



OFFICE OF
INSPECTOR GENERAL
U.S. DEPARTMENT OF THE INTERIOR

OFFICE OF SURFACE MINING RECLAMATION AND ENFORCEMENT'S OVERSIGHT OF THE ABANDONED MINE LANDS PROGRAM



**OFFICE OF
INSPECTOR GENERAL**
U.S. DEPARTMENT OF THE INTERIOR

MAR 30 2017

Memorandum

To: Glenda H. Owens
Acting Director, Office of Surface Mining Reclamation and Enforcement

From: Mary L. Kendall *Mary L. Kendall*
Deputy Inspector General

Subject: Final Evaluation Report – Office of Surface Mining Reclamation and Enforcement's Oversight of the Abandoned Mine Lands Program
Report No. 2016-EAU-007

This report presents the results of our evaluation of the Office of Surface Mining Reclamation and Enforcement's (OSMRE) oversight of the Abandoned Mine Lands program. We make 11 recommendations to help OSMRE improve its oversight and data management for the Abandoned Mine Lands program and to ensure that coal-related hazards are given reclamation priority.

In response to our draft report, OSMRE concurred with our findings and recommendations. OSMRE provided descriptions of actions planned and target dates for completion. We consider these recommendations resolved but not implemented, and will refer them to PMB for tracking and implementation.

The legislation creating the Office of Inspector General requires that we report to Congress semiannually on all audit, evaluation, and inspection reports issued; actions taken to implement our recommendations; and recommendations that have not been implemented.

If you have any questions regarding this report, please call me at 202-208-5745.

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Results in Brief

The Office of Surface Mining Reclamation and Enforcement (OSMRE) has not used its authority over abandoned mine land (AML) grants to ensure that certified States give coal reclamation projects priority over non-coal reclamation projects. This has allowed States to operate their reclamation programs without input from OSMRE regarding project selection. As a result, non-coal reclamation is completed while coal-related hazards persist.

OSMRE did not ensure that States updated reclamation plans, further limiting its ability to oversee the program. OSMRE has also been ineffective in ensuring funds are spent on reclamation work as the States of Mississippi and Louisiana have spent significant amounts of AML grant money on administrative costs, while accomplishing no reclamation work. In addition, OSMRE was unable to provide a comprehensive accounting of the AML hazards facing certified States due to inaccuracies and incomplete information in its data management tools. This information is crucial for managers and decision makers, but we found it to be unreliable and incomplete. Inventories of more than \$100 million in current coal-related hazards impacting certified States makes it imperative for OSMRE to work with States to ensure that AML grants provided under the Surface Mining Control and Reclamation Act of 1977 are used in the most beneficial manner consistent with the Act.

We make 11 recommendations to help OSMRE improve oversight and data management for AML grants given to certified States and to ensure that coal-related hazards are given reclamation priority.

Introduction

Objective

We conducted this evaluation to determine if the Office of Surface Mining Reclamation and Enforcement's (OSMRE) oversight of certified States ensures that the use of AML funds meet the intent and requirements of the Surface Mining Control and Reclamation Act of 1977 (SMCRA).

Background

In 1977, Congress passed SMCRA, in part, to reclaim land disturbed by abandoned coal mines throughout the United States. The Abandoned Mine Land (AML) reclamation program under Title IV of SMCRA seeks to protect the public from and restore resources damaged by “the adverse effects of coal mining practices.” Congress also required that States establish a coal mining regulatory agency under Title V of SMCRA to prevent coal mines from being abandoned in the future, to ensure these sites are reclaimed, and to address environmental impacts. SMCRA requires that States have an approved Title V regulatory program in order to receive AML funds for a Title IV AML program.

The U.S. Department of the Interior (DOI) administers the AML program through OSMRE. OSMRE uses fees generated from coal production, and other sources, to provide annual AML grants to States with an approved AML program. These States use AML grants to reclaim their abandoned coal mines and other mining reclamation. OSMRE tracks eligible AML projects in its Abandoned Mine Lands Inventory System (e-AMLIS). These eligible projects are also categorized by the potential impact of the hazard created by the abandoned mine, and they are given a priority category.

States are required to submit a reclamation plan in order for OSMRE to approve their AML program. These reclamation plans outline the relationship between OSMRE and individual States, and also form the basis for the States' AML programs. OSMRE has the ability to enforce reclamation plans to ensure that States are meeting the agreed-upon expectations of their AML programs, including giving priority to coal projects over non-coal reclamation.

