

Living Within Our Means and Investing in the Future: The President's Plan for Economic Growth and Deficit Reduction

Abandoned Mine Lands Payments

The President's Plan for Economic Growth and Deficit Reduction lives up to a simple idea: as a Nation, we can live within our means while still making the investments we need to prosper – from a jobs bill that is needed right now to long-term investments in education, innovation, and infrastructure. It follows a balanced approach: asking everyone to do their part, so no one has to bear all the burden. And it says that everyone – including millionaires and billionaires – has to pay their fair share. Pursuing a balanced approach to deficit reduction is critical to being able to keep our promises made to all Americans.

That is why the Administration is proposing to reform Abandoned Mine Lands (AML) payments to reduce unnecessary spending and ensure that the Nation's highest priority sites are effectively reclaimed. The coal industry is currently responsible for cleaning up abandoned coal mines by paying a fee that finances grants to States and Tribes for reclamation. This linkage was lost, however, when Congress in 2006 authorized additional unrestricted payments to certain States and Tribes that had already completed their coal mine reclamation work. In addition, regular reclamation funds are not well targeted at the highest priority abandoned mine lands, because amounts are distributed by a production-based formula so that funding goes to the States with the most coal production, not the greatest reclamation needs. States can use their funding for a variety of purposes, including the reclamation of abandoned hardrock mines, for which there is no other source of Federal funding.

To reduce the deficit and improve the effectiveness of abandoned mine lands payments, the Administration proposes to:

- Terminate unrestricted payments to the States and Tribes that have been certified for completing their coal reclamation work, since these payments do not contribute to reclaiming abandoned coal mines.
- Reform the distribution process for the remaining funds to allocate available resources competitively to the highest priority coal AML sites. Through a competitive grant program, a new AML Advisory Council will review and rank the abandoned mine lands sites, so that the Department of the Interior, in coordination with States and Tribes, can distribute grants to reclaim the highest priority coal sites each year.
- Create a parallel AML program for abandoned hardrock sites. Mining for hardrock minerals (i.e. silver, gold) has left a legacy of abandoned mines across the U.S. Like the coal program, hardrock reclamation would be financed by a new AML fee on the production of hardrock minerals on both public and private lands. This would hold the hardrock mining industry responsible for cleaning up the hazards left by its predecessors. The funds would be distributed through a competitive grant program to reclaim the highest priority hardrock sites on Federal, State, tribal, and private lands. Altogether, this proposal will save \$1.7 billion over the next 10 years. Equally important, it would focus

available coal fees to better address the Nation's most dangerous abandoned coal mines and establish a new approach to cleaning up abandoned hardrock mines across the country.

Pursue balanced deficit reduction to prevent drastic cuts. We have little doubt that some of these proposals will not be popular with those who benefit from these affected programs. These are tough choices that we had to make -- and some of these changes are those that we would not make if it were not for our fiscal situation. But we are all in this together, and all of us must contribute to getting our economy moving again and on a firm fiscal footing. If we all don't pitch in, we know what happens if we try to do this much deficit reduction without a balanced approach -- because the congressional Republicans have proposed to do that. Millionaires and big corporations keep all their special tax breaks and tax cuts while there are severe cuts in programs we need to grow and prosper on which many Americans rely.

We believe the President's plan is the most fair and effective way to keep the promises made to all Americans while achieving the deficit reduction needed to win the future.