



OSM

Striving for improvement

99
ANNUAL REPORT

Office of Surface Mining
January 2000

The Office of Surface Mining is a small bureau (about 650 employees nationwide) of the U.S. Department of the Interior with responsibility, in cooperation with the states and Indian Tribes, to protect citizens and the environment during coal mining and reclamation, and to reclaim mines abandoned before 1977. Under authority of the Surface Mining Law, the Office of Surface Mining is organized around two principal requirements: regulating active coal mining and reclaiming abandoned mines. It is a field-oriented organization, with headquarters in Washington, D.C., three regional coordinating centers (in Pittsburgh, Pennsylvania; Alton, Illinois; and Denver, Colorado), 10 field offices, and six area offices.

The current annual budget is approximately \$278 million. That sum enables the Office of Surface Mining to support the states' mining programs by granting funds for their regulation and enforcement and providing training and technical support. It also pays 100 percent of the costs for restoring abandoned mines that were left unreclaimed before the Law was passed in 1977. Funds for reclaiming abandoned mines come from tonnage-based reclamation fees paid by America's active coal mine operators.

In addition, the Office of Surface Mining operates programs to: eliminate environmental and economic impacts of acid mine drainage from abandoned coal mines, encourage reforestation of reclaimed mine land, develop techniques that can ensure reclamation of prime farmland soils, and publicly recognize outstanding reclamation by communicating the experience to others.

HIGHLIGHTS OF 1999

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HIGHLIGHTS

- *\$5.9 million available for Clean Streams projects.* \$125,000 provided to each of the 11 participating states and the remaining amount distributed to participants based on historical coal production. This funding will be used with other money to clean up acid mine drainage pollution in Alabama, Illinois, Indiana, Iowa, Kentucky, Maryland, Missouri, Ohio, Pennsylvania, Virginia, and West Virginia.
- *Policy Symposium in Washington, D.C. held to address reforestation issues* and to seek ideas on how to encourage reforestation as a post-mining land use on both active and abandoned mine sites. A follow-on technical reforestation forum was held in Kentucky.
- *Statutory-based, site-specific formula for determining "Approximate Original Contour" released.* Under the Surface Mining Law coal operators are required to return mined lands to their approximate original contour as part of the reclamation process. For the first time, since the Law was passed, there is an understandable method based on sound engineering and scientific principles.
- *Monthly West Virginia Mountaintop Mining Reports distributed* to Members of Congress and the public. The reports provide the review status of pending West Virginia surface coal mining permit applications that include valley fills.
- *Work began toward using the Abandoned Mine Land Inventory System to store and process the Bureau of Land Management non-coal abandoned mine land inventory.* This was the first step in getting information on all abandoned mine land hazards in one database.
- *Cooperative agreement for funding Abandoned Mine Lands projects with the National Endowment for the Arts.* Recognized artists and designers with community watershed groups will be funded to develop plans for acid mine drainage remediation projects while integrating the arts and sciences to help build stronger communities in the coal lands of Appalachia.
- *Oversight report on the regulation of mountaintop mines in West Virginia released.* The report raised implications beyond the boundaries of West Virginia and focused on issues for wide-spread review and comment.
- *Interactive forum held on revegetation in the arid and semi-arid west.* The second in a series of five bond release forums, topics included: soil, overburden, micro-climate, site engineering, and other management techniques related to plant materials and culturally and historically significant plants. The week-long session ended with three workshops and a mine tour of the Black Mesa/Kayenta mine complex in Arizona.

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INTRODUCTION

This report describes the operations of the Interior Department's Office of Surface Mining (OSM) for the period October 1, 1998, through September 30, 1999 (Fiscal Year 1999)¹. The report combines the Office of Surface Mining's Annual Report to Congress with its Annual Financial Report, and was compiled to meet the specific requirements of Section 706 of the Surface Mining Control and Reclamation Act of 1977 (the Surface Mining Law) as well as Section 306 of the Chief Financial Officers Act of 1990. This report also includes the first results with measures and cost of accomplishments required by the Government Performance and Results Act.

