



Ohio Department of Natural Resources

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Division of Mineral Resources Management
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HB443 Workgroup Charter

Coal Permitting/Inspection/Regulatory Workgroup

Mission: To recommend procedures to the DMRM administration that will ensure that adequate performance security is maintained on all permitted sites. Recommend adequate inspection procedures that will ensure that mining and reclamation operations are conducted in a manner that is compliant with the approved mine plan and that maintains adequate performance security at all times.

Workgroup Sponsor:

DMRM Steering Committee: Chief – John Husted;
Deputy Chief – Lanny Erdos;
Coal Program Administrator – Dave Clark

BACKGROUND: Subsequent to April 6th, 2007, all new mining operations are operating under performance security provisions of HB 443. Eligible permittees have made, and applicants will make, an election of providing performance security at the revised severance tax rate in HB443 or at the full cost estimated by the Division. Certain existing and future operations are required to post full cost performance security subsequent to the effective date of HB443, and will not have the option of reliance on the reclamation forfeiture fund. DMRM will determine the estimated cost of reclamation to the state based on the operator's mining and reclamation plan. Enforcement of the mining plan will be essential to ensure that the cost estimate is current and valid.

FOCUS: This workgroup will focus on preliminary implementation procedures and methodologies as outlined in the list of Tasks. Final procedures will be developed in cooperation with external partners as well as the Reclamation Forfeiture Fund Advisory Board (RFFAB) through rule making.

AUTHORITY OF WORKGROUP: Solicit procedures and information from other states that have alternative financial security (AFS), alternative bonding systems (ABS) and full cost (conventional) bonding programs approved by the Office of Surface Mining. Evaluate such procedures and consider alternatives, to guide the development of implementation procedures. Prepare preliminary and final recommendations regarding rules, procedures, policies, forms, data management needs and system improvements, etc. as needed to address the assigned tasks. Upon further evaluation of the existing tasks, recommend additional tasks to the Steering Committee if necessary to accomplish the workgroup mission.

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- Task one: Recommend preliminary and final procedures and methodologies for defining the footprint of the area needed to treat long-term pollutional discharges and enforcement action to require that an AFS be provided (*Note: work in conjunction with the AMD/Hydro workgroup on recommending procedures and methodologies for defining the footprint of an area requiring an AFS*).
- Task two: Recommend preliminary and final procedures and methodologies for tracking performance security liability as it pertains to severance tax and appropriate remedial actions related to the performance security provisions of HB 443. Recommend preliminary and final procedures and methodologies for approval of phases of reclamation and reduction of liability on full-cost permits. Recommend preliminary and final procedures and methodologies for approval of annual reports as related to maintaining a current estimated cost of reclamation to the state in the event of permittee default.
- Task three: Recommend procedures for calculating cost of repair or replacement of subsidence-related damage to land or water. Recommend preliminary and final procedures and methodologies for tracking of subsidence-related incidents to ensure the maximum liability on a given permit does not exceed the cost estimate used by the division to determine the level of required performance security. Recommend procedures relative to the inspection and evaluation process of ensuring that subsidence related damages are repaired within the timeline specified in the subsidence control plan, or for requiring performance security be provided by permittees unable to obtain adequate coverage on subsidence damaged areas if not repaired within 90 days per SMCRA.

COMPLETION DEADLINE: Task One – June 1, 2010
Task Two – April 1, 2010
Task Three – June 1, 2010

MEETING FREQUENCY: As set by workgroup to meet deadline.

WORKGROUP MEMBERSHIP: DMRM staff (cross section):**
Coal Industry
OSM
Other interested or appropriate party

** DMRM staff assigned to this workgroup:

Greg Mills, Brent Heavilin, Jay Martin, Tom Butch, Randy Keitz, Jason Craven, John Puterbaugh, Wayne Schalk, Rick Warden, Jeff Emmons, Mike Kosek and Scott Stiteler. Dave Clark and Sue Grant will participate as representatives of the steering committee.

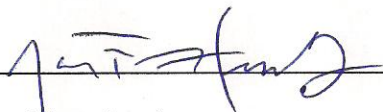
WORKGROUP LEADERS: Greg Mills and Brent Heavilin

John F. Husted

Chief

(signature)

Date



1-25-10