



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

and Performance Information  
Fiscal Year 2015

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

NOTICE: These budget justifications are prepared for the Interior, Environment and Related Agencies Appropriations Subcommittees.

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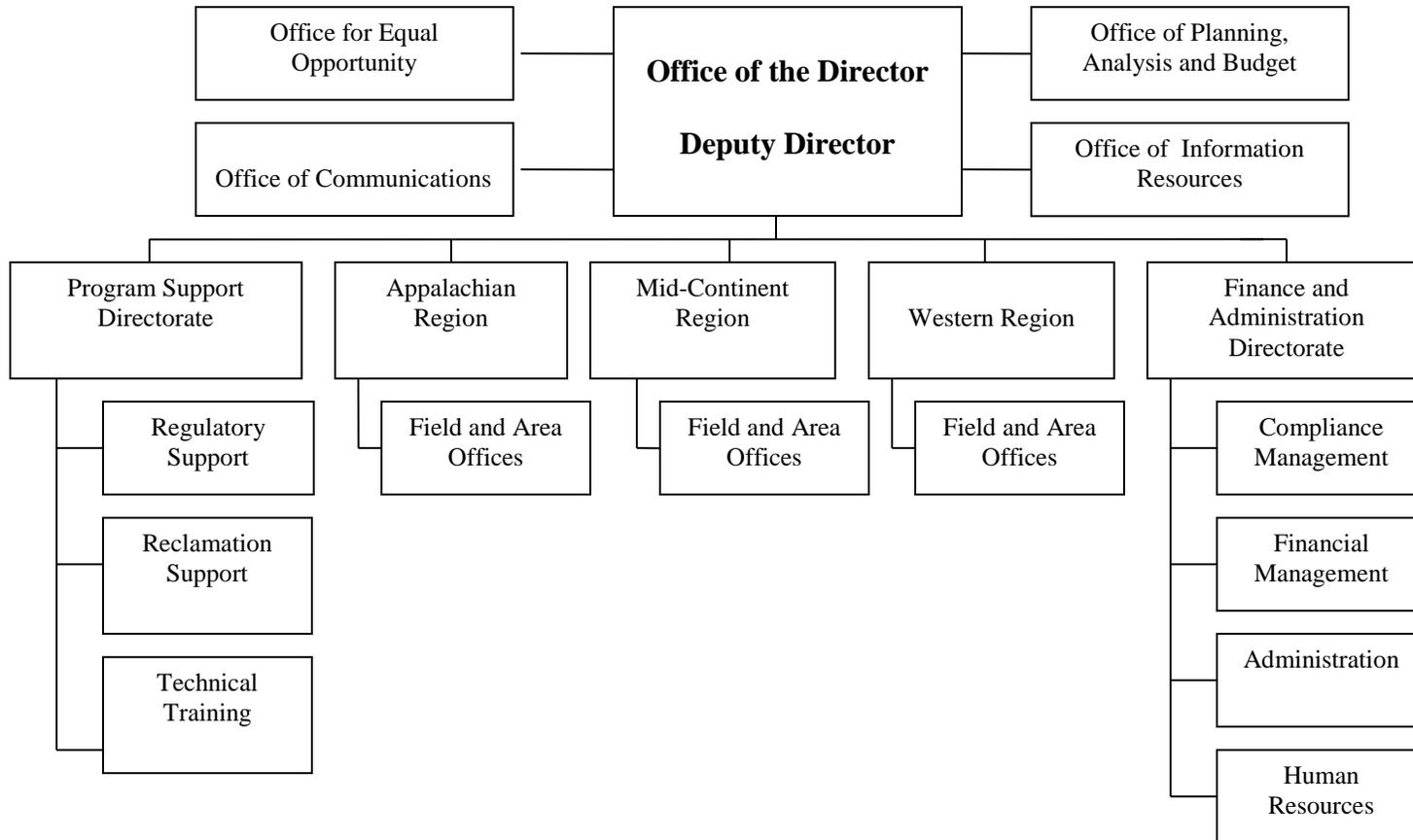
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# Office of Surface Mining Reclamation and Enforcement





# **TAB 1**

## **General Statement**



## **GENERAL STATEMENT**

### **Overview**

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

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OSM's primary objectives are to:

- (1) ensure that coal mine surface activities are operated in a manner that protects citizens and the environment during mining,
  - (2) assure that the land is restored to beneficial use following mining, and
  - (3) address the effects of past mining by aggressively pursuing reclamation of abandoned coal mines.
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Over a billion tons of coal are produced each year in the United States. Over 90 percent of coal produced is used for the generation of electricity. While coal remains the dominant fuel for electricity generation, its share has been declining with a projected share of 38 percent by 2025<sup>1</sup>. Each coal mine must be permitted and regulated under SMCRA.

OSM regulates coal production and reclaims abandoned mines, or authorizes States and Tribes upon approval of their regulatory and reclamation programs to perform these responsibilities subject to OSM oversight. 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 2,300 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, support 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; applied science projects; 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)**

OSM supports the Department's Initiative, "Powering Our Future and Responsible Use of the Nation's Resources" as presented in the Strategic Plan<sup>2</sup>. In order to strike the proper balance between environmental protection and the Nation's energy needs, OSM strives to maintain a

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<sup>1</sup> U.S. Energy Information Administration, Annual Energy Outlook 2013 (April 2013), page 71.

<sup>2</sup> U.S. Department of the Interior, Strategic Plan for Fiscal Years 2014-2018, Mission Area 3.

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regulatory environment that is both stable and consistent with 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 responsibly 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, for 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 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 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 structure for recovering more of the costs to review, administer, and enforce permits for coal mining. Also, appropriation language to offset OSM's budget with cost recovery 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 2013, States completed 49,320 partial and 28,409 complete inspections for a total of 77,729 inspections. OSM completed 855 partial and 650 complete inspections in Federal Programs and on Indian Lands. Nationwide, about 89 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>3</sup> In FY 2014 and 2015, OSM will continue to work with the Tribes to help develop and then review applications for primacy as they are received.

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

OSM supports the Department's Initiative of Protecting America's Landscapes under Mission Area 1, "Celebrating and Enhancing America's Great Outdoors" as presented in the Strategic Plan<sup>4</sup>. 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 a distribution of \$322.1 million in FY 2013.

In 2012 an amendment to SMCRA was passed in Moving Ahead for Progress in the 21<sup>st</sup> Century Act (P.L. 112-141) that limited the level of funding available to each certified State and Tribe (those States/Tribes who have completed their coal reclamation work) to \$15 million each per year. This limitation was further clarified in the Continuing Appropriations Resolution for 2013 (P.L. 112-175) so that it does not impact funding levels available to noncertified States. SMCRA was further amended by enactment of the Helium Stewardship Act of 2013 (P.L. 113-40) which increased the limitation to \$28 million in FY 2014 and \$75 million in FY 2015.

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

First, the budget proposes to terminate the payments to certified States and Tribes. These States and Tribes have already certified that they have completed their abandoned coal mine reclamation projects and are now permitted to use their AML payments for any purpose. Terminating these payments will save the taxpayer \$295.0 million over the next decade.

Second, the budget proposes to return coal reclamation fee rates to their historic (pre-FY 2008) levels. Mine operators currently pay 28¢ per ton for each ton of coal produced by surface mining; 12¢ per ton for each ton of coal produced by underground mining; 8¢ per ton of lignite

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

<sup>4</sup> U.S. Department of the Interior, Strategic Plan for Fiscal Years 2014-2018, Mission Area 1.

produced; or ten percent of the value of the coal (two percent of the value of the lignite), whichever is less. The FY 2015 budget proposes to return coal reclamation fees to the 35¢ per ton for coal produced by surface mining; 15¢ per ton for underground mining; 10¢ per ton for lignite produced; or ten percent of the value of the coal (two percent of the value of the lignite), whichever is less. The proposal to return the fees to their historic levels will generate an additional \$52.0 million in 2015 that will be available for distribution in FY 2016 to reclaim high priority abandoned mine sites and reduce some of the estimated \$3.9 billion in remaining dangerous coal AML sites nationwide.

Third, the budget proposes to build off of the successes of the coal AML program to create a parallel program for hardrock AML reclamation. Similar to the coal industry, the hardrock industry has left a legacy of abandoned mine sites that create health, safety, and environmental hazards. Currently, no hardrock reclamation fee that provides revenue to a dedicated hardrock reclamation fund exists, which leaves States, Tribes, and Federal land managers to address these sites as part of their general revenue budgets or with funds from the coal AML Fund when possible. (See Permanent Appropriations Section for more details.)

### **Applied Science Projects**

OSM uses emerging technologies, tools and methodologies to elevate the understanding of resources related to coal mining on a landscape-level as envisioned in the Department's Strategic Plan, "Building a Landscape-Level Understanding of Our Resources."<sup>5</sup> OSM's proposed budget includes investment in scientific studies to address critical challenges in energy production and the management of ecosystems on mined and reclaimed lands. A request of \$1.9 million will support studies to advance technologies and practices specific to coal mine sites for more comprehensive ecosystem restoration, including reforestation and reclamation using native vegetation and plant habitat.

One specific study planned is to address mine pools in closed underground mines. After cessation of underground mining, mine pools often develop in the voids remaining after mining. Discharges from these pools often have water quality issues that degrade streams and ground water, and are expensive to treat. Studies to improve the reliability of modeling closed underground mines is essential to establish science-based requirements for mining operators to responsibly deal with these types of potential problems before mine closures.

In addition, OSM's budget proposes \$1.5 million to expand its GeoMine Project, which is an interactive geospatial data sharing system for State and Federal agencies who have responsibilities regarding coal mining activities and decisions. A two-year pilot project demonstrated that significant efficiencies result when agencies use GeoMine's science-based interactive digital maps of coal mining and reclamation activities. This pilot included SMCRA regulatory programs in four States (Kentucky, Tennessee, Virginia and West Virginia), and Federal agencies involved in SMCRA, Clean Water Act (CWA) and Endangered Species Act (ESA) regulation and consultation (EPA, Fish and Wildlife Service, and the Army Corps of Engineers). The phased deployment of the GeoMine to collect and provide access to SMCRA data nationwide is expected to begin in FY 2015.

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<sup>5</sup> U.S. Department of the Interior, Strategic Plan for Fiscal Years 2014-2018, Mission Area 6.

With the results of coal-related scientific studies and the expansion of the GeoMine Project, OSM anticipates improved technical evaluation of issues to maintain program effectiveness, and support advances in coal mining and reclamation.

### **Engaging the Next Generation**

A key component of the Secretary's priorities for the Department is the engagement of the public in Interior's mission, particularly America's young people. Implementation of Mission Area 4 of the Department's FY 2014-2018 Strategic Plan "Engaging the Next Generation" is key to developing the future workforce for OSM. 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. Many volunteers work 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 support reforestation projects and regulatory projects with States such as inspector trainees and technical support.

In addition, OSM welcomes youth through Federal hiring authorities. Federal programs offer part-time paid positions to students in high school, college, vocational school or graduate school in order to gain experience in new fields. Examples of work performed by students include:

- Working with OSM's mine map repositories in Pittsburgh, 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.
- Assisting human resource staff with implementation of Electronic Official Personnel Folder by scanning and reviewing documents.

OSM has exceeded its goal in the past four years and increased youth engagement by 35 percent over the FY 2009 baseline. In FY 2013, OSM engaged 220 youth and exceeded its goal for the year by 32 percent. Accomplishments included engaging 165 youth from partnership efforts and 55 continuing and new students under other hiring authorities. In FY 2014- FY 2015, OSM will

continue to support the program and the Department's overall goal of providing 40,000 work and training opportunities over two years through its ongoing activities and partnerships.

### **Budget Highlights**

The FY 2015 Budget Request for OSM is \$144.8 million in current appropriations<sup>6</sup>, a decrease of \$5.3 million from the FY 2014 enacted level. Changes are due to proposed program changes, and fixed costs.

Program Changes include (net change of -\$6.243 million):

- + \$3,843,000 to Improve Implementation and Support the States and Tribes;
- + \$1,899,000 for Applied Science Projects;
- +\$1,500,000 for Expansion of OSM's GeoMine Project;
- +\$750,000 to Support Electronic Permitting;
- +\$500,000 for Cost Recovery Data Application;
- +\$291,000 to Support Project Monitoring of Federal Reclamation Projects;
- +\$200,000 for Financial Management Monitoring;
- +\$7,000 for Indirect Cost Negotiations (DOI Working Capital Fund, direct bill)
- - \$13,373,000 in State and Tribal Regulatory Funding; and
- -\$1,860,000 in Federal Programs and Indian Lands to Implement Federal Cost Recovery for Services Provided.

Fixed Costs include (net change of +\$936,000):

- +\$586,000 for Pay Raises
- +\$40,000 for Federal Health Benefit Plans;
- +\$51,000 for Workers Compensation;
- +\$409,000 for Rental Payments; and
- -\$150,000 for a Working Capital Fund Adjustments, including IT Transformation.

The requested programmatic increase of \$3.843 million and 12 FTE would be used to improve implementation of existing laws and for technical support to the States and Tribes. The requested programmatic increases of \$1.899 million for applied science projects will support the advancement of technologies and practices specific to coal mined sites for more comprehensive ecosystem restoration, including reforestation and reclamation using native vegetation and plant habitat; \$1.5 million provides for the expansion of the GeoMine project; \$750,000 is to support electronic permitting; \$500,000 supports a cost recovery data application; \$291,000 will allow for additional reclamation project monitoring; \$200,000 provides for additional financial monitoring, and \$7,000 provides for an increase in the DOI Working Capital Fund direct billing specific to indirect cost negotiations.

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<sup>6</sup> This amount does not include \$100,000 in civil penalty authority.

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In addition to discretionary appropriations, the budget includes \$352.7 million in mandatory funding for reclamation grants to States and Tribes, and for United Mine Workers of America (UMWA) health benefit plans. Mandatory funding is further described under the Permanent Appropriations Section. A summary table of the Budget is shown below. Increases and decreases are detailed by account, activity and sub-activity in the table contained in the Budget-at-a-Glance Section.

**Total FY 2015 Budget Request**

(Dollars in thousands)

<b>Budget Authority</b>	<b>2014 Enacted</b>	<b>2015 Request</b>	<b>Change from 2014</b>
Regulation & Technology*	122,713	116,100	-6,603
Abandoned Mine Reclamation Fund	27,399	28,695	+1,296
<b>Total, Discretionary</b>	<b>150,112</b>	<b>144,805</b>	<b>-5,307</b>
		<b>FY 2015 Projections</b>	
Payments (or Grants) to States in Lieu of Coal Fee Receipts (Treasury Funds)	131,903	**	-131,903
Mandatory Grants to Non-Certified States (AML Funds)	166,415	186,000	+19,585
Funds Transferred to UMWA Health Benefit Plans (both AML and Treasury funds)	125,284	166,723	+32,153
<b>Total, Mandatory</b>	<b>423,602</b>	<b>352,723</b>	<b>-70,879</b>
<b>Total, OSM</b>		<b>497,528</b>	

\* Estimated civil penalty collections of \$100,000 are not included.

\*\* Projections do not include funding for certified States and Tribes—see Legislative Proposal under the Permanent Appropriations Section.

The FY 2015 budget provides \$55.2 million (38 percent) of 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.

### **Administration's Management Agenda**

The Department of the Interior supports the President's Management Agenda to cut waste and implement a government that is more responsive and open. The OSM's budget supports the Department's plan to build upon the Accountable Government Initiative through a set of integrated enterprise reforms designed to support collaborative, evidence-based resource management decisions; efficient Information Technology (IT) Transformation; optimized programs, business processes, and facilities; and a network of innovative cost controlling measures that leverage strategic workforce alignment to realize an effective 21<sup>st</sup> Century Interior organization.

The FY 2015 President's Budget Request includes \$58,000 for OSM's participation in the Department's IT Transformation efforts through the Department's Working Capital Fund. These funds will support IT Transformation project-level planning and coordination and the implementation of enterprise IT services.

The 2015 budget also includes an increase of \$7,000 to fund the review of indirect cost rate proposals for OSM by the Office of Indirect Cost Services. The Office of Indirect Cost Services negotiates indirect cost rates with non-Federal entities including tribal governments, State and local governments, Insular governments, and nonprofit organizations that receive funding from the Department. In 2015, this activity will be funded from customer payments for services based on the number of proposals reviewed and will be direct billed through the DOI Working Capital Fund. This activity was previously funded in the Departmental Operations Appropriation.

OSM will participate in the cross-cutting goals contained in the Department's Strategic Plan Goal of Building a 21<sup>st</sup> Century Department of the Interior. OSM will continue to strengthen human capital processes, and tools and strategies that can be utilized to ensure an engaged, highly skilled work force. Operational savings achieved from efforts under the Campaign to Cut Waste will continue in travel, strategic sourcing, rent/consolidation of space, and information technology consolidation. In addition, investments in programs to promote efficiencies that reach further than OSM, such as the GeoMine Project and electronic permitting, will support efficient operations among Federal and State governments, as well as coal mine operators and the public. Investments in human resources, technology, and strategic sourcing are critical to support more efficient and effective operations.

## 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 2014-2018 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 2014 – FY 2018 is the foundational structure for the description of program performance measurement and planning for the FY 2015 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 2015 are fully consistent with the goals, outcomes, and measures described in the FY 2014-2018 version of the DOI Strategic Plan and related implementation information in the APP&R.

**DOI Strategic Plan Mission Areas:** OSM directly contributes to four of the six Mission Areas and two Priority Goals 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 and Priority Goals.

### Mission Area 1: Celebrating and Enhancing America’s Great Outdoors

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

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.*

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 3: Powering Our Future and Responsible Use of the Nation’s 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

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States and Tribes with approved State regulatory programs. OSM also conducts oversight and evaluation of State programs.

### Mission Area 4: Engaging the Next Generation

#### Goals 1-4: *Play, Learn, Serve, and Work*

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 2014-2015. 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 student intern programs. These programs contribute to the Department's Work goal to provide 100,000 work and training opportunities to young people over the next 4 years.

In addition, OSM supports reforestation with over 1,900 individuals from nearly 196 partners to plant trees on reclaimed mined lands in 2013. These activities involved 839 youth volunteers throughout the year.

### Mission Area 6: Building a Landscape-Level Understanding of Our Resources

#### Goal #1: *Provide Shared Landscape-level Management and Planning Tools*

Understanding of resources on a landscape-level is key to bringing various parties together to make informed decisions. OSM has developed several applications to support technological advances and its FY 2015 Budget Request contains the expansion of its GeoMine Project and funding for technical studies specific to coal mines. OSM will participate with the Department in the development of measures for this Mission Area in FY 2014.

**DOI Priority Goals:** OSM will support the Department-wide activities in the following two Priority Goals contained in the Strategic Plan:

- **Climate Change Adaptation**

The FY 2014-2015 Priority Goal specifies, "By September 30, 2015, the Department of the Interior will demonstrate "maturing" implementation of climate change adaptation, as scored when implementing strategies provided in its Strategic Sustainability Performance Plan."

- **Youth Stewardship of Natural and Cultural Resources**

The FY 2014-2015 Priority Goal specifies, "By September 30, 2015, the Department of the Interior will provide 40,000 work and training opportunities over two fiscal years

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(FY2014 and FY2015) for individuals age 15 to 25 to support the mission of the Department.”

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 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. In addition, 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

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

*Office of Surface Mining Reclamation and Enforcement*

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 (e-AMLIS), an online inventory used by the State Reclamation Programs and maintained by OSM. In accordance with the requirements of SMCRA, e-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, [122,713,000] \$116,110,000, to remain available until September 30, [2015] 2016: *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 2014, up to \$40,000 collected by the Office of Surface Mining from permit fees pursuant to section 507 of Public Law 95-87 (30 U.S.C. 1257) shall be credited to this account as discretionary offsetting collection, 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), \$1,900,000, to remain available until expended: Provided, That fees assessed and collected by the Bureau pursuant to such section 507 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 [final] fiscal year [2014] 2015 appropriation estimated at not more than [\$122,713,000: *Provided further*, That , in subsequent fiscal years, all amounts collected by the Office of Surface Mining from permit fees pursuant to section 507 of Public Law 95-87 (30 U.S.C. 1257) shall be credited to this account as discretionary offsetting collections, to remain available until expended] \$116,110,000.

*(Department of the Interior, Environment, and Related Agencies Appropriations Act, 2014)*

### **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, [\$27,399,000] \$28,695,000, 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, 2014.)*

### **Interior Administrative Provision**

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

*(Department of the Interior, Environment, and Related Agencies Appropriations Act, 2014.)*

**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), \$1,900,000, to remain available until expended: Provided, That fees assessed and collected by the Bureau pursuant to such section 507 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 2015 appropriation estimated at not more than \$116,110,000.*

This change provides for \$1.9 million in budget resources to be offset with anticipated collections of costs for services to review, administer and enforce permits in Federal and Indian Lands Programs where OSM is the regulatory authority. In the event the costs recovered are less than \$1.9 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, [122,713,000] *\$116,110,000*, to remain available until September 30, [2015] *2016: 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 2014, up to \$40,000 collected by the Office of Surface Mining from permit fees pursuant to section 507 of Public Law 95-87 (30 U.S.C. 1257) shall be credited to this account as discretionary offsetting collection, 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), \$1,900,000, to remain available until expended: Provided, That fees assessed and collected by the Bureau pursuant to such section 507 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 [final] fiscal year [2014] *2015* appropriation estimated at not more than [\$122,713,000: *Provided further*, That, in subsequent fiscal years, all amounts collected by the Office of Surface Mining from permit fees pursuant to section 507 of Public Law 95-87 (30 U.S.C. 1257) shall be credited to this account as discretionary offsetting collections, to remain available until expended] *\$116,110,000*.

●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, [ \$27,399,000] \$28,695,000, 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.
- Moving Ahead for Progress in the 21<sup>st</sup> Century Act (MAP-21), which included an amendment to SMCRA (Public Law 112-141) that limits the funding to each certified State and Tribe to \$15 million annually. (Mandatory Appropriation)
- Continuing Appropriations Resolution for 2013 included an amendment to SMCRA (Public Law 112-175) to clarify that funding limits on certified States and Tribes imposed by MAP-21 would not impact the amount of funds available to the noncertified States. (Mandatory Appropriation)
- The Helium Stewardship Act of 2013 (Public Law 113-40), was enacted on October 2, 2013, and increased the limits of funding to each certified State and Tribe to \$28 million in FY 2014 and \$75 million in FY 2015.



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**Justification of Fixed Costs**

*(Dollars In Thousands)*

**Regulation and Technology Account (Net +633)**

<b>Fixed Cost Changes and Projections</b>	<b>2014 to 2015 Change</b>
<b>Change in Number of Paid Days</b>	
The number of paid days do not change between FY2014 and FY2015.	
<b>Pay Raise</b>	+398
The change reflects the salary impact of a programmed one percent pay raise increase as proposed in the Circular A-11.	
<b>Employer Share of Federal Health Benefit Plans</b>	+27
The change reflects expected increases in employer's share of Federal Health Benefit Plans.	
<b>Departmental Working Capital Fund</b>	-100
The change reflects expected changes in the charges for centrally billed Department services and other services through the Working Capital Fund. These charges are displayed in the Budget Justification for Department Management.	
<b>Worker's Compensation Payments</b>	+34
The adjustment is for changes in the costs of compensating injured employees and dependents of employees who suffer accidental deaths while on duty. Costs 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>	+0
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>Rental Payments</b>	+274
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 Department of Homeland Security (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.	

**Justification of Fixed Costs**

*(Dollars In Thousands)*

**Abandoned Mine Reclamation Fund (Net +303)**

<b>Fixed Cost Changes and Projections</b>	<b>2014 to 2015 Change</b>
Change in Number of Paid Days	0
The number of paid days do not change between FY2014 and FY2015.	
Pay Raise	+188
The change reflects the salary impact of a programmed one percent pay raise increase as proposed in the Circular A-11.	
Employer Share of Federal Health Benefit Plans	+13
The change reflects expected increases in employer's share of Federal Health Benefit Plans.	
Departmental Working Capital Fund	-50
The change reflects expected changes in the charges for centrally billed Department services and other services through the Working Capital Fund. These charges are displayed in the Budget Justification for Department Management.	
Worker's Compensation Payments	+17
The adjustment is for changes in the costs of compensating injured employees and dependents of employees who suffer accidental deaths while on duty. Costs 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.	
Unemployment Compensation Payments	0
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.	
Rental Payments	+135
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 Department of Homeland Security (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.	

