



Interstate Mining Compact Commission

JUN 19 2017

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New Mexico

EXECUTIVE DIRECTOR
GREGORY E. CONRAD

June 10, 2016

MEMORANDUM

TO: All Commissioners; All IMCC Committee Members

FROM: Gregory E. Conrad, Executive Director

RE: Minutes of Executive Commission and Committee Meetings Held During IMCC's 2016 Annual Meeting in Lake Placid, New York

Attached are copies of the minutes of the Executive Commission Business Meeting held in conjunction with the 2016 Annual Meeting in Lake Placid, New York. Minutes of all other committee meetings held in Lake Placid are attached as "committee reports" to the minutes of the business meeting. Please review all of these documents and let us know if there are any corrections, revisions, or additions. Also, should you have any questions regarding the minutes or any of the issues raised therein, or should you require copies of any of the documents referred to which were handed out at the meetings, please contact us.

Attachments



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Minutes Meeting of the Executive Commission Business Meeting Interstate Mining Compact Commission 2016 Annual Meeting 10:30 A.M. – 1:00 P.M. – April 20, 2016 Mirror Lake Inn – Lake Placid, New York

Chairman Butch Lambert of Virginia called the meeting to order at 10:45 A.M.

A list of attendees and copy of the agenda are attached

I. Roll Call of the Member States

Butch Lambert, serving on behalf of IMCC Chairman Governor Terry McAuliffe, called the meeting to order and conducted a roll call of the member states. The states present included: AL, AK, AR, CO, IL, IN, MD, MS, NY, NC, ND, OH, PA, TX, UT, VA, WV, WY. The states present constituted a quorum. It was noted that SC has also been present at the annual meeting.

II. Approval of Minutes of October 28, 2015 Business Meeting in Santa Fe, New Mexico

Mr. Lambert briefly reviewed the Minutes of the 2015 IMCC Business Meeting held in Santa Fe, New Mexico. A motion to approve the minutes was made and seconded. The motion passed unanimously.

III. Executive Director's Report

IMCC Executive Director Greg Conrad reviewed the most recent Executive Director's report. Mr. Conrad thanked the group for their recognition of IMCC's work through the Finance and Administrative Committee's compensation package recommendation, especially considering the budget difficulties facing many state programs.

With regard to membership outreach, Mr. Conrad reported increased interest from California, whose Governor's office is now considering IMCC membership. He noted that recent plans to meet with California leadership fell through, but a meeting was held with California AML Program Manager Glenda Marsh, who is supportive of California's IMCC membership.

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Mr. Conrad also indicated that he occasionally receives interest from Arizona and that he would continue to pursue their IMCC membership.

Mr. Conrad raised discussion of a recent article regarding the Interstate Oil and Gas Compact Commission (IOGCC). The article discusses IOGCC's involvement with industry personnel and suggests the group may be unduly influenced by industry interests as a result. Mr. Conrad noted key differences regarding IOGCC and IMCC's involvement with industry, most importantly that industry personnel do not serve as members of IMCC, as is the case with IOGCC. Mr. Conrad recalled that IMCC strives to maintain separation with the industry, noting that IMCC's meetings are open and that environmental group personnel often attend. Mr. Conrad suggested that, despite IMCC's careful sensitivity to these issues over the years, it may be prudent to reconsider accepting industry sponsorship of meeting activities. He noted that industry sponsors often provide funding toward meeting activities such as the awards banquet, but that the funding, while certainly helpful and appreciated, is ultimately unnecessary, and may no longer be worth the risk of inviting criticism.

There was further discussion of the merits of accepting versus refusing industry sponsorship funding and the general state of perceptions surrounding IMCC's work. It was noted that IMCC strives to strike a balance between environmental and industry interests as part of its inherent mission. It was widely agreed that, while industry sponsorship has clearly not influenced IMCC's decision making, it would likely be better to avoid misunderstandings by no longer accepting it. Alan Edwards of Wyoming noted that other groups that utilize and benefit from industry sponsorship, such as the Western Governor's Association, are more inherently political than IMCC. He went on to note that IMCC's technical as well as policy role heightens the importance of addressing any misperceptions of IMCC's affiliations, as IMCC's standing could otherwise be negatively affected.

Mr. Conrad indicated that industry sponsorship for the current meeting represented \$3,500 out of approximately \$12-16 k in meeting costs. He noted the amount is significant and generally allows for higher quality meetings, but that these funds could be foregone and made up for by increased meeting fees. It was noted that states occasionally provide meeting sponsorship funds as well, and that these could be more actively pursued in the future. It was also noted that IMCC's meetings would remain open to industry as well as other stakeholders and that important working relationships with industry personnel could still be maintained.

Mr. Lambert proposed, and the members agreed that, IMCC would no longer accept meeting sponsorship funds from any entity other than a state or state organization.

IV. Approval of Standing Committee Action Items

Greg Conrad reinitiated discussion from a previous day's meeting regarding a proposal for IMCC to hire a new part-time employee to assist with administrative duties on an as-needed basis. In response to a question from Mr. Lambert, Mr. Conrad noted he

was confident that \$20,000 per year would be adequate. It was further explained that \$20,000 would serve as a limit and that the entire amount may not be necessary. Mr. Conrad noted it was particularly important to obtain this additional support in order to allow IMCC staff more time for substantive as opposed to administrative duties. Mr. Conrad also noted state program budgets are strained, but reiterated that the additional hire would be worthwhile, especially in light of the many issues requiring IMCC staff's attention. There was some further discussion regarding the proposal. Ed Larrimore of Maryland made a motion to amend the FY 17 Budget to include the proposal for a part-time position, not to exceed \$20,000 per year with no benefits, with a report by IMCC staff to the states at the 2016 Mid-Year meeting as to whether the amount will be adequate. The motion was seconded and unanimously approved.

Mr. Conrad then raised discussion of a letter recently received by IMCC from Pennsylvania Governor Tom Wolf urging the states' support of the Revitalizing the Economy of Coal Communities by Leveraging Local Activities and Investing More (RECLAIM) Act of 2016. Mr. Conrad reported that IMCC had received inquiries on the topic from other governors' offices and recommended that IMCC write a letter in response to Governor Wolf soon. Mr. Conrad outlined what the letter might say and it was agreed that the final language would need to be vetted by the states before they could sign off. It was agreed that IMCC would circulate the letter for discussion and approval before sending it.

A motion to approve the standing committee action items was made and seconded. The motion passed unanimously.

V. Discussion of Potential Updates of IMCC Strategic Plan

Butch Lambert proposed that an IMCC work group or committee be formed to review IMCC's strategic plan, which has not been updated for some time. Mr. Conrad suggested that the review could alternatively be tasked to the executive committee. Steve Weinzapfel of Indiana offered for one of his assistant directors with expertise on such topics to assist. It was agreed that a separate committee would be utilized in order to allow others to participate. WY, IN, AK, WV, and VA volunteered to participate on a standing committee to review IMCC's strategic plan and report back to the membership at the Mid-Year meeting.

VI. Future IMCC Meetings

Beth Botsis reviewed IMCC's future meeting locations, which include:

- 2016 Mid-Year Meeting – Park City, Utah
 - Ms. Botsis reported that she is in the process of selecting a facility for the meeting, which will likely take place in October or early November
- 2017 Annual Meeting – Biloxi, Mississippi
- 2017 Mid-Year Meeting – Washington, DC

- It was noted that holding this meeting in DC is intended to facilitate participation by the federal agencies, which will be timely as a new Administration will be in place at that time
- * 2018 Annual Meeting – TBD

Butch Lambert reported that a survey would be developed and sent to the states soon regarding the merits of the new meeting format, which involved, among other things, a more direct role for committee chairmen. Alan Edwards expressed appreciation to IMCC staff for progress in implementing the new format.

Discussion followed on the recent OSMRE/states meeting held in conjunction with IMCC's annual meeting. Topics of discussion included the value of Assistant Secretary Janice Schneider's attendance and the overall amount of time during IMCC meetings allocated toward coal and OSMRE issues versus noncoal issues.

There was brief discussion of membership on the newly constituted combined NTTP/TIPS steering committee. It was suggested and agreed that more input on membership criteria should be sought from the individuals who have already been offered as considerations.

A motion to adjourn the 2016 Annual Meeting was made and seconded. The motion passed unanimously.

The meeting adjourned at 11:50 A.M.



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Agenda Meeting of the Executive Commission Business Meeting Interstate Mining Compact Commission 2016 Annual Meeting 10:30 A.M. – 1:00 P.M. – April 20, 2016 Mirror Lake Inn -- Lake Placid, New York

Butch Lambert (Virginia) on behalf of Governor Terry McAuliffe, IMCC Chairman

- I. Roll Call of the Member States
- II. Approval of Minutes of October 28, 2015 Business Meeting in Santa Fe, New Mexico
- III. Executive Director's Report
- IV. Approval of Standing Committee Action Items
 - Discussion of and Action on Unresolved Issues
- V. Discussion of Potential Update of IMCC Strategic Plan
- VI. Future IMCC Meetings
 - 2016 Mid-Year Meeting – Park City, Utah
 - 2017 Annual Meeting – Biloxi, Mississippi
 - 2017 Mid-Year Meeting – Washington, DC

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K/197

4/20/16 Force Expenditure Review Review only - Lake Placid NY

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Gen. Comm. Plan. May 4/25/6

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State

Ph./Firm

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Executive Director's Report on Activities of the Compact and Performance Goals

The following is a report on recent activities of the Interstate Mining Compact Commission (IMCC) during the period October 25, 2015 – April 15, 2016, as well as a report on the Executive Director's performance goals for Evaluation Year 2016 (April 1, 2015 – April 15, 2016). For presentation purposes, the report is organized by performance goal. The report for the previous period (April 25, 2015 – October 25, 2015) provides more detailed information for the first part of the performance period and is incorporated by reference. A copy is also attached.

Overview

This reporting period continued to be dominated by activities related to the Office of Surface Mining Reclamation and Enforcement's (OSMRE's) proposed stream protection rule (SPR) and accompanying draft environmental impact statement (DEIS) and regulatory impact assessment (RIA). IMCC submitted extensive comments on the proposed rule and accompanying documents on October 23, 2015. Throughout the period, Congress continued its oversight of the matter with two oversight hearings and the incorporation of a directive in the FY 2016 Omnibus Appropriations bill ordering OSMRE to provide documents concerning the SPR to the states for their review and requiring meetings with individual states. Also on the coal front, a fair amount of time and attention was spent responding to legislation (H.R. 4456) that would accelerate payments from the Abandoned Mine Land (AML) Trust Fund to address economic revitalization as part of AML projects. Congressional oversight hearings were also held regarding Good Samaritan protections for those who undertake coal and hardrock AML remediation work. Bonding and financial assurance requirements under the Surface Mining Control and Reclamation Act (SMCRA) and the Comprehensive Emergency Response, Compensation, and Liability

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Act (CERCLA) also saw heightened attention during the period given the failing financial health of the coal and hardrock mining industries.

Improve Methods for Communication with and Information Exchange Among the Member States to Enhance State Regulatory Program Implementation

During the performance period, IMCC published two e-newsletters and sent approximately 70 informational e-memos to the member states on the following subjects: FY 2016 appropriations; the FY 2017 budget; MSHA's state assistance grants program; U.S. Extractive Industries Transparency Initiative (EITI) issues; AML and Good Samaritan issues; sage grouse and bat protection policies under the Endangered Species Act; EPA's CERCLA 108(b) rulemaking regarding financial assurance requirements for the hardrock mining industry; OSMRE rulemakings and policies, especially related to stream protection; federal coal leasing policy; reclamation bonding; and mine mapping. These e-memos were in addition to those regarding meeting announcements and logistics and conference calls, reported on below.

IMCC continues its working relationship with the National Association of Abandoned Mine Land Programs (NAAML) and participated in the NAAML Winter Meeting from March 8 – 10, 2016 in Sacramento, CA. Ryan Ellis prepared and presented an overview of pending federal legislation that impacts coal and hardrock AML programs. Mr. Conrad provided a regulatory and legislative issues briefing at the committee and business meetings on March 9 and 10. Several conference calls were held during the period with the NAAML membership to discuss two key developments: 1) an AML pilot project approved as part of the FY 2016 Omnibus Appropriations bill that distributed \$90 million to three Appalachian states and 2) a recently introduced bill (H.R. 4456) that would accelerate payments from the AML Trust Fund to address economic revitalization projects. Calls were held on January 7 and 15 and on February 12. IMCC also participated in a call with Representative Griffith's (R-VA) staff on February 12 and in a meeting with Representative Rogers' (R-KY) staff on February 17 and March 14 to discuss H.R. 4456. IMCC staff met with OSMRE AML staff via conference call on February 26 to discuss AML Trust Fund distribution issues.

IMCC staff has been meeting with a joint working group from NAAML and the IMCC Minerals Education Committee to assist with the development of an information/educational poster that focuses on the work of the states in reclaiming abandoned mine lands. A conference call was held on January 7 to continue work on the matter. IMCC has also been assisting the Commonwealth of Virginia with

preparations for the 2018 NAAMLPA Annual Conference which will be held in Williamsburg, Virginia. Conference calls with the Virginia AML staff were held on December 16, 2015 and February 1, 2016.

IMCC staff spent considerable time during the period wrapping up its work on the U.S. Extractive Industries Transparency Initiative (USEITI). IMCC attended a meeting in Washington, DC of the Multi-Stakeholder Group (MSG) (on which IMCC has served as a member) on December 16 and 17, 2015, at which time the first USEITI reconciliation report was approved. IMCC also served as a member of the Contextual Narrative Work Group and the State and Tribal Opt-in Subcommittee. A total of 14 conference calls and/or meetings of the Subcommittees and Work Groups were held during the period. As part of our work on these various committees, IMCC staff prepared several discussion documents and clarification memos. IMCC terminated its participation on the MSG effective December 31, 2015.

During the period, IMCC held and facilitated six conference calls regarding reclamation bonding requirements under SMCRA and other state noncoal mining regulatory programs. IMCC met via conference call with OSMRE's Financial Assurance Coordination Team (FACT) on December 16, 2015 to provide a state perspective on bonding issues and concerns. IMCC met via conference call with officials from Wyoming to discuss self-bonding issues on January 14, 2016 and then with IMCC member states that same day to provide an update on bonding issues and concerns. IMCC established a Bonding Work Group which met via conference call on January 28 to discuss next steps for IMCC in the bonding arena. The Work Group met again via conference call on February 23 to prepare for a meeting with OSMRE's FACT held on March 16 and 17 in St. Louis, which IMCC staff attended. A follow up conference call was held on March 30 to discuss next steps in light of the FACT meeting. A letter dated April 4 was sent to OSMRE Director Pizarchik regarding the matter. IMCC also met with a group of investors via conference call on December 16 to discuss bonding concerns. During the period, Mr. Conrad was interviewed on multiple occasions by reporters from national, regional and energy-related news organizations regarding the states' perspectives on bonding issues.

IMCC engaged in regular communications with EPA and the Western Governors' Association regarding a proposed rule under Section 108(b) of CERCLA to establish financial assurance requirements for the hardrock mining sector. IMCC and WGA held a conference call with EPA officials to discuss next

steps in the rulemaking process on April 11. A webinar regarding the rule is scheduled for April 26 in which IMCC will participate.

Enhance Existing Working Relationships with Federal Government Agencies and Congress to Effectively Communicate State Positions on Key Issues and to Foster Partnerships

IMCC attended a joint hearing of the House Committee on Oversight and Government Reform's Subcommittee on the Interior and Subcommittee on Health Care, Benefits and Administrative Rules on December 8, 2015 entitled, "Examining the Stream Protection Rule." The sole witness for the hearing was Janice Schneider, Interior Assistant Secretary for Land and Minerals Management. The purpose of the hearing largely revolved around examining the nature of the Office of Surface Mining Reclamation and Enforcement's (OSMRE's) consultation with cooperating state agencies during the development of the Draft Environmental Impact Statement (DEIS) related to the proposed Stream Protection Rule (SPR), and touched on the Regulatory Impact Analysis (RIA) associated with the SPR.

On February 3, the Senate Environment and Public Works (EPW) Committee held an oversight hearing entitled, "The Stream Protection Rule: Impacts on the Environment and Implications for Endangered Species Act and Clean Water Act Implementation." The latest in a series of hearings scrutinizing the Office of Surface Mining's Proposed Stream Protection Rule, this hearing saw much of the same debate play out. Witnesses included Lanny Erdos, Chief of the Division of Mineral Resources Management within the Ohio Department of Natural Resources who presented a states' perspective on the matter. IMCC assisted with witness preparation and attended the hearing with Mr. Erdos.

IMCC testified at a legislative hearing by the Subcommittee on Energy and Mineral Resources of the House Natural Resources Committee on November 4, 2015 regarding Good Samaritan protections for AML remediation projects with Eric Cavazza of Pennsylvania serving as IMCC's witness. IMCC also attended a legislative hearing by the Senate Environment and Public Works Committee on March 3 regarding pending Good Samaritan legislation that has been drafted by the Colorado congressional delegation. IMCC submitted a statement for the record following the hearing. IMCC staff met with staff of the House Natural Resources Committee and the House Transportation and Infrastructure Committee on February 9 to discuss Good Samaritan legislative strategy.

In preparation for the potential movement in the House and Senate of Good Samaritan legislation, IMCC staff has been working with representatives from the Commonwealth of Pennsylvania, Trout Unlimited and Pennsylvania watershed groups to explore the development of an amendment that specifically addresses Good Sam protections for coal AML sites. Conference calls with various members of this group took place on December 9, January 11, 14, 21 and 27; February 5, 12 and 29; March 4 and 15 and April 7. IMCC has also been working with the Keystone Center in Colorado to explore potential Good Sam solutions under CERCLA. Conference calls were held on November 19 and January 22.

IMCC met with congressional staff from the House Interior Appropriations Subcommittee and the House Energy and Mineral Resources Subcommittee either in person or via conference call to discuss OSMRE's proposed FY 2016 budget and the Administration's AMLER proposal on several occasions during the period, including a meeting on December 28. A conference call with OSMRE and the states was held on February 10 to discuss OSMRE's proposed FY 2017 budget. IMCC submitted statements with the House and Senate Appropriations Committees, the House Natural Resources Committee and the Senate Energy and Natural Resources Committee on March 14 concerning OSMRE's FY 2017 budget. IMCC attended hearings on OSM's FY 2017 budget on March 2 and 3 before the House Interior Appropriations Subcommittee and on March 23 before the House Energy and Mineral Resources Subcommittee.

IMCC continues to serve as a member of the executive management team on bat protection issues and guidelines. Conference calls were held on November 15, 2015 and February 3, 2016 to discuss bat protection issues, particularly focused on the Northern Long Ear Bat for which an ESA threatened listing decision was published in 2015 and for which a final 4(d) rule was published in January.

As activity continued at the congressional level regarding OSMRE's stream protection rule, IMCC continued to facilitate discussions among the member states regarding next steps. A conference call was held on January 12 to discuss the states' reaction to the Omnibus directive that requires OSMRE to provide certain data and information to the states and to provide for individual state meetings to discuss these documents and their implications for the states, including the need for changes to the proposed rule. A further conference call was held on January 20 to scope out a strategy for how the states would respond to the directive in terms of requesting the data and information and providing for review by the states and meetings thereafter. OSMRE sent a letter to the states on March 1 regarding the

agency's intentions concerning compliance with the directive. IMCC held a conference call with the states on March 4 to discuss the letter and agreed to submit a letter to OSMRE via IMCC regarding their response, particularly with respect to a proposal by OSMRE that a states' meeting occur during the IMCC annual meeting in Lake Placid. The letter was sent to OSMRE on March 7.

Based on a March 23 response from OSMRE to this letter in which the agency announced a series of regional meetings with states to discuss technical issues, IMCC held a conference call on March 29 to discuss next steps. It was agreed that IMCC should develop a formal resolution on the matter. A follow up conference call was held on April 4 to approve the resolution, which was sent to OSMRE on April 5.

IMCC continues to serve on the National Technology Transfer Team which coordinates OSMRE's applied science and related technical initiatives, with Paul Rothman of Kentucky serving as IMCC's representative on the Team. OSM has also reinstated its underground mine mapping steering committee, which is facilitated by IMCC. Conference calls of the steering committee were held on March 13 and 23 to discuss a solicitation for mine mapping projects as part of OSMRE's applied science program.

IMCC provided briefings on both Title V and Title IV issues at a western OSMRE/States meeting held on December 15 and 16 in Denver. IMCC participated via conference call.

IMCC's Mine Safety and Health Committee met with members of the Mine Safety and Health Administration (MSHA) pursuant to our MOU with MSHA on March 2 in Arlington, VA at MSHA's headquarters. The states met the day before to prepare for the meeting. IMCC submitted statements to the House and Senate Labor, Health and Human Services Committees regarding MSHA's FY 2017 budget proposal on March 14.

