



# United States Department of the Interior

OFFICE OF THE SECRETARY  
Washington, D.C. 20240

**AUG 3 0 2004**

Honorable Pete V. Domenici  
Chairman, Committee Energy and  
Natural Resources  
United States Senate  
Washington, DC 20510

Dear Mr. Chairman:

I am writing to you about the authority to collect the Abandoned Mine Land (AML) reclamation fee under Title IV of the Surface Mining Control and Reclamation Act of 1977 (SMCRA), 30 U.S.C. 1201 et seq., which is scheduled to expire on September 30, 2004. As you know, the Administration transmitted its proposal to reauthorize the fee collection authority on January 30, 2004. The Administration's proposal would:

- extend authorization for collection of fees on coal production to fund the reclamation of lands and water damaged by past coal mining practices;
- revise the abandoned mine reclamation program to focus on those coal-related sites that present a danger to public health or safety;
- provide additional funding for health care benefits for unassigned beneficiaries under the United Mine Workers of America Combined Benefit Fund;
- promote remining as a cost-effective way of achieving reclamation of abandoned mine lands; and
- provide for more efficient collection and audit of taxes and fees on coal production.

The Administration's proposal represents a fiscally responsible approach to accelerating cleanup by directing AML funding, based on historic production, to those areas most damaged by this Nation's reliance on coal while honoring the commitments made to States and Tribes under SMCRA. Shifting the program's resources based on historic production will allow us to spend the money where the problems exist and get the job done.

The Administration's proposal is one of several proposals that have been discussed in recent months to address the cleanup of abandoned mine lands. There has been considerable debate about the best means to achieve cleanup in an effective and a cost efficient manner. Although the Administration's bill is not the exclusive proposal

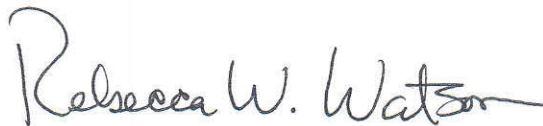
advanced to address this problem, I believe it offers the most effective means to achieve cleanup because it contains the essential elements for successfully completing reclamation in the areas most in need of attention by revising current legislation to focus on sites posing the most significant dangers to health and safety.

If the AML fee is not reauthorized before September 30th, the significant progress that has been made to date in reclaiming abandoned mine sites will soon come to an end. As a result, more than \$2 billion worth of high priority coal reclamation in primacy states will remain unreclaimed, leaving millions of people who live, work and recreate in the Nation's coal fields to continue to be exposed to the many dangers these areas present. Specifically, failure to reauthorize the AML fee will have several undesirable consequences, including:

- funding in the historic coal production account, and grants based on that account, will decrease drastically. States with significant amounts of reclamation work remaining, such as Pennsylvania, West Virginia, Kentucky, Ohio, Illinois, Virginia and Indiana, will experience significant grant decreases until funds are depleted;
- funding for minimum program states, emergency reclamation activities, Clean streams Programs, maintenance for AML inventory, and technical training and support vital to the AML program, will rapidly diminish or cease to exist;
- new fees will need to be collected to continue to provide for the transfer of funds for the benefit of the unassigned beneficiaries of the UMWA Combined Benefits Fund.

These are consequences that can and should be avoided. The Administration remains committed to resolving this long-standing problem. I urge Congress to move forward expeditiously in renewing the fee collection authority through meaningful, effective legislation.

Sincerely,



Rebecca W. Watson  
Assistant Secretary for Land  
and Minerals Management

cc: Honorable Jeff Bingaman  
Ranking Minority Member