COMMUNITY RECLAMATION PARTNERSHIPS ACT

JULY 26, 2017.—Committed to the Committee of the Whole House on the State of the Union and ordered to be printed

Mr. BISHOP of Utah, from the Committee on Natural Resources, submitted the following

R E P O R T

[To accompany H.R. 2937]

[Including cost estimate of the Congressional Budget Office]

The Committee on Natural Resources, to whom was referred the bill (H.R. 2937) to amend the Surface Mining Control and Reclamation Act of 1977 to authorize partnerships between States and nongovernmental entities for the purpose of reclaiming and restoring land and water resources adversely affected by coal mining activities before August 3, 1977, and for other purposes, having considered the same, report favorably thereon without amendment and recommend that the bill do pass.

PURPOSE OF THE BILL

The purpose of H.R. 2937 is to amend the Surface Mining Control and Reclamation Act of 1977 to authorize partnerships between States and nongovernmental entities for the purpose of reclaiming and restoring land and water resources adversely affected by coal mining activities before August 3, 1977.

BACKGROUND AND NEED FOR LEGISLATION

Thousands of inactive coal mines, abandoned before the era of modern regulation, can be found in communities across the United States. Today, over $10.5 billion worth of abandoned coal mine sites remain, each of which has no living responsible party.¹ Many of these abandoned mines pose health and safety risks or environmental hazards to the surrounding communities, burdening land-
owners and inhibiting opportunities for further development. While over $4 billion has been spent reclaiming degraded sites, the large volume of remaining abandoned mine lands (AML) projects will continue to constrain State resources and burden local communities for decades to come. With the coal industry experiencing a shrinking market share and thousands of sites awaiting cleanup, there are concerns as to whether the full inventory of sites can be addressed by relying solely on the AML Fund, which is supported by a fee on each ton of coal produced.

While the States are responsible for reclaiming these abandoned coal mine sites and undertake numerous cleanup projects every year, the need for reclamation in coal communities has encouraged non-governmental organizations (NGOs) to contribute their resources towards these projects. These NGOs are willing to partner with States on these AML projects, but are hindered by several hurdles that prevent their participation, including potential liability and compliance responsibilities with respect to mine drainage treatment projects.

Acid mine drainage abatement challenges

Many States, particularly those in the Eastern U.S., face the unique challenge of addressing discharges of acid mine drainage (AMD) from abandoned mine sites. AMD is acidic water that has been contaminated with naturally occurring heavy metals found in disturbed soil and rock due to past coal mining activity. When water reacts with rocks that naturally contain sulfur-bearing minerals, sulfuric acid is produced. This sulfuric acid can cause rocks to release heavy metals into the water.2

The presence of AMD presents additional challenges for states seeking to reclaim their abandoned mine sites. Under the Surface Mining Control and Reclamation Act of 1977 (SMCRA, 30 U.S.C., 1201 et seq.), states are required to meet Clean Water Act (CWA) standards when constructing water treatment plants for AMD abatement. In many cases, bodies of water with AMD will never be able to meet CWA standards due to the naturally occurring processes and minerals present at these sites, even after employing extensive reclamation and water treatment efforts. Because States are currently required to meet unrealistic standards, they must either risk noncompliance with the CWA or choose to forego undertaking these projects entirely.

Some States have addressed this problem by working with relevant State agencies to establish a strategy specifically for treating AMD sites. In Pennsylvania, for example, there are significant AMD discharges impacting numerous local communities. Pennsylvania has established guidelines for AMD abatement work that is uniquely tailored to the needs of Pennsylvania. Projects carried out in accordance with these guidelines have resulted in improved water quality throughout the State.

States like Pennsylvania have also implemented their own programs for involving third parties in mine reclamation. In 1999, Pennsylvania enacted the Environmental Good Samaritan Act, enabling outside organizations to reclaim and treat polluted water at

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AML sites. This program has led to numerous partnerships that have resulted in the reclamation of dozens of sites and hundreds of miles of streams, improving biodiversity in those streams.

**Liability challenges**

Organizations that wish to participate in State reclamation programs are often deterred by the risk of assuming undeserved liability for sites they wish to reclaim. Indeed, potential Community Reclaimers can be held liable under the CWA for discharges of water from a site that has been significantly improved solely because it can never be brought up to CWA standards.