Mr. Conrad presented a paper entitled "Moving Targets and Sitting Lame Ducks: A DC Update" at the 29th Annual Technology Transfer Seminar of the Indiana Society of Mining and Reclamation on December 8 in Evansville, IN.

IMCC has been meeting on a regular basis with SIAS Global to discuss a database that will include a standardized index of information describing minesite activities and conditions in order to provide indicators useful for estimating financial exposure by permit, mining complex, and total bonded exposure at coal

and hardrock mining operations throughout the U.S. A conference call was held on January 26 to further explore the potential for this technology and state involvement.

Advance the Organizational, Institutional, Financial and Administrative Integrity of IMCC. Pursue Additional Member States and Retain Existing Member States

IMCC continues its contract for legislative and regulatory affairs services with the NAAML P in the amount of \$20,000.

The state of New Mexico enacted legislation bringing the state into the Compact as a full member state on February 18. The state of Colorado continues to work toward the passage of legislation to bring it into the Compact as a full member. IMCC continues to discuss membership with the states of Montana, California and Arizona. IMCC met with representatives from the state of California to discuss IMCC membership via conference call on February 10 and at a meeting on March 9 in conjunction with the NAAML P conference in Sacramento.

Several IMCC member states met via conference call on November 16, 2015 to discuss and make final revisions to the eligibility criteria for the new IMCC Mine Safety awards, which will be presented for the first time at IMCC's annual meeting in Lake Placid. The award selection committee met via conference call on March 9 to select winners.

The IMCC Awards Committee met via conference call on March 7 to select winners of the IMCC national reclamation awards for 2016.

The IMCC Education Work Group met via conference call on March 7 to select winners of the IMCC national minerals education awards.

IMCC staff, along with Butch Lambert of Virginia and Tracy Davis of North Carolina, visited with agency staff from the South Carolina Department of Health and Environmental Control on February 4 in Columbia, South Carolina and with agency staff from the Tennessee Department of Environment and Conservation on February 11 in Knoxville, Tennessee. Both trips were very helpful in shoring up our working relationship with both states. Plans call for IMCC staff to meet with agency staff from the Missouri Department of Natural Resources in May and with

staff from the New York Department of Environmental Conservation in conjunction with IMCC's annual meeting in Lake Placid. In preparation for these meetings, the Membership Work Group met via conference call on December 17 to discuss a strategy for moving forward with these meetings and to prepare various materials for use during the meetings. A further conference call was held on January 13 to review the membership materials and the final plan of action for meetings with member and non-member states.

The IMCC Executive Committee met via conference call on December 17 to discuss the annual meeting format and the role of committee chairs in furthering the work and leadership of the Commission. A further conference call was held on January 6 to formalize plans for the annual meeting format and committee chair roles. A conference call with the committee chairs was held on January 26 to discuss the matter with them and make assignments.

The IMCC Finance and Administrative Committee met via conference call on April 5 to review and approve the proposed budget for Fiscal Year 2017, including approval of staff compensation. The Committee also reviewed current financial statements and projected budgets for Fiscal Years 2018 and 2019.

Serving the States In the 21st Century: Strategies for Action

Revised 2012

Gregory E. Conrad, Executive Director
Interstate Mining Compact Commission
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*WHAT IS THE INTERSTATE MINING
COMPACT COMMISSION?*

The Interstate Mining Compact Commission (IMCC) is a multi-state governmental organization representing the natural resource and environmental protection interests of its member states. The Compact was established in April of 1971 following eight years of discussion and developmental action by a group of interested mining states under the auspices of the Southern Governors Conference. The Compact presently consists of 19 member states and 5 associate member states with representation from throughout the country, all of whom have significant interests in the mining of both coal and noncoal minerals.

Participation in the Compact is gained through the enactment of legislation by the states authorizing their entry into the Compact. The states are represented by their respective Governors who serve as Commissioners. The Compact acts through several committees that have responsibility for particular subject matter or policy areas including: Environmental Affairs, Mine Safety and Health, Abandoned Mine Lands, Minerals Education, Resolutions and Finance. The Governors are represented on these committees by duly appointed delegates from their respective states.

The Compact's purposes are to advance the protection and restoration of land, water and other resources affected by mining through the encouragement of programs in each of the party states that will achieve comparable results in protecting, conserving and improving the usefulness of natural resources and to assist in achieving and maintaining an efficient, productive and economically viable mining industry.

Among the Compact's powers are the study of mining operations, processes and techniques; the study of conservation, adaptation, improvement and restoration of land and related resources affected by mining; the gathering and dissemination of information; making recommendations; and cooperating with the federal government and any public or private entities having an interest in any subject within the purview of the Compact.

The IMCC was founded on the premise that the mining industry is one of the most basic and important to the Nation. Our manufacturing activities, transportation systems, and the comfort of our homes depend on the products of mining. At the same time, it is essential that an appropriate

balance be struck between the need for minerals and the protection of the environment. We recognize that individual states have the power to establish and maintain programs of land and other resource development, restoration and regulation appropriate to cope with the surface effects of mining. The IMCC would not shift responsibility for such programs. On the other hand, our member states believe a united position in dealing with the federal government affords us a decided advantage. Our commission feels strongly that the collective voice of many is important in our efforts to preserve and advocate states' rights.

The IMCC provides several meaningful and critical benefits and services that greatly assist the states in their efforts to promote development of their abundant mineral resources while assuring adequate protection of the environment. In particular, the Compact provides opportunities and forums for interstate action and communication on issues of concern to member states. The Compact is actively engaged in a variety of state/federal partnerships and programs under the auspices of such statutes as the Surface Mining Control and Reclamation Act (SMCRA), the Mine Safety and Health Act, the Resource Conservation and Recovery Act (RCRA), the Federal Water Pollution Control Act and the Federal Land Policy and Management Act (FLPMA). On the coal side, the IMCC deals extensively with the federal Office of Surface Mining (OSM) on such issues as federal oversight of state regulatory programs, state program grants under Titles IV and V of SMCRA, administration of the Abandoned Mine Land (AML) program, and other significant OSM rulemakings. We work extensively with the U.S. Environmental Protection Agency (EPA) on such matters as mine placement of coal combustion wastes under subtitle D of the Resource Conservation and Recovery Act (RCRA), financial responsibility requirements under the Comprehensive Environmental Response, Compensation and Liability Act (CERCLA), and water quality requirements associated with active mining and re-mining operations.

The IMCC also undertakes studies on behalf of the states, as evidenced by our regularly updated report on the Regulation of Non-Coal Mineral Resources in the U.S.

The Compact also is active in recognizing the accomplishments of the industry that we regulate. Each year, the Compact presents a national reclamation award in both the coal and non-coal categories. We believe such a program highlights the positive work that the industry and the states together are doing in the way of environmental protection.

IMCC's Education Work Group has published a nationally recognized educational poster regarding mine land reclamation and conducted several teacher training workshops. IMCC also presents annual Mineral Education Awards in the mineral educator awareness and public outreach categories to recognize the valuable work being accomplished by teachers and others to advance the knowledge of the public concerning the importance of minerals to our society.

Over the years the IMCC has become an organization of national scope serving as the spokesperson for the mining states in Washington, D.C. It strives to effectively represent the interests of the mining states in their dealings with Capitol Hill and the executive agencies in an effort to articulate the concerns and recommendations of the states in their role as primary regulators of mining activities within their borders.

INTRODUCTION

During 1995, as the IMCC reflected upon 25 years of progress and anticipated the next generation of service to the states, the Commission formulated a strategic plan to carry it into the 21st century. Following an examination of the nature, functions and activities of the organization, the Commission identified the critical issues or areas that should be the focus of the IMCC in the future, based on an updated and enhanced vision statement and set of goals. The Commission also found that the basic purposes and functions of the IMCC, as set forth in its governing document (the "Compact"), continue to be sound and effective.

This strategic plan was updated and revised by the Interstate Mining Compact Commission (IMCC) at its annual meeting in Asheville, North Carolina on May 2, 2012.

VISION

The Interstate Mining Compact Commission will be an advocate for the member states and will serve the states through information exchange, effective communication, benchmarking initiatives, liaison with the federal government and others, and educational outreach in an effort to assist the states in fulfilling the dual responsibilities of assuring development of their abundant and strategically important natural resources while protecting and improving the environment.

GOAL:

The Interstate Mining Compact Commission (IMCC) will improve methods for communication with and information exchange among the member states (and state government organizations) to enhance state regulatory program implementation.

STRATEGIES FOR ACTION:

- Publish e-newsletters each year.
- Prepare and distribute minutes of all commission and standing committee meetings.
- Prepare and distribute e-memos on a regular basis regarding topics of interest and concern for the member states.
- Pursue development of e-alerts/issue tracking system to be included on IMCC website or sent electronically.
- Hold benchmarking workshop/roundtable discussion.
- Hold national/regional state forum, with a focus on noncoal topics.
- Update IMCC website on a monthly basis.
- Hold conference calls as necessary to brief the member states and seek input on critical, time-sensitive issues.

- Initiate and follow through with special studies on topics of interest identified by the member states.
 - Publish the annual report of the Compact.
 - Update membership directory regularly on IMCC website.
 - Pursue opportunities to advance the goals and objectives of the Compact by establishing partnerships and coordinating activities with like-minded state government organizations, including the National Association of Abandoned Mine Land Programs; the Western Interstate Energy Board; the Western Governors association the National Association of State Mine Inspection Agencies; the American Association of State Geologists; the Association of State and Territorial Solid Waste Management Officials; the Environmental Council of the States; the National Association of State Land Reclamationists; and the National Governors Association.
-

MEASURES:

- Number of communications distributed, including at least two e-newsletters and six e-memos each year.
 - Number of partnerships maintained or entered into with other agencies/organizations.
 - At least one joint meeting per year with like-minded agencies/organizations
 - Track participation by member states in meetings and conference calls.
 - Hold at least two interactive workshops or roundtables each year (e.g. benchmarking or regional).
-

GOAL:

The Interstate Mining Compact Commission (IMCC) will enhance existing working relationships with federal government agencies and Congress to effectively communicate state positions on key issues and to foster partnerships.

STRATEGIES FOR ACTION:

- Meet regularly with congressional staff from the committees of jurisdiction (House Natural Resources; Senate Energy and Natural Resources) and the appropriations committees in the House and Senate to discuss IMCC concerns, ideally with IMCC member state representatives.
- Communicate on a regular basis with congressional staff via phone and e-mail regarding issues of concern.
- Meet regularly with appropriate agency staff from the Mine Safety and Health Administration and the U.S. Department of the Interior and/or its various bureaus to discuss issues of concern to the member states, ideally with IMCC member state representatives.
- Meet when necessary with appropriate agency staff from the U.S. Environmental Protection Agency and the U.S. Army Corps of Engineers to discuss issues of concern to the member states, ideally with IMCC member state representatives.
- Communicate on a regular basis with federal agency personnel via phone and e-mail to pursue issues of concern to the member states.

MEASURES:

- Number of contacts and types made with congressional staff (including at least two meetings/briefings).
 - Number of contacts and types made with other federal agencies (including at least two meetings).
 - Executive Director develops and distributes concise IMCC resolutions and/or position papers on emerging issues and legislation to key state and federal decision-makers in advance of congressional or federal agency actions/initiatives.
-

GOAL:

The Interstate Mining Compact Commission will advance the organizational, institutional, financial and administrative integrity of IMCC, pursue additional member states and retain existing member states.

STRATEGIES FOR ACTION:

- Meet with potential new member states. Follow up with phone calls and e-mails.
- Meet with each associate member state to discuss Compact legislation for bringing the state into the Compact as a full member. Perform all necessary follow up research and information to facilitate membership.
- Contact each current full member state regarding status of Compact membership.
- Work toward the membership of all major mineral-producing states in the Compact.
- Conduct annual audit.
- Meet with IMCC Finance and Administrative Committee to review financial condition, compensation and benefits programs and strategic plan.
- Review all benefit programs annually.
- Evaluate internal administrative processes for potential improvement.
- Pursue opportunities to leverage funding from federal government sources to support Compact goals and objectives and advance state regulatory programs and state/federal partnerships.
- Develop and distribute a survey to the member states to identify and improve Compact services and operations.

MEASURES:

- Number of funding opportunities obtained.
 - Perform survey every two years and distribute results.
 - Add at least one full member states every five years.
 - Meet with IMCC Finance and Administrative Committee at least two times in person, via e-mail or via conference call per year.
-



Interstate Mining Compact Commission

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Virginia, Chairman

GOV. BILL WALKER
Alaska, Vice Chairman

GOV. GARY R. HERBERT
Utah, Treasurer

GOV. ROBERT BENTLEY
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Texas

GOV. EARL RAY TOMBLIN
West Virginia

GOV. MATT MEAD
Wyoming

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Colorado

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New Mexico

EXECUTIVE DIRECTOR

GREGORY E. CONRAD

Minutes

Meeting of the Finance and Administrative Committee Interstate Mining Compact Commission 2016 Annual Meeting 3:30-5:00 P.M. – April 18, 2016 Mirror Lake Inn – Lake Placid, New York

Chairman Dana Dean of Utah called the meeting to order at 3:30 P.M.

A list of attendees and copy of the agenda are attached.

I. Update on Current Financial Condition

Greg Conrad, Executive Director of the Interstate Mining Compact Commission (IMCC) began the meeting by reviewing the Compact's current financial condition. Mr. Conrad reported that income and expenses were as expected, and IMCC is under budget so far for the fiscal year, even including the unplanned expense of SPR consultation from Engineers Consultants Scientists International (ECSI). Mr. Conrad noted that the copy machine would need to be replaced soon.

Dana Dean reviewed the employee compensation package developed by the committee during a previous conference call, which included a 1.5% Cost of Living Adjustment (COLA), a merit increase, and a bonus. Ms. Dean also reported on the Committee's approval of the FY 2017 budget. A copy of the minutes from the April 5 conference call is attached.

Ms. Dean also reviewed the projected budgets and dues assessment charts for FY 18 and 19. It was agreed that it would be beneficial for the states to have a sense of projected dues amounts to aid in their respective budget planning.

Following an inquiry from Ed Larrimore of Maryland, discussion on how mineral production fluctuations affect dues projections ensued.

Mr. Conrad noted the dues assessment charts utilize United States Geological Survey (USGS) data for noncoal production, which is current to 2015, and Energy Information Administration (EIA) data for coal production, which is current to 2013. He also noted that, because specific state dues are determined based on their percentage share of production, overall reductions in mineral production have little effect on relative dues amounts. It was noted by Tracy Davis of North Carolina that shifts in the ratio of coal to noncoal could however result in more pronounced shifts in future dues assessments.

"Serving the States for Over 40 Years"

Following a comment by Russ Hunter of West Virginia, the difficulties associated with dwindling state revenues from reduced coal production were discussed, and it was noted that some state finance offices will be leery of dues levels which remain unaffected by reduced production.

Mr. Conrad suggested that single year dues assessments, rather two year, could be considered, noting that the two-year assessment is only meant to aid in long term planning. The benefits of one versus two-year assessments were discussed, and it was agreed that shorter-term assessments could be utilized as necessary.

A motion to approve the projected budgets for FY 18 and 19 was proposed by Wyoming and seconded by Maryland. The motion passed unanimously.

A motion to approve the projected FY 18 and 19 dues assessment charts was proposed by Virginia and seconded by Maryland. The motion passed unanimously.

II. Report on Action Items from April 5, 2016 Meeting of the Finance Committee

Discussion turned to Executive Director Performance Goals for Evaluation Year (EY) 2017. A question was raised regarding plans to advance IMCC's relationship with OSMRE.

Greg Conrad said that having the Assistant Secretary at the meeting was a good step, and suggested that it would be helpful to continue cooperation and communication with higher level agency personnel (i.e. Land and Minerals Management), though he noted that the turnover rate for positions like Assistant Secretary is high.

Ed Larrimore noted that the meeting with OSMRE that morning was more successful than meetings in the recent past, and there was some discussion of OSMRE personnel seemingly sharing that sense.

Russ Hunter inquired about the possibility of having IMCC immediately alert the states when there is a spike in inquiries on a certain topic from the press, Congress, or other groups. He suggested that it would be helpful for states to be made aware of such inquiries in the short term, rather than through more periodic updates such as the newsletter.

Mr. Conrad noted that the IMCC staff have considered using weekly or bi-weekly updates, but has not enacted such a system mostly due to resource concerns. He suggested that IMCC could try to notify states of press inquiries in a few different ways, such as e-memos or the message board. The benefits of utilizing e-memos versus the message board were discussed, and it was agreed that IMCC staff would consider further what would be the most effective system.

Ed Larrimore added that it would be similarly helpful for states to inform IMCC of events like Ten Day Notices (TDNs), to aid other states in tracking trends in such activities. States were encouraged to share this kind of information via the IMCC message board.

Mr. Conrad drew attention to a portion of the Performance Goals assessment related to “significantly increasing the efficiency” of the Compact. Alan Edwards of Wyoming noted that the goal of increasing efficiency each year may be unreasonable, especially if the Compact is operating at near maximum efficiency already. He suggested a goal of “maintaining” efficiency may therefore be better suited. Discussion ensued on how that section might be reworded, or whether it should be included at all. It was noted that efficiency was still an important goal and that to some extent each performance goal metric held an amount of subjectivity. It was agreed that the language would remain unchanged, with the understanding that it is a subjective rating and that efficiency may not be feasibly improved each year.

A motion to approve the Performance Goals for EY 2017 was proposed by North Carolina and seconded by Wyoming. The motion passed unanimously.

Mr. Conrad initiated discussion of potentially adding a new part-time employee to cover administrative duties at IMCC. Mr. Conrad explained the need for the additional administrative assistance, which is especially pronounced at busy times during the year. He noted that the additional employee would have flexible hours depending on need, and that this would allow IMCC staff to focus energies on more substantive issues.

It was agreed that the topic would be tabled until the April 20 Executive Commission Business meeting, to allow the states time to consider the proposal.

III. Update on Membership Status

Greg Conrad reviewed a recent set of meetings held between IMCC and a handful of member states regarding the benefits of IMCC membership.

Butch Lambert of Virginia discussed the meeting held with Tennessee personnel, and reported that feedback was very positive with regard to Tennessee’s plans to stay involved with IMCC. Tennessee is experiencing severe restrictions on travel, making it difficult to attend IMCC meetings in person, but the state has been participating on IMCC conference calls.

Tracy Davis of North Carolina discussed the meeting held with South Carolina personnel, in particular the new Department secretary. Mr. Davis reported positive results from the meeting, noting that South Carolina expressed desire to more actively engage. He also noted that Joan Litton of South Carolina was in attendance, reflecting the impact of the meeting.

Alan Edwards of Wyoming commented on the importance of having non-coal states active in the Compact, reminding the group that all types of mining regulatory programs are unified in IMCC. He thanked Mr. Lambert and Mr. Davis for their participation in the membership meetings.

Matthew Podniesinski of New York provided an update on the status of his state's engagement with the Compact. He reported that the previous director was focused on oil and gas, but that the new director would be meeting with IMCC staff later in the week to discuss New York's circumstances vis-à-vis IMCC membership.

Mr. Conrad noted that IMCC stands ready to have these types of meetings with any state that requests one. The meetings have already proven to be a worthwhile investment of time and money. A future meeting with the state of Missouri is anticipated in May.

Mr. Conrad reported on the status of New Mexico, which recently became a full member state. He noted that the legislation used to enact New Mexico's membership was abbreviated, but serviceable.

Mr. Conrad discussed efforts to bring Colorado into full membership status. He suggested a need to focus attention there, potentially including an in-person visit, as Colorado is the lone remaining associate member state. He expressed his hope that progress could be made leading up to Colorado's legislative session next year.

Ed Coleman of Montana reported on efforts to bring Montana on as an associate member and expressed his appreciation for being included in IMCC meetings.

IV. Roundtable Discussion of Fiscal Challenges in the States

It was agreed that the roundtable discussion of fiscal challenges in the states would be postponed until Wednesday, due to time constraints.

The meeting adjourned at 5:05 P.M.



