

OFFICE OF THE GOVERNOR
STATE OF MONTANA

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July 21, 2015

Senator Jon Tester
311 Hart Senate Building
Washington, DC 20510

Senator Steve Daines
320 Hart Senate Building
Washington, DC 20510

Congressman Ryan Zinke
113 Cannon House Building
Washington, DC 20515

President's FY 2016 Budget for the Office of Surface Mining Reclamation and Enforcement

Dear Senator Tester, Senator Daines, and Congressman Zinke:

I am writing to express concern regarding certain provisions in the President's FY 2016 proposed budget for the Office of Surface Mining Reclamation and Enforcement (OSMRE), which propose to end Abandoned Mine Lands (AML) in lieu payments to certain states and tribes, including Montana and the Crow Tribe. The funds that OSMRE distributes to AML Programs are derived from a tax on coal mined within the state or tribe's boundaries. Termination of these funds would prevent the Montana and Crow AML Programs from addressing a host of coal-related problems.

In addition, the State of Montana has over 6,700 known abandoned mine and mill sites across the state. While our AML Programs have successfully reclaimed many of these abandoned sites on private, public, and tribal lands, most remain unaddressed due to a lack of funding, and often continue to pose a threat to human health and the environment.

I strongly urge you to fight to preserve funding for Montana and other certified states and tribes so they can continue to create jobs, eliminate health and safety problems associated with abandoned mines, and clean up the environment.

De-funding the Montana and Crow Programs would remove well over \$5 million dollars in direct annual spending from Montana's economy, primarily in the form of high paying construction and engineering jobs.

In 1989, the State of Montana certified that it had completed all high priority coal-related reclamation problems eligible for SMCRA funding, and OSMRE approved Montana's use of the funding for non-coal projects. Nevertheless, Montana continues to address coal mine related problems as they arise, including significant issues such as hazardous mine subsidence, coal fires, and acid mine drainage. The Montana Program currently spends over 80% of its federal grant on coal-related projects. As an example, it will require an estimated \$100 million to mitigate the acid mine drainage problems located in the Great Falls coal fields.

In 2008, the Crow Tribe certified that it had completed all high priority coal-related reclamation problems, and OSMRE approved the Tribe's use of SMCRA funding for non-coal projects. The Crow Tribe continues to use SMCRA funding for community betterment projects for citizens impacted by historic coal mining as well as maintaining and tracking the safety hazards associated with abandoned coal mines on tribal lands.

The President's budget contains a proposal to increase coal fees to the original levels set by SMCRA in 1977. Montana and Crow coal producers would face increased taxes on coal mined, but none of that money would return to the Montana and Tribal economies through the reclamation of abandoned coal mines. With respect to the Crow Tribe, the fees are collected on coal resources that are owned by the Crow Tribe.

In 1977 Congress promised that a minimum of half the money generated from fees collected by OSMRE on coal mined within the boundaries of a state or tribe would be returned to the state or tribe for abandoned mine reclamation. Similarly, in 2006, continuing this funding was a key part of a delicate compromise to restructure SMCRA.

I urge your offices to work to keep the promise to Montana and the Crow Tribe.

Thank you for representing Montana and the Crow Tribe's voice regarding the FY2016 President's budget and this important matter. Please contact me for further discussions coordinating our position on these proposals. The AML Programs have worked diligently to eliminate public health and safety hazards, restore our land and water and create jobs. I hope you will help safeguard this valuable program for the good of all Montanans.

Sincerely,



STEVE BULLOCK
Governor

cc: Chairman Darrin Old Coyote
Secretary AJ Not Afraid
Autumn Coleman