed Group. Total cost of the project is estimated at \$1,536,000.

Harrison Watershed Cooperative Agreement Project, Oskaloosa, Iowa: The Pathfinders Resource Conservation and Development Inc. , Mahaska County Soil and Water Conservation District (SWCD) and the Iowa Division of Soil partnered and received a Cooperative Watershed Agreement Grant in December 2010. The total project cost was \$694,911 of which the partners contributed \$594,922, including \$167,000 from Mahaska County SWCD. The project area consisted of a 28 acre abandoned mine land site with acid mine drainage from large erosion gullies on the spoil piles. Runoff from the acidic spoil piles contributed to the degradation of the immediate area by hindering growth of vegetation, and damaging downstream habitat by transporting acid forming materials. As part of the reclamation, the dangerous spoil piles and highwalls were excavated, filled and graded to approximate original contour so as to blend with

the surrounding landscape, and water in the acidic pond was treated until neutralized and then drained. By December 2011 all of the site work was completed and is ready to be seeded in the spring of 2012 with a native grass mixture. The site will be evaluated for potential tree planting after one full growing season. The reclamation activities have improved water quality and resource concerns by reducing sediment and associated nutrient delivery, and eliminating the acid mine drainage into the Muchakinock Creek.

e. Civil Penalty Reclamation Projects

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

Since the major coal producing States administer their own programs, civil penalty revenues available to OSM are limited and not sufficient for all priority post-act reclamation needs.

In FY 2011, \$77,000 was provided to Virginia to perform reclamation on two projects:

- For the Baker School Blowout post-Act project, DMLR was awarded \$17,000 to reconstruct a road, eliminate a dangerous impoundment, and eliminate hazardous or explosive gases by constructing a bat gate mine seal in an underground mine entry. The road reconstruction portion of the project has been completed and the bat gate construction is underway.
- Under the Wise Mine Pit-Hurricane Road post-Act project, DMLR was awarded \$60,000 to eliminate a hazardous water body and associated dangerous highwall. Mine spoil covering an approximate 400 feet length of drainway will be removed and used to backfill the hazardous water body/mine pit and associated highwall areas, and the stream channel will be reestablished. Designs for the Wise Mine Pit project is ongoing.

In addition, work continued on two projects funded in FY 2010:

- The Kansas Department of Health and Environmental, Surface Mining Section, was provided \$100,000 to stabilize reclamation work at the Clemens Coal Company - 303 Tipple Civil Penalty Project. The funds are being used to repair erosion damage and terraces, construct water control structures, and repair vegetation with the intent of establishing a self sustaining stable mine site. Designs and specifications have been developed, and the bid was let in the spring of 2011. Extremely wet weather delayed commencement of the ground work, in an effort to protect as much of the existing reclamation and vegetative cover as possible.

- The Oklahoma Department of Mines was provided \$6,000 to perform reseeded and other repairs on the K&R Permit 4148 Civil Penalty Project. The reseeded was intended to stabilize the road shoulder and protect motorists along this roadside area of past coal mining. However during a subsequent inspection of the site a serious public safety hazard was discovered (an exposed, collapsed culvert/severe erosion at the mine entrance immediately adjacent to a state highway). OSM recommended that the civil penalty grant award be re-directed to address the public safety hazard, which the SRA agreed to do. A revised scope of work has been submitted and approved, and the public safety hazard will be abated.

*f. Bond Forfeitures*

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

In FY 2011 no performance bonds were forfeited, and OSM does not anticipate any performance bond forfeitures in FY 2012.

### **3. Program Development and Maintenance**

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

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

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

*a. AML Inventory*

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

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

A web-based version of AMLIS was deployed in FY 2003 and enhancements were completed in FY 2011, among other things, to implement requirements of the 2006 SMCRA Amendments. The web-based version enables the public to access this information readily via OSM's website. AMLIS users can search for information about individual Problem Areas or query the Inventory. The results of a query can be shown in preformatted reports, or on a map, and can be downloaded in various formats.

*b. Grants Management*

OSM supports and participates in Grants.gov, the government-wide electronic grants announcement and application system, and the Department of the Interior's grants simplification efforts based on Public Law 106-107. OSM uses DOI's Financial and Business Management System (FBMS) financial assistance module for internal processing of all grant and cooperative agreement obligation and deobligation transactions. Recipients have been provided training, and

will receive further training and assistance in using electronic options to file their applications and reports. OSM has included training on Grants.gov in its recipient training programs.

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

*c. Rulemaking*

OSM assists States with development, administration, implementation, and maintenance of their approved AML programs. Decisions affecting State programs are Federal rulemaking actions. OSM evaluates State-initiated program changes (statutory, regulatory, or changes in the program's provisions, scope, or objectives), as well as OSM required modifications that are a result of legal interpretations or changes to SMCRA and Federal regulations. In its evaluation, OSM solicits public comments through proposed rules published in the Federal Register, holds public meetings, maintains the administrative record, approves or does not approve proposed State program amendments, and publishes the decisions as final rules in the Federal Register.

## **ENVIRONMENTAL RESTORATION**

### **2012 PLANNED PROGRAM PERFORMANCE**

In 2012, the planned activities in the Environmental Restoration program activity include:

- Through grants provided to States and Tribes, 14,000 equivalent acres of abandoned coal mine sites will be reclaimed.
- Continue partnerships with watershed groups and related reclamation by awarding approximately 13 watershed cooperative agreements.
- Construct reclamation for Priority 1 and 2 hazards under Federal High-Priority Projects
- Continue to respond to Federal AML emergencies in non-program states.
- Continue to use funds from civil penalty projects to reclaim eligible sites.
- Achieve the goals for performance measures identified under this business line and support the Youth Program by providing educational and employment opportunities to young adults in fields associated with surface coal mining reclamation.

### **2011 PROGRAM ACCOMPLISHMENTS**

In 2011, the major accomplishments in the Environmental Restoration program activity include:

- Addressed 56 emergencies under the Federal Emergency Program, and assisted one State with 15 emergencies.
- Completed two outcrop fire projects, using \$72,000 in OSM funds: One in North Dakota with the U.S. Forest Service completed suppression of several fires located on both private and Forest Service lands. One in Montana treated an outcrop fire located 500 feet from a family's ranch buildings.
- OSM acquired a complete inventory of AML hazards in Tennessee. Work to scan, geo-reference, and digitize the inventory from quadrangle maps will continue in 2012. This project will provide efficiencies in determining AML site status and eligibility.
- Provided \$395.6 million in grants to 25 States and 3 Tribes in mandatory AML funding.
- Awarded 18 watershed cooperative agreements in 4 States (PA, WV, IA, and OH) totaling \$1,443,507 in OSM funds. This leveraged over \$8.3 million in partnering funds.
- Achieved performance as shown on the goal performance table associated with this business line.

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| <b>Goal Performance Table</b>   |  |                    |                    |                    |                    |                  |                    |                  |                  |                                      |                              |
|---|--|--------------------|--------------------|--------------------|--------------------|------------------|--------------------|------------------|------------------|--------------------------------------|------------------------------|
| <b>Mission Area 1: Provide Natural and Cultural Resource Protection and Experiences</b>   |  |                    |                    |                    |                    |                  |                    |                  |                  |                                      |                              |
| <b>Goal # 1: Protect America's Landscapes</b>   |  |                    |                    |                    |                    |                  |                    |                  |                  |                                      |                              |
| <b>Supporting Performance Measures</b>  | <b>Type</b>  | <b>2007 Actual</b> | <b>2008 Actual</b> | <b>2009 Actual</b> | <b>2010 Actual</b> | <b>2011 Plan</b> | <b>2011 Actual</b> | <b>2012 Plan</b> | <b>2013 Plan</b> | <b>Change from 2012 Plan to 2013</b> | <b>Long-Term Target 2016</b> |
| Strategy #1: Improve land and water health by managing the wetlands, uplands, and riparian areas that comprise our national parks, wildlife refuges, and BLM lands.                             |  |                    |                    |                    |                    |                  |                    |                  |                  |                                      |                              |
| Number of Federal, private and tribal land and surface water acres reclaimed or mitigated from the effects of natural resource degradation from past mining. (Calculated equivalent acres) (SP) | A  | 6,658              | 9,909              | 5,838              | 16,565             | 11,000           | 10,836             | 11,000           | 13,000           | +2,000                               | 14,000                       |
| <b>Total Actual/Projected Costs (\$000)</b>   |  | \$186,393          | \$223,950          | \$219,717          | \$262,742          | \$270,889        | \$270,889          | \$332,899        | \$334,148        | -----                                | -----                        |
| <b>Actual/Projected Cost per GPRA Acre (in dollars)</b>   |  | \$27,995           | \$22,601           | \$37,636           | \$15,861           | \$24,626         | \$24,999           | \$30,264         | \$25,704         | -----                                | -----                        |
| Contributing Programs   | Environmental Restoration and Permanent Appropriations: Projected costs are based on anticipated budget with long-term targets held constant for discretionary funding. For FY 2013 the projected costs include all discretionary funding under the AML appropriation (\$27.548 million), and estimated mandatory funding (\$306.6 million). The dollar figures were adjusted for prior and future years based on budget authority instead of actual expenditures. This is consistent with the DOI Annual Performance Plan and Report. |                    |                    |                    |                    |                  |                    |                  |                  |                                      |                              |
| Comments  | The target is higher in 2012, as states have been receiving substantial funding increases appropriate to reclaiming Priority 1 and 2 sites.  |                    |                    |                    |                    |                  |                    |                  |                  |                                      |                              |
| Number of new active partnering and leveraging agreements and amendments to prior agreements. (BUR)   | C  | 53                 | 18                 | 9                  | 15                 | 9                | 18                 | 13               | 13               | 0                                    | 13                           |
| Contributing Programs   | Environmental Restoration  |                    |                    |                    |                    |                  |                    |                  |                  |                                      |                              |
| Comment   | An increase in work by watershed groups occurred at the end of FY 2010 and into FY 2011. Properly planned watershed projects can take 2-3 years before the partner funding and projects come together. Therefore the number awarded in FY 2011 is much higher than planned.  |                    |                    |                    |                    |                  |                    |                  |                  |                                      |                              |

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| <b>Goal Performance Table</b>  |  |                    |                    |                    |                    |                  |                    |                  |                  |                                      |                              |
|--|--|--------------------|--------------------|--------------------|--------------------|------------------|--------------------|------------------|------------------|--------------------------------------|------------------------------|
| <b>Mission Area 1: Provide Natural and Cultural Resource Protection and Experiences</b>                                |  |                    |                    |                    |                    |                  |                    |                  |                  |                                      |                              |
| <b>Goal # 1: Protect America's Landscapes</b>  |  |                    |                    |                    |                    |                  |                    |                  |                  |                                      |                              |
| <b>Supporting Performance Measures</b>   | <b>Type</b>  | <b>2007 Actual</b> | <b>2008 Actual</b> | <b>2009 Actual</b> | <b>2010 Actual</b> | <b>2011 Plan</b> | <b>2011 Actual</b> | <b>2012 Plan</b> | <b>2013 Plan</b> | <b>Change from 2012 Plan to 2013</b> | <b>Long-Term Target 2016</b> |
| Comments   | Due to OSM no longer providing separate current year funding for clean stream projects related to the SMCRA Amendments of 2006 (P.L. 109-432), only watershed cooperative agreements have been counted since FY 2008. The measure description was modified to reflect reporting of current year agreements and related funding for this measure and the one below. |                    |                    |                    |                    |                  |                    |                  |                  |                                      |                              |
| The amount of increased funds derived from new active partnering and leveraging agreements and amendments. (BUR)       | A  | \$28,963,461       | \$5,548,452        | \$4,784,459        | \$4,203,656        | \$2,125,000      | \$8,366,331        | \$3,125,000      | \$3,125,000      | \$0                                  | \$3,125,000                  |
| Contributing Programs  | Environmental Restoration  |                    |                    |                    |                    |                  |                    |                  |                  |                                      |                              |
| Provide appropriate grant funding within 60 days of a complete grant application for abandoned mine lands grants (BUR) | A  | 100%               | 100%               | 100%               | 100%               | 96%              | 100%               | 96%              | 96%              | 0%                                   | 96%                          |
| Contributing Programs  | Environmental Restoration  |                    |                    |                    |                    |                  |                    |                  |                  |                                      |                              |



Office of Surface Mining Reclamation and Enforcement

| <b>Goal Performance Table</b>   |   |                    |                    |                    |                    |                  |                    |                  |                  |                                      |                              |
|---|---|--------------------|--------------------|--------------------|--------------------|------------------|--------------------|------------------|------------------|--------------------------------------|------------------------------|
| <b>Mission Area 1: Provide Natural and Cultural Resource Protection and Experiences</b>   |   |                    |                    |                    |                    |                  |                    |                  |                  |                                      |                              |
| <b>Goal # 1: Protect America's Landscapes</b>   |   |                    |                    |                    |                    |                  |                    |                  |                  |                                      |                              |
| <b>Supporting Performance Measures</b>  | <b>Type</b>   | <b>2007 Actual</b> | <b>2008 Actual</b> | <b>2009 Actual</b> | <b>2010 Actual</b> | <b>2011 Plan</b> | <b>2011 Actual</b> | <b>2012 Plan</b> | <b>2013 Plan</b> | <b>Change from 2012 Plan to 2013</b> | <b>Long-Term Target 2016</b> |
| Strategy #1: Improve land and water health by managing the wetlands, uplands, and riparian areas that comprise our national parks, wildlife refuges, and BLM lands. |   |                    |                    |                    |                    |                  |                    |                  |                  |                                      |                              |
| Number of people with reduced exposure potential to safety risks from abandoned mine lands. (BUR)   | A   | 270,102            | 255,640            | 272,143            | 191,250            | 160,000          | 630,282            | 160,000          | 160,000          | 0                                    | 160,000                      |
| Contributing Programs   | Environmental Restoration   |                    |                    |                    |                    |                  |                    |                  |                  |                                      |                              |
| Comment   | The FY 2011 accomplishments far exceeded the plan. States are provided the option of using data other than the calculated census data for populations in the area of the reclaimed sites. Of the 630,282 people with reduced exposures, 86% (540,006) were for sites in Wyoming. The increase in population was due to the reclamation of sites in proximity to recreational areas. |                    |                    |                    |                    |                  |                    |                  |                  |                                      |                              |
| Number of people directly affected (Emergencies abated). (BUR)  | A   | 43,580             | 68,764             | 82,339             | 49,946             | 16,700           | 69,543             | 16,700           | 16,700           | 0                                    | 16,700                       |
| Contributing Programs   | Environmental Restoration   |                    |                    |                    |                    |                  |                    |                  |                  |                                      |                              |
| Percentage of declared emergencies abated within six months. (BUR)  | A   | 98.5%              | 99.7%              | 99%                | 98%                | 95%              | 96%                | 95%              | 95%              | 0                                    | See comment                  |
| Contributing Programs   | Environmental Restoration   |                    |                    |                    |                    |                  |                    |                  |                  |                                      |                              |
| Comments  | This measure will be revised in the future to reflect proposed legislative changes and associated performance.  |                    |                    |                    |                    |                  |                    |                  |                  |                                      |                              |

**ENVIRONMENTAL PROTECTION**

## Environmental Protection Summary of Budget Request

| (dollars in thousands)                     | 2011<br>Actual | 2012<br>Enacted | 2013  |                             |                   |                                 |
|--|----------------|-----------------|---|-----------------------------|-------------------|---------------------------------|
|  |                |                 | Fixed<br>Costs &<br>Related<br>Changes<br>(+/-) | Program<br>Changes<br>(+/-) | Budget<br>Request | Change<br>from<br>2012<br>(+/-) |
| <b>Regulation and Technology</b>           | <b>94,578</b>  | <b>91,832</b>   | <b>+305</b>                                     | <b>-10,282</b>              | <b>81,855</b>     | <b>-9,977</b>                   |
| State and Tribal Funding                   | 68,700         | 68,590          | 0   | -10,916                     | 57,674            | -10,916                         |
| <i>FTE</i>                                 | 0              | 0               | 0   | 0                           | 0                 | 0                               |
| State Program Evaluation                   | 9,277          | 8,616           | +148  | +3,994                      | 12,758            | +4,142                          |
| <i>FTE</i>                                 | 78             | 80              | 0   | +25                         | 105               | +25                             |
| Federal Programs                           | 5,978          | 5,898           | +64   | -2,372                      | 3,590             | -2,308                          |
| Offsetting Collections                     |                | [+28]           |   | [+2,372]                    | [2,400]           | [+2,372]                        |
| <i>FTE</i>                                 | 44             | 45              | 0   | 0                           | 45                | 0                               |
| Federal Lands                              | 1,540          | 1,534           | +9  | 0                           | 1,543             | +9                              |
| <i>FTE</i>                                 | 6              | 6               | 0   | 0                           | 6                 | 0                               |
| Indian Lands                               | 2,466          | 2,430           | +27   | -988                        | 1,469             | -961                            |
| Offsetting Collections                     |                | [+12]           |   | [+988]                      | [1,000]           | [+988]                          |
| <i>FTE</i>                                 | 19             | 20              | 0   | 0                           | 20                | 0                               |
| Program Development and<br>Maintenance     | 6,617          | 4,764           | +57   | 0                           | 4,821             | +57                             |
| <i>FTE</i>                                 | 39             | 40              | 0   | 0                           | 40                | 0                               |
| <b>Total, Environmental<br/>Protection</b> | <b>94,578</b>  | <b>91,832</b>   | <b>+305</b>                                     | <b>-10,282</b>              | <b>81,855</b>     | <b>-9,977</b>                   |
| <i>Total FTE</i>                           | 186            | 191             | 0   | +25                         | 216               | +25                             |

Fixed Costs and Related Changes resulted in a net increase of \$398,000. Fixed Costs are covered with increases for the FY 2013 pay raise of 0.5% (\$91,000), the change in pay days (\$101,000), and health plan costs (\$113,000).

**Summary of 2013 Program Changes**

| <b>Request Component</b>  | <b>(\$000)</b>                             | <b>FTE</b>          |
|---|--|---------------------|
| <u>State and Tribal Funding</u>   |  |                     |
| <ul style="list-style-type: none"> <li>• Decrease in State and Tribal Funding</li> <li>• Improve Implementation and Support to States and Tribes</li> <li>• Reductions to be covered by Offsetting Collections of fees to review, administer and enforce permits in Federal Programs and on Indian Lands</li> </ul> | <p>-10,916</p> <p>+3,994</p> <p>-3,360</p> | <p>0</p> <p>+25</p> |
| <b>Total Program Changes</b>  | <b>-10,282</b>                             | <b>+25</b>          |

**Justification of 2013 Program Changes**

The 2013 budget for Environmental Protection is \$81,855,000 and 216 FTE, a program change of -\$10,282,000 and +25 FTE from the 2012 Enacted level.

**State and Tribal Funding (-\$10,916,000):** The Federal Government currently provides funding to States and Tribes to regulate the coal industry. To eliminate a de facto subsidy of the coal industry, the budget encourages States to increase their cost recovery fees for coal mine permits. With additional funding from fees, the States will need less Federal grant funding, so the budget reduces grant funding accordingly. Because the decreased Federal funding should be offset by user fees for services to the industry, there should be no reduction in regulatory performance.

OSM plans to implement provisions to collect fees for reviewing, administering, and enforcing permits for its Federal and Indian Lands Programs as well.

**Improve Implementation of Existing Laws and Support to States and Tribes (+3,994,000; +25 FTE):** The requested increase of \$3.9 million and 25 FTE will be used to improve the implementation of existing laws and support to States and Tribes. Scientific developments have identified areas in need of improvement to more completely implement SMCRA. Annual performance agreements developed for each State, with stakeholder input, outline the responsibilities and activities of both the State and OSM. Among other things, the agreements contain program evaluation goals and the technical or programmatic assistance that OSM may render to the States to address identified problems, both new issues and those remaining from prior years. The increase in funding and FTE will strengthen OSM’s skill base. For example, the funding would be used to hire hydrologists to assess the hydrologic impacts of the mining to prevent violation of SMCRA.

With greater technical skills, OSM anticipates improved evaluation of permit-related actions and resolution of issues to prevent unanticipated situations that otherwise may occur as operations progress, thereby improving implementation of existing laws. States and Tribes also rely on OSM’s expertise for technical assistance and training that they need to maintain program effectiveness, and this increase will ensure resources are available to continue this support.

**Reductions to be covered by Offsetting Collections of fees to review, administer and enforce permits in Federal Programs and on Indian Lands (-\$3,360,000; to be supported by offsetting collections):** OSM is the regulatory authority for the Federal Program States of Tennessee and Washington as well as the Indian Lands Program which includes the Crow, Hopi and Navajo Nation Tribes. OSM's current fee structure (promulgated in regulations) for the review of new permit applications collects about \$40,000 per year. SMCRA allows OSM to collect fees to cover its costs to review, administer and enforce permits. OSM plans to implement provisions to do so and offset its budget with the collections.

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

The Environmental Protection business line provides resources to administer a regulatory program over coal mine operations in 24 primacy States, in Federal program States, and on Federal and Indian lands. The program addresses the protection of the public and environment from the adverse affects of current mining, and restoration of land at the conclusion of mining. Current coal mining operations include over 4.3 million acres in 26 States and on the lands of four Indian Tribes. During active mining, the potential risk from safety and environmental hazards exists within the permitted site. However, because of required SMCRA precautions, long-term effects are minimized. If these safeguards are not taken during and after current mining, the nation could face reclamation costs that far exceed the \$8.9 billion cost of addressing existing priority 1, 2, and 3 AML problems.

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

***ENVIRONMENTAL PROTECTION  
ENCOMPASSES:***

*State and Tribal Funding*

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

*State Program Evaluation*

*Federal Program*

*Federal Lands Program*

*Indian Lands Program*

*Program Development and Maintenance*

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

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

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

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

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

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

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

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

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

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

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

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as the National Inspection and Enforcement Tracking System that contains data from OSM's oversight and regulatory program inspections.

For FY 2013, the President's Budget requests \$57.7 million to fund 24 State regulatory programs up to the maximum 50 percent Federal match level and a potential Tribal regulatory program at 100 percent. Additionally, this amount will provide funding for up to 14 Federal lands cooperative agreements with States and full funding of three Tribal regulatory program development grants.

The FY 2013 budget request includes \$12.8 million, an increase of \$4.1 million over the 2012 enacted budget, to improve implementation of existing laws and support to States and Tribes, and \$3.6 million to fund regulatory programs in non-primacy States such as Tennessee and Washington. Also included in the FY 2012 budget request is \$1.5 million for OSM to regulate coal mining on Federal lands, \$1.5 million for regulatory programs on Indian Lands, and \$4.8 million for program development and maintenance to ensure that regulatory standards adequately reflect changes in technologies and program needs. Appropriation language is requested to supplement this appropriation with \$3.4 million that will be off-set with collections for permit fees.

The following section details, by program activity, the funding and FTE resources required to meet the annual performance measures. It also includes examples of cooperative work between OSM, States, and Tribes to regulate coal-mining activities that will continue in FY 2013 and support this budget request

## **2013 PROGRAM PERFORMANCE**

### **1. State and Tribal Funding**

The \$57.7 million requested for FY 2013 for State and Tribal Funding recognizes the need for a change in supporting the regulatory programs with cost recovery from the coal mining industry. This activity promotes responsible coal extraction using technology to minimize the impact of operations on people, structures, and the environment.

#### *a. State Grants*

The principal means of providing environmental protection within the framework of SMCRA is through "primacy" States that receive Federal grant funding. Currently 24 States achieved primacy and serve as regulatory authorities in the implementation of SMCRA. Primacy States have the most direct and critical responsibilities for conducting regulatory operations to minimize the impact of coal extraction operations on people and the environment. The States have the unique capabilities and knowledge to regulate the lands within their borders. Providing up to a 50 percent match of State funding in Federal grants to primacy States encourages States to take this responsibility, while ensuring that regulations are consistent across the Nation. The FY 2013 budget proposes a reduction in grants and encourages the States to increase their cost recovery fees for coal mine permits to recover a greater percentage of costs for the services they provide to mine operators.

#### *b. State Regulatory Activities*

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

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

Consistent with the intent of SMCRA that states take the lead in regulating coal mining, states performed 76,310 inspections in FY 2011. See Table 2.



*c. Cooperative Agreement Funding*

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

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

*d. Tribal Regulatory Development and Regulatory Program Grants*

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

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

## **2. State Program Evaluation**

State Program Evaluation activities serve two purposes: they ensure States are effectively implementing their regulatory programs as approved, and they provide documentation to the public of the work that OSM and the States are doing. OSM issued new policy directives during FY 2011 that:

- Outlined oversight inspections;
- Promoted increased inspection consistency;
- Clarified the authority and responsibility to review state permitting procedures and permits;
- Established a process for action plans to resolve identified issues during oversight;
- Provided for greater public involvement in the oversight process; and
- Improved data and information quality and availability.

### *a. Oversight Policy and Procedures*

OSM assumes a monitoring role following approval of a state or tribal SMCRA regulatory program. That role includes both programmatic evaluations and inspections of individual mine sites to determine whether states with primacy are properly administering, implementing, maintaining, and enforcing their regulatory programs. Detailed guidance is provided and available on OSM's website:

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

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

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

As part of the process, a Performance Agreement is developed for each state annually. OSM solicits input from all its stakeholders, which includes the public, State agencies, Federal

agencies, and the coal industry, for relevant issues to review in each state. The Performance Agreement is a comprehensive plan that outlines the responsibilities and activities of both the state and OSM. It provides details about specific program evaluation goals for each state and the plans to achieve those goals, the types and number of inspections OSM plans to conduct, technical or programmatic assistance that OSM may render to the state and the method to resolve any identified problems, both new problems and any issues remaining from previous years.

