

The AML Fee Extension Act of 2021

Background

Congress passed The Surface Mining and Reclamation Act (SMCRA) of 1977 to promote the use of coal as a reliable domestic energy source capable of meeting the nation's energy needs, while reducing its environmental impacts. In order to address the environmental legacy of 250 years of prior coal mining and a patchwork of different state laws governing the use and reclamation of coal, Congress included Title IV SMCRA which established the Abandoned Mine Land Reclamation (AML) Program.

Since 1977, under the requirements of Title IV, coal mine operators have paid a per-ton fee to the Office of Surfacing Mining Reclamation and Enforcement (OSMRE) to fund the AML Reclamation Program. Over the years, the AML fund has collected over \$11 billion dollars in fees, and distributed the funds in AML grants to states and tribes for the use of addressing and reclaiming the hazards and environmental degradation caused by legacy mine sites that were abandoned before the enactment of SMCRA. Congress has extended the fee collection authority seven times, most recently in the Tax Relief and Health Care Act of 2006. The previous extension was for 15 years and is set to expire in September of this year.

Since the passage of SMCRA, the AML program has reclaimed over \$8 billion of AML problems. Despite this success, the existing backlog of AML needs are estimated to be more than \$10 billion. These AML sites continue to pose a threat to the health, safety and vitality of these coal communities – particularly in Appalachia.

What the AML Extension Act of 2021 Does:

The AML Fee Extension Act of 2021 recognizes the continuing contributions of the coal industry to our economy, and the need for existing environmental clean-up by extending the AML fee period for an additional 15-years.

Companies will continue to pay the fees, previously lowered in 2006, as follows:

- \$0.28/ton on surface mined coal
- \$0.12/ton on deep-mined coal (subsurface)
- \$0.08/ton on lignite