## **TAB 2**

### **Goal Performance Tables**



Office of Surface Mining Reclamation and Enforcement

<b>Goal Performance Table</b>											
<b>Mission Area 1: Celebrating and Enhancing America's Great Outdoors</b>											
<b>Goal # 1: Protect America's Landscapes</b>											
<b>Supporting Performance Measures</b>	<b>Type</b>	<b>2009 Actual</b>	<b>2010 Actual</b>	<b>2011 Actual</b>	<b>2012 Actual</b>	<b>2013 Plan</b>	<b>2013 Actual</b>	<b>2014 Plan</b>	<b>2015 Plan</b>	<b>Change from 2014 Plan to 2015</b>	<b>Long-Term Target 2018</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	5,838	16,565	10,836	17,821	13,000	11,347	14,000	14,000	0	14,000
<b>Total Actual/Projected Costs (\$000)</b>		\$219,717	\$262,742	\$270,889	\$332,899	\$334,148	\$306,286	\$279,054	\$214,695	----	----
<b>Actual/Projected Cost per GPRA Acre (in dollars)</b>		\$37,636	\$15,861	\$24,999	\$18,680	\$25,704	\$26,993	\$19,932	\$15,335	----	----
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 2015 the projected costs include all discretionary funding under the AML appropriation (\$28.695 million), and estimated mandatory funding (\$186 million).										
Comments	In prior fiscal years, several large Polluted Water Human Consumption (PWHC) projects were completed, which resulted higher numbers of acres reclaimed or mitigated. In FY 2013 PWHC projects declined, (from 22 in FY 2012, to 13 in FY 2013) which accounted for 3,960 acres of the 11,347 total acres reclaimed and mitigated. The 2015 plan was unchanged at 14,000 acres which remains an appropriate target based on field input.										
Number of people with reduced exposure potential to safety risks from abandoned mine lands. (BUR)	A	272,143	191,250	630,282	228,120	160,000	463,860	160,000	160,000	0	160,000
Contributing Programs	Environmental Restoration and Permanent Appropriations										
Comment	The FY 2013 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 463,860 people with reduced exposures, 351,852 (76 percent of total) were for sites in Wyoming. The increase in population was due to the reclamation of sites in proximity to recreational areas and highways.										

Office of Surface Mining Reclamation and Enforcement

<b>Goal Performance Table</b>											
<b>Mission Area 1: Celebrating and Enhancing America's Great Outdoors</b>											
<b>Goal # 1: Protect America's Landscapes</b>											
<b>Supporting Performance Measures</b>	<b>Type</b>	<b>2009 Actual</b>	<b>2010 Actual</b>	<b>2011 Actual</b>	<b>2012 Actual</b>	<b>2013 Plan</b>	<b>2013 Actual</b>	<b>2014 Plan</b>	<b>2015 Plan</b>	<b>Change from 2014 Plan to 2015</b>	<b>Long-Term Target 2018</b>
Number of new active partnering and leveraging agreements and amendments to prior agreements. (BUR)	C	9	15	18	16	13	26	13	13	0	13
Contributing Program	Environmental Restoration										
Comment	A large number of applications were completed towards the end of FY 2013 and resulted in the target being exceeded.										
The amount of increased funds derived from new active partnering and leveraging agreements and amendments. (BUR)	A	\$4,784,459	\$4,203,656	\$8,366,331	\$4,253,334	\$3,125,000	\$8,234,343	\$3,125,000	\$3,125,000	\$0	\$3,125,000
Contributing Program	Environmental Restoration										
Comment	OSM has established a 2.5 : 1 average ratio of leveraged funds from partners to OSM provided funds. In FY 2013, 19 of 26 partnering and leveraging agreements/amendments met the target ratio. Overall a combined ratio of 4.38 : 1 was achieved.										
Provide appropriate grant funding within 60 days of a complete grant application for abandoned mine lands grants (BUR)	A	100%	100%	100%	100%	96%	71%	96%	96%	0%	96%
Contributing Program	Environmental Restoration										
Comment	Budget uncertainty during FY2013 contributed, in part, to the delay in issuing grants resulting in OSM not meeting the target.										
Number of people directly affected (Emergencies abated). (BUR)	A	82,339	49,946	69,543	60,071	16,700	102,160	16,700	16,700	0	16,700
Contributing Program	Environmental Restoration										
Comment	The 2013 target was exceeded due to the high number of projects reclaimed.										
Percentage of declared emergencies abated within six months. (BUR)	A	99%	98%	96%	98%	95%	98%	95%	95%	0%	95%
Contributing Program	Environmental Restoration										

Office of Surface Mining Reclamation and Enforcement

<b>Goal Performance Table</b>											
<b>Mission Area 1: Celebrating and Enhancing America's Great Outdoors</b>											
<b>Goal # 1: Protect America's Landscapes</b>											
<b>Supporting Performance Measures</b>	<b>Type</b>	<b>2009 Actual</b>	<b>2010 Actual</b>	<b>2011 Actual</b>	<b>2012 Actual</b>	<b>2013 Plan</b>	<b>2013 Actual</b>	<b>2014 Plan</b>	<b>2015 Plan</b>	<b>Change from 2014 Plan to 2015</b>	<b>Long-Term Target 2018</b>
Customer service rate in the quality of technical assistance. (Applies to Mission Areas 1 and 3) (BUR)	A	100%	100%	100%	100%	97%	100%	97%	97%	0%	97%
Contributing Programs	Technology Development and Transfer										
Percent satisfaction with the scientific and technical products and assistance. (Applies to Mission Areas 1 and 3) (BUR)	A	99%	99%	100%	99%	97%	96%	97%	97%	0%	97%
Contributing Programs	Technology Development and Transfer										
Customer effectiveness rate in the quality of technical training – NTTP. (Applies to Mission Areas 1 and 3.) (BUR)	A	95%	97%	95%	95%	93%	95%	93%	93%	0%	93%
Contributing Program	Technology Development and Transfer										
Number of students trained – NTTP. (Applies to Mission Areas 1 and 3.) (BUR)	A	1,053	1,027	768	973	850	590	850	850	0	850
Contributing Program	Technology Development and Transfer										
Comment	FY 2013 Plan was not met due to several class cancellations caused, in part, by reduced budgets for that year.										
Percent of Payments Processed Automatically. (BUR)	A	N/A	36%	65%	75%	72%	76%	86%	90%	+4%	94%
Contributing Program	Financial Management										
Comments	In FY 2013, of the 5,228 payments received 3,951 were processed automatically. OSM projects a gradual increase in the next 5 years as various enhancements made to the CFMS system will continue to increase electronic payments, including electronic payment options for customers required to pay Audit debt, Citation debt, or non-eFiled AML debt.										
AML Fee Collection rate. (BUR)	A	99.8%	99.9	100%	99.9%	99%	99.7%	99%	99%	0%	99%
Contributing Program	Financial Management										

Office of Surface Mining Reclamation and Enforcement

Goal Performance Table											
Mission Area 3: Powering Our Future and Responsible Use of the Nation's Resources											
Goal #1: Secure America's Energy Resources											
Supporting Performance Measures	Type	2009 Actual	2010 Actual	2011 Actual	2012 Actual	2013 Plan	2013 Actual	2014 Plan	2015 Plan	Change from 2014 Plan to 2015	Long-Term Target 2018
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	88% (6,879 of 7,845 sites)	86% (6,548 of 7,571 sites)	86% (6,588 of 7,675 sites)	87% (6,749 of 7,731 sites)	88% (6,706 of 7,621 sites)	89% (6,568 of 7,403 sites)	88% (6,695 of 7,608 sites)	88% (6,701 of 7,611 sites)	0%	90% (6,665 of 7,405 sites)
<b>Total Actual/Projected Costs (\$000)</b>		\$120,156	\$127,180	\$126,926	\$122,713	\$113,053	\$116,333	\$122,753	\$118,010	---	---
<b>Actual/Projected Cost per Inspectable Unit (in dollars)</b>		\$15,316	\$16,798	\$16,538	\$15,873	\$14,834	\$15,714	\$16,135	\$15,505	---	---
Contributing Program	Environmental Protection										
Comments	OSM evaluation of data collection, analysis, and reporting requirements is part of the ongoing effort to improve oversight of State regulatory programs. For FY 2015, projected costs relate to requested budget authority including anticipated costs recovered for services to the coal industry. The 2018 planned target represents an increase as identified in the updated DOI Strategic Plan.										
Percent of mined acreage reclaimed. (SP)	C	89% (2,165,011 of 2,435,110 acres)	98% (2,305,795 of 2,359,120 acres)	104% (2,418,963 of 2,327,333 acres)	75.1% (4,989,588 of 6,603,770 acres)	75% (5,107,588 of 6,810,117 acres)	76% (5,111,545 of 6,729,259 acres)	75% (5,225,888 of 6,967,451 acres)	75% (5,339,384 of 7,119,179 acres)	0%	77% (5,669,346 of 7,362,787 acres)
<b>Total Actual/Projected Costs (\$000)</b>		\$120,156	\$127,180	\$126,926	\$122,713	\$113,053	\$116,333	\$122,753	\$118,010	---	---
<b>Actual/Projected Cost per Acres Reclaimed (in dollars)</b>		\$55	\$55	\$52	\$25	\$22	\$23	--	--	---	---
Contributing Program	Environmental Protection										
Comments	The 2018 planned target represents an increase as identified in the updated DOI Strategic Plan. Projected cost per acres reclaimed is not relevant given the cumulative nature of reclaimed acres prescribed by the methodology for measuring percent of mined acreage reclaimed.										
Number of acres where reclamation goals are achieved as evidenced by release from Phase III Performance Bonds. (BUR)	C	38,312	50,231	35,334	43,843	41,000	50,861	37,000	37,000	0	37,000

Office of Surface Mining Reclamation and Enforcement

<b>Goal Performance Table</b>											
<b>Mission Area 3: Powering Our Future and Responsible Use of the Nation's Resources</b>											
<b>Goal #1: Secure America's Energy Resources</b>											
<b>Supporting Performance Measures</b>	<b>Type</b>	<b>2009 Actual</b>	<b>2010 Actual</b>	<b>2011 Actual</b>	<b>2012 Actual</b>	<b>2013 Plan</b>	<b>2013 Actual</b>	<b>2014 Plan</b>	<b>2015 Plan</b>	<b>Change from 2014 Plan to 2015</b>	<b>Long-Term Target 2018</b>
Contributing Program	Environmental Protection										
Comment	The increase is due to more Phase III bond release approvals in the Appalachian Region than originally anticipated. The 2015 plan was unchanged at 37,000 acres which remains an appropriate target based on field input.										
Number of acres released from Phase I & II Performance Bonds. (BUR)	C	93,875	111,136	76,720	55,727	77,000	71,094	69,000	69,000	0	69,000
Contributing Program	Environmental Protection										
Comment											
Provide appropriate grant funding within 60 days of a complete grant application for regulatory grants (BUR)	A	100%	100%	100%	100%	96%	78%	96%	96%	0)	96%
Contributing Program	Environmental Protection										
Comment	Funding availability prevented four grants from being awarded within the parameters of the performance measure.										
Completion of the technical review of Federal/Indian Land permit actions within 90 days (BUR)	A	87%	93%	82%	88%	70%	100%	70%	---	---	---
Contributing Program	Environmental Protection										
Customer service rate in the quality of technical assistance. (Applies to Mission Areas 1 and 3.) (BUR)	A	100%	100%	100%	100%	97%	100%	97%	97%	0%	97%
Contributing Program	Technology Development and Transfer										
Percent satisfaction with the scientific and technical products and assistance. (Applies to Mission Areas 1 and 3.) (BUR)	A	99%	99%	100%	99%	97%	96%	97%	97%	0%	97%
Contributing Program	Technology Development and Transfer										

Office of Surface Mining Reclamation and Enforcement

<b>Goal Performance Table</b>											
<b>Mission Area 3: Powering Our Future and Responsible Use of the Nation's Resources</b>											
<b>Goal #1: Secure America's Energy Resources</b>											
<b>Supporting Performance Measures</b>	<b>Type</b>	<b>2009 Actual</b>	<b>2010 Actual</b>	<b>2011 Actual</b>	<b>2012 Actual</b>	<b>2013 Plan</b>	<b>2013 Actual</b>	<b>2014 Plan</b>	<b>2015 Plan</b>	<b>Change from 2014 Plan to 2015</b>	<b>Long-Term Target 2018</b>
Customer effectiveness rate in the quality of technical training – NTP. (Applies to Mission Areas 1 and 3) (BUR)	A	95%	97%	95%	95%	93%	95%	93%	93%	0%	93%
Contributing Program	Technology Development and Transfer										
Number of students trained – NTP. (Applies to Mission Areas 1 and 3.) (BUR)	A	1,053	1,027	768	973	850	590	850	850	0	850
Contributing Program	Technology Development and Transfer										
Comment	FY 2013 Plan was not met due to several class cancellations caused, in part, by reduced budgets for that year.										
Customer satisfaction in the quality and timeliness of AVS provided services. (BUR)	A	98%	98%	99%	98%	96%	99%	96%	96%	0%	96%
Contributing Program	Technology Development and Transfer										
Percent of active Forestry Reclamation Approach (FRA) compliant acreage. (BUR)	A	---	---	---	41% (9,326 of 22,631 acres)	NEW	48% (16,664 of 35,024 acres)	45% (21,773 of 48,300 acres)	46% (26,882 of 58,439 acres)	1%	47% (42,209 of 89,805 acres)
Contributing Program	Technology Development and Transfer										
Comment	This is a new measure developed to show the progress made in changes over time to land conditions under the Appalachian Regional Reforestation Initiative (ARRI).										

Office of Surface Mining Reclamation and Enforcement

<b>Goal Performance Table</b>											
<b>Mission Area 3: Powering Our Future and Responsible Use of the Nation's Resources</b>											
<b>Goal #1: Secure America's Energy Resources</b>											
<b>Supporting Performance Measures</b>	<b>Type</b>	<b>2009 Actual</b>	<b>2010 Actual</b>	<b>2011 Actual</b>	<b>2012 Actual</b>	<b>2013 Plan</b>	<b>2013 Actual</b>	<b>2014 Plan</b>	<b>2015 Plan</b>	<b>Change from 2014 Plan to 2015</b>	<b>Long-Term Target 2018</b>
Percent of targeted groups attending outreach training sponsored by ARRI. (BUR)	A	---	---	---	12% (81 of 686 groups)	NEW	12% (111 of 927 groups)	12% (141 of 1,167 groups)	12% (171 of 1,407 groups)	0%	12% (262 of 2,127 groups)
Contributing Program	Technology Development and Transfer										
Comment	This is a new measure developed to show the progress made by collaborative efforts and capacity building under the Appalachian Regional Reforestation Initiative (ARRI).										

Office of Surface Mining Reclamation and Enforcement

<b>Goal Performance Table</b>										
<b>Mission Area 4: Engaging the Next Generation</b>										
<b>Goal #4: Develop the next generation of lifelong conservation stewards and ensure our own skilled and diverse workforce pipeline (Work)</b>										
<b>Supporting Performance Measures</b>	<b>Type</b>	<b>2009 Actual</b>	<b>2010 Actual</b>	<b>2011 Actual</b>	<b>2012 Actual</b>	<b>2013 Plan</b>	<b>2013 Actual</b>	<b>2014 Plan</b>	<b>2015 Plan</b>	<b>Long-Term Target 2018</b>
Increase DOI and affiliated partnership employment in youth focused programs by 35 percent over the base year of FY 2009. (SP)	A	124	254	193	296	167	220	See below for updated measure		---
Contributing Programs	All Programs									
Comments	The FY 2013 actual of 220 youth employed exceeds the 2013 plan. Youth hires that were employed last year and remained employed into this year for over 80 hours are included. In FY 2013, 165 youth were hired under partnerships and 55 were employed under direct hire authorities. This measure has been revised for FY 2014-2015 as shown below.									
Number of work and training opportunities provided to young people. (SP)	A	---	---	---	---	---	DOI wide: 15,546 participants in FY 2013	OSM will contribute to the DOI goal of providing 40,000 work and training opportunities over two fiscal years, FY 2014-2015.		DOI Goal: 80,000 opportunities after FY 2013
Contributing Programs	All Programs									
Comments	As shown above, OSM contributed 220 youth employment opportunities in FY 2013 and will continue to support The Department's goal.									

Office of Surface Mining Reclamation and Enforcement

<b>Goal Performance Table</b>										
<b>Mission Area 6: Building a Landscape Level Understanding of our Resources</b>										
<b>Goal #1: Provide Shared Landscape-Level Management and Planning Tools</b>										
<b>Supporting Performance Measures</b>	<b>Type</b>	<b>2009 Actual</b>	<b>2010 Actual</b>	<b>2011 Actual</b>	<b>2012 Actual</b>	<b>2013 Plan</b>	<b>2013 Actual</b>	<b>2014 Plan</b>	<b>2015 Plan</b>	<b>Long-Term Target 2018</b>
Strategy #1: Ensure the use of landscape level capabilities and mitigation actions.										
Number of tools registered on the Geospatial Platform that can be used to support landscape level decision making. (SP)	A	---	---	---	---	---	NEW	See comment below		TBD
Contributing Program	Technology Development and Transfer									
Comments	New performance measure. OSM supporting activities to be determined.									
Number of landscape-level mitigation strategies and actions that provide for the conservation of natural resources occurring before, during, or after development activities. (SP)	A	---	---	---	---	---	NEW	See comment below		TBD
Contributing Program	Technology development and Transfer									
Comments	New performance measure. OSM supporting activities to be determined.									
Customer satisfaction rate for TIPS training. (BUR)	A	96%	98%	96%	99%	93%	98%		93%	96%
Contributing Program	Technology Development and Transfer									

<b>Target Codes:</b>
SP = Strategic Plan Measure
BUR = Bureau Specific Measures
TBD = To Be Determined
UNK = Prior year data unavailable
<b>Type Codes:</b>
C = Cumulative
A = Annual
<p><b>Key to Measure Types</b>  <b>The Goal Performance Table in this section includes a column called Type.</b> Each measure in the Goal Performance Table has measure Type: A or C. Each classification reflects a different timeframe between when a result is realized, in terms of a changing target value, relative to when funds are budgeted.</p> <p><b>A - Annual-result performance measures (“Annual” measures)</b>  For these performance measures, the 2014 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.</p> <p><b>C - Cumulative-result performance measures (“Cumulative” measures)</b>  For these performance measures, the 2014 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.</p>

# **TAB 3**

## **Budget at a Glance**



**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 \$116,110,000; a decrease of \$6,603,000 from the 2014 Enacted level. In addition, OSM is requesting budget resources of \$1.9 million to be offset by costs recovered for services provided to industry.

**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 \$28,695,000, an increase of \$1,296,000 from 2014.

**Summary of 2014 Enacted Level and 2015 Request  
By Appropriation and Business Line**

(dollars in thousands)

<b>Regulation and Technology</b>	<b>2014 Enacted Level</b>	<b>2015 Request</b>	<b>Change from 2014</b>
Environmental Protection	91,832	81,191	-10,641
Technology Development and Transfer	14,455	18,009	3,554
Financial Management	505	707	202
Executive Direction	15,921	16,203	282
Total Appropriation, <i>without Civil Penalties</i>	122,713	116,110	-6,603
<i>Civil Penalties (Budget Authority)</i>	100	100	0
Total, Regulation and Technology with Civil Penalties	122,813	116,210	-6,603

<b>Abandoned Mine Reclamation Fund</b>	<b>2014 Enacted Level</b>	<b>2015 Request</b>	<b>Change from 2014</b>
Environmental Restoration	9,480	9,853	373
Technology Development and Transfer	3,544	4,269	725
Financial Management	6,396	6,448	52
Executive Direction	7,979	8,125	146
Total, Abandoned Mine Reclamation Fund	27,399	28,695	1,296

<b>Total Appropriation, without Offsetting Collections</b>	<b>150,212</b>	<b>144,905</b>	<b>-5,307</b>
<i>Offsetting Collections</i>	40	1,900	1,860
<b>Total Appropriation, with Offsetting Collections and Civil Penalties</b>	<b>150,252</b>	<b>146,805</b>	<b>-3,447</b>

*Office of Surface Mining Reclamation and Enforcement*

**Summary of 2014 Estimate and 2015 Request  
By FTE**

<b>Regulation and Technology</b>	<b>2014 Estimate</b>	<b>2015 Request</b>	<b>Change from 2014</b>
Environmental Protection	201	213	12
Technology Development and Transfer	91	91	0
Financial Management	3	3	0
Executive Direction	50	50	0
<b>Total Regulation and Technology FTE</b>	<b>345</b>	<b>357</b>	<b>12</b>

<b>Abandoned Mine Reclamation Fund</b>	<b>2014 Estimate</b>	<b>2015 Request</b>	<b>Change from 2014</b>
Environmental Restoration	55	55	0
Technology Development and Transfer	20	20	0
Financial Management	41	41	0
Executive Direction	27	27	0
<b>Total Abandoned Mine Reclamation Fund FTE</b>	<b>143</b>	<b>143</b>	<b>0</b>

<b>Total FTE</b>	<b>488</b>	<b>500</b>	<b>12</b>
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**Budget At A Glance Table  
(Dollars in Thousands)**

	2015					Incr (+)/ Decr (-) from 2014
	2013 Actual	2014 Enacted	Fixed Costs	Program Changes	President's Budget	
<b>Discretionary</b>						
<b>Appropriation: Regulation and Technology</b>	<b>116,295</b>	<b>122,713</b>	<b>633</b>	<b>-7,236</b>	<b>116,110</b>	<b>-6,603</b>
<b>Environmental Protection</b>	<b>87,029</b>	<b>91,832</b>	<b>249</b>	<b>-10,890</b>	<b>81,191</b>	<b>-10,641</b>
State and Tribal Funding	65,002	68,590		-13,373	55,217	-13,373
State Program Evaluation	8,176	8,616	121	3,843	12,580	3,964
Federal Programs	5,585	5,898	52	-1,302	4,648	-1,250
Decrease to be covered by Offsetting Collections	[27]	[28]		[1,302]	[1,330]	
Federal Lands	1,453	1,534	7	0	1,541	7
Indian Lands	2,301	2,430	23	-558	1,895	-535
Decrease to be covered by Offsetting Collections	[11]	[12]		[558]	[570]	
Program Development and Maintenance	4,512	4,764	46	500	5,310	546
Cost Recovery Data Application				[500]	[500]	
<b>Technology, Development &amp; Transfer</b>	<b>13,699</b>	<b>14,455</b>	<b>105</b>	<b>3,449</b>	<b>18,009</b>	<b>3,554</b>
Technical Assistance	10,363	10,943	56	750	11,749	806
Support Electronic Permitting Requirements				[750]	[750]	
Training	2,397	2,531	25	0	2,556	25
Technology Transfer	939	981	23	2,699	3,703	2,722
Provide for Applied Science Projects				[1,199]	[1,199]	
Expand Geo-Mine Project				[1,500]	[1,500]	
<b>Financial Management</b>	<b>479</b>	<b>505</b>	<b>2</b>	<b>200</b>	<b>707</b>	<b>202</b>
Revenue Management	389	410	1	200	611	201
Program Monitoring				[200]	[200]	
Grants Financial Management	90	95	1	0	96	1
<b>Executive Direction and Administration</b>	<b>15,088</b>	<b>15,921</b>	<b>277</b>	<b>5</b>	<b>16,203</b>	<b>282</b>
Executive Direction	2,520	2,654	29	0	2,683	29
Administrative Support	4,178	4,414	40	0	4,454	40
General Services	8,390	8,853	208	5	9,066	213

**Budget At A Glance Table**  
**(Dollars in Thousands)**

	2013 Actual	2014 Enacted	2015			Incr (+)/ Decr (-) from 2014
			Fixed Costs	Program Changes	President's Budget	
<b>Appropriation: Abandoned Mine Reclamation Fund</b>	<b>25,966</b>	<b>27,399</b>	<b>303</b>	<b>993</b>	<b>28,695</b>	<b>1,296</b>
<b>Environmental Restoration</b>	<b>8,984</b>	<b>9,480</b>	<b>82</b>	<b>291</b>	<b>9,853</b>	<b>373</b>
<i>State Program Evaluation</i>	2,524	2,662	29	0	2,691	29
<i>Federal Reclamation Programs - Projects</i>	1,466	1,548	0	0	1,548	0
<i>Federal Reclamation Program - Operations</i>	1,957	2,066	25	291	2,382	316
<i>Increase Project Monitoring</i>				[291]	[291]	
<i>Program Development and Maintenance</i>	3,037	3,204	28	0	3,232	28
<b>Technology, Development &amp; Transfer</b>	<b>3,359</b>	<b>3,544</b>	<b>25</b>	<b>700</b>	<b>4,269</b>	<b>725</b>
<i>Technical Assistance</i>	1,503	1,585	13	0	1,598	13
<i>Training</i>	752	794	8	0	802	8
<i>Technology Transfer</i>	1,104	1,165	5	700	1,870	705
<i>Provide for Applied Science Projects</i>				[700]	[700]	
<b>Financial Management</b>	<b>6,061</b>	<b>6,396</b>	<b>52</b>	<b>0</b>	<b>6,448</b>	<b>52</b>
<i>Revenue Management</i>	5,972					0
<i>Fee Compliance</i>	0	6,302	51	0	6,353	51
<i>Grants Financial Management</i>	89	94	1	0	95	1
<b>Executive Direction and Administration</b>	<b>7,562</b>	<b>7,979</b>	<b>144</b>	<b>2</b>	<b>8,125</b>	<b>146</b>
<i>Executive Direction</i>	1,339	1,413	18	0	1,431	18
<i>Administrative Support</i>	2,202	2,323	24	0	2,347	24
<i>General Services</i>	4,021	4,243	102	2	4,347	104
<b>Total, Discretionary Funding</b>	<b>142,261</b>	<b>150,112</b>	<b>936</b>	<b>-6,243</b>	<b>144,805</b>	<b>-5,307</b>