*b. Oversight Inspections*

SMCRA requires the Secretary to conduct mine inspections to evaluate the administration of State programs. Inspections are conducted on a range of sites - from those actively producing coal to forfeited bond sites awaiting reclamation. Most OSM oversight inspections focus on areas in which there is a high level of activity or public concern or where systemic problems have been observed. In states with 1,000 or more inspectable units, OSM also conducts inspections of a random sample of those units to provide an objective evaluation of the effectiveness of the state program in ensuring compliance with program requirements. The vast majority of oversight inspections are joint inspections, in which the state or tribal inspector accompanies the OSM inspector. However, Directive REG-8 provides for independent oversight inspections to validate and enhance the credibility of both the regulatory program and the oversight process. In addition, at least 33 percent of the inspections conducted will be complete inspections. Complete inspections allow for a comprehensive, complete review of the entire mine site which furthers OSM's ability to effectively evaluate and monitor a State's or Tribe's regulatory program.

In FY 2011, OSM conducted 2,088 oversight inspections in 24 States. This is 21 more inspections than conducted in FY 2010, and 40 percent increase over the number conducted in FY 2009.

OSM intends to sustain this level of oversight inspections in FY 2012 and 2013 to assure the integrity of the regulatory program, to capture additional data and identify more conclusive findings and trends. The actual number may change depending on the program areas, the presence or absence of problems, input from the public, and the terms of the performance agreements in each State.

*c. Identifying and Correcting Violations of SMCRA*

In primacy states, SMCRA requires that the OSM inspector issue a Ten-Day Notice (TDN) to the State Regulatory Authority whenever, on the basis of any available information, including a federal inspection or any information received from a citizen complaint, the inspector has reason to believe that a violation exists. The state regulatory authority then has ten days to take enforcement action, initiate other action to cause the violation to be corrected, or demonstrate good cause for not taking such action. If OSM determines that the State response is not appropriate, an OSM inspector will conduct a federal inspection of the site and take any necessary enforcement action. This procedure does not apply to situations in which there is an

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imminent danger to public health or safety or if the observed or alleged violation is causing or can reasonably be expected to cause significant, imminent environmental harm. In those cases, the OSM inspector must issue a cessation order if the violation is observed on an inspection, or conduct a federal inspection if a citizen complaint alleges that a violation of this nature exists.

During FY 2011, OSM observed a slight increase in the number of TDNs and violations issued. Of the 97 TDNs, there were 244 potential violations. OSM will continue to work with the States to resolve any outstanding TDN issues.

OSM also has an obligation under section 521 of SMCRA to take steps to ensure that all types of violations, including violations of performance standards or permit conditions and violations of permitting requirements, are corrected if the state does not take action to do so. Should state or tribal programs not show timely adequate improvements, OSM has other tools under 30 CFR Parts 732 (requiring program amendments) and 733 (compelling program change or substituting a Federal program) to ensure state or tribal program SMCRA requirements are ultimately no less effective than the Federal counterparts. OSM has procedures in place to monitor corrective actions when issues are identified as a result of OSM oversight activities.

In addition to the corrective actions processes described above, OSM's Applicant Violator System (AVS) Office promotes the use of alternative enforcement to compel compliance with SMCRA. As part of this effort, the AVS Office provides training, investigative services and identifies sites with outstanding violations for regulatory authorities to consider pursuing alternative enforcement when primary enforcement is not enough. These activities will continue throughout FY 2012 and 2013.

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Table 2 provides data on the number of state inspections and OSM oversight inspections conducted in primacy states. State data is for the time period of July 1, 2010, through June 30, 2011.

| <b>Table 2 – FY 2011 Primacy State and OSM Inspections</b> |                |                 |               |                      |
|--|----------------|-----------------|---------------|----------------------|
|  | <b>STATE</b>   |                 |               | <b>OSM<br/>TOTAL</b> |
|  | <b>PARTIAL</b> | <b>COMPLETE</b> | <b>TOTAL</b>  |                      |
| Alabama  | 209            | 2,850           | 3,059         | 49                   |
| Alaska   | 75             | 20              | 95            | 4                    |
| Arkansas   | 63             | 28              | 91            | 3                    |
| Colorado   | 250            | 142             | 392           | 21                   |
| Illinois   | 609            | 371             | 980           | 97                   |
| Indiana  | 754            | 507             | 1,261         | 47                   |
| Iowa   | 0              | 5               | 5             | 2                    |
| Kansas   | 80             | 40              | 120           | 3                    |
| Kentucky   | 14,361         | 7,972           | 22,333        | 557                  |
| Louisiana  | 24             | 12              | 36            | 6                    |
| Maryland   | 519            | 290             | 809           | 24                   |
| Mississippi  | 9              | 4               | 13            | 3                    |
| Missouri   | 70             | 56              | 126           | 32                   |
| Montana  | 104            | 63              | 167           | 13                   |
| New Mexico   | 69             | 32              | 101           | 4                    |
| North Dakota   | 518            | 106             | 624           | 5                    |
| Ohio   | 2,217          | 1,021           | 3,238         | 180                  |
| Oklahoma   | 291            | 233             | 524           | 20                   |
| Pennsylvania   | 7,978          | 5,229           | 13,207        | 411                  |
| Texas  | 305            | 140             | 445           | 8                    |
| Utah   | 224            | 132             | 356           | 12                   |
| Virginia   | 2,598          | 1,672           | 4,270         | 119                  |
| West Virginia  | 16,023         | 7,683           | 23,706        | 445                  |
| Wyoming  | 208            | 144             | 352           | 23                   |
| <b>Total</b>   | <b>47,558</b>  | <b>28,752</b>   | <b>76,310</b> | <b>2,088</b>         |

### **3. Federal Programs**

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

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

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

Tennessee: There are 15 active coal producing sites, 16 active non-producing sites, (tipples, preparation plants, etc.), 131 mine sites that are inactive, (either in temporary cessation or undergoing reclamation activities), and 162 abandoned sites in Tennessee. Over the past ten-year period coal production has declined from 3.3 million tons in calendar year 2001 to 1.8 million tons in calendar year 2010 (the last year data was available). OSM has discussed with the State the possible return of the primacy program on numerous occasions over the years, but little interest is shown in assuming the program.

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

In October 2010, OSM received a Lands Unsuitable for Mining petition from the State of Tennessee covering more than 67,000 acres of ridgelines in State Wildlife Management Areas. OSM Determined the petition complete in November 2010, is preparing an Environmental Impact Statement, and will conduct public hearings in the spring of 2012.

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Washington: There are two surface coal mines regulated under the Washington Federal Program. The Centralia Mine produced coal for the adjacent Centralia Power Plant beginning in 1971 until November 2006 when the parent company, Trans-Alta Corporation halted mining because of high costs to recover the remaining coal. Coal for the plant now comes from Montana. OSM is working with the company to revise reclamation plans and schedules. Acceptable reclamation is being accomplished each year. OSM denied a request to continue temporary cessation for one pit, and the decision was upheld on appeal. In order to dewater and reclaim three coal mine waste impoundments, TransAlta has proposed, beginning no later than 2013, to recover coal from these impoundments and either use it at the Centralia Power Plant or sell it. Such coal recovery is considered active mining; TransAlta has committed to payment of all necessary fees (royalty and abandoned mine land) associated with mining of this coal. OSM anticipates approval in early 2012 of TransAlta’s application to recover or mine this coal.

The Pacific Coast Coal Company (PCC) mine near the City of Black Diamond has not produced coal since 2000. OSM ordered PCC to begin reclamation in January 2010 and subsequently took enforcement actions to force PCC to begin reclamation in 2010 in accordance with the order. In July 2010, PCC submitted a revision application to recommence mining. OSM denied the application, and upon appeal by PCC the Office of Hearings and Appeals confirmed OSM’s decision. PCC submitted another revision application in April 2011 again proposing to resume mining. The application is currently under review.

Table 3 provides inspection and enforcement data for Federal Program States during FY 2011.

| <b>Table 3 – FY 2011 Federal Program States Inspection / Violation Data</b> |                    |                |              |                   |                   |
|---|--------------------|----------------|--------------|-------------------|-------------------|
| <b>STATE</b>  | <b>INSPECTIONS</b> |                |              | <b>NOV'S</b>      | <b>FTA CO'S</b>   |
|   | <b>COMPLETE</b>    | <b>PARTIAL</b> | <b>TOTAL</b> | <b>VIOLATIONS</b> | <b>VIOLATIONS</b> |
| Tennessee   | 538                | 935            | 1,473        | 95                | 7                 |
| Washington  | 6                  | 26             | 332          | 1                 | 0                 |
| <b>TOTALS</b>   | <b>544</b>         | <b>961</b>     | <b>1,505</b> | <b>96</b>         | <b>7</b>          |

#### 4. Federal Lands Program

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

Table 4 provides projected mining plan decision document workload data.

| <b>Table 4 – Mining Plan Decision Document Workload on Leased Federal Coal, by Fiscal Year</b> |                       |                          |
|--|-----------------------|--------------------------|
| <b>Mining Plans and Modifications to Existing Mining Plans</b>                                 |                       |                          |
| <b>Activity</b>  | <b>FY 2011 Actual</b> | <b>FY 2012 Projected</b> |
| In progress prior FY   | 3                     | 7                        |
| Anticipated current FY   | 8                     | 7                        |
| Total FY Workload  | 11                    | 14                       |
| Completed in FY  | 4                     | 9                        |
| Balance, end of FY   | 7                     | 5                        |

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

#### 5. Indian Lands Program

OSM is responsible for coal mining and reclamation activities on Indian lands. The Indian lands program includes permit application review, determination of performance bond amounts, inspection and enforcement, bond release, and maintaining a staff to coordinate with the



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individual Tribes and other Federal agencies, as necessary. The proposed budget provides \$2.4 million to fund the activities to promote responsible mineral extraction on Indian lands to meet the Nation’s energy needs.

The Crow, Hopi and Ute Mountain Ute Tribes, and the Navajo Nation have coal-mining activities on their lands. The McKinley Mine and the Navajo Mine are large surface mines on lands within the Navajo Nation. Mining operations have ceased at the McKinley Mine, and it is currently being reclaimed. The Kayenta Mine Complex, which includes the Kayenta mining operation and the now idle Black Mesa mining operation, involves Navajo coal beneath Navajo surface, and coal jointly owned by the Navajo Nation and the Hopi Tribe – most of which is beneath Navajo surface and some of which is beneath Hopi surface. There are two surface mines in Montana that mine coal owned by the Crow Tribe, one of which operates within the boundaries of the Crow Reservation. At a mine in New Mexico, the only involvement of Indian lands is where a haul road crossed the Ute Mountain Ute Reservation. The haul road is now reclaimed and is currently under the period of extended responsibility for successful revegetation. An underground mining operation in Colorado also extracts Federal coal beneath Ute Mountain Ute owned surface. The Crow, Northern Cheyenne and Hopi Tribes, and the Navajo Nation are evaluating coal properties for future development. The mines on Indian lands are among the largest in the United States, with a total of about 101,500 acres regulated by OSM.

OSM coordinates closely with Indian Tribes through the regulatory process. The Federal trust responsibility is a legal obligation under which the United States has charged itself with moral obligations of the highest responsibility and trust toward Indian Tribes. OSM ensures that the lands and trust resources of Federally-recognized Tribes and their members are identified, conserved, and protected. In fulfilling these responsibilities, OSM operates within a government-to-government relationship with Indian Tribes.

Table 5 provides inspection and enforcement data on Indian Lands during FY 2011.

| <b>Table 5 – FY 2011 Indian Lands Inspection Data</b> |             |           |            |            |
|---|-------------|-----------|------------|------------|
| TRIBE   | INSPECTIONS |           |            | NOV’S      |
|   | COMPLETE    | PARTIAL   | TOTAL      | VIOLATIONS |
| Crow Tribe  | 8           | 18        | 26         | 0          |
| Hopi Tribe  | 2           | 0         | 2          | 0          |
| Navajo Nation   | 51          | 28        | 79         | 14         |
| Ute Tribe   | 4           | 8         | 12         | 0          |
| <b>TOTALS</b>   | <b>65</b>   | <b>54</b> | <b>119</b> | <b>14</b>  |

| <b>Table 6 – Permit and Permit Revision Workload<br/>where OSM is the Regulatory Authority, by Fiscal Year</b> |                           |                              |                           |                              |
|--|---------------------------|------------------------------|---------------------------|------------------------------|
| <b>Activity</b>  | <b>Federal Programs*</b>  |                              | <b>Indian Lands</b>       |                              |
|  | <b>FY 2011<br/>Actual</b> | <b>FY 2012<br/>Projected</b> | <b>FY 2011<br/>Actual</b> | <b>FY 2012<br/>Projected</b> |
| In progress previous FY  | 72                        | 74                           | 35                        | 15                           |
| Anticipated current FY   | 185                       | 19                           | 48                        | 50                           |
| Total FY workload  | 257                       | 229                          | 83                        | 65                           |
| Completed in FY  | 183                       | 160                          | 68                        | 50                           |
| Balance, end of FY   | 74                        | 69                           | 15                        | 15                           |

\* These numbers do not include reviews of more than one version of a significant revision or environmental assessment.

## **6. Program Development and Maintenance**

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

### *a. Rulemaking*

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

OSM Rulemaking Initiative on Coal Combustion Residues: In 2003, Congress directed EPA to commission an independent study of the health, safety, and environmental risks associated with the placement of Coal Combustion Residues (CCRs) in active and abandoned coal mines. As a result, the National Research Council (NRC) of the National Academies of Science formed a committee, which published its findings in a report on March 1, 2006. The committee recommended the establishment of enforceable Federal standards for the placement of CCRs in mines, with regulation under SMCRA being one of the rulemaking options. In March 2007, OSM published an advance notice of proposed rulemaking to solicit comments on the

development of a proposed rule. OSM received approximately 1,900 comments. After evaluating comments received on the ANPRM and after discussions with EPA and additional outreach to stakeholders, OSM has decided to propose a rule pertaining to permit application requirements and performance standards related to the placement and beneficial use of CCRs on active and abandoned mine sites.

OSM Rulemaking Initiative on Cost Recovery: In an effort to recover costs to review, administer and enforce permits issued by OSM, OSM intends to propose and finalize a rule in 2012 to revise its existing permit fees and establish other fees authorized by section 507 of SMCRA. The proposed fees are to recover the costs of services OSM provides to mine applicants and operators for mining on lands where regulatory jurisdiction has not been delegated to the States and would include operations in Federal Program States and on Indian lands.

OSM Rulemaking Initiative on Temporary Cessation of Operations: OSM intends to revise its regulations governing the temporary cessation of surface coal mining and reclamation operations and underground mining activities under an approved permit. The proposed rule would require that before temporarily ceasing operations for a period of more than 180 days, a permittee submit an application to the regulatory authority for approval. The rule is needed to ensure that a temporary cessation of operations is not used to delay reclamation, that safety and environmental controls are in place, and that there is an end point to the cessation of operations.

OSM Rulemaking Initiative on Stream Protection: On June 11, 2009, the U.S. Department of the Interior entered into a Memorandum of Understanding (MOU) with the Army Corps of Engineers and the Environmental Protection Agency to reduce the harmful environmental impacts of mountaintop mining in six states in central Appalachia. OSM is developing a proposed rule and draft environmental impact statement, which are scheduled for publication in 2012.

Rulemaking Associated with State Programs: OSM assists States with development, administration, implementation, and maintenance of their approved regulatory programs. Decisions affecting State programs are Federal rulemaking actions. OSM evaluates State-initiated program changes (statutory, regulatory, or changes in the program's provisions, scope, or objectives), as well as OSM required modifications that are a result of legal interpretations or changes to SMCRA and Federal Regulations. In its evaluation, OSM solicits public comments through proposed rules published in the Federal Register, holds public meetings, maintains the administrative record, approves or does not approve proposed State program amendments, and publishes the decisions as final rules in the Federal Register. During FY 2011, OSM completed activity on 14 State programs amendments as shown in Table 7.

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

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

During FY 2011, the State Program Amendment activity was identified as follows:

| <b>Table 7 – FY 2011 State Program Amendment Activity</b> |                             |                         |                          |                               |
|---|-----------------------------|-------------------------|--------------------------|-------------------------------|
| <i>Number of Amendments*</i>                              |                             |                         |                          |                               |
| <b>Amendment Type</b>                                     | <b>Pending Oct. 1, 2010</b> | <b>Received FY 2011</b> | <b>Completed FY 2011</b> | <b>Pending Sept. 30, 2011</b> |
| Pre-Submission Assistance                                 | 3                           | 4                       | 3                        | 4                             |
| Formal  | 17                          | 19                      | 11                       | 25                            |
| <b>Total</b>  | <b>20</b>                   | <b>23</b>               | <b>14</b>                | <b>29</b>                     |

\*The pending pre-submission assistance numbers include one for the Navajo Nation.

*b. Grants Management*

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

*c. Special Projects*

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

## **ENVIRONMENTAL PROTECTION**

### **2012 PLANNED PROGRAM PERFORMANCE**

In 2012, the planned activities in the Environmental Protection program activity include:

- Review formal tribal primacy submissions from the Crow Tribe and Navajo Nation with a goal of approving the submissions by the beginning of fiscal year 2013.
- Begin processing a new permit application and a significant revision and preparing the associated environmental impact statements for two Indian lands mines on the Navajo and Hopi Reservations.
- Continue to implement oversight enhancements.
- Achieve the goals for performance measures identified under this business line and support the Youth Program by providing educational and employment opportunities to young adults in fields associated with surface coal mining regulation and reclamation.

### **2011 PROGRAM PERFORMANCE ACCOMPLISHMENTS**

In 2011, the major accomplishments in the Environmental Protection program activity included:

- States performed 28,752 complete mine inspections and 47,558 partial inspections to ensure coal mines are operated safely and in accordance with environmental laws.
- OSM staff increased the number of field inspections by 21, or 40 percent over FY 2009.
- OSM implemented policy guidance and reporting requirements under three revised OSM Directives pertaining to the oversight of State Regulatory Programs, corrective actions to address issues, and enforcement actions to address violations.
- Performance for measures identified for this business line follow.

Office of Surface Mining Reclamation and Enforcement

| <b>Goal Performance Table</b>  |   |                                      |                                    |                                    |                                    |                                    |                                     |                                    |                                    |                                      |                              |
|--|---|--------------------------------------|------------------------------------|------------------------------------|------------------------------------|------------------------------------|-------------------------------------|------------------------------------|------------------------------------|--------------------------------------|------------------------------|
| <b>Mission Area 2: Sustainably Manage Energy, Water, and Natural Resources</b>     |   |                                      |                                    |                                    |                                    |                                    |                                     |                                    |                                    |                                      |                              |
| <b>Goal #1: Secure America's Energy Resources</b>                                  |   |                                      |                                    |                                    |                                    |                                    |                                     |                                    |                                    |                                      |                              |
| <b>Supporting Performance Measures</b>   | <b>Type</b>   | <b>2007 Actual</b>                   | <b>2008 Actual</b>                 | <b>2009 Actual</b>                 | <b>2010 Actual</b>                 | <b>2011 Plan</b>                   | <b>2011 Actual</b>                  | <b>2012 Plan</b>                   | <b>2013 Plan</b>                   | <b>Change from 2012 Plan to 2013</b> | <b>Long-Term Target 2016</b> |
| Strategy #1: Ensure environmental compliance and the safety of energy development. |   |                                      |                                    |                                    |                                    |                                    |                                     |                                    |                                    |                                      |                              |
| Percent of active coal mining sites that are free of off-site impacts. (SP)        | C   | 90.2% (7,103 of 7,877 sites)         | 88% (6,864 of 7,784 sites)         | 88% (6,879 of 7,845 sites)         | 86% (6,548 of 7,571 sites)         | 88% (6,789 of 7,672 sites)         | 86% (6,588 of 7,675 sites)          | 88% (6,705 of 7,620 sites)         | 88% (6,706 of 7,621 sites)         | 0%                                   | 88% (6,695 of 7,608 sites)   |
| <b>Total Actual/Projected Costs (\$000)</b>  |   | \$109,261                            | \$118,371                          | \$120,156                          | \$127,180                          | \$127,180                          | \$126,926                           | \$122,713                          | \$133,053                          | -----                                |                              |
| <b>Actual/Projected Cost per Inspectable Unit (in dollars)</b>                     |   | \$13,870                             | \$15,207                           | \$15,316                           | \$16,798                           | \$16,577                           | \$16,538                            | \$16,104                           | \$17,459                           | -----                                |                              |
| Contributing Programs  | Environmental Protection  |                                      |                                    |                                    |                                    |                                    |                                     |                                    |                                    |                                      |                              |
| Comments   | The target remains stable through 2013. OSM evaluation of data collection, analysis, and reporting requirements is part of the ongoing effort to improve oversight of State regulatory programs. The dollar figures were adjusted for prior and future years based on budget authority instead of actual expenditures. This is consistent with the DOI Annual Performance Plan and Report.. For FY 2013, projected costs relate to requested budget authority and do not include the anticipated cost recovery for services to the coal industry. |                                      |                                    |                                    |                                    |                                    |                                     |                                    |                                    |                                      |                              |
| Percent of mined acreage reclaimed). (SP)  | A   | 53.4% (1,928,521 of 3,609,121 acres) | 83% (2,044,886 of 2,467,139 acres) | 89% (2,165,011 of 2,435,110 acres) | 98% (2,305,795 of 2,359,120 acres) | 75% (1,578,233 of 2,105,752 acres) | 104% (2,418,963 of 2,327,333 acres) | 75% (1,578,233 of 2,105,752 acres) | 75% (1,578,233 of 2,105,752 acres) | 0%                                   | See comment                  |
| <b>Total Actual/Projected Costs (\$000)</b>  |   | \$109,261                            | \$118,371                          | \$120,156                          | \$127,180                          | \$127,180                          | \$126,926                           | \$122,713                          | \$133,053                          | -----                                |                              |
| <b>Actual/Projected Cost per Acres Reclaimed (in dollars)</b>                      |   | \$57                                 | \$58                               | \$55                               | \$55                               | \$81                               | \$52                                | \$78                               | \$64                               | -----                                |                              |
| Contributing Programs  | Environmental Protection  |                                      |                                    |                                    |                                    |                                    |                                     |                                    |                                    |                                      |                              |
| Comments   | Targets are under review due to recent changes in data collection that will assist with baseline date for future projections and will change in the future. For FY 2013, the target is consistent with FY 2012 and projected costs relate to requested budget authority and do not include anticipated cost recovery for services to the coal industry.   |                                      |                                    |                                    |                                    |                                    |                                     |                                    |                                    |                                      |                              |

Office of Surface Mining Reclamation and Enforcement

| <b>Goal Performance Table</b>  |   |                    |                    |                    |                    |                  |                    |                  |                  |                                      |                              |
|--|---|--------------------|--------------------|--------------------|--------------------|------------------|--------------------|------------------|------------------|--------------------------------------|------------------------------|
| <b>Mission Area 2: Sustainably Manage Energy, Water, and Natural Resources</b>                                       |   |                    |                    |                    |                    |                  |                    |                  |                  |                                      |                              |
| <b>Goal #1: Secure America's Energy Resources</b>  |   |                    |                    |                    |                    |                  |                    |                  |                  |                                      |                              |
| <b>Supporting Performance Measures</b>   | <b>Type</b>   | <b>2007 Actual</b> | <b>2008 Actual</b> | <b>2009 Actual</b> | <b>2010 Actual</b> | <b>2011 Plan</b> | <b>2011 Actual</b> | <b>2012 Plan</b> | <b>2013 Plan</b> | <b>Change from 2012 Plan to 2013</b> | <b>Long-Term Target 2016</b> |
| Number of acres where reclamation goals are achieved as evidenced by release from Phase III Performance Bonds. (BUR) | C   | 51,105             | 48,828             | 38,312             | 50,231             | 45,000           | 35,334             | 41,000           | 41,000           | 0                                    | 41,000                       |
| Contributing Programs  | Environmental Protection  |                    |                    |                    |                    |                  |                    |                  |                  |                                      |                              |
| Comment  | Acreage released from Phase III is expected to remain stable in all regions for the foreseeable future.   |                    |                    |                    |                    |                  |                    |                  |                  |                                      |                              |
| Number of acres released from Phase I & II Performance Bonds. (BUR)  | C   | 110,198            | 89,047             | 93,875             | 111,136            | 80,000           | 76,720             | 80,000           | 77,000           | -3,000                               | 80,000                       |
| Contributing Programs  | Environmental Protection  |                    |                    |                    |                    |                  |                    |                  |                  |                                      |                              |
| Comment  | A reduction in acreage released from Phases I and II is expected for the Appalachian and Mid-Continent Regions after 2012. Therefore, the goal was slightly reduced to reflect the most recent estimates. |                    |                    |                    |                    |                  |                    |                  |                  |                                      |                              |
| Provide appropriate grant funding within 60 days of a complete grant application for regulatory grants (BUR)         | A   | 90%                | 100%               | 100%               | 100%               | 96%              | 100%               | 96%              | 96%              | 0%                                   | 96%                          |
| Contributing Programs  | Environmental Protection  |                    |                    |                    |                    |                  |                    |                  |                  |                                      |                              |
| Completion of the technical review of Federal/Indian Land permit actions within 90 days (BUR)                        | A   | 97%                | 90%                | 87%                | 93%                | 81%              | 82%                | 70%              | 70%              | 0%                                   | -----                        |
| Contributing Programs  | Environmental Protection  |                    |                    |                    |                    |                  |                    |                  |                  |                                      |                              |

**TECHNOLOGY DEVELOPMENT AND TRANSFER**

Technology Development and Transfer Summary of Budget Request

| (dollars in thousands)                                | 2011<br>Actual | 2012<br>Enacted | 2013  |                             |                   |                                 |
|---|----------------|-----------------|---|-----------------------------|-------------------|---------------------------------|
|   |                |                 | Fixed<br>Costs &<br>Related<br>Changes<br>(+/-) | Program<br>Changes<br>(+/-) | Budget<br>Request | Change<br>From<br>2012<br>(+/-) |
| <b>Regulation and Technology</b>                      | <b>15,455</b>  | <b>14,455</b>   | <b>+129</b>                                     | <b>0</b>                    | <b>14,584</b>     | <b>+129</b>                     |
| Technical Assistance                                  | 11,014         | 10,943          | +68   | 0                           | 11,011            | +68                             |
| <i>FTE</i>  | 48             | 49              | 0   | 0                           | 49                | 0                               |
| Training  | 2,599          | 2,531           | +31   | 0                           | 2,562             | +31                             |
| <i>FTE</i>  | 22             | 22              | 0   | 0                           | 22                | 0                               |
| Technology Transfer                                   | 1,842          | 981             | +30   | 0                           | 1,011             | +30                             |
| <i>FTE</i>  | 20             | 20              | 0   | 0                           | 20                | 0                               |
| <b>Abandoned Mine<br/>Reclamation Fund</b>            | <b>5,751</b>   | <b>3,544</b>    | <b>+27</b>                                      | <b>0</b>                    | <b>3,571</b>      | <b>+27</b>                      |
| Technical Assistance                                  | 3,103          | 1,585           | +13   | 0                           | 1,598             | +13                             |
| <i>FTE</i>  | 10             | 10              | 0   | 0                           | 10                | 0                               |
| Training  | 813            | 794             | 8   | 0                           | 802               | +8                              |
| <i>FTE</i>  | 6              | 6               | 0   | 0                           | 6                 | 0                               |
| Technology Transfer                                   | 1,835          | 1,165           | +6  | 0                           | 1,171             | +6                              |
| <i>FTE</i>  | 4              | 4               | 0   | 0                           | 4                 | 0                               |
| <b>Total, Technology<br/>Development and Transfer</b> | <b>21,206</b>  | <b>17,999</b>   | <b>+156</b>                                     | <b>0</b>                    | <b>18,155</b>     | <b>+156</b>                     |
| <i>FTE</i>  | <i>110</i>     | <i>111</i>      | <i>0</i>  | <i>0</i>                    | <i>111</i>        | <i>0</i>                        |

Fixed Costs and Related Changes resulted in a net increase of \$156,000. Fixed Costs are covered with increases for the FY2013 pay raise of 0.5% (\$46,000), the change in pay days (\$52,000), and health plan costs (\$58,000).



