

Statement of
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Before the
Committee on Natural Resources
Subcommittee on Energy and Mineral Resources
U.S. House of Representatives
Examining the President’s FY 2025 Budget Request for the United States Geological Survey
and the Office of Surface Mining Reclamation and Enforcement
May 22, 2024

Introduction and Background

Chairman Stauber, Ranking Member Ocasio-Cortez, and other Members of the Subcommittee, thank you for the invitation to testify on behalf of the Office of Surface Mining Reclamation and Enforcement (OSMRE) on the President’s FY 2025 budget request and priorities for the bureau.

Through the Surface Mining Control and Reclamation Act of 1977 (SMCRA) of 1977 (Pub. L. No. 95-87), Congress established OSMRE for two primary purposes:

First, to ensure that the Nation’s coal mines operate in a manner that protects citizens and the environment during mining, and to restore the land affected to a condition capable of supporting the uses it could support before any mining, or higher or better uses following mining.

Second, to implement an abandoned mine land (AML) program to address the hazards and environmental degradation resulting from coal mining activities that occurred before the law was passed in 1977.

OSMRE is committed to protecting people, land, water, and the environment while ensuring coal mining is conducted in an environmentally responsible way. Currently, 23 States have approved regulatory programs in place pursuant to the requirements of Title V of SMCRA. There are 25 States and three Tribes that administer approved AML reclamation plans pursuant to Title IV of SMCRA. The major task for OSMRE is to ensure that States and Tribes administer effective regulatory and AML programs. OSMRE oversees these programs and provides significant funding, technical assistance, training, and technological tools to support their success.

FY 2025 Budget Request Highlights

OSMRE's FY 2025 budget request is \$304.7 million, \$26.0 million above the FY 2024 enacted level (Pub. L. No. 118-42). The FY 2025 budget request for the Regulation and Technology appropriation is \$128.9 million and the Abandoned Mine Reclamation Fund appropriation is \$175.8 million. The \$304.7 million budget request in discretionary appropriations will enable OSMRE to fulfill its Title IV (Abandoned Mine Land Reclamation) and Title V (Environmental Impacts of Surface Coal Mining) responsibilities under SMCRA.

In addition to discretionary appropriations, the budget includes \$1.3 billion in mandatory funding, as required under current law, for reclamation grants to States and Tribes and for three health care plans that are part of the United Mine Workers of America (UMWA) Health and Retirement Funds and the 1974 UMWA pension plan. The FY 2025 budget focuses on funding OSMRE's core mission and supporting the highest priority activities.

The FY 2025 budget request funds the oversight of responsible coal production through the protection, and restoration of mined lands and the restoration of mined lands left unreclaimed from historical mining operations. Approximately 66% (\$200 million) of OSMRE's FY 2025 total request for discretionary appropriations provides financial assistance to eligible States and Tribes in the form of regulatory grants (\$65 million) and AML Economic Revitalization (AMLER) grants (\$135 million). The remaining 34% (\$104.7 million) covers OSMRE's operational costs in fulfilling its SMCRA responsibilities.

OSMRE's discretionary appropriation includes five Budget Activities: Environmental Protection, which supports Title V programs, including regulatory grants; Environmental Restoration, which supports AML programs and funds AMLER grants; Technology Development & Transfer; Financial Management; and Executive Direction & Administration.

The fixed cost and baseline capacity increases proposed in the FY 2025 budget reflect increased rent, utility, and payroll expenditures that OSMRE has incurred and expects to incur. More details regarding the fixed cost and baseline capacity increases are available in the *Office of Surface Mining Reclamation and Enforcement Budget Justifications and Performance Information FY 2025*.

Environmental Protection – Title V – Regulation and Technology

OSMRE's FY 2025 budget request for Environmental Protection is \$91.4 million, supported by 181 FTEs. This will enable OSMRE to meet its 2025 performance goals for the Environmental Protection budget activity, which includes providing \$65 million in regulatory grants to support 23 primacy State regulatory programs and funding the regulatory program development costs for three Tribes.

Despite the long-term decline in coal demand and production, the costs to operate State regulatory

programs has not fallen. In fact, State regulators are grappling with new challenges associated with overseeing an industry in decline. Financial stress – including bankruptcies – is making the job of regulating harder, not easier. Frequently, the task of reclamation is falling to State regulatory authorities as bonds for cleanup are forfeited, which requires additional State program staff capacity. SMCRA authorizes the Federal government to pay up to half of the costs of States to run their regulatory programs. Congress should provide \$65 million in FY 2025, the full amount requested in the budget, to ensure that State regulatory programs have sufficient resources to meet SMCRA goals.