Interstate Mining Compact Commission

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GOV. GARY R. HERBERT
Utah, Treasurer

GOV. ROBERT BENTLEY
Alabama

GOV. ASA HUTCHINSON
Arkansas

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New York

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North Dakota

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GOV. GREG ABBOTT
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New Mexico

EXECUTIVE DIRECTOR
GREGORY E. CONRAD

Agenda

Meeting of the

Finance and Administrative Committee

Interstate Mining Compact Commission 2016 Annual Meeting

3:30 – 5:00 P.M. – April 18, 2016

Mirror Lake Inn -- Lake Placid, New York

Dana Dean (Utah), Chairman, Finance and Administrative Committee

- I. Update on Current Financial Condition
- II. Report on Action Items from April 5, 2016 Meeting of the Finance Committee
 - Final Approval of FY 2017 Budget and FY 2018 and FY 2019 Projected Budgets
 - Staff Compensation Recommendation
 - Dues Assessments for FY 2018 and FY 2019
- III. Update on Membership Status
 - Report from Associate Member States Re. Legislative Initiatives
- IV. Roundtable Discussion on Fiscal Challenges in the States
 - Budgeting, Implementation, Staffing, Other Challenges

"Serving the States for Over 40 Years"

Attendee Sign-up Sheet for:

2016 Annual Meeting - Finance and Administrative Committee
 Monday, April 18, 2016 - Mirror Lake Inn, Lake Placid, NY

Name	State and Agency/Federal Agency/Other	Phone & Email Address
Ryan Ellis	IMCC	rellis@imcciss.us
Lewis Halstead	WV DEP	lewis.a.halstead@wv.gov
Russ Hunter	WV - DEP	Russ.M.Hunter@wv.gov (304) 926-0499 x1537
Brent Goodrum	ALASKA DNR	(907) 269-8625 brent.goodrum@alaska.gov
Travis Wootton	Texas Railroad Commission	(512) 305-8831 Travis.Wootton@rrc.texas.gov
Bill Plassio	PA DEP	724-925-5510 wplassio@pa.gov
ERIC CAVAZZA	PA DEP	814-472-1844 ecavazza@pa.gov
Tom Callaghan	PA DEP	717-782-5015 tcallaghan@pa.gov
Ed Camimore	Md. MDE	410-537-3557 Ed.camimore@maryland.gov
Steve Winkzapfel	IN DNR	812-465-2207 Steve.Winkzapfel@dnr.in.gov
James F. Stephens	Ark. DEC	501-682-0809 stephens@adeq.state.ar.us
Brian J. Withver	Alabama Dep. of Labor	334-242-8265 brian.withver@labor.alabama.gov
Dean Moos	NDPSC	701-328-4049 dmoos@nd.gov
Ed Coleman	MT DEP	406-439-7303 edcoleman@mt.gov
Jayashree Hall	AL Surface Mining Comm.	205-221-4130 jayashree.hall@comc.labama.gov
Matt Podnieszinski	NYS DEC	518-408-0288 matt.podnieszinski@dec.ny.gov
Simone Rodriguez	NYS DEC	518-402-8493 simone.rodriguez@dec.ny.gov
TRACY DAVIS	Vt DEC	921-407-9201 TRACY.DAVIS@ndnr.vt.gov
Scott Fowler	IL DNR	217-558-4333 Scott.Fowler@illinois.gov
Danielle Duke	LA DNR	225-342-7231 danielle.duke@la.gov

...g Attendee Sign-up Sheet for:
 IMCC 2016 Annual Meeting - Finance and Administrative Committee
 Monday, April 18, 2016 - Mirror Lake Inn, Lake Placid, NY

Name	State and Agency/Federal Agency/Other	Phone & Email Address
Abby Alkire	LA DNR	205-342-5588 abby.alkire@la.gov
Susan Grant	Ohio DNR	614.265.6773 susan.grant@dnr.state.oh.us
James Matheny	MS - DEQ	601-961-5527 James.Matheny@deq.state.ms.us
Bill York-Fairu	CO DRMS	303-846-3567 bill.york-fairu@state.co.us
Alan Edwards	WY DEQ	307-777-7062 alan.edwards@wyo.gov
Lanny Erdos	OH - DNR	614-245-6893 Lanny.Erdos@dnr.state.oh.us
Ruthe Lambert	VA DMME	573 845 276533 Ruthe.Lambert@dnr.virginia.gov
DANA DEAN	UT DNR - OGM	801-538-5320 danadcan@utah.gov
GAY CONRAD	IMCC	7037098654 gconrad@imcc.ia.us
Bob Botsis	IMCC	7037098654 bbotsis@imcc.ia.us

11:42 AM
03/31/16
Cash Basis

Interstate Mining Compact Commission
Balance Sheet
As of March 31, 2016

	Mar 31, 16
ASSETS	
Current Assets	
Checking/Savings	
Cardinal Bank - CD	100,000.00
Cash - GF	17,619.67
Main Street Bank CD	100,000.00
First VA Community Bank-CD	100,000.00
Savings Acct - BB&T	188,174.93
Virginia Commerce Bank	100,000.00
Total Checking/Savings	<u>605,794.60</u>
Other Current Assets	
Allowance for Bad Debts	-71,754.00
Accounts Receivable	71,753.62
Accrued Interest	6,175.00
Petty Cash	100.00
Prepaid Expenses	7,849.00
Total Other Current Assets	<u>14,123.62</u>
Total Current Assets	<u>619,918.22</u>
Fixed Assets	
Accumulated Depreciation	-53,006.93
Furniture & Fixtures	55,160.48
Total Fixed Assets	<u>2,153.55</u>
Other Assets	
Deposits	1,900.00
Total Other Assets	<u>1,900.00</u>
TOTAL ASSETS	<u><u>623,971.77</u></u>
LIABILITIES & EQUITY	
Liabilities	
Current Liabilities	
Other Current Liabilities	
Accrued Vacation Pay	53,433.88
Assessments In Advance	46,735.00
Total Other Current Liabilities	<u>100,168.88</u>
Total Current Liabilities	<u>100,168.88</u>
Total Liabilities	100,168.88
Equity	
Capital Assets Fund	34,785.90
Opening Bal Equity	225,944.20
Retained Earnings	235,725.41
Net Income	27,367.38
Total Equity	<u>523,802.89</u>
TOTAL LIABILITIES & EQUITY	<u><u>623,971.77</u></u>

**Interstate Mining Compact Commission
Profit & Loss Budget vs. Actual
July 2015 through March 2016**

	Jul '15 - Mar 16	Budget	\$ Over Budget	% of Budget
Income				
Government Contracts	10,000.00			
Interest Income	3,285.22	4,000.00	-734.78	81.6%
Other Income	10,000.00	0.00	10,000.00	100.0%
Registration Fees	25,500.00	15,000.00	10,500.00	170.0%
Revenue - Assessments	626,220.75	657,000.00	-30,779.25	95.3%
Total Income	674,985.97	676,000.00	-1,014.03	99.9%
Expense				
Taxes - Misc	8.00			
Audit	5,113.00	5,500.00	-387.00	93.0%
Bank Charges - GF	32.00	0.00	32.00	100.0%
Conferences	30,580.78	31,000.00	-419.22	98.6%
Employee Benefits	69,303.43	115,000.00	-45,696.57	60.3%
Employer FICA	16,995.09	0.00	16,995.09	100.0%
Equipment Leasing	1,160.37	1,500.00	-339.63	77.4%
FUTA & SUTA	238.73	0.00	238.73	100.0%
Insurance	4,413.01	6,000.00	-1,586.99	73.6%
Legal	133,152.08	0.00	133,152.08	100.0%
Miscellaneous	3,694.20	2,000.00	1,694.20	184.7%
Office Supplies	3,157.16	3,500.00	-342.84	90.2%
Postage - GF	1,272.20	2,000.00	-727.80	63.6%
Printing - GF	1,816.90	1,000.00	816.90	181.7%
Publications	3,357.90	5,000.00	-1,642.10	67.2%
Rent	29,664.00	41,500.00	-11,836.00	71.5%
Salaries	312,992.38	415,000.00	-102,007.62	75.4%
Subscriptions & Registrations	990.00	1,000.00	-10.00	99.0%
Telephone - GF	7,100.04	8,000.00	-899.96	88.8%
Travel	21,226.54	25,000.00	-3,773.46	84.9%
Travel Reimbursement	398.20	0.00	398.20	100.0%
Uncategorized Expenses	0.00	0.00	0.00	0.0%
Utilities	952.58	2,000.00	-1,047.42	47.6%
Total Expense	647,618.59	665,000.00	-17,381.41	97.4%
Net Income	27,367.38	11,000.00	16,367.38	248.8%

Projected FY 2017 Budget

	General Fund Programs
REVENUE	
Contributions from states	657,000*
Registration fees	15,000
Interest and Dividend Income	4,000
TOTAL REVENUE	676,000
EXPENSES	
Employee Compensation	430,000
Employee Benefits	118,000
Conference	33,000
Insurance	6,000
Miscellaneous & Petty cash	2,000
Office supplies	3,500
Postage	2,000
Printing	1,000
Registr. & Subscip. Fees	1,000
Equipment Leasing	1,500
Rent	43,000
Telephone	8,000
Travel	25,000
Utilities	2,000
Publications	5,000
Auditing	6,000
TOTAL EXPENSES	687,000
EXCESS EXPENSES OVER REVENUES	11,000

* NOTE: This amount reflects an anticipated contribution from the National Association of Abandoned Mine Land Programs (NAAML) of \$20,000 based on a current contract between NAAML and IMCC.

**Proposed FY 2017 Budget
(Approved 4/20/16)**

	General Fund Programs
REVENUE	
Contributions from states	657,000*
Registration fees	20,000
Interest and Dividend Income	4,000
TOTAL REVENUE	681,000
EXPENSES	
Employee Compensation	430,000
Employee Benefits	116,000
Administrative Assistant	20,000
Conference	35,500
Insurance	6,000
Miscellaneous & Petty cash	2,500
Office supplies	3,500
Postage	2,000
Printing	2,000
Registr. & Subscip. Fees	1,000
Equipment Leasing	1,500
Rent	43,000
Telephone	8,000
Travel	25,000
Utilities	2,000
Publications	5,000
Auditing	6,000
TOTAL EXPENSES	709,000
EXCESS EXPENSES OVER REVENUES	28,000

* NOTE: This amount reflects an anticipated contribution from the National Association of Abandoned Mine Land Programs (NAAML P) of \$20,000 based on a current contract between NAAML P and IMCC.

Projected 2018 Budget

	General Fund Programs
REVENUE	
Contributions from states	700,000*
Registration fees	20,000
Interest and Dividend Income	4,000
TOTAL REVENUE	724,000
EXPENSES	
Employee Compensation	445,000
Employee Benefits	119,000
Conference	36,500
Insurance	7,000
Miscellaneous & Petty cash	2,500
Office supplies	3,500
Postage	2,500
Printing	2,000
Registr. & Subscip. Fees	1,500
Equipment Leasing	1,500
Rent	45,000
Telephone	8,000
Travel	25,000
Utilities	2,000
Publications	5,000
Auditing	6,000
TOTAL EXPENSES	712,000
EXCESS REVENUES OVER EXPENSES	12,000

* NOTE: This amount reflects an anticipated contribution from the National Association of Abandoned Mine Land Programs (NAAML) of \$20,000 based on a current contract between NAAML and IMCC.

Projected 2019 Budget

	General Fund Programs
REVENUE	
Contributions from states	700,000*
Registration fees	20,000
Interest and Dividend Income	4,000
TOTAL REVENUE	724,000
EXPENSES	
Employee Compensation	458,000
Employee Benefits	122,000
Conference	38,000
Insurance	7,000
Miscellaneous & Petty cash	2,500
Office supplies	3,500
Postage	2,500
Printing	2,000
Registr. & Subscip. Fees	1,500
Equipment Leasing	1,500
Rent	46,000
Telephone	9,000
Travel	28,000
Utilities	2,000
Publications	5,500
Auditing	6,500
TOTAL EXPENSES	735,500
EXCESS EXPENSES OVER REVENUES	11,500

* NOTE: This amount reflects an anticipated contribution from the National Association of Abandoned Mine Land Programs (NAAML) of \$20,000 based on a current contract between NAAML and IMCC.

PROPOSED DUES ASSESSMENTS FOR FY 2018 & 2019

Budget Considerations over two years	1,360,000.00
Member States	25
Yearly cap	54,400

Rank Order	Member State	Production (cu ft)	Non-Cap	Total	% of IMCC	2018 State Fee	Proposed State Fee	Amount Over	Share from IMCC Reserve	Cap Amount
1	Alabama	2,092,563	1,250,000	3,342,563	4.59%	27,200	31,217	\$ 29,208		
2	Alaska	39,984	3,090,000	3,129,984	4.30%	27,200	29,232	\$ 28,216		
3	Arkansas	4,946	991,000	995,946	1.37%	27,200	9,301	\$ 18,251		
4	Colorado	1,437,156	2,410,000	3,847,156	4.37%	27,200	29,721	\$ 28,460		
5	Illinois	2,493,422	2,150,000	4,643,422	6.38%	27,200	43,366	\$ 35,283		
6	Indiana	1,972,384	916,000	2,888,384	3.97%	27,200	26,975	\$ 27,088		
7	Kentucky	4,789,226	571,000	5,360,226	7.36%	27,200	50,060	\$ 38,630		
8	Louisiana	68,845	689,000	757,845	1.04%	27,200	7,078	\$ 17,139		
9	Maryland	99,619	306,000	405,619	0.56%	27,200	3,788	\$ 15,494		
10	Mississippi	87,587	192,000	279,587	0.38%	27,200	2,611	\$ 14,906		
11	Missouri	10,143	2,560,000	2,570,143	3.53%	27,200	24,003	\$ 25,602		
12	New Mexico	819,884	1,760,000	2,579,884	3.25%	27,200	22,086	\$ 24,643		
13	New York	-	1,530,000	1,530,000	2.10%	27,200	14,289	\$ 20,745		
14	North Carolina	-	943,000	943,000	1.30%	27,200	8,807	\$ 18,003		
15	North Dakota	496,396	243,600	739,996	1.02%	27,200	6,905	\$ 17,053		
16	Ohio	1,221,585	1,310,000	2,531,585	3.48%	27,200	23,643	\$ 25,422		
17	Oklahoma	66,729	744,000	810,729	1.11%	27,200	7,572	\$ 17,386		
18	Pennsylvania	3,498,461	1,708,000	5,198,461	7.14%	27,200	48,550	\$ 37,875		
19	South Carolina	-	679,000	679,000	0.93%	27,200	6,341	\$ 16,771		
20	Tennessee	80,472	1,130,000	1,210,472	1.66%	27,200	11,305	\$ 19,252		
21	Texas	827,453	5,270,800	6,097,453	8.37%	27,200	56,945	\$ 42,073		
22	Utah	603,023	2,930,000	3,533,023	4.85%	27,200	32,996	\$ 30,098		
23	Virginia	1,563,639	1,160,000	2,723,639	3.74%	27,200	25,437	\$ 26,318		
24	West Virginia	8,689,758	395,000	9,084,758	12.48%	27,200	84,845	\$ 56,022	Yes	\$ 1,622
25	Wyoming	5,438,694	2,370,000	7,808,694	10.72%	27,200	72,927	\$ 50,064		
Total		16,491,518	17,235,000	33,726,518				\$ 50,060		\$ 1,622

These dues assessments are calculated as follows: Proposed budgeted expenses for FY 2018 (\$712,000) + projected budgeted expenses for FY 2019 (\$736,000) = Total projected two-year budgeted expenses of \$1,440,000. Subtract from this two-year amount of budgeted expenses projected "other income" over two years totaling \$88,000, as follows: \$40,000 (registration fees); \$8,000 (interest); and \$40,000 (contribution from the National Association of Abandoned Mine Land Programs). Total dues assessment need = \$1,448,000 - \$88,000 = \$1,360,000, which is divided by two fiscal years for an average of \$680,000 per fiscal year (which is the figure used in the above chart spread among the 25 states who are either full members or who are associate members now paying full member dues based on IMCC's policy for associate member dues payments). Based on the dues assessment cap approved by the Commission of two times the equal share amount (2 x \$27,200), the cap for Fiscal Years 2018 and 2019 is \$54,400. No state will pay more than this amount. Any excess amount is to be covered by the IMCC reserve. The excess amount for these two fiscal years (in the case of West Virginia) is \$1,622 per year.

Performance Goals for the Executive Director for EY 2017

GOAL: Improve Methods for Communication with and Information Exchange among the Member States (and State Government Organizations) to Enhance State Regulatory Program Implementation

MEASURES:

- **Number of communications distributed, including at least two e-newsletters and six e-memos each year**
- **Number of meetings with or partnerships entered into with other agencies/organizations**
- **At least one joint meeting per year with like-minded agencies/organizations**
- **Track participation by member states in meetings and conference calls**
- **Hold at least one interactive workshop or roundtable each year (e.g. benchmarking or regional)**

GOAL: Enhance Existing Working Relationships with Federal Government Agencies and Congress to Effectively Communicate State Positions on Key Issues and to Foster Partnerships

MEASURES:

- **Number of contacts and types made with congressional staff (including at least two meetings/briefings)**
- **Number of contacts and types made with federal agencies (including at least two meetings)**
- **Executive Director develops and distributes concise IMCC resolutions and/or position papers on emerging issues and legislation to key state and federal decision-makers in advance of congressional or federal agency actions/initiatives**

GOAL: Advance the organizational, institutional, financial and administrative integrity of IMCC. Pursue additional member states and retain existing member states.

MEASURE:

- **Number of funding opportunities obtained**
- **Perform survey of member states every two years and distribute results**
- **Add at least one full member state every five years**
- **Meet with IMCC Finance and Administrative Committee at least two times in person, via e-mail or via conference call**

MINUTES

IMCC Finance and Administrative Committee Conference Call

April 5, 2016 – 3:00 P.M. (ET)

A conference call of the IMCC Finance and Administrative Committee was held on April 5, 2016 at 3:00 p.m. ET. Chairman John Baza of Utah called the conference to order and noted that there was a quorum present for the call. Member states participating on the call included: Steve Weinzapfel (IN); Ed Larrimore (MD); John Caudle and Travis Wootton (TX); Jim Stephens (AR); Matt Podniesinski (NY); Jim Deutsch (ND); Tracy Davis (NC); Alan Edwards (WY); John Baza and Dana Dean (UT); Brent Goodrum (AK); Lanny Erdos (OH); John Stefanko (PA); Abby Alkire (LA); Lewis Halstead and Russ Hunter (WV); Craig Kennedy (SC); Scott Fowler (IL); and Paul Rothman (KY). Several handouts for the meeting had previously been distributed to the committee. Copies are available from IMCC.

I. Overview of Current Financial Condition

The Chairman noted that IMCC staff had previously distributed copies of the balance sheet and profit and loss budget comparison statement as of March 31, 2016. He requested that Mr. Conrad review these with the committee. Mr. Conrad noted that the balance sheet reflected a positive cash balance, with all four certificates of deposit remaining in place and a likely positive cash flow by the end of the fiscal year in June, despite the significant unbudgeted expense (\$133,000) associated with the use of a consultant to assist with the development of IMCC's comments on the Office of Surface Mining's proposed stream protection rule and associated documents. Mr. Conrad also noted, in response to a question, that our conference/meeting expenses and telephone expenses were likely to exceed the budgeted amounts given the number of additional meetings and conference calls that were held during the fiscal year associated with the various issues pursued by IMCC on behalf of the states. He also noted that the balance sheet reflected a dues payment by Wyoming for FY 2017 that was paid during FY 2016. In response to a question, Mr. Conrad explained that the bad debt account on the balance sheet reflected the final write off of past uncollected dues payments.

II. Report from the Chair re the Executive Director's Performance Evaluation

The Chairman reported on the Executive Director's performance evaluation for the past year, referring to a handout that was previously distributed to the committee. He noted that the overall average performance rating based on submissions from 24 of the 25 member states was 4.63 and that the merit average rating based on input from 22 of the 25 member states was 4.46. During discussion, it was suggested that the second criterion on the merit evaluation form ("Significantly improved the operational efficiencies of the Compact") be restructured since it was difficult to assess. The committee agreed to discuss this further at the IMCC annual meeting in New York.

III. Report from the Executive Director re IMCC Staff Performance

Mr. Conrad reported on the performance evaluations for the IMCC staff, noting the Deputy Executive Director Beth Botsis earned an overall average of 4.8 and that Legislative and Regulatory Affairs Specialist Ryan Ellis earned an overall average of 4.9. Phyllis Plummer, our part-time bookkeeper, also received a high rating, although she is not scored using the same type of system. Mr. Conrad expressed his high regard for the work of the staff given the intensity of the past year in terms of both workload and the nature of issues. He indicated that each of the staff, working as a team, stepped up to handle matters independently and professionally, particularly with respect to their interactions with the member states and outside parties with whom the Compact does business. He also noted that as the issue workload increases, it may be necessary to consider hiring a part-time person to assist with the administrative matters of the organization.

IV. Recommendation re Staff Compensation for FY 2017

Based on the staff performance evaluations and the financial condition of the Compact, the Chairman then put forth a recommendation for staff compensation for FY 2017, which had been previously distributed to the committee, along with documents concerning staff compensation history and staff compensation analysis. Following discussion, a motion was offered and seconded to approve a 2% salary increase for all staff members comprised of a 1.5% COLA and a .5% merit increase. The motion passed unanimously. A second motion was made and seconded to approve a 3% bonus for each of the staff members. Following discussion, the motion passed unanimously. These increases fall within the projected budget amount for salaries in FY 2017.

V. Approval of Proposed Budget for FY 2017

A copy of the proposed budget for Fiscal Year 2017, which had been previously distributed (along with a copy of the projected budget for FY 2017), was presented by the Chairman for discussion. A motion was made and seconded to approve the proposed budget. The motion passed unanimously.