Included in this report are activities carried out under several parts of the Law: Title IV, Abandoned Mine Reclamation; Title V, Control of the Environmental Impacts of Surface Coal Mining; and Title VII, Administrative and Miscellaneous Provisions. Surface Mining Law responsibilities of other bureaus and agencies have been omitted. Those responsibilities include Title III, State Mining and Mineral Resources and Research Institutes program, which was administered by the now abolished U.S. Bureau of Mines; Titles VIII and IX, the University Coal Research Laboratories and the Energy Resource Graduate Fellowships, which are administered by the Secretary of

Energy; and Section 406, the Rural Abandoned Mine Program (RAMP), which is administered by the Secretary of Agriculture. Programmatic and financial information about those activities is reported directly to Congress by the agencies responsible for them.

This year's Annual Report contains updated tabular data corresponding to that found in Office of Surface Mining annual reports prepared since 1988. This allows comparison of statistics from year to year. Changes to the 1999 report include: reporting some additional tabular information (e.g., acres disturbed by active mining). The report is organized in chapters that correspond to the four principal activities or business lines with a Government Performance and Results Act report at the end of each chapter. The four principal activities are:

1. Abandoned Mine Land reclamation (Environmental Restoration)
2. Regulation of active coal mines (Environmental Protection)
3. Technology development and transfer
4. Financial management and administration

Financial and accounting information is presented in a format similar to a traditional corporate annual report, and is contained in the financial section at the back of the report. The Inspector General's audit statement, which gives the Office of Surface Mining a "clean" audit opinion of its financial reporting for 1999 -- the ninth consecutive year -- is included at the end of the financial section.

Statistics in this report are presented in English units. To convert these numbers into metric units use the following conversion factors:

Miles x 1.609 = Kilometers
 Acres x 0.40469 = Hectares
 Feet x 0.30473 = Meters
 Gallons x 0.37854 = Liters
 Tons x 0.90718 = Metric Tons

To meet the need for national and state-by-state statistical data and the growing demand for Office of Surface Mining operational and financial information, this report is available in electronic format on the Office of Surface Mining World Wide Web site. Printed copies of the Annual Report will be distributed to the public upon request.

A special companion CD-ROM containing all previous Office of Surface Mining Reports (1978-1998) is also available upon request.

For information about Office of Surface Mining activities, news releases, and publications, and for additional copies of this report, visit the Office of Surface Mining web site at www.osmre.gov or contact:

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1. Throughout this document "1999" refers to Fiscal Year 1999 (10/1/98 - 9/30/99), unless otherwise noted.

DIRECTOR'S LETTER

Office of Surface Mining
Director Kathy Karpan
reviews 1999 and assesses
the state of the agency

Last year my message to you was one of vision. We were setting out to make the Office of Surface Mining a model agency with *Better* abandoned mine land reclamation, *Better* protection of people and the environment, *Better* service, and *Better* program operations. This year we were striving for real-world improvement on these goals and I'm happy to report we have made significant gains.

Abandoned mine lands
Additional funding from the
Abandoned Mine Land Fund is
critical. It has a direct impact on
the acreage of reclaimed land and
miles of clean streams. This year
Congress appropriated \$2 million
more for abandoned mine land
projects than 1998. More impor-

tant, for the first time, we received funding for non-profit groups. Of that \$2 million, \$750,000 was directed to cooperative agreements between the Office of Surface Mining and local watershed organizations. We used this funding to provide local watershed groups with money they combined with other available funding sources, including other federal funds, to proceed with stream clean-up projects.

Environmental and
community protection
Much attention has been given to
litigation regarding the creation of
valley fills in West Virginia
mountaintop mining operations.
While the litigation is still on-going
at year's end, the Office of Surface
Mining has been active on several
fronts. We are at work with other
federal and state agencies in a
programmatic environmental
impact study on the effects of
mountaintop mining in West
Virginia. That study is expected to
be completed at the end of 2000. In
addition, Office of Surface Mining

personnel from other states have assisted the state of West Virginia in reviewing mining permit applications. The result of these efforts will be a better understanding of the effects of mining operations and, therefore, better environmental protection. Finally, the Office of Surface Mining completed an oversight report on post-mining land use for mountaintop mining operations. We have circulated this draft document and are currently reviewing comments from states and other partners and stakeholders.