Overview

The Technology Development and Transfer (TDT) business line (program activity) provides resources for technical assistance, training, technology development and technology transfer program sub-activities. This program activity supports and enhances the technical skills that States and Tribes need to operate their regulatory and reclamation programs. Through support of OSM's restoration and protection goals, TDT funds implement effective partnerships with OSM's stakeholders. TDT is a nation-wide program that provides resources to States and Tribes that meet their specific technical and training needs in carrying out the requirements of SMCRA.

In 2012 and 2013, OSM will continue to promote, to the extent possible, the use of Technical Innovation and Professional Services (TIPS) in technical decision-making processes related to SMCRA; address the remediation of acid mine drainage through participation in the Acid Drainage Technology Initiative; finalize changes and provide training and technical assistance to meet identified needs of States and Tribes. Also, OSM's technology transfer program will continue its support for electronic permitting and mobile computing efforts, by sponsoring interactive technical forums and related workshops. In addition, OSM will continue to provide regional technical service, libraries, and more efficient access to COALEX (a computer-assisted library search service).

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

OSM provides technical training to OSM staff, and States and Tribes on a variety of topics. New technologies, changes in regulations, and staff turnover necessitate the need for continued technical training. To solve problems related to the environmental effects of coal mining, OSM provides multidisciplinary technical assistance and works with industry, States, Tribes and the public on technical issues arising from new regulations. Other technical assistance efforts include the TIPS, the Applicant Violator System (AVS), and Electronic Permitting (EP). OSM also established an intergovernmental team, the National Technology Transfer Team (NTTT) to provide direction, communication and coordination of efforts related to technology transfer and development. This team is a permanent entity and will continue

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

*Technology Development*

*Technology Transfer*

*Technical Training*

*Technical Innovation and Professional Services (TIPS)*

*Applicant Violator System (AVS)*

throughout FY 2012 and FY 2013. Technology transfer is a major part of OSM's cooperative effort with States and Tribes.

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

**Actions Required to Achieve Annual Goals:** In FY 2013, OSM plans continued improvements in this business line. As responses are received from the customer surveys, the activities within the business lines will be evaluated to identify any needed improvements or changes. Also, the National Technical Training Program (NTTP), TIPS, the National Mine Map Repository (NMMR), and AVS will increase access to users by continuing to provide material via the Internet and supporting the Administration's E-Government initiative. In addition, the NTTT will continue to work with the Regional Technology Transfer Teams to provide direction, communication, and coordination efforts related to technical issues and studies.

**Resources, Skills, and Technology Needed:** An ongoing goal for FY 2013 is to continue ensuring States, Tribes, and OSM have the best available technical data and information needed to make good science-based decisions regarding mining plans, reclamation project design, permit reviews, and acid mine drainage remediation and prevention. To successfully implement the surface mining regulatory and reclamation programs, OSM, as well as the States and Tribes, must maintain multi-disciplinary staffs that are fully competent in addressing a wide variety of technical issues that impact these programs.

The total FY 2013 request for this business line is \$18.2 million. The request includes \$12.6 million for Technical Assistance (including the Applicant Violator System support); \$3.4 million for Technical Training; and \$2.2 million for Technology Transfer efforts to meet the annual goals set forth above.

Included in the FY 2013 request for the Technology Transfer program activity is almost \$200,000 for the Acid Drainage Technology Initiative (ADTI), an ongoing effort of OSM, State and other Federal agencies, academia, and industry. The objectives of the ADTI are to compile, assess, and document the "best-science" technology solutions to acid mine drainage (AMD) reclamation problems as well as to refine the most effective methods for accurate AMD prediction.

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

## **2013 PROGRAM PERFORMANCE**

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

OSM's stakeholders (States, Tribes, public and industry) continue to express support for Technology Development and Transfer efforts and encourage OSM to provide the types of technical support needed to effectively and efficiently meet SMCRA, the National Environmental Policy Act, and other environmental and safety laws. Cost-effective compliance will help industry remain competitive with other energy sources. Helping the States, Tribes and industry achieve up-front compliance will reduce the need for additional regulatory resources. The TDT program area described in the following pages represents those activities where OSM staff provide direct technical support and ongoing efforts in other business lines. Many activities not yet conducted in FY 2012 will identify the needs for activities in FY 2013. In addition, adjustments in activities may be necessary during FY 2012 and 2013 in order to focus resources on the highest priority program needs. Therefore, the discussions are representative of the types of activities that will be conducted in the future.

### **1. Technical Assistance**

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

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

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

#### *a. Technical Policy Assistance*

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

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

Examples of activities for FY 2011-2013 include:

Blasting: In FY 2011, OSM completed development of the Blaster Certification Tracking System (BCTS). The BCTS is undergoing testing in FY 2012 for Federally-certified blasters authorized to handle and detonate explosives on coal mines under OSM jurisdiction. Following testing, the BCTS is anticipated to become available nationwide during 2013, for OSM and interested States to use. The completed tracking system will assist SMCRA regulatory authorities in tracking the status (active, expired, suspended, etc.) of State- and Federally-certified blasters and will alert regulatory authorities about blasters with performance issues. Blasters who endanger mining personnel, coalfield citizens, or the environment are blocked or suspended from conducting blasting in other jurisdictions. Furthermore, the system facilitates reciprocity of certifications between regulatory authorities--so as to reduce State and Federal training and testing costs. OSM will also continue to facilitate discussions among State and Federal blasting specialists in FY 2013 to foster better understanding of the blasting issues and technology, and to achieve more consistent application of blasting rules nationally.

Acid Mine Drainage: Surface and underground coal mining activities expose iron sulfide minerals in rock to weathering. The interaction of these rocks/minerals with air and water can result in AMD, which is the number one water quality problem in Appalachia and to a lesser, but still serious, extent in other coal and hard rock mining regions. OSM, in cooperation with the U.S. Geological Survey, is enhancing AMD Treat, the AMD treatment cost modeling program. The software enhancement, conducted in FY 2011 and undergoing testing and refinement during FY 2012, is slated for release by late FY 2012 or early FY 2013. AMD Treat will bring improved modeling of acidic and alkaline discharges and more accurate estimation of treatment sludge volumes.

OSM will continue to participate in the Acid Drainage Technology Initiative (ADTI), a collaborative effort among federal agencies, industry, the States, academia, and the National Mine Land Reclamation Center to promote communication and technology enhancement in the field of AMD and TDS prediction and treatment. During FY 2011 and FY 2012, ADTI funds also supported field research on Selenium (Se) leaching from mining overburden—a recently identified serious water quality issue in the Appalachian coalfields. Results of these studies will assist mine planners to recognize presence of Se and develop practical material handling methods to minimize water pollution. Under consideration for FY 2012 and 2013 funding are projects to outline the most effective methods available to remediate discharges of high Total Dissolved Solids (TDS). Another TDS project under consideration for later in FY 2012 and into FY 2013 involves assessing the attenuation of TDS leaching from overburden over time.

Designating Areas Unsuitable for Surface Coal Mining: Section 522 of SMCRA establishes a process by which the public may petition the regulatory authority to limit or prohibit all or certain types of surface coal mining operations on non-Federal lands to protect certain features or environmental values. OSM receives and processes these petitions for all lands for which it is the regulatory authority. The decision-making process includes preparation of an environmental impact statement and a takings implication assessment.

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

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

*b. Site-Specific Technical Assistance*

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

Underground Mine “Pool” Characterizations: OSM is assisting West Virginia, Maryland, and Pennsylvania to define characteristics of very large (tens of thousands of acres) mine pools (underground coal mines filled with groundwater). These mine pools can cause significant alterations of surface and groundwater quality and quantity. They can lead to mine “blowouts,” (hazards to life and property) if new or continued active mining and pool water management in adjacent unmined areas is not properly planned, monitored, and analyzed during and following mining. Mine pools also serve as potential sources of fresh water for industrial and residential uses, and proposed water extraction projects (by other industries) for gas and oil development must incorporate understanding of mine pool characteristics and potential for secondary impacts such as mine subsidence. Active and proposed underground mines/expansions must be carefully evaluated to ensure SMCRA hydrologic balance performance standards are attained and bonding mechanisms are in place to account for any unexpected long-term water-treatment issues. Mapping old mine extents and conditions, calculating mine void volumes, determining infiltration and barrier seepage rates, and projecting shifting water quality over time, are all factors in characterizing mine pools. This characterization will determine how the geologic conditions of the area control pool-level rises and possible breakouts of pool water to the overlying surface drainage systems. These projects are long-term by necessity due to: (1) the

expanse of past and planned mining; (2) the length of time needed to establish monitoring networks; and (3) the years of monitoring required for adequately assessing and understanding the hydrologic system alterations. These activities will continue in FY 2013.

West Virginia Underground Mine Monitoring Guidance Manual: OSM and the West Virginia Department of Environmental Protection (WVDEP) hydrologists began collaborating in FY 2011 on a technical guidance manual for monitoring underground mine hydrology conditions in order to assist WVDEP's permit application reviewers. This technical guidance manual, still in development through FY 2012 and into FY 2013, will provide information on how to assess SMCRA requirements for: (1) geologic permit baseline data; (2) factors to consider for locating hydrologic monitoring sites; (3) SMCRA permit hydrologic information requirements; (4) Clean Water Act National Pollution Discharge Elimination System and Underground Injection Control permit hydrologic information; (5) mine pool characterization; (6) identification of high risk mining hydrologic impact areas; and (7) hydrologic regime protection and impact avoidance/minimization measures. This manual will improve permit reviewers' evaluations and understanding of proposed permit monitoring plans, PHCs, hydrologic reclamation plans, and subsidence control plans for WVDEP's Division of Mining and Reclamation.

Colorado Soil Sampling and Analysis: OSM is providing technical assistance to the Colorado Division of Reclamation, Mining and Safety, in the form of field soil sampling and technical assistance for a technical revision application for the New Horizon Mine, Western Fuels-Colorado, LLC. This revision incorporates a Sampling and Analysis Plan for undisturbed, stockpiled, and redistributed soil resources. The assistance started in FY 2011 and will continue in FY 2012. The Western Region is reviewing the currently approved reclamation plan for the new Horizon Mine at the State's request, in response to citizen complaints. The New Horizon Mine is a surface coal mine located in Montrose County, approximately 1.7 miles northwest of Nucla, Colorado. The permit area encompasses approximately 926.06 acres.

*c. National Mine Map Repository (NMMR)*

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

Through a variety of sources, the NMMR continuously expands its collection of digital maps. During late FY 2011, OSM acquired additional scanning and mass storage devices for the NMMR. This is allowing NMMR to perform additional high-resolution scanning and storage of large maps to capture and store important map details and continue to expand the repository's online access to the map collections in FY 2013. This program also supports, and relies upon, student assistance to scan and archive maps.

*d. Electronic Permitting*

During FY 2011, OSM and seven western states and tribes worked on developing an E-permitting solution for their legacy coal permitting systems. A similar effort was also underway in the eastern states. During FY 2012, OSM is exploring the best way to leverage these efforts and share information between and among all SMCRA program offices. This effort will use economy of scale to capitalize on cost savings and commonality of the E-permitting solutions developed. It is anticipated this system would be up and working by the end of FY 2013.

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

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

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

Currently, TIPS assistance consists of providing commercial software applications to state, tribal, and OSM offices at considerable cost savings by sharing the commercial licenses for the software via the Internet and OSM Wide Area Network. The 30 commercially available software applications cover a wide range of regulatory and AML subjects. The customer base covers over 100 state, tribal and OSM office locations throughout the country—about 1000 users.

The TIPS suite of scientific, data base, and mapping core software aids the technical decision-making associated with: (1) conducting reviews of permits, (2) performing cumulative hydrologic impact assessments, (3) quantifying potential effects of coal mining, (4) preventing

acid mine drainage, (5) quantifying subsidence impacts, (6) measuring revegetation success, (7) assisting in the design of abandoned mine lands projects, and (8) providing the scientific basis for environmental assessments and environmental impact statements.

Demand for TIPS tools and support continues to increase, especially in the demand for geospatial data, and mobile computing tools for field use. TIPS continues to offer more training to accommodate the use of mobile computing devices by inspectors. Mobile computing allows inspectors to be more efficient, which, in turn, raises the quality and quantity of inspections.

Examples of TIPS related activities include:

Use of down-hole cameras. OSM maintains three down-hole cameras for use in investigating domestic well complaints, revealing voids under subsiding highways and interstates, and examining abandoned mine shafts scheduled for closure. The systems have also been used to document subsurface conditions in emergency situations such as mine subsidence and shaft openings. Obtaining such critical subsurface information allows more comprehensive analysis of mine site conditions more effective solutions to mine related impacts. In FY 2011, cameras were used in California, Utah, and Missouri, on various projects.

USGS Cooperative Venture with Drone Aircraft. In November of 2011, OSM began working in cooperation with the USGS to explore the use of unmanned aerial vehicles (Drone aircraft) as part of OSM's Remote Sensing efforts through the TIPS program. OSM tested the unmanned aircraft in a proof of concept exercise on a WV mine site. The plan included use of the aircraft's color video camera to inspect drainage ditches along the permit boundary. This is often a very dangerous and time consuming task for an inspector to perform on foot. The results were very promising. OSM will continue testing in cooperation with the USGS on active and abandoned mine sites in other locations in FY 2012 and FY 2013.

Revegetation Study by Satellite: TIPS is using high resolution satellite imagery to map vegetation cover, species composition, and biomass for a forfeited bond release site in Colorado as an innovative prototype of using satellite technology. In FY 2011, supporting field data was collected for the vegetative classifications. Work is expected to continue on this project in FY 2012 and FY 2013.

*f. Applicant/Violator System (AVS)*

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

During FY 2011, the AVS Office processed over 3,000 requests for data evaluations from State and Federal regulatory authorities and State abandoned mine land program officials to assist in



spotting permit and AML-project eligibility problems. OSM also entered into 38 payment/settlement agreements with entities trying to remedy unabated Federal civil penalty and reclamation fee violations tracked in the AVS so they could become eligible to receive new permits to surface mine.

In addition, the AVS office placed 22 system improvements into production in response to user suggestions and information technology (IT) requirements, and will continue to work with system users to identify and implement additional system improvements during FY 2012 and FY 2013. The AVS database was virtualized in FY 2012, using cloud infrastructure services from a third-party contractor that supplies all hardware and maintenance support to run the AVS application. Moving to a virtual environment and contracting infrastructure as a service is in line with the Department's intent in pursuing IT efficiencies. To ensure our customers can continue to rely on accurate data and a stable environment to support their efforts with implementation of 510(c) of SMCRA, AVS staff will conduct several data studies in FY 2012 and FY 2013 to ensure regulatory program staff enter and maintain permit and violation information in the system in accordance with regulations and data standards.

AVS Office staff provides services to customers, including the coal industry, citizens groups, and other Federal agencies. Some of the services provided include: technical assistance in interpreting data retrieved from the AVS; updating information in the AVS for coal companies that mine in more than one State; providing system training to users; and providing investigative assistance to regulatory authorities on complex ownership and control issues. Additional technical assistance services for States in FY 2012 and FY 2013 include identifying assets and property that might be used to facilitate reclamation, or for cost recovery on reclamation money spent by a State to reclaim a forfeited site. The AVS Office will also continue providing technical and analytical support to establish and audit trust funds used to treat the long-term effects of pollution water discharges.

Customer surveys are used to document the responsiveness of AVS services provided to its customers. This year, the AVS Office received a customer satisfaction rating of 99% and exceeded a 70% response rate on returned customer surveys. OSM attributes the success of this approach to a shared conviction by all the staff that responding to customers' needs in a timely manner is the AVS office's primary business.

## **2. Technical Training**

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

a. National Technical Training Program

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

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

The field exercise was excellent. I was able to conduct the survey well and better understood the importance of the process. I have a much better knowledge of wetland delineations and factor that are involved in the process.” Wetlands Awareness (Student)

“The data collection information is a very important section, especially if it goes to court. The information was very stimulating and thought provoking. The data analysis exercise shows trends and can be applied to real world problems. The case studies will help us apply the basic principles being taught with using logic to think through the case.” Forensic Hydrologic Investigation (Student)

Employee has better visual skills in identifying varying types of soils and plant life. Also, he has a better understanding and knowledge on how to research the same. Overall, this has boosted his confidence on and around the project site.” Soils and Revegetation (Supervisor)

“Employees understanding of geochemistry issues related to pyritic and reactive mine waste has increased and consequently they ensure that these issues are addressed adequately in contract documents.” Geology and Geochemistry of Acid-Forming Materials (Supervisor)

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

In addition to regularly scheduled FY 2011 courses, NTTP offered a number of special courses including a special session of the “Coalfield Communications” class for the State of Kentucky as well as a session of the “Effective Writing” class for the Crow Nation and “Blasting” for the National Park Service staff at Voyageurs National Park in International Falls, Minnesota. In FY 2012, we will hold several special sessions at the request of States and Tribes including sessions of the “Coalfield Communications” course for Virginia staff, “Effective Writing” for the Navajo Nation, reforestation workshops for Appalachian states, “Expert Witness” for OSM Western Regional office, “Permit Findings” for Utah, “AML Drilling and Grouting” for Indiana, “Acid-Forming Materials” for Montana, and “Quantitative Hydrogeology” for Pennsylvania.

**New Course Offerings:** In FY 2011, the course development team completed work on the new “Acid-Forming Materials: Soils and Overburden” course. The first regular session was held in July 2011. The course provides students with information on critical aspects of acid-forming geology, mineralogy, weathering, and subsequent impacts on reclamation planning and mitigation of mine soils and plant systems. Also in FY 2011, NTTP began work on two new courses: a “Mine Gas Workshop” that will provide students with basic information on detecting hazardous mine gases they may encounter on AML sites (first class scheduled for early Spring 2012), and “Impoundments,” which will be in development through 2012. In December 2011, the course development team will work on tools to assess the content and need for the course.

**Course Enhancements:** In addition to the new courses, revisions were made to several classes including “Bonding: Legal and Administrative Aspects” and preliminary work was done for “Bonding: Cost-Estimation.” The “Quantitative Hydrogeology” team developed plans to revise this course in 2012. We also plan to update all legal classes by the end of 2012. Course revision is an ongoing requirement that will continue through 2013. Plans are to update “Surface and Groundwater” and “Hydrologic Forensic Investigations” as resources allow.

**Plans for FY 2012 and 2013:** NTTP received approximately 2,000 requests for spaces in FY 2012, and anticipates it will receive another 200 requests for special sessions during the year. The NTTP Steering Committee, made up of OSM and State managers, will determine how additional new sessions will be added to the 41 existing regular classes already scheduled. To keep travel costs down and to provide the maximum experience of field conditions most like those that students work in, courses will be scheduled as close to home offices as possible. In FY 2011, classes were held in 24 locations in 15 states. In FY 2012, courses are scheduled for 24 locations in 14 states. In addition, OSM will hold a special course, Applied Fluvial Geomorphology, specific to streams disturbed by mining, which will train 45 students.

**Annual Program Planning to Identify Training Needs:** Each Spring OSM conducts a Training Needs Survey for the following fiscal year to determine the training needs of the 1,800 State and Tribal regulatory and reclamation staff, as well as over 500 OSM regulatory and reclamation staff. NTTP analyzes the annual survey results to determine if there is sufficient interest to justify a course, and if so, how many sessions of the course are needed. Students are assigned to classes that are closest to their office to minimize travel costs and to provide students with field experience most similar to their geographic working conditions. The number of requests for courses usually exceeds the number of spaces available by 55-60 percent, so students who are not assigned to classes are put on a waiting list. Those on the waiting list are notified 30 days prior to class if space becomes available. To address changing on-the-ground needs, NTTP staff continues to work with offices to meet subject specific needs that arise subsequent to the Needs Survey. To assure that students are receiving the latest technical and programmatic information, NTTP continually reviews courses based on student, supervisor, and instructor feedback, and revises or add courses accordingly in consultation with the NTTP Steering Committee.

*b. TIPS Software Application Training*

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

*c. Regional/Site Specific Training*

OSM regions also conduct courses and workshops at OSM, State and Tribe selected locations to address specific needs. For example, at the request of OSM field offices, five training sessions were conducted in FY 2011 by Mid-Continent Regional Office staff that provided specialized training on mobile computing software, water sampling techniques, and program amendment processing.

### **3. Technology Transfer**

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

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

*a. Reforestation Initiative*

OSM continues its effort to encourage proper reforestation practices to increase the amount of mined land reclaimed as healthy, productive forests. This effort has resulted in not only increased use of the forestry reclamation approach (FRA), but also technical and policy symposia

and a reforestation website to explain the methods and benefits of reforestation. The Appalachian Regional Reforestation Initiative (ARRI) team members give presentations at professional meetings, and the 34-member Science Team (made up of university researchers from across the country and members of the American Bird Conservancy, the American Chestnut Foundation, the US Geological Survey, and the US Forest Service) published bulletins on state-of-the-art reforestation practices. In August 2011, ARRI brought together landowners, industry representatives, environmental groups, researchers, regulatory personnel, and citizens groups in a fifth annual Mined Land Reforestation Conference in Knoxville, Tennessee, to learn about advancements regarding the use of the FRA to reclaim coal mine sites. Since 2004, about 75 million trees were planted on about 110,000 mined acres in the eastern coalfields by ARRI partners. In FY 2011, ARRI partners organized over 1,700 volunteers to plant approximately 500,000 trees on post-bond release mine sites across Appalachia. The volunteers learned about planting trees using FRA and the positive environmental and economic impacts of forests in their state. This level of planting is anticipated to maintain and increase during FY 2012 and FY 2013.

*b. Technology Transfer and Publications*

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

Workshops and Forums: National and regional workshops and forums facilitate the exchange of information between technical experts in the mining and reclamation fields, and also communicate that knowledge to the wide audience of regulators, citizens and mining company officials. OSM plans to hold workshops on issues such as mine pools, bonding, water quality, gas wells in coal mining areas, stream restoration techniques, etc. Examples of national and regional events that occurred in FY 2011 are:

- *Appalachian Stream Mitigation Workshop*: This workshop was conducted in April 2011, by the U.S. Environmental Protection Agency, the U.S. Army Corps of Engineers, OSM, and the U.S. Fish and Wildlife Service. The objective was to: (1) present information that will allow regulatory and resource agencies to improve their review of compensatory stream mitigation plans; (2) generate productive discussions among the various regulatory agencies about the challenges associated with mine site mitigation; and (3) show the types of on-site and off-site mitigation that are most successful in offsetting unavoidable impacts. The workshop was developed for state and federal regulatory and resource agencies who review, comment on, and approve compensatory mitigation plans for surface coal mining projects in Appalachia. .

