

Abandoned Mine Lands Reclamation Federal Program

FY2010 Request: \$3,000,000

Reference No: 6855

AP/AL: Appropriation

Project Type: Life / Health / Safety

Category: Natural Resources

Location: Statewide

Contact: Leta Simons

House District: Statewide (HD 1-40)

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Estimated Project Dates: 07/01/2009 - 06/30/2012

Brief Summary and Statement of Need:

The Legislature enacted the Alaska Surface Coal Mining Control and Reclamation Act in 1983 (AS 27.21). The main purpose of the act was to promote the reclamation of areas mined before enactment of the federal Surface Mining Control and Reclamation Act of 1977. Conditions on some of these mined areas could endanger public health and safety, have environmental implications, and prevent the beneficial use of or cause damage to land and water resources. All funding for this program comes from federal grants; no general funds are required. This program will employ up to 75 Alaskans in private sector jobs. This program also provides the coordination point for Alaska with the Interstate Mining Compact Commission.

Funding:	<u>FY2010</u>	<u>FY2011</u>	<u>FY2012</u>	<u>FY2013</u>	<u>FY2014</u>	<u>FY2015</u>	<u>Total</u>
Fed Rcpts	\$3,000,000	\$3,575,000	\$3,575,000	\$3,575,000	\$3,575,000	\$3,575,000	\$20,875,000
Total:	\$3,000,000	\$3,575,000	\$3,575,000	\$3,575,000	\$3,575,000	\$3,575,000	\$20,875,000

<input type="checkbox"/> State Match Required	<input type="checkbox"/> One-Time Project	<input type="checkbox"/> Phased - new	<input type="checkbox"/> Phased - underway	<input checked="" type="checkbox"/> On-Going
0% = Minimum State Match % Required		<input type="checkbox"/> Amendment	<input type="checkbox"/> Mental Health Bill	

Operating & Maintenance Costs:

	<u>Amount</u>	<u>Staff</u>
Project Development:	0	0
Ongoing Operating:	0	0
One-Time Startup:	0	0
Totals:	0	0

Additional Information / Prior Funding History:

SLA2008/CH29	\$3,000,000	Implemented/Ongoing
SLA2007/CH30	\$3,525,000	Ongoing
SLA2006/CH82	\$3,525,000	Ongoing
SLA2005/CH03	\$1,500,000	Complete
SLA2004/CH159	\$1,500,000	Complete

Project Description/Justification:

Funds from the AML (Abandoned Mine Land) Trust Fund through the Office of Surface Mining can only be spent for reclamation of AML sites (AS 27.21 and 11 AAC 90). The AML Program covers 100% of the cost of hazard mitigation on qualifying problem sites regardless of ownership. The AML program has thus far identified 16 coal sites and 124 non-coal sites requiring reclamation at a cost of \$42,000,000. The inventory of sites requiring mitigation is by no means complete and new sites are being documented every year. It is estimated that Alaska will receive an additional \$37,000,000 to \$45,000,000 by the end of the program. The highest priority sites will be worked on first. Innovative methods of closure, more "privatization" within the program, and more effective/efficient contract management are being implemented to allow available funding to address more problem areas. The

highest priority sites are those that are an extreme danger to public health and safety. The types of hazards are cliffs left at the edges of mine pits, open tunnel entrances and mine shafts, dilapidated structures and equipment, dangerous impoundments, clogged streams, dangerous mine waste piles, surface coal fires, polluted water, and industrial and residential waste. AML qualifying sites occur on private, state, native and federal lands.

The AML program is a “minimum program State” under federal grant definitions. Congressional passage last December of the Surface Mining Control and Reclamation Act (SMCRA) modifications provides funding for the program through at least 2025 with funding going up to the baseline \$3.0 million per year from this federal grant source alone for most of these years, and higher in several. Each year Alaska has historically received an additional grant of \$25,000 to mitigate any potential emergency closure that might be encountered. The Office of Surface Mining, Reclamation and Enforcement has unilaterally decided to stop providing these funds nationwide starting with the coming federal budget year – even though they do not have the legislative mandate to do so and there was nothing in the 2006 SMCRA Amendments to even suggest that action be undertaken.

In addition to the federal grant the AML program receives small amounts of money from other federal agencies for cooperative projects. This funding has historically been less than \$50,000 annually.

As part of the CIP authorization the AML program receives roughly \$500,000 for administrative costs in its annual federal grant. These funds are authorized in the operating budget. Administrative costs are 100% federally funded.

The United States Army Corps of Engineers (USACE) Restoration of Abandoned Mine Sites (RAMS) Program would allow the AML Program to mitigate both abandoned and inactive non-coal sites using funds under the Corps of Engineers umbrella. The Alaska AML Program has been working with the Alaska Delegation to get wording changes in the Water Resources Development Act (WRDA) that will move RAMS from a demonstration project to fully operational mitigation program. Funding will be dependant on the Congressional Delegation for appropriations, but we estimate it could be up to \$500,000 annually. This CIP request provides for that contingency so no additional or interim legislative work will be required should these funds become available.

Why is this Project Needed Now?

Federal funding for the reclamation of AML sites is currently available to the State, but will not continue in perpetuity. The AML Trust Fund may sunset at any time after 2025. The USACE RAMS Program provides a year-to-year source of funding that allows us to mitigate more non-coal sites at a faster rate than would otherwise be the case. There are no general fund sources of funding for AML Reclamation in Alaska at this time. Alaska State Government and the people of Alaska are better served by taking advantage of these funds while they are available.

Specific Spending Detail:

LINE ITEM	DOLLAR AMOUNT	DESCRIPTION
Personal Services	\$ 402,000	3.875 FTE includes Indirect of \$45,000. (existing positions)
Travel	\$ 20,000	
Services	\$ 25,000	Includes \$18,000 Core Costs (Atwood Lease costs, DOA chargebacks, ETS computer svcs, phone charges)
Commodities	\$ 15,000	
Capital Outlay	\$ 2,538,000	Includes Indirect of \$7,000

Project Support:

Project support varies from project to project but is usually from the landowner/land manager, mineral owner, adjacent community, the construction industry and special interest groups such as environmental and historical groups. The present day mining industry also supports the AML and RAMS Program efforts to address safety issues left from past development practices as the public often erroneously equates these old sites with modern practices.