

S. _____ The Abandoned Mine Land Reclamation Fee Reauthorization Act of 2021

Section by Section Summary

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Section 1: Short Title

Section 2: Reclamation Fee

- Lowers the per-ton AML Fee for all categories of coal by 40% across all types of coal
 - Domestic thermal coal operators, particularly in the Powder River Basin, are struggling to maintain production levels in light of decreasing demand for thermal coal as a source of electricity generation. This lowered rate will still provide operators with a measure of relief while generating fee revenue for cleanup activities.
 - The level of AML funding collected and distributed each year is directly related to the level of coal production.
- Reauthorizes the fee collection for seven years, starting October 1, 2021.
 - This limited reauthorization term will allow Congress to revisit the state of the AML Fund and will allow an opportunity to revise the Program given rapidly changing industry economics.

Section 3: Increased Revenue Sharing with Coal Producing States

- Increases the percentage of federal revenues generated by coal leasing and production on federal land to states by 10%.

Section 4: Exemption and Release of AML payments to States and Tribes from Sequestration

- Returns funds previously sequestered from past AML payments from certified and uncertified states and tribes, and exempts AML payments from sequestration going forward.

Section 5: Technical Changes

- The purpose of this section is to make technical changes to allow for the reauthorized fee collection and spending down of the AML Fund under Section 7 for 15 years.

Section 6: Protection for Certified States and Tribes

- This section clarifies that any payments from the General Fund of the U.S. Treasury to certified states and tribes will not be subject to reduction should certified state and tribal payments and UMWA payments reach the cap of \$750 million in a given year.
- Under current law, payments to certified states and tribes are not subject to reduction should total payments from the General Fund of the U.S. Treasury hit the cap. However, the language in SMCRA to this effect is complex and has caused some confusion among stakeholders.

Section 7: Additional Grants from the AML Fund Starting FY2022

- At the end of FY2020, the balance of the AML Fund stood at approximately \$2.2 billion. The purpose of this section is to “pay down” the balance of the fund in installments of \$140 million per year over 15 years so that uncertified states with the most hazardous abandoned mine sites (Priorities 1 and 2) can address reclamation immediately.
- One key reason for maintaining a balance in the AML Fund was to generate interest that pays for the healthcare unionized miners. However, the Bipartisan American Pensions Act passed as part of the domestic spending bill in December 2019. This law increased amounts available from the General Fund of the U.S. Treasury to supplement UMWA healthcare obligations and provides for UMWA pension costs. This has reduced the need for interest revenue from the AML Fund.

Section 8: Community Reclamation Partnerships

- Leverages private funding from conservation groups for the remediation of acid mine drainage caused by abandoned mine sites.
- Allows states to enter into a memorandum of understanding (MOU) with environmental non-profits, who would fund and conduct clean up activity.
- State assumes liability for any violations that may arise as a result of clean up activity under MOU.

Section 9: Leveraging Technological Innovations for Reclamation Activities

- Directs the Department of the Interior (DOI) to conduct a study of innovative reclamation techniques, including geomorphic reclamation and the use of drones, to reduce reclamation costs and improve human safety.

Section 10: AML Program Oversight and Data Reporting

- A longstanding issue with the program has been high administrative costs.
- Directs DOI to identify cost savings and determine the ratio of overhead, administrative spending to amounts spent on actual abandoned mine land reclamation.
- Directs OSMRE to conduct and report on the funding and status of AML Pilot projects.