

Subcommittee on Energy and Mineral Resources

Doug Lamborn, Chairman

Hearing Memorandum

November 2, 2015

To: All Natural Resource Subcommittee on Energy and Mineral Resources Members

From: Majority Committee Staff – Kathy Benedetto (x5-9297)
Subcommittee on Energy and Mineral Resources

Hearing: Legislative hearing on **H.R. 3844 (Rep. Jody Hice)**, To establish the Energy and Minerals Reclamation Foundation to encourage, obtain, and use gifts, devises, and bequests for projects to reclaim abandoned mine lands and orphan oil and gas well sites, and for other purposes.
November 4, 2015 at 10:30 AM; 1334 Longworth

H.R. 3844 (Rep. Jody Hice), “*Energy and Minerals Reclamation Foundation Establishment Act*”

Summary of the Bill

On Wednesday, October 28, 2015, Representative Jody Hice (R-GA-10) introduced H.R. 3844, the “*Energy and Minerals Reclamation Foundation Establishment Act of 2015*” to establish the Energy and Minerals Reclamation Foundation to encourage, obtain, and use gifts, devises, and bequests for projects to reclaim abandoned mine lands and orphan oil and gas well sites, and for other purposes.

Invited Witnesses

Mr. Geoffrey S. Plumlee, Ph.D.
Research Geochemist
Environment, Human Health, and Disasters
U.S. Geological Survey
Reston, Virginia

Mr. Eric Cavazza, P.E.
Director Bureau of Abandoned Mine Reclamation
Pennsylvania Department of Environmental Protection
Harrisburg, Pennsylvania
(*on behalf of the Interstate Mining Compact Commission and
National Association of Abandoned Mine Land Programs*)

Ms. Sara Kendall
Office Director
Western Organization of Resource Councils
Washington, D.C.

Mr. Chris Wood
President/Chief Executive Officer
Trout Unlimited
Arlington, Virginia

Background

H.R. 3844 is part of the Committee's three-pronged response to the Gold King Mine and the Standard Mine spills that occurred in Colorado in August and September of this year, which the Committee is continuing to investigate and preliminary reports indicated were caused by the Environmental Protection Agency (EPA).¹

This bill establishes a new Energy and Mineral Reclamation Foundation to facilitate cleanup of abandoned mine lands (AML) and orphaned oil and gas well sites, specifically by assisting the Bureau of Land Management (BLM), other federal land management agencies, state agencies, and non-profit organizations to raise funds for the purpose of AML cleanup on both federal and non-federal lands. Current laws and policy impedes voluntary and privately funded cleanup efforts.

Supporters of this concept believe the freedom of the Foundation to solicit contributions from the general public will significantly increase the ability to guide money towards actions that will enhance and improve the quality of the environment. H.R. 3844, in concert with the Good Samaritan provisions in H.R. 3843, provides an opportunity to address the AML issue in a more robust fashion with the help of the American people interested in improving the quality of the environment for the betterment of society.

Though the Obama Administration has proposed imposing significant fee and tax increases on the mining industry as a means to address the AMLs, critics point out that these proposals would fail to address the problem in a timely manner. Recently, a witness for Earthworks testified that EPA's estimated cleanup costs for hard rock AML sites would be about \$50 billion, and advocated for a reclamation fee that would raise \$180 million per year.² At that rate, using EPA's estimate, it would take **277 years** to address just the hard rock AML problem. Additionally, it is estimated that there is at least \$9 billion dollars left in coal AML cleanup costs, primarily in Appalachia.³

For AML sites (pre 1977 coal and pre 1981 hardrock) and orphaned oil and gas well sites, there is generally no responsible party left to remediate the mine site or address downstream water quality issues caused by acid rock drainage or other contaminants resulting from the mining or oil and gas activity.

¹ See: <http://naturalresources.house.gov/calendar/eventsingle.aspx?EventID=399212>;
<http://naturalresources.house.gov/newsroom/documentsingle.aspx?DocumentID=399238>

² See: <http://transportation.house.gov/uploadedfiles/2015-10-21-pagel.pdf>

³ See: <http://transportation.house.gov/uploadedfiles/2015-10-21-cavazza.pdf>

The proposed Foundation will have the ability to solicit contributions from the general public and the private sector whereas the federal government cannot.

This bill provides an opportunity for people genuinely interested in environmental causes to contribute to a positive program with tangible results that will enhance and improve the quality of the environment.

Congress has previously established foundations to support various missions within the Department of the Interior.⁴

Cost

The cost is \$19 million over a five year period if the matching funds requirement is met.

Administration Position

Unknown at this time, although the Bureau of Land Management has previously expressed support for this concept.

Effect on Current Law (Ramseyer)

None

⁴ See, for example: <http://www.nationalparks.org/about-us> and <http://www.nfwf.org/whoweare/Pages/home.aspx>