- *Natural Stream Design in the Midwest Workshop*: OSM hosted this workshop, attended by 139 participants, in April of 2011. The workshop focused attention on the unique challenges and ecological benefits of utilizing natural stream design methods and practices for coal mine reclamation in the Midwest. Midwestern streams today look and function significantly different from their natural state prior to European colonization. The majority of streams in the Midwest are highly disturbed by centuries of anthropogenic impacts, predominately rooted in agriculture and navigation development. Today, mine reclamation may provide a unique opportunity to not just return a Midwestern stream to its pre-mining state, but to restore a more naturally functioning system. Due to today's modern advances in technology, it is now possible to design streams that mimic both the look and the functionality of nature. Technical sessions at the workshop included: Midwestern Stream Characteristics, Design and Engineering, Regulatory Issues, Monitoring, and Stream Reclamation Case Studies. The workshop included field tours to reclaimed stream projects, of widely varying size and age, throughout Southern Illinois and Southwestern Indiana.

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

OSM Technical Library: OSM maintains a national Library in the Denver, Colorado office. The Library provides access to technical, scientific, and legal information for the bureau, as well as the States, Tribes, industry, citizen groups, and the public through a variety of services including: reference assistance, technical research, document delivery, and the dissemination of critical current awareness information. During FY 2011, the Library fielded almost 500 requests for reference and research assistance, interlibrary loan requests, and document requests. In order to provide worldwide access to the specialized information resources in the collection, the Library maintains a web-accessible bibliographic catalog of materials, as well as hosting technical documents and OSM Federal Register notices. This allows those materials to be made directly available via the Internet to interested persons. During FY 2012, the Library will continue to explore the use of e-books and e-journals, as well as establishing policies and procedures to accomplish this effort. The Library is also a member of the newly-formed DOI Council of Libraries, and looks forward to collaboration efforts with other DOI libraries in providing resources and information across the Department in FY 2012 and FY 2013.

c. *Educational Outreach and Partnerships*

To make the public and students aware of OSM's responsibilities and its environmental stewardship mission, OSM staff provide educational outreach to science teachers associations, science classes, educational fairs, Earth Day events, career days, foreign visitors, grassroots

organizations, and professional associations and societies. Additional outreach is provided through publications and distribution of forum proceedings. Outreach efforts continued in FY 2011 with OSM's participation in local activities supporting such events as "Boys and Bugs" Summer Camp in southern Illinois, "Wednesday in the Wild" at the Lilly Nature Center in West Lafayette, Indiana, high school career days, and primary grade school presentations that provide age-appropriate information about environmental stewardship and promote careers in science, technology, engineering, and math to thousands of school children. Outreach opportunities and events are expected to continue in FY 2012 and FY 2013.

University Partnerships: Minority Higher Education Program: OSM works to build mutually beneficial partnerships with minority serving colleges and universities under the OSM Minority Higher Education Program (MHEP). In doing so, OSM collaborates with our MHEP partners on training and education programs. In addition to traditional training within the SMCRA community, the TIPS program has been involved in a collaborative partnership with MHEP Adams State College (ASC), a Hispanic Serving Institution, in Alamosa, CO, since November 2009. TIPS staff, along with ASC, share their expertise in managing educational programs and have identified several future ventures of interest to both parties. In FY 2011, TIPS instructors participated in two distance learning courses offered through ASC, and TIPS delivered one course, *"Introduction to GPS with Garmin eTrex Vista HCx"*, on-site at the ASC campus in Alamosa. Additionally, the TIPS Training Program continued its collaborative efforts with Southwestern Indian Polytechnic Institute (SIPI), a designated MHEP Tribal College or University, in Albuquerque, NM. SIPI provides TIPS a training facility and student seats in a course in exchange for TIPS providing instructors and course materials. One course, *"Trimble, Terrasync, & PF Office: Mobile Computing for Reclamation,"* was held at SIPI during FY 2011.

## **TECHNOLOGY DEVELOPMENT AND TRANSFER**

### **2012 PLANNED PROGRAM PERFORMANCE**

In 2012, the planned activities in Technology Development and Transfer include:

- Conduct a benchmarking workshop on Mine Mapping to exchange information on recent developments and innovations in GIS, and database and storage technologies.
- Continue to enter and digitize mine maps into the National Mine Map Repository database, and increase the number available to the public electronically.
- Continue the Appalachian GeoMine Pilot Project and develop a best practices report for potential nationwide implementation.
- Instruct 880 students in approximately 50 course sessions. To maximize educational experience, courses are held in students' geographic regions wherever possible. Courses will be held in 24 locations in 14 states. This also minimizes travel cost.
- Conduct timely technical assistance and technology transfer to States and Tribes to optimize the effectiveness of regulatory and reclamation programs.
- Develop a new performance measure to improve tracking of reforestation initiative accomplishments in FY 2012 and out-years.
- Achieve the goals for performance measures identified under this business line and supported the Youth Program by providing educational and employment opportunities to young adults in technical fields associated with surface coal mining regulation and reclamation.

### **2011 PROGRAM ACCOMPLISHMENTS**

In 2011, the major accomplishments in Technology Development and Transfer include:

- OSM program staff contacted or trained over 5,600 people in the advantages of using the Forestry Reclamation Approach to reforest coal mine sites and directed over 1,700 volunteers in the planting of approximately 500,000 trees on post-bond release mine sites across Appalachia.
- Conducted an Appalachian Stream Mitigation workshop in cooperation with Corps of Engineers, Environmental Protection Agency, and U.S. Fish and Wildlife Service in April 2011. The workshop was attended by 108 State and Federal personnel, and invited experts. The objective of the workshop was to present information that will allow



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regulators and resource agencies to improve their review of compensatory stream mitigation plans.

- Entered 3,646 new mine maps into the NMMR database, scanned 5,879 mine maps from the microfilm collection or from new donations, digitized 629 mine map boundaries, and geo-referenced 1,050 mine maps, in support for planned development of an online-accessible GIS identifying past underground mining locations.
- Funded 21 underground mine mapping projects from 15 state agencies. Federal funding for these projects totaled \$663,594, while the states provided \$371,524 (56% cost share) in matching funds. The 21 projects funded are expected to result in preserving and electronically distributing an estimated 7,500 historic underground mine maps.
- Supported 9 Applied Science Projects that will improve the science and technology associated with coal mining and reclamation as identified on the next page.
- Achieved the goals for performance measures identified under this business line.

**2011 Applied Science Projects Funded**

| Project Title/Contractor   | Purpose/Funding  |
|--|--|
| Effective Monitoring and Assessment of Total Dissolved Solids as a Biotic Stressor in Mining-Influenced Streams/Stephen Schoenholtz -Virginia Tech   | The study will characterize and assess mining origin TDS as a predictor or biotic response. The results will enhance the ability of regulators to predict the biotic impacts of TDS and develop strategies and methods for limiting TDS in mining runoff as needed to protect stream biota. \$198,188  |
| Impact of Increased Total Dissolved Solids in Aquatic Communities from Coal Mine Activities in Alabama/ Khalil Shujaae-Clark Atlanta University  | The study will investigate whether high conductivity mining effluents are toxic to benthic organisms in Alabama coal mine streams. The results will clarify whether metals are the main cause of aquatic biological impairment. \$195,828  |
| Correlation of TDS Release Potentials with Field Leaching Behaviors for Appalachian Coal Mine Spoils and Coarse Refuse/ W. Lee Daniels-Virginia Tech   | The study will correlate predicted TDS release behaviors with the actual amount, ionic composition, and temporal pattern of TDS release observed in field monitoring locations. The results will assist regulators in the development of spoil placement and management practices intended to control and limit TDS release by coal surface mines. \$184,060   |
| Stream Restoration - Long Term Performance: A Reassessment/Jack Nawrot-Southern Illinois University at Carbondale & USGS   | The study will assess 15 -20 year old stream reconstructions to document those factors affecting the long-term geomorphologic adjustment and biological recovery of stream function and value. The role of riparian buffer areas, wetland development, riffle and pool habitats, and deep water connectivity on water quality and the aquatic macro-invertebrate and fish community will be assessed. \$199,399  |
| Low-pH Fe(II) Oxidation for Passive Treatment of Coal Mine Drainage/ William Burgos-The Pennsylvania State University  | The study will develop a passive treatment technology for acid mine drainage (AMD) that exploits natural biological low-pH Fe(II) oxidation. It will: 1) expand the number of systems to better validate and standardize our laboratory assessment protocol; 2) measure the kinetics to determine how laboratory rates correlate to field performance; 3) develop a design equation that can be used to size aeration terraces/channels; and, 4) study the associated microbial communities and mineralogy in order to fully exploit this process for AMD passive treatment. \$200,000 |
| Improved Sulfate-reducing Bioreactors for the Remediation of High Total Dissolved Solids Drainage Associated with Coal Mining and Processing in the U.S./Liliana Lefticariu-Southern Illinois University at Carbondale | This study will evaluate bioreactor treatment processes and technology improvements including solar-powered automation and semi-passive treatment using low-cost waste materials as a carbon source. New system evaluation methods, including applications of isotope geochemistry,  |

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|   | organic geochemistry, and microbiology, will be employed to assess, monitor, and improve the efficiency of the bioreactor treatment processes. \$190,541  |
| Aerating Off the Grid: Advancing Passive Treatment with Solar and Wind Power/Robert Nairn-University of Oklahoma                | The study will advance the treatment effectiveness of abandoned coal mine drainage passive treatment systems by examining, understanding and improving aeration in both oxidation and re-aeration ponds. \$200,000  |
| TROMPE From the Past Will Come the Future/Margaret Dunn-Stream Restoration Inc.   | The study will design and construct a “trompe” uses falling water to entrain air for a passive treatment plant at a remote location to facilitate iron oxidation. \$119,000   |
| Identifying Effective Strategies for Controlling Annual Bromes on Mine Lands/Matthew Rinella-USDA Agricultural Research Service | The results of this study will be to develop a fully parameterized model that forecasts levels of annual brome invasion resulting from specified reclamation plans. Annual brome forecasts will be made available to all relevant parties in an easy-to-use format. \$161,428 |

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| <b>Goal Performance Table</b>  |                                     |                    |                    |                    |                    |                  |                    |                  |                  |                                      |                              |
|--|-------------------------------------|--------------------|--------------------|--------------------|--------------------|------------------|--------------------|------------------|------------------|--------------------------------------|------------------------------|
| <b>Mission Area 1: Provide Natural and Cultural Resource Protection and Experiences</b>                                |                                     |                    |                    |                    |                    |                  |                    |                  |                  |                                      |                              |
| <b>Goal # 1: Protect America’s Landscapes</b>  |                                     |                    |                    |                    |                    |                  |                    |                  |                  |                                      |                              |
| <b>Mission Area 2: Sustainably Manage Energy, Water, and Natural Resources</b>   |                                     |                    |                    |                    |                    |                  |                    |                  |                  |                                      |                              |
| <b>Goal #1: Secure America’s Energy Resources</b>  |                                     |                    |                    |                    |                    |                  |                    |                  |                  |                                      |                              |
| <b>Supporting Performance Measures</b>   | <b>Type</b>                         | <b>2007 Actual</b> | <b>2008 Actual</b> | <b>2009 Actual</b> | <b>2010 Actual</b> | <b>2011 Plan</b> | <b>2011 Actual</b> | <b>2012 Plan</b> | <b>2013 Plan</b> | <b>Change from 2012 Plan to 2013</b> | <b>Long-Term Target 2016</b> |
| Customer service rate in the quality of technical assistance. (Applies to both Mission Areas.) (BUR)                   |                                     | 99%                | 96%                | 100%               | 100%               | 96%              | 100%               | 97%              | 98%              | +1%                                  | 100%                         |
| Contributing Programs  | Technology Development and Transfer |                    |                    |                    |                    |                  |                    |                  |                  |                                      |                              |
| Percent satisfaction with the scientific and technical products and assistance. (Applies to both Mission Areas.) (BUR) | A                                   | 92%                | 92%                | 99%                | 99%                | 96%              | 100%               | 96%              | 97%              | +1%                                  | 97%                          |
| Contributing Programs  | Technology Development and Transfer |                    |                    |                    |                    |                  |                    |                  |                  |                                      |                              |
| Customer effectiveness rate in the quality of technical training – NTTP. (Applies to both Mission Areas.) (BUR)        | A                                   | 96%                | 96%                | 95%                | 97%                | 93%              | 95%                | 93%              | 93%              | 0%                                   | 93%                          |
| Contributing Programs  | Technology Development and Transfer |                    |                    |                    |                    |                  |                    |                  |                  |                                      |                              |
| Number of students trained – NTTP. (Applies to both Mission Areas.) (BUR)  | A                                   | 1,746              | 1,426              | 1,053              | 1,027              | 950              | 768                | 850              | 850              | 0                                    | 850                          |
| Contributing Programs  | Technology Development and Transfer |                    |                    |                    |                    |                  |                    |                  |                  |                                      |                              |
| Customer satisfaction rate for TIPS training. Applies to both Mission Areas.) (BUR)                                    | A                                   | 90%                | 97%                | 96%                | 98%                | 93%              | 96%                | 93%              | 93%              | 0%                                   | 93%                          |
| Contributing Programs  | Technology Development and Transfer |                    |                    |                    |                    |                  |                    |                  |                  |                                      |                              |

Office of Surface Mining Reclamation and Enforcement

| <b>Goal Performance Table</b>   |                                     |                    |                    |                    |                    |                  |                    |                  |                  |                                      |                              |
|---|-------------------------------------|--------------------|--------------------|--------------------|--------------------|------------------|--------------------|------------------|------------------|--------------------------------------|------------------------------|
| <b>Mission Area 1: Provide Natural and Cultural Resource Protection and Experiences</b> |                                     |                    |                    |                    |                    |                  |                    |                  |                  |                                      |                              |
| <b>Goal # 1: Protect America's Landscapes</b>   |                                     |                    |                    |                    |                    |                  |                    |                  |                  |                                      |                              |
| <b>Mission Area 2: Sustainably Manage Energy, Water, and Natural Resources</b>          |                                     |                    |                    |                    |                    |                  |                    |                  |                  |                                      |                              |
| <b>Goal #1: Secure America's Energy Resources</b>                                       |                                     |                    |                    |                    |                    |                  |                    |                  |                  |                                      |                              |
| <b>Supporting Performance Measures</b>  | <b>Type</b>                         | <b>2007 Actual</b> | <b>2008 Actual</b> | <b>2009 Actual</b> | <b>2010 Actual</b> | <b>2011 Plan</b> | <b>2011 Actual</b> | <b>2012 Plan</b> | <b>2013 Plan</b> | <b>Change from 2012 Plan to 2013</b> | <b>Long-Term Target 2016</b> |
| Contributing Programs   | Technology Development and Transfer |                    |                    |                    |                    |                  |                    |                  |                  |                                      |                              |
| Customer satisfaction in the quality and timeliness of AVS provided services. (BUR)     | A                                   | 98%                | 98%                | 98%                | 98%                | 96%              | 99%                | 96%              | 96%              | 0%                                   | 96%                          |
| Contributing Programs   | Technology Development and Transfer |                    |                    |                    |                    |                  |                    |                  |                  |                                      |                              |

**FINANCIAL MANAGEMENT**

## Financial Management Summary of Budget Request

| (dollars in thousands)                     | 2011<br>Actual   | 2012<br>Enacted  | 2013  |                             |                   |                                 |
|--|------------------|------------------|---|-----------------------------|-------------------|---------------------------------|
|  |                  |                  | Fixed<br>Costs &<br>Related<br>Changes<br>(+/-) | Program<br>Changes<br>(+/-) | Budget<br>Request | Change<br>From<br>2012<br>(+/-) |
| <b>Regulation and<br/>Technology</b>       | <b>513</b>       | <b>505</b>       | <b>0</b>  | <b>0</b>                    | <b>505</b>        | <b>0</b>                        |
| Revenue Management                         | 415              | 410              | 0   | 0                           | 410               | 0                               |
| <i>FTE</i>                                 | <i>1</i>         | <i>1</i>         |   |                             | <i>1</i>          | <i>0</i>                        |
| Grants Financial<br>Management             | 98               | 95               | 0   | 0                           | 95                | 0                               |
| <i>FTE</i>                                 | <i>1</i>         | <i>1</i>         |   |                             | <i>1</i>          | <i>0</i>                        |
| <b>Abandoned Mine<br/>Reclamation Fund</b> | <b>6,443</b>     | <b>6,396</b>     | <b>+59</b>                                      | <b>0</b>                    | <b>6,455</b>      | <b>+59</b>                      |
| Fee Compliance                             | 6,347            | 6,302            | +56   | 0                           | 6,358             | +56                             |
| <i>FTE</i>                                 | <i>40</i>        | <i>40</i>        |   |                             | <i>40</i>         | <i>0</i>                        |
| Grants Financial<br>Management             | 96               | 94               | +3  | 0                           | 97                | +3                              |
| <i>FTE</i>                                 | <i>1</i>         | <i>1</i>         |   |                             | <i>1</i>          | <i>0</i>                        |
| <b>Total, Financial<br/>Management</b>     | <b>6,956</b>     | <b>6,901</b>     | <b>+59</b>                                      | <b>0</b>                    | <b>6,960</b>      | <b>+59</b>                      |
| <b><i>Total FTE</i></b>                    | <b><i>43</i></b> | <b><i>43</i></b> | <b><i>0</i></b>                                 | <b><i>0</i></b>             | <b><i>43</i></b>  | <b><i>0</i></b>                 |

Fixed Costs and Related Changes resulted in a net increase of \$59,000. Fixed Costs are covered with increases for the FY2013 pay raise of 0.5% (\$18,000), the change in pay days (\$19,000), and health plan costs (\$22,000).

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## Overview

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

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

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

**Operational Processes (Program Activities):**

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

The outcome of OSM's Financial Management program performance is mostly measured by the success of the Surface Mining Program in carrying out the two major missions of the organization -- Environmental Restoration and Environmental Protection. The Financial Management business line is an integral part and supports accomplishment of both missions. Workload indicators identified for this business line include the quarterly fee collection reports and fee collection rate for operators reporting coal tonnage, internal audits for fee collection and compliance, and accounting and reporting requirements.

|  |
|--|
| <p style="text-align: center;"><b>Fee Compliance</b></p> <ul style="list-style-type: none"><li>• <i>Company Reporting</i></li><li>• <i>Collection</i></li><li>• <i>Accounting</i></li><li>• <i>Audits</i></li><li>• <i>Investment of AML Fees</i></li><li>• <i>Compliance Assistance to Operators</i></li><li>• <i>Development of Regulatory and Policy Issues</i></li></ul> <p style="text-align: center;"><b>Grants Management</b></p> <ul style="list-style-type: none"><li>• <i>Accounting and Reporting</i></li></ul> <p style="text-align: center;"><b>Revenue Management</b></p> <ul style="list-style-type: none"><li>• <i>Accounting and collection of revenue other than AML fees (e.g. civil penalties and Federal performance bonds)</i></li></ul> |
|--|

**Actions Required to Achieve Annual Goals:** OSM will use technology and customer service initiatives to increase compliance and improve processing of collections. This includes using the Internet to ease the coal companies' reporting burden, receive quarterly coal production reports, provide information to companies, and allow companies to make payments on-line. OSM will continue to use new and streamlined collection services as they become available and will work with customers and stakeholders to ensure fair and consistent policies.

In FY 2012 and 2013, OSM will continue to pursue opportunities to participate in e-government projects, such as the Single Source Coal Reporting project, a component of the Small Business Administration's Business Gateway initiative. OSM will also maintain and improve its Coal Fee Collection Management System (CFCMS), which consolidated three outdated subsidiary systems into one contemporary system. CFCMS supports the continued success of the fee compliance program. OSM has over 241 grants and cooperative agreements with the States and Tribes, accounting for over \$800 million.

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

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



## **2013 Program Performance**

### **1. Fee Compliance**

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

OSM's Fee Compliance Program carries out SMCRA's requirements to ensure coal operators accurately report tonnage and pay reclamation fees. The program goal is to maximize compliance by fairly and consistently applying policy and collection procedures at a reasonable cost. In FY 2011, the program achieved a 99.97 percent collection rate resulting in \$259.9 million in total collections. Collections increased from FY 2010 due to the increase in coal production in FY 2011. The program achieved a 99.83 percent compliance rate for operators filing their tonnage reports after working closely with the industry. Total permits are adjusted for inactivated permits. OSM also increased the percentage of permits that filed OSM-1 Reports electronically, from 82.3 percent in FY 2010 to 85.14 percent in FY 2011. We expect a smaller increase in electronic filings in FY 2012 because we are reaching the saturation point for electronic filing. OSM's new Bureau goal for the program is to increase the percent of payments processed automatically. During FY 2011, OSM automated the payment application process for check payments which resulted in 65.4 percent of automatic payments, or 5 percent more than the goal. In terms of efficiency, the total direct program cost was less than two percent of the amount collected.

The Fee Compliance Program is comprised of two highly integrated components, -- collections and audits -- that work hand-in-hand to maximize compliance, minimize the burden on industry, and ensure the efficient use of resources. For example, key initiatives that these components will pursue in FY 2013 include:

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

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

*a. AML Fee Collection*

The collection component assures that the AML Fee payment requirements of SMCRA are consistently and fairly applied across the country. In FY 2011 OSM collected 99.97 percent of the AML Fees due during the year. Total AML Fee collections were \$259.9 million.

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

Over 2,600 permits are reported on OSM-1 reports and processed each quarter. OSM uses an internet-based system to allow coal companies to file their quarterly coal production reports electronically. Companies report that the system saves them time and money. This is evidenced by the fact that over 528 companies voluntarily use the E-filing system. The companies use the system to report on over 2,139 permits and 98% of the coal tonnage produced in the country. The system helps streamline the reporting process, makes it easier for companies to report on time, reduces errors, and makes it easier to follow-up with companies that have not reported. The system also allows companies to make payment online, using the Treasury Department's Pay.Gov payment method. This feature saves companies time and wire transfer costs, while providing OSM with faster information about collections for investment purposes.

OSM completed its second year of operation under the second phase of the Coal Fee Collection Management System (CFCMS) in 2011. The Coal Fee Collection Management System assures the ongoing support for the Fee Compliance Program. During FY 2011, OSM automated the payment application process for check payments. As a result, 65.4% of payments were processed automatically during the year. OSM also implemented a streamlined document imaging process that reduced document imaging time by over 50%. During FY 2012, OSM plans to streamline related business processes and implement improvements to the CFCMS system such as automating FedWire payments to Treasury, and e-filed tonnage information so that they automatically post to CFCMS.

OSM will continue to enhance the CFCMS system during FY 2013 to realize efficiencies in its processes and maximize the return on this investment.

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

*b. AML Fee Audit*

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

The audit staff is strategically stationed in locations which minimize travel costs to coal company's recordkeeping locations. Over 60% of the audit staff is a full time teleworker, with no bricks and mortar office – significantly reducing general services costs. To ensure quality, audits are performed in accordance with Government Auditing Standards issued by the Comptroller General of the United States. The continuing professional education and training of OSM's auditing staff is emphasized in accordance with those standards.

By structuring the audit program so that all companies have the potential to be audited, an effective deterrent to noncompliance is always present. To support the program goal of maximizing compliance, OSM auditors will conduct more than 160 audits and compliance checks in FY 2013. Beyond the deterrent effect, this provides an opportunity to directly assist industry on accounting and reporting matters. For example, when instances of non-compliance are identified, the auditors explain each issue and how similar occurrences can be avoided in the future.

Auditors also provide several other services necessary to achieve a high level of compliance. The following are a few examples of the work planned for FY 2013.

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

*Office of Surface Mining Reclamation and Enforcement*

- *Examining all permit transactions recorded by regulatory authorities:* The audit staff will need to review more than 1,500 newly issued coal mining permits and transactions (transfers and amendments), which can affect the parties responsible for paying fees. In FY 2011, the staff handled 1,701 permit transactions. By continuing these efforts, the program provides greater assurance that all producing permits are identified in a timely manner, and operators are informed of their reporting and payment responsibilities.
- *Developing necessary revisions to the fee requirements and process:* The auditors have the most direct contact with operators and the subject-matter expertise to identify, develop, test, and implement any needed changes. This is part of an ongoing effort to ensure fairness and a level playing field among all operators in paying fees.
- *Promoting E-government:* This work will cover promoting electronic tonnage reporting and fee payment by demonstrating the systems for companies during audits and notifying the collection staff of those interested in enrolling.
- *Coordinating work with the Internal Revenue Service:* OSM will continue working with the IRS to ensure the fee compliance and coal excise tax compliance programs function together more efficiently. SMCRA requires OSM to forward audit results to the IRS and both agencies coordinate issues affecting the industry.

Overall, there also will be a continued emphasis on improving compliance and customer service in FY 2013 and beyond.