**Major provisions of the bill**

This legislation seeks to facilitate mine reclamation at SMCRA Title IV eligible abandoned coal mine sites by enabling NGOs to participate in the reclamation of abandoned mine lands and contribute their own resources towards such projects. These entities are recognized in the bill as “Community Reclaimers”.

The bill minimizes undeserved liability for these Community Reclaimers by enabling the State to assume responsibility for all Community Reclaimer projects, including those for the treatment of water pollution, just as States currently do for approved AML contractors.

This legislation would also statutorily allow for agreements between States and federal agencies establishing approved AMD abatement practices at abandoned mine sites. Community Reclaimers would be able to execute these projects in accordance with the relevant State agreements.

**Section-by-Section Analysis**

Section 1 provides the short title of the bill: “Community Reclamation Partnerships Act.”

Section 2 notes that all references in the bill are considered to be made to SMCRA unless otherwise noted.

Section 3 amends SMCRA by adding subsection (m) to section 405 of that Act. This subsection clarifies State authority related to water treatment at abandoned mine sites by statutorily recognizing valid agreements entered into between the relevant State and federal agencies. This section gives credence to the AMD treatment strategies already employed in some States.

This section also enables States to enter into agreements with relevant State and federal agencies to ensure that work intended to treat water pollution resulting from mine drainage results in a significant improvement to the environment.

Subsection (m) requires that agreements include specific procedures for: ensuring that activities carried out under the agreement will result in improved water quality; monitoring water quality to ensure that it has been improved; and operating and maintaining water treatment systems.
The subsection requires States to give the public an opportunity to comment on any proposed agreement and attend at least one public meeting concerning the agreement. It also requires that new and existing agreements be approved by the Secretary of the Interior and the Administrator of the Environmental Protection Agency.

Finally, subsection (m) deems an approved agreement to be a part of an approved AML reclamation plan of the State under SMCRA.

Section 3 also provides for the addition of subsection (n) to section 405 of SMCRA. This subsection provides for the establishment of Community Reclaimer Partnerships. These partnerships will allow eligible Community Reclaimers to participate in AML clean-up projects. This subsection also provides partial liability shielding to Community Reclaimers, in a similar fashion to current state AML contractors, by enabling the States to formally assume liability and compliance responsibility on their behalf under the existing SMCRA liability model.

Subsection (n) authorizes the Secretary of the Interior to approve Community Reclaimer Partnership projects if: (1) the proposed project will be conducted by eligible Community Reclaimers and/or approved contractors; (2) projects involving mine drainage are consistent with the States’ approved agreement under SMCRA Section 405(m); (3) the project will reclaim a Priority 1, 2 or 3 abandoned mine site; (4) the project meets all of the submission criteria required for project applications; (5) the State has assumed responsibility for the project on behalf of the Community Reclaimer and the landowner barring gross negligence; (6) the State has the necessary legal authority and financial resources to ensure completion of the project; and (7) the project would not require a permit under title V of SMCRA.

This subsection also requires that all projects submitted to the Secretary for approval include: (1) a description of the proposed project; (2) a description of the proposed project site; (3) identification of all past and current landowners and operators of the proposed site; (4) an agreement between the Community Reclaimer and the State; (5) a determination that the project will facilitate the activities of the State Reclamation Plan; (6) documentation demonstrating that the Community Reclaimer has the technical capability and expertise to successfully complete the project; (7) a cost estimate and documentation demonstrating that the Community Reclaimer has the financial resources to successfully complete the project; (8) a schedule of activities; (9) an agreement with the current landowner granting access to the site, which would outline the States’ extension of its liability shield onto the landowner; (10) documentation stating that the Community Reclaimer meets the definition under the bill; (11) contingency plans to be employed in the event of an emergency; and (12) requirements for public notice of the project.

Finally, subsection (n) defines a Community Reclaimer as an entity that seeks to voluntarily assist a State with reclamation projects, has not caused any lands to become eligible for reclamation under Section 404 of SMCRA, is not a past or current owner of abandoned mine sites or any other site with ongoing reclamation
obligations, and does not have any outstanding violations under SMCRA.