**Budget At A Glance Table  
(Dollars in Thousands)**

			2015			Incr (+)/ Decr (-) from 2014
	2013 Actual	2014 Enacted	Fixed Costs	Program Changes	President's Budget	
<b>Total, Regulation and Technology</b>	<b>116,295</b>	<b>122,713</b>	<b>633</b>	<b>-7,236</b>	<b>116,110</b>	<b>-6,603</b>
<i>Civil Penalties*</i>	735	100			100	0
<b>Total, Regulation and Technology with Civil Penalties</b>	<b>117,030</b>	<b>122,813</b>	<b>633</b>	<b>-7,236</b>	<b>116,210</b>	<b>-6,603</b>
<b>Total, Abandoned Mine Reclamation Fund</b>	<b>25,966</b>	<b>27,399</b>	<b>303</b>	<b>993</b>	<b>28,695</b>	<b>1,296</b>
<i>Offsetting Collections**</i>	0	40		1,860	1,900	1,860
<b>Total, Budget Resources with Offsetting Collections</b>	<b>142,996</b>	<b>150,252</b>	<b>936</b>	<b>-4,383</b>	<b>146,805</b>	<b>-3,447</b>
	2013 Actual	2014 Estimate			2015 Estimate	Incr (+)/ Decr (-) from 2014
<b>Mandatory</b>						
<b>Payments to States and Tribes in Lieu of Coal Fee Receipts (Treasury Funds)</b>	<b>122,707</b>	<b>131,903</b>			<b>0</b>	<b>-131,903</b>
<i>Prior Balance Replacement Fund</i>	98,953	96,763			0	-96,763
<i>In Lieu Payments to Certified States and Tribes</i>	23,754	35,140			0	-35,140
<b>Mandatory Grants to Noncertified States (AML Funds)</b>	<b>199,427</b>	<b>166,415</b>			<b>186,000</b>	<b>19,585</b>
Grants to Noncertified States						
<i>State &amp; Tribal Share</i>	45,023	36,355			40,300	3,945
<i>Historic Coal Fund</i>	141,100	115,800			126,000	10,200
<i>Minimum Program Make Up</i>	13,304	14,260			19,700	5,440
<b>United Mine Workers of America Health Benefit Plans (UMWA)</b>	<b>195,452</b>	<b>125,284</b>			<b>166,723</b>	<b>41,439</b>
Payments to United Mine Workers of America Health Benefit Plans (AML Fund Interest)	54,789	12,359			21,645	9,286
Payments to United Mine Workers of America Health Benefit Plans (U.S. Treasury Funds)	140,663	112,925			145,078	32,153
<b>Total, Mandatory Funding</b>	<b>517,586</b>	<b>423,602</b>			<b>352,723</b>	<b>-70,879</b>

\* Actual Civil Penalty Collections for FY 2013 are \$735,029 pending determination of any reduction due to sequestration.

\*\* Actual Permit Fee Collections for FY 2013 are \$0.

Mandatory Proposals: FY 2015 includes elimination of payments to certified States/Tribes.

The proposal to increase the reclamation fee on coal production will not increase payment to non-certified States until FY 2016, when the FY 2015 fees are distributed.



# **TAB 4**

## **Environmental Restoration**



**ENVIRONMENTAL RESTORATION**

## Environmental Restoration Summary of Budget Request

(dollars in thousands)	2013 Actual	2014 Enacted	2015			
			Fixed Costs (+/-)	Program Changes (+/-)	President's Budget	Change From 2014 (+/-)
<b>Regulation and Technology</b>	<b>735</b>	<b>100</b>	<b>0</b>	<b>0</b>	<b>100</b>	<b>0</b>
Civil Penalty Collections (Budget Authority)*	735	100	0	0	100	0
<i>FTE</i>	0	0	0	0	0	0
<b>Abandoned Mine Reclamation Fund</b>	<b>8,984</b>	<b>9,480</b>	<b>82</b>	<b>291</b>	<b>9,853</b>	<b>373</b>
State Program Evaluation	2,524	2,662	29	0	2,691	29
<i>FTE</i>	18	20	0	0	20	0
Federal Programs - Projects	1,466	1,548	0	0	1,548	0
Federal Programs - Operations	1,957	2,066	25	291	2,382	316
Project Monitoring	0	0	0	[291]	[291]	0
<i>FTE</i>	18	18	0	0	18	0
Program Development and Maintenance	3,037	3,204	28	0	3,232	28
<i>FTE</i>	14	17	0	0	17	0
<b>Total, Environmental Restoration</b>	<b>8,984</b>	<b>9,480</b>	<b>82</b>	<b>291</b>	<b>9,853</b>	<b>373</b>
<b>Total FTE</b>	<b>50</b>	<b>55</b>	<b>0</b>	<b>0</b>	<b>55</b>	<b>0</b>

Note: 2013 FTE amounts reflect actual usage.

\*Actual civil penalty collections for FY 2013 were \$735,029, the budget authority in FY 2014 and FY 2015 is \$100,000. Civil penalties are not included in the totals.

Fixed Costs resulted in a net increase of \$82,000. Fixed Costs cover pay related items including a pay raise and health plans.

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

*Office of Surface Mining Reclamation and Enforcement*

**Summary of 2015 Program Changes**

<b>Request Component</b>	<b>(\$000)</b>	<b>FTE</b>
Federal Reclamation Program Operations (Project Monitoring)	+291	0
<b>Total Program Changes</b>	<b>+291</b>	<b>0</b>

**Justification of 2015 Program Changes**

The 2015 budget for Environmental Restoration is \$9,853,000 and 55 FTE, program changes are an increase of \$291,000 from the 2014 enacted level.

**Federal Program Operations – Project Monitoring (+\$291,000):** Funding will support staff review, evaluation, and monitoring of civil penalty, bond forfeiture, and abandoned mine land projects

**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 353,000 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 effects 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 \$3.9 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><b><i>ENVIRONMENTAL RESTORATION ENCOMPASSES</i></b></p> <p>State Program Evaluation</p> <p><i>Federal Reclamation Program</i></p> <ul style="list-style-type: none"><li>• Program Operations</li><li>• Watershed Cooperative Agreements</li><li>• Civil Penalty Reclamation</li><li>• Bond Forfeiture Reclamation</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 2015 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.

*Office of Surface Mining Reclamation and Enforcement*

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

## **2015 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 2015 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 and Federal emergencies are proposed to be covered in FY 2014-2015 by remaining funds for these programs from prior years.

### **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 that 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 from 2010–2011, and the States without an AML program where OSM is responsible for addressing those projects.

<b>Table 1. State, Tribal, and Federal responsibility for the AML Program and Emergency Issues</b>				
	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
Georgia		Rhode Island	Georgia	Rhode Island
Idaho		South Dakota	Idaho	South Dakota
Massachusetts		Washington	Massachusetts	Washington
Michigan			Michigan	
North Carolina		Tribes other than Crow, Hopi and Navajo*	North Carolina	Tribes other than Crow, Hopi and Navajo*

<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.

\*OSM has conducted AML and emergency reclamation on Tribal lands across the nation, most recently on Cherokee Tribal lands in Oklahoma.

## 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 periodic drawdown reviews and 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 reclamation program oversight policy is being reviewed for use in regulatory programs and future changes to current oversight policies 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 topic-specific oversight 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 a 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 and on Tribal lands 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 physical harm or threaten the health, safety, or general welfare of people, and should be addressed immediately. Emergency work provides immediate relief from abandoned mine hazards in States and on Indian lands without an emergency program. Emergencies in States covered by the Federal Reclamation Program usually involve subsidence, vertical mine shaft collapse or sudden exposure of mine openings.

The most common emergencies in the States covered by Federal Reclamation Programs 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. The second most common type of emergency

event in these states is vertical mine shaft collapse. This may result in vertical holes that are hundreds of feet deep and are usually the result of shafts being improperly filled or an inadequate cap that was placed over the shaft at the time of abandonment. Often at the time of closure the shafts were either filled with on-site material or wooden or concrete caps were placed over them to prevent entry. Over time the fill material settles or the cap deteriorates to a point where it can no longer sustain the weight of the material placed over it. Other AML problems may also present life-threatening conditions and include: mine entries, hazardous/explosive gases, mine and refuse fires, dangerous high walls, landslides and uncontrolled mine pool blowouts.

When notified of a possible emergency situation, OSM personnel will review available information and visit the site as necessary, 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 2013, there were no new emergency projects declared under the Federal Reclamation Program within the Appalachian Region. There was one investigation of a potential emergency involving a partially collapsed mine shaft located adjacent to a high school in Michigan. The site was abated by adding it to an existing high priority contract that was previously awarded to address other mine shaft problems in the area.

During FY 2013, the Western Region expended \$73,546 on one emergency project in Washington State. The emergency was an opening into underground mine workings near a town's water treatment plant. Additionally, OSM expended \$43,659 conducting investigations for emergency occurrences. One of these investigations proved to be coal-related and will be reclaimed during FY 2014.

#### **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 (e-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.

In FY 2013, the Mid-Continent Region had two Federal High Priority AML Projects on Cherokee Tribal Lands in Oklahoma. A construction contract was awarded in August 2012 in the amount of \$485,662 for reclamation work at the Cherokee West Project on Cherokee Tribal lands in Oklahoma. Major construction work was completed in FY 2013 and the project is scheduled for completion by May 2014. During 2013, the Mid-Continent Region completed in-house design work, requested project bids, and awarded a construction contract in September 2013 for \$1.7 million to reclaim the Dwight Mission site in Oklahoma. The project is scheduled for completion in 2014. The two project sites contain dangerous water bodies, dangerous highwalls, dangerous piles and embankments, trash dumps and mine spoils.

The Appalachian Region obligated \$224,560 to assist in reclaiming eight dangerous vertical mine shafts that were part of the Michigan Group #2 Mine Shaft Project. Additional shafts in Michigan are being reviewed and prioritized, based on need, for potential abatement in FY 2014 and beyond.

**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;
- 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.

OSM staff will address emergencies and high priority projects in non-program States as described earlier, as well as provide technical assistance. OSM will continue to provide specialized expertise in various AML problems including subsidence, mine fires, mine gases, and landslides to States that request 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 \$291,000 to support project review, evaluation and monitoring associated with all Federal reclamation projects and specialized assistance to States and Tribes.

**d. Watershed Cooperative Agreement Projects**

Environmental problems associated with abandoned mine sites, such as acid mine drainage, degrade our natural resources. Through 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 2015 budget request includes \$1.5 million for Watershed Cooperative Agreements. A companion project, the Acid Drainage Technology Initiative (ADTI), is under the Technology Development and Transfer business line and contributes to the activities to abate AMD. See that business line section for further details on ADTI efforts.

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

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

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

Smooth Rock Lick Phase 2, West Virginia: Smooth Rock Lick is a source of acidity and metals causing adverse effects to the upper Buckhannon River in Upshur County, WV. The Buckhannon River Watershed Association (BRWA) had previously completed a passive treatment system in the area. Extreme weather in late 2012 and spring of 2013 caused extensive damage to the region, including the project site. As a result, heavy sediment loads entered the upper areas of treatment system, and the inlet channels were washed out by heavy flows caused by excessive precipitation and snowmelt. The damage to the channel allowed for continued erosion and sedimentation from the channel area, creating conditions that would destroy the existing system. OSM provided technical assistance, quickly developing plans and specifications in cooperation with BRWA, and contributed \$19,595 to assist the BRWA in quickly addressing the erosion and sedimentation problems. Timely approval of a WCAP application allowed for the protection of the existing system with minimal costs. Sediment was removed from the upper areas of the treatment system before the debris caused significant

damage to the piping and leachbed area. Inlet channel work was completed and minor renovations were conducted to ensure that excessive runoff would bypass the treatment system. Additional funding was provided by the West Virginia Department of Environmental Protection Division of Water and Waste Management and the BRWA. The construction was completed in the summer of 2013. Total project costs were \$49,262.

Janssen Watershed Cooperative Agreement Project, Mahaska County, Iowa: In 2012, OSM awarded \$100,000 to the Pathfinders Resource Conservation and Development organization for the Janssen Watershed Restoration Project. The project was conducted in partnership with the Mahaska County Soil and Water Conservation District; Iowa Division of Soil Conservation, and a new funding partner Iowa Jobs (I-JOBS). The Iowa Legislature created I-JOBS as a state investment program, through the issuance of bonds rather than raising taxes. This was a state recovery package designed, in part, to improve water quality, improve Iowan's quality of life, and make smart investments to build a brighter economic future. The total project cost was approximately \$864,000, resulting in the partners contributing \$7.64 for every \$1.00 contributed by the OSM Watershed Cooperative Agreement Program. The project addressed approximately 55 acres of abandoned mine lands and affected waters consisting of Priority 1 dangerous piles/embankments, Priority 2 polluted water for agricultural use, Priority 2 dangerous highwall (1900 feet), and Priority 2 Spoil Area. These conditions resulted in Acid Mine Drainage entering an unnamed tributary to Bluff Creek before entering the Des Moines River, a 303d impaired water body. Reclamation of the site during 2013 resulted in improved public safety and water quality by reducing sediment, eliminating acid mine drainage, and reclaiming hazardous features to more closely match approximate pre-mining conditions.

Sailors Watershed Cooperative Agreement Project, Marion County, Iowa: In 2013, OSM awarded \$100,000 to the Pathfinders Resource Conservation and Development organization for the Sailors Watershed Restoration Project. The project is being conducted in partnership with the Marion Soil and Water Conservation District; U.S. Department of Agriculture, Natural Resources Conservation Service; Iowa Division of Soil Conservation; and Red Rock Environmental Education Fund. The project is addressing approximately 18 acres of abandoned mine lands and affected waters consisting of four Priority 1 features (dangerous piles and embankments; a hazardous water body; clogged stream lands; clogged stream) along with two highwalls, totaling 410 feet in length, 1.2 acres of mine pits, and polluted water. These conditions resulted in serious water quality concerns because of high sediment loads and acid mine drainage. Reclamation of the site will result in improved public safety and water quality by reducing sediment, eliminating acid mine drainage, and reclaiming hazardous features to more closely match approximate pre-mining conditions.

#### **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. Current projects include:

- Wheel Ridge/Dan Branch Reclamation Project, Tennessee: In FY 2013, OSM awarded \$204,145 to The H Group for the Wheel Ridge/Dan Branch Reclamation Project consisting of three permits located in Scott and Campbell Counties, Tennessee. Knoxville Field Office (KFO) inherited bonds that were inadequate from the outset, and after OSM assumed primacy the permittees abandoned the sites. Forfeited bond monies were used to conduct initial site reclamation. Civil penalty funds are being used to complete site reclamation and maintenance. Current reclamation of these abandoned permits consists of removing five ponds, restoring affected stream channels, installing riprap lined diversion ditches, re-vegetating bare areas, and planting trees. Projected completion of re-vegetation for the Wheel Ridge/Dan Branch Reclamation Project is Spring 2014.
- Treadway, Inc., Alabama: The Alabama Surface Mining Commission was provided \$218,675 in 2012 to address hazards at the Treadway, Inc. Civil Penalty Project, a 225 acre site. The funds will be used to remove approximately 2,000 linear feet of exposed highwall, reconstruct and maintain a minimum of eight impoundments and associated diversions and waterways, re-grade and stabilize steep outer slopes to achieve approximate original contour, and plant grasses and trees. Tree planting will utilize the Forest Reclamation Approach concepts. Construction activities began in 2013 and are anticipated to be completed in 2014.

#### **f. Bond Forfeitures**

Bond forfeiture funds are monies collected from forfeited performance bonds. These funds can only be used to reclaim lands where the bond was forfeited and 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. Alternatively, when the forfeited bond amount is insufficient to reclaim the site, the operator is liable for the excess reclamation costs. Using the forfeited funds, OSM issues and administers contracts for reclamation in accordance with the mining plan developed during the permit application process. OSM reclaims sites that have been abandoned and forfeited in Federal program States. Bond forfeiture is an important component of OSM's mission to restore lands not adequately reclaimed after mining. There were no bond forfeitures in the Tennessee Federal Program during FY 2013.

In FY 2012, a performance bond from a Federal surface mining permit issued to Monties Resources near Newcomb, Campbell County, Tennessee was forfeited. OSM awarded a \$98,830 reclamation contract in FY 2013 to reclaim the site. The project was completed in May 2013 for a total cost of \$90,648.

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

The Program Development and Maintenance activity is an integral part of the State and Tribal funding program. The FY 2015 budget proposes \$3.2 million in funding for reclamation program management and programmatic guidance to States and Tribes. 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 include working with States/Tribes to develop improved strategic plan measurements for the AML program; holding meetings/workshops with the State/Tribal grantees to provide employee training and to keep them abreast of policies and procedures; and soliciting input from States/Tribes and interested parties on AML issues to make informed decisions.

#### **a. AML Inventory**

OSM manages a national enhanced Abandoned Mine Land Inventory System (e-AMLIS), which serves as a planning and evaluation tool for the States, Tribes, OSM, and the public. In accordance with the requirements of SMCRA, e-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 e-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 e-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 e-AMLIS to record and report AML Program accomplishments under GPRA. States, Tribes, and OSM have access to enter and modify information in e-AMLIS electronically.

The web-based version of e-AMLIS enables the public to access this information readily via OSM's website. E-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 the DOI 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. Regional and field offices perform day-to-day grants and program management. 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.

OSM Rulemaking Initiative on Limited Liability: OSM proposed revisions to its AML program regulations (78 FR 8822, February 6, 2013). The revisions would allow States and Indian tribes that have certified correction of all known coal AML problems within their jurisdiction to receive limited liability protection for certain non-coal reclamation activities. Certified States and Tribes currently are not eligible to receive limited liability protection for the non-coal reclamation projects they complete. The proposed rule would provide that no certified State or Tribe conducting non-coal reclamation activities would be liable under any provision of Federal law for any costs or damages as a result of action taken or omitted in the course of carrying out

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an approved state or Indian tribe AML plan. The proposed rule would not preclude liability for costs or damages as a result of gross negligence or intentional misconduct by the State or Tribe. A final rule is scheduled for FY 2014.

## **ENVIRONMENTAL RESTORATION**

### **2014 PLANNED PROGRAM PERFORMANCE**

In 2014, the planned activities in the Environmental Restoration program activity include:

- Fully complete both the Cherokee West and Dwight Mission AML projects located on Cherokee Tribal lands. Reclaim approximately 112 acres combined at a cost of \$2.28M. These projects eliminate existing safety hazards and return the lands to productive use by the tribe as valuable recreational areas.
- Continue partnerships with watershed groups and related reclamation by awarding watershed cooperative agreements to interested groups.
- Respond to Federal AML emergencies in non-program states.
- Achieve the goals for performance measures identified on the Goal Performance Table for this business line and engage youth by providing educational and employment opportunities to young adults in fields associated with surface coal mining reclamation.

### **2013 PROGRAM ACCOMPLISHMENTS**

In 2013, the major accomplishments in the Environmental Restoration program activity include:

- Began construction on two high priority Federal projects on Cherokee lands in Oklahoma. The Cherokee West AML reclamation project to eliminate several public safety hazards, enhance the sites wildlife habitat and create a safe access to an existing fishing and recreational lake on-site; and the Dwight Mission AML project on a 100-acre site to eliminate AML safety hazards and construct a 25-acre recreational lake created from graded mine spoil located on-site.
- Addressed one emergency in Washington State.
- Provided \$322.1 million in grants to 25 States and 3 Tribes in mandatory AML funding
- Improved land and water health by reclaiming, or mitigating, from the effects of natural resource degradation from past mining the equivalent of 11,347 acres of land.
- Awarded 24 new watershed cooperative agreements and 2 amendments to prior agreements in 4 States (IA, OH, PA, and WV) totaling \$1.9 million in OSM funds. This leveraged over \$8.2 million in partnering funds.
- Achieved performance as shown on the Goal Performance Table associated with this business line.



# **TAB 5**

## **Environmental Protection**



**ENVIRONMENTAL PROTECTION**

## Environmental Protection Summary of Budget Request

(dollars in thousands)	2013 Actual	2014 Enacted	2015			
			Fixed Costs (+/-)	Program Changes (+/-)	President's Budget	Change from 2014 (+/-)
<b>Regulation and Technology</b>	<b>87,029</b>	<b>91,832</b>	<b>249</b>	<b>-10,890</b>	<b>81,191</b>	<b>-10,641</b>
State and Tribal Funding	65,002	68,590	0	-13,373	55,217	-13,373
<i>FTE</i>	0	0	0	0	0	0
State Program Evaluation	8,176	8,616	121	3,843	12,580	3,964
<i>FTE</i>	75	88	0	12	100	12
Federal Programs	5,585	5,898	52	-1,302	4,648	-1,250
Offsetting Collections	[+27]	[+28]	0	[+1,302]	[+1,330]	0
<i>FTE</i>	42	45	0	0	45	0
Federal Lands	1,453	1,534	7	0	1,541	7
<i>FTE</i>	5	6	0	0	6	0
Indian Lands	2,301	2,430	23	-558	1,895	-535
Offsetting Collections	[+11]	[+12]	0	[+558]	[+570]	0
<i>FTE</i>	18	20	0	0	20	0
Program Development and Maintenance	4,512	4,764	46	500	5,310	546
Cost Recovery Data Application	0	0	0	[500]	[500]	0
<i>FTE</i>	37	42	0	0	42	0
<b>Total, Environmental Protection</b>	<b>87,029</b>	<b>91,832</b>	<b>249</b>	<b>-10,890</b>	<b>81,191</b>	<b>-10,641</b>
<b>Total FTE</b>	<b>177</b>	<b>201</b>	<b>0</b>	<b>12</b>	<b>213</b>	<b>12</b>

Note: 2013 FTE amounts reflect actual usage.

Fixed Costs resulted in a net increase of \$249,000. Fixed Costs cover pay related items including a pay raise and health plans.

**Summary of 2015 Program Changes**

<b>Request Component</b>	<b>(\$000)</b>	<b>FTE</b>
<u>State and Tribal Funding</u>		
• Decrease in State and Tribal Funding	-13,373	
• Improve Implementation and Support to States and Tribes	+3,843	+12
• Reductions to be covered by Offsetting collections of fees to review, administer and enforce permits in Federal Programs and on Indian Lands	-1,860	
• Cost Recovery Data Application	+500	
<b>Total Program Changes</b>	<b>-10,890</b>	<b>+12</b>

**Justification of 2015 Program Changes**

The 2015 budget for Environmental Protection is \$81,191,000 and 213 FTE, a program change of -\$10,890,000 and +12 FTE from the 2014 Enacted level.

**State and Tribal Funding (-\$13,373,000):** 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 for services provided to coal mine operators. With the 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 services provided to the industry, there should be no reduction in regulatory performance.

OSM plans to implement provisions to recover more of the costs for services provided to industry to review, administer, and enforce permits for its Federal and Indian Lands Programs as well.

**Improve Implementation of Existing Laws and Support to States and Tribes (+\$3,843,000; +12 FTE):** The requested increase of \$3.8 million and 12 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 violations 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

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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. This increase will also improve OSM's ability to more timely process State program amendments.

**Offsetting Collections of fees for services provided to industry to review, administer and enforce permits in Federal Programs and on Indian Lands (-\$1,860,000; 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 structure for cost recovery (promulgated in regulations) for the review of new permit applications collects about \$40,000 per year. SMCRA allows OSM to collect its costs to review, administer and enforce permits. OSM plans to implement provisions to recover more of the costs of providing services to coal mine operators, and offset its budget with the collections.