VI. Approval of Projected Budgets for FY 2018 and FY 2019

The Chairman presented projected budgets for fiscal years 2018 and 2019 for the committee's consideration, which had previously been distributed to the committee. Following discussion, it was decided that formal action on these budgets would be taken up at a later time and that they would serve as informational pieces for the time being. A projected dues assessment chart, based on the projected budgets, was also provided to the committee for information purposes. These documents will be reviewed again at the upcoming IMCC annual meeting in New York.

VII. Approval of Executive Director's Performance Goals for EY 2017

The chairman referenced draft performance goals for the Executive Director for evaluation year (EY) 2017, which had previously been distributed to the committee. It was decided that the committee would take these under advisement and would vote to approve them at the annual meeting in New York.

There being no further business to come before the committee, the call was adjourned at 4:05 p.m.



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GREGORY E. CONRAD

Minutes

Joint Meeting of the Noncoal Section – Environmental Affairs Committee and the Mine Safety and Health Committee

Interstate Mining Compact Commission 2016 Annual Meeting

8:30 A.M. – Noon - April 19, 2016

Mirror Lake Inn – Lake Placid, New York

Chairman Tracy Davis of North Carolina called the meeting to order at 8:30 A.M.

A list of attendees and copy of the agenda are attached

I. Call to Order and Introductions

Tracy Davis of North Carolina called the meeting to order and asked that attendees introduce themselves.

Mr. Davis called on Bill York-Feim of Colorado to chair the mine safety portion of the meeting

II. Report on IMCC/Mine Safety and Health Administration (MSHA) Meeting on March 2, 2016

Bill York-Feim reviewed the minutes of the recent MSHA/states meeting. Topics of discussion included:

- Compliance with respirable dust rules, which is reportedly at a rate of 98%
- The potential connection between mine closures, a reduced work-force, and increase in occurrence of accidents
- The timely issuance of state-assistance grants
- MSHA's 2016 budget, which provides \$8.4 million in state grants and \$3.4 million in distance training
- The effectiveness of online versus in-person training
- An MSHA request for states to provide training materials they develop to MSHA for inclusion in a new MSHA library of training materials
- MSHA efforts to standardize certification standards
- IMCC consideration of a workshop related to metal/ nonmetal mine safety
- Mine Mapping assistance funding available to states

There was discussion of progress in clarifying the scope of MSHA's jurisdiction at AML sites. It was reported that MSHA is seeking to maintain the

"Serving the States for Over 40 Years"

status quo, inspecting only sites that sell recovered coal. There are approximately 30-45 such sites, most of which lie in Pennsylvania, in addition to Kentucky, West Virginia, and Virginia.

Kyle Wendtland of Wyoming inquired about the extent of MSHA/OSMRE coordination on OSMRE's respective dam safety and blasting rules. Greg Conrad reported that the answer is unclear at this time, but will hopefully be a feature of the upcoming dam safety meeting in St. Louis.

Ed Larrimore asked for examples of other states' experience in compensating the owners of mine maps. Eric Cavazza of Pennsylvania reported that his state will often compensate mine map owners using AML funds, generally in the amount of a few hundred dollars. It was noted that \$800,000 is available for mine mapping grants from OSMRE. Applications must be submitted by May 15.

It was reported that IMCC is moving ahead with consideration of a metal /nonmetal workshop, which will be guided by a steering committee to be lead by Beth Botsis of IMCC. Ms. Botsis gauged the states' interest in participating on the steering committee and with the workshop more generally. Lanny Erdos of Ohio reviewed the impetus for the workshop, including the recent high fatality rate at metal/non metal mines. Ms. Botsis reviewed MSHA's reported plans to mitigate the increased occurrence of accidents at these sites. It was agreed that the steering committee would convene to further discuss whether to move forward with the workshop and to discuss the structure and potential topics and work products.

III. Highlights of Recent Significant Activities Affecting Noncoal States

Beth Botsis provided an update on EPA's pending Comprehensive Environmental Response, Compensation, and Liability Act (CERCLA) 108(b) rule, which concerns financial assurance requirements for hardrock mines. Ms. Botsis reviewed a recent conference call between EPA, the Western Governor's Association (WGA) and IMCC to discuss the rule's progress, and reminded the group that the next opportunity for states to get information on the rule from EPA is a webinar scheduled for April 26. According to EPA personnel, the rule is planned to be sent to the Office of Management and Budget (OMB) for interagency review on August 15. Ms. Botsis reported that another federalism briefing will be held by EPA on May 18 to discuss concerns with the rule's potential preemption of state regulations related to hardrock mine financial assurance. Only state association representatives would be invited to attend the initial federalism briefing.

Discussion turned to the timeline provided by the EPA, which indicates a deadline by which no further revisions to the proposed rule based on state comments could be made. The question was raised of why OSMRE could not provide a similar timeline and a deadline for state input on the final SPR rule.

Ryan Ellis of IMCC provided an update on progress with Good Samaritan legislation, related to liability protections for 3rd party mine water treatment. Mr. Ellis reported that

Good Samaritan legislation has seen significant activity in the last six months, partially as a result of the Gold King Mine Spill in August of 2015. Mr. Ellis reviewed a legislative proposal being developed by IMCC in cooperation with regulators and watershed groups in Pennsylvania, which would provide for a federal Good Samaritan program modeled after the successful program in Pennsylvania. Mr. Ellis reviewed specifics of the proposal, plans to work with congressional committees to develop the proposal further, and the relation of the proposal to other existing Good Samaritan bills.

Discussion turned to the status of Coal Combustion Residue (CCR) regulation. Examples of problematic sites in Maryland and North Carolina were noted and discussion followed on how other states handle issues related to placement and disposal of CCRs.

IV. Roundtable Discussions

Tracy Davis of North Carolina, chairman of the Noncoal Section of the Environmental Affairs Committee, introduced the following topics for the roundtable discussion: noncoal bonding issues, alternative reclamation techniques, and blasting.

• Noncoal Bonding Issues

Mr. Davis discussed noncoal bonding issues present in North Carolina, including:

- The use of “blanket” bonds versus per site bonds depending on an operator’s history, and the benefits and risk associated with blanket bonds
- Use of “life of mine” permits
- Difficulty in supporting regulatory positions due to fee structure, and consideration of moving to an annual fee
- Bond calculation, phasing, and release methods in North Carolina
- Experiences with bankruptcies in North Carolina, including an example in which a judge awarded more than anticipated toward environmental liabilities

Several states commented on their own experiences with bankruptcies, noting the importance of getting “in line” in bankruptcy proceedings quickly. Also discussed was use of a range of bond instruments and bond calculation methods. It was widely agreed that fewer and fewer organizations (e.g. sureties and banks) are willing to provide financial assurance and that when they do, they often require more collateral than in the past.

Ed Coleman of Montana discussed difficulties in his state related to understaffing in the noncoal program. He also noted instances in which mine operators fail to follow their mine plan, resulting in additional difficulties when bonds are forfeited.

Several states discussed their utilization of fees, and particularly excess funds that can be used to cover the cost of bond forfeitures when necessary. Some states noted that their excess fees are not available to the mining program, but are appropriated for other purposes.

In response to a question from Wyoming, several states commented on their use of self-bonds for noncoal mines, particularly in cases where companies and permits are very old. Colorado noted that they have self-bonded molybdenum mines. Utah noted an example of a copper mine permitted in the 70's, which involves only a "reclamation guarantee" with no specific bond amount. Wyoming and Utah both noted that they have had success in calling in assets from these companies where necessary.

In response to a question from Maryland, discussion turned to difficulties associated with tracking debts owed by banks, especially where bank ownership changes hands. Maryland noted an instance in which a certificate of deposit was seized by the IRS and the state Attorney General had to get involved to secure the funds from the bank. There was discussion of cases in which banks buy one another, sometimes multiple times, and the importance of keeping accurate, clear records to track and inform banks of the outstanding debts they have inherited. It was also noted that splitting debts between multiple entities and consolidating interagency information are helpful in mitigating risks associated with the health of sureties and banks. The example of the surety company Lexon was noted, which was recently purchased by a foreign company of which little is known, and the risks associated with bonds held by unknown entities.

- **Alternative Reclamation Techniques**

Tracy Davis began by discussing reclamation techniques in North Carolina. He reported that lakes, pasture, and landfills are common techniques for pit reclamation. He noted that his state works with their department of transportation on dam issues and asked if others could discuss their states' cooperation with other agencies.

Several states discussed issues commonly faced during pit reclamation such as contamination in fill material, grading standards, appropriate penalties for failure to reclaim properly, requirements for professional engineers to sign off on reclamation plans in certain instances, and pit-to-lake reclamation becoming more common as expanding urban areas require additional water resources.

Greg Conrad of IMCC posed a question regarding the differing safety requirements for conventional dams versus mine dams (including impoundments) and differing bond requirements. Several states discussed dam safety requirements in their programs, some noting differences between how conventional dams and mine dams are regulated.

In response to a question from New York on requirements for concurrent reclamation, several states reported on their states' requirements, most of which include concurrent reclamation.

- **Blasting Rules**

Tracy Davis reviewed blasting regulations in North Carolina. Mr. Davis reported that blasting is not expressly included in his state's regulations, but that part of the state's

regulations allow it to enforce blasting rules in relation to impacts on neighboring sites. North Carolina uses U.S. Bureau of Mines metrics to determine acceptable levels in air blasts and ground vibrations. Mr. Davis also discussed conditions for record keeping related to blasting, which are important for responding to citizen complaints. Mr. Davis noted that video records of shots are not required in North Carolina and asked if other states require shots to be videotaped.

Several states discussed their handling of blasting requirements, some of which do require videotaping of all blasting events. Topics of discussion included use of seismographs and other means of measuring blasting effects, use of dedicated blasting personnel, site-by-site evaluation, on-site storage of blasting materials, and handling of violations.

It was noted that OSMRE's upcoming rulemaking related to blasting would likely put compulsory regulations in place for blasting. There was discussion of the effect that these new regulations might have on existing state regulations, and on the importance of keeping track of OSMRE's progress with the rulemaking.

V. Good Samaritan Legislative Update and Strategy

This topic was discussed earlier in the meeting and is included in the above section titled "Highlights of Recent Significant Activities Affecting Noncoal Sites"

VI. Updates and Issues of Concern of the Member States

Greg Conrad raised the question of whether a new bonding survey would be helpful. He recalled that the most recent survey related to bonding covered only self-bonds, and that in the past more general bonding surveys have been used. He suggested that the survey might include topics such as bond instruments utilized, bond adequacy and forfeiture, and tracking methods. Alan Edwards of Wyoming suggested that consideration of a bond survey be postponed to the coal meeting and that a draft survey could be developed to ensure that the right questions are included.

Mr. Conrad also suggested a survey on blasting could be useful, especially in light of OSMRE's pending rulemaking. The survey could potentially focus only on noncoal blasting and could serve as the basis for a later roundtable discussion. It was also suggested that the survey could include information on air emissions, as it seems that OSMRE is moving in that direction with its upcoming rulemaking and believes that regulation of air emissions is within its authority.

Mr. Conrad raised the topic of the Good Samaritan proposal being developed by IMCC. It was agreed that a conference call would eventually be held to discuss the draft proposal but not until legislative counsel had reviewed and commented on the draft first.

Mr. Conrad invited input from the states on the usefulness of the roundtable sessions compared to more conventional report outs and it was widely agreed that the roundtable was an improvement.

The meeting adjourned at noon.



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Agenda Joint Meeting of the Noncoal Section – Environmental Affairs Committee and the Mine Safety and Health Committee Interstate Mining Compact Commission 2016 Annual Meeting 8:30 A.M. - Noon – April 19, 2016 Mirror Lake Inn -- Lake Placid, New York

Mary Ann Pritchard (Oklahoma), Vice Chairman, Mine Safety and Health Committee
Tracy Davis (North Carolina), Chairman, Noncoal Environmental Affairs Committee

- I. Call to Order and Introductions
- II. Report on IMCC/Mine Safety and Health Administration (MSHA) Meeting on March 2, 2016
- III. Highlights of Recent Significant Activities Affecting Noncoal States
- IV. Roundtable Discussions
 - Noncoal Bonding Issues
 - Innovative/Alternative Reclamation Techniques
 - Blasting
- V. Good Samaritan Legislative Update and Strategy
- VI. Updates and Issues of Concern of the Member States
 - Key Issues/Deliverables for Future IMCC Staff and Noncoal Environmental Affairs Committee Involvement

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April 19, 2016 Natural Environment Affairs & Water Spgs & Health Committee Joint Meeting - Lake Placid, NY

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Minutes

Joint Meeting of the

Coal Section – Environmental Affairs Committee and the Abandoned Mine Land Committee

Interstate Mining Compact Commission 2016 Annual Meeting

1:30 – 5:00 P.M. – April 19, 2016

Mirror Lake Inn – Lake Placid, New York

AML Committee Chairman Lanny Erdos of Ohio called the meeting to order at 1:30 P.M.

A list of attendees and copy of the agenda are attached.

I. Introductions

Lanny Erdos of Ohio, Chairman of the Abandoned Mine Land Committee, began the meeting by thanking Office of Surface Mining Reclamation and Enforcement personnel for their efforts and attendance.

II. Abandoned Mine Land (AML) Issues

Mr. Erdos reviewed the minutes of the National Association of Abandoned Mine Land Program's (NAAML) recently held winter business meeting. Topics included:

- NAAML's financial situation
- OSMRE updates on grants and sequestration
- Reauthorization of SMCRA Title IV fee collection authority
- AML program audits
- OSMRE rulemaking updates
- OSMRE update on AML pilot program
- OSMRE update on Mine Safety and Health Administration (MSHA) jurisdiction at AML sites
- OSMRE update on government efficiencies work groups progress
- IMCC updates on legislative activity and appropriations
- Potential for a national hardrock AML program
- The 2016 NAAML Annual Conference in Montana

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- The value of cooperation with the National Association of State Land Reclamationists (NASLR)
- NAAMLPLP scholarships and awards
- Progress with the joint IMCC/NAAMLPLP educational poster

Beth Botsis of IMCC requested that the states provide more “before and after” photos of AML sites for consideration on the poster.

Mr. Erdos asked that Eric Cavazza of Pennsylvania discuss his state’s efforts to identify potential projects under the AML pilot project. Mr. Cavazza reported that all or part of 14 potential project plans had been developed, which include fires, refuse piles, abandoned mine drainage, water supply restoration, highwalls, and others. Economic benefits of these projects include the construction of industrial parks, improvement of water quality and availability, a geothermal plant and hydro-electric plant, tourism opportunities, reforestation, and others. These projects would potentially leverage another \$120 million in outside funds, meaning 4 matching dollars for every 1 dollar of AML pilot funding spent. Mr. Cavazza noted that many of these projects had been on his program’s radar for some time and in some cases it is unclear if economic benefits would come to fruition, but that reclamation was the first step. He said that he is optimistic about getting OSMRE approval, acknowledged that OSMRE provision of guidance has been more delayed than hoped, but noted that he understands this is a new process for the states and for OSMRE.

Following Mr. Cavazza’s report on Pennsylvania’s efforts, there was discussion of the approval process for these AML pilot projects. Greg Conrad reported on meetings recently held with staff of Representatives Rogers and Jenkins, at which time IMCC provided analysis of how the pilot program has been evolving and the effect it might have on the RECLAIM Act if the pilot program is further delayed. It was noted that OSMRE guidance had reportedly been developed but had not yet been released to the states.

Discussion turned to a letter recently received by IMCC from Pennsylvania Governor Tom Wolf. Mr. Conrad reported that Governor Wolf’s letter urged Pennsylvania’s fellow member states in IMCC to support the RECLAIM Act and provided an explanation of why Pennsylvania believes the Act to be important. The letter was read aloud by Mr. Conrad, who went on to discuss IMCC’s efforts to provide the states’ input on the bill, which he said has been well-received by congressional staff. The latest report from congressional staff is that they are not ready to schedule hearings on the Act yet, as they are still meeting with stakeholders and developing the draft.

Lanny Erdos inquired about how other states handle long-term water treatment of Acid Mine Drainage (AMD) sites, for example the maintenance of dosers, noting that if AML funding is not reauthorized, it could imperil existing water treatment systems which require ongoing maintenance. Alan Edwards of Wyoming noted that funds for long-term water treatment are related to AMD set-aside funds, which would be included in the RECLAIM Act. Eric Cavazza reviewed how Pennsylvania approaches long-term treatment of AMD, which is very common in the region. Mr. Cavazza explained a

combination of trust funds and set-aside accounts are used to fund long-term operation and maintenance of water treatment systems, which are designed to continue to provide funding in the event the AML fee is not reauthorized. Mr. Cavazza reported that if RECLAIM passes, Pennsylvania will likely place the maximum amount possible into the set-aside fund, but that if the AML fee is reauthorized, they could continue executing new projects without the same level of concern regarding long term viability of water treatment systems. Several other states including Ohio, Maryland, and Virginia all noted that they have similar concerns with the long-term funding of their existing water treatment systems.

III. Bonding

Kyle Wendtland and Kimber Wichmann of Wyoming gave a presentation titled "Financial Assurance and Bonding". The presentation covered a variety of topics primarily related to the maintenance of financial assurance in the face of recent coal company bankruptcies, including:

- The potential effects of regulatory actions on capital markets
- Review of concurrent reclamation and phased bonding approaches
- Misconceptions related to bankruptcy and bond forfeiture
- Bond calculation accuracy
- Life stages of mines
- Federal banking regulations
- Solvency of guarantors
- Types of bankruptcy and respective implications
- Matching financial assurance instruments to reclamation obligations
- Status and implications of the Dodd-Frank act
- Advantages and disadvantages of various bonding instruments

Discussion followed on the health of large banks and how their insolvency affects financial assurance. It was noted that these banks are required to maintain "living wills", which means that they do not dissolve even when operation ceases. It was also noted that chapter 15 bankruptcies might come into play, as was the case in one instance in Virginia.

Alan Edwards of Wyoming discussed self bonding, explaining that they can be suitable financial instruments under certain conditions, e.g. in the early life of a mine, and should be kept in the state regulators "toolbox". He discussed the importance of states maintaining leadership through these bankruptcy and bonding issues.

In response to a question from Travis Wootton of Texas, the process for migrating self-bonded obligations towards more liquid assets was discussed. It was noted that it is important to assess the overall situation carefully before putting rules in place to transition bonds, for example in terms of large-scale bond transitions effect on capital markets and the availability and cost of financial assurance.

Mr. Wootton noted the difficulty in requiring companies to transition to new bond instruments later in the life of the mine. He recalled that when Texas dealt with the bankruptcy of the heavily self-bonded Luminant, it was critical to get the state Attorney General involved early in the process to aid the state's position in bankruptcy court.

Mr. Edwards discussed the importance of working closely with industry as well as OSMRE in order to understand their circumstances and concerns accurately, but that ultimately states must take the lead in navigating these issues.

Russ Hunter of West Virginia suggested that interest should be less on having liquid bonds and more on maintaining continuing reclamation, which means avoiding the imposition of unnecessary financial burden on companies to the point that operation and reclamation cease prematurely.

It was agreed that the bonding work group would hold a conference call in the near future to discuss a way forward. States which volunteered to participate on the work group included: WV, UT, TX, OH, AL, VA, IN, WY, MD, PA, IL, ND, AK, and NY. NM is participating in addition.

Tom Shope, OSMRE Appalachian Region Director, provided an update on the Financial Assurance Coordination Team (FACT), of which he serves as chair. He reported that the next FACT meeting would be held in Pittsburgh, PA, and that the action plan developed during the previous meeting in St. Louis would be finalized at that point.

Mr. Conrad asked the states to provide more contacts of personnel with expertise related to bonding issues.

IV. Budget/Appropriations Update

Greg Conrad reviewed FY 2016 state grants, noting that Title IV and Title V grants had been settled and that states should move forward with applications. With regard to FY 2017 appropriations, Mr. Conrad reported that two hearings had been held: one on March 2 by the House Interior Appropriations Subcommittee and another on March 23 by the House Subcommittee on Energy and Mineral Resources. IMCC filed statements for both hearings. Mr. Conrad recalled that, while Congress has not passed an FY 2017 budget, they do have a two-year budget plan, which is basically a guideline that could apply to this year. Mr. Conrad noted that legislative days are short this year due to the looming national election and that the likelihood of continuing resolutions and an Omnibus grows as remaining legislative days wane. Mr. Conrad reported confidence that state grants for FY 2017 will be approved at the same levels as the previous year.

V. Next Steps Re. Pending Office of Surface Mining (OSM) Rulemakings

Greg Conrad inquired with the states about attendance at the upcoming May 11 meeting between OSMRE and the states regarding OSMRE's pending dam safety and

blasting rules. The states that indicated plans to attend include: WV, OH, WY, VA, IL, AR, MT, and IN.

Mr. Conrad asked that OSMRE provide an update on progress with other pending rulemakings. Sterling Rideout of OSMRE reported that the temporary cessation, blasting, and dam safety rules were "on the horizon," with no specific timeline in place. The cost recovery rule would be final by the end of August, and the coal combustion residue rule would be proposed by the end of 2016.