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

|              | 2011<br>Actuals | 2011 Projections<br><i>(as submitted in FY<br/>2010)</i> |     | 2012<br>Projections |     | 2013<br>Projections |     | 2014<br>Projections |     |
|--------------|-----------------|--|-----|---------------------|-----|---------------------|-----|---------------------|-----|
|              |                 | DOE  | OSM | DOE                 | OSM | DOE                 | OSM | DOE                 | OSM |
| Production * |                 |  |     |                     |     |                     |     |                     |     |
| Underground  | 329             | 316  | 338 | 333                 | 317 | 320                 | 305 | 313                 | 298 |
| Surface      | 658             | 726  | 687 | 651                 | 662 | 653                 | 666 | 646                 | 658 |
| Lignite      | 80              | 78   | 76  | 72                  | 82  | 72                  | 82  | 73                  | 83  |
| AML Fees **  | \$259.9         | \$269.2  |     | \$259.6             |     | \$230.3             |     | \$227.6             |     |

*\*DOE Production is based on the Department of Energy (DOE) Table 140“Annual Energy Outlook 2011, Reference Case Forecast”. OSM tonnage uses the last reported production (Fiscal Year 2011) and then increases or decreases based on the percentage increase or decrease in DOE production for each coal type. The OSM projections are usually lower because AML fees are assessed on the tonnage sold, used, or transferred while the DOE figures are based on the tonnage produced.*

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

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

| Fiscal Year   | Receipts and Interest Income |                 |            | Appropriations                       |          |                                      | Transfer To UMWA Health & Retirement Funds | Cumulative Appropriated Balance | Cumulative Unappropriated AML Fund Balance |
|---|------------------------------|-----------------|------------|--------------------------------------|----------|--------------------------------------|--|---------------------------------|--|
|   | Amount                       | Interest Earned | Cumulative | Amount Appropriated from AML Fund /1 | footnote | Appropriations from Other Sources /2 |  |                                 |  |
| 1978  | 105,444                      |                 | 105,444    | 36,647                               |          |                                      |  | 36,647                          | 68,797                                     |
| 1979  | 184,433                      |                 | 289,877    | 61,451                               |          |                                      |  | 98,098                          | 191,779                                    |
| 1980  | 199,000                      |                 | 488,877    | 94,843                               |          |                                      |  | 192,941                         | 295,936                                    |
| 1981  | 192,657                      |                 | 681,534    | 82,485                               |          |                                      |  | 275,426                         | 406,108                                    |
| 1982  | 222,644                      |                 | 904,178    | 115,333                              |          |                                      |  | 390,759                         | 513,419                                    |
| 1983  | 197,196                      |                 | 1,101,374  | 213,079                              |          |                                      |  | 603,838                         | 497,536                                    |
| 1984  | 216,554                      |                 | 1,317,928  | 271,228                              |          |                                      |  | 875,066                         | 442,862                                    |
| 1985  | 226,426                      |                 | 1,544,354  | 296,941                              |          |                                      |  | 1,172,007                       | 372,347                                    |
| 1986  | 219,162                      |                 | 1,763,516  | 197,277                              |          |                                      |  | 1,369,284                       | 394,232                                    |
| 1987  | 215,304                      |                 | 1,978,820  | 203,720                              |          |                                      |  | 1,573,004                       | 405,816                                    |
| 1988  | 229,890                      |                 | 2,208,710  | 199,380                              | /1       | 7,000                                |  | 1,772,384                       | 436,326                                    |
| 1989  | 235,493                      |                 | 2,444,203  | 193,160                              |          |                                      |  | 1,965,544                       | 478,659                                    |
| 1990  | 243,519                      |                 | 2,687,722  | 192,772                              |          |                                      |  | 2,158,316                       | 529,406                                    |
| 1991  | 243,761                      |                 | 2,931,483  | 198,955                              |          |                                      |  | 2,357,271                       | 574,212                                    |
| 1992  | 241,954                      | 39,328          | 3,212,765  | 187,803                              |          |                                      |  | 2,545,074                       | 667,691                                    |
| 1993  | 238,153                      | 30,633          | 3,481,551  | 187,930                              |          |                                      |  | 2,733,004                       | 748,547                                    |
| 1994  | 244,296                      | 40,090          | 3,765,937  | 190,107                              | /2       | 7,200                                |  | 2,923,111                       | 842,826                                    |
| 1995  | 255,416                      | 61,730          | 4,083,083  | 182,386                              |          |                                      |  | 3,105,497                       | 977,586                                    |
| 1996  | 256,451                      | 69,383          | 4,408,917  | 173,887                              |          |                                      | 47,184                                     | 3,326,568                       | 1,082,349                                  |
| 1997  | 266,783                      | 81,006          | 4,756,706  | 177,085                              |          |                                      | 31,374                                     | 3,535,027                       | 1,221,679                                  |
| 1998  | 273,039                      | 67,031          | 5,096,776  | 177,624                              | /3       | 3,163                                | 32,562                                     | 3,745,213                       | 1,351,563                                  |
| 1999  | 276,674                      | 82,831          | 5,456,281  | 185,392                              |          |                                      | 81,766                                     | 4,012,371                       | 1,443,910                                  |
| 2000  | 274,297                      | 94,370          | 5,824,948  | 195,873                              | /4       |                                      | 108,959                                    | 4,317,203                       | 1,507,745                                  |
| 2001  | 284,044                      | 103,496         | 6,212,488  | 215,038                              | /5       |                                      | 182,018                                    | 4,714,259                       | 1,498,229                                  |
| 2002  | 287,066                      | 43,278          | 6,542,832  | 203,455                              | /6       |                                      | 90,179                                     | 5,007,893                       | 1,534,939                                  |
| 2003  | 282,555                      | 23,620          | 6,849,007  | 190,499                              | /7       |                                      | 89,858                                     | 5,288,250                       | 1,560,757                                  |
| 2004  | 287,023                      | 45,694          | 7,181,724  | 190,591                              |          |                                      | 14,966                                     | 5,493,807                       | 1,687,917                                  |
| 2005  | 293,604                      | 75,017          | 7,550,345  | 188,205                              |          |                                      | 66,533                                     | 5,748,545                       | 1,801,800                                  |
| 2006  | 302,992                      | 95,687          | 7,949,024  | 185,248                              |          |                                      | 59,004                                     | 5,992,797                       | 1,956,227                                  |
| 2007  | 304,880                      | 105,818         | 8,359,722  | 185,393                              |          |                                      | 114,329                                    | 6,292,519                       | 2,067,203                                  |
| 2008  | 286,272                      | 83,764          | 8,729,758  | 139,334                              | /8       |                                      | 100,394                                    | 6,532,247                       | 2,197,511                                  |
| 2009  | 272,764                      | 55,465          | 9,057,987  | 142,977                              | /9       |                                      | 61,224                                     | 6,736,448                       | 2,321,539                                  |
| 2010  | 251,784                      | 55,193          | 9,364,964  | 177,502                              | /10      |                                      | 63,926                                     | 6,977,876                       | 2,387,088                                  |
| 2011  | 259,935                      | 54,881          | 9,679,780  | 185,649                              | /11      |                                      | 57,246                                     | 7,220,771                       | 2,459,009                                  |
| 2012  | 259,592                      | 53,978          | 9,993,350  | 247,543                              |          |                                      | 48,430                                     | 7,516,744                       | 2,476,606                                  |
| 2013  | 230,335                      | 54,967          | 10,278,652 | 248,643                              |          |                                      | 79,514                                     | 7,844,901                       | 2,433,751                                  |
|   |                              |                 |            |                                      |          |                                      |  |                                 |  |
| /1 Total does not include \$7M transferred into the fund by supplemental authority, which does not affect the Unappropriated Balance. |                              |                 |            |                                      |          |                                      |  |                                 |  |
| /2 Total includes \$7.2 M transferred into the fund by supplemental authority, which does not affect the Unappropriated Balance.      |                              |                 |            |                                      |          |                                      |  |                                 |  |
| /3 Total does not include 3.2M transferred into the fund by supplemental authority, which does not affect the Unappropriated Balance. |                              |                 |            |                                      |          |                                      |  |                                 |  |
| /4 Total includes one-time \$68M emergency appropriation, as well as the annual appropriation of \$41m.                               |                              |                 |            |                                      |          |                                      |  |                                 |  |
| /5 Total includes annual amount of \$102.9M, as well as \$81.6M of the one-time \$96.7M mandated under PL 106-291.                    |                              |                 |            |                                      |          |                                      |  |                                 |  |
| /6 Total includes annual amount of \$113.6M, less \$23.4M returned by UMWACBF trustees mandated under PL 106-291.                     |                              |                 |            |                                      |          |                                      |  |                                 |  |
| /7 Total includes annual amount of \$56M as well as \$33.8M mandated under PL108-7.   |                              |                 |            |                                      |          |                                      |  |                                 |  |
| /8 Total includes annual amount of \$52M as well as \$87.4M mandated under PL 109-432.  |                              |                 |            |                                      |          |                                      |  |                                 |  |
| /9 Total includes annual amount of \$52M as well as \$90M mandated under PL 109-432.  |                              |                 |            |                                      |          |                                      |  |                                 |  |
| /10 Total includes annual amount of \$35.5M as well as \$141.9M mandated under PL 109-432.  |                              |                 |            |                                      |          |                                      |  |                                 |  |
| /11 Total includes annual amount of \$35.5M as well as \$150.1M mandated under PL 109-432   |                              |                 |            |                                      |          |                                      |  |                                 |  |
| Notes: FY 2012 figures are estimates except for the UMWA transfer. FY 2013 figures are estimates                                      |                              |                 |            |                                      |          |                                      |  |                                 |  |

## **2. Grant Financial Management**

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

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

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

In FY 2007, OSM completed its deployment process to convert its accounting systems to the Department's Financial and Business Management System (FBMS). In FY 2010, FBMS converted from the EGrants Plus grants management system to PRISM to facilitate all functions related to the administration of financial assistance programs. This conversion allowed for a real time interface to occur with grant awards. PRISM also enhances reporting and monitoring functions. As of FY 2011 PRISM is the new system of record for all administrative functions related to financial assistance programs. As new bureaus convert to FBMS in the coming years, OSM will continue to go through enhancement deployments.

Table 10 on the following page details the AML Unappropriated Balance as of September 30, 2011, by a description of its allocation.

Office of Surface Mining Reclamation and Enforcement

Table 10

**Office Of Surface Mining**  
**AML Unappropriated Balance**  
**September 30, 2011**  
 Prepared by the Division of Financial Management

**Total Funds to be Allocated: \$2,459,004,196.56**

| Description of Allocation        | Balance as of 10/01/10 1/ | LESS: 2011 Appropriation  | LESS: 2011 Treasury Funds | LESS: 2011 5/ UMWBF Transfer | Post Appr. & Trans. Balance | Investment Int. 10/01/10-09/30/11 | Collections for 10/01/10-09/30/11 | Balance As Of 09/30/11    |
|----------------------------------|---------------------------|---------------------------|---------------------------|------------------------------|-----------------------------|-----------------------------------|-----------------------------------|---------------------------|
| RAMP Allocation 6/               | \$0.00                    |                           |                           |                              | \$0.00                      |                                   |                                   | \$0.00                    |
| Federal Expense 2/ 6/            | \$404,847,523.87          | (\$47,890,739.00)         |                           |                              | \$356,956,784.87            |                                   | \$52,029,607.33                   | \$408,986,392.20          |
| Historical Coal 3/               | \$856,725,660.73          | (\$100,979,663.00)        | \$245,425,134.00          |                              | \$1,001,171,131.73          |                                   | \$78,044,410.99                   | \$1,079,215,542.72        |
| Investment Interest              | \$139,742,211.18          |                           |                           | (\$57,246,486.91)            | \$82,495,724.27             | \$54,881,226.31                   | \$0.00                            | \$137,376,950.58          |
|                                  |                           |                           |                           |                              | \$1,440,623,640.87          |                                   | \$130,074,018.32                  | \$1,625,578,885.50        |
| <b>Total Fed Share 1/ and 4/</b> | <b>\$1,401,315,395.78</b> | <b>(\$148,870,402.00)</b> | <b>\$245,425,134.00</b>   | <b>(\$57,246,486.91)</b>     | <b>\$1,440,623,640.87</b>   | <b>\$54,881,226.31</b>            | <b>\$130,074,018.32</b>           | <b>\$1,625,578,885.50</b> |
| <b>Total State Share</b>         | <b>\$985,767,895.82</b>   | <b>(\$36,778,652.00)</b>  | <b>(\$245,425,134.00)</b> | <b>\$0.00</b>                | <b>\$703,564,109.82</b>     | <b>\$0.00</b>                     | <b>\$129,861,201.24</b>           | <b>\$833,425,311.06</b>   |
| <b>Total</b>                     | <b>\$2,387,083,291.60</b> | <b>(\$185,649,054.00)</b> | <b>\$0.00</b>             | <b>(\$57,246,486.91)</b>     | <b>\$2,144,187,750.69</b>   | <b>\$54,881,226.31</b>            | <b>\$259,935,219.56</b>           | <b>\$2,459,004,196.56</b> |

- 1/ With Public Law 106-291, Congress authorized a transfer to the United Mine Workers Combined Benefit Fund using interest earned in FY 1992-1995. \$78,976,478.05 (net of \$173,996.17, a Congressionally reduced appropriation, subsequently restored) was transferred under this law, \$23,427,452.36 (net) was returned to OSM in 2002, leaving a remaining balance in this pool of \$41,133,755.64. Due to a downturn in interest rates, this pool is now depleted
- 2/ The Federal Expense Distribution was calculated using 2005 distribution levels
- 3/ The Historical Coal Distribution was calculated using 2005 distribution levels
- 4/ This amount includes interest income received of \$39,328,466.11 prior to 10/01/92. Per Congressional appropriation language, OSM used \$7,000,000 of that leaving remaining interest earned of \$32,328,486.11.
- 5/ \$59,003,832.73 is the amount transferred at the beginning of FY 2006 to the United Mine Workers Benefit Fund for estimated expenses in FY 2006 and for adjustments to actual expenditures in FY 1996 through FY 2005, inclusive
- 6/ Public Law 109-54 provided for a one time transfer of the RAMP balance g(2) as of September 30 to the Federal Expense account g(3). The balance at September 30, 2005 was \$361,118,412.64.



### **3. Revenue Management**

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

- Federal civil penalties issued for mining violations. The total outstanding balance of open civil penalty cases was \$ 86,013 at the end of FY 2011, including interest and late charges. New civil penalties recorded in FY 2011 totaled \$366,109, a 22% increase from FY 2010.
- Bond forfeitures by federally permitted mining companies.
- Fees for mine permit reviews and blaster certification training.

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

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

During 2012-2013 OSM will continue to refer civil penalty debt that is more than 180 days delinquent to the Department of Treasury for collection, in accordance with the Debt Collection Improvement Act of 1996. OSM has a memorandum of understanding with the Department of Treasury whereby they will provide collection services on debts over 180 days delinquent. During FY 2011, OSM referred 100 percent of qualifying civil penalty debts to Treasury.

## **FINANCIAL MANAGEMENT**

### **2012 PLANNED PROGRAM PERFORMANCE**

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

- Continue with efficiencies in automated payments and processes.
- Continue to promote electronic payments.
- Achieve the goals for performance measures identified under this business line and support the Youth Program by providing educational and employment opportunities to young adults in administrative, accounting, and auditing fields.

### **2011 PROGRAM ACCOMPLISHMENTS**

In 2011, the major accomplishments in the Financial Management program activity include:

- Collected \$259.9 million in coal reclamation fees resulting in a collection rate of 99.9 percent.
- Completed a complete year of operation of Phase 2 of the Coal Fee Collection Management System which replaced three outdated collection systems with one contemporary system.
- Increased the enrollment in E-filing to 85.14% of the active reporting permits are reported electronically through OSM's internet-based coal reclamation fee system.
- Increased the use of the Treasury's Pay.Gov system to 65.4% of coal reclamation fees were paid electronically through this efficient method.

Office of Surface Mining Reclamation and Enforcement

| <b>Goal Performance Table</b>   |  |                    |                    |                    |                    |                  |                    |                  |                  |                                      |                              |
|---|--|--------------------|--------------------|--------------------|--------------------|------------------|--------------------|------------------|------------------|--------------------------------------|------------------------------|
| <b>Mission Area 1: Provide Natural and Cultural Resource Protection and Experiences</b> |  |                    |                    |                    |                    |                  |                    |                  |                  |                                      |                              |
| <b>Goal # 1: Protect America's Landscapes</b>   |  |                    |                    |                    |                    |                  |                    |                  |                  |                                      |                              |
| <b>Supporting Performance Measures</b>  | <b>Type</b>  | <b>2007 Actual</b> | <b>2008 Actual</b> | <b>2009 Actual</b> | <b>2010 Actual</b> | <b>2011 Plan</b> | <b>2011 Actual</b> | <b>2012 Plan</b> | <b>2013 Plan</b> | <b>Change from 2012 Plan to 2013</b> | <b>Long-Term Target 2016</b> |
| Increase the number of permits reporting by e-filing. (BUR)                             |  | 69%                | 73%                | 76%                | 82%                | 85%              | 85%                | ---              | ---              | ---                                  | ---                          |
| Contributing Programs   | Financial Management   |                    |                    |                    |                    |                  |                    |                  |                  |                                      |                              |
| Comments  | OSM discontinued this measure because of the relatively high rate of e-filing participation, diminishing returns from efforts to encourage increased e-filing, and better measures of performance. It is replaced with a new measure, Percent of Payments Processed Automatically shown below. |                    |                    |                    |                    |                  |                    |                  |                  |                                      |                              |
| Percent of Payments Processed Automatically. (BUR)                                      | A  | N/A                | N/A                | N/A                | 36%                | 48%              | 65%                | 65%              | 72%              | +7%                                  | 86%                          |
| Contributing Programs   | Financial Management   |                    |                    |                    |                    |                  |                    |                  |                  |                                      |                              |
| Comments  | This measure replaced the e-filing rate measure above. In FY 2011, of the 5,879 payments received, 3,844 were processed automatically.   |                    |                    |                    |                    |                  |                    |                  |                  |                                      |                              |
| AML Fee Collection rate. (BUR)  | A  | 99.9%              | 99.9%              | 99.8%              | 99.9               | 99%              | 100%               | 99%              | 99%              | 0%                                   | 99%                          |
| Contributing Programs   | Financial Management   |                    |                    |                    |                    |                  |                    |                  |                  |                                      |                              |

**EXECUTIVE DIRECTION**

## Executive Direction Summary of Budget Request

| (dollars in thousands)                     | 2011<br>Actual | 2012<br>Enacted | 2013  |                             |                   |                                 |
|--|----------------|-----------------|---|-----------------------------|-------------------|---------------------------------|
|  |                |                 | Fixed<br>Costs &<br>Related<br>Changes<br>(+/-) | Program<br>Changes<br>(+/-) | Budget<br>Request | Change<br>From<br>2012<br>(+/-) |
| <b>Regulation and Technology</b>           | <b>16,219</b>  | <b>15,921</b>   | <b>+188</b>                                     | <b>0</b>                    | <b>16,109</b>     | <b>+188</b>                     |
| Executive Direction                        | 2,678          | 2,654           | +36   | 0                           | 2,690             | +36                             |
| <i>FTE</i>                                 | 25             | 25              | 0   | 0                           | 25                | 0                               |
| Administrative Support                     | 4,446          | 4,414           | +49   | 0                           | 4,463             | +49                             |
| <i>FTE</i>                                 | 34             | 35              | 0   | 0                           | 35                | 0                               |
| General Services                           | 9,095          | 8,853           | +103  | 0                           | 8,956             | +103                            |
| <i>FTE</i>                                 | 0              | 0               | 0   | 0                           | 0                 | 0                               |
| <b>Abandoned Mine<br/>Reclamation Fund</b> | <b>8,308</b>   | <b>7,979</b>    | <b>+96</b>                                      | <b>0</b>                    | <b>8,075</b>      | <b>+96</b>                      |
| Executive Direction                        | 1,426          | 1,413           | +20   | 0                           | 1,433             | +20                             |
| <i>FTE</i>                                 | 14             | 14              | 0   | 0                           | 14                | 0                               |
| Administrative Support                     | 2,340          | 2,323           | +27   | 0                           | 2,350             | +27                             |
| <i>FTE</i>                                 | 18             | 19              | 0   | 0                           | 19                | 0                               |
| General Services                           | 4,542          | 4,243           | +49   | 0                           | 4,292             | +49                             |
| <i>FTE</i>                                 | 0              | 0               | 0   | 0                           | 0                 | 0                               |
| <b>Total, Executive Direction</b>          | <b>24,527</b>  | <b>23,900</b>   | <b>+284</b>                                     | <b>0</b>                    | <b>24,184</b>     | <b>+284</b>                     |
| <b>Total FTE</b>                           | <b>91</b>      | <b>93</b>       | <b>0</b>  | <b>0</b>                    | <b>93</b>         | <b>0</b>                        |

Fixed Costs and Related Changes resulted in a net increase of \$284,000. Fixed Costs are covered with increases for the FY2013 pay raise of 0.5% (\$40,000), the change in pay days (\$44,000), worker's compensation (\$49,000), unemployment compensation (\$5,000), health plan costs (\$48,000) working capital fund (\$4,000), and IT transformation (\$185,000); and a decrease in the GSA space rent rate of \$91,000.

## Overview

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

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

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

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

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

The Offices in the Executive Direction business line performance is an integral component of OSM's Environmental Restoration and Environmental Protection mission goal areas; and the technology development and transfer and finance support functions. Through accomplishment of OSM's two mission goals the business line supports the Departmental Mission Goals to Protect America's Landscapes, Secure America's Energy Resources, and Promote Youth Stewardship and Engagement.

*Office of Surface Mining Reclamation and Enforcement*

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

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

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

**FY 2013 Budget Request:** The request is for \$24.2 million for Executive Direction and Administrative activities. Of this total, \$4.1 million will be used to provide executive direction and effective policy guidance for the overall program and liaison efforts with States, Tribes, coalfield citizens, Congress, and other Federal agencies. Administrative support and services for OSM will require \$6.8 million and basic bureau-wide fixed overhead costs in general services will cost \$13.3 million.

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

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

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

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

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

## **2013 PROGRAM PERFORMANCE ESTIMATES**

### **1. Executive Direction**

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

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

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

In FY 2012 and 2013, OSM will continue outreach efforts which promote public participation in policy making. The arena for such participation includes public meetings on proposed rulemaking and conferences, which promote discussion and exchange of information on the current state of the coal industry and OSM's evolving role. OSM will continue to take positive steps to contact States, Tribes, citizens, and industry and encourage their participation.

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

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

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

- Provides leadership, direction, and policy guidance for EEO Program development.
- Provides for the prompt, fair and impartial processing of complaints of discrimination;
- Provides technical assistance and advice to employees and managers on all EO issues;



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- Communicates the bureau's equal employment opportunity policy and program and its employment needs to all sources of job candidates without regard to race, color, religion, sex, national origin, age or handicap;
- Ensures that a reasonable accommodation program is in place and is implemented in a fair and timely manner;
- Ensures that an alternative dispute resolution program is available for both the pre-complaint process and the formal complaint process;
- Develops, monitors and evaluates EEOC MD-715 Affirmative Employment Program Plans to promote equal employment opportunities;
- Conducts studies on systemic employment problems, assesses the effect of policies and practices on equal employment, identifies employment barriers, recommends solutions and develops written guidance for management; and
- Maintains a Civil Rights Compliance program for federally assisted and conducted programs.

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

*c. Office of Communications (OC)*

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

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

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

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

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

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

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

*e. Office of Information Resources (OIR)*

The Office of Information Resources provides advice and assistance to the Director, Deputy Director, and other senior OSM managers to ensure that information technology is acquired and information resources are managed for the bureau in a manner that is consistent with applicable policies, regulations, and industry best practices.

This Office is responsible for OSM's information resources management. Major functions include:

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

In addition, the Office manages other aspects of OSM information flow to the public indicative of government transparency, accuracy, and responsiveness, such as Freedom of Information Act

requests, records management, and Privacy Act Programs. Enterprise architecture, IT security, asset management, telecommunications, project management and IT career and skills management are also coordinated through the OIR.

## **2. Administrative Support**

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

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

### *a. Administration*

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

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

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

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

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

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

*b. Human Resources (HR)*

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

Special ongoing initiatives this office is working on are highlighted below:

- Recruitment: Human Resources, in conjunction and cooperation with OSM's Office of Equal Opportunity, continues to expand recruitment of the number of women, minorities, and persons with disabilities identified in under-represented occupations. OSM

established a team to promote workforce diversity and to promote OSM as an employer of choice to attract applicants to increase our workforce diversity.

- Strategic Management of Human Capital: OSM's workforce plan outlines recruitment efforts that are focused on the anticipated retirement loss of human capital, and a general review of how we are organized and the proper use of both human and fiscal resources. The plan identifies skills and competencies needed for the OSM's current and future needs based on new bureau initiatives. OSM continues to implement its workforce plan and executes an annual evaluation that links individual hiring decisions made during the course of the year, thus empowering managers to focus on developing competencies and skills needed to accomplish OSM mission goals. As part of the workforce planning efforts, OSM is developing a succession plan. To promote retention in positions where skill gaps have been identified, OSM utilizes several programs including, student loan repayments, relocation allowances, and retention incentives. In addition, OSM uses honorary, non-monetary, and monetary awards to reward employees based on their contributions to the work of the organization.
- Electronic Official Personnel Folder (eOPF): OSM met the October 2012 deadline established by the Office of Management and Budget for eOPF implementation. OSM has developed a phased approach for workforce access to eOPF.
- Hiring Reform: In June 2009, OPM announced its new Hiring Reform (09) Initiative to all federal agencies. The initial focus on four areas of hiring – timeliness (E2E), plain language and streamlined announcements, communication with applicants, and hiring managers involvement in critical parts of the hiring process. In addition, on May 11, 2010, President Obama and OPM issued a Hiring Reform memorandum outlining requirements for each federal agency to implement by November 1, 2010 in order to improve the federal recruitment hiring process. To date, OSM has met all deliverables in support of these initiatives.

