

News  
From \_\_\_\_\_

CONGRESSMAN

# Nick Rahall

WEST VIRGINIA-4th DISTRICT

FOR IMMEDIATE RELEASE  
FEBRUARY 23, 1983

CONTACT: MICHAEL SERPE  
202-225-3452

## RAHALL MEASURE WILL CREATE COALFIELD JOBS!

WASHINGTON D.C. --- WEST VIRGINIA'S FOURTH DISTRICT CONGRESSMAN NICK J. RAHALL, WHO'S STATE RANKS NUMBER ONE IN NATIONAL UNEMPLOYMENT, TODAY INTRODUCED LEGISLATION THAT WOULD, "FURTHER ENVIRONMENTAL GOALS, WHILE AT THE SAME TIME, PROVIDE NEEDED EMPLOYMENT IN OUR NATION'S COALFIELDS," RAHALL SAID.

CONGRESSMAN RAHALL, CHAIRMAN OF THE CONGRESSIONAL COAL GROUP, SAID OF HIS BILL, "THE ABANDONED MINE RECLAMATION IMPROVEMENTS ACT WOULD ALLOW FOR A MORE EXPEDITIOUS DISTRIBUTION OF THE LARGE UNUSED STATE PORTION OF THE ABANDONED MINE FUND." "STATES THEN," RAHALL OBSERVED, "WOULD USE THEIR SHARE TO SUPPORT RECLAMATION PROJECTS ON ABANDONED MINE SITES AND INCREASE EMPLOYMENT OPPORTUNITIES."

RAHALL POINTED OUT THAT, "AT THE PRESENT TIME, \$360 MILLION SITS UNUSED IN THE STATE SHARE OF THE ABANDONED MINE FUND---AN AMOUNT THAT COULD SUPPORT AN ESTIMATED 18,000 JOBS IN THE NATION'S COALFIELDS WHERE ABANDONED MINE LANDS EXIST--LIKE IN WEST VIRGINIA."

\*\*\*\*\* (ADDITIONAL BACKGROUND MATERIAL ON THE ABANDONED MINE FUND IS ATTACHED) \*\*\*\*\*

SUPPORT FOR CONGRESSMAN RAHALL'S LEGISLATION ALREADY COMES FROM:

- OHIO DEPARTMENT OF NATURAL RESOURCES
- KENTUCKY DEPARTMENT OF NATURAL RESOURCES
- OKLAHOMA CONSERVATION COMMISSION
- VIRGINIA DEPARTMENT OF CONSERVATION AND ECONOMIC DEVELOPMENT
- UTAH ABANDONED MINE RECLAMATION PROGRAM
- GOV. JOHN D. ROCKEFELLER, IV; WEST VIRGINIA
- GOV. ED HERSCHLER, WYOMING

\*\*\*\*\* (COMMENTS BY THE ABOVE GROUPS ARE ATTACHED) \*\*\*\*\*

CONGRESSMAN RAHALL HAS ALSO UNDERTAKEN AN EFFORT TO WORK FOR THE INCLUSION OF \$327 MILLION IN THE EMERGENCY JOBS LEGISLATION, CURRENTLY BEING CONSIDERED BY CONGRESSIONAL COMMITTEES, FOR THE PURPOSE OF INCREASING JOBS IN THE COALFIELDS.

IN A LETTER TO HOUSE DEMOCRATIC LEADERS, RAHALL SAID, "WITH UNEMPLOYMENT IN THE COALFIELDS AT RECORD LEVELS---17.8 PERCENT IN WEST VIRGINIA---MONEY FOR MINE RECLAMATION PROJECTS WILL CREATE BADLY NEEDED JOBS FOR COAL MINERS."

RAHALL ALSO WANTS \$35 MILLION OF THIS TOTAL, EARMARKED FOR THE STATE OF WEST VIRGINIA. "I CAN THINK OF NO OTHER STATE IN GREATER NEED OF JOBS RIGHT NOW, THAN WEST VIRGINIA," CONGRESSMAN RAHALL STRESSED.