When a State has reclaimed all of its eligible coal projects, it can apply to become “certified.” Once certified, States have more leeway on spending AML grant funding for other projects. To become certified, the Governor of a State must submit a certification of completion to the Secretary of the Interior. This certification must express that the State has reclaimed all known coal-related reclamation projects for eligible lands and waters listed under SMCRA or has established a process to reclaim any remaining coal-related problems. Furthermore, a State must agree to acknowledge and give top priority to any coal-related problems that arise after submitting the certification of completion and that arise during the life of the approved abandoned mine reclamation program.

After certification, States are subject to less stringent requirements on spending AML grant money but must still give coal-related reclamation top priority. For example, spending is not limited to coal mines abandoned prior to 1977 and instead, States are allowed to spend AML grants to reclaim hazards associated with mineral mining. Moreover, certified States can spend their AML grants on projects that improve the general welfare of people and communities impacted by historic coal mining, subject to the appropriations of State legislators. Currently, certified States include Louisiana, Mississippi, Montana, Texas, and Wyoming.

Coal reclamation projects persist even after certification. Hazards associated with historic coal mining are not static, so coal hazards that were previously addressed may require maintenance, or the reclamation efforts may fail years after completion. In addition, the full extent of coal mining prior to 1977 is not fully known. Since historic records are incomplete, new mines and related hazards are continually identified. The impact of previously identified hazards can also increase as expanding urban populations move into previously less populated rural areas. Certified States such as Montana and Wyoming still face a growing inventory of historic coal mining hazards even after certification.

Findings

OSMRE's oversight of certified States does not meet the intent and requirements of SMCRA. In particular, OSMRE has not used its authority to ensure that certified States give coal reclamation projects priority over non-coal reclamation projects, as agreed to during the certification process. OSMRE has also been ineffective in ensuring funds are spent on reclamation work, as two certified States have spent significant amounts of grant money while not accomplishing any reclamation during our review period. Further, OSMRE's AML inventory database (e-AMLIS) is unable to provide a comprehensive picture of the AML hazards faced by certified States due to database limitations.

OSMRE Has Not Used Its Oversight Authority

OSMRE has not ensured that certified States are giving coal projects the proper priority. States have determined the order for undertaking reclamation projects with little or no input from OSMRE. States are not properly prioritizing coal reclamation projects and, in some cases, not completing any reclamation projects despite significant expenditures.

Further, OSMRE has not enforced State reclamation plans or required States to update these plans. Outdated State reclamation plans undermine OSMRE's ability to oversee and hold States accountable for carrying out program priorities.

OSMRE Did Not Ensure Top Priority for Coal Reclamation Projects

Certified States did not give coal-related reclamation projects top priority over non-coal, and some States did not complete any reclamation projects. To become certified, States must agree "to acknowledge and give top priority to any coal-related problem(s) that may be found or occur" after certification and during the life of the State's approved reclamation program.¹ In order to implement this agreement, States are required to submit a plan describing how they will address newly identified coal problems and what funds will be used.²

OSMRE has failed to enforce the States' agreement. When OSMRE enacted these regulatory requirements, it stated that it had the authority to suspend or revoke a certification, but viewed that authority "as an action of last resort, if necessary."³ As a result, OSMRE decided against adding regulations that would describe how it would suspend or revoke a State's certification if it failed to address coal problems after certification. Instead, OSMRE intended to "focus [its] efforts to work cooperatively with certified States or Indian tribes to ensure coal problems that exist after certification are appropriately addressed." OSMRE has allowed the

¹ 30 C.F.R. § 875.13(a)(3).

² 30 C.F.R. § 875.13(b).

³ Federal Register, Volume 73, Number 221, "Abandoned Mine Land Program," pages 67,576 and 67,611 (November 14, 2008).

certified States to ignore their obligation to give coal-related problems top priority.

Funding Diverted to Non-Coal Related Projects

OSMRE has allowed Wyoming, Montana, and Texas to continually spend significant portions of their yearly AML grant money on non-coal projects while hazardous coal projects remain unfunded. The nature of abandoned coal mines accounts for some of this growing problem and underlines the need for a continued focus on coal-related hazards as new coal-related hazards are discovered after certification and previously reclaimed hazards continue to develop. Towns like Rock Springs, WY, currently face significant subsidence issues due to historical coal mining. Reclaiming these sites will likely cost nearly \$100 million; however, Wyoming is diverting AML grant funds to other projects instead of giving coal reclamation projects top priority.