Discussion turned to the upcoming regional OSMRE/states meetings regarding the Stream Protection Rule (SPR). The states were asked to indicate their plans with regard to attending the meeting. It was agreed that it would be useful to hear from the states that attended the previous meeting first, as several states were unsure if the commitment would be worthwhile.

Alan Edwards of Wyoming reported on the previously held Western region OSMRE/states SPR meeting. He noted that the meeting was very short, with one individual in attendance from the states, and that state personnel had not had adequate time to review the reference documents, discussion of which was the primary value of the meeting. Wyoming requested more time to review documents and a list of Wyoming-specific documents to aid in their evaluation. He noted Wyoming would attend the upcoming meeting despite the inadequate review time provided.

Jim Stephens of Arkansas reported on the Mid-Continent OSMRE/states SPR meeting, at which, he noted, very few people were in attendance. He reported that the states had not received adequate time to review the necessary documents partially because, of the 137 documents relevant to his state, 69 were copyrighted. Mr. Stephens reported that he did ask a few questions about the rule despite not having been able to adequately review reference documents.

Lanny Erdos of Ohio reported on the Appalachian region OSMRE/states SPR meeting. Mr. Erdos reported that Ohio made it clear at the meeting's outset that the purpose was to discuss the availability of reference materials, rather than the substance of the materials themselves. He noted that Ohio personnel were still in the process of downloading materials and had not had adequate time for review. He noted that it was a helpful opportunity to share information and receive assistance in gathering reference materials, but reiterated that the intended purpose of the meeting of receiving substantial input from the states was not possible due to inadequate review time.

There was further discussion of the need to review the reference documents. Alan Edwards suggested that comprehensive review of the documents beyond those which are regionally relevant is critical in order to understand the extent to which the rule proceeds with a "one-size-fits-all" approach. Tom Callaghan of Pennsylvania noted that it would take approximately 5-8 weeks of fully dedicated time from several employees to review all of the documents. Abby Alkire of Louisiana noted that her state does not have the

resources available to review all of the documents, but that they appreciate the opportunity to participate in the meetings and benefit from the review of other states.

Greg Conrad raised discussion of general state engagement on the SPR, in particular regarding the timeline and potential deadline for states to submit comments that can practically be considered. Mr. Conrad explained that the rule must meet certain deadlines for interagency review, which means that OSMRE must complete its revisions by a certain time several months in advance of the rule's official finalization. If, for example, the administration seeks an August 15 deadline due to the election cycle, then the rule would have to be submitted to the Office of Management and Budget (OMB) by around May 15, and the sunaming process must therefore be completed very soon. If a December deadline is planned for the rule's finalization the timeline would back up to around October. Mr. Conrad noted that it would be very helpful for the states to know when the effective deadline for OSMRE revisions to the rule, and therefore the inclusion of state input, would be, in order to avoid wasting limited state resources in commenting on a rule which could no longer be revised. He noted that IMCC's upcoming letter to OSMRE regarding the rule would include an inquiry about the true deadline for state input.

Alan Edwards noted that if there is indeed opportunity for the states to reengage meaningfully, they want to be prepared to do so. He agreed with Mr. Conrad that there is no desire to limit engagement, but added that it was important to note that from the states' perspective, the cooperating agency states were not allowed to meaningfully contribute to the rule's development, which is a partial cause of the rule's flawed nature.

VI. Other Issues of Concern to the Member States

Greg Conrad raised discussion of progress with the Government Efficiencies Work Group (GEWG) recommendations. Mr. Conrad reviewed a recent letter to the Compact from OSMRE Director Pizarchik. The letter stated that OSMRE would approve the recommendation to combine the steering committees of NTTP and TIPS. The letter went on to describe the guidelines for steering committee membership, noting that OSMRE is still finalizing their member selections. A proposal for membership selection criteria was also included.

Mr. Conrad reviewed the selection criteria and reported that IMCC would work with the Western Interstate Energy Board (WIEB) on selecting members. Butch Lambert noted that potential members would ideally have experience with both NTTP and TIPS and should be in an upper-management position.

Mr. Conrad mentioned a draft resolution on bonding issues developed in advance of the meeting by the state of Wyoming, and asked that members review the resolution for the subsequent day's Resolutions Committee meeting. An overview of AML-related legislative activity developed by IMCC was also noted and made available for those interested.

Mr. Conrad raised discussion of concerns with state program implementation and funding, a topic that was postponed from the earlier OSMRE/states meeting. Each of the member states discussed the status of and prospects for funding their respective programs. Many states reported that their programs are supported wholly or in part by fees generated by mineral production. Falling production, especially for coal, is beginning to have significant effects on the ability of many programs to maintain adequate funding. Several states discussed examples of critical positions that can no longer be funded or which can not be replaced due to attrition requirements. Also commonly discussed were difficulties in planning budgets for the next few years, especially because production is projected to continue falling. It was noted that the SPR would likely require many states to acquire additional personnel of specific expertise, which in many cases would not be possible given funding constraints. It was also noted that falling coal production results in a reduction to AML fee receipts, which could have a devastating effect on many state AML programs.

Mr. Conrad summarized the concerns expressed by the members with regard to funding and its effect on program implementation and noted that falling production does not result in a reduction in workload for most programs. In some cases, falling production and the complexities associated with mine closures and bankruptcies in fact require additional staff resources. It was agreed that IMCC would seek to inform Congress and the federal agencies of the difficulties in program implementation associated with falling mineral production, in particular to push back on any attempts to curtail state program funding.

Louise Dunlap of Dunlap & Browder, Inc. stated her appreciation for the work of the Compact and noted her extensive background with SMCRA issues. She suggested that new coalitions between states and citizen groups would be beneficial to the purposes of both, noting the common goal of ensuring reclamation of mines. Ms. Dunlap recommended that IMCC work to inform these groups in particular of the states funding concerns, noting the importance of maintaining adequate funding for state SMCRA programs.

Glenda Owens of OSMRE stated her appreciation for the work of the Compact and noted that OSMRE understands the states' concerns with program funding and wants to help.

The meeting adjourned at 5:02 P.M.



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Agenda Joint Meeting of the Coal Section – Environmental Affairs Committee and the Abandoned Mine Land Committee Interstate Mining Compact Commission 2016 Annual Meeting 1:30 – 5:00 P.M. – April 19, 2016 Mirror Lake Inn -- Lake Placid, New York

Lanny Erdos (Ohio), Chairman, Abandoned Mine Lands Committee
James Matheny (Mississippi), Chairman, Coal Environmental Affairs Committee

- I. Introductions
- II. Abandoned Mine Land (AML) Issues
 - Report on/Updates from NAAML Meeting in Sacramento, California Re. AML Legislative Strategy
- III. Bonding
 - OSM Bonding Work Group Report and Roundtable Discussion
 - OSM FACT/States Meeting in St. Louis, March 16 – 17
 - IMCC Next Steps
- IV. Budget/Appropriations Update
- V. Next Steps Re. Pending Office of Surface Mining (OSM) Rulemakings
 - OSM/States Meeting May 11 in St. Louis
- VI. Other Issues of Concern to the Member States
 - Mine Mapping
 - Government Efficiencies Work Group Recommendations

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4/19/16 Coal Environment Affairs - AMU Joint Cont. Mtg. - John Philby

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Minutes

Meeting of the

Resolutions Committee

Interstate Mining Compact Commission 2016 Annual Meeting

8:30 – 10:30 A.M. – April 20, 2016

Mirror Lake Inn – Lake Placid, New York

Chairman Butch Lambert of Virginia called the meeting to order at 8:30 A.M.

A list of attendees and copy of the agenda are attached

I. Call to Order

Butch Lambert, Chairman of the Resolutions Committee, called the meeting to order and reviewed the agenda.

II. Proposed Resolutions

Mr. Lambert introduced several proposed resolutions for the committee's consideration, including:

- Expressing Interstate Mining Compact Commission's (IMCC's) appreciation for the attendance and ongoing contribution of Department of Interior Assistant Secretary for Land and Minerals Management Janice Schneider
 - A motion to approve the resolution was made and seconded. The motion passed unanimously.
- Expressing IMCC's appreciation to Robert Stegeman of New York, who provided welcoming remarks for the meeting
 - Kenneth Lynch intended to provide welcoming remarks but was unable to attend. Mr. Stegeman provided the remarks in his place and the resolution was amended accordingly.
 - A motion to approve the resolution as amended was made and seconded. The motion passed unanimously.
- Expressing IMCC's appreciation to Matthew Podniesinski of New York, who was integral in planning the meeting
 - A motion to approve the resolution was made and seconded. The motion passed unanimously.
- Expressing IMCC's appreciation to William Kelly, Michael French, and Jonathan Hall, who were speakers at the meeting

- A motion to approve the resolution was made and seconded. The motion passed unanimously.
- Expressing IMCC's gratitude to soon-to- retire John Caudle of Texas for his critical contributions to the Compact over his career
 - A small typo was corrected. A motion to approve the resolution as amended was made and seconded. The motion passed unanimously.

III. Development of Resolution Re. Stream Protection Rule (SPR)

Mr. Lambert raised discussion of a resolution passed by the Compact several weeks prior related to OSMRE's proposed SPR. Greg Conrad noted that OSMRE had not mentioned the resolution during the meeting earlier in the week. Mr. Conrad reported that the resolution was shared with congressional staff, who expressed their appreciation for the states' engagement and efforts and recognize the difficult position in which the states find themselves regarding the rule. Mr. Conrad read aloud a series of emails from congressional staff thanking IMCC for its efforts related to the SPR and other recent topics. Mr. Conrad noted that the process of gathering information from the states and communicating it succinctly to Congress is one of IMCC's key roles.

Discussion turned to remaining opportunities for the states to engage with OSMRE and meaningfully contribute as the proposed rule is revised and finalized. It was noted that time left for OSMRE to revise the rule based on additional state comments is likely waning as the rule must go through the interagency review process soon. The benefit of continuing to engage with OSMRE on the rule despite the fact that no further revisions may be possible was discussed, and it was agreed that the states would continue attempting to provide input. The likelihood of multiple lawsuits following the rule's finalization was discussed, and it was noted that many environmental groups have indicated their belief that the rule does not go far enough, potentially signaling lawsuits from environmental interests.

Discussion turned to the legal options available to states should they choose to initiate or participate in litigation on the rule. Mr. Conrad reviewed these options, noting that there would be a 30-day notice of rule finalization followed by a 60-day period in which lawsuits could be filed. Mr. Conrad indicated that the three basic options for states would be: 1) participation as an active litigant, potentially jointly with other states, 2) participation as an intervener with a similarly minded party, likely another state, and 3) preparation of an amicus curiae brief.

Mr. Conrad recalled a past instance in which IMCC did not have a unanimous opinion but still felt it important to participate as an intervener. Mr. Conrad discussed options for addressing varying perspectives if necessary, such as reflecting which states dissent with a certain opinion and why, though he noted that this situation is not ideal. Mr. Conrad suggested that the states should begin discussing options with their Attorneys General in the near future and that a legal memorandum may be useful to explain

experiences and positions. It was also noted that a conference call in the near future would be useful.

IV. Development of Resolutions re. Bonding

Mr. Lambert introduced a proposed resolution concerning the Environmental Protection Agency's (EPA) pending rule related to financial assurance requirements for hardrock mines pursuant to section 108(b) of the Comprehensive Environmental Response Compensation and Liability Act (CERCLA). Mr. Lambert suggested that this resolution was probably ripe for approval by the Compact, noting the importance of communicating the states' strong desire to be robustly consulted in the rule's development. In response to a question from Alan Edwards of Wyoming on the likely timeline for the rulemaking, Beth Botsis of IMCC reported that it is unlikely the states will be provided a draft before the rule is proposed.

A motion to approve the CERCLA 108(b) resolution was made and seconded. The motion passed unanimously.

Discussion turned to a proposed resolution related to general bonding circumstances, especially pertaining to recent bankruptcies. Kyle Wendtland introduced the draft resolution, which he developed, and recommended that it be further revised by the bonding work group. Mr. Wendtland suggested that a deadline determined by the full membership would be appropriate. Alan Edwards noted that more specifics could be added to the resolution following additional discussion in the work group. It was agreed that the bonding work group would hold a call the week following the annual meeting. IMCC staff was directed to distribute Wyoming's bonding presentation to the full membership.

Discussion followed on the potential options for OSMRE to act on bonding concerns. It was noted that the SPR contains many provisions related to bonding, so even if a separate bonding rule is not pursued, OSMRE is effectively engaging in rulemaking on bonding regulations, which could even be expanded in the final version of the rule. The likelihood of OSMRE granting the Wild Earth Guardians (WEG) petition for rulemaking related to self-bonding was discussed, as well as the potential for OSMRE to pursue an emergency rule. Following a question on the emergency rule process, Mr. Conrad explained that under such scenarios, the agency would forego the proposed rule process and simply promulgate a "final" rule, which would become effective at the end of a comment period. He noted that this route would expedite the effective date of the rule, which could only be stopped by a court-ordered stay.

It was agreed that the draft bonding resolution would be tabled for the time being, to be reconsidered in the event that OSMRE takes action on bonding concerns.

V. Development of Resolution Re. Endangered Species Act (ESA) Issues

Beth Botsis of IMCC reviewed options for a resolution related to ESA issues. She reported that there have been suggestions of a joint work group between the states, OSMRE, and Fish and Wildlife Service (FWS) to develop Protection and Enhancement Plan (PEP) guidelines for the Northern Long-eared Bat (NLEB), but that implementation has been delayed and suggested that the resolution might recommend FWS move forward with formation of the work group. Ms. Botsis also suggested the resolution could recommend more timely joint engagement with OSMRE and the states in developing future species specific PEP guidelines when new listings are proposed, and addressing concerns related to coordination between the states, FWS, and OSMRE more generally. Butch Lambert suggested and it was agreed that IMCC should draft a resolution covering these ESA issues for consideration at the Mid-Year meeting in Utah.

VI. Discussion of Past Resolutions/Consideration for Future Revision/Updating

Mr. Lambert raised discussion of a proposed resolution related to primacy and funding concerns. Mr. Lambert noted that the resolution was based on a previous one and that it had not been discussed before the meeting. He also noted it may not be the ideal time to proceed with the resolution.

Alan Edwards of Wyoming noted that Title V funding is currently adequate, despite the longer term concerns noted earlier, and that primacy concerns were covered by other recent IMCC materials. Mr. Edwards suggested that it may be best to postpone passing this resolution until the election of the new Administration and that certain revisions could be made at that time.

Dana Dean of Utah suggested that the resolution be delayed until the finalization of OSMRE's cost recovery rule, which would likely involve new expectations of states' ability to fund themselves and could effect grants.

Mr. Lambert concurred with the members' comments and it was agreed by all that the resolution would be tabled pending further consideration and more appropriate timing.

Discussion turned to a proposed resolution related to mine placement of coal combustion residues (CCRs). Greg Conrad recalled that, based on discussions during the OSMRE meeting earlier in the week, OSMRE's rule on mine placement of CCRs would be delayed further than previously thought. Mr. Conrad noted that this rule would be very significant, but suggested that now was not an appropriate time to move forward with the resolution. Mr. Lambert recommended and the members agreed that the resolution would be tabled pending progress with the draft rule.

Mr. Lambert reviewed past IMCC resolutions that could potentially be updated, three of which had already been considered during the meeting. Mr. Lambert suggested that

IMCC might revisit past resolutions respectively related to the use of Ten Day Notices (TDNs), a federal hardrock AML program and 1872 mining law reform, and funding for certified states and tribes under Title IV of SMCRA. It was suggested and agreed that IMCC would send out the past resolutions for the states' later consideration.

Dana Dean of Utah suggested that IMCC should seriously consider updating the TDN resolution. She indicated that OSMRE has not, in her experience, been using TDN's correctly, citing for example their immediate issuance of a TDN in response to any citizen complaint, regardless of the complaint's validity and seemingly without even reviewing complaints before hand. She suggested that it would be helpful for IMCC to communicate better ways to utilize TDNs to the new Administration. Mr. Wendtland of Wyoming echoed Ms. Dean's concerns, adding that OSMRE actions do not comport with INE-35, a directive on the use of TDNs. It was agreed that updating the TDN resolution would be taken up again at the next IMCC meeting.

Brent Goodrum of Alaska suggested that it might be useful to place all of IMCC's resolutions in a central location such as IMCC's website, so that they can be easily viewed.

There was brief discussion on the usefulness of updating versus maintaining past resolutions, especially considering the cyclical nature of many regulatory issues.

The meeting adjourned at 10:30 A.M.



Interstate Mining Compact Commission

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Virginia, Chairman

GOV. BILL WALKER
Alaska, Vice Chairman

GOV. GARY R. HERBERT
Utah, Treasurer

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GOV. JOHN HICKENLOOPER
Colorado

GOV. SUSANA MARTINEZ
New Mexico

EXECUTIVE DIRECTOR

GREGORY E. CONRAD

Agenda Meeting of the Resolutions Committee Interstate Mining Compact Commission 2016 Annual Meeting 8:30 – 10:30 A.M. – April 20, 2016 Mirror Lake Inn -- Lake Placid, New York

Butch Lambert (Virginia), Chairman, Resolutions Committee

- I. Call to Order
- II. Proposed Resolutions
 - Recognizing New York Staff for Hosting the IMCC 2016 Annual Meeting
 - Recognizing Speakers
- III. Development of Resolution Re. the Stream Protection Rule (SPR)
 - SPR/Cooperating Agency States' Concerns
 - States' Position on the SPR as a Whole
 - States' Concerns with Certain Aspects of the SPR
 - Restate States' Concerns/Position on Failed State Consultation by OSM
- IV. Development of Resolutions Re. Bonding
 - States' Position on Appropriate Response to Bankruptcy Issues
 - Explanation of Bankruptcy/Self-Bonding Issues
 - Explanation of Legal Framework Under Which States Will Act Re. Bankruptcies and Especially Self-Bonds
- V. Development of Resolution Re. Endangered Species Act (ESA) Issues
 - Fish and Wildlife Service (FWS)/OSM Memorandum of Understanding (MOU)
- VI. Discussion of Past Resolutions/Consideration for Future Revision/Updating
 - Federalism and Funding (2012); Noncoal Financial Assurance/CERCLA 108(b) (2012); Hardrock Reclamation (2012); Ten Day Notices and Program Evaluation (2012); Certified States Funding Under Title IV (2011); Coal Combustion Residue (2011)

"Serving the States for Over 40 Years"

IMCC Resolutions Committee
 April 20, 2016 - 9 am
 Lake Placid, NY

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1.	Ryan Ellis	imcc	rellis@imcc.us.us
2.	Lewis Halstead	WV DEP	lewis.a.halstead@wv.gov
3.	Russ Hunter	WV - DEP	russ.m.hunter@wv.gov, (304) 926-0499
4.	Matt Podnieszinski	NYS DEC	518 408-0288 matthew.podnieszinski@dec.ny.gov
5.	Brent Goodrum	AK DNR	(907) 269-8625 brent.goodrum@alaska.gov
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9.	Steve Weinzapfel	IN DNR	812-665-2207 sweinzapfel@DNR.IN.GOV
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11.	Tom Callaghan	PA DEP	717-783-5015 tcallaghan@pa.gov
12.	Ed Coleman	MT DEQ	406-444-4973 ecoleman@mt.gov
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14.	Johnathan Hall	ASMC	205.221.4130 johnathan.hall@agms.alabama.gov
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18.	James F. Stephens	ADNR	501.682.0809 stephens@adnr.state.ar.us
19.	Danelle Duhe	LA DNR	225-342-7231 danelle.duhe@la.gov
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26.	Alan Edwards	WY DEQ	307-777-7062 alan.edwards@wyo.gov
27.	Bill York-Fern	CO DNRMS	303-866-3567 bill.york-fern@state.co.us

Cont.

28. Lanny Erdos OH - DNR 614-265-6893 Lanny.Erdos@dnr.state.oh.us

29. Butch Lambert VA DMR 276-523-4145 butch.lambert@domr.virginia.gov

30. G. M. Conrad 17000

31. Beth Batsis INCE 703-703-8254 bbatsis@ince.in.us

Resolution

Interstate Mining Compact Commission

BE IT KNOWN THAT:

WHEREAS, The Interstate Mining Compact Commission's Annual Meeting in Lake Placid, New York was honored by the presence of the Honorable Janice Schneider, Assistant Secretary for Land and Minerals Management, U.S. Department of Interior; and

WHEREAS, Ms. Schneider provided the Opening Remarks at the IMCC Annual Meeting on April 18, 2016

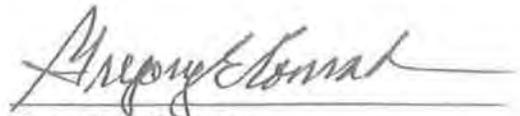
NOW THEREFORE LET IT BE RESOLVED:

That the Interstate Mining Compact Commission expresses its gratitude to Janice Schneider for her participation in making this year's meeting an outstanding success.