THE RAHALL AMENDMENT TO THE ABANDONED MINE RECLAMATION FUND  
TO PROVIDE FOR A BETTER ENVIRONMENT

- AND -

MORE JOBS IN THE NATIONS COALFIELDS

Background

Created by the Surface Mining Control and Reclamation Act of 1977, P.L. 95-87, the Abandoned Mine Reclamation Fund's objective is to promote the reclamation of mined areas left without adequate reclamation prior to the enactment of the Act. The Fund consists primarily of amounts collected by a reclamation fee levied on every ton of mined coal. This fee is 35 cents per ton of surface mined coal and 15 cents per ton of underground mined coal.

Title IV, Section 402(g), of the Act states that 50 percent of the funds collected in any State (or Indian reservation) shall be allocated to that State by the Secretary of the Interior pursuant to that State having an approved reclamation program. States must also have approved Title V regulatory programs (primacy) in order to become eligible for reclamation program funding. The remaining portion of the Fund is the Secretary's discretionary share and is used to support Federal reclamation projects, the Rural Abandoned Mine Reclamation Program (RAMP) and the Small Operator Assistance Program (SOAP).

Through to the end of FY82, a large unappropriated balance has accumulated in the Fund. Approximately \$904.4 million was collected over that period through the reclamation fee paid by the coal industry and the unappropriated balance was about \$513.5 million. This figure is expected to grow to \$579.9 million by the end of FY83 and \$591.9 million by the end of FY84. The State 50 percent share of the Fund at the end of FY82 was \$452.2 million, however, of this amount only \$92.2 million was appropriated for State reclamation programs with the unappropriated balance being \$360 million. The reason for this large unappropriated State share balance was due to the slowness of program development and approval, requisites for reclamation project funding.

At present, the majority of coal-producing States have regulatory primacy and approved reclamation programs. These States have indicated the ability to fully utilize their 50 percent share of the Fund. However, in the words of West Virginia Gov. Jay Rockefeller who testified before the House Subcommittee on Energy and the Environment on February 17, 1983: "We are told that a grant can be processed in 60 days; that a letter of credit can be issued in 10 days; and that the State's 50 percent share of the Fund is ours for the asking. Our experience is that it takes 6 to 8 months to process a grant, 30 to 60 days to have a letter of credit issued, and we are now being advised not to ask for grants in the 20 to 30 million dollar range."



CONGRESSMAN NICK RAHALL'S

"ABANDONED MINE RECLAMATION IMPROVEMENTS ACT"

Because the majority of coal-producing States now have approved reclamation plans, due to the inherent problems of the grants process and in light of the continuing large unappropriated balance in the Abandoned Mine Reclamation Fund it seems the funding mechanism for the State share should be improved in order to insure States receive their 50 percent of the Fund.

Expeditious distribution of funds to the States would further the environmental goals of the Surface Mining Control and Reclamation Act. A vast inventory of orphaned mine lands exist within the coal-producing States and reclamation funding is badly needed. In addition, reclamation projects create jobs. Gov. Ed Herschler of Wyoming told the House Subcommittee on Energy and the Environment on February 17, 1983, that it is estimated that for every \$1 million in reclamation money spent 50 full-time jobs are created. The State share unappropriated balance at the end of FY82 of \$360 million, for example, would support 18,000 jobs in the Nation's coalfields where abandoned mine lands exist.

In addition, Title IV, Section 401(a) of the Act specifically describes the Abandoned Mine Reclamation Fund as a "trust fund." Every Federal trust fund bears interest such as the Highway Trust Fund, the Airports and Airways Trust Fund, the Inland Waterways Trust Fund and the hazardous waste and toxic spill "Superfund." These trust funds are all supported by specific taxes or user fees not unlike the reclamation fee paid on every ton of mined coal. However, interest does not accrue to the Abandoned Mine Reclamation Fund. This, to say the least, is poor fiscal management.