Currently, Wyoming has an inventory of \$90 million in unfunded coal reclamation projects. This inventory continues to grow despite significant AML grant funding. From 2008 through 2012, Wyoming has spent a total of \$134 million on coal reclamation, compared to the \$329 million spent on non-coal reclamation and non-reclamation projects (see Figure 1). For grant years 2013 through 2016, Wyoming has approved budgets that allocate a total of \$166 million to coal reclamation and \$214 million to non-coal related projects.

Wyoming AML Grant Spending on Reclamation

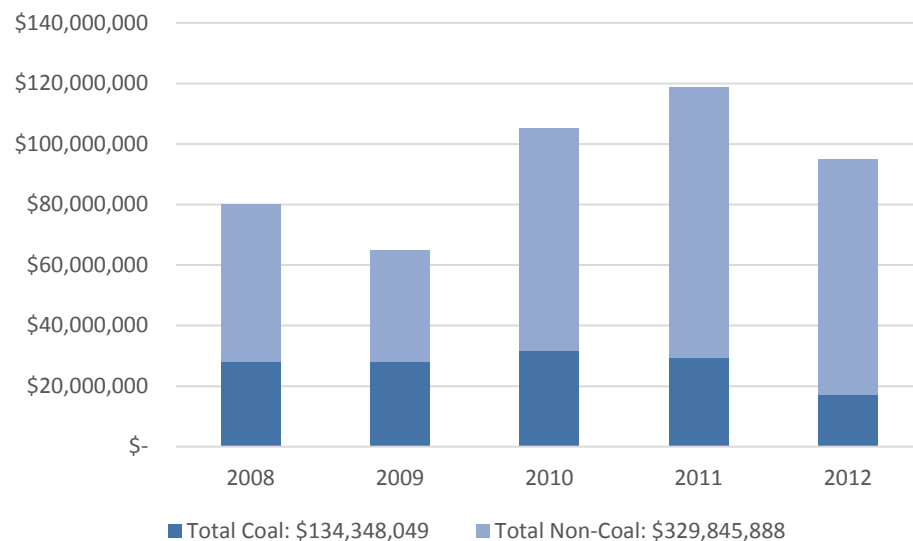


Figure 1. AML grant spending on reclamation from 2008 through 2012.

Source: OSMRE budget expenditures.

Similarly, Texas has spent \$16.1 million to reclaim non-coal sites since 2008, while its remaining coal projects total over \$1 million. Some of these projects were originally identified in 1980. OSMRE is not always aware of AML grant

funds spent on non-coal work until after the projects are completed because States are not required to obtain OSMRE permission prior to undertaking non-coal projects. Whereas on coal reclamation projects, States are required to submit authorizations to proceed (ATPs) to OSMRE for approval prior to starting work.

No Completed Reclamation Projects

Mississippi and Louisiana spent hundreds of thousands of dollars in AML grant funding without completing any reclamation projects.

Since 2008, Mississippi has spent \$336,063 on its AML program, including \$68,000 since its certification in 2014, but it has not made progress in reclaiming its four coal reclamation project areas. Mississippi's four coal reclamation project areas have a combined reclamation cost estimate of \$21,000. Mississippi identified these sites in its certification of completion, with a projected completion date of July 2015. Mississippi has yet to complete any reclamation work. To date, Mississippi has spent 100 percent of its 2015 grant (\$68,000) on administrative costs, including a consulting contract with the State's former program director for \$20,000 per year, even though the program made little or no reclamation progress during his tenure as program director. OSMRE has made several attempts to encourage Mississippi to follow through on reclamation projects, with minimal results. For example, after our site visit in April 2016, OSMRE sent a letter to the Mississippi Department of Environmental Quality Abandoned Mine Land Division stating that delay or disapproval of future grants was possible.

In addition, Louisiana allocated 100 percent of its AML grant funding to administrative costs from 2008 to 2011. Louisiana has no coal reclamation projects but currently has an inventory of \$14 million in non-coal reclamation projects eligible for funding with AML grants. Since 2008, Louisiana has spent over \$500,000 in AML grants solely on administrative costs, and has not completed any reclamation projects.