Issued this 20th day of April, 2016

ATTEST:




Executive Director

Resolution

Interstate Mining Compact Commission

BE IT KNOWN THAT:

WHEREAS, The Interstate Mining Compact Commission's Annual Meeting in Lake Placid, New York was honored by the presence of Robert Stegemann, Regional Director, New York State Department of Environmental Conservation; and

WHEREAS, Mr. Stegemann presented the Welcoming Remarks at the IMCC Annual Meeting on April 18, 2016

NOW THEREFORE LET IT BE RESOLVED:

That the Interstate Mining Compact Commission expresses its gratitude to Robert Stegemann for his participation in making this year's meeting an outstanding success.

Issued this 20th day of April, 2016

ATTEST:


Executive Director



Resolution

Interstate Mining Compact Commission

BE IT KNOWN THAT:

WHEREAS, throughout the years, the Interstate Mining Compact Commission has been privileged to hear many excellent speakers at its meetings; and

WHEREAS, it is through these speakers that the Commission is able to keep abreast of new developments, new policies, and new technology in the fields of mining and environmental protection; and

WHEREAS, the speakers who addressed the Commission's Annual Meeting on April 18, 2016, in Lake Placid, New York are men of outstanding ability in their respective fields, and the benefits of their advice and experience are a valuable contribution to the Commission; and

WHEREAS, the Commission is most appreciative of the time and effort the speakers have expended in the preparation and presentation of their remarks

NOW THEREFORE LET IT BE RESOLVED:

That the Interstate Mining Compact Commission expresses its gratitude to:

*Dr. William Kelly
Dr. Michael French
Johnathan Hall*

Issued this 20th day of April, 2016

ATTEST:



Gregory Elom

Executive Director

Resolution

Interstate Mining Compact Commission

BE IT KNOWN THAT:

WHEREAS, Matthew Podniesinski arranged an informative and interesting Annual Meeting for the Interstate Mining Compact Commission in Lake Placid, New York from April 17-20, 2016; and

WHEREAS, Mr. Podniesinski also served as the Moderator for the General Session on April 18 and as the Master of Ceremonies at the Awards Banquet on April 19; and

WHEREAS, our host warmly welcomed and generously extended Empire State hospitality to all attendees

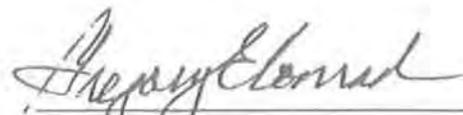
NOW THEREFORE LET IT BE RESOLVED:

That the Interstate Mining Compact Commission expresses its deep appreciation to Matthew Podniesinski and his staff for assisting the IMCC staff to ensure a successful meeting.

Issued this 20th day of April, 2016

ATTEST:




Executive Director

Resolution

Interstate Mining Compact Commission

BE IT KNOWN THAT:

WHEREAS, John Caudle has participated in the work of the Interstate Mining Compact Commission (IMCC) on behalf of the state of Texas for many years and most recently as the Chairman of the Awards and Resolutions Committees; and

WHEREAS, John's leadership skills and dedicated public service during these years have contributed greatly to the important natural resource and environmental protection issues before the state of Texas and IMCC; and

WHEREAS, John's positive personality and dedication to government service have been appreciated by all those who have had the privilege of knowing and working with him;

NOW THEREFORE BE IT RESOLVED:

That the member states of the Interstate Mining Compact Commission, who have had the honor and privilege of working closely with John Caudle over the years, express their sincere appreciation and heartfelt thanks to him for all he has done on behalf of the states and IMCC and wish him all the best in his retirement from state government service.

Issued this 20th day of April, 2016

ATTEST:


Executive Director



Resolution

Interstate Mining Compact Commission

Re. Financial Assurance for Hardrock Mine Reclamation

BE IT KNOWN THAT:

WHEREAS, the development of our Nation's minerals necessarily involves the surface disturbance of the land and often results in impacts to air and water resources; and

WHEREAS, state and national laws provide for the reclamation of land disturbed by mining and for the protection of human health and the environment related to those disturbances; and

WHEREAS, with regard to hardrock and noncoal minerals development, state governments have largely taken the lead in fashioning regulatory programs that address environmental protection and reclamation requirements; and

WHEREAS, an important component of state regulatory programs is the requirement that mining companies provide financial assurances in a form and amount sufficient to fund required reclamation if, for some reason, the company fails to do so in accordance with the state program. These types of financial assurances, often referred to as bonding, protect the public from having to finance reclamation and closure if the company goes out of business or fails to meet its reclamation obligation; and

WHEREAS, all states have developed regulatory bonding programs to evaluate and approve the financial assurances required of mining companies. States have also developed the staff and expertise necessary to calculate the appropriate amount of bonds, based on the unique circumstances of each mining operation, and to make informed predictions of how the real value of current financial assurance may change over the life of the mine, including post-closure; and

WHEREAS, Section 108(b) of the Comprehensive Environmental Response, Compensation, and Liability Act (CERCLA), 42 U.S.C. Sec. 9608(b), requires that the U.S. Environmental Protection Agency (EPA) consider promulgating financial responsibility requirements for industrial facilities that take into account the risks associated with their use and disposal of hazardous substances; and

WHEREAS, pursuant to a federal court decision in California (*Sierra Club v Johnson*, 2009 WL 2413094 (N.D. Cal. 2009)) which ordered EPA to move forward with the rulemaking, EPA announced in July 2009 that it selected hardrock mining as the first industry sector for which it would develop financial responsibility requirements under CERCLA Section 108(b) (74 Fed. Reg. 37213, July 28, 2009); and

WHEREAS, pursuant to a D.C. Circuit court decision (Order *In re: Idaho Conservation League, et al.*, No. 14-1149 (D.C. Cir. Jan. 29, 2016)) approving a settlement agreement between the EPA and several non-governmental organizations, EPA is required to publish a notice of proposed rulemaking regarding CERCLA Sec. 108(b) financial assurance for the hardrock mining industry by December 1, 2016; and

WHEREAS, in preparation for its rulemaking, EPA undertook an analysis of reclamation bonding requirements in approximately 20 state regulatory programs throughout the U.S.; and

WHEREAS, since the initiation of EPA's rulemaking initiative, a number of IMCC member states have expressed concern that any bonding requirements that EPA may develop for the hardrock and noncoal mining industry could be duplicative of state requirements, and could even preempt them entirely under EPA's reading of Section 114(d) of CERCLA. The states have also questioned whether EPA has the resources to implement reclamation bonding for hardrock and noncoal mines, since bond calculations usually reflect site-specific reclamation needs and costs; and

WHEREAS, the states are concerned that EPA may be attempting to fill alleged "gaps" in state reclamation bonding programs that either may not exist or that are unrelated to the purpose of a reclamation bonding program;

NOW THEREFORE BE IT RESOLVED THAT THE INTERSTATE MINING COMPACT COMMISSION:

Recognizes the states' lead and primary role in regulating the environmental impacts associated with hardrock and noncoal mining operations within their borders, including financial assurance requirements for reclamation; and

Affirms that IMCC member states are committed to environmental protection and to responsible and comprehensive regulation and bonding for hardrock mining operations; and

Affirms that the states have a proven track record in regulating mine reclamation, having developed appropriate statutory and regulatory controls and dedicated resources and staff to ensure full and effective implementation of their regulatory programs; and

Believes that the states currently have financial responsibility programs in place that are working well and as such should stand in-lieu of federal requirements under Section 108(b) of CERCLA; and

Recommends that an independent, impartial body (such as the National Academy of Sciences) conduct a study to review financial responsibility requirements under state

regulatory programs to determine their sufficiency, to identify any serious gaps, and to recommend whether a federal rulemaking on the matter is needed; and

Urges the EPA to engage with state regulators through the IMCC prior to publishing a notice of proposed rulemaking regarding CERCLA Sec. 108(b) financial assurance for the hardrock mining industry, which should include substantive consultation with and provision of proposals to state regulators before formal rulemaking is launched; and

Requests that EPA provide to state regulators the following: a detailed state consultation timeline and plan for obtaining individual state comments; all technical and scientific materials and analyses used to support any proposed rule, denoting whether any such materials were peer-reviewed; a statement indicating how the EPA solicited ideas about alternative methods of compliance and potential flexibilities in order to reduce the economic burden placed on affected entities; a statement indicating how EPA solicited information from state regulators as to whether the proposed rule will duplicate similar state requirements; a copy of a federalism assessment or the reason why EPA did not complete a federalism assessment; explanation of the reason existing state programs are insufficient to address financial assurance concerns and an analysis of any conflicts in the proposed rule with state programs; and an analysis of financial assurance instruments that would satisfy any proposed EPA requirement

Issued this 20th day of April, 2016

ATTEST:


Executive Director



DRAFT

Resolution

Interstate Mining Compact Commission

Re. Primacy and Funding

BE IT KNOWN THAT:

WHEREAS, the Interstate Mining Compact Commission (IMCC) is a multi-state governmental agency representing the natural resource and related environmental protection interests of its 25 member states; and

WHEREAS, states currently perform the vast majority of environmental and natural resource protection tasks in America, including significant percentages of permitting, enforcement and compliance actions, including the collection of environmental quality data to support those decisions; and

WHEREAS, pursuant to the cooperative federalism approach embodied in many national environmental and natural resource protection laws, state governments serve as primary regulators, while also functioning as partners with various federal agencies that share similar authorities and responsibilities for the development and implementation of national environmental and natural resource protection laws; and

WHEREAS, Congress has expressed its intent under these national laws to recognize, preserve, and protect the primary responsibilities and rights of the states to develop and implement laws and regulations that ensure the preservation, restoration, and enhancement of land and water resources and therefore has provided exclusive jurisdiction (primacy) for certain federal program responsibilities to states which, among other things, enables states to establish programs that go beyond minimum federal program requirements; and

WHEREAS, various state and federal courts throughout the country have validated the primary regulatory role of the states under this regulatory approach; and

WHEREAS, states that have received primacy have demonstrated that they have the independent authority, technical ability and fiscal responsibility to adopt and implement laws, regulations and policies at least as stringent and effective as federal counterparts; and

WHEREAS, with respect to the implementation of state primacy programs, the role of federal government agencies becomes one of appropriate oversight and funding support; and

WHEREAS, it is vital that the federal government encourage flexibility for states to develop regulatory programs that address local conditions and to incorporate new procedures and techniques that accomplish agreed-upon environmental and natural resource program

DRAFT

requirements, thereby assuring an effective and efficient expenditure of taxpayers' money; and

WHEREAS, under the primacy regime envisioned by Congress under the Surface Mining Control and Reclamation Act (SMCRA), a stable, consistent and effective state-federal partnership was anticipated based on principles of comity and federalism; and

WHEREAS, a disregard for these principles or for the importance of continued, adequate funding will undermine the effective implementation of SMCRA; and

WHEREAS, under SMCRA Title V, 24 states have been granted primacy in the regulation of active coal mines. Under SMCRA Title IV, 25 states have been granted primacy in the pursuit and regulation of abandoned mine land remediation projects. These programs receive federal financial support in the form of annual grants; and

WHEREAS, in addition to federal grants, many primacy programs under SMCRA Title V rely in part on fees generated by coal production and on state match of federal funds to administer their programs; and

WHEREAS, many Title IV programs rely entirely on federal grants derived from AML fees generated by coal production to administer their programs; and

WHEREAS, domestic coal production has been declining since 2009. As coal production declines, the various fees generated by that production, on which the state programs rely, have also declined. It is reasonable to assume that coal production and fee generation will continue to decline over the foreseeable future; and

WHEREAS, declining coal production, coal operator bankruptcies, and mine closures increase the regulatory burden for state Title V programs, as these situations present many additional challenges to regulators; and

WHEREAS, the delegation of new federal environmental and natural resource protection rules and policies to the states by federal agencies, such as the proposed Stream Protection Rule, continues at a steady pace and involve additional requirements and therefore additional funding; and

WHEREAS, the remaining funding needs of the state Title IV programs are substantial, as indicated by the national inventory, which estimates remaining costs at \$4 billion to reclaim all remaining high priority health and safety AML sites identified throughout the country. The remaining cost to reclaim all remaining AML sites throughout the country including water treatment and other "Priority 3" sites is often estimated at \$10 billion. The Office of Surface Mining Reclamation and Enforcement's projections on AML fee receipts and grant distributions indicate that the currently projected funding will be markedly inadequate to complete AML reclamation and water treatment by a wide margin; and

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WHEREAS, reductions in federal support, especially when combined with a decline in other supplementary funding sources, adversely affects the states' ability to implement federal programs in a timely manner and to adequately protect human health and the environment and appropriately develop our Nation's natural resources. It may eventually be necessary for federal financial support of state primacy programs to increase in order to compensate for reductions as a result of the decline in coal production and fee receipts; and

WHEREAS, as a direct result of the experience and expertise of the states in implementing these regulatory programs, the federal government has realized significant savings based on what it would otherwise cost federal agencies to implement equivalent programs

NOW THEREFORE BE IT RESOLVED THAT THE INTERSTATE MINING COMPACT COMMISSION:

Affirms its continuing support for the protection of human health and the environment and the appropriate development of our Nation's natural resources by providing for clean air, clean water, the proper handling of waste minerals, and the restoration of mine lands; and

Recognizes the continuing need for states as primary regulators to jointly work together with the federal government for the most efficient and effective use of limited resources for the greatest environmental benefit; and

Supports the delegation of primacy to state programs and believes that when a program has been provided primacy, the appropriate federal focus should be on program oversight and review as opposed to intervention in program implementation; and

Affirms its support for the concept of flexibility, with states viewed as laboratories of invention whereby the function of the federal government, working with the states, is largely to set goals for environmental protection and natural resources development that, to the maximum extent possible, leave the accomplishment of those goals primarily to the states, especially as related to the use of different methods to implement core programs and to develop new programs; and

Affirms the need for adequate funding for environmental and natural resource programs at the state level given the vitally important role of these programs.

Issued this 20th day of April, 2016

ATTEST:

Executive Director

**Minutes
Meeting of the
Interstate Mining Compact Commission and
Office of Surface Mining Reclamation and Enforcement
In conjunction with the
Interstate Mining Compact Commission 2016 Annual Meeting
April 18, 2016 – 8:30 – 11:30 A.M. – Mirror Lake Inn
Lake Placid, New York**

Butch Lambert of Virginia called the meeting to order at 8:30 A.M.

A list of attendees and copy of the agenda are attached

Welcomes and Introductions

Butch Lambert, Chairman of the Interstate Mining Compact Commission (IMCC) Executive Committee, opened the meeting by welcoming personnel from the Office of Surface Mining Reclamation and Enforcement (OSMRE) and asking all attendees to introduce themselves.

Janice Schneider, Assistant Secretary for Land and Minerals Management within the U.S. Department of the Interior (DOI), provided welcome remarks. Ms. Schneider expressed her appreciation for the opportunity to meet and discussed how her experiences in traveling throughout the country to meet with state personnel regarding the stream protection rule and to view different types of mines has given her a better understanding of the issues at hand.

Ms. Schneider reviewed recent DOI activities related to coal as well as circumstances affecting coal more generally, including:

- Potential Collaboration between DOI and the states
- Statistics on coal production and coal leases
- Decreasing coal production as a result of competition from natural gas
- Company requests for delays on leases due to low capital
- Projections for coal production to stay low, related in part to overproduction of oil
- Projections for coal to represent 20-25% of electricity production by 2040-2050
- The need to help people transition through economic opportunity

- A listening session held in Gillette at which she was in attendance and heard many concerns from all sides on the need to modernize the federal coal program
- The three-year moratorium on the program, the leasing of federal coal, and the comprehensive review of the program, which has not been conducted for 30 years
- A new round of public meetings to be held regarding coal leasing
- Exceptions to the federal coal lease delays, such as exchanges related to alluvial valley floor issues
- Efforts to ensure that the delays in coal leasing do not have a material effect on coal production needs in the US
- The difficulties presented by recent bankruptcies and self-bonding issues, noting that both the states and OSMRE have authority to enforce bonds
- The impact of bankruptcies on state revenues
- OSM efforts to mitigate effects of bankruptcies, e.g. the Applicant Violator System (AVS), collecting information on bankruptcies, and the Financial Assurance Coordination Team (FACT)
- Sources of federal experience with bankruptcy and self-bonding issues, such as through the Bureau of Ocean Energy Management's (BOEM) management of offshore leases, or experience with self-bonds through the Comprehensive Environmental Response, Compensation, and Liability Act (CERCLA)
- The importance of the IMCC Bonding work group
- A petition for rulemaking on self-bonding recently received by DOI, which will be assessed as more information is gathered, but with no current plans to undertake a rulemaking
- OSMRE's efforts to protect streams through the stream protection rule (SPR)
- Assurance to the states that the SPR will be balanced and allow flexibility while better protecting the environment in varying regions
- The importance of state input on the SPR and various meetings held between the states and OSMRE, as well as plans for further engagement
- The complicated history and politics surrounding the SPR
- Plans to complete the SPR within the current Administration's term

Kyle Wendtland of Wyoming asked Ms. Schneider for clarification on the data she shared relating to capital markets and on OSMRE plans to exercise due diligence in assessing circumstances related to bonding. Ms. Schneider clarified that her comment on capital markets referred to decreasing investment from 3rd parties, but acknowledged that coal companies lay out substantial amounts of capital to be slowly recouped over a long period.

With regard to federal coal leasing, Ms. Schneider stated that Industry has expressed concerns related to the timeliness of permitting actions and the burdensome costs associated therewith, and that all of these issues would be considered in the Programmatic Environmental Impact Statement (PEIS) attending the review of the federal coal leasing program.

Alan Edwards of Wyoming noted the state's role as primary regulators, and that, while industry can and does carry its own water, it is important for states to have an accurate understanding of industry perspectives while maintaining appropriate separation in our relationship with industry.

Lanny Erdos of Ohio inquired of Ms. Schneider about regulatory differences between coal that is exported versus consumed domestically. Ms. Schneider responded that it is a commonly held position that export and domestic coal should be subject to different regulations, and that the PEIS would consider that question.

Ed Larrimore of Maryland asked that Ms. Schneider expand on her comments related to the effect of downturns in coal production on jobs. Ms. Schneider replied that seeing underground miners during her tours of coal country underscored the need to help people transition, while understanding that inevitably some people are going to lose jobs. She noted that President Obama's Power + Plan was designed to aid economic transitions. Joe Pizarchik, Director of OSMRE, added that there was a lot of new money in the President's budget related to Power +, much of which will be distributed soon, and also mentioned the RECLAIM Act as a source of financial aid.

A New York staff member inquired of Ms. Schneider whether federal coal leases could be renegotiated based on more current, lower prices of coal. Ms. Schneider responded that she had not heard that suggestion before, but that it could be considered as the program is reviewed.

Dana Dean of Utah asked Ms. Schneider to discuss the potential for emergency lease requests. Ms. Schneider replied that DOI is investigating cases where emergency lease requests would be appropriately accepted, emphasizing that the exceptions DOI plans to maintain for the coal-leasing program, such as in the case of emergencies, are very real.

Brent Goodrum of Alaska inquired to Ms. Schneider about the extent to which DOI will make modifications to the SPR as a result of state comments. Mr. Goodrum noted that many people in the room had submitted comments, and that based on those comments, it was clear that extensive modifications to the rule would be necessary to ensure its feasibility. He asked Ms. Schneider if reopening of the comment period would be necessary if significant revisions to the proposed rule were indeed made. Ms. Schneider responded that they have made modifications, but that they do not believe the modifications warrant reopening of the comment period. She also agreed with previous statements that litigation regarding the SPR is a near certainty. Brandi Colander of DOI noted that regional meetings were an option for more discussion on SPR. Ms. Colander stated that the window for state comments would not close until the rule is released, and noted that listening sessions would be available through the Office of Management and Budget (OMB) after the rule is released to OMB for interagency review, for which they are allotted 90 days.

Alan Edwards of Wyoming stated appreciation for the DOI personnel's comments on the matter, but expressed concern with DOI's ability to meaningfully consider state

comments and make resultant revisions without the need to reopen the comment period. Mr. Edwards also noted the significant amount of time necessary for states to review materials and state-level issues related to the SPR in preparation for regional OSMRE/State meetings.

Lanny Erdos of Ohio stated appreciation for the regional meetings and general DOI efforts at re-engagement, but noted that there was not sufficient time to review materials prior to the recent regional meeting, which precluded a meaningful dialogue from occurring. Mr. Erdos respectfully requested that Ohio be granted a one-on-one meeting with OSMRE over an 8-10 hour block, in order to ensure that the state can relay its comments with necessary detail.

Butch Lambert paused discussions to recognize Erv Barchenger, retiring regional director of the OSMRE Mid-Continent regional office. Mr. Lambert expressed IMCC's appreciation for Mr. Barchenger's efforts over his career and extended the states' congratulations for his retirement.

