

news

*Committee on Interior and Insular Affairs
Morris K. Udall, Chairman*

*House of Representatives
Washington, D.C. 20515*

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RAHALL PROPOSES MAJOR CHANGES IN OSM BUDGET Abandoned Mine Reclamation Funding and Policy Changes Focus of Committee Recommendations

WASHINGTON, D.C. -- The Committee on Interior and Insular Affairs today approved U.S. Rep. Nick J. Rahall's recommendations for dramatic increases over the amount requested by the Administration in its fiscal year 1990 budget for Abandoned Mine Reclamation.

The recommendations, formulated by Rahall as chairman of the Subcommittee on Mining and Natural Resources, will be forwarded to the House Budget Committee to be made part of the Congressional Budget Resolution.

Rahall's proposal for the Abandoned Mine Reclamation Fund includes \$52 million over the Administration request of \$120 million for State Reclamation Grants. He is also recommending \$20 million for the Rural Abandoned Mine Program.

"By every indication, the states overall are doing a much better job of obligating these project construction funds in an expeditious manner and with greater support, states which may be lagging can get up to speed. The Administration's request, however, represents a \$32 million reduction from current funding levels. This fails to keep faith with the goals expressed by the federal surface mining act to enhance the environment in the coalfields and promote the health and safety of coalfield residents," Rahall stated.

The Congressman noted that the Abandoned Mine Reclamation Fund is financed by a fee assessed on every ton of coal mined in the United States. Since the fee by law is dedicated to finance the reclamation of abandoned coal mine lands, just as the federal gasoline tax is dedicated to highway construction activities, expenditures should be based on the need within the coalfields for reclamation work.

"I do not think the coal industry should be made to pay these millions of dollars into the Abandoned Mine Reclamation Fund for the purpose of offsetting the budget deficit or subsidizing other federal programs." Rahall said.

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In addition, Rahall called on OSM to improve its state program oversight activities. "OSM's activities in this area are more suggestive of a program premised on rhetoric and bureaucratic manifestations rather than substantive result-oriented actions," Rahall charged.

The highlights of the Subcommittee's findings and policy recommendations for OSM are:

- * While the Subcommittee finds that OSM should be in the position to conduct thorough and honest oversight of state regulatory programs with the amount of budget authority requested, the dismal record of the agency in fulfilling this central element of its statutory mandate in the past suggests that its failings have more to do with OSM policy and the inclination of the agency's leadership than adequate levels of budget authority.

- * The Applicant Violator System (AVS) is not what its name suggests. It is required to be an automated permit review system to identify operators who have outstanding violations under the Surface Mining Control and Reclamation Act of 1977. In actuality, the AVS represents nothing more than \$15,000,000 worth of computer hardware and software loaded with virtually useless data. It is, in fact, incapable of comparing applicants to violators largely because unreliable, incomplete and inconsistent data clog its computer arteries.

- * The Subcommittee has deep concerns with the adequacy and responsiveness of the federal emergency reclamation program. Official OSM policy appears to be aimed at transferring responsibility for the emergency program to states which are having a difficult enough time meeting their obligations under the state reclamation grant program. There is also little evidence which suggests that the emergency reclamation program provides for a speedy and efficient abatement effort in states which have not assumed program responsibility.

While OSM maintains it will abate emergency problems by relying on the normal state grant process to reclaim sites, OSM's "cookbook" and esoteric definitions of what constitutes an emergency situation fail to take into account real world circumstances in the coalfields. The Subcommittee finds that OSM has abdicated its responsibility under section 410 of Public Law 95-87.

- * As a general matter, the Subcommittee recommends that the Office of Management and Budget in conjunction with the Department of the Interior undertake a review of the Office of Surface Mining's internal budgeting procedures and budget presentation to the Congress.

It is the Subcommittee's view that OSM is having grave difficulties complying with some basic budget principles used by other bureaus within the Interior Department itself, and subsequently, is unable to provide clear and concise justifications for its budget submissions to the Congress. The fact that OSM has been incapable of providing the Subcommittee with the amount used for administrative expenses under the Federal Reclamation Program Activity is just one small indication of this situation. The inadequate budget format used, incomplete and inconsistent reporting of data and a dearth of essential budgetary information in OSM's justification documents over the years also show the need for a complete review of this matter.