Funds Transferred to Mining Regulatory Program

Since 2011, Louisiana has transferred over \$400,000 from its AML program to its mining regulatory program. Texas used \$440,000 in AML grant funding to complete projects that primarily benefit its mining regulatory program instead of its AML program. By doing so, Louisiana and Texas have prioritized another program ahead of the stated goals of the AML grants and left eligible hazards unaddressed.

OSMRE Did Not Enforce State Reclamation Plans

OSMRE has not enforced provisions of State reclamation plans and has allowed them to become outdated. State reclamation plans are required by SMCRA and are the basis for the State AML programs. These plans also outline the relationship between OSMRE and individual States. OSMRE has the authority to enforce the provisions of these State reclamation plans, but rarely uses this as a

tool to ensure States meet agreed-upon expectations, including prioritization of coal reclamation projects over non-coal reclamation projects.

OSMRE has not ensured that States update reclamation plans as outlined in 30 C.F.R. § 884.15. Congress amended SMCRA in 2006, but OSMRE did not require States to update their reclamation plans. Updated reclamation plans ensure that OSMRE and States understand their shared goals, set expectations for project selection, and establish a plan for meeting those expectations. Four of the five certified States' reclamation plans (Wyoming, Texas, Louisiana, and Montana) predate the 2006 amendments to SMCRA, with Texas and Louisiana's plans dating back to the early 1980s. Mississippi's reclamation plan was enacted in 2007 and still predates significant changes to its AML program as it became certified in 2014.

Recommendations

We recommend that OSMRE:

1. Ensure that States are properly giving first priority to coal-related reclamation projects;
2. Require certified States to update their reclamation plans and continue to do so at periodic intervals;
3. Develop and implement an agreed-upon prioritization matrix and goals with timelines that will ensure coal hazards are addressed first and clearly defines when a non-coal project may be selected ahead of a coal project;
4. Require Authorizations To Proceed for all projects and approve in accordance to prioritization matrix;
5. Require Mississippi to complete coal reclamation projects in its State certification plan and establish new deadlines for completion; and
6. Develop and implement an enforcement plan to ensure updated reclamation plans are carried out.

OSMRE Was Not Able to Provide a Comprehensive Accounting of AML Hazards

OSMRE was not able to provide a comprehensive accounting of the AML hazards facing certified States due to inaccuracies and incomplete information in its data management tools.

e-AMLIS Not An Effective Tool

OSMRE uses e-AMLIS to maintain an inventory of AML projects, but the database does not have several components necessary for management. States are required to enter coal-related AML projects and construction estimates into e-AMLIS, but not known non-coal hazards. As such, OSMRE is unaware of the full extent of eligible reclamation inventories faced by certified States.

Without a full inventory of coal and non-coal hazards, OSMRE is unable to make determinations about the prioritization methods used by States. Certified States are allowed to undertake non-coal reclamation with AML grant funding, but OSMRE is unable to determine whether a non-coal reclamation project merits prioritization ahead of a coal-related project without complete information in the inventory. States are also not required to obtain OSMRE's approval prior to reclaiming non-coal sites, which also hinders OSMRE's ability to ensure projects are done in an approved order.

e-AMLIS was unable to capture and maintain current project management information useful for making planning decisions. e-AMLIS tracks estimated and actual construction costs associated with particular projects, but not planning and engineering costs. Planning and engineering costs can represent up to 20 percent of the total cost of a reclamation project. In addition, the construction costs for reclamation projects were not regularly updated. Many construction cost estimates were entered over 20 years ago and have not been updated. As a result, decision makers using e-AMLIS as the basis for funding decisions will have an incomplete picture of the amount of funding needed to complete these projects.

e-AMLIS is not an effective project management tool because it has limited ability to track ongoing projects. OSMRE and States were forced to create or purchase stand-alone project management tools for full project management. This has led to redundant efforts, as identical information was entered into two separate systems. Data entry on current projects was also cumbersome in e-AMLIS and has led to a series of errors on ongoing projects, including the loss of construction costs, as data has been inadvertently overwritten.

Both State and OSMRE staff reported that e-AMLIS was unreliable in data retrieval as well. OSMRE staff reported that identical database queries yielded different results. Overall, OSMRE staff reported that they were not confident in e-AMLIS' ability to deliver accurate accounting for AML projects.

