

MEMORANDUM OF UNDERSTANDING

BETWEEN

**THE UNITED STATES DEPARTMENT OF THE INTERIOR
OFFICE OF SURFACE MINING**

AND

**THE UNITED STATES DEPARTMENT OF ENERGY
OFFICE OF FOSSIL ENERGY**

This Memorandum of Understanding (MOU) is made and entered into by and between the United States Department of the Interior, Office of Surface Mining (OSM) and the United States Department of Energy (DOE), Office of Fossil Energy.

I. OBJECTIVES

This MOU establishes a framework for cooperation between OSM and DOE, Office of Fossil Energy, to promote a market-based approach to reclaiming abandoned mine lands (AML) through reforestation. The environmental and economic benefits of this approach include higher quality reclamation, an increase in the number of sites reclaimed, economic opportunities, including employment for local communities, aesthetic and recreational improvements, sale of forest products by landowners or lessees, and the opportunity for reporting carbon reductions through sequestration in forests. This activity is of interest to mine operators, utilities, other companies, and environmental organizations, and provides the opportunity to promote ecologically diverse and balanced forest ecosystems.

II. BACKGROUND

The OSM's mission is to carry out the requirements of the Surface Mining Control and Reclamation Act, which established a Federal/state/tribal partnership. The OSM and the coal-producing states/tribes work to ensure that coal mines are operated in a manner that protects citizens and the environment during mining, assures that the land is restored to beneficial use following mining, and mitigates the effects of past mining by aggressively pursuing reclamation of abandoned coal mines. The OSM has identified and prioritized approximately 627,000 acres of abandoned mine land for reclamation. This land, in its unreclaimed condition, substantially degrades the quality of the environment, prevents or damages the beneficial use of land or water resources, or endangers the health and safety of the public.

The DOE's mission includes solving national energy and environmental problems in order to provide for a cleaner, more energy-secure Nation. The DOE conducts research, development, demonstration, technology transfer and commercialization in a broad energy and environmental arena, including the utilization of fossil energy and other resources in more efficient and

environmentally beneficial ways. The DOE has responsibility for the Climate Challenge Program, including voluntary reporting of greenhouse gas reductions, which includes reforestation projects under Section 1605 (b) of the Energy Policy Act of 1992.

Recognizing that OSM's and DOE's responsibilities are complementary, OSM and DOE believe that collaboration, as defined under this MOU, will enable both organizations to more effectively accomplish their respective missions.

III. AUTHORITIES

This MOU is authorized by the Surface Mining Control and Reclamation Act of 1977, as amended (Public Law 95-87), 30 U.S.C. Sections 1201 et seq; Section 646 (a) of the Department of Energy Organization Act, as amended (Public Law 95-91), 42 U.S.C. Sections 7256 (a) ; and Section 1605 (b) of the Energy Policy Act of 1992 (EPAct), 42 U.S.C. Section 13385 (b) .

IV. MANAGEMENT

Within 15 days of execution of this MOU, each Party shall identify a Manager for coordination of activity under this MOU. Each designated Manager will serve as the point of contact and will coordinate the exchange of information for projects of mutual interests.

The Managers shall: (a) identify specific goals and areas for collaboration; (b) develop milestones and program participation plans; and (c) monitor progress. The Managers shall enlist other individuals within their organizations to assist in planning and implementation on an as needed basis.

V. SCOPE OF COLLABORATION

There are multiple benefits to reforesting mine lands, including restoration of clean water and air resources, erosion prevention, wildlife habitat, recreational opportunities, commercial forestry, and offsetting the effects of climate change by sequestering carbon. Consequently, there are national environmental and economic implications of this proposed market-based approach to reforestation.

The OSM has an ongoing reforestation initiative which promotes reforesting both active and abandoned mine lands. This MOU focuses on reforestation of abandoned mine lands. The OSM will work with the utility industry, other private entities and state and tribal AML programs to inform them of the existence of this MOU and DOE's Climate Challenge Program, to help identify potential reforestation sites and work to facilitate funding partnerships between private donors and state and tribal governments. The DOE will work with interested parties for voluntary reporting of greenhouse gas reductions from reforestation projects, under Section 1605 (b) of the EPAct.

The OSM and DOE will collaborate to promote forestry on mined lands through outreach and educational efforts directed to the public, industry, landowners, state, tribal, local and Federal Governments, and environmental groups. The DOE will work with those voluntarily reporting carbon reduction projects to estimate the range of quantities of carbon sequestered for particular forest plans and various silviculture techniques. Joint outreach and educational efforts will serve to describe how the voluntary carbon sequestration reporting program applies to mined lands.

Outreach materials will also highlight best regional site preparation and forestry practices for maximizing tree survival, high yield tree growth, and optimal techniques for carbon sequestration. Landowners would be allowed to utilize these reforested areas as a renewable resource which would provide a cyclical revenue stream as either a temporary or permanent carbon dioxide reduction, as well as a forest products source.

Companies could "adopt," or make donations to plant trees on, AML lands. On a voluntary basis, donors then could report their carbon reduction efforts to DOE. The OSM and DOE will review available research and assess the range of quantities of carbon sequestered under various post-mining land uses.

The OSM and DOE will continually assess the environmental and economic benefits of this approach, and methods to enhance them, especially those listed in this MOU. Through the exchange and sharing of technical expertise, policy information, and economic analysis, OSM and DOE will achieve an improved understanding of how reforestation provides overall environmental and economic benefits -- information which they will share with organizations and individuals accomplishing on-the-ground reclamation.

VI. FINANCIAL COMMITMENTS

This MOU is a memorandum of understanding which broadly states basic understandings between the parties hereto of the tasks and methods for performing the tasks described herein. The details of the levels of support to be furnished to one organization by the other with respect to funding will be developed in specific interagency agreements or other agreements, subject to the availability of funds. This MOU shall not be used to obligate or commit funds or as the basis for the transfer of funds.

VII. DURATION

This MOU may be amended by written agreement between OSM and DOE. This MOU becomes effective upon signature of both agencies. It shall remain in effect for a 5 year term from the date first written above. This MOU may be terminated by the mutual written agreement of OSM and DOE or by either agency upon 60-day notice to the other agency.

IN WITNESS WHEREOF, we have this day signed this Memorandum of Understanding between our Departments pertaining to reforestation of, and sequestration of carbon on, abandoned mine lands.

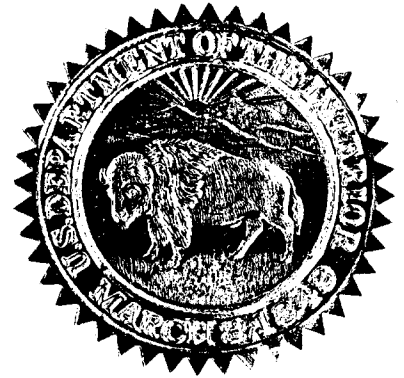
DEPARTMENT OF THE INTERIOR



Bruce Babbitt
Secretary

9/6/00

Date



DEPARTMENT OF ENERGY



Bill Richardson
Secretary

9/6/00

Date