Congressman Rahall's "Abandoned Mine Reclamation Improvements Act" would provide for a more expeditious distribution of State share funds and would allow interest to accrue to the Fund. A number of States have reviewed this proposal and offer the following remarks:

- Ohio Department of Natural Resources: "Economically depressed regions such as eastern Ohio will stand to benefit greatly from passage of such amendments...Guaranteed quarterly distribution from the Abandoned Mine Lands Fund to the States will make the whole program more fluid and stable, enabling the States to plan further ahead and achieve their respective goals."
- Kentucky Department of Natural Resources: "The Commonwealth of Kentucky has repeatedly urged that the Abandoned Mine Land Reclamation Fund...be managed as a trust fund."
- Oklahoma Conservation Commission: "The Oklahoma Conservation Commission's AML Program strongly endorses Congressman Rahall's legislative proposal on the AML Fund. We believe enactment of this proposal would expedite the process of transferring Fund monies to the States."



- Virginia Department of Conservation and Economic Development:  
"The Division supports this draft legislation because it provides the States the opportunity to secure immediately all of their portion of the AML Fund. Expeditionary distribution of AML Funds to the States is a must in order to meet the program's objectives within the life of the program. Passage of this bill would result in the money going directly to the State for its use in their AML program without long delays for grant approval and uncertain appropriations. Since the money will be placed in an interest bearing account, it will ensure the State full advantage of its reclamation dollar."
- Utah Abandoned Mine Reclamation Program: "If this is tantamount to a permanent, indefinite appropriation, or better, than Utah is certainly in support."
- West Virginia Gov. Jay Rockefeller: "This proposal, if enacted, will do two important things: First, it will remove the requirements for grants--the major source of time delays in obtaining funding. The proposal does not affect the planning requirements for projects as required under the Act. Environmental assessments, A-95 reviews, eligibility determinations, etc., still will be required. As I stated earlier, we now know how to accomplish tasks. We have the experience, and the review and processing of these items can be accomplished by OSM in 30 to 60 days. What will be eliminated would be the delays in reviewing and approving budgets for the selected projects. Even more importantly, the delays experienced in amending these budgets when changes become necessary--as they always do--will be eliminated. States will be responsible for maintaining strict fiscal controls and records of expenditures, and this is as it should be. Secondly, this proposal will make the money directly available to the States. This eliminates time delays in processing letters of credit and assures the States that continuous funding will be available when they need it. The States will be able to proceed as projects are ready for construction."

The following are remarks which support the goal of the Rahall bill:

- The Western Governor's Policy Office (WESTPO): "We request that the Congress and the Administration release immediately to States their share of the funds to undertake coal and non-coal reclamation projects identified by the States, thereby putting unemployed miners back to work, utilizing idle resources in the private sector, achieving the environmental objectives of the Surface Mining Act, and eliminating many immediate threats to the health and safety of our citizens."
- Wyoming Gov. Ed Herschler: "We should receive our entitled revenues to fund our priority projects. The Federal Act is clear that the tax should be used to reclaim abandoned mines, bring employment and environmental benefits. The Act did not contemplate idle, non-interest bearing account with the Federal Treasury."



## "ABANDONED MINE RECLAMATION IMPROVEMENTS ACT"

### I. Distribution of State-Share Funds

The Secretary of the Interior would automatically distribute to the States 50 percent of the reclamation funds collected in those States thus removing the State share from the grants process. States would receive this funding on a quarterly basis or at their election on an annual basis. The distribution mechanism is modeled after that contained in the Mineral Leasing Act where 50 percent of the revenue obtained through the sales, bonuses, royalties and rentals of public lands is automatically distributed to the States.

A State must have a federally approved state reclamation program (Title IV) and surface mine regulatory program (Title V) before funds could be made available to it. This does not change current law. If a State does not have these federal approvals, State share funds would be placed in a suspense account until approval is received.

### II. Retention of Fund Objectives

Even with automatic State share fund distribution provision is made to insure these funds are being used to meet the objectives of Title IV. This is accomplished by:

1. Retaining Federal oversight and auditing capabilities;
2. Providing the Secretary with the authority to place State share funds in a suspense account if it is found, after notice and a hearing on the record, that a State is not using the funds in accordance with the objectives of Title IV; and
3. Strengthening the provision in current law which requires a State which has not used its funds within a three-year period to reimburse those funds to the Secretary by requiring the State to reimburse with interest.

### III. Interest

Interest would accrue to amounts deposited into the Fund and this money would supplement the reclamation fee in supporting reclamation programs. The interest language is "boilerplate" with respect to other Federal trust funds.