Subaccount Errors in FBMS

During our review, we discovered errors in DOI's Financial and Business Management System (FBMS) for Texas' AML grants for 2008, 2009, 2012, and 2014. The FBMS accounting for AML grants did not match the annual program narratives for these years. The grant closeout program narratives reported that both coal and non-coal reclamation projects were undertaken in those years, while FBMS recorded that only coal reclamation projects had been completed. For

example, in 2008, the grant closeout narrative reported that the program completed \$1.92 million in coal reclamation and \$1.26 million in non-coal reclamation, while FBMS recorded no funds expended for coal reclamation and \$3.18 million in non-coal reclamation.

Recommendations

We recommend that OSMRE:

7. Require States to review and certify that coal projects in e-AMLIS are accurate and complete;
8. Require States to enter non-coal projects into e-AMLIS;
9. Ensure all appropriate information for program management is collected and tracked to include engineering and design costs;
10. Assess the data integrity issues identified by OSMRE staff and ensure that the e-AMLIS data is reliable and consistent; and
11. Reconcile FBMS subaccounts with program narratives and ensure FBMS accurately reports funds spent on coal and non-coal projects.

Conclusion and Recommendations

Conclusion

OSMRE's management has resulted in States spending grant monies with no assurance that they met the intent and requirements of SMCRA. Louisiana and Mississippi have also been allowed to spend significant funds while accomplishing no reclamation. OSMRE has the ability and opportunity to ensure that certified States are spending AML grants in a manner that reflects the ongoing hazard that historic coal mining represents. OSMRE must increase its efforts to hold certified States' AML programs accountable to increase transparency and efficacy, as well as improve data reliability and comprehensiveness of its AML program.

Recommendations Summary

OSMRE formally responded to our draft report and concurred with all recommendations. Based on its response, we consider all recommendations resolved but not implemented. OSMRE's full response is included in Appendix 2. The following summarizes our recommendations and OSMRE's target completion dates.

We recommend that OSMRE—

1. Ensure that States are properly giving first priority to coal-related reclamation projects.

OSMRE Target Date for Completion: September 30, 2020

2. Require certified States to update their reclamation plans and continue to do so at periodic intervals.

OSMRE Target Date for Completion: September 30, 2020

3. Develop and implement an agreed-upon prioritization matrix and goals with timelines that will ensure coal hazards are addressed first and clearly defines when a non-coal project may be selected ahead of a coal project.

OSMRE Target Date for Completion: September 30, 2020

4. Require Authorizations To Proceed for all projects and approve in accordance to prioritization matrix.

OSMRE Target Date for Completion: September 30, 2020

5. Require Mississippi to complete coal reclamation projects in its State certification plan and establish new deadlines for completion.

OSMRE Target Date for Completion: January 31, 2020

6. Develop and implement an enforcement plan to ensure updated reclamation plans are carried out.

OSMRE Target Date for Completion: September 30, 2020

7. Require States to review and certify that coal projects in e-AMLIS are accurate and complete.

OSMRE Target Date for Completion: September 30, 2023

8. Require States to enter non-coal projects into e-AMLIS.

OSMRE Target Date for Completion: September 30, 2020

9. Ensure all appropriate information for program management is collected and tracked to include engineering and design costs.

OSMRE Target Date for Completion: September 30, 2020

10. Assess the data integrity issues identified by OSMRE staff and ensure that the e-AMLIS data is reliable and consistent.

OSMRE Target Date for Completion: September 30, 2020

11. Reconcile FBMS subaccounts with program narratives and ensure FBMS accurately reports funds spent on coal and non-coal projects.

OSMRE Target Date for Completion: September 30, 2020

Appendix I: Scope and Methodology

Scope

We reviewed grant and project administration for certified States from 2008 to 2016.

Methodology

To accomplish the evaluation objective, the team—

- Interviewed OSMRE and State personnel to identify oversight practices;
- Reviewed State AML inventories and OSMRE project management;
- Analyzed OSMRE’s reviews of State grant applications and closeout procedures and internal controls;
- Reviewed a judgmental sample of closed and open grants;
- Determined States’ use of Title IV funds for Title V purposes and reviewed overall administrative costs;
- Discussed relevant topics with OIG Office of General Counsel; and
- Reviewed State reclamation plans and annual performance plans to determine if they meet the requirements and intent of SMCRA.