I. Bonding Challenges

Butch Lambert reviewed issues of importance to the states that would be discussed during the meeting, drawing particular attention to bankruptcy and bonding challenges.

Greg Conrad, Executive Director of IMCC, began discussions by thanking Assistant Secretary Schneider for her comprehensive review of the issue in her opening comments. Mr. Conrad recalled it had been approximately one year since current bankruptcy and bonding issues emerged. Mr. Conrad expressed concern that the narrative surrounding these issues is getting out of control, and suggested that OSMRE and the states could arrive at a joint-strategy and narrative, in particular with regard to the states ability to ensure continuing reclamation in the midst of the self-bond dilemma. Mr. Conrad emphasized that continuing reclamation is the bottom-line objective for the states, as that is the only way to avoid burden on the taxpayers. Mr. Conrad explained that ill-considered, hasty reactions to these distressing circumstances would only serve to make things worse.

Kyle Wendtland of Wyoming explained that self-bond is just one of many financial assurance tools which are at risk and that other instruments like letters of credit and surety bonds all have their own issues. He also explained that bonding concerns are not limited to coal, as these circumstances affect oil, gas, and renewables too. Mr. Conrad noted Lexon as an example of a major surety company with which there is much uncertainty.

Brandi Colander asked Mr. Conrad to elaborate on the notion of arriving at a better narrative regarding bankruptcies and bonding. Mr. Conrad described IMCC'S perspective: self bonds have been available for a long time and the system worked well when companies were in good financial health. As regulators became aware that certain

companies' health was waning, they have responded appropriately under their regulations, including assessing bond replacement scenarios. The states' bottom-line is keeping reclamation going, and prematurely pulling bonds is unhelpful to that ultimate goal, as it compromises a companies ability to continue reclamation. Mr. Conrad also noted the key role of bankruptcy courts.

Travis Wootton of Texas provided an example of a major bankruptcy in his state that occurred two years previous and described the due diligence undertaken by the state to handle the situation. Mr. Wootton elaborated on concerns related to unstable or unknown sureties, with whom state regulators have less recourse than coal operators. Mr. Wootton explained that in some cases, over-pursuing an ailing company can actually increase risk, so it is important to keep the ultimate goal of ensuring continuing reclamation in mind. Ed Larrimore of Maryland added that undue pressure on states from OSMRE to increase and replace bonds prematurely and to immediately issue Ten Day Notices (TDNs) is unhelpful to the situation.

Ms. Colander responded by explaining DOI's perspective: DOI seeks a balanced approach, and plans to allow "lower level administrative actions" to unfold as states determine the best course and provide the narrative. DOI appreciates the difficult position that companies are in and want to avoid being unduly heavy-handed in their response. To that end, it is helpful to know from states where the opportunities and pressure points lie, but OSMRE must still take some action in response to citizen complaints, and can not afford to be seen as "sitting on their hands." OSMRE believes that Ten Day Notices (TDNs) are a way of responding while allowing the states the breathing room they need.

Tom Shope, Director of the OSMRE Appalachian Region, described the efforts of FACT to arrive at a balance and gather information from the states. He explained that FACT's mission is to set aside enforcement and oversight and focus on federal technical assistance to the states.

Mr. Pizarchik added that FACT would not be effective without state cooperation, and reiterated that enforcement would not be drawn into it. He touted Texas' handling of the aforementioned bankruptcy as a good example of a state being proactive. He stated that the bottom-line is reclamation in accordance with the law.

Ms. Colander suggested that another narrative concern relates to litigation. There are instances in which courts have found that a company's self-bond is inadequate and unlawful. While OSMRE recognizes the benefit of keeping these companies in business so that reclamation can be accomplished, OSMRE is sometimes directed by courts to do more in response, for example with Colwoyo. Other trends such as consideration of the social cost of carbon must also be considered in terms of the narrative.

Mr. Lambert agreed with Ms. Colander's concern related to dissenting messages from the courts, and suggested a need to expand dialogue between DOI and the Department of Justice (DOJ) as well as the Environmental Protection Agency (EPA), which have

growing interests in these issues. Ms. Colander agreed, particularly on the need to keep OSMRE issues separate from EPA and Clean Water Act (CWA) issues.

A New York staff member commented that concurrent bond release moves very slow in some instances because so much capital must be tied up in bonds. Incremental bonding is helpful in these cases, because there is more money available to continue reclamation. Lewis Halstead of West Virginia described the use of incremental bonding in his state as well as other strategies used to accelerate bond release to the benefit of timely reclamation.

Russ Hunter of West Virginia encouraged everyone to review filings from ailing companies such as Patriot, and explained that these companies are often in the position of having to choose between allotting money for bonds or for reclamation. He noted that West Virginia's regulatory program is attempting to resist engaging in the narrative, preferring to let the courts speak for them.

Alan Edwards of Wyoming noted that the common theme in many comments is that reclamation is the ultimate goal, with which he agreed. He explained that the states are in a difficult position, similarly to OSMRE, and that they must avoid making rushed decisions that end up exacerbating the situation. He emphasized the importance of studying the situation, though not in unduly long term, especially with regard to the finance companies involved, as well as the importance of considering all tools at the regulator's disposal and of ongoing cooperation with OSMRE. Sterling Rideout of OSMRE agreed on the need for cooperation and to identify common themes and concerns, reiterating that these issues extend to all forms of bonding, not just self-bonds. Mr. Edwards concluded by noting that the states have as much incentive as anyone to ensure these situations are properly handled, as the unreclaimed land is within their own borders.

II. RECLAIM Act

Lanny Erdos of Ohio began by discussing Ohio's position on the "Revitalizing the Economy of Coal Communities by Leveraging Local Activities and Investing More" (RECLAIM) Act of 2016. Mr. Erdos reported that Ohio was still in the process of analyzing how the Act would affect his state. He said that they had initial reservations, but were now seeing that the Act could have positive effects for the Ohio regulatory programs. He noted that the Act is clearly well-intentioned in that it seeks to aid coal impacted communities.

Eric Cavazza of Pennsylvania reported on the review of the Act conducted by the National Association of Abandoned Mine Land Programs (NAAML) during its recently held winter business meeting. The NAAML members discussed the Act in depth and developed recommendations, which were presented to and well received by bill sponsor Hal Rogers' staff. He noted that the comments have since been shared with other groups, such as the Pennsylvania AML Campaign. Mr. Cavazza reported that the Commonwealth

of Pennsylvania strongly supports the Act, and that Governor Wolf has recently sent letters of support for the Act to the Pennsylvania congressional delegation.

In response to a request by Assistant Secretary Schneider, Greg Conrad of IMCC discussed, in general terms, the IMCC comments on the Act, which he noted had been shared with OSMRE. Mr. Conrad reviewed IMCC comments and concerns related to various definitions in the bill, the ambiguous requirements for stakeholder collaboration, and the potentially problematic effects of the reallocation system, among others. Mr. Conrad reported that congressional staff are still in the process of gathering input from various stakeholders. He noted that there are likely only three months left on the legislative calendar within which the bill could be advanced. He also noted that the lack of progress around the AML pilot project program, which was meant to inform development of the RECLAIM Act, was having a chilling effect on the RECLAIM Act's progress.

In response to a question from Dana Dean of Utah, Eric Cavazza described some examples of projects that would have positive effects in employing laid-off coal miners. Mr. Cavazza described a refuse pile project, which was needed to mitigate the refuse piles negative economic effect on the town. He explained that the project would be conducted by a mining company, who would as a result be able to hire back 40 of 200 recently laid off miners. Mr. Cavazza noted that there are many other examples of such projects, and that there is a distinction to be made between immediate employment effects and more general positive economic effects.

Assistant Secretary Schneider recommended a United States Geological Survey (USGS) study titled "Restoration Economics", which reviewed restoration projects throughout the country and assessed the economic benefits. She noted that the report is not dispositive, but illustrated the possible positive effects.

Glenda Owens of OSMRE asked Mr. Cavazza to elaborate on economic benefits of the refuse pile project beyond the temporary employment of the ex-miners. Mr. Cavazza reported that the company is considering how to develop the land, which may result in economic benefits to the town.

Steve Weinzapfel of Indiana reported that his state has many job losses related to coal production downturns, but may only have one county eligible for RECLAIM funding depending on how strictly the criteria are interpreted. Director Pizarchik responded that job losses are just one metric by which eligibility can be determined under the Act, in addition to the broader category of "historic" reliance on coal mining. Mr. Weinzapfel noted it would be important to clarify that in the bill. Mr. Conrad added that IMCC's comments made that recommendation. Mr. Pizarchik reiterated that the intent of those provisions is not to limit eligibility, but to help target the funding.

Lanny Erdos asked Mr. Pizarchik to explain how the definition of "committed funds" would effect the reallocation of uncommitted funds. Mr. Pizarchik said that OSMRE's proposal is that funding would be considered committed once the state has identified and

begun working with other groups to enact a project. He noted that if OSMRE does not concur with the project, another could be substituted in order to avoid the loss of future funding. Mr. Pizarchik recalled that the definition of "committed" developed by congressional staff was more restrictive than the original OSMRE proposal, but that NAAMLPA made recommendations to restore flexibility. He noted that the Administration's proposal recognizes the need for adequate project development time. He also explained that the three-year allocation period was meant to incentivize cooperation with the economic development agencies, but that if that period lapsed, the money could be redistributed to states that can use it.

Brandi Colander discussed OSMRE's efforts to properly integrate partnerships with non-governmental organizations (NGOs) which have supported RECLAIM. She noted that at this point in the process, the Administration is still providing assistance, but congressional staff are now in control of the bill's development.

Mr. Erdos stated that, while hopefully reallocation of funds won't be necessary, some states are concerned that circumstances outside of their control could compromise their ability to commit funds within the deadlines, resulting in the loss of funds they otherwise would have received when Title IV fee collection authority expires.

In response, Mr. Pizarchik recalled that the concept behind the reallocation system was to incentivize accelerating reclamation. He explained that during the years in which prior balance moneys were distributed, the states had to contend with an additional \$200 million in grants each year. The states appeared to have had no issues with that funding increase, leading OSMRE to believe that the three year time period to commit funds was reasonable. He suggested that states might in fact save money by doing projects sooner than later (i.e. not waiting until the end of the program), because AML project costs often grow over time.

Butch Lambert asked OSMRE personnel to discuss how the success of projects would be gauged, especially in cases where an AML project is successful, but the economic benefit does not come to fruition. Mr. Pizarchik responded that OSMRE does not want to be prescriptive, and wants decisions to be made on the local level. He noted a project in which a school for troubled youth was constructed on a former AML site as an example. Mr. Lambert asked if OSMRE approval would be required for the states' decisions. Mr. Pizarchik responded that states should work with NGO's ahead of time, but that yes, OSMRE would not approve certain projects, adding that OSMRE and the states needed to cooperate to determine success metrics. Mr. Lambert noted that approximately seven jobs are eliminated for every one coal job eliminated, so the focus of economic revitalization should be long-term job creation, with which Mr. Pizarchik agreed.

Alan Edwards of Wyoming inquired about adjacency language in the bill, and asked if funds could be spent on previously reclaimed sites, with no additional reclamation occurring. OSMRE provided no comment.

Greg Conrad asked OSMRE personnel for their sense of how the RECLAIM bill would likely fare in Congress. Mr. Pizarchik responded that he could not really predict the outcome, but that it was possible the bill would be attached to other measures and could pass quite suddenly.

Brandi Colander stated that OSMRE has been working closely with Congressional members to develop the bill. She noted that OSMRE's resources are limited and suggested that states support the bill. Mr. Pizarchik elaborated on the need for states to support the bill. He noted that, the less money collected in 2022, the less will be distributed per year from 2023 forward even though distributions could continue into 2036. There will likely be less money distributed in 2022 due to coal production dwindling over the next ten years. He noted that the President's budget called for restoration of the AML fee, but that the National Mining Association (NMA) opposed it, arguing that the states are not spending existing funds fast enough. Mr. Pizarchik suggested that it would therefore be easier to argue for reauthorization if less money is left unappropriated in the Fund. Alan Edwards suggested that, alternatively, if there is less money expected to be collected, it is more reason to keep money in the Fund for the years following the end of fee collection authority.

Assistant Secretary Schneider stated her appreciation for the opportunity to attend the meeting and for the states' ongoing cooperation with DOI.

Alan Edwards thanked Ms. Schneider on the behalf of IMCC.

The meeting adjourned at 11:30 A.M.

III. State Program Implementation Concerns

This topic was not discussed during the OSMRE/States meeting due to lack of time

IV. State Concerns Re. Pending Federal Rulemakings

This topic was not discussed during the OSMRE/States meeting due to lack of time

V. Other Concerns

No additional topics were discussed during the meeting

Agenda
Interstate Mining Compact Commission and
Office of Surface Mining Meeting
In Conjunction with the
Interstate Mining Compact Commission 2016 Annual Meeting
April 18, 2016 – 8:30 – 11:30 A.M. -- Mirror Lake Inn
Lake Placid, New York

Meeting Facilitator:

Butch Lambert (Virginia), IMCC Executive Committee

Guest Speaker:

Janice M. Schneider

Assistant Secretary for Land and Minerals Management
U.S. Department of the Interior

- I. Bonding Challenges
 - Potential for A Unified State/Federal Approach

- II. RECLAIM Act
 - Developing a Joint State/Federal Legislative Strategy

- III. State Program Implementation Concerns
 - Funding
 - Staffing
 - Program Amendments
 - Federal Oversight/Enforcement

- IV. State Concerns Re. Pending Federal Rulemakings

- V. Other Concerns
 - Status of Fish and Wildlife Service (FWS)/Office of Surface Mining (OSM) Memorandum of Understanding
 - Maryland: Program Amendment Re. State Coal Ash Regulations

Meeting Attendee Sign-up Sheet for:
OSM/Siates Meeting in Conjunction with IMCC 2016 Annual Meeting
Monday, April 18, 2016 - Mirror Lake Inn, Lake Placid, NY

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Meeting Attendee Sign-up Sheet for:

OSM/States Meeting in Conjunction with IMCC 2016 Annual Meeting
 Monday, April 18, 2016 - Mirror Lake Inn, Lake Placid, NY

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Meeting Attendee Sign-up Sheet for:
 OSM/States Meeting in Conjunction with IMCC 2016 Annual Meeting
 Monday, April 18, 2016 - Mirror Lake Inn, Lake Placid, NY

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Attachment #6

Executive Director's Report on Activities of the Compact and Performance Goals

The following is a report on recent activities of the Interstate Mining Compact Commission (IMCC) during the period April 25 – October 15, 2016, as well as a report on the Executive Director's performance goals for Evaluation Year 2017 (April 15, 2016 – April 15, 2017). For presentation purposes, the report is organized by performance goal.

Overview

The primary focus of IMCC's work during the reporting period related to reclamation bonding requirements for both coal and noncoal/hardrock regulatory programs. IMCC's Bonding Work Group, which was established at the 2015 Mid-Year Meeting, organized into four Sub-groups that focused on several key issue areas that are central to effective bonding programs. During the period, the Office of Surface Mining Reclamation and Enforcement (OSMRE) initiated several actions related to bonding that intersected with IMCC's efforts and required a coordinated response. At the same time, the U.S. Environmental Protection Agency stepped up its effort to publish a proposed rule on financial assurance for the hardrock mining industry pursuant to the Comprehensive Emergency Response, Compensation and Liability Act (CERCLA), which also required a fair amount of attention, as well as coordination with other state government associations. OSMRE's proposed rule on stream protection (SPR) and accompanying draft environmental impact statement (DEIS) and regulatory impact assessment (RIA) continued to see significant action, both within the Administration and on Capitol Hill. Also on the coal front, a fair amount of time and focus was spent responding to legislation (H.R. 4456) that would accelerate payments from the Abandoned Mine Land (AML) Trust Fund to address economic revitalization as part of AML projects.

Improve Methods for Communication with and Information Exchange Among the Member States (and State Government Organizations) to Enhance State Regulatory Program Implementation

During the performance period, IMCC published two e-newsletters and sent approximately 125 informational e-memos to the member states on the following subjects: Fiscal Year 2017 appropriations; AML and Good Samaritan issues; EPA's CERCLA 108(b) rulemaking regarding financial assurance requirements for the hardrock mining industry; OSMRE rulemakings and policies, especially related to stream protection and bonding; and mine mapping. These e-memos were in addition to those regarding meeting announcements and logistics and conference calls, reported on below.

IMCC continues its working relationship with the National Association of Abandoned Mine Land Programs (NAAML) and participated in the NAAML Annual Conference and Meeting from September 25 – 29 in Bozeman, Montana. Ryan Ellis prepared and presented a paper regarding pending federal legislation that impacts coal and hardrock AML programs. Mr. Conrad provided a regulatory and legislative issues briefing at the committee and business meetings on September 25 and 28. Of particular emphasis during the period were two congressional initiatives: 1) an AML pilot project approved as part of the FY 2016 Omnibus Appropriations bill that distributed \$90 million to three Appalachian states and 2) a bill (H.R. 4456) that would accelerate payments from the AML Trust Fund to address economic revitalization projects. The primary sponsor of H.R. 4456 was Rep. Hal Rogers (R-KY) and conference calls were held with his staff to discuss the matter on June 2 and September 8. As the bill progressed, meetings and/or conference calls were held with the staff of the House Natural Resources Committee (which has primary jurisdiction over the matter) on June 24; August 19, 23 and 25; and September 7 – 9. A meeting was held with the House Interior Appropriations Committee staff to discuss the status of the AML pilot projects on June 3.

IMCC participated in conference calls with the NAAML Hardrock Committee on May 24 and Jun 21 to discuss pending AML and Good Samaritan legislation.

Beth Botsis has been meeting with a joint working group from NAAML and the IMCC Minerals Education Committee to assist with the development of an information/educational poster that focuses on the work of the states in reclaiming abandoned mine lands. Beth also assisted the Commonwealth of Virginia

choosing a site and securing a contract for the 2018 NAAMLPA Annual Conference which will be held in Williamsburg, Virginia. Conference calls with the Virginia AML staff were held on June 23 and July 21.

During the period, IMCC's Bonding Work Group and/or Sub-Groups met via conference call on May 9 and 24; June 20, 23 (two calls) and 28; July 8 and July 21 (two calls); and August 17, 23 and 30. A meeting with states particularly impacted by coal company bankruptcies with respect to outstanding self-bonds was held on June 16. IMCC facilitated a conference call with the surety industry on August 26 that included approximately 60 participants. A meeting of the Bonding Work Group was held on September 13 in Herndon, Virginia, and was followed by a joint meeting with OSMRE's Financial Assurance Coordination Team (FACT) on September 14. IMCC also met with a group of investors via conference call on May 12 to discuss bonding concerns. During the period, Mr. Conrad was interviewed on multiple occasions by reporters from national, regional and energy-related news organizations regarding the states' perspectives on bonding issues. IMCC also submitted comments on June 16 regarding a petition for rulemaking by WildEarth Guardians that would revise OSMRE's rules on self-bonding. A letter was sent to OSMRE Director Joe Pizarchik on August 5 setting forth IMCC's views and concerns regarding recent actions by the agency in the area of bonding.

With regard to EPA's proposed rule under Section 108(b) of CERCLA to establish financial assurance requirements for the hardrock mining sector, IMCC participated in a webinar regarding the status of the rulemaking on May 17. IMCC also helped to facilitate and participated in three meetings/conference calls with EPA to discuss federalism impacts related to existing state regulatory programs held on May 18, July 7 and July 19. In preparation for these meetings/calls, IMCC held conference calls with the Western Governors' Association (WGA), the Environmental Council of the States (ECOS) and the Association of State and Territorial Waste Management Officials (ASTWMO) to coordinate our actions. These calls were held on May 6, May 24, June 1, June 22 and July 6. IMCC submitted extensive comments on the federalism implications of the proposed rule on August 16. IMCC also participated in a briefing hosted by the Small Business Administration (SBA) for the benefit of small business entity representatives on June 16 in Washington, DC. IMCC coordinated presentations by several states at the briefing and facilitated those discussions. In preparation for the state presentations, IMCC held a conference call with the states on June 9. IMCC also held a conference call with staff from the House Natural Resources Committee on June 27 to discuss the status of the proposed rule and its implications for the states.

Enhance Existing Working Relationships with Federal Government Agencies and Congress to Effectively Communicate State Positions on Key Issues and to Foster Partnerships

IMCC facilitated a meeting between several IMCC member states and the Office of Information and Regulatory Affairs (OIRA) within the Office of Management and Budget on June 20 to discuss OSMRE's proposed Stream Protection Rule (SPR), and the implementation impacts for the states, as presented in the draft Regulatory Impact Analysis (RIA). In preparation for the meeting, a conference call with the participating states was held on June 10. Following the meeting with OIRA, the state representatives participated in a briefing for Hill staff facilitated by IMCC. IMCC also assisted with the development of a congressional letter regarding the failure of OSMRE to comply with the congressional directive to release documents to the states.