*c. Administrative Financial Management*

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

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

property management, grants administration and other subsidiary systems. It will revamp administrative processes throughout the Department of the Interior.

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

*d. Information Technology (IT)*

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

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

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

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

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OSM continues to advance in its Capital Planning and Investment Control (CPIC) process maturity. The bureau has been assessed through Stage 3 maturity, and has moved onto Stage 4 maturity, developing artifacts of leadership maturity expressed in the Government Accountability Office's (GAO) Information Technology Investment Maturity (ITIM) Model. OSM works closely with DOI counterparts to ensure the CPIC program is maintaining the desired results of the program.

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

OSM is participating in a number of cost saving initiatives that are now underway by DOI. The centralization and consolidation of servers is expected to provide hardware and software cost avoidance by reducing the need for new hardware and software but the longer term benefit is improved security and the reduction in the cost of maintaining the systems. Additionally, OSM is involved in the reduction of desktop and laptop computers to a minimal amount. Additional efficiencies by migrating to the new Windows 7 operating system will allow OSM to reduce the number of administrative accounts and the risk with having them and provide greater central management of software at the desktop level. These efficiencies are expected to aid OSM in keeping the IT budget within the current range and allow for minor improvements in 2012 and 2013.

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**3. General Services**

This is a funding activity that includes essential fixed costs to support OSM's program missions. No personnel or operational activities are funded by this component. The costs below are estimates for FY 2012 and 2013 based on FY 2011 actual obligations and any known future plans.

| <i>Line Item</i>  | <i>FY 2012<br/>Estimate</i> | <i>FY 2013<br/>Estimate</i> | <i>Change<br/>2012 – 2013</i> |
|---|-----------------------------|-----------------------------|-------------------------------|
| Rent and Utilities  | 7,224,000                   | 7,133,000                   | -91,000                       |
| Telecommunications  | 300,000                     | 300,000                     | 0                             |
| Postage   | 30,000                      | 30,000                      | 0                             |
| DOI Working Capital Fund  | 2,726,900                   | 2,915,900                   | 189,000                       |
| DOI Program Requirements  | 150,000                     | 150,000                     | 0                             |
| Unemployment Compensation   | 9,100                       | 14,100                      | 5,000                         |
| Worker's Compensation   | 305,000                     | 354,000                     | 49,000                        |
| Bureau-wide Printing/Supplies   | 225,000                     | 225,000                     | 0                             |
| Service Contracts   | 450,000                     | 450,000                     | 0                             |
| GSA Work Authorizations   | 25,000                      | 25,000                      | 0                             |
| Operational Support Contracts:<br>Including support contracts<br>such as Quickhire, Quicktime,<br>software licenses, and direct<br>billing items. | 1,651,000                   | 1,651,000                   | 0                             |
| <b>Total</b>  | <b>13,096,000</b>           | <b>13,248,000</b>           | <b>152,000</b>                |
|   |                             |                             |                               |



## **2012 PLANNED PROGRAM PERFORMANCE**

In 2012 Plans include:

- Equal Opportunity – Continue to develop training methodologies to adapt to the diversity of the workforce.
- Human Capital – implement new hiring authorities for more efficient recruitment and timely hires.
- Budget and Performance Integration – Continue to refine activity based costing methods in conjunction with the Department’s review and integration with FBMS.
- Support DOI’s Financial Audit Statements for 2011 and 2012.
- Capital Planning and Investment Capital (CPIC) – Conduct required evaluations for all IT programs and major investments.
- Information Resource Management – continue to manage enterprise information resources consistent with applicable rules and regulations, and support DOI IT Transformation activities.

## **2011 PROGRAM ACCOMPLISHMENTS**

In 2011, the major accomplishments in the Executive Direction program activity include:

- Budget/Performance – Integrated budget and performance measures continue to be reported in the budget justification.
- Supported the Department’s audit opinion on its 2010 and 2011 financial statements.
- Human Resources – Continued work to refine workforce plans which outline future human resource strategies.
- Capital Planning and Investment Capital (CPIC) – Completed required evaluations for all IT programs and major investments.
- Information Technology Related Activities:
  - Achieved the DOI 1:1.4 workstation ratio goal by reducing the OSM computer inventory by approximately 200 workstations.
  - OSM virtualized twenty-three (23) of eighty-four servers and re-hosted the five OSM data centers targeted for closure during FY11 under data center consolidation efforts.

**EXECUTIVE DIRECTION PERFORMANCE OVERVIEW**

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



**PERMANENT APPROPRIATIONS**

**ALLOCATIONS TO STATES AND TRIBES**

**PAYMENTS TO UNITED MINE WORKERS OF AMERICA HEALTH BENEFIT FUNDS**

OSM receives mandatory funding to distribute grants to States and Tribes and transfers to three health benefit plans under the United Mine Workers of America (UMWA) Health Benefit Funds. These payments are derived from the AML Fund and General Treasury. The 2013 budget includes a legislative proposal that would alter the payment structure to States and Tribes to reduce unnecessary spending and direct the available reclamation funds to the highest priority coal AML sites across the Nation, those sites with the most urgent environmental and safety hazards.

**Table 11 – Permanent Appropriation Estimates**  
(dollars in millions)

| Permanent Appropriation   | FY           | FY           | FY 2013      |              | Change from<br>2012 to 2013<br>Proposed |
|---|--------------|--------------|--------------|--------------|---|
|   | 2011         | 2012         | Estimates    |              |   |
|   | Actuals      | Actuals      | Current      | Proposed     |   |
| <b>Payment (or Grants) to States<br/>in Lieu of Coal Fee Receipts<br/>(U.S. Treasury Funds)</b> | <b>245.5</b> | <b>265.3</b> | <b>267.3</b> | <b>85.2</b>  | <b>-180.1</b>                           |
| • Prior Balance Payments<br><i>Grants to non-certified<br/>States</i>                           | 187.0        | 187.0        | 187.0        | 0            | -187                                    |
| <i>Grants to certified States and<br/>Tribes</i>  | [85.4]       | [85.4]       | [85.4]       | 0            | -85.4                                   |
|   | [101.6]      | [101.6]      | [101.6]      | 0            | -101.6                                  |
| • In Lieu Payments to<br>Certified States   | 58.5         | 78.3         | 82.6         | 0            | -82.6                                   |
| • Competitive Grant Program   | 0            | 0            | 0            | 85.2         | +85.2                                   |
| <b>Mandatory Grants to<br/>Noncertified States (AML<br/>Fund)</b>                               | <b>150.1</b> | <b>220.2</b> | <b>221.4</b> | <b>221.4</b> | <b>0</b>                                |
| • State and Tribal Share  | 36.8         | 50.9         | 49.8         | 0            | -49.8                                   |
| • Historic Coal Fund  | 101.0        | 155.9        | 158.1        | 0            | -158.1                                  |
| • Minimum Program Fund  | 12.4         | 13.5         | 13.5         | 0            | -13.5                                   |
| • Competitive Grant Program   | 0            | 0            | 0            | 221.4        | +221.4                                  |
| <b>Subtotal- Payments to States<br/>and Tribes</b>  | <b>395.6</b> | <b>485.5</b> | <b>488.7</b> | <b>306.6</b> | <b>-180.1</b>                           |
| Payments to UMWA Health<br>Benefit Funds (AML Fund<br>Interest)                                 | 57.2         | 48.4         | 55.7         | 55.7         | 0.0                                     |
| Supplemental Payments to<br>UMWA Health Benefit Funds<br>(Treasury Funds)                       | 216.1        | 205.6        | 174.9        | 174.9        | 0.0                                     |
| <b>Subtotal- Payments to UMWA</b>   | <b>273.3</b> | <b>254.0</b> | <b>230.6</b> | <b>230.6</b> | <b>0.0</b>                              |
| <b>Total Mandatory Funding</b>  | <b>668.9</b> | <b>739.5</b> | <b>719.3</b> | <b>537.2</b> | <b>-180.1</b>                           |
| <b>Subtotal from AML Fund</b>   | <b>207.3</b> | <b>268.6</b> | <b>277.1</b> | <b>277.1</b> | <b>0</b>                                |
| <b>Subtotal from Treasury</b>   | <b>461.6</b> | <b>470.9</b> | <b>442.2</b> | <b>260.1</b> | <b>-180.1</b>                           |

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

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

***Collection of Reclamation Fees***

Reclamation fees collected are placed in the Abandoned Mine Reclamation Fund (AML Fund). In 2013, the reclamation fee will be reduced to: 28 cents/ton of surface mined coal; 12 cents/ton of coal mined underground; and 8 cents/ton of lignite; or ten percent of the value of the coal (two percent of the value of the lignite), whichever is less. Total fee receipts are estimated to be \$230.4 million. Current reclamation fee collections are primarily distributed through mandatory grants to noncertified States (those States with remaining coal problems) to address abandoned coal mine lands. The remaining funds collected are available for discretionary appropriations.

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

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

Generally, States must have an approved SMCRA regulatory (Title V) program and an approved reclamation (Title IV) program to be eligible to receive mandatory AML funding. Three Tribes (Crow, Hopi, and Navajo) are eligible for funding through the AML program, and each has an approved reclamation program. In 2008, Tennessee also became eligible for AML program funding although it does not have an approved regulatory program. A total of twenty-five States and three Tribes received reclamation funding in 2012.

***AML Fund***

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

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

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

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

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

For FY 2013, OSM estimates noncertified States will receive \$221.4 million in grants from the AML Fund (\$49.8 million in State Share; \$158.1 in Historic Coal Share; and \$13.5 million in Minimum Program Funds).

*Treasury Funds*

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

1. Prior Balance payments are one-seventh of the unappropriated balance of each State or Tribes' State/Tribal Share as of October 1, 2007. In 2013, noncertified States will receive an estimated \$85.2 million in grants under the current law to use for coal reclamation and related purposes. Under the current law, certified States will receive \$101.8 million, which can be used for any purpose approved by the state legislature or tribal councils, with priority given to addressing the impacts of mineral development.
2. In lieu payments to certified States and Tribes are equal to half of the reclamation fees collected in that State or Tribe in the previous fiscal year. Under current law, certified States and Tribes will receive \$80.3 million, which can be used for any purpose.

Total mandatory payments to States and Tribes from Treasury funds in 2013 are estimated to be \$267.3 million, under current law.

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

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

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

In 2013, OSM estimates \$55.7 million in interest payments from AML fund, and an additional \$174.9 million from the Treasury will be transferred to the three UMWA Health Benefit Plans.



## **Legislative Proposal**

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

First, the budget proposes to terminate the unrestricted payments to certified States and Tribes. Certified States and Tribes have already completed their coal reclamation projects and now use their AML payments for general revenue. These payments rarely contribute to the reclamation of abandoned coal mine lands. Terminating these payments will save the taxpayer \$1.1 billion over the next decade.

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

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

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

**Table 12: Mandatory Funding for States and Tribes, FY 2011-2013**

(\$ rounded in millions)

| State/Tribe                                      | 2011<br>Actual | 2012<br>Actual | Hypothetical Distribution<br>For FY 2013 |              |
|--|----------------|----------------|--|--------------|
|  |                |                | Current                                  | Proposed     |
| Alabama  | 7.4            | 9.4            | 9.5                                      |              |
| Alaska   | 2.4            | 3.0            | 3.0                                      |              |
| Arkansas   | 2.3            | 3.0            | 3.0                                      |              |
| Colorado   | 7.3            | 8.7            | 8.6                                      |              |
| Illinois   | 17.2           | 24.1           | 24.2                                     |              |
| Indiana  | 13.1           | 16.1           | 16.2                                     |              |
| Iowa   | 2.5            | 3.0            | 3.0                                      |              |
| Kansas   | 2.4            | 3.0            | 3.0                                      |              |
| Kentucky   | 37.7           | 47.0           | 46.8                                     |              |
| Maryland   | 2.7            | 3.0            | 3.0                                      |              |
| Mississippi                                      | 0.3            | 0.3            | 0  |              |
| Missouri   | 2.5            | 3.0            | 3.0                                      |              |
| New Mexico                                       | 4.6            | 5.5            | 5.4                                      |              |
| North Dakota                                     | 3.4            | 3.9            | 4.0                                      |              |
| Ohio   | 12.3           | 16.5           | 16.6                                     |              |
| Oklahoma   | 2.5            | 3.0            | 3.0                                      |              |
| Pennsylvania                                     | 47.6           | 67.2           | 68.5                                     |              |
| Tennessee  | 2.6            | 3.0            | 3.0                                      |              |
| Utah   | 4.2            | 4.9            | 4.9                                      |              |
| Virginia   | 9.1            | 11.3           | 11.5                                     |              |
| West Virginia                                    | 51.3           | 66.5           | 66.4                                     |              |
| Competitive Distribution to all States           |                |                |  | 306.6        |
| <b>Sub-total for noncertified States</b>         | <b>235.3</b>   | <b>305.5</b>   | <b>306.6</b>                             |              |
| Louisiana  | 0.4            | 0.4            | 0.4                                      |              |
| Montana  | 12.2           | 13.2           | 13.5                                     |              |
| Texas  | 4.7            | 5.4            | 5.4                                      |              |
| Wyoming  | 133.1          | 150.0          | 151.6                                    |              |
| Crow   | 1.9            | 2.2            | 2.1                                      |              |
| Hopi   | 1.2            | 1.4            | 1.3                                      |              |
| Navajo Nation                                    | 6.8            | 7.2            | 7.3                                      |              |
| Mississippi*                                     |                |                | 0.5                                      |              |
| <b>Sub-total for certified States and Tribes</b> | <b>160.3</b>   | <b>180.0</b>   | <b>182.1</b>                             | <b>0</b>     |
| <b>Total for All States/Tribes</b>               | <b>395.6</b>   | <b>485.5</b>   | <b>488.7</b>                             | <b>306.6</b> |
| <b>Source of Mandatory Funding:</b>              |                |                |  |              |
| • AML Fund                                       | 150.1          | 220.2          | 221.4                                    | 221.4        |
| • Treasury                                       | 245.5          | 265.3          | 267.3                                    | 85.2         |

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

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

\*OSM projects that certification will occur by 2013.

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



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

**WORKING CAPITAL FUND REVENUE - Centralized Billing**  
**FY 2013 Departmental Request**  
**OFFICE OF SURFACE MINING RECLAMATION AND ENFORCEMENT**  
**(\$ in thousands)**

| Activity/Office  | 2011<br>Actual | 2012<br>Pres Budget | 2012<br>Estimate | 2013<br>Estimate |
|--|----------------|---------------------|------------------|------------------|
| <b>Other OS Activities</b>   |                |                     |                  |                  |
| <u>Secretary's Immediate Office</u>  |                |                     |                  |                  |
| Document Management Unit   | 0.0            | 0.1                 | 0.1              | 68.9             |
| FOIA Tracking & Reporting System   | 15.5           | 9.3                 | 6.6              | 7.1              |
| Office of the Executive Secretariat  | 15.5           | 9.4                 | 6.7              | 76.1             |
| <u>Secretary's Immediate Office</u>  |                |                     |                  |                  |
| Departmental News and Information  | 6.4            | 6.2                 | 6.3              | 5.7              |
| Office of Communications   | 6.4            | 6.2                 | 6.3              | 5.7              |
| Departmental Museum  | 14.5           | 13.9                | 9.5              | 9.6              |
| Secretary's Immediate Office   | 14.5           | 13.9                | 9.5              | 9.6              |
| FedCenter  | 2.7            | 2.7                 | 2.2              | 2.1              |
| Compliance Support ESF-11/ESF-11 Website   |                |                     |                  | 2.3              |
| Office of Environmental Policy and Compliance  | 2.7            | 2.7                 | 2.2              | 4.3              |
| Invasive Species Council   | 25.1           | 23.8                | 23.8             | 22.9             |
| Invasive Species Coordinator   | 4.3            | 4.3                 | 4.3              | 4.3              |
| Office of Policy Analysis  | 29.4           | 28.1                | 28.1             | 27.2             |
| CPIC   | 1.2            | 1.1                 | 1.1              | 1.4              |
| Office of Budget   | 1.2            | 1.1                 | 1.1              | 1.4              |
| Financial Internal Controls & Performance Reporting (Formerly:<br>Travel Management Center | 7.9            | 7.8                 | 7.8              | 6.0              |
| e-Travel (Formerly: e-Gov Travel)  | 2.2            | 1.8                 | 1.8              | 1.8              |
| Office of Financial Management   | 9.3            | 7.9                 | 7.9              | 28.8             |
|  | 19.4           | 17.5                | 17.5             | 36.7             |
| FBMS Master Data Systems & Hosting   |                |                     | 1.3              | 8.9              |
| Office of Property & Acquisition Management  |                |                     | 1.3              | 8.9              |
| Space Management Initiative  | 2.6            | 2.5                 | 2.5              | 2.3              |
| Office of Property and Acquisition Management  | 2.6            | 2.5                 | 2.5              | 2.3              |
| SBA Certifications   | 0.1            | 0.0                 | 0.0              |                  |
| Small and Disadvantaged Business Utilization   | 0.1            | 0.0                 | 0.0              |                  |
| Planning and Performance Management  | 9.8            | 8.4                 | 8.4              | 8.6              |
| Office of Planning and Performance Management  | 9.8            | 8.4                 | 8.4              | 8.6              |
| Department-wide OWCP Coordination  | 2.9            | 3.0                 | 3.0              | 2.9              |
| OPM Federal Employment Services  | 3.8            | 3.3                 | 3.3              | 3.3              |
| Accessible Technology Center   | 2.5            | 2.4                 | 2.4              | 2.2              |
| Accountability Team  | 3.9            | 3.6                 | 3.7              | 4.4              |
| Employee and Labor Relations Tracking System   | 0.2            | 0.2                 | 0.2              | 0.2              |
| Office of Human Resources  | 13.3           | 12.6                | 12.7             | 13.0             |
| EEO Complaints Tracking System   | 0.3            | 0.4                 | 0.4              | 0.4              |
| Special Emphasis Program   | 0.4            | 0.4                 | 0.4              | 0.3              |

*Office of Surface Mining Reclamation and Enforcement*

**WORKING CAPITAL FUND REVENUE - Centralized Billing**  
**FY 2013 Departmental Request**  
**OFFICE OF SURFACE MINING RECLAMATION AND ENFORCEMENT**  
**(\$ in thousands)**

| Activity/Office                                 | 2011<br>Actual | 2012<br>Pres Budget | 2012<br>Estimate | 2013<br>Estimate |
|---|----------------|---------------------|------------------|------------------|
| Office of Civil Rights                          | 0.7            | 0.8                 | 0.8              | 0.7              |
| Occupational Safety and Health                  | 11.4           | 12.2                | 12.2             | 12.0             |
| Safety and Health Training Initiatives          | 1.1            | 0.0                 | 0.0              | 0.0              |
| Safety Management Information System            | 9.8            | 9.6                 | 9.6              | 9.2              |
| Office of Occupational Health and Safety        | 22.3           | 21.8                | 21.8             | 21.2             |
| DOI Learn                                       | 13.0           | 14.1                | 14.1             | 0.0              |
| DOI Executive Forums (Leadership Development)   | 0.9            | 0.9                 | 0.9              | 5.5              |
| Financial Management Training                   | 28.5           | 0.0                 | 0.0              | 0.0              |
| SESCDP & Other Leadership Programs              | 1.3            | 1.3                 | 1.3              | 0.0              |
| Online Learning (Technology Solutions Division) | 3.8            | 3.7                 | 3.7              | 15.6             |
| Learning and Performance Center Management      | 4.5            | 3.1                 | 3.1              | 0.0              |
| Albuquerque Learning & Performance Center       | 3.0            | 0.9                 | 0.9              | 0.9              |
| Denver Learning & Performance Center            | 5.8            | 7.3                 | 7.3              | 7.0              |
| Washington Learning & Performance Center        | 22.8           | 13.0                | 13.0             | 12.8             |
| DOIU Management                                 | 11.4           | 4.2                 | 4.2              | 5.2              |
| DOI University                                  | 95.1           | 48.4                | 48.4             | 46.9             |
| Security (Classified Information Facility)      | 3.5            | 3.4                 | 3.5              | 3.5              |
| Law Enforcement Coordination and Training       | 6.8            | 6.6                 | 6.7              | 6.3              |
| Security (MIB/SIB Complex)                      | 486.2          | 504.4               | 504.4            | 504.4            |
| Victim Witness                                  | 1.3            | 1.2                 | 1.2              | 1.3              |
| Office of Law Enforcement and Security          | 497.7          | 515.6               | 515.8            | 515.5            |
| Interior Operations Center                      | 15.7           | 16.0                | 19.1             | 15.5             |
| Emergency Preparedness                          | 6.0            | 6.1                 | 6.2              | 5.8              |
| Emergency Response                              | 8.6            | 8.4                 | 8.6              | 8.1              |
| MIB Health and Safety                           | 8.8            | 8.2                 | 8.2              | 10.2             |
| Office of Emergency Management                  | 39.2           | 38.7                | 42.0             | 39.7             |
| Electronic Records Management                   | 10.5           | 6.0                 | 6.0              | 8.0              |
| Enterprise Services Network                     | 288.4          | 276.7               | 276.7            | 259.9            |
| Web & Internal/External Comm                    | 3.5            | 3.4                 | 3.5              | 0.0              |
| Enterprise Architecture                         | 29.3           | 23.1                | 23.1             | 19.7             |
| FOIA Tracking & Reporting System                | 0.0            | 0.0                 | 0.0              |                  |
| IT Security-IVV                                 | 19.2           | 15.1                | 15.1             | 11.0             |
| Capital Planning                                | 14.2           | 11.1                | 11.1             | 17.6             |
| Privacy (Information Management Support)        | 4.9            | 4.5                 | 4.5              | 3.2              |
| IT Security - Information Assurance Division    | 88.3           | 88.5                | 88.5             | 6.5              |
| Active Directory                                | 13.7           | 20.6                | 20.6             | 20.9             |
| Enterprise Resource Management                  | 3.3            | 3.0                 | 3.0              | 6.9              |
| DOI Access                                      | 7.2            | 8.0                 | 8.0              | 7.2              |
| Data at Rest                                    | 0.3            | 1.4                 | 1.4              | 0.0              |
| IT Asset Management                             | 2.3            | 2.1                 | 2.1              | 5.3              |
| OCIO Project Management Office                  | 6.8            | 5.1                 | 5.1              | 0.0              |
| Threat Management                               | 9.9            | 13.4                | 13.4             | 37.3             |

*Office of Surface Mining Reclamation and Enforcement*

**WORKING CAPITAL FUND REVENUE - Centralized Billing**  
**FY 2013 Departmental Request**  
**OFFICE OF SURFACE MINING RECLAMATION AND ENFORCEMENT**  
**(\$ in thousands)**

| Activity/Office                                   | 2011<br>Actual | 2012<br>Pres Budget | 2012<br>Estimate | 2013<br>Estimate |
|---|----------------|---------------------|------------------|------------------|
| IOS Collaboration                                 | 6.4            | 5.8                 | 5.8              | 5.2              |
| Unified Messaging                                 | 0.0            | 13.0                | 13.0             | 11.7             |
| Federal Relay Service                             | 0.5            | 0.5                 | 0.5              | 0.5              |
| Office of the Chief Information Officer           | 508.8          | 501.2               | 501.3            | 421.0            |
| Alternative Dispute Resolution Training           | 0.4            | 0.4                 | 0.4              | 0.4              |
| Collaborative Action and Dispute Resolution       | 0.4            | 0.4                 | 0.4              | 0.4              |
| Office of Valuation Services                      |                |                     |                  |                  |
| Conservation and Educational Partnerships         | 2.0            | 2.0                 | 2.0              | 1.8              |
| Youth, Partnerships and Service                   | 2.0            | 2.0                 | 2.0              | 1.8              |
| Mail and Messenger Services                       |                |                     |                  | 54.6             |
| Passport and Visa Services                        |                |                     |                  | 5.2              |
| Health Unit                                       |                |                     |                  | 21.5             |
| Federal Executive Board                           |                |                     |                  | 2.1              |
| Special Events Services                           |                |                     |                  | 2.6              |
| Safety and Environmental Services                 |                |                     |                  | 35.5             |
| Shipping and Receiving                            |                |                     |                  | 24.8             |
| Moving Services                                   |                |                     |                  | 17.8             |
| Vehicle Fleet                                     |                |                     |                  | 3.0              |
| Property Accountability Services                  |                |                     |                  | 47.1             |
| Family Support Room                               |                |                     |                  | 2.0              |
| Interior Complex Management & Svcs                |                |                     |                  | 65.6             |
| Departmental Library                              |                |                     |                  | 27.6             |
| Mail Policy                                       |                |                     |                  | 2.7              |
| Space Management Services                         |                |                     |                  | 23.7             |
| Administrative Operations Directorate             |                |                     |                  | 335.7            |
| Aviation Management                               |                |                     |                  | 93.5             |
| Aviation Management Directorate                   |                |                     |                  | 93.5             |
| Contingency Reserve                               | 1.2            | 1.1                 | 1.2              | 1.1              |
| CFO Financial Statement Audit                     | 274.9          | 275.4               | 275.4            | 277.2            |
| Enterprise Geospatial Information Management      | 20.9           | 0.0                 | 0.0              |                  |
| Department-wide Activities                        | 296.9          | 276.6               | 276.6            | 278.4            |
| e-Government Initiatives (WCF Contributions Only) | 34.6           | 26.4                | 21.6             | 30.8             |
| Department-wide Activities                        | 34.6           | 26.4                | 21.6             | 30.8             |
| Ethics  | 4.7            | 4.6                 | 4.6              | 4.2              |
| ALLEX Database                                    | 0.2            | 0.0                 | 0.0              |                  |
| FOIA Appeals                                      | 5.8            | 1.9                 | 1.9              | 1.8              |
| Office of the Solicitor                           | 10.7           | 6.5                 | 6.6              | 5.9              |
| <b>Subtotal Other OS Activities</b>               | <b>1,623.1</b> | <b>1,540.6</b>      | <b>1,533.6</b>   | <b>1,985.1</b>   |