**Cost Recovery Data Application (+\$500,000):** This will support development of a more comprehensive data management system to bring together various cost systems and automate the tracking of permit applications and related reviews/revisions for those applications to assist with more efficient and effective cost recovery for services provided to the coal industry. OSM will review current systems in place by other Bureaus and Federal agencies to allow for best practices.

**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 effects 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 estimated \$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 coal extraction and addresses the protection of public health, safety, and general welfare from the adverse effects 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 2015, the President's Budget requests \$55.2 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 up to 100 percent funding for up to 14 Federal lands cooperative agreements with States and three Tribal regulatory program development grants.

The FY 2015 budget request includes \$12.6 million, an increase of \$4.0 million over the 2014 enacted budget, to improve implementation of existing laws and support to States and Tribes, and \$4.6 million to fund regulatory programs in non-primacy States such as Tennessee and Washington. Also included in the FY 2015 budget request is \$1.5 million for OSM to regulate coal mining on Federal lands, \$1.9 million for regulatory programs on Indian Lands, and \$5.3 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 \$1.9 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 2015 and support this budget request.

## **2015 PROGRAM PERFORMANCE**

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

The \$55.2 million requested for FY 2015 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 2015 budget proposes a reduction in grants and encourages the States to increase their fees for services provided to coal mine operators to recover a greater percentage of costs for the services they provide.

#### **b. State Regulatory Activities**

Activities of State regulatory authorities include: permit review and issuance, including the use of the Applicant Violator System 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. Federal regulations require 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 77,729 inspections in FY 2013. See Table 2.

**c. Cooperative Agreements – Federal Lands**

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 continuing to review informal materials (statute and regulations) as they are received from the Tribes. Applications for tribal primacy are proposed to be submitted by the Navajo Nation in the fall of 2014 and by the Crow Tribe in summer of 2015. The Hopi Tribe has not indicated when it would submit an application for tribal primacy.

**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.

**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. Major policy documents include:

Directive REG-8, Oversight of State Regulatory Programs establishes policies, procedures, and responsibilities for conducting oversight of State and Tribal regulatory programs. It establishes formulas and criteria for the number and type of oversight inspections. It also contains detailed instructions on data collection and preparation of the annual evaluation report, as well as public participation in the evaluation process.

Directive REG-23, Corrective Actions for Regulatory Program Problems and Action Plans describes the corrective action procedures that apply when OSM identifies problems with an approved State or Tribal regulatory program, or with State or Tribal actions taken or not taken under that program, that could, if left unaddressed, result in a failure by the State or Tribe to effectively implement, administer, enforce, or maintain its approved program.

Directive INE-35, Ten-Day Notices establishes the policy and procedures that OSM will follow when OSM has reason to believe that a violation of SMCRA, the State regulatory program, or a State-issued permit exists.

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 2013, OSM conducted 1,540 oversight inspections in 23 States. OSM intends to sustain this level of oversight inspections in FY 2014 and 2015 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 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 2013, OSM observed an increase from FY 2012 in both the number of TDNs issued (from 71 to 87) and the number of alleged violations (from 156 to 178). OSM will continue to work with the States to resolve any outstanding TDN issues. OSM has procedures in place to monitor corrective actions when issues are identified as a result of OSM oversight activities.

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 a State or Tribal program 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 enforcement or a program change.

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 2014 and 2015.

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Table 2 provides data on the number of state inspections and OSM oversight inspections conducted in primacy states. OSM inspections in primacy states include oversight inspections of all types (such as comprehensive inspections, follow-up, bond forfeiture, mine drainage), oversight document reviews, assistance inspections, citizen complaint site visits, and Federal action inspections, as needed. State data is for the time period of July 1, 2012, through June 30, 2013.

<b>Table 2 – FY 2013 Primacy State and OSM Inspections</b>				
	<b>State</b>			<b>OSM Total</b>
	<b>Partial</b>	<b>Complete</b>	<b>Total</b>	
Alabama	242	2,546	2,788	51
Alaska	68	34	102	2
Arkansas	44	21	65	3
Colorado	270	155	425	8
Illinois	569	350	919	63
Indiana	682	382	1,064	28
Iowa	0	0	0	0
Kansas	72	36	108	3
Kentucky	15,075	7,928	23,003	443
Louisiana	21	12	33	8
Maryland	501	257	758	22
Mississippi	16	8	24	5
Missouri	44	32	76	5
Montana	117	54	171	8
New Mexico	64	32	96	3
North Dakota	543	96	639	6
Ohio	1,512	948	2,460	106
Oklahoma	287	227	514	16
Pennsylvania	7,829	4,738	12,567	297
Texas	337	156	493	9
Utah	221	133	354	13
Virginia	2,627	1,608	4,235	118
West Virginia	17,994	8,518	26,512	306
Wyoming	185	138	323	17
<b>Total</b>	<b>49,320</b>	<b>28,409</b>	<b>77,729</b>	<b>1,540</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: In FY 2013, there were 4 active coal producing sites, 22 active non-producing sites, (tipples, preparation plants, etc.), 84 mine sites (i.e., non-producing sites either in temporary cessation, mining is complete, or the site is undergoing reclamation), and 16 abandoned sites in Tennessee. In addition, 18 coal exploration notices of intent were on hand at the end of FY 2013. There are currently 14 new permit applications in various stages of review, with 3-5 to be issued in FY 2014. Over the past five-year period coal production declined from 2.65 million tons in calendar year 2007 to 1.2 million tons in calendar year 2013. OSM has discussed with the State the possible return of the primacy program on numerous occasions. In FY 2013, the State began actively assessing the interest, steps and costs of assuming primacy of the mining program.

In light of 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 the Clean Water Act and SMCRA regulatory authorities as each mine site must have both CWA and SMCRA permit to discharge water and mine coal, respectively. The group completed a major effort in 2010 by executing a Local Inter-agency Working Agreement (LIWA) between the agencies. The LIWA includes a permit process flow chart and ten Standard Operating Procedures for processing, reviewing, coordinating and issuing final decisions on 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 coal mining activities.

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In response to a Notice of Intent (NOI) to sue, followed by a formal lawsuit, the LIWA group, notably US Fish and Wildlife (USFWS), and OSM reviewed the Endangered Species Act (ESA) and the 1996 Biological Opinion in light of the allegations brought forth in the NOI on two existing permits. USFWS and OSM have modified the LIWA process to provide summary documents of the ESA and NEPA portions of the permitting process. At present, avoidance and mitigation measures are spread across several sections of the permit application. OSM has developed a concise summary of all measures incorporated into each approvable permit and created a new section in the NEPA documents used to support and inform permitting decisions of the Knoxville Field Office.

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. The Knoxville Field Office is evaluating Environmental Impact Statement (EIS) alternatives and expects to publish the draft EIS in 2015 and soon after commence public hearings.

In addition, seasonal water quality/quantity data is collected annually at established OSM trend stations. Data from this effort is used to evaluate and develop cumulative hydrologic impact assessments (CHIA) for permitting decisions in the Tennessee Federal Program. The three sets of samples include 17 trend stations during low-flow conditions and 34 trend stations during winter mean-flow conditions and summer mean-flow conditions. This annual CHIA data supports permitting decisions and assesses successfulness of program implementation.

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 the Powder River Basin. On July 8, 2010, OSM denied a request to continue temporary cessation at the Kopiah Pit, and the decision was upheld on appeal. OSM approved on February 23, 2012, TransAlta proposed coal recovery operation plan, to begin in late 2014. This operations plan will facilitate reclamation of the coal mine waste impoundments after coal recovery. The recovered coal will be sold to the Centralia Power Plant. 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. TransAlta has submitted revised reclamation plans for five areas of the mine. On October 2, 2012, OSM approved the reclamation plan for the Central Packwood pit area. OSM's review of the revised reclamation plans for the North Hanaford Pit, Pit 7, the Kopiah Pit and coal mine waste impoundments 3A, 3B, 3C and 3D are ongoing at this time. OSM approvals of the revised plans for Pit 7 and the Kopiah Pit are anticipated during 2014.

The Pacific Coast Coal Company (PCC) mine near the City of Black Diamond has not produced coal since 2000. A significant revision application to re-commence mining is

under review. OSM has updated the CHIA and has completed the environmental assessment for the significant revision application.

Table 3 provides inspection and enforcement data for Federal Program States during FY 2013.

<b>Table 3 – FY 2013 Federal Program States Inspection / Violation Data</b>					
<b>State</b>	<b>Inspections</b>			<b>NOVs</b>	<b>FTA COs</b>
	<b>Complete</b>	<b>Partial</b>	<b>Total</b>	<b>Violations</b>	<b>Violations</b>
Tennessee	591	792	1,383	103	10
Washington	8	16	24	0	0
<b>Totals</b>	599	808	1,407	103	10

#### 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), as well as State Regularity Authorities. 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 2013 Actual</b>	<b>FY 2014 Projected</b>
In progress prior FY	4	9
Anticipated current FY	8	9
Total FY workload	12	18
Completed in FY	3	11
Balance, end of FY	9	7

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

The Crow, Hopi and Ute Mountain Ute Tribes, and the Navajo Nation have coal-mining activities on their lands. The McKinley Mine and the Navajo Mine are large surface mines on lands within the Navajo Nation. Mining operations have ceased at the McKinley Mine, and it is currently being reclaimed. OSM is currently the lead on preparing an EIS for a proposed expansion of the Navajo Mine and extension of the site lease for the adjacent Four Corners Power Plant. The Kayenta Mine Complex, which includes the Kayenta mining operation and the now idle Black Mesa mining operation, involves mining 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. OSM is a key cooperating agency on an EIS being prepared by the Bureau of Reclamation that will analyze extension of a site lease for the Navajo Generating Station and incorporate the Black Mesa mine into the Kayenta Mine permit area. 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 re-vegetation. 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 100,500 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 2013.

<b>Table 5 – FY 2013 Indian Lands Inspection Data</b>				
<b>Tribe</b>	<b>Inspections</b>			<b>NOVs</b>
	<b>Complete</b>	<b>Partial</b>	<b>Total</b>	<b>Violations</b>
Crow Tribe	8	16	24	0
Hopi Tribe	2	0	2	0
Navajo Nation	37	23	60	3
Ute Tribe	4	8	12	0
<b>Totals</b>	51	47	98	3

<b>Table 6 – Permit and Permit Revision Workload where OSM is the Regulatory Authority, by Fiscal Year</b>				
<b>Activity</b>	<b>Federal Programs*</b>		<b>Indian Lands</b>	
	<b>FY 2013 Actual</b>	<b>FY 2014 Projected</b>	<b>FY 2013 Actual</b>	<b>FY 2014 Projected</b>
In progress prior FY	35	74	24	13
Anticipated current FY	104	120	37	49
Total FY workload	139	194	61	62
Completed in FY	65	118	48	58
Balance, end of FY	74	76	13	4

\* 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, and cost benefit analyses for rules prepared by OSM. Before developing a 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; discussions with EPA and additional outreach to stakeholders; and the review of the best practices of the States, OSM has decided to propose a rule establishing permit application requirements and performance standards specific to the placement of CCRs on active and abandoned mine sites under SMCRA regulatory and abandoned mine land reclamation programs. Currently, OSM is drafting a proposed rule and preparing an environmental assessment.

OSM Rulemaking Initiative on Cost Recovery: In an effort to recover costs from industry for services provided to review, administer and enforce permits issued by OSM, OSM proposed a rule on March 26, 2013, to revise its existing permit fees and establish other fees authorized by section 507 of SMCRA. The proposed fees are to recover more of 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. The rule is being finalized in FY 2014.

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 is to 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 to modernize its regulations to more completely implement the statute to better protect streams. The proposed rule and accompanying draft environmental impact statement are scheduled for publication in the next year.

OSM Rulemaking Initiative on Emergency Action Plans (Dam Safety): OSM intends to propose a rule to address Federal Emergency Management Agency dam safety guidelines. The most significant element of the proposed rule will be a requirement for preparation and maintenance of

an emergency action plan (EAP) for all impoundments that are classified as high and significant hazard dams. A high hazard dam is one that could result in the loss of one or more lives in the event of failure. A significant hazard dam has no potential for loss of life but has a potential for significant economic loss in the event of failure. An EAP is a document that identifies potential emergency conditions at a dam and specifies actions for the dam operating personnel to follow during emergencies or unusual occurrences.

Rulemaking Associated with State Programs: OSM assists States with development, administration, implementation, and maintenance of their approved regulatory programs. Decisions to approve or disapprove State program amendments 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 2013, OSM completed activity on 18 State program amendments as summarized in Table 7.

<b>Table 7 – FY 2013 State Program Amendment Activity</b>				
<b>Number of Amendments*</b>				
<b>Amendment Type</b>	<b>Pending Oct. 1, 2012</b>	<b>Received FY 2013</b>	<b>Completed FY 2013</b>	<b>Pending Sept. 30, 2013</b>
Pre-Submission Assistance	4	8	9	3
Formal	29	11	9	31
<b>Total</b>	<b>33</b>	<b>19</b>	<b>18</b>	<b>34</b>

\*The pending pre-submission assistance numbers include one for the Navajo Nation and one for the Crow Tribe. The formal numbers include one OSM initiated technical amendment.

States may be required to amend their programs as a result of changes to SMCRA and Federal regulations. 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.

**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**

### **2014 PLANNED PROGRAM PERFORMANCE**

In 2014, the planned activities in the Environmental Protection program activity include:

- Continue review of additional informal tribal primacy submissions from the Crow Tribe and Navajo Nation.
- Publish a draft EIS in the spring of 2014 to support the Navajo Mine and extension of the lease for the Four Corners Power Plant, both located on the Navajo Reservation near Farmington, New Mexico.
- Hold scoping meetings in support of an EIS for the extension of the site lease for the Navajo Generating Station and permitting of a significant revision for the Kayenta Mine.
- Finalize the permit transfer for the Navajo Mine.
- Finalize processes to implement updated cost recovery regulations.
- Achieve the goals for performance measures identified in the Goal Performance Table for this business line and engage youth by providing educational and employment opportunities to young adults in fields associated with surface coal mining regulation and reclamation.

### **2013 PROGRAM ACCOMPLISHMENTS**

In 2013, the major accomplishments in the Environmental Protection program activity included:

- Lead preparation of an environmental impact statement (EIS) to support permitting of a new resource area at the Navajo Mine and extension of the lease for the Four Corners Power Plant, both located on the Navajo Reservation near Farmington, New Mexico.
- Participated in the initial stages in the development of an environmental impact statement to support extension of the site lease for the Navajo Generating Station and permitting of a significant revision for the Kayenta Mine.
- Began processing a permit transfer for the Navajo Mine, which will result in the mine being owned by the Navajo Transitional Energy Company, LLC., a wholly owned company of the Navajo Nation.
- Implemented the Federal and Indian lands programs, including conducting 650 complete and 855 partial inspections.
- States performed 28,409 complete mine inspections and 49,320 partial inspections to ensure coal mines are operated safely and in accordance with environmental laws.

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- Achieved performance as shown on the Goal Performance Table associated with this business line.



## **TAB 6**

# **Technology Development and Transfer**



**TECHNOLOGY DEVELOPMENT AND TRANSFER**

## Technology Development and Transfer Summary of Budget Request

(dollars in thousands)	2013 Actual	2014 Enacted	2015			
			Fixed Costs & Related Changes (+/-)	Program Changes (+/-)	President's Budget	Change From 2014 (+/-)
<b>Regulation and Technology</b>	<b>13,699</b>	<b>14,455</b>	<b>105</b>	<b>3,449</b>	<b>18,009</b>	<b>3,554</b>
Technical Assistance	10,363	10,943	56	750	11,749	806
Support Electronic Permitting	0	0	0	[750]	[750]	0
<i>FTE</i>	55	57	0	0	57	0
Training	2,397	2,531	25	0	2,556	25
<i>FTE</i>	23	24	0	0	24	0
Technology Transfer	939	981	23	2,699	3,703	2,722
Applied Science Projects	0	0	0	[1,199]	[1,199]	0
Expand GeoMine Project	0	0	0	[1,500]	[1,500]	0
<i>FTE</i>	10	10	0	0	10	0
<b>Abandoned Mine Reclamation Fund</b>	<b>3,359</b>	<b>3,544</b>	<b>25</b>	<b>700</b>	<b>4,269</b>	<b>725</b>
Technical Assistance	1,503	1,585	13	0	1,598	13
<i>FTE</i>	9	10	0	0	10	0
Training	752	794	8	0	802	8
<i>FTE</i>	6	6	0	0	6	0
Technology Transfer	1,104	1,165	5	700	1,870	705
Applied Science Projects	0	0	0	[700]	[700]	0
<i>FTE</i>	4	4	0	0	4	0
<b>Total, Technology Development and Transfer</b>	<b>17,058</b>	<b>17,999</b>	<b>130</b>	<b>4,149</b>	<b>22,278</b>	<b>4,279</b>
<b>Total FTE</b>	<b>103</b>	<b>111</b>	<b>0</b>	<b>0</b>	<b>111</b>	<b>0</b>

Note: 2013 FTE amounts reflect actual usage.

Fixed Costs resulted in an increase of \$130,000. Fixed Costs cover pay related items including a pay raise and health plans.

**Summary of 2015 Program Changes**

<b>Request Component</b>	<b>(\$000)</b>	<b>FTE</b>
• Applied Science Projects	+1,899	0
• GeoMine Project	+1,500	0
• Support Electronic Permitting	+750	0
<b>Total Program Changes</b>	<b>+4,149</b>	<b>0</b>

**Justification of 2015 Program Changes**

The 2015 budget for Technology Development and Transfer is \$22,278,000 and 111 FTE, a program change of +\$4,149,000 from the 2014 Enacted level.

**Applied Science Projects (+\$1,899,000):** The requested increase of \$1.899 million will be used to address critical challenges in energy production by investing in applied science projects, or studies, that would advance technologies and practices specific to coal mined sites for more comprehensive ecosystem restoration, including reforestation and reclamation using native vegetation and plant habitat.

One planned study would address mine pools in closed underground mines. After cessation of underground mining, mine pools often develop in the voids remaining after mining. Discharges from these pools often have water quality issues that degrade streams and ground water, and are expensive to treat. Studies to improve the reliability of modeling closed underground mines are essential for responsibly dealing with these types of problems before mine closures and avoiding costly long-term treatments.

Another potential study would evaluate coal slurry impoundments to advance the understanding of conditions in which coal slurry solidifies or stays liquid, and the conditions under which it ceases to flow. This information is relevant to assess the risk to communities' municipal water supplies and stream habitat from coal slurry impoundment basin breakthroughs.

With the results of science-based, coal studies, OSM anticipates improved technical evaluation of issues to maintain program effectiveness, improve compliance with existing laws and support advances in coal mining and reclamation.

**GeoMine (Coal Mining Geographic Information System) Project (+\$1,500,000):**

An interactive geospatial data sharing system for State and Federal agencies regarding coal mining activities and decisions. OSM completed its two-year pilot project where it partnered with SMCRA regulatory programs in Kentucky, Tennessee, Virginia, West Virginia, and Federal agencies involved in SMCRA, Clean Water Act (CWA) and Endangered Species Act (ESA) regulation and consultation (EPA, Fish and Wildlife Service, Army Corps of Engineers) to develop the GeoMine interactive digital map of coal mining and reclamation activities. The two-year GeoMine Pilot Project has demonstrated the feasibility and value of sharing this mapping data between the partner agencies through the Internet. A final report of the Pilot Project

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findings and recommendations was presented to the partners' leadership in the fall of 2013. The report recommends that GeoMine be deployed nationwide. The phased deployment of the GeoMine to collect and provide access of SMCRA data nationwide is expected to begin in FY 2015. This system will facilitate efficient and effective environmental reviews, permit planning, inspections, etc., among various DOI Bureaus and other Federal agencies.

**Support Electronic Permitting (+\$750,000):** OSM will explore the best way to leverage current State efforts and share information between and among all regulatory program offices for this activity. This modernization project will achieve future economies of scale for cost savings and improved effectiveness and transparency. The outcome will be a more efficient and timely permit application review process since information will be made available to various Federal and State parties at the same time for sharing and review.

## 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 2014 and 2015, 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:***

*Technical Assistance*

*Technical Training*

*Technical Innovation and Professional Services (TIPS)*

*Applicant Violator System (AVS)*

*Technology Development*

*Technology Transfer*

throughout FY 2014 and FY 2015. 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 2015, OSM plans continued improvements in this business line. 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 NTTTT will continue to work with the Regional Technology Transfer Teams to provide direction, communication, and coordination efforts related to technical issues and studies. OSM proposes investment in technical studies, electronic permitting, and the expansion of the GeoMine Project.

**Resources, Skills, and Technology Needed:** An ongoing goal for FY 2015 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 2015 request for this business line is \$22.3 million. The request includes \$13.3 million for Technical Assistance (including the Applicant Violator System support); \$3.4 million for Technical Training; and \$5.6 million for Technology Transfer efforts to meet the annual goals set forth above.

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.

## **2015 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 to engage youth in technical and natural resources activities.

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 provides direct technical support and ongoing efforts in other business lines. Many activities not yet conducted in FY 2014 will identify the needs for activities in FY 2015. In addition, adjustments in activities may be necessary during FY 2014 and 2015 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 effectively achieve its 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; review of offsite impacts; guideline development; State program amendments; State mining permit evaluation; AML problem evaluation; blasting policy; prime farmland reclamation; geomorphic

reclamation; soil substitution, coal combustion residue placement; reclamation bonding sufficiency and bond release; threatened and endangered species; restoration of mined land with native vegetation; 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; re-mining; impoundment stability; subsidence caused by underground mining; and assistance in fostering tribal primacy by helping Tribes develop technical capabilities.

Examples of activities for FY 2013-2014 include:

Blasting: Annually, OSM facilitates discussions among State and Federal blasting specialists to foster a better understanding of blasting issues and technology that result in consistent application of blasting rules. To achieve these goals in FY 2013, OSM maintained the Blasting Download webpage, hosted monthly Blasting Technical Chat conference calls, participated in the Appalachian Blaster Certification Delegation, and facilitated State regulatory discussions at State coordinated workshops. OSM also continued to use and support the Blaster Certification Tracking System (BCTS) which is used to track Federally-certified blasters and provide the programming code to States that want to build their own tracking system (e.g. Wyoming).

In FY 2014, OSM will continue to help State blaster certification programs offer better training, promote improved work experience opportunities, achieve consistent testing, facilitate certificate reciprocity and recognize certificates for reciprocity across the nation. OSM has partnered with the University of Kentucky and Bridgmont Community and Technical College to provide training venues for students who are interested in becoming a certified blaster and for those who need to maintain the education requirements of their certificates. OSM is also partnering with the International Society of Explosives Engineers to develop a set of Blasters' Training Modules that will help blasters prepare for examinations. Lastly, in FY 2014, OSM will support national continuing education events that provide technological and regulatory updates to blasters in need of continuing education credits.

Acid Mine Drainage (AMD): 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.

In FY 2014 and 2015, 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 emerging mine water issues, particularly AMD and total dissolved solids (TDS) prediction, prevention and treatment, and biological effects.

AMDTreat Web Presence Software: AMDTreat is a computer application for estimating treatment costs for polluted mine water drainage, commonly referred to as Acid Mine Drainage (AMD). The AMDTreat software was originally released in 2003 and updated in 2013 to incorporate enhanced geochemistry modeling tools. It has been distributed via CD to over 2,500

users and by direct downloads from our website to thousands more. These users include watershed associations, regulatory authorities, environmental groups and industry located in over 40 States and across 40 countries. AMDTreat is a proven vital tool for the SMCRA regulatory and abandoned mined land programs, used daily to forecast economic options and optimize the use of our limited treatment funds.

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 continues to assist 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,” (sudden discharges of large volumes of mine water) 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 serve as potential sources of fresh water for industrial and residential uses. Proposed water extraction projects by other industries, such as gas and oil development that must incorporate an understanding of mine pool characteristics and the potential for secondary impacts like 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. Two major multi-year mine pool characterization projects – the North Branch of the Potomac and the Fairmont Pool were completed in FY 2013. Subsequent technical assistance on these and similar activities will continue in FY 2014.

Bat Habitat Use In New Mexico Abandoned Mines: Abandoned mines pose safety threats and also provide valuable habitat for bats and other wildlife. Bats are important consumers of insect pests and make up a key role in native biodiversity. Increasing pressures on bat survival include introduced pathogens causing White-nose Syndrome, urban and energy development, and disturbance and vandalism. The New Mexico Abandoned Mine Land Program (NMAMLP) biologists specialize in internal bat surveys to identify mines that are significant bat habitat for roosting, maternity, and hibernation. Monitoring bat numbers over time at abandoned mines adds to knowledge of population trends valuable to bat conservation. NMAMLP began a first season of bat monitoring in May 2013. OSM and TIPS responded to requests for service and equipment to aid in the study. The NMAMLP was able to observe bat numbers and behaviors, and record bat species that may have been using the abandoned mine habitats or emerging from mine openings. This SMCRA related project is expected to continue into FY2014 and 2015.