This year we pursued several programmatic objectives. We are promulgating, after 21 years, a comprehensive rule on valid existing rights under the Surface Mining Law. We are finalizing our new Ownership and Control Rule which will be responsive to the National Mining Association lawsuit and provide a more streamlined process. During 1999 we also made progress on data base services that we provide to the public. We are coordinating a multi-agency

► Office of Surface Mining Director, Kathy Karpan (left) receives a "Stream Club T-shirt" from Robert Youngblood, Agriscience Technology Instructor at Oakman High School, Oakman, Alabama. Under the leadership of Mr. Youngblood, the Stream Club is a high school organization that has been active in cleaning up acid mine drainage on Cane Creek -- site of the first Appalachian Clean Streams Initiative project in Alabama. The \$325,000 originally allocated to the project, plus \$77,000 in Clean Streams funding resulted in construction of limestone drains that eliminate acidity caused by drainage from abandoned underground coal mine portals and a 20-acre gob pile. A settling pond and man-made wetland were also constructed to clean up polluted water coming from the mine site. As participants in this successful project, the Stream Club students planted aquatic plants in the constructed wetland and monitored water quality. This outstanding partnership has resulted in on-the-ground improvement and today acidity in the stream is dramatically reduced.



effort to include all abandoned mine sites (coal and non-coal) in a unified inventory with the U.S. Geological Survey, National Park Service, Bureau of Land Management, Forest Service, and the Environmental Protection Agency. When completed, information about all abandoned mine hazards will reside in one inventory.

Customer Service

This year we expanded our electronic permitting program that is reducing the paperwork and bringing the permitting process into the 21st century. We are offering additional education and technical transfer opportunities to the states and tribes, reducing "red tape," and ensuring that grants and funds are dispersed within 60 days of receipt of a complete and approved application. With monies available more quickly, streams and lands will be reclaimed faster.

In order to provide users with better information to understand and implement the Surface Mining Law, we are improving our web service. Every day it becomes more certain that the Internet will join the other great mass media (e.g., radio and television). It's already reshaping how we work, how we shop, how we learn, and most important to us, how people interact with their government. We see this as an opportunity for a new and exciting open exchange of ideas between *ALL* of those involved with implementation of the Surface Mining Law. Two years ago we provided information, statistics, and opened the inventory of abandoned mine problems to Internet access. Last year we began accepting electronic citizen requests for mine inspections and Freedom of Information Act requests, greatly expanded the information available (e.g., jobs, directives or policy documents, and COALEX research reports), and started an "Immediate Mail

Delivery Service" so the public could receive important information by e-mail. Next year we hope to begin an interactive, more open, regulatory process where electronic comments can be submitted and seen by everyone as they are received. We expect web site access to the comments will result in everyone being better informed and more capable of providing substantive suggestions. This will enable us to formulate better regulations through a more open process.

Internal operations

We have actively pursued effective and efficient management of our human and fiscal resources. Since 20 percent of our employees are eligible to retire in the next 5 years and 50 percent are eligible in the next 10 years, we have begun a succession planning effort to make sure we can identify vacancies and resource needs in advance, and plan accordingly. In addition, instead of using the previous year's budget as a template for the next year and then adding or subtracting initiatives, we now build our yearly budgets from the bottom up by reprioritizing our projects each year. In addition, we are continuing to reinvent and encourage positive federal, state, and tribal partnerships. As the coal mining and reclamation regulatory programs mature, our role is changing to focus on providing services that are uniquely federal, or are more effective than developing individual programs in each state.

High priority issues

This year we identified high priority issues through a process of internal feedback from field office staff. While we are continuing to work on the issues that were identified, the Management Council has selected the following high priority issues that we are currently addressing.