*Office of Surface Mining Reclamation and Enforcement*

**WORKING CAPITAL FUND REVENUE - Centralized Billing**  
**FY 2013 Departmental Request**  
**OFFICE OF SURFACE MINING RECLAMATION AND ENFORCEMENT**  
**(\$ in thousands)**

| Activity/Office                                  | 2011<br>Actual | 2012<br>Pres Budget | 2012<br>Estimate | 2013<br>Estimate |
|--|----------------|---------------------|------------------|------------------|
| <b>National Business Center</b>                  |                |                     |                  |                  |
| NBC IT Security Improvement Plan                 | 10.7           | 9.1                 | 9.1              | 9.1              |
| MIB Data Networking                              | 37.3           | 34.7                | 34.7             | 34.3             |
| Information Mgmt. - FOIA and Records Management  | 0.0            | 0.0                 | 2.7              | 2.8              |
| Telecommunication Services                       | 163.4          | 163.3               | 157.3            | 145.3            |
| Integrated Digital Voice Communications System   | 109.3          | 62.5                | 62.5             | 58.2             |
| Desktop Services                                 | 9.3            | 9.3                 | 8.9              | 6.6              |
| Audio Visual Services                            | 26.5           | 24.7                | 24.7             | 24.8             |
| Interior Complex Cabling O&M                     | 4.7            | 4.4                 | 4.4              | 0.0              |
| <b>NBC Information Technology Directorate</b>    | <b>361.1</b>   | <b>307.9</b>        | <b>304.3</b>     | <b>281.0</b>     |
| FPPS/Employee Express - O&M                      | 124.6          | 111.0               | 111.0            | 126.1            |
| HRMS (HR LOB W-2 Surcharge)                      | 5.1            | 0.0                 | 0.0              | 0.0              |
| <b>NBC Human Resources Directorate</b>           | <b>129.6</b>   | <b>111.0</b>        | <b>111.0</b>     | <b>126.1</b>     |
| Partnership Schools & Commemorative Programs     | 3.9            | 0.0                 | 0.0              | 0.0              |
| Departmental Library                             | 31.2           | 28.0                | 28.0             | 0.0              |
| Interior Complex Management & Services           | 77.9           | 63.7                | 63.7             | 0.0              |
| Family Support Room                              | 2.5            | 2.3                 | 2.3              | 0.0              |
| Property Accountability Services                 | 52.5           | 47.7                | 47.7             | 0.0              |
| Vehicle Fleet                                    | 3.0            | 3.0                 | 3.0              | 0.0              |
| Moving Services                                  | 19.7           | 18.0                | 18.0             | 0.0              |
| Shipping and Receiving                           | 27.1           | 25.2                | 25.2             | 0.0              |
| Safety and Environmental Services                | 39.8           | 36.0                | 36.0             | 0.0              |
| Space Management                                 | 23.0           | 24.0                | 24.0             | 0.0              |
| Federal Executive Board                          | 2.2            | 2.1                 | 2.2              | 0.0              |
| Health Unit                                      | 23.5           | 21.8                | 21.8             | 0.0              |
| Passport and Visa Services                       | 5.5            | 5.2                 | 5.2              | 0.0              |
| Mail and Messenger Services                      | 55.6           | 48.1                | 48.1             | 0.0              |
| Mail Policy                                      | 2.8            | 2.6                 | 2.7              | 0.0              |
| Special Events Services                          | 3.0            | 2.9                 | 2.9              | 0.0              |
| Cultural Resources & Events Management           | 2.4            | -0.1                | 0.0              | 0.0              |
| <b>NBC Administrative Operations Directorate</b> | <b>375.6</b>   | <b>330.6</b>        | <b>330.8</b>     | <b>0.0</b>       |
| Transportation Services (Household Goods)        | 5.0            | 4.8                 | 4.8              | 4.9              |
| Financial Systems                                | 0.0            | 0.0                 | 0.0              | 0.0              |
| IDEAS  | 9.4            | 8.0                 | 8.0              | 6.7              |
| FBMS Master Data Management                      | 1.6            | 2.2                 | 0.9              | 1.1              |
| NBC FBMS Conversion                              | 6.8            | 5.1                 | 5.1              | 0.0              |
| Consolidated Financial Statement System          | 19.9           | 21.8                | 21.8             | 21.9             |
| <b>NBC Financial Management Directorate</b>      | <b>42.7</b>    | <b>41.9</b>         | <b>40.6</b>      | <b>34.6</b>      |
| FBMS Hosting / Applications Management           | 252.0          | 239.9               | 239.9            | 84.6             |
| FBMS Redirect - IDEAS                            | 25.3           | 26.6                | 26.6             | 28.0             |
| FBMS Help Desk - NBC Customer Support Center     | 0.0            | 0.0                 | 0.0              | 156.3            |

Office of Surface Mining Reclamation and Enforcement

**WORKING CAPITAL FUND REVENUE - Centralized Billing**  
**FY 2013 Departmental Request**  
**OFFICE OF SURFACE MINING RECLAMATION AND ENFORCEMENT**  
 (\$ in thousands)

| Activity/Office                          | 2011<br>Actual | 2012<br>Pres Budget | 2012<br>Estimate | 2013<br>Estimate |
|--|----------------|---------------------|------------------|------------------|
| NBC FBMS Support                         | 277.3          | 266.5               | 266.5            | 268.9            |
| Aviation Management                      | 99.3           | 88.6                | 88.6             |                  |
| Aviation Management System - O&M         | 0.0            | 4.8                 | 4.8              |                  |
| NBC Aviation Management Directorate      | 99.3           | 93.3                | 93.3             |                  |
| <b>Subtotal National Business Center</b> | <b>1,285.7</b> | <b>1,151.3</b>      | <b>1,146.4</b>   | <b>710.6</b>     |

**WORKING CAPITAL FUND REVENUE - Centralized Billing**  
**FY 2013 Departmental Request**  
**OFFICE OF SURFACE MINING RECLAMATION AND ENFORCEMENT**  
 (\$ in thousands)

| Activity/Office                         | 2011<br>Actual | 2012<br>Pres Budget | 2012<br>Estimate | 2013<br>Estimate |
|---|----------------|---------------------|------------------|------------------|
| IT Transformation (ITT)                 |                |                     |                  | 185.4            |
| Office of the Chief Information Officer |                |                     |                  | 185.4            |
| <b>Subtotal</b>                         |                |                     |                  | <b>185.4</b>     |
| <b>TOTAL</b>                            | <b>2,908.9</b> | <b>2,691.9</b>      | <b>2,680.0</b>   | <b>2,881.1</b>   |



*Office of Surface Mining Reclamation and Enforcement*

**WORKING CAPITAL FUND REVENUE - Direct Billing  
FY 2013 Departmental Request  
OFFICE OF SURFACE MINING RECLAMATION AND ENFORCEMENT  
(\$ in thousands)**

| Activity/Office                               | 2011<br>Actual | 2012<br>Pres Budget | 2012<br>Estimate | 2013<br>Estimate |
|---|----------------|---------------------|------------------|------------------|
| <b>Other OS Activities</b>                    |                |                     |                  |                  |
| <b>Policy, Management and Budget</b>          |                |                     |                  |                  |
| <b>Office of Policy Analysis</b>              |                |                     |                  |                  |
| <b>Office of Budget</b>                       |                |                     |                  |                  |
| Single Audit Clearinghouse                    | 0.3            | 0.3                 | 0.1              | 0.1              |
| Office of Financial Management                | 0.3            | 0.3                 | 0.1              | 0.1              |
| Federal Assistance Award Data System          | 0.8            | 0.9                 | 0.4              |                  |
| Office of Acquisition and Property Management | 0.8            | 0.9                 | 0.4              |                  |
| e-OPF   | 0.0            | 10.4                |                  | 11.9             |
| EAP Consolidation                             |                |                     |                  | 11.4             |
| Office of Human Resources                     | 0.0            | 10.4                |                  | 23.3             |
| EEO Training                                  | 1.1            | 1.1                 | 6.6              | 6.6              |
| EEO Investigations                            | 1.5            | 1.5                 | 1.5              | 1.4              |
| Office of Civil Rights                        | 2.7            | 2.7                 | 8.1              | 8.0              |
| Albuquerque Learning & Performance Center     | 0.0            | 0.6                 | 0.6              | 0.6              |
| Denver Learning & Performance Center          | 0.0            | 5.8                 | 5.8              | 5.9              |
| Online Learning                               | 7.5            | 7.1                 | 7.1              | 7.1              |
| Washington Leadership & Performance Center    | 2.1            | 13.3                | 13.3             | 13.4             |
| DOI University                                | 9.6            | 26.9                | 26.9             | 27.0             |
| <b>Office of Law Enforcement and Security</b> |                |                     |                  |                  |
| <b>Office of Emergency Management</b>         |                |                     |                  |                  |
| Oracle Licenses and Support                   |                | 0.0                 | 10.8             | 20.8             |
| Microsoft Enterprise Licenses                 | 203.0          | 203.0               | 223.1            | 223.1            |
| Anti-Virus Software Licenses                  | 18.9           | 20.0                | 18.9             | 35.0             |
| Enterprise Services Network                   | 173.4          | 205.0               | 143.6            | 152.7            |
| IOS Collaboration                             | 85.0           | 82.6                | 101.2            | 106.3            |
| DOI Access                                    | 28.6           | 33.6                | 33.6             | 46.2             |
| Data at Rest Initiative                       | 2.1            | 2.6                 | 2.6              | 2.6              |
| EID Office Space                              |                |                     | 20.0             | 20.4             |
| EID Rack Space                                | 16.2           | 12.6                | 22.7             | 22.7             |
| Unified Messaging                             |                | 102.2               | 102.2            | 102.2            |
| Office of the Chief Information Officer       | 527.2          | 661.6               | 678.7            | 732.1            |
| <b>Office of Valuation Services</b>           |                |                     |                  |                  |
| Creative Communications                       |                |                     |                  | 56.9             |
| Reimbursable Mail Services                    |                |                     |                  | 308.0            |
| Administrative Operations Directorate         |                |                     |                  | 364.9            |
| Administrative Operations Directorate         |                |                     |                  |                  |
| Aviation Management Directorate               |                |                     |                  |                  |

Office of Surface Mining Reclamation and Enforcement

**WORKING CAPITAL FUND REVENUE - Direct Billing**  
**FY 2013 Departmental Request**  
**OFFICE OF SURFACE MINING RECLAMATION AND ENFORCEMENT**  
(\$ in thousands)

| Activity/Office                      | 2011<br>Actual | 2012<br>Pres Budget | 2012<br>Estimate | 2013<br>Estimate |
|--------------------------------------|----------------|---------------------|------------------|------------------|
| e-Mail Archiving (Cobell Litigation) | 83.6           | 170.6               | 170.6            | 175.7            |
| FY 2012 CFO Audit                    |                | 71.0                | 0.0              | 0.0              |
| Department-wide Programs             | 83.6           | 241.6               | 170.6            | 175.7            |
| Federal FSA Program                  | 19.3           | 20.8                | 20.8             | 22.6             |
| FBMS Change Orders                   | 35.4           | 25.0                | 28.4             | 25.0             |
| ESRI Enterprise Licenses             | 155.0          | 155.0               | 155.0            | 155.0            |
| Department-wide Programs             | 209.7          | 200.8               | 204.1            | 202.6            |
| Office of International Affairs      |                |                     |                  |                  |
| <b>Subtotal Other OS Activities</b>  | <b>833.9</b>   | <b>1,145.1</b>      | <b>1,088.9</b>   | <b>1,533.6</b>   |

**WORKING CAPITAL FUND REVENUE - Direct Billing**  
**FY 2013 Departmental Request**  
**OFFICE OF SURFACE MINING RECLAMATION AND ENFORCEMENT**  
(\$ in thousands)

| Activity/Office                                 | 2011<br>Actual | 2012<br>Pres Budget | 2012<br>Estimate | 2013<br>Estimate |
|---|----------------|---------------------|------------------|------------------|
| <b>National Business Center</b>                 |                |                     |                  |                  |
| Director, NBC Office of the Director            |                |                     |                  |                  |
| Customer Support Services Division              | 8.8            | 8.8                 | 8.8              | 4.7              |
| NBC Information Technology Directorate          | 8.8            | 8.8                 | 8.8              | 4.7              |
| Client Liaison and Product Development Division | 1.6            | 1.6                 | 1.6              |                  |
| Personnel & Payroll Systems Division            | 0.5            | 0.4                 | 0.4              |                  |
| HR Management Systems Division                  | 30.2           | 30.7                | 30.7             |                  |
| Quicktime Services                              | 23.3           | 24.9                | 24.9             | 0.0              |
| Payroll & HR Systems                            |                |                     |                  | 56.3             |
| NBC Human Resources Directorate                 | 55.6           | 57.6                | 57.6             | 56.3             |
| Facilities Reimbursable Services                | 10.1           | 10.1                | 10.1             |                  |
| Creative Communications                         | 47.4           | 47.4                | 47.4             |                  |
| NBC Administrative Operations Directorate       | 57.5           | 57.4                | 57.4             |                  |
| NBC Financial Management Directorate            |                |                     |                  |                  |
| NBC Financial Management Directorate            |                |                     |                  |                  |
| NBC Aviation Management Directorate             |                |                     |                  |                  |
| NBC Acquisitions Services Directorate           |                |                     |                  |                  |
| NBC Information Technology Directorate          |                |                     |                  |                  |
| <b>Subtotal National Business Center</b>        | <b>121.9</b>   | <b>123.8</b>        | <b>123.8</b>     | <b>61.0</b>      |
| <b>TOTAL</b>                                    | <b>955.8</b>   | <b>1,268.9</b>      | <b>1,212.7</b>   | <b>1,594.6</b>   |



**Exhibit B: Max Tables/Budget Schedules**  
**Regulation and Technology**  
**Program and Financing**  
(dollars in millions)

| 14-1801-0-1-302  | 2011<br>Actual | 2012<br>Estimate | 2013<br>Estimate |
|--|----------------|------------------|------------------|
| <b><u>Obligations by program activity:</u></b>               |                |                  |                  |
| 00.02 Environmental Protection                               | 95             | 92               | 82               |
| 00.03 Technology Development & Transfer                      | 15             | 14               | 14               |
| 00.04 Financial Management                                   | --             | 1                | 1                |
| 00.05 Executive Direction & Administration                   | 15             | 16               | 16               |
| 09.00 Total new obligations                                  | 125            | 123              | 113              |
| <b><u>Budgetary resources:</u></b>                           |                |                  |                  |
| 10.00 Unobligated balance:                                   |                |                  |                  |
| Unobligated balance brought forward, Oct 1                   | 10             | 19               | 19               |
| 10.21 Recoveries of prior year unpaid obligations            | 7              | --               | --               |
| 10.50 Unobligated balance (total)                            | 17             | 19               | 19               |
| <b><u>Budget Authority:</u></b>                              |                |                  |                  |
| Appropriations, discretionary                                |                |                  |                  |
| 11.00 Appropriation  | 127            | 123              | 113              |
| 11.01 Appropriation (special or trust fund)                  | 1              | --               | --               |
| 19.00 Budget authority (total)                               | 128            | 123              | 113              |
| 19.30 Total budgetary resources available                    | 145            | 142              | 132              |
| 19.41 Memorandum (non-add) entries:                          |                |                  |                  |
| Unobligated balance expiring                                 | -1             | --               | --               |
| Unexpired unobligated balance, end of year                   | 19             | 19               | 19               |
| <b><u>Change in obligated balance:</u></b>                   |                |                  |                  |
| Obligated balance, start of year (net):                      |                |                  |                  |
| 30.00 Unpaid obligations, brought forward, Oct 1             | 55             | 54               | 53               |
| 30.40 Outlays (gross)  | 46             | 56               | 68               |
| 30.80 Recoveries of prior year unpaid obligations, unexpired | -119           | -124             | -127             |
| Obligated balance, end of year (net):                        | -7             | --               | --               |
| Obligated balance, end of year (net):                        |                |                  |                  |
| 30.90 Unpaid obligations, end of year (gross):               | 54             | 53               | 39               |
| 31.00 Obligated balance, end of year (net)                   | 54             | 53               | 39               |
| <b><u>Budget authority and outlays (net)</u></b>             |                |                  |                  |
| Discretionary:   |                |                  |                  |
| 40.00 Budget authority (gross)                               | 128            | 123              | 113              |

*Office of Surface Mining Reclamation and Enforcement*

| 14-1801-0-1-302                                | 2011<br>Actual | 2012<br>Estimate | 2013<br>Estimate |
|--|----------------|------------------|------------------|
| Outlays, gross:                                |                |                  |                  |
| 40.10 Outlays from new discretionary authority | 70             | 83               | 77               |
| 40.11 Outlays from discretionary balances      | 49             | 41               | 50               |
| 40.20 Outlays, gross (total)                   | 119            | 124              | 127              |
| 40.70 Budget authority, net (discretionary)    | 128            | 123              | 113              |
| 40.80 Outlays, net (discretionary)             | 119            | 124              | 127              |
| 41.80 Budget authority, net (total)            | 128            | 123              | 113              |
| 41.90 Outlays, net (total)                     | 119            | 124              | 127              |

**Abandoned Mine Reclamation Fund**  
**Program and Financing**  
(dollars in millions)

| 14-5015-0-1-302  | 2011<br>Actual | 2012<br>Estimate | 2013<br>Estimate |
|--|----------------|------------------|------------------|
| <b><u>Obligations by program activity:</u></b>                 |                |                  |                  |
| 00.01 Environmental Restoration                                | 34             | 9                | 9                |
| 00.02 Technology Development & Transfer                        | 5              | 4                | 4                |
| 00.03 Financial Management                                     | 7              | 6                | 7                |
| 00.04 Executive Direction & Administration                     | 7              | 8                | 8                |
| 00.05 AML Funded Grants to States                              | 156            | 220              | 221              |
| 00.06 UMWA and other benefits                                  | 57             | 48               | 56               |
| 09.00 Total new Obligations                                    | 266            | 295              | 305              |
| <b><u>Budgetary resources:</u></b>                             |                |                  |                  |
| Unobligated balance:   |                |                  |                  |
| 10.00 Unobligated balance brought forward, Oct 1               | 28             | 26               | 31               |
| 10.21 Recoveries of prior year unpaid obligations              | 20             | 5                | 5                |
| 10.50 Unobligated balance (total)                              | 48             | 31               | 36               |
| Budget Authority:  |                |                  |                  |
| Appropriations, discretionary                                  |                |                  |                  |
| 11.01 Appropriation (special fund)                             | 36             | 27               | 28               |
| 11.60 Appropriation, discretionary (total)                     | 36             | 27               | 28               |
| Appropriations, mandatory:                                     |                |                  |                  |
| 12.01 01 Appropriation (AML & RAMP transfers to UMWA)          | 207            | 48               | 56               |
| 12.01 02 Appropriation (AML Grants to States)                  | 0              | 220              | 221              |
| 12.60 Appropriations, mandatory (total)                        | 207            | 268              | 277              |
| Spending authority from offsetting collections, discretionary: |                |                  |                  |
| 19.00 Budget authority (total)                                 | 244            | 295              | 305              |
| 19.30 Total budgetary resources available                      | 292            | 326              | 341              |
| Memorandum (non-add) entries:                                  |                |                  |                  |
| 19.41 Unexpired unobligated balance, end of year               | 26             | 31               | 36               |

*Office of Surface Mining Reclamation and Enforcement*

| 14-5015-0-1-302  | 2011<br>Actual | 2012<br>Estimate | 2013<br>Estimate |
|--|----------------|------------------|------------------|
| <b><u>Change in obligated balance:</u></b>                     |                |                  |                  |
| Obligated balance, start of year (net):                        |                |                  |                  |
| 30.00 Unpaid obligations, brought forward, Oct 1 (gross)       | 217            | 230              | 303              |
| 30.20 Obligated balance, start of year (net)                   | 182            | 218              | 215              |
| 30.30 Obligations incurred, unexpired accounts                 | 266            | 295              | 305              |
| 30.40 Outlays (gross)  | -233           | -217             | -264             |
| 30.80 Recoveries of prior year unpaid obligations, unexpired   | -20            | -5               | -5               |
| Obligated balance, end of year (net):                          |                |                  |                  |
| 30.90 Unpaid obligations, end of year (gross)                  | 230            | 303              | 339              |
| 31.00 Obligated balance, end of year (net)                     | 230            | 303              | 339              |
| <b><u>Budget authority and outlays, net:</u></b>               |                |                  |                  |
| Discretionary:   |                |                  |                  |
| 40.00 Budget authority, gross                                  | 37             | 27               | 28               |
| Outlays, gross:  |                |                  |                  |
| 40.10 Outlays from new discretionary authority                 | 30             | 23               | 24               |
| 40.11 Outlays from discretionary balances                      | 24             | 5                | 4                |
| 40.20 Outlays, gross (total)                                   | 54             | 28               | 28               |
| 40.70 Budget authority, net (discretionary)                    | 36             | 27               | 28               |
| 40.80 Outlays, net (discretionary)                             | 53             | 28               | 28               |
| Mandatory:   |                |                  |                  |
| 40.90 Budget authority, gross                                  | 207            | 268              | 277              |
| Outlays, gross   |                |                  |                  |
| 41.00 Outlays from new mandatory authority                     | 91             | 109              | 117              |
| 41.01 Outlays from mandatory balances                          | 88             | 80               | 119              |
| 41.10 Outlays, gross (total)                                   | 179            | 189              | 236              |
| 41.60 Budget authority, net (mandatory)                        | 207            | 268              | 277              |
| 41.70 Outlays, net (mandatory)                                 | 179            | 189              | 236              |
| 41.80 Budget authority, net (total)                            | 243            | 295              | 305              |
| 41.90 Outlays, net (total)                                     | 232            | 217              | 264              |
| <b><u>Memorandum (non-add) entries</u></b>                     |                |                  |                  |
| 50.00 01 Total investments, SOY: Federal securities: Par Value | 2,623          | 2,708            | 2,805            |
| 50.01 01 Total investments, EOY: Federal securities: Par Value | 2,708          | 2,805            | 2,805            |

*Office of Surface Mining Reclamation and Enforcement*

**Abandoned Mine Reclamation Fund**  
**Program and Financing**  
(dollars in millions)

| 14-1803-0   | 2011<br>Actual | 2012<br>Estimate | 2013<br>Estimate |
|---|----------------|------------------|------------------|
| <b><u>Obligations by program activity:</u></b>  |                |                  |                  |
| 00.01 Payments in lieu of pre-FY 2008 balances<br>(uncertified and certified States and Tribes) | 260            | 85               | 85               |
| 00.02 Prior Balance Payments to Certified States and Tribes                                     | --             | 102              | 102              |
| 00.03 In Lieu Payments to Certified States and Tribes   | --             | 78               | 80               |
| 09.00 Total new obligations (object class 41.0)   | 224            | 249              | 270              |
| <b><u>Budgetary Resources:</u></b>  |                |                  |                  |
| Unobligated balance:  |                |                  |                  |
| 10.00 Unobligated balance brought forward, Oct 1  | 8              | 1                | 1                |
| 10.21 Recoveries of prior year unpaid obligations   | 8              | --               | --               |
| 10.50 Unobligated balance (total)   | 16             | 1                | 1                |
| Budget authority:   |                |                  |                  |
| Appropriations, discretionary:  |                |                  |                  |
| 11.60 Appropriation, discretionary (total)  |                |                  |                  |
| Appropriations, mandatory:  |                |                  |                  |
| 12.00 Appropriation   | 245            | 265              | 267              |
| 12.60 Appropriation, mandatory (total)  | 245            | 265              | 267              |
| 19.00 Budget authority (total)  | 245            | 265              | 267              |
| 19.30 Total budgetary resources available   | 261            | 266              | 268              |
| Memorandum (non-add) entries  |                |                  |                  |
| 19.41 Unexpired unobligated balance, end of year  | 1              | 1                | 1                |
| <b><u>Change in obligated balance:</u></b>  |                |                  |                  |
| Obligated balance, start of year (net):   |                |                  |                  |
| 30.00 Unpaid obligations, brought forward, Oct 1 (gross)  | 407            | 541              | 504              |
| 30.30 Obligations incurred, unexpired accounts  | 260            | 265              | 267              |
| 30.40 Outlays (gross)   | -118           | -302             | -375             |
| 30.80 Recoveries of prior year unpaid obligations, unexpired                                    | -8             |                  |                  |
| Obligated balance, end of year (net):   |                |                  |                  |
| 30.90 Obligated balance, end of year (gross)  | 541            | 504              | 396              |
| 31.00 Obligated balance, end of year (net)  | 541            | 504              | 396              |
| <b><u>Budget authority and outlays (net):</u></b>   |                |                  |                  |
| Discretionary:  |                |                  |                  |
| 40.00 Budget authority, gross   |                |                  |                  |
| 40.70 Budget authority, net (discretionary)   |                |                  |                  |