Coal Seam Fire Delineation: OSM continues to assist States and Tribes in the use of the FLIR (Forward Looking InfraRed) camera to delineate the extents of underground mine fires, burning coal seams, and burning stock- and waste-piles. Burning coal causes a multitude of problems ranging from minor (the smell of burning coal) to life threatening (mine subsidence or forest fires). The FLIR camera is a part of TIPS' equipment owned by OSM and loaned to States and Tribes throughout the nation. Use of the FLIR camera to delineate the extents of burning coal seam helps States and Tribes calculate the extent of the problem and derive solutions to address both present and future problems.

Illinois AML Technical Assistance Abatement of Acid Mine Drainage: OSM has been assisting two on-going projects in southern Illinois. Both are AML sites heavily impacted by acid mine drainage (AMD) and include: the Palzo project near Marion and the Tab-Simco project near Carbondale. There is considerable public interest in abating AMD problems from Palzo site which is heavily impacting two receiving streams, Sugar Creek and the South Fork of the Saline River with low pH and high iron. In FY 2013, groundwater and surface water quality information was collected and compiled for use by Illinois AML and the U.S. Forest Service. AMD treatment designs based on passive methods developed in 2010 by OSM will be enhanced by the State in FY 2014. At Tab-Simco during FY 13, Illinois AML replaced the passive treatment substrate for a sulfate-reducing bioreactor originally constructed in 2007 to treat extremely poor quality AMD. OSM has been heavily involved providing its technical expertise and will continue to provide assistance in FY 2014 to evaluate the improved system.

**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 350,000 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. Underground voids resulting from past mining 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, insurance companies, environmental consultants, pollution control boards, realtors, law-enforcement agencies, historical societies, drilling companies, and homeowners. The NMMR also provides scanning of mine maps for its clients. 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. In late FY 2012, OSM acquired additional state of the art scanning equipment and mass storage for the NMMR. This added equipment allows NMMR to scan and store larger maps at higher resolution; thus allowing NMMR to achieve important map details. NMMR will continue to expand the repository's online access to the map collections in FY 2014.

**d. Electronic Permitting (e-Permitting)**

OSM, States and Tribes worked on developing various e-Permitting solutions for their legacy coal permitting systems. During FY 2014-2015, OSM is exploring the best way to leverage these efforts and share information between and among all SMCRA program offices. This effort will achieve economies of scale for cost savings and improved effectiveness of the e-Permitting solutions developed. OSM's budget proposes \$750,000 to support these efforts.

**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. 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 2,000 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:

GeoMine Pilot Project (Geographic Information System): OSM partnered with the SMCRA regulatory programs in Kentucky, Tennessee, Virginia, West Virginia, and Federal agencies involved in SMCRA, Clean Water Act (CWA) and Endangered Species Act (ESA) regulation and consultation (EPA, Fish and Wildlife Service, Army Corps of Engineers) to develop the GeoMine interactive digital map of coal mining and reclamation activities. This GeoMine Pilot Project has demonstrated the feasibility and value of sharing this mapping data between the partner agencies through the Internet. A final report of the Pilot Project findings and recommendation was reviewed and approved by all Federal, State and Tribal agency executives, and published in December, 2013. The report recommended that GeoMine be deployed nationwide. The phased deployment of the GeoMine to collect and provide access of SMCRA data nationwide is expected to begin in FY 2015.

Satellite and Aerial Image Access: In FY 2013 a primary focus of the remote sensing program was to get imagery into the hands of the end users in the field. This will continue in FY 2014. The imagery along with GIS applications will be available to support State, Tribal and Federal inspectors in the field for preplanning of inspections and to document and quantify existing conditions for SMCRA Title V work. TIPS is working with headquarters IT staff to stand up an image server that will allow end users to readily access and analyze image data from the ERDAS APOLLO Image Serving System.

***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 if an applicant for a mining permit or AML contract has outstanding or unabated violations in order to determine the applicant's eligibility to engage in surface coal mining operations or be an AML reclamation contractor.

During FY 2013, the AVS Office processed over 1,100 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 46 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 line with the Department's intent in pursuing IT efficiencies, the AVS's virtualized database uses cloud infrastructure services from a third-party contractor who supplies all hardware and maintenance support. The AVS office will continue to work with system users to identify and implement system improvements during FY 2014 and FY 2015. In FY 2013, the system generated over 16,000 self-service evaluations indicating a high level of users' comfort with system use. To ensure our customers can continue to rely on accurate data and a stable environment to support their efforts with implementation of section 510(c) of SMCRA, AVS staff will continue to conduct data studies in FY 2014 and FY 2015 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 2013 and FY 2014 include: identifying assets and property that might be used to facilitate reclamation; for cost recovery on reclamation money spent by a State to reclaim a forfeited site; and assisting in the establishment of claims during bankruptcy.

Customer surveys are used to document the responsiveness of AVS services provided to its customers. During FY 2013, the AVS Office received a customer satisfaction rating of 99% and a 68% response rate on returned customer surveys. To address declining response rates we migrated from a paper-based survey to an online survey to reduce the burden on respondents. 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 information and skills to implement the surface mining reclamation and enforcement 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.

“This class gave good insights into how enforcement problems come about and how they are dealt with when they do arise. When reviewing applications I look for things that could become potential enforcement problems. I try to address these potential situations in the permitting process before they become real issues.” Enforcement Procedures (Employee)

“Employee has a better understanding of the process and procedures of inspection of a blasting operation on surface coal mines. Employee is much better at checking blasting and seismic records and his reports are more professional.” Blasting and Inspection (Supervisor)

“Employee now understands better the sources of mine subsidence and the possibilities for other surface impacts from UG mines. His pre-inspection permit reviews are better informed.” Underground Mining Technology (Supervisor)

“The course changed the way I approach all aspects of my position. It’s allowed me to put all my job functions into a legal context up front, which makes for stronger and more defensible technical assessments.” Expert Witness (Employee)

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

In addition to regularly scheduled FY 2013 courses, NTTP supported the presentation of 9 Reforestation of Mine Land Workshops in Pennsylvania and Kentucky in which 274 State and Federal personnel were informed on reforestation techniques.

**Course Enhancements:** Revisions were made to the Enforcement Procedures course by a team of instructors in 2012 and the updated course was presented in the FY 2013 training year.

**Plans for FY 2014 and 2015:** NTTP received 1,734 requests for spaces in FY 2014, and anticipates it will receive additional requests for special sessions during the year. The NTTP Steering Committee, made up of OSM and State managers, will determine how additional sessions may be added to the 38 currently proposed regular classes. 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 2013, classes were held in 15 locations in 9 states. For FY 2014, courses are proposed for 16 locations in 9 states.

**Annual Program Planning to Identify Training Needs:** Each Spring OSM conducts a Training Needs Survey for the upcoming fiscal year to determine the training needs of the almost 2,000 State and Tribal regulatory and reclamation staff, as well as over 450 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.

**Course Revisions:** Course revisions are planned for Applied Engineering Principles, Evidence Preparation and Technology, SMCRA; Permitting and the Endangered Species Act; Implementation of the 1996 Biological Opinion, Soils and Revegetation, Subsidence Underground Mining Technology, and Wetlands Awareness.

**On Line Program Planning:** FY 2014 and 2015 planning includes the availability of the updated National Technical Training Course Catalog on-line, as well as introducing the Basic Inspection Workbook for new staff in an electronic format. There is planned development of on-line components of the Subsidence, Underground Mining Technology and Wetland Awareness courses as appropriate, and also a Basic Mining Related Chemistry course to serve as a pre-requisite to the Acid-Forming Materials courses.

#### **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, enforcement 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. 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.

In FY 2013, the TIPS training program received a customer satisfaction rating of 98 percent, exceeding the annual GPRA goal by 5 percent. Seventeen classroom courses were held in 2013 with 328 students completing class sessions. Additionally, 118 students attended online training courses sponsored by TIPS, bringing the 2013 total to 328 students. Eight of the 17 training classes were facilitated "on-site" at locations meeting training needs of specific offices or groups of students throughout the SMCRA community.

While many TIPS courses are facilitated by an instructor in a traditional classroom, the TIPS Training Program continues to actively expand online opportunities and provide "just-in-time" training resources for our customers. Over 100 online courses are available through the TIPS Virtual Campus and ESRI, which is the world leader in GIS modeling and mapping. TIPS utilizes its Virtual Campus, created in 2010 and continues to educate our instructors on techniques to teach in a virtual environment. During FY 2013, six TIPS online classes were offered, and development began on one new online class, AMDTreat Mine Drainage Cost Calculation Online.

**c. Regional/Site Specific Training**

OSM regions also conduct courses and workshops at OSM, State and Tribal locations to address specific needs. The OSM regions provide specific, on-the-job training on topics such as: geographic information systems, grants management, how to prepare and/or process state program amendments, and conducting AML project design. We provide these classes on short notice (usually 1 to 3 months) and tailor them to the specific needs of the audience. Classes allow State, Tribal and OSM managers to rapidly respond to changing technology and workforce. OSM plans to continue providing this region and state specific training in 2014 and 2015.

**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. Technology Development**

One of OSM's most important missions is to advance and transfer technologies that will improve the effectiveness and efficiency of the science of mine land reclamation. Advancement of this technology will result in better mining and reclamation practices, and provide for better science-based decision-making. OSM is proposing \$1.9 million in its FY 2015 budget to advance technologies and practices specific to coal mine sites for more comprehensive ecosystem restoration, including reforestation and reclamation using native vegetation and plant habitat. The status of current reforestation efforts is described below. Examples of studies funded in prior years that are currently pending, or were completed in FY 2013, are contained at the end of this Section.

**b. Technology Transfer and Publications**

Technology Transfer is accomplished through a variety of activities including: conducting workshops and technical forums; publication of workshop and forum proceedings, handbooks, and other materials; maintenance of the OSM technical library and various information websites. Examples of activities include:

Reforestation: OSM continues its effort to encourage proper reforestation practices to increase the amount of mined land reclaimed as healthy, productive forests. The Reforestation Initiative 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 U.S. Geological Survey, and the U.S. Forest Service) published bulletins on state-of-the-art reforestation practices. In May 2012, ARRI brought together landowners, industry representatives, environmental groups, researchers, regulatory personnel, and citizens groups in a seventh annual Mined Land Reforestation Conference in Flatwoods, West Virginia, to learn about advancements regarding the use of the FRA to reclaim coal mine sites. Since 2004, about 85 million trees were planted on about 125,000 mined acres in the eastern coalfields by ARRI partners. In FY 2013, ARRI partners organized over 1,900 volunteers to plant approximately 256,200 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 be maintained during FY 2014 and FY 2015.

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,

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gas wells in coal mining areas, stream restoration techniques, geomorphic reclamation, protection of endangered species, etc. OSM plans to develop more opportunities for distribution of technical information utilizing the Internet and other electronic means that will not require travel during FY 2014 and FY 2015.

Examples of national and regional events that occurred in FY 2013 and FY 2014 include:

- In June 2013, OSM organized two technical sessions including 10 papers at the American Society of Mining and Reclamation (ASMR) Annual Symposium in Casper, Wyoming. The sessions were focused on Advances in Geomorphic Reclamation and Natural Stream Design technologies for both abandoned and active mines.
- In May of 2014, OSM will hold a national technical forum entitled “Advances in Geomorphic Reclamation in Coal Mines” in Albuquerque, New Mexico. It will include one day of technical presentations and two separate two-day field tours of active mines and abandoned mines that have been reclaimed with geomorphic reclamation techniques.

Reports, Forums and Workshop Proceedings: OSM publishes and co-sponsors the publication of proceedings from numerous forums and workshops and various topical reports. 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 agency Library in the Denver, Colorado office. The Library provides access to technical, scientific, and legal information for the bureau, as well as the States, Tribes, industry, citizen groups, and the public through a variety of services including: reference assistance, technical research, document delivery, and the dissemination of critical current awareness information.

During FY 2013, the Library fielded over 400 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. The Library is currently in the process of producing a short (5-7 minute) video to acquaint new staff members with resources available to them through the Library. This video should be completed in the first few months of FY 2014. The Library continues its membership in the DOI Council of Libraries, and looks forward to collaboration efforts with other DOI libraries in providing resources and information across the Department in FY 2014 and FY 2015.

**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 will continue in FY 2014 and 2015 with OSM's participation in local activities supporting such events as University science seminars, 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.

University Partnerships - Minority Higher Education Program: OSM works to build mutually beneficial partnerships with minority serving colleges and universities under the OSM Minority Higher Education Program (MHEP). OSM provides guidance and direction on these projects to ensure that the intended results are achieved. OSM provided two speakers for the Alabama A&M science symposium series during FY 2013 speaking of the Forestry Reclamation Approach and Protecting Bats at Coal Mines. OSM also collaborates with our MHEP partners on training and education programs.

In addition to traditional training within the SMCRA community, OSM has been involved in a collaborative partnership with MHEP Adams State University (ASU), a Hispanic Serving Institution, in Alamosa, Colorado. In future years, ASU and OSM will collaborate to advance the technical training at OSM as well as the scientific fields of study at ASU. ASU and OSM have developed several initiatives through 2014 to help accomplish these goals, such as work on the conservation curriculum to improve ASU's curriculum in the science arena and assist with faculty/student development. In addition, TIPS staff will continue to instruct classes yearly at ASU. This offering provides an opportunity for not only ASU students but the local community to learn and develop skills not otherwise offered. This partnership will continue to support government and academia as they contribute their joint efforts to engage youth in the outdoors and increase youth opportunities for future employment.

## **TECHNOLOGY DEVELOPMENT AND TRANSFER**

### **2014 PLANNED PROGRAM PERFORMANCE**

In 2014, the planned activities in Technology Development and Transfer include:

- OSM Western Region and Adams State College are collaborating on the construction of a surface mine model. The model will be used as a tool during public outreach to educate in all aspects of coal mining.
- Hold a national technical forum entitled “Advances in Geomorphic Reclamation at Coal Mines,” in Albuquerque New Mexico, May 20-22, 2014. The forum will include two field trips to active and abandoned mines that have been reclaimed using geomorphic reclamation technologies.
- Conduct technical training and TIPS courses in accordance with revised schedules and available funding levels.
- Continue to monitor the 18 applied science projects and report results when available. (See attached list of studies currently underway.)
- Achieve the goals for performance measures identified under this business line and engage youth by providing educational and employment opportunities to young adults in technical fields associated with surface coal mining regulation and reclamation.

### **2013 PROGRAM ACCOMPLISHMENTS**

In 2013, the major accomplishments in Technology Development and Transfer include:

- The revised joint OSM/FWS/IMCC Indiana Bat Permitting Guidance Document was completed and made available on the Internet.
- OSM presented two Alabama A&M University Science Seminars: “ARRI and Use of the Forestry Reclamation Approach in Surface Coal Mine Reclamation,” and “Protecting Endangered Bats at Coal Mines.”
- OSM sponsored a webinar entitled “Appalachia Regional Oversight Study: Breakthrough Potential of Slurry Impoundments” discussing both the findings from the West Virginia study and an overview of the regional plan moving forward. Approximately 50 attendees from States and OSM were on hand for the 2-hour webinar.
- OSM, along with Stream Restoration Inc., sponsored two guided tours of a local watershed organization-developed passive treatment system for acid mine drainage that employs a 16<sup>th</sup> century technology to improve aeration of the system. This application is a direct result of an Applied Science Project entitled “TROMPE - From the Past Will Come the Future.”

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- OSM made a presentation about TIPS and Technology Transfer at the Southwestern Abandoned Mine Lands meeting in Flagstaff, AZ. The States of New Mexico, Colorado, and Utah and the Tribal representatives of the Hopi, Navajo and Crow were present. In addition, members of the Bureau of Land Management, Bureau of Reclamation, the Environmental Protection Agency, the Department of Energy and a member of the Bat Conservation International attended.
- OSM organized and chaired two technical sessions at the 2013 Annual Symposium of the American Society of Mining and Reclamation entitled: “Case Studies in Geomorphic Reclamation” and “Advances in the Science of Geomorphic Reclamation.”
- OSM achieved the goals for performance measures identified under this business line on the Goal Performance Table.

**Status of Applied Science Projects Funded in Prior Fiscal Years and Completed in FY 2013 or Still Pending Completion.**

<b>Project Title/Contractor</b>	<b>Purpose/Funding</b>
Developing WEPP-Mine: A Management Tool for Western Alkaline Surface Coal Mines / Joan Wu - Washington State University Project  Completed during FY 2013.	Water Erosion Prediction Project (WEPP). Develop “WEPP-Mine”, a practical computer simulation tool for evaluating site-specific sediment control and reclamation plans for the National Pollutant Discharge Elimination System (NPDES) Western Alkaline Coal Mining Subcategory by EPA. \$200,000
Seismograph Geophone Coupling Protocols for Surface Coal Mine Blasting / C. Aimone-Martin	Evaluate different protocols to couple geophones in or on the ground and provide consistent, reproducible ground velocities, and associated displacement, acceleration, and frequency components with a minimum of statistical data scatter. \$48,320
RDBMS (Relational Data Base Management System) for Water Online / S. Kell – Ohio DNR	Develop a comprehensive, web-enabled water information system that will meet the needs of the Ohio Division of Mineral Resources Management, Ohio’s regulated industry, as well as the AML Program watershed partners. \$200,000
Investigation of Advanced Electronic Detonator Application in Surface Coal Mine Blasting / Braden Lusk - University of Kentucky  Completed during FY 2013.	Determine the accuracy of two specific systems of commercially available electronic detonators and one non-electric shock tube system for detonating mine-site explosives. \$200,000
Developing a Geochemical add-in Module for AMD (Acid Mine Drainage) Treat to Compute Caustic Quantity to Achieve Target pH and Corresponding Effluent Quality and Sludge Volume / Charles Cravotta - USGS	Develop an improved method for estimating the long-term cost of treating metal-laden mine drainage. It would add a geochemical subroutine, PHREEQC, to the AMD Treat computer program that will estimate the quantity of caustic titrant needed to attain a target pH, the concentrations of dissolved chemicals remaining in the treated effluent, and the corresponding volume of sludge produced. \$131,325
Low-pH Fe(II) Oxidation for Passive Treatment of Coal Mine Drainage / William Burgos-The Pennsylvania State University	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 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

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<p>Effective Monitoring and Assessment of Total Dissolved Solids as a Biotic Stressor in Mining-Influenced Streams / Stephen Schoenholtz - Virginia Tech</p>	<p>Characterize and assess mining origin total dissolved solids (TDS) as a predictor of 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</p>
<p>TROMPE From the Past Will Come the Future / Margaret Dunn - Stream Restoration Inc.</p>	<p>Design and construct a “trompe” which uses falling water with no outside power source to entrain air for a passive treatment plant at a remote location to facilitate iron oxidation. \$119,000</p>
<p>Correlation of TDS Release Potentials with Field Leaching Behaviors for Appalachian Coal Mine Spoils and Coarse Refuse / W. Lee Daniels - Virginia Tech</p>	<p>Correlate predicted TDS release behaviors with the actual amount, ionic composition, and temporal pattern of total dissolved solids (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</p>
<p>Aerating Off the Grid: Advancing Passive Treatment with Solar and Wind Power / Robert Nairn - University of Oklahoma</p>	<p>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</p>
<p>Impact of Increased Total Dissolved Solids in Aquatic Communities from Coal Mine Activities in Alabama / Khalil Shujaee - Clark Atlanta University</p>	<p>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</p>
<p>Identifying Effective Strategies for Controlling Annual Bromes on Mine Lands / Matthew Rinella - USDA Agricultural Research Service</p>	<p>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</p>
<p>Stream Restoration - Long Term Performance: A Reassessment / Jack Nawrot-Southern Illinois University at Carbondale &amp; USGS</p>	<p>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</p>
<p>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</p>	<p>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, organic geochemistry, and microbiology, will be employed to assess, monitor,</p>

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	and improve the efficiency of the bioreactor treatment processes. \$190,541
Evaluation of Geomorphic Reclamation Performance and Models in the Southwestern United States/Mark C. Stone - University of New Mexico	Advance the performance of geomorphic reclamation. Specific objectives are: evaluate the effectiveness at producing conditions that mimic natural analog basins and channels; assess effectiveness of watershed models in informing the geomorphic reclamation process; and investigate the long-term stability of reclaimed land including the impacts of extreme events. \$199,675
Assessing Geomorphic Reclamation in Valley Fill Design for West Virginia / Leslie C. Hopkinson - West Virginia University	Obtain field data to calibrate conceptual geomorphic designs for West Virginia valley fills. Specific objectives are: obtaining and quantifying characteristics of mature landforms in West Virginia; establishing the baseline biological community associated with these landforms; and generating conceptual geomorphic valley fill designs for existing mines. \$148,858
Geotechnical Properties and Flow Behavior of Coal Refuse under Static and Impact Loading / David Zeng - Case Western Reserve University	Use laboratory tests, small-scale model tests and centrifuge modeling in a comprehensive investigation of geotechnical properties and flow behavior of coal refuse under static and impact loading. Explicit design criteria for safety analysis of tailings dams and effective measures to improve stability will be recommended. \$199,460
Blasting Effects on Coal Refuse Impoundment Structures / Braden Lusk - University of Kentucky	Analyze the slope stability of coal refuse/slurry impoundments over time under static and dynamic conditions produced as the consequence of the blasting activity at a surface coal mine. \$200,000
Low-cost, Green Technology to Improve Water Quality in Mining-Impacted Ecosystems, Phase I – Model Development and Optimization / Xingmao Ma - Southern Illinois University	Test and optimize two complementary, novel, “green,” cost-effective chemical and phyto-remediation models for passive treatment of acid mine drainage and erosion control of acid mine soils. \$199,946
Underground Coal Gasification (UCG): Water-Quality Hazards and Risk Mitigation Strategies / Joshua White - Lawrence Livermore National Laboratory	Develop a best practices document focused on water quality hazards associated with UCG. The document will consist of: a guidance manual describing UCG-specific water quality hazards and best practices of mitigating those hazards; and a review of previous field studies in the U.S. and abroad, with a specific focus on water quality measurements and lessons learned. \$200,000



# **TAB 7**

## **Financial Management**



**FINANCIAL MANAGEMENT**

## Financial Management Summary of Budget Request

(dollars in thousands)	2013 Actual	2014 Enacted	2015			
			Fixed Costs & Related Changes (+/-)	Program Changes (+/-)	President's Budget	Change From 2014 (+/-)
<b>Regulation and Technology</b>	<b>479</b>	<b>505</b>	<b>2</b>	<b>200</b>	<b>707</b>	<b>202</b>
Revenue Management	389	410	1	200	611	201
Program Monitoring	0	0	0	[200]	0	0
<i>FTE</i>	<i>1</i>	<i>2</i>	<i>0</i>	<i>0</i>	<i>2</i>	<i>0</i>
Grants Financial Management	90	95	1	0	96	1
<i>FTE</i>	<i>1</i>	<i>1</i>	<i>0</i>	<i>0</i>	<i>1</i>	<i>0</i>
<b>Abandoned Mine Reclamation Fund</b>	<b>6,061</b>	<b>6,396</b>	<b>52</b>	<b>0</b>	<b>6,448</b>	<b>52</b>
Revenue Management	5,972	0	0	0	0	0
Fee Compliance	0	6,302	51	0	6,353	51
<i>FTE</i>	<i>41</i>	<i>40</i>	<i>0</i>	<i>0</i>	<i>40</i>	<i>0</i>
Grants Financial Management	89	94	1	0	95	1
<i>FTE</i>	<i>1</i>	<i>1</i>	<i>0</i>	<i>0</i>	<i>1</i>	<i>0</i>
<b>Total, Financial Management</b>	<b>6,540</b>	<b>6,901</b>	<b>54</b>	<b>200</b>	<b>7,155</b>	<b>254</b>
<b>Total FTE</b>	<b>44</b>	<b>44</b>	<b>0</b>	<b>0</b>	<b>44</b>	<b>0</b>

NOTE: 2013 FTE amounts reflect actual usage.

Fixed Costs resulted in an increase of \$54,000. Fixed Costs cover pay related items including a pay raise and health plans.