Section 4 recognizes approved agreements as appropriate standards at AMD treatment sites in lieu of CWA requirements, if a State has an approved agreement in place under SMCRA Section 405(m) that will ensure the restoration of the environment at impacted sites.

Section 5 requires states to include a list of proposed Community Reclaimer Partnership projects in their annual applications to the Secretary requesting support for their respective State Reclamation Programs.

COMMITTEE ACTION

H.R. 2937 was introduced on June 20, 2017, by Congressman Darin LaHood (R–IL). The bill was referred to the Committee on Natural Resources. On May 24, 2017, the Subcommittee on Energy and Mineral Resources held a hearing on a discussion draft of this bill. On June 22, 2017, the Full Natural Resources Committee met to consider the bill. No amendments were offered and the bill was ordered favorably reported to the House of Representatives by unanimous consent on June 27, 2017.

COMMITTEE OVERSIGHT FINDINGS AND RECOMMENDATIONS

Regarding clause 2(b)(1) of rule X and clause 3(c)(1) of rule XIII of the Rules of the House of Representatives, the Committee on Natural Resources' oversight findings and recommendations are reflected in the body of this report.

COMPLIANCE WITH HOUSE RULE XIII AND CONGRESSIONAL BUDGET ACT

1. Cost of Legislation and the Congressional Budget Act. With respect to the requirements of clause 3(c)(2) and (3) of rule XIII of the Rules of the House of Representatives and sections 308(a) and 402 of the Congressional Budget Act of 1974, the Committee has received the following estimate for the bill from the Director of the Congressional Budget Office:

U.S. CONGRESS,
CONGRESSIONAL BUDGET OFFICE,

Hon. ROB BISHOP,
Chairman, Committee on Natural Resources,
House of Representatives, Washington, DC.

DEAR MR. CHAIRMAN: The Congressional Budget Office has prepared the enclosed cost estimate for H.R. 2937, the Community Reclamation Partnerships Act.

If you wish further details on this estimate, we will be pleased to provide them. The CBO staff contact is Jeff LaFave.

Sincerely,

MARK P. HADLEY
(For Keith Hall, Director).

Enclosure.
H.R. 2937—Community Reclamation Partnerships Act

H.R. 2937 would authorize states with abandoned mine reclamation plans to enter into agreements with the federal government aimed at reducing water pollution caused by abandoned mines. Under the bill, states and nongovernmental organizations (NGOs) conducting certain water treatments under those agreements would not be required to meet water quality standards under the Clean Water Act.

Based on information provided by the Office of Surface Mining, Reclamation, and Enforcement, CBO estimates that implementing the legislation would cost less than $500,000 a year over the 2018-2022 period; such spending would be subject to the availability of appropriated funds. Those funds would be used to cover administrative costs associated with approving agreements between the agency and states and authorizing NGOs to carry out projects to treat water pollution caused by mine drainage.

Enacting H.R. 2937 would not affect direct spending or revenues; therefore, pay-as-you-go procedures do not apply. CBO estimates that enacting the bill would not increase net direct spending or on-budget deficits in any of the four consecutive 10-year periods beginning in 2028.

H.R. 2937 contains no intergovernmental or private-sector mandates as defined in the Unfunded Mandates Reform Act. The bill would allow state governments to assume full liability for contaminated sites that community organizations choose to help remediate. Any costs that states might incur as a result of assuming full liability for those sites would result from participation in a voluntary federal program. Under the bill, contaminated sites would be eligible for federal grants to fund cleanup activities.

The CBO staff contacts for this estimate are Jeff LaFave (for federal costs) and Jon Sperl (for intergovernmental mandates). The estimate was approved by H. Samuel Papenfuss, Deputy Assistant Director for Budget Analysis.

2. General Performance Goals and Objectives. As required by clause 3(c)(4) of rule XIII, the general performance goal or objective of this bill is to amend the Surface Mining Control and Reclamation Act of 1977 to authorize partnerships between States and nongovernmental entities for the purpose of reclaiming and restoring land and water resources adversely affected by coal mining activities before August 3, 1977.