We visited or contacted:

- Montana Department of Environmental Quality, Helena, MT;
- Railroad Commission of Texas, Surface Mining and Reclamation Division, Austin, TX;
- Wyoming Department of Environmental Quality, Cheyenne, WY;
- Louisiana Office of Conservation, Baton Rouge, LA;
- Mississippi Office of Environmental Quality, Jackson, MS; and
- OSMRE AML national, regional, and State personnel.

This assignment was conducted as an evaluation in accordance with the Quality Standards for Inspection and Evaluation as put forth by the Council of the Inspectors General on Integrity and Efficiency.

Appendix 2: Response to Draft Report

The Office of Surface Mining Reclamation and Enforcement's response follows on page 14.



United States Department of the Interior


OFFICE OF SURFACE MINING
RECLAMATION AND ENFORCEMENT
Washington, D.C. 20240

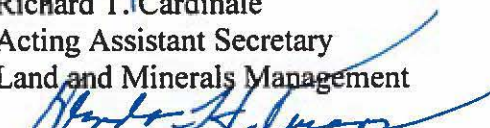


MAR - 3 2017

Memorandum

To: Mary L. Kendall
Deputy Inspector General

Through: 
Richard T. Cardinale
Acting Assistant Secretary
Land and Minerals Management

From: 
Glenda H. Owens
Acting Director

Subject: Response to Draft Evaluation Report – Office of Surface Mining Reclamation and Enforcement's Oversight of the Abandoned Mine Lands Program, Report No. 2016-EAU-007, dated January 12, 2017

The Office of Surface Mining Reclamation and Enforcement (OSMRE) has reviewed the Office of Inspector General's (OIG) report entitled, *Draft Evaluation Report – Office of Surface Mining Reclamation and Enforcement's Oversight of the Abandoned Mine Lands Program*, Report No. 2016-EAU-007, dated January 12, 2017. We appreciate your staff's review of OSMRE's oversight of the certified states' use of Abandoned Mine Land (AML) program funds to ensure that the states' use of those funds meet the intent and requirements of the Surface Mining Control and Reclamation Act of 1977 (SMCRA). The OIG draft report contains Findings and Recommendations intended to improve OSMRE's oversight and management of the AML program and to ensure that certified states are giving coal-related hazards reclamation priority over non-coal problems. OSMRE intends to use the recommendations contained in the report to improve its oversight and data management of the AML Program.

OSMRE accepts the draft report's Recommendations. *See Attached Response.* The attached response describes in general terms how OSMRE will address each recommendation, establishes proposed and actual completion dates, and identifies responsible officials. Upon receipt of the OIG's concurrence with OSMRE's proposed corrective actions, we will prepare a detailed Action Plan to ensure completion of corrective actions for each recommendation. In addition, OSMRE intends to conduct a detailed review of the OIG's findings with each of the certified states, Louisiana, Mississippi, Texas, Montana, and Wyoming. OSMRE is committed to identifying and correcting any weaknesses in its oversight of the AML Program, generally, and as applied to the certified states, specifically.

Thank you for the opportunity to provide responses and for the courtesies extended to my staff during your review of OSMRE's oversight of the AML Program.

Attachment: OSMRE's Response to the OIG Draft Evaluation Report No. 2016-EAU-007

U.S. Department of Interior
Office of Surface Mining Reclamation and Enforcement Response to:
Office of Inspector General
Draft Evaluation Report - Office of Surface Mining Reclamation and Enforcement's
Oversight of the Abandoned Mine Land Program
(Report No. 2016-EAU-007)

Recommendation No. 1: Ensure that States are properly giving first priority to coal-related reclamation projects.

Response to Recommendation No. 1:

OSMRE accepts this recommendation. OSMRE will improve its simplified grant application process, as the first step in ensuring that priority is given to coal reclamation projects. The simplified grant application process currently allows for funds to be placed in subaccounts with minimal information about proposed projects in the program narrative section of the AML grant application. OSMRE will require certified states to identify all coal and non-coal reclamation projects as part of their program narratives. Certified states will also be required to ensure that all proposed coal and non-coal reclamation projects identified in their AML grant applications are listed in the enhanced-Abandoned Mine Land Inventory System (e-AMLIS). In addition, OSMRE will require written justification for any non-coal project proposed for funding before a coal related project. We believe that these enhancements to the grant monitoring process will strengthen OSMRE's oversight capability as provided for under Title 2 of the Code of Federal Regulations (CFR) Part 200¹.