**Summary of 2015 Program Changes**

<b>Request Component</b>	<b>(\$000)</b>	<b>FTE</b>
Revenue Management - Program Monitoring	+200	0
<b>Total Program Changes</b>	<b>+200</b>	<b>0</b>

**Justification of 2015 Program Changes**

The 2015 budget for Financial Management is \$7.155 million and 44 FTE, program changes are an increase of \$200,000 from the 2014 enacted level.

**Program Monitoring (+\$200,000):** Funding will support staff review, evaluation, and monitoring of civil penalty collections, settlement agreements, offsetting collections, regulatory grants and bond forfeitures. Collections in these areas require additional resources to support efforts to improve compliance and customer service to States, Tribes and industry.

## 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 cleanup 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 effects 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

#### ***Fee Compliance***

- *Company Reporting*
- *Collection*
- *Accounting*
- *Audits*
- *Investment of AML Fees*
- *Compliance Assistance to Operators*
- *Development of Regulatory and Policy Issues*

#### ***Grants Management***

- *Accounting and Reporting*

#### ***Revenue Management***

- *Accounting and collection of revenue other than AML fees (e.g. civil penalties and Federal permitting and performance bonds)*

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reporting coal tonnage, internal audits for fee collection and compliance, and accounting and reporting requirements.

**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 2014 and 2015, OSM will continue to improve its Coal Fee Collection Management System (CFCMS), which OSM uses to process and manage coal reclamation fees, compliance audit findings, and civil penalties. CFCMS supports the continued success of the fee compliance program. OSM will also continue to look for opportunities to automate processes and streamline coal company reporting through the consolidated coal data reporting system (Single Source Coal Reporting System). OSM has over 211 grants and cooperative agreements with the States and Tribes, accounting for over \$695 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.

## **2015 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 to protect America's landscapes.

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 2013, OSM's Fee Compliance Program achieved a 99.7 percent collection rate resulting in \$213.7 million in total collections. Collections decreased from FY 2012 largely due to the reduced fee rates that went into effect for coal production in the fourth quarter of calendar year 2012. As a result of working closely with the industry, the program achieved a 99.90 percent compliance rate for operators filing their tonnage reports. OSM maintained a high percentage of permits that filed OSM-1 Reports electronically, at 88.4 percent in FY 2013. During FY 2013, OSM also continued to work on automating system processes, and as a result, approximately 87.7% of the coal reclamation fee reports were processed automatically in the fourth quarter of FY 2013, an 18% increase over last year. OSM was also able to slightly increase the system's rate of automatic processing of payments to 75.6 percent of payments. Further automation of payment processing is constrained by the inability of some companies to use the Treasury Department's Pay.Gov system. In FY 2013, OSM's audit division further streamlined its operations. By continuing to successfully leverage technology, the audit division has been nationally recognized for its efficient and effective utilization of resources.

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 2014 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 improvement of the consolidated coal data reporting system (Single Source Coal Reporting System).
- Further automating the processing of payments through the Department of the Treasury's Pay.Gov payment system and exploring ways to automate other electronic funds transfer payments.

- 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 2013 OSM collected 99.7 percent of the AML Fees due during the year. Total AML Fee collections were \$213.7 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 reports are available on-line through OSM's E-filing website. Permit information is pre-filled and the system automatically calculates the coal reclamation fees due, based on the data entered by the company. For the approximately eleven percent of the permits that do not file on-line, OSM mails a paper reporting package.

On average, over 2,300 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 OSM's fee collection system saves them time and money. This is evidenced by the fact that 510 companies voluntarily use the E-filing system to report on approximately 2,050 permits and over 98 percent of the coal tonnage produced nationwide. The system significantly streamlines the reporting process, makes it easier for companies to report on time, reduces errors, and makes it easier for OSM 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 uses CFCMS to provide the ongoing support for the Fee Compliance Program. The system enables OSM manage the fee compliance process, from permit issuance to mining completion. CFCMS also supports the related tonnage reporting and financial processes, including fee calculation, payment processing, billing, and debt collection. During FY 2013, OSM automated the processing of additional tonnage reports that are reported through the E-filing system. All new reports that are reported through the E-filing system are automatically posted by the CFCMS system. As a result, in the last quarter of FY 2013, 87.7 percent of the permit reports were posted automatically – an increase of 18.9 percentage points over last year.

OSM will continue to enhance the CFCMS system during FY 2014 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 streamline operations where possible and continue to realize processing efficiencies. For example, in conjunction with new changes incorporated into the CFCMS system, OSM will streamline the process of inactivating permits, for fee reporting purposes, that have completed coal production. 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 70% of the audit staff are full time teleworkers, 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 audit staff is emphasized in accordance with those standards.

By structuring the audit program to ensure 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 2015. 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 2015.

- *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.
- *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 2013, the staff handled 1,698 permit transactions. By continuing these efforts, the program provides significant assurance that all producing permits are identified in a timely manner, and operators are informed of their reporting and payment responsibilities.

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- *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:* OSM's audit staff has been instrumental in the successful implementation of various E-government efforts. During FY 2015, the audit staff will continue to promote electronic tonnage reporting and fee payment by demonstrating the systems for companies during audits and notifying OSM's collection staff of those interested in enrolling in E-filing and Pay.Gov.
- *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 2015 and beyond.

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

	2013 Actuals	2013 Projections <i>(as submitted in FY 2012)</i>		2014 Projections		2015 Projections		2016 Projections	
		DOE	OSM	DOE	OSM	DOE	OSM	DOE	OSM
Production *		DOE	OSM	DOE	OSM	DOE	OSM	DOE	OSM
Underground	332	342	341	314	331	325	342	328	345
Surface	574	625	602	637	566	643	570	579	513
Lignite	78	68	75	85	109	74	100	75	101
AML Fees **	\$213.7	\$216.2		\$207.4		\$209.0***		\$193.6***	

*\*DOE Production is based on the Department of Energy (DOE) Table 140 “Annual Energy Outlook 2013, Reference Case Forecast.” OSM tonnage uses the last reported production (Fiscal Year 2013) 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 current fee rate: \$0.12, \$0.28, and \$0.8 for underground, surface, and lignite, respectively. The calculations are adjusted for moisture content, reduced coal prices and fees, administrative fees and uncollectible fee estimates.*

*\*\*\*Fee Projections for FY 2015 and FY 2016 are baseline and do not include proposed legislative fee increases.*

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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	249,725	54,789	9,984,294	247,595	/12		48,430	7,516,796	2,467,498
2013	213,675	36,634	10,234,603	225,393	/13		54,789	7,896,978	2,437,625
2014	207,369	32,351	10,474,323	184,965			12,359	7,994,302	2,480,023
2015	209,011	21,645	10,704,979	211,965			21,645	8,227,912	2,477,067

/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.

/12 Total includes annual amount of \$27.4M as well as \$220.2M mandated under PL 109-432.

/13 Total includes annual amount of \$25.9M as well as \$199.4M mandated under PL 109-432 (after sequestration withheld).

Notes: FY 2014 figures are estimates except for the UMWA transfer. FY 2015 and FY 2016 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 ended 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. More information is provided in the Permanent Appropriations section of this document.

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 system of record for all administrative functions related to financial assistance programs.

Table 10 on the following page details the AML Unappropriated Balance as of September 30, 2013, by a description of its allocation.

Office of Surface Mining Reclamation and Enforcement

Table 10

Office Of Surface Mining AML Unappropriated Balance September 30, 2013 Prepared by the Division of Financial Management								
<b>Total Funds to be Allocated:</b>		<b>\$2,437,618,514.61</b>						
Description of Allocation	Balance as of 10/01/12 1/	LESS: 2013 Appropriation	LESS: 2013 Treasury Funds	LESS: 2013 5/ UMWBF Transfer	Post Appr. & Trans. Balance	Investment Int. 10/01/12-9/30/13	Collections for 10/01/12-9/30/13	Balance As Of 9/30/13
RAMP Allocation 6/	\$0.00				\$0.00			\$0.00
Federal Expense 2/ 6/	\$418,119,593.19	(\$39,270,120.00)			\$378,849,473.19		\$42,759,851.32	\$421,609,324.51
Historical Coal 3/	\$1,263,644,595.21	(\$141,100,224.00)	\$179,406,593.00		\$1,301,950,964.21		\$64,139,776.98	\$1,366,090,741.19
Investment Interest	\$143,735,414.18			(\$54,788,890.65)	\$88,946,523.53	\$36,633,733.97	\$0.00	\$125,580,257.50
					\$1,769,746,960.93		\$106,899,628.30	\$1,913,280,323.20
<b>Total Fed Share 1/ and 4/</b>	<b>\$1,825,499,602.58</b>	<b>(\$180,370,344.00)</b>	<b>\$179,406,593.00</b>	<b>(\$54,788,890.65)</b>	<b>\$1,769,746,960.93</b>	<b>\$36,633,733.97</b>	<b>\$106,899,628.30</b>	<b>\$1,913,280,323.20</b>
<b>Total State Share</b>	<b>\$641,992,936.89</b>	<b>(\$45,023,125.00)</b>	<b>(\$179,406,593.00)</b>	<b>\$0.00</b>	<b>\$417,563,218.89</b>	<b>\$0.00</b>	<b>\$106,774,972.52</b>	<b>\$524,338,191.41</b>
<b>Total</b>	<b>\$2,467,492,539.47</b>	<b>(\$225,393,469.00)</b>	<b>\$0.00</b>	<b>(\$54,788,890.65)</b>	<b>\$2,187,310,179.82</b>	<b>\$36,633,733.97</b>	<b>\$213,674,600.82</b>	<b>\$2,437,618,514.61</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 \$581,709 at the end of FY 2013, including interest and late charges. New civil penalties recorded in FY 2013 totaled \$762,566, and OSM collected \$751,661 during the year, including late charges.
- 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 the 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 FY 2014-2015 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 2013, OSM referred 100 percent of qualifying civil penalty debts to the Department of Treasury.

In addition, OSM will be establishing additional processes in 2014 and 2015 to collect and monitor fees for services provided to industry for the administration, review and maintenance of permits issued by OSM Federal programs.

## **FINANCIAL MANAGEMENT**

### **2014 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 and e-filing.
- Establish additional processes to collect permitting fees for Federal programs.
- 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.
- Support OSM's cost recovery efforts.
- OSM will seek to optimize the investment earnings on the Abandoned Mine Reclamation Fund while providing for fund liquidity to accommodate future funding decisions.

### **2013 PROGRAM ACCOMPLISHMENTS**

In 2013, the major accomplishments in the Financial Management program activity include:

- Collected \$213.7 million in coal reclamation fees resulting in a collection rate of 99.7 percent on quarterly coal reclamation fees.
- Maintained an E-filing enrollment rate of 88.4 percent of the active reporting, permits, which are reported electronically through OSM's internet-based reporting system.
- Processed automatically 75.6 percent of payments, or 3,951 fee payments.
- Processed automatically 87.7 percent of tonnage reports during the fourth quarter.

# **TAB 8**

## **Executive Direction**



**EXECUTIVE DIRECTION**

## Executive Direction Summary of Budget Request

(dollars in thousands)	2013 Actual	2014 Enacted	2015			
			Fixed Costs (+/-)	Program Changes (+/-)	President's Budget	Change From 2014 (+/-)
<b>Regulation and Technology</b>	<b>15,088</b>	<b>15,921</b>	<b>277</b>	<b>0</b>	<b>16,203</b>	<b>282</b>
Executive Direction	2,520	2,654	29	0	2,683	29
<i>FTE</i>	20	23	0	0	23	0
Administrative Support	4,178	4,414	40	0	4,454	40
<i>FTE</i>	27	27	0	0	27	0
General Services	8,390	8,853	208	5	9,066	213
<i>FTE</i>	0	0	0	0	0	0
<b>Abandoned Mine Reclamation Fund</b>	<b>7,562</b>	<b>7,979</b>	<b>144</b>	<b>0</b>	<b>8,125</b>	<b>146</b>
Executive Direction	1,339	1,413	18	0	1,431	18
<i>FTE</i>	10	13	0	0	13	0
Administrative Support	2,202	2,323	24	0	2,347	24
<i>FTE</i>	14	14	0	0	14	0
General Services	4,021	4,243	102	2	4,347	104
<i>FTE</i>	0	0	0	0	0	0
<b>Total, Executive Direction</b>	<b>22,650</b>	<b>23,900</b>	<b>421</b>	<b>7</b>	<b>24,328</b>	<b>428</b>
<b>Total FTE</b>	<b>71</b>	<b>77</b>	<b>0</b>	<b>0</b>	<b>77</b>	<b>0</b>

Note: 2013 FTE amounts reflect actual usage.

Fixed Costs resulted in a net increase of \$421,000. Fixed Costs of \$111,000 cover pay related items including a pay raise and health plans. Additional fixed costs include increases in worker's compensation (\$51,000) and GSA rental rates (\$409,000), and decreases in working capital fund adjustments overall (-\$127,000), and for IT (-\$23,000).

**Summary of 2015 Program Changes**

<b>Request Component</b>	<b>(\$000)</b>	<b>FTE</b>
DOI Working Capital Fund	+7	0
<b>Total Program Changes</b>	<b>+7</b>	<b>0</b>

**Justification of 2015 Program Changes**

The 2015 budget for Executive Direction is \$24.328 million and 77 FTE, program changes are an increase of \$7,000 from the 2014 Enacted level.

**Indirect Cost Negotiations (+\$7,000):** The 2015 budget includes an increase of \$7,000 to fund the review of indirect cost rate proposals for OSM by the Office of Indirect Cost Services. The Office of Indirect Cost Services negotiates indirect cost rates with non-Federal entities including tribal governments, State and local governments, Insular governments, and nonprofit organizations that receive funding from the Department. In 2015, this activity will be funded from customer payments for services based on the number of proposals reviewed and will be direct billed through the DOI Working Capital Fund. This activity was previously funded in the Departmental Operations Appropriation

## 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 Financial Management support functions. Through accomplishment of OSM's two mission goals, the business line supports the Departmental Mission Goals of Celebrating and Enhancing America's Great Outdoors, Powering Our Future and Responsible Use of the Nation's Resources, Engaging the Next Generation, and Building a

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Landscape-Level Understanding of Our Resources. This business line also supports the cross-cutting efforts under DOI's vision for Building a 21<sup>st</sup> Century Department of the Interior.

The outcome of program performance will be measured by the success of OSM 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 2015 Budget Request:** The request is for \$24.3 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 \$13.4 million.

Program/Project Support of Bureau, Department, and Government-wide Costs (Section 404<sup>7</sup> 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.

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<sup>7</sup> Consolidated Appropriations Act, 2014 (Public Law 113-76)

## **2015 PROGRAM PERFORMANCE**

### **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 2014 and 2015, 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 Communications, Office of Planning, Analysis and Budget and the Office of Information Resources.

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

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

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

*Office of Surface Mining Reclamation and Enforcement*

- 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
- Reports
- News releases
- Audiovisuals
- Photos
- OSM website
- Fact sheets
- Exhibits

The above items prepared by this office 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, and handles Freedom of Information Act requests. 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 recognizing excellence in reclaiming active and abandoned mines.

**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:

*Office of Surface Mining Reclamation and Enforcement*

- 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;
- Maintains 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 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 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-QIP 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:

- *Strategic 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. Efforts are an integral part of hiring veterans under recent Executive Orders as well. OSM promotes workforce diversity and to continue to improve and strengthen human capital process and tools to attract highly skilled applicants in support of building a 21<sup>st</sup> Century workforce.
- *Strategic Management of Human Capital:* 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. 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. Annual and tri-annual accountability audits are conducted to ensure compliance and identify deficiencies for improvement.

- *Electronic Official Personnel Folder (eOPF):* In FY 2012 through FY 2013, OSM conducted a review of employee hard copy files to identify documents that were not required to be transferred electronically. This process resulted in efficiencies by reducing the number of documents to be scanned by a vendor. An implementation plan outlining specific timetables and milestones is being developed to launch eOPF in FY 2014 and provide employees with immediate access to their information.
- *Hiring Reform:* OSM evaluated its current performance against OPM's 80-day model and will implement a service quality metric to gauge and monitor progress toward improving its hiring process.

### **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 FBMS system is a major enterprise management initiative that integrates financial management, acquisition, property management, grants administration and other subsidiary systems.

Administrative Financial Management will continue to be devoted to enhancements of the FBMS system, actively supporting government-wide initiatives to improve financial reporting. OSM also continues working with the Department's E-Gov Travel Service (ETS2) team on enhancements and provides help desk support for the users.

### **d. Information Technology (IT)**

OSM is dependent upon information technology to provide efficient and accurate management information to assist OSM's program managers in accomplishing the agency's mission. Activities span all business lines and are funded under other business lines in the budget as well as Executive Direction.

OSM continues to centralize IT management functions in order to drive efficiencies and lower overall operating costs. Centralizing management functions allows OSM a higher degree of flexibility to support OMB and DOI IT-related mandates. This continued migration to central IT management also allows the Office of Information Resources (OIR) to reduce costs, improve IT

security, reduce administrative overhead and improve system-wide configurations. Under DOI's IT Transformation initiative, OSM will leverage certain IT infrastructure services from DOI's Office of Chief Information Officer (OCIO). As IT operations are transitioned to a shared services environment, OIR staff will increasingly assume monitoring of the service-level-agreements (SLA) contracts to assure OSM mission needs are met timely and efficiently.

OIR is also responsible for the administration of the bureau'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.

OIR continues to manage OSM's Capital Planning and Investment Control (CPIC) process 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 provide responsive and compliant 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 and reduction of computers are 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. These efficiencies are expected to aid OSM in keeping the IT budget within the current range in 2014 and beyond.

### 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 2015 based and reflect estimated changes that from 2014 enacted levels and any known future plans.

<i>Line Item</i>	<i>FY 2014 Enacted</i>	<i>FY 2015 Estimate</i>	<i>Estimated Change 2014 – 2015</i>
Rent and Utilities	6,930,000	7,339,000	+409,000
Telecommunications	300,000	300,000	
Postage	30,000	30,000	
DOI Working Capital Fund	2,751,000	2,601,000	-150,000
DOI Program Requirements	150,000	150,000	
Unemployment Compensation	4,000	4,000	
Worker's Compensation	237,000	288,000	+51,000
Bureau-wide Printing/Supplies	272,000	272,000	
Service Contracts	450,000	450,000	
GSA Work Authorizations	125,000	125,000	
Operational Support Contracts; including support contracts such as Quickhire, Quicktime, software licenses, and direct billing items	1,847,000	1,854,000	+7,000
<b>Total</b>	<b>13,096,000</b>	<b>13,413,000</b>	<b>+317,000</b>

## **2014 PLANNED PROGRAM PERFORMANCE**

In 2014 Plans include:

- Equal Opportunity – Continue to develop training methodologies to adapt to the diversity of the workforce.
- Space – Continue to review opportunities to consolidate space with other Bureaus/Agencies.
- Budget and Performance Integration – Continue to review options for budget formulation and performance in conjunction with DOI's FY 2014-2018 Strategic Plan, and establish new measures where needed.
- Support DOI's Financial Audit Statements for 2013 and 2014.
- 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.
- Electronic Official Personnel Folder (eOPF) - Launch the eOPF initiatives utilizing a phase implementation approach to the workforce.
- Information Technology - Continue the reduction of desktop and laptop computers to allow for future efficiencies.

## **2013 PROGRAM ACCOMPLISHMENTS**

In 2013, the major accomplishments in the Executive Direction program activity include:

- Budget/Performance – Managed challenges of reduced budgets and sequestration scenarios, and provided funding to the highest priority needs.
- Supported the Department's audit opinion on its 2012 and 2013 financial statements.
- Human Resources – Developed hiring processes to comply with Departmental and Bureau hiring controls.
- Capital Planning and Investment Capital (CPIC) – Completed required evaluations for all IT programs and major investments.

**EXECUTIVE DIRECTION PERFORMANCE OVERVIEW**

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



# **TAB 9**

## **Permanent Appropriations**



**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 that are part of the the United Mine Workers of America Health and Retirement Funds (the three health benefit that receive funding under SMCRA are collectively referred to as the “UMWA Health Benefit Plans”). These payments are derived from the Abandoned Mine Reclamation Fund (AML Fund) and General Treasury. The 2015 budget includes legislative proposals that would reduce spending that does not contribute to coal abandoned mine land (AML) reclamation, return coal fees to historic levels so more funding is available for coal AML sites across the Nation with the most urgent environmental and safety hazards, and establish a fee on hardrock mineral production to fund the reclamation of abandoned hardrock mines nation-wide.

**Table 12 – Permanent Appropriation Estimates**  
(dollars in millions)

Permanent Appropriation	FY 2013 Actuals*	FY 2014 Enacted*	FY 2015 Estimates		Change from 2014 Enacted to 2015 Proposed
			Current	Proposed	
<b>Payment (or Grants) to States in Lieu of Coal Fee Receipts (U.S. Treasury Funds)</b>	<b>122.7</b>	<b>131.9</b>	<b>63.8</b>	<b>0</b>	<b>-131.9</b>
• Prior Balance					
Replacement Payments**	98.9	96.8	0		
<i>Grants to noncertified States</i>	<i>[80.9]</i>	<i>[79.1]</i>	<i>[0]</i>		
<i>Grants to certified States and     Tribes</i>	<i>[18.0]</i>	<i>[17.7]</i>	<i>[0]</i>		
• In Lieu Payments to Certified States and Tribes	23.8	35.1	63.8	0	
<b>Mandatory Grants to Noncertified States (AML Fund)</b>	<b>199.4</b>	<b>166.4</b>	<b>186.0</b>	<b>186.0</b>	<b>+19.6</b>
• State and Tribal Share	45.0	36.3	40.3	40.3	
• Historic Coal Share	141.1	115.8	126.0	126.0	
• Minimum Program Make Up	13.3	14.3	19.7	19.7	
<b>Subtotal- Payments to States and Tribes</b>	<b>322.1</b>	<b>298.3</b>	<b>249.8</b>	<b>186.0</b>	<b>-112.3</b>
Payments to UMWA Health Benefit Plans (AML Fund Interest)	54.8	12.4	21.6	21.6	+9.2
Supplemental Payments to UMWA Health Benefit Plans (Treasury Funds)	140.7	112.9	145.1	145.1	+32.2
<b>Subtotal- Payments to UMWA Health Benefit Plans</b>	<b>195.5</b>	<b>125.3</b>	<b>166.7</b>	<b>166.7</b>	<b>+41.4</b>
<b>Total Mandatory Funding</b>	<b>517.6</b>	<b>423.6</b>	<b>416.5</b>	<b>352.7</b>	<b>-70.9</b>
<i>Subtotal from AML Fund</i>	<i>254.2</i>	<i>178.8</i>	<i>207.6</i>	<i>186.0</i>	<i>-7.2</i>
<i>Subtotal from Treasury</i>	<i>263.4</i>	<i>244.8</i>	<i>208.9</i>	<i>166.7</i>	<i>-78.1</i>

\*Includes reductions due to sequestration.

\*\*FY 2014 is the last year for distribution of prior balance replacement payments.

**GOAL: TO DISTRIBUTE FUNDS TO STATES AND TRIBES FOR THE RECLAMATION OF THE HIGHEST PRIORITY COAL SITES AND TRANSFER FUNDS TO THE UMWA HEALTH BENEFIT PLANS**

One of the basic concepts of SMCRA has been to charge a fee on coal production to finance the reclamation of abandoned mine land (AML) across the country. Prior to 2006, the reclamation fee was deposited in the Abandoned Mine Reclamation Fund (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>8</sup>

***Collection of Reclamation Fees***

Reclamation fees collected are placed in the AML Fund. In 2013, the reclamation fee was 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 for FY 2014 are estimated to be \$207.4 million. Reclamation fee collections are primarily distributed through mandatory grants to noncertified States (those States with remaining coal abandoned mine land problems). 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 United Mine Workers of America Health and Retirement Funds in order to help finance three health care plans (collectively referred to as the “UMWA Health Benefit 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; of these, four States and all three Tribes have certified completion of coal abandoned mine land problems.

On July 6, 2012, the President signed Public Law No. 112-141, known as the “Moving Ahead for Progress in the 21<sup>st</sup> Century Act” or “MAP-21.” Section 100125 of MAP-21 added section 411(h)(5) to SMCRA (30 U.S.C. § 1240a(h)(5)). That provision limited funding levels available to each certified State and Tribe to \$15 million annually. In addition, on September 28, 2012, section 411(h)(4)(A) of SMCRA was amended by section 142 of Public Law No. 112-175, the Continuing Appropriations Resolution for 2013.<sup>9</sup> Furthermore, on October 2, 2013, SMCRA

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<sup>8</sup> OSM published regulations implementing the Act (November 14, 2008, 73 FR 67576), which became effective on January 13, 2009.