The FY 2025 Environmental Protection request also includes \$10 million to oversee and evaluate State and Tribal regulatory programs and \$8.7 million to fund Federal regulatory programs in non-primacy States, such as Tennessee and Washington, and on Indian lands. Also included in the FY 2025 budget request is \$1.7 million for OSMRE to carry out mining plan reviews for Federal lands and \$6 million for program development and maintenance to continue efforts to streamline the approval process for State program amendments and ensure that regulatory standards adequately reflect changes in technologies and program needs.

Environmental Restoration – Title IV – Abandoned Mine Reclamation Fund

The FY 2025 budget request for Environmental Restoration is \$156.1 million, supported by 43 FTEs, a program increase of \$9.7 million above the FY 2024 enacted level. The request supports State and Tribal AML program evaluations, abatement of high-priority coal mining-related hazards through the Federal Reclamation Program, and strategic partnerships to address acid mine drainage (AMD) and other water pollution problems through the Passive Treatment Protection Program.

In FY 2025, the Environmental Restoration program plans to continue to support abandoned coal mine land reclamation through traditional mandatory AML grants and annual appropriations, eliminating health, safety, and environmental hazards and providing several hundred thousand people with reduced exposure to safety risks from abandoned mine lands. Under the State Program Evaluation activities, OSMRE oversees and evaluates the State and Tribal AML reclamation operations. Federal Reclamation Program projects and operations mitigate AML hazards in States and on Indian lands where an approved AML program does not exist. This program also funds the Watershed Cooperative Agreement Program to support cooperative conservation with local nonprofit organizations. The Environmental Restoration budget activity also funds Program Development and Maintenance, which provides policy direction, support, and services to States and Tribes.

Abandoned Mine Land Economic Revitalization Program (AMLER)

In addition to the above-mentioned activities, the Environmental Restoration budget activity provides eligible States and Tribes with AMLER grants and funds OSMRE's administration of the program, including guidance on project eligibility criteria and reporting requirements. This program provides grants to six States and three Tribal nations (Alabama, Kentucky, Ohio, Pennsylvania, Virginia, West

Virginia, Crow Tribe, Hopi Tribe, and Navajo Nation) with the dual purpose of reclaiming AML sites and supporting economic and community development.

The FY 2025 budget includes \$135 million for AMLER grants and allocates 0.75 percent of that amount to OSMRE for program administration and 0.5 percent for oversight by the DOI Office of the Inspector General. The request would provide OSMRE with dedicated funding for AMLER administration for the first time since the program's inception in 2016 and would enable the bureau to enhance support for States and Tribes to develop projects and improve the Federal project approval process. The additional authorization to transfer 0.5 percent of AMLER funding to the DOI Office of the Inspector General for oversight of AMLER implementation will further improve the overall administration and strength of the program. Continued funding of the AMLER program will create recreational opportunities, support tourism, enhance infrastructure, and provide job training, skills, and economic opportunities to Appalachian coalfield communities and on Indian lands.

In its oversight capacity, OSMRE has historically worked with States and Tribes to ensure that selected projects are eligible for the AMLER program, Federal interests are protected, and funds are spent in compliance with statutory language. However, changes made to AMLER in the Consolidated Appropriations Act for Fiscal Year 2024 (Pub. L. No. 118-42) remove OSMRE oversight from grant approvals. As a result, for FY 2024 AMLER funding, States and Tribes will face oversight and compliance issues - such as those associated with the Endangered Species Act - on their own. The appropriations language proposed in the FY 2025 budget will remedy those issues by restoring program oversight and providing OSMRE with the necessary funding to effectively administer the program.

Priority Federal Reclamation Projects in Oklahoma

Pursuant to the Supreme Court decision in *McGirt v. Oklahoma*, OSMRE assumed SMCRA implementation on Indian lands within Oklahoma, including responsibility for the Title IV AML reclamation program. In FY 2024, OSMRE developed the Federal Indian Lands AML program in Oklahoma and funded an increase in FTEs to administer the program. The FY 2025 request of an additional \$1 million will build on the \$4 million in base funding to increase the number of AML projects that can be reclaimed in Oklahoma.

