

Abandoned Mine Lands Reclamation Federal Program

FY2013 Request: \$3,200,000

Reference No: 6855

AP/AL: Appropriation

Project Type: Life / Health / Safety

Category: Natural Resources

Location: Statewide

House District: Statewide (HD 1-40)

Impact House District: Statewide (HD 1-40)

Contact: Jean Davis

Estimated Project Dates: 07/01/2012 - 06/30/2017

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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 construction jobs. This program also provides the coordination point for Alaska with the Interstate Mining Compact.

Funding:	<u>FY2013</u>	<u>FY2014</u>	<u>FY2015</u>	<u>FY2016</u>	<u>FY2017</u>	<u>FY2018</u>	<u>Total</u>
Fed Rcpts	\$3,200,000						\$3,200,000
Total:	\$3,200,000	\$0	\$0	\$0	\$0	\$0	\$3,200,000

<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
<u>One-Time Startup:</u>	0	
Totals:	0	0

Additional Information / Prior Funding History:

FSSLA2011/CH5	\$2,000,000	Ongoing
SLA2010/CH43	\$3,575,000	Ongoing
SLA2009/CH15	\$3,000,000	Implemented/Ongoing
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 Abandoned Mine Land (AML) 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 percent of the cost of hazard mitigation on qualifying problem sites regardless of ownership. The AML program has, as a minimum, identified seven coal sites and 18 non-coal sites requiring reclamation at a cost of \$62,200,000. 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 \$30,000,000 to \$35,000,000 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 in December 2006 of Surface Mining Control and Reclamation Act of 1977 modifications provides funding for the program through at least 2025 with funding at the baseline \$3.0 million per year from this federal grant source alone for most of these years. In addition, to the federal grant the AML program receives small amounts of money from other federal agencies for cooperative projects. Those other agencies have indicated that these special grants might provide up to an additional \$200,000 annually. This capital project request provides for that contingency so no additional or interim legislative work will be required should these funds become available.

As part of the capital authorization the AML Program receives roughly \$550,000 for administrative costs in its annual federal grant. These funds are authorized in the operating budget. Administrative costs for the AML Program are 100 percent 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 in perpetuity. The AML Trust Fund will sunset around the federal fiscal year 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 (text)
Personal Services	\$ 454,000	3.5 FTE includes FSS Indirect of \$55,000.
Travel	\$ 25,000	
Services	\$ 65,000	Includes \$20,000 Core Costs
Commodities	\$ 10,000	
Capital Outlay	\$ 2,646,000	

State Match Required:

NO

YES

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 efforts to address safety issues left from past development practices as the public often erroneously equates these old sites with modern practices.

Project Opposition:

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