<sup>9</sup> This amendment revised section 411(h)(4)(A) of SMCRA (30 U.S.C. § 1240a(h)(4)(A)), which now provides: “The annual amount allocated under subparagraph (A) or (B) of section 402(g)(1) to any State

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was amended to increase the annual distribution limitation for each certified State and Tribe to \$28 million in FY 2014 and \$75 million in FY 2015.<sup>10</sup>

AML Fund

Noncertified States are allocated mandatory grants from AML Fund based on 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);
2. A State's portion of 30% of all reclamation fees collected nationwide and the amount of the State/Tribal Share forgone by certified States and Tribes; each State's portion is determined proportionally based on the amount of coal production in that State prior to 1977 (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 Make Up Funds).

SMCRA specifies the eligible uses of each of specific allocation. All funding provided to noncertified States 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 the highest priority coal mine sites, i.e., minimum program make up funds, while other allocations may be used to address problems such as water supplies adversely affected by coal mining, i.e., State Share. In certain circumstances, State Share and Historic Coal Share funds may also be used to reclaim certain 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 2015, OSM estimates noncertified States will receive \$186.0 million in grants from the AML Fund (\$40.3 million in State Share; \$126.0 in Historic Coal Share; and \$19.7 million in Minimum Program Make Up Funds).

Treasury Funds

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

1. Prior Balance Replacement funds are one-seventh of the unappropriated balance of each State or Tribes' State/Tribal Share as of October 1, 2007. In 2014, noncertified States will receive an estimated \$79.1 million in grants under the current law to use for coal reclamation and related purposes. In 2014, certified States will receive \$17.7 million,

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or Indian tribe that makes a certification under subsection (a) of this section in which the Secretary concurs shall be reallocated and available for grants under section 402(g)(5).''

<sup>10</sup> The Helium Stewardship Act of 2013, Public Law 113-40, section 10(d).

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. Pursuant to section 411(h)(1)(C) of SMCRA, these funds are distributed over seven fiscal years beginning in FY 2008; thus, FY 2014 is the last year that prior balance replacement funds will be distributed to noncertified and certified States and Tribes.

2. In lieu payments to certified States and Tribes are equal to half of the reclamation fees collected in that State or Tribe in the previous fiscal year. In FY 2014,<sup>11</sup> certified States and Tribes will receive \$35.1 million, which can be used for any purpose. The estimated amount for FY 2015 is \$63.8 million.

Under current law, total mandatory payments to States and Tribes from Treasury funds in 2015 are estimated to be \$63.8 million.

### **Transfers (or Payments) to the UMWA Health Benefit Plans**

In addition, sections 402(h) and (i) of SMCRA require OSM to transfer funds to three health care plans (the United Mine Workers of America (UMWA) Combined Benefit Fund (CBF), the UMWA 1992 Benefit Plan, and the Multiemployer Health Benefit Plan (aka, the 1993 Benefit Plan) (the three plans collectively referred to as the “UMWA Health Benefit Plans”) that are part of the UMWA Health and Retirement Funds. These transfers are as follows:

- Annual transfers of all estimated AML Fund interest earnings for each fiscal year to the UMWA Health Benefit Plans, 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 UMWA Health Benefit Plans are also entitled to payments from the Treasury, subject to an overall \$490 million cap on all annual transfers from the Treasury under the 2006 amendments to SMCRA, i.e., for FY 2015, all in lieu payments to certified States and Tribes and transfers to the UMWA Health Benefit Plans.
- In general, the amount of the transfers to the UMWA Health Benefit Plans 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.)

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<sup>11</sup> As mentioned above, in 2013, SMCRA was amended to increase the limitation on payments to each certified State and Tribe to \$28 million annually in FY 2014 and \$75 million annually in FY 2015.

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- 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 the States and Tribes.
- Reserve fund created from existing stranded interest earned by the AML Fund.

In 2015, OSM estimates \$21.6 million in interest payments from AML Fund, and an additional \$145.1 million from the Treasury will be transferred to the UMWA Health Benefit Plans.

**Legislative Proposal**

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

First, the budget proposes to terminate the payments to certified States and Tribes. These States and Tribes have already certified that they have completed their abandoned coal mine reclamation projects and are now permitted to use their AML payments for any purpose. Only a small fraction of these payments have been used to address problems associated with abandoned coal mines within those States and Tribes after certification. Terminating these payments will save the taxpayer \$295.0 million over the next decade.

Second, the budget proposes to return coal reclamation fee rates to their historic (pre-FY 2008) levels. Beginning in FY 2008, SMCRA's reclamation fee rates were reduced pursuant to amendments enacted in 2006. Mine operators currently pay 28¢ per ton for each ton of coal produced by surface mining; 12¢ per ton for each ton of coal produced by underground mining; 8¢ per ton of lignite produced; or ten percent of the value of the coal (two percent of the value of the lignite), whichever is less. The FY 2014 budget proposes to return coal reclamation fees to the 35¢ per ton for coal produced by surface mining; 15¢ per ton for underground mining; 10¢ per ton for lignite produced; or ten percent of the value of the coal (two percent of the value of the lignite), whichever is less. The proposal to return the fees to their historic levels will generate an additional \$52.0 million in 2015 that will be available for distribution in FY 2016 to reclaim high priority abandoned mine sites and reduce some of the \$3.9 billion in remaining dangerous coal AML sites nationwide.

Third, the budget proposes to build off of the successes of the coal AML program to create a parallel program for hardrock AML reclamation. Similar to the coal industry, the hardrock industry has left a legacy of abandoned mine sites that create health, safety, and environmental hazards. There is currently no hardrock reclamation fee that provides revenue to a dedicated hardrock reclamation fund, which leaves States, Tribes, and Federal land managers to address these sites as part of their general revenue budgets or with funds from the coal AML Fund when possible. The proposal for a parallel fee on hardrock production ensures that each industry is held responsible for the actions of its predecessors. Once the hardrock reclamation fee is established, OSM would collect the fee, building off of expertise in collecting the coal reclamation fee. The proposed hardrock AML fee and reclamation program will operate in parallel with the coal AML reclamation program as part of a larger effort to ensure the Nation's

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most dangerous abandoned coal and hardrock AML sites are addressed by the industries that created the problems.

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**Table 13: Mandatory Funding for States and Tribes, FY 2013-2015**

(\$ rounded in millions)

State/Tribe	2013 Actual	2014 Enacted	Hypothetical Distribution For FY 2015	
			Current	Proposed
Alabama	8.6	7.4	5.2	5.2
Alaska	2.8	2.8	3.0	3.0
Arkansas	2.8	2.8	3.0	3.0
Colorado	8.2	7.3	3.8	3.8
Illinois	22.7	19.8	16.9	16.9
Indiana	15.1	13.7	8.2	8.2
Iowa	2.8	2.8	3.0	3.0
Kansas	2.8	2.8	3.0	3.0
Kentucky	42.4	36.6	20.3	20.3
Maryland	2.8	2.8	3.0	3.0
Mississippi	.2	.2		
Missouri	2.8	2.8	3.0	3.0
New Mexico	5.1	4.5	3.0	3.0
North Dakota	3.7	3.4	3.0	3.0
Ohio	15.2	13.0	10.5	10.5
Oklahoma	2.8	2.8	3.0	3.0
Pennsylvania	61.7	52.4	47.8	47.8
Tennessee	2.8	2.8	3.0	3.0
Utah	4.6	4.1	3.0	3.0
Virginia	10.4	8.9	5.5	5.5
West Virginia	59.6	51.8	34.8	34.8
<b>Sub-total for noncertified States</b>	<b>280.3</b>	<b>245.5</b>	<b>186.0</b>	<b>186.0</b>
Louisiana	.4	.4	.2	
Mississippi*			.4	
Montana	12.4	11.7	4.4	
Texas	5.0	4.7	2.4	
Wyoming	14.2	26.9	53.8	
Crow	1.7	1.7	.4	
Hopi	1.3	1.2	.4	
Navajo Nation	6.8	6.3	1.8	
<b>Sub-total for certified States and Tribes</b>	<b>41.8</b>	<b>52.8</b>	<b>63.8</b>	<b>0</b>
<b>Total for All States/Tribes</b>	<b>322.1</b>	<b>298.3</b>	<b>249.8</b>	<b>186.0</b>
<b>Source of Mandatory Funding:</b>				
• AML Fund	199.4	166.4	186.0	186.0
• Treasury	122.7	131.9	63.8	0

Noncertified States are those that have remaining coal AML problems to address. Certified States and Tribes have certified that there are no remaining coal AML problems.

\*OSM projects that certification will occur by FY 2015.

References: P.L. 109-432, SMCRA Amendments Act of 2006; P.L. 112-141, MAP-21; P.L. 112-175, the Continuing Appropriations Resolution for 2013; and P.L. 113-40, The Helium Stewardship Act of 2013.

# **TAB 10**

## **Budget Exhibits**



**BUDGET EXHIBITS**  
**Exhibit A: Working Capital Fund Tables**

**WORKING CAPITAL FUND REVENUE - Centralized Billing**  
**FY 2015 President's Budget**  
**OFFICE OF SURFACE MINING RECLAMATION AND ENFORCEMENT**  
**(\$ in thousands)**

<b>Activity/Office</b>	<b>2013 Revised</b>	<b>2014 Pres Budget</b>	<b>2014 Revised</b>	<b>2015 Estimate</b>
<b>OS Shared Services</b>				
FBMS Infrastructure Hosting & Support	0.0		0.0	178.6
FBMS Hosting / Applications Management	0.0		88.7	0.0
FBMS Master Data Systems & Hosting	8.9	7.5	0.0	0.0
FBMS Master Data Systems & Hosting	0.0		7.5	0.0
FBMS Master Data Management	0.0		0.0	1.3
<b>FBMS Business Integration Office</b>	<b>8.9</b>	<b>7.5</b>	<b>96.3</b>	<b>179.9</b>
Mail and Messenger Services	54.6	130.1	117.4	118.9
Health Unit	21.5	19.4	0.0	0.0
Special Events Services	2.6	2.5	0.0	0.0
Safety, Environmental, and Health Services	35.5	32.1	62.6	63.1
Shipping/Receiving & Moving Services	24.8	22.4	36.5	37.5
Vehicle Fleet	3.0	2.8	2.1	2.1
Personal Property Accountability Services (formally Property	47.1	42.6	52.2	52.6
Family Support Room	2.0	1.8	0.0	0.0
Interior Complex Management & Svcs	65.6	59.4	55.3	56.2
Departmental Library	27.6	0.3	0.3	0.3
Mail Policy	2.7	2.5	2.2	2.2
Moving Services	17.8	16.1	0.0	0.0
Conference and Special Events Services (formally Audio Visual	91.7	87.4	87.8	88.8
Space Management Services	23.7	21.5	30.4	30.8
<b>Office of Facilities &amp; Administrative Services</b>	<b>420.0</b>	<b>441.0</b>	<b>446.9</b>	<b>452.7</b>
Aviation Management	79.2	3.8	3.7	8.3
Office of Aviation Services	79.2	3.8	3.7	8.3
<b>Subtotal OS Shared Services</b>	<b>508.1</b>	<b>452.2</b>	<b>546.8</b>	<b>640.9</b>

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Activity/Office	2013 Revised	2014 Pres Budget	2014 Revised	2015 Estimate
<b>OS Activities</b>				
Departmental Museum	9.6	9.0	7.8	7.7
Secretary's Immediate Office	9.6	9.0	7.8	7.7
Document Management Unit	68.9	39.9	47.5	43.6
FOIA Tracking & Reporting System	7.1	17.6	15.6	17.4
Office of the Executive Secretariat	76.1	57.5	63.2	61.0
Departmental News and Information	5.7	5.4	6.6	6.6
Photographic Services	0.0		0.0	0.0
Office of Communications	5.7	5.4	6.6	6.6
Leadership Development Programs	5.5	5.7	6.8	6.8
Dept-Wide Training Programs (including Online Learning)	15.7	15.0	19.2	15.7
Learning & Performance Center Management	20.6	20.6	10.3	9.9
DOIU Management	5.2	5.8	4.8	4.8
DOI University	47.0	47.1	41.2	37.2
FedCenter	2.1	2.2	1.9	1.9
Compliance Support ESF-11/ESF-11 Website	2.3	2.3	2.3	2.3
Office of Environmental Policy and Compliance	4.3	4.5	4.2	4.2
Invasive Species Council	22.9	24.0	23.4	23.5
Invasive Species Coordinator	4.3	4.4	4.3	4.3
Office of Policy Analysis	27.2	28.5	27.7	27.8
Passport and Visa Services	5.2	5.0	8.6	0.7
International Affairs Office	5.2	5.0	8.6	0.7
CPIC	1.4	1.4	1.5	1.6
Office of Budget	1.4	1.4	1.5	1.6
Consolidated Financial Statement, Internal Controls & Performance	6.0	6.1	5.2	3.6
Travel Management Center	1.8	1.8	2.1	2.3
e-Travel	28.8	18.0	18.0	13.4
Office of Financial Management	36.7	25.9	25.3	19.3
Space Management Initiative	2.3	2.6	2.6	2.6
Interior Asset Disposal System O&M	0.0		0.0	2.5
Office of Property and Acquisition Management	2.3	2.6	2.6	5.1
Planning and Performance Management	8.6	8.4	8.6	8.5
Office of Planning and Performance Management	8.6	8.4	8.6	8.5
Department-wide Worker's Compensation Program	2.9	2.7	3.1	3.1
OPM Federal Employment Services	3.3	3.3	2.9	2.8
Accessibility and Special Hiring Programs (Formerly ATC)	2.2	2.5	4.5	4.5
Human Resources Accountability Team	4.4	3.8	4.6	4.7
Employee and Labor Relations Tracking System	0.2	0.2	0.2	0.2
Veterans Disabilities Hiring Programs	0.0	1.7	0.0	0.0
Consolidated Employee Assistance Program	0.0		0.0	5.6

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Activity/Office	2013 Revised	2014 Pres Budget	2014 Revised	2015 Estimate
Office of Human Resources	13.0	14.2	15.4	21.0
EEO Complaints Tracking System	0.4	0.4	0.4	0.3
Special Emphasis Program	0.3	0.3	0.3	0.3
Office of Civil Rights	0.7	0.7	0.7	0.6
Occupational Safety and Health	12.0	11.9	11.1	11.0
Safety Management Information System	9.2	8.6	8.9	8.8
Office of Occupational Health and Safety	21.2	20.5	20.0	19.8
Security (Classified Information Facility)	3.5	4.1	3.6	3.5
Law Enforcement Coordination and Training	6.4	6.2	4.8	4.7
Security (MIB/SIB Complex)	504.4	480.4	448.6	449.5
Victim Witness Coordinator	1.3	1.3	1.4	1.3
Office of Law Enforcement and Security	515.5	492.0	458.3	459.1
Interior Operations Center	15.5	15.1	15.5	15.8
Emergency Preparedness (COOP)	5.9	7.1	7.8	7.7
Emergency Response	8.2	10.8	7.7	7.6
MIB Emergency Health and Safety	10.2	10.0	10.4	10.5
Federal Executive Board	2.1	2.2	1.9	1.9
Office of Emergency Management	41.9	45.2	43.4	43.6
Alternative Dispute Resolution (ADR) Training	0.4	0.4	0.4	0.4
Collaborative Action and Dispute Resolution	0.4	0.4	0.4	0.4
Conservation and Educational Partnerships	1.8	1.8	2.2	2.2
Office of Human Resources	1.8	1.8	2.2	2.2
Contingency Reserve	1.1	1.1	0.0	0.0
CFO Financial Statement Audit	277.2	274.0	273.8	235.8
Glen Canyon Adaptive Management	0.0		0.0	0.0
Department-wide Activities	278.4	275.1	273.8	235.8
Ethics	4.2	3.8	3.9	3.8
FOIA Appeals	1.8	3.0	3.0	3.0
Office of the Solicitor	5.9	6.8	6.9	6.8
<b>Subtotal OS Activities</b>	<b>1,102.8</b>	<b>1,051.8</b>	<b>1,018.2</b>	<b>968.7</b>

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Activity/Office	2013 Revised	2014 Pres Budget	2014 Revised	2015 Estimate
<b>IT Shared Services</b>				
IT Transformation Planning (ITT)	0.0	81.5	81.5	58.0
Office of the Chief Information Officer	0.0	81.5	81.5	58.0
Enterprise Directory Services (formerly Active Directory)	20.9	18.3	18.3	14.2
IT Asset Management	5.3	5.2	5.2	5.1
IOS Collaboration	5.2	5.4	5.4	5.5
Unified Messaging	11.7	7.0	7.0	5.7
OCIO End User Services	43.1	35.9	35.9	30.6
Identity Credential Access Mgmt (formerly DOI Access & Personnel)	7.2	7.0	7.0	7.3
Threat Management	37.3	37.9	37.9	28.9
Enterprise Continuous Diagnostics and Monitoring	0.0		0.0	6.9
Enterprise Security Information and Event Management Solution (SIEM)	0.0		0.0	14.8
OCIO Information Assurance Services	44.5	44.9	44.9	57.8
Hosting Services (formerly Hosting/Cloud Services)	0.0	6.4	6.4	3.2
OCIO Hosting Services	0.0	6.4	6.4	3.2
Electronic Records Management	8.0	13.5	13.5	15.8
Architecture & IT Portfolio Performance Mgmt (formerly Enterprise)	19.7	19.3	19.3	31.5
Independent Verification and Validation - Risk Mgmt (formerly IT)	11.8	11.7	11.7	13.2
IT Budget Formulation & Portfolio Dev. (formerly Capital)	14.4	14.4	14.4	23.5
Privacy and Civil Liberties	2.6	4.6	4.6	5.1
IT Security - Information Assurance Division	6.6	6.7	0.0	0.0
Information Management Assurance Division Leadership	0.0		3.7	6.1
Assessment & Authorization Services	0.0		1.3	2.1
IT Security	0.0		1.7	2.0
OCIO Policy, Planning, and Compliance	63.0	70.2	70.2	99.3
Solutions, Design and Innovation (SDI) (formerly Web &)	3.2	3.0	3.0	3.0
OCIO Solutions, Design, and Innovation	3.2	3.0	3.0	3.0
Enterprise Services Network	259.9	268.6	268.6	109.8
Federal Relay Service	0.5	0.5	0.5	0.4
Enterprise Services Network - Central Bill Pass Throughs	0.0		0.0	163.2
OCIO Telecommunications Services	260.4	269.1	269.1	273.4
Enterprise Resource Management	6.9	9.8	9.8	10.2
OCIO Office of Business Services	6.9	9.8	9.8	10.2
ITD ISSO Information Assurance Operations	0.0	9.1	9.1	9.1
ITD MIB Data Networking	0.0	32.7	32.7	32.7
ITD PPCD Privacy Records	0.0	2.8	2.8	2.8
ITD Telecommunication Services	0.0	74.9	74.9	74.9
ITD Integrated Digital Voice Communications System	0.0	58.4	58.3	58.3
ITD Desktop Services	0.0	6.6	6.5	0.0

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 (\$ in thousands)

<b>Activity/Office</b>	<b>2013 Revised</b>	<b>2014 Pres Budget</b>	<b>2014 Revised</b>	<b>2015 Estimate</b>
<u>FBMS Help Desk - Customer Support Center</u>	<u>0.0</u>	<u>164.0</u>	<u>163.9</u>	<u>0.0</u>
<u>OCIO Former ITD/CSC Activities</u>	<u>0.0</u>	<u>348.5</u>	<u>348.3</u>	<u>177.8</u>
e-Government Initiatives (WCF Contributions Only)	30.8	158.0	158.0	141.3
<u>Volunteer.gov</u>	<u>0.0</u>		<u>0.0</u>	<u>0.0</u>
<u>OCIO e-Government Initiatives</u>	<u>30.8</u>	<u>158.0</u>	<u>158.0</u>	<u>141.3</u>
<b>Subtotal IT Shared Services</b>	<b>451.9</b>	<b>1,027.3</b>	<b>1,027.1</b>	<b>854.7</b>

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**(\$ in thousands)**

Activity/Office	2013 Revised	2014 Pres Budget	2014 Revised	2015 Estimate
<b>Interior Business Center</b>				
IBC IT Security Improvement Plan	9.1	0.0	0.0	0.0
MIB Data Networking	34.3	0.0	0.0	0.0
Information Mgmt. - Records Management	2.8	0.0	0.0	0.0
Telecommunication Services	78.3	0.0	0.0	0.0
Integrated Digital Voice Communications System	58.2	0.0	0.0	0.0
Desktop Services	6.6	0.0	0.0	0.0
IBC Capital Planning	0.0	0.0	0.0	0.0
IBC Information Technology Directorate	189.3	0.0	0.0	0.0
FPPS/Employee Express - O&M	129.5	129.5	122.1	121.1
Drug Testing	0.0	14.0	10.2	10.2
IBC Human Resources Directorate	129.5	143.5	132.3	131.2
Transportation Services (Household Goods)	4.9	4.9	4.9	5.0
IDEAS	6.7	2.8	2.4	0.0
FBMS Master Data Management	1.1	1.3	1.3	0.0
Consolidated Financial Statement System	21.9	17.4	17.4	0.0
IBC Financial Management Directorate	34.6	26.3	26.0	5.0
FBMS Hosting / Applications Management	83.9	88.8	0.0	0.0
FBMS Redirect - IDEAS	28.0	31.9	0.0	0.0
FBMS Help Desk - IBC Customer Support Center	156.3	0.0	0.0	0.0
FBMS Legacy System Redirect	268.2	120.7	0.0	0.0
Boise Acquisition Office	14.4	0.9	1.0	0.0
IBC Acquisitions Services Directorate	14.4	0.9	1.0	0.0
<b>Subtotal Interior Business Center</b>	<b>635.9</b>	<b>291.5</b>	<b>159.2</b>	<b>136.2</b>
<b>TOTAL</b>	<b>2,698.7</b>	<b>2,822.9</b>	<b>2,751.4</b>	<b>2,600.5</b>

*Office of Surface Mining Reclamation and Enforcement*

**WORKING CAPITAL FUND REVENUE - Direct Billing**  
**FY 2015 President's Budget**  
**OFFICE OF SURFACE MINING RECLAMATION AND ENFORCEMENT**  
 (\$ in thousands)

Activity/Office	2013 Actual	2014 Pres Budget	2014 Estimate	2015 Estimate
<b>OS Shared Services</b>				
Reimbursable Mail Services	371.7	333.2	348.6	348.7
Creative Communications	5.1	29.3	5.2	5.2
Administrative Operations	0.0			
Ofc. of Facilities & Admin Services	376.8	362.5	353.8	353.9
<hr/>				
FBMS Change Orders	25.0	25.0	25.0	0.0
FBMS Business Integration Office	25.0	25.0	25.0	0.0
<b>Subtotal OS Shared Services</b>	<b>401.8</b>	<b>387.5</b>	<b>378.8</b>	<b>353.9</b>

*Office of Surface Mining Reclamation and Enforcement*

**WORKING CAPITAL FUND REVENUE - Direct Billing**  
**FY 2015 President's Budget**  
**OFFICE OF SURFACE MINING RECLAMATION AND ENFORCEMENT**  
**(\$ in thousands)**

Activity/Office	2013 Actual	2014 Pres Budget	2014 Estimate	2015 Estimate
<b>OS Activities</b>				
Albuquerque Learning & Performance Center	0.6	0.6	0.6	0.6
Denver Learning & Performance Center	5.9	5.9	5.9	5.8
Online Learning	7.1	7.1	7.1	7.1
Washington Leadership & Performance Center	13.4	13.4	13.4	13.2
e-OPF	5.4	8.8	8.8	8.8
Federal Consulting Group				0.0
DOI University	32.4	35.8	35.8	35.4
Single Audit Clearinghouse	0.1	0.1	0.1	0.1
Office of Financial Management	0.1	0.1	0.1	0.1
Equal Employment Opportunity (EEO) Investigations	1.4		1.4	1.4
EAP Consolidation	5.2		6.8	0.0
Worker's Comp Nurse Case Management	0.0		1.9	1.9
Office of Human Resources	6.6		10.2	3.3
Incident Management Analysis and Reporting System	0.0			
OLES BSEE Detailee	0.0			
Office of Law Enforcement and Security	0.0			
Federal Flexible Savings Account (FSA) Program	8.8	8.8	8.8	8.8
Department-wide Programs	8.8	8.8	8.8	8.8
<b>Subtotal OS Activities</b>	<b>48.0</b>	<b>44.7</b>	<b>54.9</b>	<b>47.7</b>

