



U.S. Office of Surface Mining

News Release



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Bush Administration Proposal Accelerates Reclamation Of Dangerous Pennsylvania Coal Mines

*Proposal would reclaim Pennsylvania mines decades faster than current law;
1.6 million Pennsylvanians living near dangerous abandoned coal mines would be safer sooner;*

(Harrisburg, PA) -- Secretary of the Interior Gale Norton today unveiled the Bush Administration's proposal to accelerate the cleanup of dangerous abandoned coal mines, and direct funds to the highest-priority areas. The reauthorization proposal would provide sufficient funding to eliminate all significant health and safety problems within 25 years, removing an average of 142,000 people from risk annually.

"The Abandoned Mine Land (AML) program has made thousands of Americans living in the coalfields safer," said Norton. "But the job is not finished; this is our opportunity to ensure not only that the job will be completed, but completed on average 22 years sooner and in some cases, several decades sooner, at a savings of \$3.2 billion."

At a Harrisburg press event to announce the proposal, Secretary Norton was joined by Pennsylvania Gov. Ed Rendell, U.S. Reps. John Peterson and Don Sherwood and Tim Schaeffer, director of the Central Pennsylvania Environmental Council. Under the Bush Administration's proposal, she said, Pennsylvania would see an increase in its federal reclamation grant of nearly 50 percent, from \$24.1 million to \$35.5 million, with 20,612 more individuals removed from harm annually compared to current law.

Senator Arlen Specter (R-PA) on Tuesday introduced the Administration's proposal as S. 2049. Rep. John Peterson (R-PA) plans to introduce the legislation in the House this afternoon.

Although the Administration's legislation is aimed at the national problem of cleaning up coal mine sites abandoned before 1977, the plan has particular meaning in Pennsylvania.

"After 25 years of effort, we still have almost \$3 billion worth of high priority hazards to health and safety still waiting to be cleaned up in this country," said Norton. "But about a third of those problems – more than \$1 billion worth—are here in the Commonwealth of Pennsylvania," said Norton. "Even worse, we estimate that more than 3.5 million Americans still live less than a mile from a dangerous high-priority abandoned coal site. Almost half of those at-risk Americans – about 1.5 million - live right here in Pennsylvania. "

"Everyone in America has benefited from Pennsylvania coal for almost 300 years, but only Pennsylvanians have had to live – and sometimes die – with the consequences," she said. "We know of

at least 45 deaths and 19 injuries at abandoned mine sites in the Anthracite Region of Pennsylvania in the past 30 years. It's time to stop this needless and tragic loss of lives. It's time to finish this job."

"The Administration's legislation, introduced yesterday by Sen. Specter, will get serious about saving lives, improving health and safety and restoring ruined landscapes right here in Pennsylvania," said Norton. "By directing more of our money to where the worst problems are and speeding up the rate at which we can remove hazards, the President's proposal will enable us to remove 45,000 more Pennsylvanians from danger every year than we can now. It will also enable us to finish the job here in 22 years instead of 60."

The 1977 Surface Mining Control and Reclamation Act established the Office of Surface Mining (OSM) and authorized the office to collect fees to finance reclamation of abandoned mine lands. Through the AML program, problems at many high-priority sites have been addressed. However, when AML coal fee collection authority expires in September 2004, approximately \$3 billion in significant health and safety problems will still remain. These are not merely "ugly landscapes" that need to be cleaned up; these are serious health and safety hazards. A recent study conducted by OSM found that 3.5 million Americans live less than one mile from health and safety hazards created by abandoned coal mines.

There is a fundamental imbalance between the goals established by the 1977 Act and the requirements for allocating funds under the Act. The statutory allocation formula limits the ability of the AML program to meet its primary objective of abating AML problems on a priority basis. The majority of grant funding, or 71 percent, is distributed to states on the basis of current production. Yet there is no relationship between current production and the magnitude of the AML problem in each State. As a result, some States have completed reclamation on all of the abandoned coal mine sites or are working on low-priority sites, while others are still decades away from completing reclamation of the most critical high-priority sites.

Interwoven with the allocation issue is the need to address States and Indian Tribes that have been certified as having completed the reclamation of coal mining related AML sites. Unappropriated balances in the AML fund that would be available under the 1977 Act to certified States and Tribes are expected to reach about \$530.0 million by the end of September 2004.

An Administration legislative proposal accompanying the 2005 budget will correct the fundamental imbalance in the current law. To support this legislation, the President is requesting a record increase of \$53 million for the AML program in his FY 2005 budget proposal; this is the largest funding increase since states established their AML programs almost 20 years ago. The reauthorization proposal will direct resources to sites where the danger is greatest, by allocating grants solely on a historic production basis. States and Tribes having certified as to the completion of all high priority projects will not receive allocations from new collections under the proposal but will receive unappropriated balances due them on an expedited basis, over a ten-year period, at a rate of \$53.0 million per year. By focusing the allocation of AML dollars this proposal will yield a savings of \$3.2 billion over the life of the program. In addition the proposed reforms will allow for a phased in fee reduction of nearly 20%.

The proposed reauthorization will not only direct dollars to the most serious reclamation problems, it will also increase AML fund interest transfers to the United Mine Workers of America Combined Benefit Fund for the health benefit expenses of the unassigned beneficiaries (the 17,000 beneficiaries covered under the CBF that were employed by companies that no longer exist). The Administration's proposal will remove the \$70 million cap on the amount of interest that may be transferred annually and will make all interest earned on the account available for transfer as needed, including the \$76 million in "stranded" interest from prior years. Moreover, this proposal will clarify the AML Fund's investment policies to reflect both the needs of the fund and the unassigned beneficiaries of the CBF, supporting the Administration's on-going effort to increase the fund's return on investment.

This change, along with the Administration's recently announced extension of the prescription drug program and the transfer of stranded interest will provide the CBF with an additional \$310 million over the next two years alone.

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