

Abandoned Mine Lands Reclamation Federal Program

FY2004 Request: \$1,500,000

Reference No: 6855

AP/AL: Appropriation

Project Type: Health and Safety

Category: Public Protection

Location: Statewide

Contact: Bob Loeffler

House District: Statewide (HD 1-40)

Contact Phone: (907)269-8600

Estimated Project Dates: 07/01/2003 - 06/30/2006

Brief Summary and Statement of Need:

The Legislature enacted the Alaska Surface Coal Mining Control and Reclamation Act in 1983 (AS 27.21 and 11 AAC 90). One of the main purposes of the act was to promote the reclamation of areas mined and left without adequate reclamation before enactment of the federal Surface Mining Control and Reclamation Act of 1977, that endangered public health and safety, that substantially degraded the quality of the environment and prevented the beneficial use of or caused damage to land and water resources.

Funding:	FY2004	FY2005	FY2006	FY2007	FY2008	FY2009	Total
Fed Rcpts	\$1,500,000	\$1,500,000	\$1,500,000	\$1,500,000	\$1,500,000		\$7,500,000
Total:	\$1,500,000	\$1,500,000	\$1,500,000	\$1,500,000	\$1,500,000	\$0	\$7,500,000

<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:

- SSLA02/CH1 - \$1,500,000
- SLA01/CH61 - \$1,500,000
- SLA00/CH135 - \$1,500,000
- SLA99/CH2 - \$1,500,000
- SLA98/CH139 - \$1,500,000
- SLA97/CH050 - \$800,000

Project Description/Justification:

Prior Funding History and Status:

The State of Alaska receives an annual grant for \$1,500,000. The state has received \$13,900,000 for reclamation of abandoned mines since 1983 and will continue to receive \$1,500,000 annually for the life of the program. Collection of the AML fee is scheduled to sunset in 2004. Legislation is being drafted to extend the program to 2007 or 2011. Also there is \$1.3 billion in the trust account that would be distributed to the states if fee collection were not continued. Under this scenario Alaska would continue to receive \$1,500,000 until 2007.

Detailed Project Justification:

Funds from the AML Trust Fund can only be spent for reclamation of AML sites (AS 27.21 and 11 AAC 90). The AML program has identified 16 coal sites and 124 non-coal sites requiring reclamation at a cost of \$36,000,000. It is estimated that Alaska will receive an additional \$6,000,000 to \$12,000,000 by the end of the program. The highest priority sites will be worked on first. The highest priority sites are those that are an extreme danger to public health and safety. The types of hazards are mine pit highwalls, open portals and shafts, dilapidated structures and equipment, dangerous

impoundments, clogged streams, dangerous mine waste piles, surface coal fires, polluted water, and industrial and residential waste. AML sites occur on private, state, native and federal lands.

The AML program will award 4-6 construction contracts annually totaling \$1,500,000 to Alaskan contractors. Seasonal employment will be provided for 50-100 Alaskans and many more indirectly in the adjacent communities. The benefit to Alaska is that public health and safety hazards on private, state, native and federal land will be reclaimed improving the quality of life in Alaska, save lives, reduce injuries and enhance land values and uses.

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

In addition to the CIP authorization the AML program receives \$300,000 for administrative costs in their annual federal grant. These funds are authorized in the operating budget. Administrative costs are 100% federally funded.

Why is this Project Needed Now:

Federal funding for the reclamation of AML sites is currently available to the State but will not continue much longer. The AML Trust Fund will sunset in 2007 or 2011. There are no other sources of funding for AML reclamation at this time.

Specific Spending Detail:Line Item Expenditures:

Personal Services \$ 252,000
Travel \$ 20,000
Contractual Services \$1,228,000

Line Item Detail Description:

Personal Services – Costs are for project design, contract preparation and contract administration.
Travel – Cost of transportation, lodging and per diem for contract administration.
Contractual Services – Cost for 4-6 construction contracts per year.

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.

Project Opposition:

There is no opposition to the stated objectives of the program. The program has substantial flexibility in its hazard abatement methods and concerns can generally be overcome.