OSMRE will also require certified States to update and submit their AML project reclamation plans pursuant to 30 CFR 875.13(a)(3) and 875.14(b). In addition, OSMRE will require certified states to demonstrate how selected reclamation projects align with the prioritization matrix developed by OSMRE. *See below.*

Target Date for Completion: September 30, 2020

Responsible Official: Sterling J. Rideout, Assistant Director, Program Support Directorate, Headquarters

¹ 2 CFR 200 promulgated by the Office of Management and Budget on December 26, 2013, is the Federal government's guidance on the Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal awards to non-Federal entities. 2 CFR 200 sets forth the uniform administrative requirements for grants and cooperative agreements, including the requirements for Federal awarding agency management of Federal grant programs before the Federal award has been made, and the requirements Federal awarding agencies may impose on non-Federal entities in the Federal award.

Recommendation No. 2: Require certified States to update their AML reclamation plans and continue to do so at periodic intervals.

Response to Recommendation No. 2

OSMRE accepts this recommendation. In accordance with 30 CFR 884.15, OSMRE will review all certified state AML Reclamation Plans and determine whether a proposed amendment or revision to an approved State Reclamation Plan amendment is necessary.

Target Date for Completion: September 30, 2020

Responsible Official: Sterling J. Rideout, Assistant Director, Program Support Directorate.

Recommendation No. 3: Develop and implement an agreed-upon prioritization matrix and goals with timelines that will ensure coal hazards are addressed first and clearly defines when a non-coal project may be selected ahead of a coal project.

Response to Recommendation No. 3:

OSMRE accepts this recommendation. To guide certified states in determining how projects should be ranked for the expenditure of AML funds, OSMRE will develop a prioritization matrix to ensure that certified states prioritize the completion of coal projects ahead of non-coal projects. In addition, OSMRE will coordinate and work with each certified state on an agreed-upon prioritization matrix as part of its AML reclamation project plan. Each AML reclamation project plan will be required to clearly demonstrate that coal physical hazards will be addressed before non-coal problems.

Target Date for Completion: September 30, 2020

Responsible Official: Sterling J. Rideout, Assistant Director, Program Support Directorate

Recommendation No. 4: Require Authorizations to Proceed for all projects and approve in accordance to prioritization matrix.

Response to Recommendation No. 4:

OSMRE accepts this recommendation. OSMRE will develop and implement internal Standard Operating Procedures to require the issuance of Authorizations To Proceed (ATPs) pursuant to 30 CFR 885.16(e) for both coal and non-coal reclamation projects. An ATP is OSMRE's written approval to the state to expend AML grant funds for an individual project and to proceed with project construction activities. ATPs will be required as part of the official grant file. This approach will ensure that projects that require OSMRE's approval for the drawdown of funds for construction activities align with selected projects approved in the AML reclamation project plan and AML grant application.

Target Date for Completion: September 30, 2020

Responsible Official: Sterling J. Rideout, Assistant Director, program Support Directorate

Recommendation No. 5: Require Mississippi to complete coal reclamation projects in its State certification plan and establish new deadlines for completion.

Response to Recommendation No. 5

OSMRE accepts this recommendation. OSMRE determined that Mississippi has completed one of its four outstanding coal projects. The inventory was recently updated to show that a Priority 1 coal problem² was completed at a final cost of \$3,000.

The second project is a Priority 2 coal problem³ to reclaim a portal. That project was originally estimated to cost \$12,500. However, the Mississippi Department of Environmental Quality (MDEQ) recently requested and received an ATP for this project with a revised engineer's estimate of \$18,360. Subsequently, this information was used to update e-AMLIS. The anticipated completion date for reclamation activities on this project is January 2018.

For the two remaining coal reclamation projects, designated as Priority 3⁴, MDEQ has not been able to obtain the landowners' consent. OSMRE will continue to work with MDEQ to identify a viable path forward for completing these remaining coal reclamation projects.

Target Date for Completion: January 31, 2020

Responsible Official: Sherry Wilson, Field Office Director, Birmingham Field Office

Recommendation No. 6: Develop and implement an enforcement plan to ensure updated reclamation plans are carried out.

Response to Recommendation No. 6:

OSMRE accepts this recommendation. OSMRE will utilize enforcement procedures set forth at 30 CFR 884.15(f) to ensure that updated State Reclamation Plans are implemented.