Office of Surface Mining Reclamation and Enforcement

**Abandoned Mine Reclamation Fund**  
 Program and Financing  
 (dollars in millions)

| 14-1803-4   | 2011<br>Actual | 2012<br>Estimate | 2013<br>Estimate |
|---|----------------|------------------|------------------|
| <b><u>Obligations by program activity:</u></b>              |                |                  |                  |
| 00.01 Prior Balance Payments to Certified States and Tribes | --             | --               | -102             |
| 00.03 In Lieu Payments to Certified States and Tribes       |                |                  | -80              |
| 09.00 Total new obligations (object class 41.0)             | --             | --               | -182             |
| <b><u>Budgetary Resources:</u></b>                          |                |                  |                  |
| Unobligated balance:  |                |                  |                  |
| 10.50 Unobligated balance (total)                           | --             | --               | --               |
| Budget authority:   |                |                  |                  |
| Appropriations, discretionary                               |                |                  |                  |
| 11.60 Appropriation, discretionary (total)                  | --             | --               | --               |
| Appropriations, mandatory:                                  |                |                  |                  |
| 12.00 Appropriation   |                |                  | -182             |
| 12.60 Appropriations, mandatory (total)                     | --             | --               | -182             |
| 19.00 Budget authority (total)                              | --             | --               | -182             |
| 19.30 Total budgetary resources available                   | --             | --               | -182             |
| <b><u>Change in obligated balance:</u></b>                  | --             | --               | --               |
| Obligated balance, start of year (net):                     |                |                  |                  |
| 30.00 Unpaid obligations, brought forward, Oct 1 (gross)    | --             | --               | --               |
| 30.20 Obligated balance, start of year (net)                | --             | --               | --               |
| 30.30 Obligations incurred, unexpired accounts              | --             | --               | -182             |
| 30.40 Outlays (gross)                                       | --             | --               | 173              |
| Obligated balance, end of year (net):                       |                |                  |                  |
| 30.90 Unpaid obligations, end of year (gross)               | --             | --               | -9               |
| 31.00 Obligated balance, end of year (net)                  | --             | --               | -9               |
| <b><u>Budget authority and outlays, net:</u></b>            |                |                  |                  |
| Discretionary:  |                |                  |                  |
| 40.00 Budget authority, gross                               | --             | --               | --               |
| 40.70 Budget authority, net (discretionary)                 | --             | --               | --               |
| Mandatory:  |                |                  |                  |
| 40.90 Budget authority, gross                               | --             | --               | -182             |
| Outlays, gross:   |                |                  |                  |
| 41.00 Outlays from mandatory authority                      | --             | --               | -137             |
| 41.60 Budget authority, net (mandatory)                     | --             | --               | -182             |
| 41.70 Outlays, net (mandatory)                              | --             | --               | -173             |
| 41.80 Budget authority, net (total)                         | --             | --               | -182             |
| 41.90 Outlays, net (total)                                  | --             | --               | -173             |

*Office of Surface Mining Reclamation and Enforcement*

|  |     |     |     |
|--|-----|-----|-----|
| Mandatory:                                 |     |     |     |
| 40.90 Budget authority (gross)             | 245 | 265 | 267 |
| Outlays, gross:                            |     |     |     |
| 41.00 Outlays from new mandatory authority | 6   | 156 | 158 |
| 41.01 Outlays from mandatory balances      | 112 | 146 | 217 |
| 41.10 Outlays, gross (total)               | 118 | 302 | 375 |
| 41.60 Budget authority, net (mandatory)    | 245 | 265 | 267 |
| 41.70 Outlays, net (mandatory)             | 118 | 302 | 375 |
| 41.80 Budget authority, net (total)        | 245 | 265 | 267 |
| 41.90 Outlays, net (total)                 | 118 | 302 | 375 |

**Abandoned Mine Reclamation Fund**  
**Program and Financing**  
(dollars in millions)

| 14-1804-0  | 2011<br>Actual | 2012<br>Estimate | 2013<br>Estimate |
|--|----------------|------------------|------------------|
| <b><u>Obligations by program activity:</u></b>   |                |                  |                  |
| 00.01 Direct program activity                    | 216            | 206              | 175              |
| 09.00 Total new obligations (object class 25.2)  | 216            | 206              | 175              |
| <b><u>Budgetary resources:</u></b>               |                |                  |                  |
| Budget authority:                                |                |                  |                  |
| Appropriations, mandatory (total):               |                |                  |                  |
| 12.00 Appropriation                              | 216            | 206              | 175              |
| 12.60 Appropriations, mandatory (total)          | 216            | 206              | 175              |
| 19.00 Budget authority (total)                   | 216            | 206              | 175              |
| 19.30 Total budgetary resources available        | 216            | 206              | 175              |
| <b><u>Change in obligated balance:</u></b>       |                |                  |                  |
| 30.30 Obligations incurred, unexpired accounts   | 216            | 206              | 175              |
| 30.40 Outlays (gross)                            | -216           | -206             | -175             |
| <b><u>Budget authority and outlays, net:</u></b> |                |                  |                  |
| Mandatory:                                       |                |                  |                  |
| 40.90 Budget authority, gross                    | 216            | 206              | 175              |
| Outlays (gross:                                  |                |                  |                  |
| 41.00 Outlays from new mandatory authority       | 216            | 206              | 175              |
| 41.60 Budget authority, net (mandatory)          | 216            | 206              | 175              |
| 41.70 Outlays, net (mandatory)                   | 216            | 206              | 175              |
| 41.80 Budget authority, net (total)              | 216            | 206              | 175              |
| 41.90 Outlays, net (total)                       | 216            | 206              | 175              |

**Summary of Requirements by Object Class**  
**Regulation and Technology**  
 Program and Financing  
 (dollars in millions)

| Object Class                                     | FY 2012 Estimate |        | DOI-wide Changes |        | Program Changes |        | FY 2013 Request |        |
|--|------------------|--------|------------------|--------|-----------------|--------|-----------------|--------|
|  | FTE              | Amount | FTE              | Amount | FTE             | Amount | FTE             | Amount |
| <b>11 Personnel Compensation</b>                 |                  |        |                  |        |                 |        |                 |        |
| 11.1 Full-time Permanent                         | 344              | 33     |                  |        |                 |        | 369             | 33     |
| 11.X All other salaries                          |                  |        |                  |        |                 |        |                 |        |
| <b>Total Personnel Compensation</b>              | 344              | 33     | 0                | 0      | +25             | 0      | 369             | 33     |
| <b><u>Other Object Classes</u></b>               |                  |        |                  |        |                 |        |                 |        |
| 12.1 Personnel Benefits                          |                  | 7      |                  |        |                 |        |                 | 7      |
| 21.0 Travel and transportation of persons        |                  | 2      |                  |        |                 |        |                 | 2      |
| 23.1 Rental Payments to GSA                      |                  | 4      |                  |        |                 |        |                 | 4      |
| 23.2 Rental Payments to Others                   |                  | 1      |                  |        |                 |        |                 | 1      |
| 25.2 Other Services                              |                  | 6      |                  |        |                 |        |                 | 6      |
| 26.0 Supplies and materials                      |                  | 2      |                  |        |                 |        |                 | 2      |
| 31.0 Equipment                                   |                  | 1      |                  |        |                 |        |                 | 1      |
| 41.0 Grants, subsidies and contributions         |                  | 67     |                  |        |                 | -10    |                 | 57     |
| 99.0 Subtotal, obligations, Direct obligations   |                  | 123    |                  |        |                 | -10    |                 | 113    |
| <b><u>Reimbursable obligations</u></b>           |                  |        |                  |        |                 |        |                 |        |
| 11.1 Personnel compensation: Full-time permanent |                  |        |                  |        |                 |        |                 |        |
| 99.0 Subtotal, obligations, Reimbursable         |                  |        |                  |        |                 |        |                 |        |
| 99.5 Below reporting threshold                   |                  |        |                  |        |                 |        |                 |        |
| <b>99.9 Total requirements</b>                   | 344              | 123    | 0                | 0      | +25             | -10    | 369             | 113    |

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

| <u>Object Class</u>                       | FY 2012 Estimate |               | DOI-wide Changes |               | Program Changes |               | FY 2013 Request |               |
|---|------------------|---------------|------------------|---------------|-----------------|---------------|-----------------|---------------|
|   | <u>FTE</u>       | <u>Amount</u> | <u>FTE</u>       | <u>Amount</u> | <u>FTE</u>      | <u>Amount</u> | <u>FTE</u>      | <u>Amount</u> |
| <b>11 Personnel Compensation</b>          |                  |               |                  |               |                 |               |                 |               |
| 11.1 Full-time Permanent                  | 159              | 17            |                  |               |                 |               | 159             | 17            |
| 11.X All other salaries                   |                  |               |                  |               |                 |               |                 |               |
| <b>Total Personnel Compensation</b>       | <b>159</b>       | <b>17</b>     |                  |               |                 |               | <b>159</b>      | <b>17</b>     |
| <b><u>Other Object Classes</u></b>        |                  |               |                  |               |                 |               |                 |               |
| 12.1 Personnel Benefits                   |                  | 3             |                  |               |                 |               |                 | 7             |
| 21.0 Travel and transportation of persons |                  | 1             |                  |               |                 |               |                 | 2             |
| 23.1 Rental Payments to GSA               |                  | 2             |                  |               |                 |               |                 | 4             |
| 23.3 Communications, Utilities and Misc.  |                  | 1             |                  |               |                 |               |                 | 1             |
| 25.2 Other Services                       |                  | 6             |                  |               |                 |               |                 | 6             |
| 31.0 Equipment                            |                  | 1             |                  |               |                 |               |                 | 1             |
| 41.0 Grants, Subsidies and Contributions  |                  | 264           |                  |               |                 | +10           |                 | 274           |
| 99.9 Below reporting threshold            |                  |               |                  |               |                 |               |                 |               |
| <b>99.9 Total requirements</b>            | <b>159</b>       | <b>295</b>    |                  |               |                 | <b>+10</b>    | <b>159</b>      | <b>305</b>    |

**Regulation and Technology**  
**Object Classification**  
(dollars in millions)

| 14-1801-0-1-302                                  | FY 2011<br>Actual | FY 2012<br>Estimate | FY 2013<br>Estimate |
|--|-------------------|---------------------|---------------------|
| <b>Direct Obligations:</b>                       |                   |                     |                     |
| Personnel Compensation:                          |                   |                     |                     |
| 1111 Full-time permanent                         | 31                | 33                  | 33                  |
| 1113 Positions other than full-time permanent    | *                 | *                   | *                   |
| 1115 Other Personnel Compensation                | *                 | *                   | *                   |
| 1119 Total Personnel Compensation                | 31                | 33                  | 33                  |
| 1121 Personnel Benefits                          | 8                 | 7                   | 7                   |
| 1130 Benefits for former Personnel               | *                 | *                   | *                   |
| 1210 Travel and Transportation of Persons        | 2                 | 2                   | 2                   |
| 1220 Transportation of Things                    | *                 | *                   | *                   |
| 1231 Rental Payments to GSA                      | 3                 | 4                   | 4                   |
| 1232 Rental Payments to Others                   | 2                 | 1                   | 1                   |
| 1233 Communications, Utilities and Misc. Charges | *                 | *                   | *                   |
| 1240 Printing and Reproduction                   | *                 | *                   | *                   |
| 1251 Advisory and assistance services            | *                 | *                   | *                   |
| <i>1252 Other Services</i>                       | 8                 | 6                   | 6                   |
| 1257 Operation and maintenance of equipment      | *                 | *                   | *                   |
| 1260 Supplies and Materials                      | 1                 | 2                   | 2                   |
| 1310 Equipment                                   | 1                 | 1                   | 1                   |
| 1410 Grants, Subsidies and Contributions         | 69                | 67                  | 57                  |
| 1420 Insurance Claims                            | *                 | *                   | *                   |
| 1430 Interest and Dividends                      | *                 | *                   | *                   |
| <i>9900 Subtotal, Direct Obligations</i>         | <i>125</i>        | <i>123</i>          | <i>113</i>          |
| <b>Reimbursable Obligations:</b>                 |                   |                     |                     |
| 2111 Full-time permanent (Reimbursable)          | *                 | *                   | *                   |
| 2252 Other Services                              | *                 | *                   | *                   |
| 9995 Below reporting threshold                   |                   |                     |                     |
| <b>9999 Total Obligations</b>                    | <b>125</b>        | <b>123</b>          | <b>113</b>          |

**Abandoned Mine Reclamation Fund**  
**Object Classification**  
(dollars in millions)

| 14-5015-0-1-302                                  | FY 2011<br>Actual | FY 2012<br>Estimate | FY 2013<br>Estimate |
|--|-------------------|---------------------|---------------------|
| <b>Direct Obligations:</b>                       |                   |                     |                     |
| <u>Personnel Compensation:</u>                   |                   |                     |                     |
| 1111 Full-time permanent                         | 16                | 17                  | 17                  |
| 1113 Positions other than full-time permanent    | *                 | *                   | *                   |
| 1115 Other Personnel Compensation                | *                 | *                   | *                   |
| 1119 Total Personnel Compensation                | 16                | 17                  | 17                  |
| 1121 Personnel Benefits                          | 4                 | 3                   | 3                   |
| 1210 Travel and Transportation of Persons        | 1                 | 1                   | 1                   |
| 1231 Rental Payments to GSA                      | 1                 | 2                   | 2                   |
| 1232 Rental Payments to Others                   | 1                 | *                   | *                   |
| 1233 Communications, Utilities and Misc. Charges | *                 | 1                   | 1                   |
| 1252 Other Services                              | 7                 | 6                   | 6                   |
| 1260 Supplies and Materials                      | *                 | *                   | *                   |
| 1310 Equipment                                   | 1                 | 1                   | 1                   |
| 1410 Grants, Subsidies and Contributions         | 234               | 264                 | 274                 |
| Reimbursable obligations:                        |                   |                     |                     |
| 2252 Other services                              | 1                 | *                   | *                   |
| 9995 Below reporting threshold                   | *                 | *                   | *                   |
| <b>9999 Total Obligations</b>                    | <b>266</b>        | <b>295</b>          | <b>305</b>          |

**Abandoned Mine Reclamation Fund**  
Object Classification  
(dollars in millions)

| 14-1803-0  | FY 2011<br>Actual | FY 2012<br>Estimate | FY2013<br>Estimate |
|--|-------------------|---------------------|--------------------|
| <b>Direct Obligations:</b><br>14.10 Direct obligations: Grants, Subsidies and<br>Contributions | 260               | 265                 | 267                |



**Abandoned Mine Reclamation Fund**  
Object Classification  
(dollars in millions)

| 14-1803-4   | FY 2011<br>Actual | FY 2012<br>Estimate | FY2013<br>Estimate |
|---|-------------------|---------------------|--------------------|
| <b>Direct Obligations:</b><br>14.10 Direct obligations: Grants, subsidies and contributions | --                | --                  | -182               |

**Abandoned Mine Reclamation Fund**  
Object Classification  
(dollars in millions)

| 14-1804-0  | FY 2011<br>Actual | FY 2012<br>Estimate | FY2013<br>Estimate |
|--|-------------------|---------------------|--------------------|
| <b>Direct Obligations:</b><br>12.52 Direct obligations: Other services | 216               | 206                 | 175                |



**Exhibit C**

**DEPARTMENT OF THE INTERIOR  
Office of Surface Mining Reclamation and Enforcement  
Employee Count by Grade**

|   | FY 2011<br>Actual | FY 2012<br>Estimate | FY 2013<br>Estimate |
|---|-------------------|---------------------|---------------------|
| Executive Level .....   | 1                 | 1                   | 1                   |
| SES.....  | <u>7</u>          | <u>7</u>            | <u>7</u>            |
| subtotal.....   | 8                 | 8                   | 8                   |
| <br>  |                   |                     |                     |
| GS/GM-15.....   | 20                | 20                  | 22                  |
| GS/GM-14.....   | 54                | 54                  | 56                  |
| GS/GM-13.....   | 135               | 135                 | 140                 |
| GS-12.....  | 147               | 147                 | 155                 |
| GS-11.....  | 22                | 22                  | 27                  |
| GS-10.....  | 0                 | 0                   | 0                   |
| GS-9.....   | 37                | 37                  | 40                  |
| GS-8.....   | 8                 | 8                   | 8                   |
| GS-7.....   | 25                | 25                  | 25                  |
| GS-6.....   | 8                 | 8                   | 8                   |
| GS-5.....   | 11                | 11                  | 11                  |
| GS-4.....   | 35                | 35                  | 35                  |
| GS-3.....   | 8                 | 8                   | 8                   |
| GS-2.....   | <u>0</u>          | <u>0</u>            | <u>0</u>            |
| subtotal.....   | 510               | 510                 | 535                 |
| <br>  |                   |                     |                     |
| Total employment (actual/projected)<br>at end of fiscal year..... | <u>518</u>        | <u>518</u>          | <u>543</u>          |

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



Office of Surface Mining Reclamation and Enforcement

| <b>AML Reclamation Accomplishments</b><br><b>Historical Data Through September 30, 2011</b><br><b>Priority 1, 2, and 3 Problems</b>   |              |                        |                    |                                      |                                    |
|---|--------------|------------------------|--------------------|--------------------------------------|------------------------------------|
| <b>Problem Type</b>   | <b>Units</b> | <b>Number of Units</b> | <b>GPRA Acres</b>  | <b>Cost of Completed Reclamation</b> | <b>Remaining Reclamation Costs</b> |
| Bench   | Acres        | 661                    | 661                | 2,891,523                            | 14,327,003                         |
| Clogged Streams   | Miles        | 450                    | 2,250              | 50,903,790                           | 67,649,261                         |
| Clogged Stream Lands  | Acres        | 19,387                 | 19,387             | 195,501,273                          | 204,377,789                        |
| Dangerous Highwalls   | Feet         | 2,879,990              | 41,142             | 372,250,692                          | 756,085,232                        |
| Dangerous Impoundments  | Count        | 1,202                  | 6,010              | 40,235,633                           | 28,543,209                         |
| Industrial/Residential Waste (Priority 1 & 2)   | Acres        | 1,101                  | 1,101              | 5,511,695                            | 10,934,548                         |
| Dangerous Piles & Embankments   | Acres        | 12,507                 | 12,507             | 229,320,686                          | 280,887,687                        |
| Dangerous Slides  | Acres        | 3,602                  | 3,602              | 164,828,371                          | 96,502,741                         |
| Equipment/Facilities  | Count        | 713                    | 71                 | 6,371,186                            | 5,153,108                          |
| Gases: Hazardous Explosive  | Count        | 39                     | 39                 | 511,725                              | 2,374,002                          |
| Gobs (Coal waste piles)   | Acres        | 6,566                  | 6,566              | 82,769,195                           | 64,580,853                         |
| Highwalls   | Feet         | 198,556                | 2,836              | 15,155,053                           | 1,243,427,922                      |
| Hazardous Equipment & Facilities  | Count        | 4,814                  | 481                | 27,328,996                           | 24,957,199                         |
| Haul Road   | Acres        | 571                    | 571                | 4,524,330                            | 4,176,436                          |
| Hazardous Water Body  | Count        | 1,532                  | 7,660              | 39,709,305                           | 58,398,692                         |
| Industrial/Residential Waste (Priority 3)   | Acres        | 272                    | 272                | 1,579,925                            | 782,916                            |
| Mine Opening  | Count        | 867                    | 86                 | 3,259,829                            | 8,180,038                          |
| Other   | -----        | 108,251,614            | 108,251,614        | 7,764,616                            | 24,067,540                         |
| Polluted Water: Agricultural & Industrial   | Count        | 462                    | 2,310              | 42,849,587                           | 109,759,963                        |
| Polluted Water: Human Consumption   | Count        | 39,908                 | 199,540            | 229,898,849                          | 3,734,312,601                      |
| Portals   | Count        | 10,587                 | 1,058              | 48,870,086                           | 31,962,260                         |
| Pits  | Acres        | 2,491                  | 2,491              | 15,325,284                           | 42,459,114                         |
| Subsidence  | Acres        | 6,593                  | 6,593              | 277,441,530                          | 569,912,422                        |
| Spoil Area  | Acres        | 84,759                 | 84,759             | 75,270,061                           | 302,384,738                        |
| Surface Burning   | Acres        | 1,474                  | 1,474              | 45,569,974                           | 19,567,089                         |
| Slurry  | Acres        | 2,463                  | 2,463              | 25,942,553                           | 6,440,697                          |
| Slump   | Acres        | 443                    | 443                | 4,655,790                            | 98,052,045                         |
| Underground Mine Fire   | Acres        | 1,689                  | 1,689              | 94,401,603                           | 842,766,206                        |
| Vertical Opening  | Count        | 138,416                | 13,841             | 35,083,416                           | 34,787,372                         |
| Water Problems  | Gal/Min      | 9,323,889              | 9,323,889          | 20,853,904                           | 189,896,027                        |
| <b>Total</b>  |              | <b>120,997,618</b>     | <b>117,997,406</b> | <b>2,166,580,460</b>                 | <b>8,877,706,710</b>               |
| * Not converted to GPRA acres.  |              |                        |                    |                                      |                                    |
| <b>Note:</b> GPRA Acres are non-acre measures (feet of highwalls or number of portals that are converted by formula to acres. GPRA acres are used to measure program performance). Includes Acid Mine Drainage, Coal Interim Site Funding, Coal Insolvent Surety Site Funding, and Pre-SMCRA Coal State/Tribe Programs. |              |                        |                    |                                      |                                    |
| <b>Source:</b> Abandoned Mine Land Inventory System (AMLIS).  |              |                        |                    |                                      |                                    |



Office of Surface Mining Reclamation and Enforcement

| <b>By State and Tribe Funding Data</b><br><b>FY 2011 Obligations for Grants, Cooperative Agreements and Federal Project Spending</b><br><b>(DOLLARS IN THOUSANDS)</b> |                           |                        |                    |                                      |               |        |
|---|---------------------------|------------------------|--------------------|--------------------------------------|---------------|--------|
| STATE/TRIBE   | Environmental Restoration |                        |                    | Environmental Protection(Regulatory) |               | TOTAL  |
|   | AML Funding               | Federal Reclamation    |                    | Grants/Agreements                    |               |        |
|   | Emergency Projects        | High Priority Projects | Emergency Projects | Non-Federal Lands                    | Federal Lands |        |
| Alabama   |                           |                        |                    | 1,543                                | 20            | 1,563  |
| Alaska  |                           |                        |                    | 326                                  |               | 326    |
| Arkansas  |                           |                        |                    | 150                                  |               | 150    |
| California  |                           |                        |                    |                                      |               |        |
| Colorado  |                           |                        |                    | 979                                  | 2,479         | 3,458  |
| Georgia   |                           |                        |                    |                                      |               |        |
| Illinois  |                           |                        |                    | 2,700                                | 170           | 2,870  |
| Indiana   |                           |                        |                    | 2,090                                |               | 2,090  |
| Iowa  | 50                        |                        |                    | 73                                   |               | 123    |
| Kansas  | 200                       |                        |                    | 114                                  |               | 314    |
| Kentucky  |                           |                        | 332                | 11,058                               | 1,374         | 12,764 |
| Louisiana   |                           |                        |                    | 168                                  |               | 168    |
| Maryland  |                           |                        | 35                 | 719                                  |               | 754    |
| Michigan  |                           |                        |                    |                                      |               |        |
| Mississippi   |                           |                        |                    | 219                                  |               | 219    |
| Missouri  |                           |                        |                    | 235                                  |               | 235    |
| Montana   |                           |                        |                    | 250                                  | 1,341         | 1,591  |
| New Mexico  |                           |                        |                    | 335                                  | 515           | 850    |
| North Dakota  |                           |                        |                    | 462                                  | 359           | 821    |
| Ohio  |                           |                        |                    | 1,600                                |               | 1,600  |
| Oklahoma  | 130                       |                        |                    | 934                                  | 203           | 1,267  |
| Oregon  |                           |                        |                    |                                      |               |        |
| Pennsylvania  |                           |                        | 859                | 10,833                               |               | 11,692 |
| Rhode Island  |                           |                        |                    |                                      |               |        |
| South Dakota  |                           |                        |                    |                                      |               |        |
| Tennessee   |                           |                        |                    |                                      |               |        |
| Texas   |                           |                        |                    | 1,954                                |               | 1,954  |
| Utah  |                           |                        |                    | 269                                  | 1,706         | 1,975  |
| Virginia  |                           |                        |                    | 3,400                                |               | 3,400  |
| Washington  |                           | 225                    | 524                |                                      |               | 749    |
| West Virginia   |                           |                        |                    | 12,007                               |               | 12,007 |
| Wyoming   |                           |                        |                    | 467                                  | 1,834         | 2,301  |
| Cherokee Nation   |                           | 8                      |                    |                                      |               | 8      |
| Crow  |                           |                        |                    |                                      | 408           | 408    |
| Hopi  |                           |                        |                    |                                      | 425           | 425    |
| Navajo  |                           |                        |                    |                                      | 1,165         | 1,165  |
| N. Cheyenne   |                           |                        |                    |                                      |               |        |
| Total   | 380                       | 233                    | 1,750              | 52,885                               | 11,999        | 67,247 |