Passive Treatment Protection Program (PTPP)

Passive Treatment Protection Program projects are investments that will reduce water pollution from abandoned mine lands. In FY 2023, OSMRE was appropriated \$500,000 to begin the PTPP program. The FY 2025 budget request includes \$2 million for the PTPP program for grants to non-governmental organizations and to local and State government agencies to help operate, maintain, and rehabilitate AML passive treatment systems, and \$500,000 for OSMRE to administer the program.

Technology Development & Transfer – Title IV & V

The FY 2025 budget request for Technology Development and Transfer (TDT) is \$21.7 million, supported by 99 FTEs, with \$17.2 million to support Regulation and Technology activities and \$4.5 million to support Abandoned Mine Reclamation Fund activities. TDT activities provide technical support and training, including technology development, and technology transfer activities for Federal, State, and Tribal regulatory and reclamation staff, to ensure States and Tribes have the necessary technical skills and expertise needed to effectively operate their SMCRA programs. The TDT funding also facilitates OSMRE’s efforts to implement effective partnerships with stakeholders to meet SMCRA’s restoration and protection goals.

National Technical Training Program

OSMRE is working diligently to keep up with the needs of its State and Tribal partners with training programs delivered through the National Technical Training Program. During FY 2024, OSMRE plans to hold 45 in-person courses and has 16 virtual courses available through the Departmental learning management system. OSMRE provides States, Tribes, and staff with the best available technical data and information to support science-based decisions for mining plans, reclamation project design, permit reviews, blasting, and AMD prevention. OSMRE is redeveloping course materials to ensure the most up-to-date standards within each discipline are being taught. OSMRE is also soliciting technical experts from the States and Tribes to help teach courses and exchange information and best practices among Title IV and Title V practitioners.

Financial Management – Title IV & V

The FY 2025 budget request for the Financial Management budget activity is \$7.1 million, supported by 36 FTEs. The Financial Management budget activity provides resources for OSMRE to carry out its financial management program responsibilities through three activities: fee compliance, revenue management, and grants accounting management. Under this budget activity, OSMRE also manages the statutorily required transfers to three health care plans that are part of the UMWA Health and Retirement Funds and the 1974 Pension Plan and is responsible for AML fund investments.

Executive Direction & Administration – Title IV & Title V

The FY 2025 budget request for Executive Direction and Administration is \$28.3 million, supported by 69 FTEs. This is an increase of \$7.2 million and 1 additional FTE from the FY 2024 enacted level. The Executive Direction and Administration budget activity activities are integral to OSMRE’s Environmental Restoration and Environmental Protection budget activities and Technology Development and Transfer efforts. The Executive Direction and Administration budget activity provides leadership, policy, and program management guidance, and support for all areas of OSMRE’s SMCRA responsibilities. The Executive Direction and Administration activity includes the salaries and operating expenses for the Office of the Director and six immediate staff offices, including the offices of Equal Opportunity; Communications; Planning, Analysis, and Budget;

Information Resources; Administration; and Human Resources—all critical to the success of OSMRE’s activities.

Bipartisan Infrastructure Law (BIL)

The BIL (Pub. L. No. 117-58), enacted on November 15, 2021, provided OSMRE a total of \$11.3 billion to be distributed over a period of 15 years to accelerate AML cleanup. OSMRE awarded \$721 million to 22 eligible States and the Navajo Nation in FY 2022. As of May 3, 2024, OSMRE has awarded another \$679.6 million to 18 of 22 eligible States that have submitted a grant application for FY 2023. Over the life of the BIL AML program, OSMRE will make grants totaling almost \$10.9 billion to States and the Navajo Nation. These funds are having a significant impact on local communities by helping to address dangerous and polluting AML sites; creating good-paying, family-sustaining jobs; and catalyzing economic opportunity in coal communities.

Conclusion

With the funding requested for FY 2025, OSMRE looks forward to working with our State and Tribal partners to implement SMCRA activities that will protect people and the environment from the adverse effects of past and current coal mining activities. OSMRE’s ongoing efforts to improve its partnerships with local, State, and Tribal governments, industry, non-profits, and watershed and citizens groups will ensure greater effectiveness in addressing the environmental and public health and safety problems associated with coal mining activities.

Thank you for the opportunity to present this testimony today, and I am happy to answer any questions you may have at this time.