EARMARK STATEMENT

This bill does not contain any Congressional earmarks, limited tax benefits, or limited tariff benefits as defined under clause 9(e), 9(f), and 9(g) of rule XXI of the Rules of the House of Representatives.

COMPLIANCE WITH PUBLIC LAW 104-4

This bill contains no unfunded mandates.

COMPLIANCE WITH H. RES. 5

Directed Rule Making. This bill does not contain any directed rule makings.
Duplication of Existing Programs. This bill does not establish or reauthorize a program of the federal government known to be duplicative of another program. Such program was not included in any report from the Government Accountability Office to Congress pursuant to section 21 of Public Law 111–139 or identified in the most recent Catalog of Federal Domestic Assistance published pursuant to the Federal Program Information Act (Public Law 95–220, as amended by Public Law 98–169) as relating to other programs.

PREEMPTION OF STATE, LOCAL OR TRIBAL LAW

This bill is not intended to preempt any State, local or tribal law.

CHANGES IN EXISTING LAW MADE BY THE BILL, AS REPORTED

In compliance with clause 3(e) of rule XIII of the Rules of the House of Representatives, changes in existing law made by the bill, as reported, are shown as follows (existing law proposed to be omitted is enclosed in black brackets, new matter is printed in italic, and existing law in which no change is proposed is shown in roman):

SURFACE MINING CONTROL AND RECLAMATION ACT OF 1977

TITLE IV—ABANDONED MINE RECLAMATION

STATE RECLAMATION PROGRAMS

SEC. 405. (a) Not later than the end of the one hundred and eighty-day period immediately following the date of enactment of this Act, the Secretary shall promulgate and publish in the Federal Register regulations covering implementation of an abandoned mine reclamation program incorporating the provisions of title IV and establishing procedures and requirements for preparation, submission, and approval of State programs consisting of the plan and annual submissions of projects.

(b) Each State having within its borders coal mined lands eligible for reclamation under this title, may submit to the Secretary a State Reclamation Plan and annual projects to carry out the purposes of this title.

(c) The Secretary shall not approve, fund, or continue to fund a State abandoned mine reclamation program unless that State has an approved State regulatory program pursuant to section 503 of this Act.

(d) If the Secretary determines that State has developed and submitted a program for reclamation of abandoned mines and has the ability and necessary State legislation to implement the provisions of this title, sections 402 and 410 excepted, the Secretary shall approve such State program and shall grant to the State exclusive responsibility and authority to implement the provisions of the approved program: Provided, That the Secretary shall withdraw such approval and authorization if he determines upon the basis of information provided under this section that the State program is not
in compliance with the procedures, guidelines, and requirements established under subsection 405(a).

(e) Each State Reclamation Plan shall generally identify the areas to be reclaimed, the purposes for which the reclamation is proposed, the relationship of the lands to be reclaimed and the proposed reclamation to surrounding areas, the specific criteria for ranking and identifying projects to be funded, and the legal authority and programmatic capability to perform such work in conformance with the provisions of this title.

(f) On an annual basis, each State having an approved State Reclamation Plan may submit to the Secretary an application for the support of the State program and implementation of specific reclamation projects. Such annual requests shall include such information as may be requested by the Secretary including:

1. a general description of each proposed project;
2. a priority evaluation of each proposed project;
3. a statement of the estimated benefits in such terms as: number of acres restored, miles of stream improved, acres of surface lands protected from subsidence, population protected from subsidence, air pollution, hazards of mine and coal refuse disposal area fires;
4. an estimate of the cost for each proposed project;
5. in the case of proposed research and demonstration projects, a description of the specific techniques to be evaluated or objective to be attained;
6. an identification of lands or interest therein to be acquired and the estimated cost; and
7. in each year after the first in which a plan is filed under this title, an inventory of each project funded under the previous year’s grant: which inventory shall include details of financial expenditures on such project together with a brief description of each such project, including project locations, landowner’s name, acreage, type of reclamation performed; and
8. a list of projects proposed under subsection (n).

(g) The costs for each proposed project under this section shall include; actual construction costs, actual operation and maintenance costs of permanent facilities, planning and engineering costs, construction inspection costs, and other necessary administrative expenses.