Hydrology--The preparation of a list of national hydrology/acid mine drainage initiatives, planned and ongoing, is underway. This effort will provide a comprehensive framework for current and future Office of Surface Mining actions and activities concerning water-related issues in the regulatory program, including hydrology, acid mine drainage and acid mine drainage bonding and bond forfeiture. The activities include revising draft guidance on Probable Hydrologic Consequences determinations and Cumulative Hydrologic Impact Analysis; establishing and implementing a number of policy and oversight initiatives; developing options for financial assurance mechanisms to fund long-term perpetual treatment of pollutional discharges; developing a new technical training course for permit findings; and coordinating and cooperating with other federal agencies on water-related and acid mine drainage issues.

Bonding--The Handbook for Calculation of Reclamation Bond Amounts is the guidance used by Office of Surface Mining staff to determine the amount of bond needed for each permitted site in cases where the Office of Surface Mining is the regulatory authority. The Handbook also serves as the instruction manual in the Office of Surface Mining's technical training course on bond calculations, and as a reference guide for states, industry and other agencies. An Office of Surface Mining team comprised of individuals from each region and the headquarters office is revising the Handbook to, among other things, update information to address the adequacy of bond amounts (in the event of bond forfeiture).

Blasting--The Office of Surface Mining initiated the National Blasting Workgroup to develop policies on all aspects of blasting.

Currently, the workgroup is collecting data to categorize blasting complaints nationwide to identify trends in complaints that may help both the Office of Surface Mining and states resolve the numerous complaints received. They should be completing their work and reporting their findings to the Management Council for action in 2000.

Policy/Regulations—We are reviewing a number of our national rules and policies, and are initiating efforts to revise many of them. The issues designated for review or revision included supporting the Environmental Protection Agency effort to address remining, long-term temporary cessation, contemporaneous reclamation, grant review and tribal primacy. In addition, we have begun work on revisions to the subsidence regulations to replace provisions invalidated by the D.C. Circuit Court and to address implementation issues raised by the states and citizen groups.

New Initiative

Reforesting mined lands can play an important role in enhancing environmental protection. There are multiple benefits to reforestation, including restoration of clean water and air resources, erosion prevention, wildlife habitat, recreational opportunities, commercial forestry, and other economic opportunities based on forest use and products.

To encourage reforestation, the Office of Surface Mining developed an initiative on reforestation in 1998, and brought these plans to fruition in 1999 through a series of events. These events included a January 1999 policy outreach symposium which encouraged discussion by industry, landowners, citizens, the states, tribes, and the Office of Surface Mining of current regulations and policies related to forestry including erosion control, soil compaction, revegetation, and post-mining land use trends. In March 1999, the Office of Surface Mining sponsored a technical interactive forum to highlight successful reforestation efforts and technologies and to promote additional effective technologies. Nearly 300 participants attended these events. Proceedings for the technical forum were published and are available to the public. Additional plans for encouraging reforestation include providing technical assistance through teaming with requesting states and tribes to further reforestation, publishing state success stories on reforestation efforts, and developing educational activities and materials detailing the technical aspects of reforesting mined lands.

Award

The Office of Surface Mining, Headquarters Office was selected to receive an honorable mention

citation for the 1999 Office of Personnel Management Director's Award for Outstanding Work/Life Programs. Nominations were open to all federal governmental agencies. The Office of Surface Mining was one of only six organizations to receive an award. The award was given to recognize organizations that are providing innovative and effective work/life programs, encouraging the establishment and improvement of highly effective work/life programs throughout government, and publicizing exemplary work/life programs that can serve as models for other federal agencies. The Office of Surface Mining Headquarters Office was publically recognized at an awards ceremony on November 10, 1999, where we received a plaque and congratulatory letter from the Director of the Office of Personnel Management.

I would like to leave you with one last thought. I believe in the motto "Think Globally, Act Locally." As you read this report, I ask each of you to identify areas where you can join us in making things happen locally. We need to work together every day to improve on-the-ground conditions in the coalfields.