Target Date for Completion: September 30, 2020

Responsible Official: Sterling J. Rideout, Assistant Director, Program Support Director

Recommendation No. 7: Require States to review and certify that coal projects in e-AMLIS are accurate and complete.

Response to Recommendation No. 7:

² Priority 1 coal problems are physical hazards that pose extreme danger to public health and safety or environmental problems.

³ Priority 2 coal problems are physical hazards that result in adverse effects to public health, safety or environmental problems.

⁴ Priority 3 coal problems are hazards that adversely affect land or water resources or that have other effects on the environment.

OSMRE accepts this recommendation. OSMRE will work with each certified state to coordinate a systematic approach as part of their respective AML reclamation project plans, to reassess older coal AML problems that were entered into e-AMLIS in order to verify their accuracy and to provide updated cost estimates, where needed. Previously, data standardization was not required when states entered their coal projects in the e-AMLIS inventory, and the number of projects in the inventory is quite large. Accordingly, it will require significant human and financial resources for certified states to verify the accuracy their older entries in e-AMLIS. Currently, OSMRE requires states to update coal projects in e-AMLIS on a rolling-basis as project funding becomes available.

Target Date for Completion: September 30, 2023

Responsible Official: Sterling J. Rideout, Assistant Director, Program Support Director

Recommendation No. 8: Require States to enter non-coal projects into e-AMLIS.

Response to Recommendation No. 8:

OSMRE accepts this recommendation. OSMRE will ensure that all non-coal projects proposed for funding are entered into e-AMLIS. OSMRE will update its Abandoned Mine Land Inventory Directive, AML-1, to reflect this change and ensure implementation. OSMRE will meet with certified states to notify them of this new requirement before implementation, and will develop and provide training, as needed.

Target Date for Completion: September 30, 2020

Responsible Official: Sterling J. Rideout, Assistant Director, Program Support Director

Recommendation 9: Ensure all appropriate information for program management is collected and tracked to include engineering and design costs.

Response to Recommendation No. 9:

OSMRE accepts this recommendation. OSMRE will collect and track engineering and design project costs as a distinguishable line item in the Financial and Business Management System (FBMS), the Department's financial management system. OSMRE will require all certified states to identify and report on engineering and design costs in the AML grant application, and will continue tracking these costs throughout the performance monitoring phase and in AML grant close out reports. OSMRE will notify each certified state regarding these changes to the reporting requirements, and will modify its Federal Assistance Manual Directive GMT-10 to reflect these improvements in the grants monitoring processes.

Target Date for Completion: September 30, 2020

Responsible Official: Sterling J. Rideout, Assistant Director, Program Support Directorate

Recommendation No. 10: Assess the data integrity issues by OSMRE staff and ensure that the e-AMLIS data is reliable and consistent;

Response to Recommendation No. 10:

OSMRE accepts this recommendation. OSMRE staff will develop a plan to address major enhancements to update e-AMLIS' current technical design to ensure data reliability and consistency. In addition, OSMRE will revise its Abandoned Mine Land Inventory Directive AML-1 and its Evaluation of State/Tribe Abandoned Mine Land Programs Directive AML-22, and develop user training to manage e-AMLIS data integrity issues.

Target Date for Completion: September 30, 2023

Responsible Official: Sterling J. Rideout, Assistant Director, Program Support Directorate

Recommendation No. 11: Reconcile FBMS subaccounts with program narratives and ensure FBMS accurately reports funds spent on coal and non-coal projects.

Response to Recommendation No. 11:

OSMRE accepts this recommendation. OSMRE will develop appropriate policies and implement internal Standard Operating Procedures to ensure that reconciliation of FBMS subaccounts align with the program narratives such that grant close-out reports reflect accurate fund expenditures for both coal and non-coal reclamation projects.

Target Date for Completion: September 30, 2020

Responsible Official: Sterling J. Rideout, Assistant Director, Program Support Directorate

Appendix 3: Status of Recommendations

In its response to our draft report, the Office of Surface Mining Reclamation and Enforcement concurred with our findings and recommendations (see Appendix 2). Based on the response, we consider the recommendations resolved but not implemented.

Recommendations	Status	Action Required
I - II	Resolved but not implemented.	We will refer these recommendations to the Assistant Secretary for Policy, Management and Budget to track their implementation.

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