(h) Upon approval of State Reclamation Plan by the Secretary and of the surface mine regulatory program pursuant to section 503, the Secretary shall grant, on an annual basis, funds to be expended in such State pursuant to subsection 402(g) and which are necessary to implement the State reclamation program as approved by the Secretary.

(i) The Secretary, through his designated agents, will monitor the progress and quality of the program. The States shall not be required at the start of any project to submit complete copies of plans and specifications.

(j) The Secretary shall require annual and other reports as may be necessary to be submitted by each State administering the approved State reclamation program with funds provided under this title. Such reports shall include that information which the Secretary deems necessary to fulfill his responsibilities under this title.
(k) Indian tribes having within their jurisdiction eligible lands pursuant to section 404 or from which coal is produced, shall be considered as a “State” for the purposes of this title except for purposes of subsection (c) of this section with respect to the Navajo, Hopi and Crow Indian Tribes

(1) No State shall be liable under any provision of Federal law for any costs or damages as a result of action taken or omitted in the course of carrying out a State abandoned mine reclamation plan approved under this section. This subsection shall not preclude liability for cost or damages as a result of gross negligence or intentional misconduct by the State. For purposes of the preceding sentence, reckless, willful, or wanton misconduct shall constitute gross negligence.

(m) STATE MEMORANDA OF UNDERSTANDING FOR REMEDIATION OF MINE DRAINAGE.—

(1) IN GENERAL.—A State with a State program approved under subsection (d) may enter into a memorandum of understanding with relevant Federal or State agencies (or both) to remediate mine drainage on abandoned mine land and water impacted by abandoned mines within the State. The memorandum may be updated as necessary and resubmitted for approval under this subsection.

(2) MEMORANDA REQUIREMENTS.—Such memorandum shall establish a strategy satisfactory to the State and Federal agencies that are parties to the memorandum, to address water pollution resulting from mine drainage at sites eligible for reclamation and mine drainage abatement expenditures under section 404, including specific procedures for—

(A) ensuring that activities carried out to address mine drainage will result in improved water quality;

(B) monitoring, sampling, and the reporting of collected information as necessary to achieve the condition required under subparagraph (A);

(C) operation and maintenance of treatment systems as necessary to achieve the condition required under subparagraph (A); and

(D) other purposes, as considered necessary by the State or Federal agencies, to achieve the condition required under subparagraph (A).

(3) PUBLIC REVIEW AND COMMENT.—

(A) IN GENERAL.—Before submitting a memorandum to the Secretary and the Administrator for approval, a State shall—

(i) invite interested members of the public to comment on the memorandum; and

(ii) hold at least one public meeting concerning the memorandum in a location or locations reasonably accessible to persons who may be affected by implementation of the memorandum.

(B) NOTICE OF MEETING.—The State shall publish notice of each meeting not less than 15 days before the date of the meeting, in local newspapers of general circulation, on the Internet, and by any other means considered necessary or desirable by the Secretary and the Administrator.
(4) **Submission and Approval.**—The State shall submit the memorandum to the Secretary and the Administrator of the Environmental Protection Agency for approval. The Secretary and the Administrator shall approve or disapprove the memorandum within 120 days after the date of its submission if the Secretary and Administrator find that the memorandum will facilitate additional activities under the State Reclamation Plan under subsection (e) that improve water quality.

(5) **Treatment as Part of State Plan.**—A memorandum of a State that is approved by the Secretary and the Administrator under this subsection shall be considered part of the approved abandoned mine reclamation plan of the State.

(n) **Community Reclaimer Partnerships.**—

(1) **Project Approval.**—Within 120 days after receiving such a submission, the Secretary shall approve a Community Reclaimer project to remediate abandoned mine lands if the Secretary finds that—

(A) the proposed project will be conducted by a Community Reclaimer as defined in this subsection or approved subcontractors of the Community Reclaimer;

(B) for any proposed project that remediates mine drainage, the proposed project is consistent with an approved State memorandum of understanding under subsection (m);

(C) the proposed project will be conducted on a site or sites inventoried under section 403(c);

(D) the proposed project meets all submission criteria under paragraph (2);