Office of Surface Mining Reclamation and Enforcement

**WORKING CAPITAL FUND REVENUE - Direct Billing**  
**FY 2015 President's Budget**  
**OFFICE OF SURFACE MINING RECLAMATION AND ENFORCEMENT**  
(\$ in thousands)

Activity/Office	2013 Actual	2014 Pres Budget	2014 Estimate	2015 Estimate
<b>IT Shared Services</b>				
Unified Messaging	70.9	116.9	86.8	86.8
IOS Collaboration	5.1		0.0	5.1
Enterprise Directory Services (formerly Active Directory)	0.0			
OCIO End User Services	76.0	116.9	86.8	91.8
Anti-Virus Software Licenses	15.4	15.5	15.5	15.5
ICAM (fka INFO ASSURANCE - DOI Access)	57.7	49.6	47.0	48.7
Data at Rest Initiative	1.5	3.0	3.0	3.0
OCIO Information Assurance Services	74.6	68.1	65.5	67.1
Hosting Services (fka HOSTING - Hosting/Cloud Services)	0.0	7.5	4.5	4.5
OCIO Hosting Services	0.0	7.5	4.5	4.5
Enterprise Services Network	79.4		148.4	148.4
EID Office Space	0.0	0.0	11.0	11.0
EID Rack Space	17.0	21.7	10.7	10.7
OCIO Telecommunications Services	96.4	21.7	170.1	170.1
ESRI Enterprise Licenses	155.0	155.0	88.3	110.5
Office of the Chief Information Officer	155.0	155.0	88.3	110.5
ITD Customer Support Services Division	0.0	4.7	4.7	0.0
FBMS Help Desk - Customer Support Center	0.0			
Office of the Chief Information Officer	0.0	4.7	4.7	0.0
e-Mail Archiving (Cobell Litigation)	18.0	0.0	0.0	0.0
Department-wide Programs	18.0	0.0	0.0	0.0
<b>Subtotal IT Shared Services</b>	<b>419.9</b>	<b>373.9</b>	<b>419.9</b>	<b>444.1</b>

Office of Surface Mining Reclamation and Enforcement

WORKING CAPITAL FUND REVENUE - Direct Billing  
 FY 2015 President's Budget  
 OFFICE OF SURFACE MINING RECLAMATION AND ENFORCEMENT  
 (\$ in thousands)

Activity/Office	2013 Actual	2014 Pres Budget	2014 Estimate	2015 Estimate
<b>Interior Business Center</b>				
Customer Support Services Division	4.7	0.0	0.0	0.0
Denver Phone System	0.0			
IBC Information Technology Directorate	4.7	0.0	0.0	0.0
Payroll & HR Systems	74.1	53.2	53.4	54.1
IBC Human Resources Directorate	74.1	53.2	53.4	54.1
Indirect Cost Negotiations - DOI Support				8.0
FBMS Master Data Management	0.0			
IBC Financial Management Directorate	0.0			8.0
<b>Subtotal Interior Business Center</b>	<b>78.9</b>	<b>53.2</b>	<b>53.4</b>	<b>62.1</b>
<b>TOTAL</b>	<b>948.6</b>	<b>859.4</b>	<b>907.0</b>	<b>907.8</b>

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

**Regulation and Technology  
Program and Financing  
(dollars in millions)**

14-1801-0-1-302	2013 Actual	2014 Estimate	2015 Estimate
<b><u>Obligations by program activity:</u></b>			
00.02 Environmental Protection	87	91	81
00.03 Technology Development & Transfer	13	16	18
00.04 Financial Management	1	1	1
00.05 Executive Direction & Administration	15	15	16
09.00 Total new obligations	116	123	116
<b><u>Budgetary resources:</u></b>			
10.00 Unobligated balance:			
Unobligated balance brought forward, Oct 1	19	23	23
10.21 Recoveries of prior year unpaid obligations	3	--	--
10.50 Unobligated balance (total)	22	23	23
<b><u>Budget Authority:</u></b>			
Appropriations, discretionary			
11.00 Appropriation	123	123	116
11.60 Appropriation discretionary total	118	123	116
<b><u>Spending authority from offsetting collections, discretionary:</u></b>			
17.00 Collected	--	--	2
17.50 Spending authority from offsetting collections, disc (total):	--	--	2
19.00 Budget authority (total)	118	123	118
19.30 Total budgetary resources available	140	146	141
<b><u>Memorandum (non-add) entries:</u></b>			
19.40 Unobligated balance expiring	-1	--	--
19.41 Unexpired unobligated balance, end of year	23	23	25
<b><u>Change in obligated balance</u></b>			
Unpaid obligations:			
30.00 Unpaid obligations brought forward, Oct 1	54	48	42
30.10 Obligations incurred, unexpired accounts	116	123	116

*Office of Surface Mining Reclamation and Enforcement*

30.20 Outlays (gross)	-117	-129	-121
30.40 Recoveries of prior year unpaid obligations, unexpired	-3	--	--
30.41 Recoveries of prior year unpaid obligations, expired	-2	--	--
30.50 Unpaid obligations , end of year	48	42	37
32.00 Obligated balance, end of year	48	42	37
<b><u>Budget authority and outlays, net:</u></b>			
Discretionary:			
40.00 Budget authority gross	118	123	118
Outlays gross:			
40.10 Outlays from new discretionary authority	56	83	81
40.11 Outlays from discretionary balances	61	46	40
40.20 Outlays gross (total)	117	129	121
<b><u>Offsets against gross budget authority and</u></b>			
Offsetting collections (collected from):			
40.34 Offsetting governmental collections	--	--	-2
40.70 Budget authority, net (discretionary)	118	123	116
40.80 Outlays, net (discretionary)	117	129	119
41.80 Budget authority, net (total)	118	123	116
41.90 Outlays, net (total)	117	129	119

*Office of Surface Mining Reclamation and Enforcement*

**Abandoned Mine Reclamation Fund**

Program and Financing  
(dollars in millions)

14-5015-0-1-302	2013 Actual	2014 Estimate	2015 Estimate
<b><u>Obligations by program activity:</u></b>			
00.01 Environmental Restoration	9	9	10
00.02 Technology Development & Transfer	3	4	4
00.03 Financial Management	6	6	7
00.04 Executive Direction & Administration	7	8	8
00.05 AML Funded Grants to States	206	179	186
00.06 UMWA and other benefits	55	12	22
09.00 Total new obligations	286	218	237
<b><u>Budgetary resources:</u></b>			
Unobligated balance:			
10.00 Unobligated balance brought forward, Oct 1	29	28	21
10.01 Discretionary unobligated balance brought forward, Oct 1	29	18	--
10.21 Recoveries of prior year unpaid obligations	5	5	5
10.50 Unobligated balance (total)	34	33	26
<b><u>Budget Authority:</u></b>			
Appropriations, discretionary			
11.01 Appropriation (special fund)	27	28	29
11.60 Appropriation, discretionary (total)	26	28	29
<b><u>Appropriations, mandatory:</u></b>			
12.01 Appropriation (AML & RAMP transfers to UMWA)	55	12	22
12.01 Appropriation (AML Grants to States)	210	179	186
12.60 Appropriations, mandatory (total)	254	178	208
19.00 Budget authority (total)	280	206	237
19.30 Total budgetary resources available	314	239	263

*Office of Surface Mining Reclamation and Enforcement*

14-5015-0-1-302	2013 Actual	2014 Estimate	2015 Estimate
<b><u>Change in obligated balance:</u></b>			
Obligated balance, start of year (net):			
30.00 Unpaid obligations, brought forward, Oct 1 (gross)	262	293	284
30.10 Obligations incurred, unexpired accounts	286	218	237
30.20 Outlays (gross)	-250	-222	-237
30.40 Recoveries of prior year unpaid obligations, unexpired	-5	-5	-5
Obligated balance, end of year (net):			
30.50 Unpaid obligations, end of year	293	284	279
<b><u>Memorandum(non-add)entries</u></b>			
31.00 Obligated balance start of year	262	293	284
32.00 Obligated balance end of year	293	284	279
<b><u>Budget authority and outlays net:</u></b>			
40.00 Budget authority, gross			
Outlays, gross:	26	28	29
40.10 Outlays from new discretionary authority	19	24	25
40.11 Outlays from discretionary balances	17	4	4
40.20 Outlays, gross (total)	36	28	29
40.70 Budget authority, net (discretionary)	26	28	29
40.80 Outlays, net (discretionary)	36	28	29
<b><u>Mandatory:</u></b>			
40.90 Budget authority, gross	254	178	208
Outlays, gross			
41.00 Outlays from new mandatory authority	50	62	74
41.01 Outlays from mandatory balances	164	132	134
41.10 Outlays, gross (total)	214	194	208
41.60 Budget authority, net (mandatory)	254	178	208
41.70 Outlays, net (mandatory)	214	194	208
41.80 Budget authority, net (total)	280	206	237
<b><u>Memorandum (non-add) entries</u></b>			
50.00 Total investments, SOY: Federal securities: Par Value	2,752	2,751	2,771
50.01 Total investments, EOY: Federal securities: Par Value	2,751	2,771	2,702

*Office of Surface Mining Reclamation and Enforcement*

**Abandoned Mine Reclamation Fund**

Program and Financing

(dollars in millions)

14-1803-0	2013 Actual	2014 Estimate	2015 Estimate
<b><u>Obligations by program activity:</u></b>			
00.01 Prior Balance Payments to non- Certified States	81	79	--
00.02 Prior Balance Payments to Certified States and Tribes	28	18	--
00.03 In Lieu Payments to Certified States and Tribes	25	35	64
09.00 Total new obligations (object class 41.0)	134	132	64
<b><u>Budgetary Resources:</u></b>			
Unobligated balance:			
10.00 Unobligated balance brought forward, Oct 1	--	3	3
10.21 Recoveries of prior year unpaid obligations	15	--	--
10.50 Unobligated balance (total)	15	3	3
<b><u>Budget authority:</u></b>			
Appropriations, discretionary:			
11.60 Appropriation, discretionary (total)			
Appropriations, mandatory:			
12.00 Appropriation	129	141	64
12.60 Appropriation, mandatory (total)	122	132	64
19.00 Budget authority (total)	122	132	64
19.30 Total budgetary resources available	137	135	67
Memorandum (non-add) entries			
19.41 Unexpired unobligated balance, end of year	3	3	3
<b><u>Change in obligated balance:</u></b>			
Unpaid obligations:			
30.00 Unpaid obligations, brought forward, Oct 1 (gross)	651	564	443
30.10 Obligations incurred, unexpired accounts	134	132	64
30.20 Outlays (gross)	-206	-253	-267
30.40 Recoveries of prior year unpaid obligations, unexpired	-15	--	--
30.50 Unpaid obligations end of year	564	443	240
<b><u>Memorandum(non-add) entries:</u></b>			
31.00 Obligated balance, start of year	651	564	443
32.00 Obligated balance, end of year	564	443	240

*Office of Surface Mining Reclamation and Enforcement*

<b><u>Budget authority and outlays (net):</u></b>			
Mandatory:			
40.90 Budget authority, gross	122	132	64
Outlays gross:			
Outlays, gross:			
41.00 Outlays from new mandatory authority	8	63	48
41.01 Outlays from mandatory balances	198	190	219
41.10 Outlays, gross (total)	206	253	267
41.60 Budget authority, net (mandatory)	122	132	64
41.70 Outlays, net (mandatory)	206	253	267
41.80 Budget authority, net (total)	122	132	64
41.90 Outlays, net (total)	206	253	267

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

14-1803-4	2013 Actual	2014 Estimate	2015 Estimate
<b><u>Obligations by program activity:</u></b>			
00.03 In Lieu Payments to Certified States and Tribes	--	--	--
09.00 Total new obligations (object class 41.0)	--	--	--
<b><u>Budgetary Resources:</u></b>			
Budget authority:			
Appropriations, discretionary	--	--	--
11.60 Appropriation, discretionary (total)			
Appropriations, mandatory:			
12.00 Appropriation	--	--	-64
12.60 Appropriations, mandatory (total)	--	--	-64
19.00 Budget authority (total)	--	--	--
19.30 Total budgetary resources available	--	--	-64
<b><u>Change in obligated balance:</u></b>			
Unpaid obligations:			
30.00 Unpaid obligations, brought forward, Oct 1 (gross)	--	--	--
30.10 Obligations incurred, unexpired accounts	--	--	--
30.20 Outlays (gross)	--	--	48
30.50 Unpaid obligations, end of year	--	--	48
31.00 Obligated balance, start of year			
32.00 Obligated balance, end of year	--	--	48
<b><u>Budget authority and outlays, net:</u></b>			
Mandatory:			
40.90 Budget authority, gross	--	--	-64
Outlays, gross:			
41.00 Outlays from new mandatory authority			
41.60 Budget authority, net (mandatory)	--	--	-48
41.70 Outlays, net (mandatory)	---	--	-64
41.80 Budget authority, net (total)	--	--	-48
41.90 Outlays, net (total)	--	--	-48

*Office of Surface Mining Reclamation and Enforcement*

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

14-1804-0	2013 Actual	2014 Estimate	2015 Estimate
<b><u>Obligations by program activity:</u></b>			
00.01 Direct program activity	141	113	145
09.00 Total new obligations (object class 25.2)	141	113	145
<b><u>Budgetary resources:</u></b>			
Budget authority:			
Appropriations, mandatory (total):			
12.00 Appropriation	141	113	145
12.60 Appropriations, mandatory (total)	141	113	145
19.30 Total budgetary resources available	141	113	145
<b><u>Change in obligated balance:</u></b>			
30.00 Unpaid Obligations brought forward , Oct 1	--	--	--
30.10 Obligations incurred, unexpired accounts	141	113	145
30.20 Outlays (gross)	-141	-113	-145
<b><u>Budget authority and outlays, net:</u></b>			
Mandatory:			
40.90 Budget authority, gross	141	113	145
Outlays (gross:			
41.00 Outlays from new mandatory authority	141	113	145
41.60 Budget authority, net (mandatory)	141	113	145
41.70 Outlays, net (mandatory)	141	113	145
41.80 Budget authority, net (total)	141	113	145
41.90 Outlays, net (total)	141	113	145

Office of Surface Mining Reclamation and Enforcement

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

Object Class	FY 2014 Estimate		DOI-wide Changes		Program Changes		FY 2015 Request	
	FTE	Amount	FTE	Amount	FTE	Amount	FTE	Amount
<b>11 Personnel Compensation</b>								
11.1 Full-time Permanent	345	32			+12		357	36
11.X All other salaries								
Total Personnel Compensation	345	32	0	0	+12	+4	357	36
<b>Other Object Classes</b>								
12.1 Personnel Benefits		7						7
21.0 Travel and transportation of persons		2						2
23.1 Rental Payments to GSA		4						4
23.2 Rental Payments to Others		1						1
25.2 Other Services		6						6
26.0 Supplies and materials		2						2
31.0 Equipment		1						1
41.0 Grants, subsidies and contributions		68				-11		57
99.0 Subtotal, obligations, Direct obligations		123				-7		116
<b>Reimbursable obligations</b>								
11.1 Personnel compensation: Full-time permanent								
99.0 Subtotal, obligations, Reimbursable								
99.5 Below reporting threshold								
<b>99.9 Total requirements</b>	345	123	0	0	+12	-7	357	116

Office of Surface Mining Reclamation and Enforcement

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

Object Class	FY 2014 Estimate		DOI-wide Changes		Program Changes		FY 2015 Request	
	FTE	Amount	FTE	Amount	FTE	Amount	FTE	Amount
11 Personnel Compensation								
11.1 Full-Time Permanent	143	17				+1	143	18
Total Personnel Compensation	143	17				+1	143	18
<u>Other Objects</u>								
12.1 Personnel Benefits		3						3
21.0 Travel and trans of persons		1						1
23.1 Rental Payments to GSA		2						2
23.3 Communications, utilities and misc.		1						1
25.2 Other Services		2				+1		3
31.0 Equipment		1						1
41.0 Grants, subsidies and Contributions		191				+17		208
99.9 Below reporting threshold								
<b>Total Requirements</b>	<b>143</b>	<b>218</b>				<b>+19</b>	<b>143</b>	<b>237</b>

*Office of Surface Mining Reclamation and Enforcement*

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

14-1801-0-1-302	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
<b>Direct Obligations:</b>			
Personnel Compensation:			
1111 Full-time permanent	29	32	36
1113 Positions other than full-time permanent	*	*	*
1115 Other Personnel Compensation	*	*	*
1119 Total Personnel Compensation	-	-	-
1121 Personnel Benefits	8	7	7
1130 Benefits for former Personnel	*	*	*
1210 Travel and Transportation of Persons	1	2	2
1220 Transportation of Things	*	*	*
1231 Rental Payments to GSA	4	4	4
1232 Rental Payments to Others	1	1	1
1233 Communications, Utilities and Misc. Charges	*	*	*
1240 Printing and Reproduction	*	*	*
1251 Advisory and assistance services	*	*	*
<i>1252 Other Services</i>	5	6	7
1257 Operation and maintenance of equipment	*	*	*
1260 Supplies and Materials	2	2	2
1310 Equipment	1	1	1
1410 Grants, Subsidies and Contributions	65	68	57
1420 Insurance Claims	*	*	*
1430 Interest and Dividends	*	*	*
<i>1990 Subtotal, Direct Obligations</i>	<i>116</i>	<i>123</i>	<i>116</i>
<b>Reimbursable Obligations:</b>			
2111 Full-time permanent (Reimbursable)	*	*	*
2252 Other Services	*	*	*
9995 Below reporting threshold			
<b>9999 Total Obligations</b>	<b>116</b>	<b>123</b>	<b>116</b>

*Office of Surface Mining Reclamation and Enforcement*

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

14-5015-0-1-302	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
<b>Direct Obligations:</b>			
<u>Personnel Compensation:</u>			
1111 Full-time permanent	13	17	18
1113 Positions other than full-time permanent	*	*	*
1115 Other Personnel Compensation	*	*	*
1119 Total Personnel Compensation	-	-	-
1121 Personnel Benefits	3	3	3
1210 Travel and Transportation of Persons	1	1	1
1231 Rental Payments to GSA	2	2	2
1232 Rental Payments to Others	*	*	*
1233 Communications, Utilities and Misc. Charges	1	1	1
1252 Other Services from non-Federal sources	59	2	3
1310 Equipment	1	1	1
1410 Grants, Subsidies and Contributions	206	191	208
<b>9999 Total Obligations</b>	<b>286</b>	<b>218</b>	<b>237</b>

*Office of Surface Mining Reclamation and Enforcement*

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

14-1803-0	FY 2013 Actual	FY 2014 Estimate	FY2015 Estimate
<b>Direct Obligations:</b> 14.10 Direct obligations: Grants, Subsidies and Contributions	134	132	64

*Office of Surface Mining Reclamation and Enforcement*

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

01008141803 4	FY 2013 Actual	FY 2014 Estimate	FY2015 Estimate
<b>Direct Obligations:</b> 14.10 Direct obligations: Grants, subsidies and contributions	--	--	-64

*Office of Surface Mining Reclamation and Enforcement*

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

14-1804-0	FY 2013 Actual	FY 2014 Estimate	FY2015 Estimate
<b>Direct Obligations:</b>			
12.52 Direct obligations: Other services	141	113	145



**Exhibit C**

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

	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
Executive Level .....	1	1	1
SES.....	7	7	7
subtotal.....	8	8	8
GS/GM-15.....	25	30	30
GS/GM-14.....	46	51	52
GS/GM-13.....	125	136	139
GS-12.....	131	131	132
GS-11.....	24	30	32
GS-10.....	0	0	0
GS-9.....	32	32	34
GS-8.....	7	0	0
GS-7.....	25	30	32
GS-6.....	9	9	9
GS-5.....	3	4	4
GS-4.....	19	19	19
GS-3.....	13	13	13
GS-2.....	1	1	1
subtotal.....	460	486	498
Total employment (actual/projected) at end of fiscal year.....	468	494	506

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



# **TAB 11**

## **AML Accomplishments**



Office of Surface Mining Reclamation and Enforcement

<b>AML Reclamation Accomplishments</b> <b>Historical Data Through September 30, 2013</b> <b>Priority 1, 2, and 3 Problems</b>					
<b>Problem Type</b>	<b>Units</b>	<b>Number of Units</b>	<b>GPRA Acres</b>	<b>Cost of Completed Reclamation</b>	<b>Remaining Reclamation Costs</b>
Bench	Acres	695	695	2,966,523	14,327,003
Clogged Streams	Miles	465	2,325	57,395,785	62,985,969
Clogged Stream Lands	Acres	19,367	19,367	202,743,584	207,067,204
Dangerous Highwalls	Feet	3,141,528	44,879	424,866,941	767,426,582
Dangerous Impoundments	Count	1,476	7,380	45,469,089	28,554,002
Industrial/Residential Waste (Priority 1 & 2)	Acres	1,513	1,513	7,026,131	12,120,108
Dangerous Piles & Embankments	Acres	19,822	19,822	236,787,185	290,522,429
Dangerous Slides	Acres	3,695	3,695	182,701,750	95,323,913
Equipment/Facilities	Count	746	75	6,373,492	5,408,950
Gases: Hazardous Explosive	Count	43	43	564,382	2,369,002
Gobs (Coal waste piles)	Acres	7,033	7,033	89,362,295	70,479,493
Highwalls	Feet	218,987	3,128	16,930,148	1,237,603,243
Hazardous Equipment & Facilities	Count	4,894	489	28,923,205	24,268,796
Haul Road	Acres	600	600	5,210,271	4,131,304
Hazardous Water Body	Count	1,559	7,795	43,528,118	61,151,398
Industrial/Residential Waste (Priority 3)	Acres	1,379	1,379	7,125,832	12,143,497
Mine Opening	Count	981	98	4,023,303	14,141,028
Other	-----	1,659	N/A	6,671,646	23,878,783
Polluted Water: Agricultural & Industrial	Count	400	2,000	36,336,903	108,311,551
Polluted Water: Human Consumption	Count	45,443	227,215	286,182,570	3,838,745,265
Portals	Count	11,165	1,116	54,158,110	32,139,582
Pits	Acres	2,324	2,324	16,947,350	45,468,100
Subsidence	Acres	7,635	7,635	340,855,055	567,526,460
Spoil Area	Acres	86,518	86,518	78,380,165	366,865,164
Surface Burning	Acres	1,530	1,530	51,079,122	18,520,089
Slurry	Acres	2,649	2,649	28,272,258	8,666,256
Slump	Acres	616	616	5,699,719	99,880,945
Underground Mine Fire	Acres	1,667	1,667	95,640,768	843,218,871
Vertical Opening	Count	6,117	611	39,975,883	26,111,831
Water Problems	Gal/Min	227,087	N/A	42,005,504	194,305,022
<b>Total</b>		<b>3,819,593</b>	<b>454,197</b>	<b>\$2,444,203,087</b>	<b>\$9,083,661,840</b>
<b>* Not converted to GPRA acres.</b>					
<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, Water Supply Restoration Program, and Certified Program Coal Reclamation.					
<b>Source: Abandoned Mine Land Inventory System (AMLIS).</b>					



# **TAB 12**

## **By State Information**



Office of Surface Mining Reclamation and Enforcement

<b>By State and Tribe Funding Data</b>						
<b>FY 2013 Obligations for Grants, Cooperative Agreements and Federal Project Spending</b>						
<b>(DOLLARS IN THOUSANDS)</b>						
STATE/TRIBE	Environmental Restoration			Environmental Protection (Regulatory)		
	AML Funding	Federal Reclamation		Grants/Agreements		TOTAL
	Emergency Projects	High Priority Projects	Emergency Projects	Non-Federal Lands	Federal Lands	
Alabama				1,330	20	1,350
Alaska					348	348
Arkansas				140		140
California						0
Colorado				494	1,859	2,353
Georgia						0
Illinois				3,721	189	3,910
Indiana				1,980		1,980
Iowa				38		38
Kansas				112		112
Kentucky				8,971	1,223	10,194
Louisiana				142		142
Maryland	45			791		836
Michigan		2				2
Mississippi				180		180
Missouri				195		195
Montana				317	1,320	1,637
New Mexico				314	536	850
North Dakota				261	670	931
Ohio				1,430		1,430
Oklahoma				708	436	1,144
Oregon						0
Pennsylvania				11,534		11,534
Rhode Island						0
South Dakota						0
Tennessee						0
Texas					1,959	1,959
Utah				208	1,782	1,990
Virginia				3,753		3,753
Washington			11			11
West Virginia				12,615	135	12,750
Wyoming				309	1,975	2,284
Cherokee Nation		1,896				1,896
Crow				492		492
Hopi				375		375
Navajo				1,158		1,158
N. Cheyenne						0
Total	45	1,898	11	51,568	12,452	65,974