(E) the relevant State has entered into an agreement with the Community Reclaimer under which the State shall assume all responsibility with respect to the project for any costs or damages resulting from any action or inaction on the part of the Community Reclaimer in carrying out the project, except for costs or damages resulting from gross negligence or intentional misconduct by the Community Reclaimer, on behalf of—

(i) the Community Reclaimer; and

(ii) the owner of the proposed project site,

if such Community Reclaimer or owner, respectively, did not participate in any way in the creation of site conditions at the proposed project site or activities that caused any lands or waters to become eligible for reclamation or drainage abatement expenditures under section 404;

(F) the State has the necessary legal authority to conduct the project and will obtain all legally required authorizations, permits, licenses, and other approvals to ensure completion of the project;

(G) the State has sufficient financial resources to ensure completion of the project, including any necessary operation and maintenance costs (including costs associated with emergency actions covered by a contingency plan under paragraph (2)(K)); and

(H) the proposed project is not in a category of projects that would require a permit under title V.

(2) **Project Submission.**—The State shall submit a request for approval to the Secretary that shall include—
(A) a description of the proposed project, including any engineering plans that must bear the seal of a Professional Engineer;

(B) a description of the proposed project site or sites, including, if relevant, the nature and extent of pollution resulting from mine drainage;

(C) identification of the past and current owners and operators of the proposed project site;

(D) the agreement or contract between the relevant State and the Community Reclaimer to carry out the project;

(E) a determination that the project will facilitate the activities of the State reclamation plan under subsection (e);

(F) sufficient information to determine whether the Community Reclaimer has the technical capability and expertise to successfully conduct the proposed project;

(G) a cost estimate for the project and evidence that the Community Reclaimer has sufficient financial resources to ensure the successful completion of the proposed project (including any operation or maintenance costs);

(H) a schedule for completion of the project;

(I) an agreement between the Community Reclaimer and the current owner of the site governing access to the site;

(J) sufficient information to ensure that the Community Reclaimer meets the definition under paragraph (3);

(K) a contingency plan designed to be used in response to unplanned adverse events that includes emergency actions, response, and notifications; and

(L) a requirement that the State provide notice to adjacent and downstream landowners and the public and hold a public meeting near the proposed project site before the project is initiated.

(3) Community Reclaimer Defined.—For purposes of this section, the term “Community Reclaimer” means any person who—

(A) seeks to voluntarily assist a State with a reclamation project under this section;

(B) did not participate in any way in the creation of site conditions at the proposed project site or activities that caused any lands or waters to become eligible for reclamation or drainage abatement expenditures under section 404;

(C) is not a past or current owner or operator of any site with ongoing reclamation obligations; and

(D) is not subject to outstanding violations listed pursuant to section 510(c).

*MISCELLANEOUS POWERS*

SEC. 413. (a) The Secretary or the State pursuant to an approved State program, shall have the power and authority, if not granted it otherwise, to engage in any work and to do all things necessary or expedient, including promulgation of rules and regulations, to implement and administer the provisions of this title.

(b) The Secretary or the State pursuant to an approved State program, shall have the power and authority to engage in coopera-
ive projects under this title with any other agency of the United States of America, any State and their governmental agencies.

(c) The Secretary or the State pursuant to an approved State program, may request the Attorney General, who is hereby authorized to initiate, in addition to any other remedies provided for in this title, in any court of competent jurisdiction, an action in equity for an injunction to restrain any interference with the exercise of the right to enter or to conduct any work provided in this title.

(d) The Secretary or the State pursuant to an approved State program, shall have the power and authority to construct and operate a plant or plants for the control and treatment of water pollution resulting from mine drainage. The extent of this control and treatment may be dependent upon the ultimate use of the water: Provided, That the above provisions of this paragraph shall not be deemed in any way to repeal or supersede any portion of the Federal Water Pollution Control Act (33 U.S.C.A. 1151, et seq., as amended) and no control or treatment under this subsection shall in any way be less than that required under the Federal Water Pollution Control Act unless such control or treatment will be conducted in accordance with a State memorandum of understanding approved under section 405(m) of this Act. The construction of a plant or plants may include major interceptors and other facilities appurtenant to the plant.

(e) The Secretary may transfer funds to other appropriate Federal agencies, in order to carry out the reclamation activities authorized by this title.