In preparation for the potential movement in the House and Senate of Good Samaritan legislation, IMCC staff has been working with representatives from the Commonwealth of Pennsylvania, Trout Unlimited and Pennsylvania watershed groups to explore the development of an amendment that specifically addresses Good Sam protections for coal AML sites. Conference calls with various members of this group took place on August 22, and September 7. IMCC also met with staff of the House Natural Resources Committee to discuss the coal AML Good Sam amendment on April 15, July 27, and August 19. IMCC also met with staff of the House Transportation and Infrastructure Committee on July 22 to discuss the coal Good Sam amendment. On August 25, IMCC met with staff from the Senate Environment and Public Works Committee to discuss the status of Good Samaritan legislation. IMCC also met with the staff of Rep. Marino (R-PA) via conference call on August 22 to discuss the coal AML Good Sam amendment.

IMCC met with congressional staff from the House Interior Appropriations Subcommittee and the House Natural Resources Committee either in person or via conference call to discuss OSMRE's proposed FY 2017 budget and the RECLAIM Act (H.R. 4456) on several occasions during the period, as indicated above.

IMCC continues to serve as a member of the executive management team on bat protection issues and guidelines. Conference calls were held on July 11 and September 12 to discuss bat protection issues, particularly focused on the Northern

Long Ear Bat for which an ESA threatened listing decision was published in 2015 and for which a final 4(d) rule was published in January.

As activity continued at the congressional level regarding OSMRE's stream protection rule, IMCC continued to facilitate discussions among the member states regarding next steps. IMCC held a conference call on July 12 with the member states to discuss litigation strategy associated with the SPR. IMCC also sent a letter to Assistant Secretary of the Interior Janice Schneider on May 3 regarding the states' concerns related to the release of documents and the scheduling of meetings with the states.

IMCC continues to serve on the National Technology Transfer Team which coordinates OSMRE's applied science and related technical initiatives, with Richard Wahrer of Kentucky serving as IMCC's representative on the Team. OSMRE has also reinstated its underground mine mapping steering committee, which is facilitated by IMCC. A conference call of the steering committee was held on June 22 to select mine mapping projects as part of OSMRE's applied science program. IMCC is also coordinating the participation of the states on the Joint OSMRE/State Steering Committee for the National Technical Training Program (NTTP) and Technical Innovation and Professional Services (TIPS). A conference call was held on May 12 to discuss next steps.

IMCC participated in a meeting of the Appalachian states and OSMRE on August 16 and 17 in Morgantown, WV.

IMCC initiated a process to review the implications of an OSM Policy Memo regarding Clean Water Act Enforcement under SMCRA via memoranda sent to the member states on July 29 and August 24. A future meeting or conference call is anticipated.

IMCC participated in a meeting of the states and OSMRE on May 11 in St. Louis, MO to discuss the development of proposed rules on dam safety related to coal impoundments and on blasting requirements related to air quality.

Mr. Conrad presented a paper entitled "A State Perspective on Key Legislative and Regulatory Issues" before the Mine Safety and Health Administration's 2016 Dam Safety Training Conference in Beckley, WV on May 4. Messrs. Conrad and Ellis presented an overview of AML and MSHA regulatory issues to a delegation of Chinese mining officials in Falls Church, VA on July 26. Mr. Ellis presented a paper on pending AML and Good Samaritan legislative

issues on two occasions: on June 23 before the Pennsylvania AML Conference in Indiana, PA and before the EPA Water Forum on June 15 in Big Stone Gap, VA.

Advance the Organizational, Institutional, Financial and Administrative Integrity of IMCC. Pursue Additional Member States and Retain Existing Member States

IMCC continues its contract for legislative and regulatory affairs services with the NAAMLPA in the amount of \$20,000.

The state of Colorado continues to work toward the passage of legislation to bring it into the Compact as a full member. IMCC continues to discuss membership with the states of Florida, Montana, California and Arizona.

IMCC staff met with agency staff from the New York Department of Environmental Conservation in Albany following IMCC's annual meeting in Lake Placid. IMCC staff also met with Jerry Prewett, Deputy Division Director and Assistant State Geologist with the Missouri Department of Natural Resources on May 10 in Rolla, Missouri to discuss membership.

The IMCC Executive Committee met via conference call on May 6 to discuss the recent annual meeting format and the role of committee chairs in furthering the work and leadership of the Commission. A further conference call was held on August 15 to formalize plans for the 2016 Mid-Year meeting in Park City, Utah. A small working group has been assigned to review IMCC's strategic plan and began its work on August 5. This will likely continue into 2017 in light of the transition in Administrations.

The audit of IMCC's financial condition was held on July 28 and the final report of the auditors was conveyed to the states via memo dated August 26.

Executive Director's Report on Activities of the Compact and Performance Goals

The following is a report on recent activities of the Interstate Mining Compact Commission (IMCC) during the period October 15, 2016 – April 1, 2017, as well as a report on the Executive Director's performance goals for Evaluation Year 2017 (April 15, 2016 – April 15, 2017). For presentation purposes, the report is organized by performance goal.

Overview

The Presidential election of 2016 was the main driver of IMCC's work over the past six months, beginning with the development and submission of reports to the Trump/Pence Transition Team for three different agencies: Interior, Labor and EPA. Those reports were submitted to the respective transition teams on December 7. On the heels of this effort came a series of meetings with congressional staff of the 115th Congress, which began work in earnest immediately after the first of the year. This included passage of a Congressional Review Act measure that invalidated the Office of Surface Mining Reclamation and Enforcement's (OSMRE) stream protection rule. IMCC also met with members of the Interior Department's "Landing Team" on February 1 and 24 as part of the transition in Administrations, providing our perspective on appropriate next steps on a variety of regulatory initiatives that were left in play during the previous Administration. A follow up meeting with the DOI "Beachhead Team" was held on March 21 to further explore priority issues for the new Administration.

Another primary focus of IMCC's work during the reporting period related to reclamation bonding requirements for both coal and noncoal/hardrock regulatory programs. IMCC's Bonding Work Group continued its work on several key issue areas that are central to effective bonding programs under the Surface Mining Control and Reclamation

Act (SMCRA). At the same time, the U.S. Environmental Protection Agency published a proposed rule on financial assurance for the hardrock mining industry pursuant to the Comprehensive Emergency Response, Compensation and Liability Act (CERCLA), which required a fair amount of attention, as well as coordination with other state government associations. Also on the coal front, a fair amount of time and focus was spent responding to legislation (H.R. 4456) that would accelerate payments from the Abandoned Mine Land (AML) Trust Fund to address economic revitalization as part of AML projects.

Improve Methods for Communication with and Information Exchange Among the Member States (and State Government Organizations) to Enhance State Regulatory Program Implementation

During the performance period, IMCC published two e-newsletters and sent approximately 80 informational e-memos to the member states on the following subjects: the transition in Administrations; Fiscal Year 2017 and 2018 appropriations; AML and Good Samaritan issues; EPA's CERCLA 108(b) rulemaking regarding financial assurance requirements for the hardrock mining industry; OSMRE rulemakings and policies, especially related to stream protection and bonding; and endangered species protection, particularly a new biological opinion related to the stream protection rule. These e-memos were in addition to those regarding meeting announcements and logistics and conference calls, reported on below.

IMCC continues its working relationship with the National Association of Abandoned Mine Land Programs (NAAML) and participated in the NAAML Winter Business Meeting from February 14 – 16 in Golden, Colorado. Ryan Ellis prepared and presented an overview of pending and proposed federal legislation that impacts coal and hardrock AML programs. Messrs. Conrad and Ellis provided a regulatory and legislative issues briefing at the committee and business meetings on February 15.

Of particular emphasis during the period was a bill (H.R. 4456) sponsored by Representative Hal Rogers of Kentucky (known as the "RECLAIM Act") that would accelerate payments from the AML Trust Fund to address economic revitalization projects. As the bill progressed, meetings and/or conference calls were held with the staff of the House Natural Resources Committee (which has primary jurisdiction over the matter) and with Representative Rogers' staff, including calls on November 30, December 6, 8 and 16. The bill was included as part of a larger "mining package" that also included initiatives related to Good

Samaritan protections and a hardrock AML program. While the bill saw several fits and starts throughout the latter stages of the 114th Congress, in the end it did not receive enough support from the leadership in the House to advance. As this report was being prepared, a new version of the RECLAIM was about to be introduced in the 115th Congress. A legislative hearing has been tentatively scheduled for April 5 at which IMCC and NAAML P will likely testify. A conference call to discuss the hearing was held with the NAAML P officers on March 17. Several calls were held with House Natural Resources Committee staff to scope out the hearing.

IMCC participated in a meeting of the NAAML P Hardrock Committee on February 14 to discuss pending AML and Good Samaritan legislation.

In anticipation of the potential advancement of AML legislation in the waning days of the 114th Congress, IMCC, together with representatives from Pennsylvania, met via conference call with OSMRE AML staff on several occasions to discuss the status of the AML Trust Fund and the formula for distribution of AML monies to the states. Conference calls were held on October 31, November 14 and 22.

Beth Botsis spent considerable time during the period assisting the Commonwealth of Virginia to choose a site and secure a contract for the 2018 NAAML P Annual Conference which will be held in Williamsburg, Virginia.

IMCC drafted and submitted a report to the Interior Department Transition Team on behalf of the NAAML P on December 7.

During the period, IMCC's Bonding Work Group and/or Sub-Groups worked toward the development of final written products/reports on the work they had undertaken over the course of the year. Mr. Conrad was invited to present the states' perspectives on reclamation bonding at a meeting hosted by the Institute for Energy Economics and Financial Analysis in New York City on March 14. Due to a snow emergency, he was unable to attend, but he did provide a paper addressing the topic for the event. IMCC met with officials from the General Accountability Office (GAO) via conference call on February 22 to discuss state perspective related to coal reclamation bonding as part of a new GAO study on the matter.

With regard to EPA's proposed rule under Section 108(b) of CERCLA to establish financial assurance requirements for the hardrock mining sector, IMCC facilitated a meeting with the Office of Information and Regulatory Affairs within

the Office of Management and Budget on October 31 to discuss the states' concerns with the rule. IMCC was accompanied by representatives from Arizona and Alaska. Also participating via conference call were representatives from Colorado, South Dakota, Nevada, Utah and New Mexico. A conference call of the states was held on October 28 to prepare for the meeting. EPA released its proposed rule on December 1 and IMCC participated in a conference call held by EPA to discuss the rule on December 5. EPA also held two webinars to discuss various components of the proposed rule in which IMCC participated: one on January 10 and another on January 30.

Given the extensive nature of the CERCLA 108(b) rule, IMCC requested an extension of the comment period, which was originally set to expire on March 13 but was recently extended to July 11. IMCC also held a meeting of interested and affected states on February 14 in Denver at the offices of the Western Governors' Association to begin preparation of comments on the proposed rule and decide upon a course of action to extend the mandated court deadline for the final rule. A follow up conference call was held on March 16 with representatives from state attorneys general offices to discuss potential legal action related to the proposed rule. IMCC also participated in a conference call hosted by the Office of Advocacy within the Small Business Administration on February 3 to discuss the proposed rule and provide state perspectives.

Enhance Existing Working Relationships with Federal Government Agencies and Congress to Effectively Communicate State Positions on Key Issues and to Foster Partnerships

IMCC was consulted by several parties regarding the Congressional Review Act (CRA) effort to invalidate OSMRE's final Stream Protection Rule (SPR). IMCC met with staff from the House Natural Resources Committee to discuss the CRA initiative on January 5. Mr. Conrad participated in a national press briefing on January 27 regarding the CRA resolutions at the invitation of Rep. Rob Bishop, Chairman of the House Natural Resources Committee. Mr. Conrad also participated in a legislative strategy session with House Majority Whip Steve Scalise (R-LA) on January 31 to discuss progress on the CRA. IMCC submitted a letter to House and Senate leadership voicing strong support for the CRA action on January 30. The CRA was passed by Congress on February 2 as one of its first legislative actions and was signed by the President on February 16 (interestingly, the first bill he signed as President).

In preparation for the potential movement of Good Samaritan legislation in the 115th Congress, IMCC staff has been working with representatives from the Commonwealth of Pennsylvania and others to explore the development of an amendment that specifically addresses Good Sam protections for coal AML sites. IMCC met with staff of the House Natural Resources Committee to discuss the proposed coal AML Good Sam amendment on January 5. Follow up conference calls were held on January 19 and 25 and February 23. IMCC held a conference call with representatives from the Commonwealth of Pennsylvania on March 6 and with Pennsylvania watershed groups on March 9 to discuss a Good Sam bill that was being drafted by IMCC focused primarily on coal. IMCC also met with the staff of Rep. Marino (R-PA) on October 26 to discuss the coal AML Good Sam amendment. Pursuant to his request, IMCC provided draft legislative language to Rep. Marino for potential inclusion in the “mining package” that was being debated by the House Natural Resources Committee during the waning days of the 114th Congress.

IMCC met with congressional staff from the House Interior Appropriations Subcommittee on January 5 to discuss OSMRE’s proposed FY 2017 budget and the AML Pilot Program.

IMCC continues to serve as a member of the executive management team on bat protection issues and guidelines. Conference calls were held on November 14 and January 17 to discuss bat protection issues. The new Biological Opinion (BiOp) issued by the U.S. Fish and Wildlife Service on December 16 coincident with the release of OSMRE’s stream protection rule was also discussed during the January 17 call. IMCC held a conference call with the member states on February 2 to discuss the implications of the new BiOp for state programs. A conference call with OSMRE staff was held on March 17 to discuss the status of the BiOp in light of the invalidation of the stream protection rule and to prepare for a larger meeting on the matter scheduled for March 21 with the DOI Beachhead Team.

As activity continued at the congressional level regarding OSMRE’s stream protection rule, IMCC continued to facilitate discussions among the member states regarding next steps. IMCC held a conference call on January 11 with the member states to discuss litigation strategy associated with the SPR.

IMCC continues to coordinate the participation of the states on the Joint OSMRE/State Steering Committee for the National Technical Training Program (NTTP) and Technical Innovation and Professional Services (TIPS).

IMCC participated in a meeting of the Western states and OSMRE on November 29 in Denver, Colorado. The meeting was followed by a states-only meeting on November 30 which IMCC also attended. IMCC held a conference call with Western state members on November 3 to discuss concerns specific to the Western states to be included in the IMCC Transition Team Reports.

IMCC staff attended a meeting of the National Academy of Sciences on March 7 to discuss a new study being undertaken by the Board on Earth Sciences and Resources entitled "Potential Human Health Effects of Surface Coal Mining Operations in Central Appalachia". IMCC Executive Director Conrad provided brief overview comments to the Board regarding the study.

IMCC Executive Director Conrad visited the state of Wyoming from March 13 – 15 for meetings with Governor Matt Mead, Attorney General Peter Michael, DEQ Director Todd Parfitt and members of his staff to discuss a variety of key energy and environmental issues for Wyoming and IMCC.

Advance the Organizational, Institutional, Financial and Administrative Integrity of IMCC. Pursue Additional Member States and Retain Existing Member States

IMCC continues its contract for legislative and regulatory affairs services with the NAAMLPA in the amount of \$20,000.

The state of Colorado continues to look for appropriate opportunities to advance legislation to bring it into the Compact as a full member. IMCC continues to discuss membership with the states of Florida, Montana, and California. IMCC met via conference call on December 2 with agency officials from Nevada to discuss the state's reengagement with IMCC as an associate member. A conference call with Florida officials was held on December 21 to discuss the state's potential membership in IMCC. Representatives from the state of Florida plan to attend the IMCC Annual Meeting in Williamsburg.

The IMCC Executive Committee met via conference call on November 18 to discuss the format for the upcoming 2017 annual meeting in Williamsburg and the role of committee chairs in furthering the work and leadership of the Commission. The Committee met again on January 17 via conference call to review a draft succession/transition plan for the Executive Director. The Committee met on February 23 via conference call to review and revise the strategic plan for the

Commission. The revised plan will be distributed to the full Commission for review and discussion at the upcoming annual meeting.

The IMCC Mine Safety and Health Committee met on November 15 via conference call to discuss recent actions by the Mine Safety and Health Administration to bar states from entering a mine following an accident, pursuant to Sections 103(j) and (k) of the Mine Act. Select members of the Committee met via conference call with IMCC staff on February 21 to select winners of the 2017 IMCC National Mine Safety and Health Awards.

The IMCC Reclamation Awards Committee met via conference call on February 22 to select winners of the 2017 IMCC National Reclamation Awards.

The Minerals Education Work Group met via conference call on February 23 to select winners of the 2017 IMCC National Minerals Education Awards.

The IMCC Finance and Administrative Committee will meet via conference call on March 22 to discuss the proposed budget for FY 2018, including staff compensation.

**Briefing Paper re
Membership in the
Interstate Mining Compact Commission**

The development and use of our Nation's natural resources, particularly those that must be mined, pose unique and substantial challenges for state governments. Over the years, as state governments have pursued and exercised their role as regulatory authorities in the area of mineral development, the value and need for interstate action and coordination has taken on increased importance. For the past 40 years, the Interstate Mining Compact Commission (IMCC) has served as a mechanism for states to work together to pursue common goals and strategies for action in this critical area of governmental responsibility

The Interstate Mining Compact Commission is a multi-state governmental organization representing the natural resource and environmental protection interests of its member states. The Compact was established in April of 1971 following eight years of discussion and developmental action by a group of interested mining states under the auspices of the Southern Governors Conference. The Compact presently consists of 23 member states and 2 associate member states from across the country, all of whom have significant interests in the mining of both coal and noncoal minerals.

The Compact's purposes are to advance the protection and restoration of land, water and other resources affected by mining through the encouragement of programs in each of the party states that will achieve comparable results in protecting, conserving and improving the usefulness of natural resources and to assist in achieving and maintaining an efficient, productive and economically viable mining industry.

Among the Compact's powers are the study of mining operations, processes and techniques; the study of conservation, adaptation, improvement and restoration of land and related resources affected by mining; the gathering and dissemination of information; making recommendations; and cooperating with the federal government and any public or private entities having an interest in any subject within the purview of the Compact.

Participation in the Compact is gained through the enactment of legislation by the states authorizing their entry into the Compact. The states are represented by their respective Governors who serve as Commissioners. The

Compact acts through several committees that have responsibility for particular subject matter or policy areas including: Environmental Affairs, Mine Safety and Health, Abandoned Mine Lands, Minerals Education, Resolutions and Finance. The Governors are represented on these committees by duly appointed delegates from their respective states.

The IMCC was founded on the premise that the mining industry is one of the most basic and important to the Nation. Our manufacturing activities, transportation systems, and the comfort of our homes depend on the products of mining. At the same time, it is essential that an appropriate balance be struck between the need for minerals and the protection of the environment. We recognize that individual states have the power to establish and maintain programs of land and other resource development, restoration and regulation appropriate to cope with the surface effects of mining. The IMCC would not shift responsibility for such programs. On the other hand, our member states believe a united position in dealing with the federal government affords us a decided advantage. Our commission feels strongly that the collective voice of many is important in our efforts to preserve and advocate states' rights.

The IMCC provides several meaningful and critical benefits and services that greatly assist the states in their efforts to promote development of their abundant mineral resources while assuring adequate protection of the environment. In particular, the Compact provides opportunities and forums for interstate action and communication on issues of concern to member states. The Compact is actively engaged in a variety of state/federal partnerships and programs under the auspices of such statutes as the Surface Mining Control and Reclamation Act (SMCRA), the 1872 Mining Law, the Mine Safety and Health Act, the Resource Conservation and Recovery Act (RCRA), the Endangered Species Act, the Federal Water Pollution Control Act and the Clean Air Act. On the coal side, the IMCC deals extensively with the federal Office of Surface Mining (OSM) on such issues as funding for state program grants under Titles IV and V of SMCRA, administration of the Applicant Violator System, reclamation of the abandoned mine lands, federal oversight of state regulatory programs, and significant OSM rulemakings. On the noncoal side, IMCC has been active on reform of the 1872 Mining Law, including the development of a hardrock AML program; Good Samaritan legislation related to reclamation of hardrock abandoned mine land sites; nationwide permits for the mining sector; and mine mapping. We work extensively with the U.S. Environmental Protection Agency (EPA) on such matters as mine placement of coal combustion waste, effluent limitations, re-mining, financial assurance requirements under CERCLA for the hardrock mines, and regulation of mine waste under subtitle D of RCRA.

We have been consulted by the Congressional Budget Office, the General Accountability Office and the National Academy of Sciences on a range of issues affecting the states. And we have been asked to participate on advisory bodies, steering committees and state/federal teams on which our member states generally serve in order to insure their direct input.

These are just some of the more significant matters with which we are actively involved on behalf of the states. From year to year, there are several others depending on the Aissue of the day@. In every case, we attempt to provide state input in the way of recommendations, advice,

formal comments, Congressional testimony and briefings, and IMCC-sponsored briefings and forums. We also continue to sponsor a series of benchmarking workshops that allow states to enhance and improve their existing regulatory programs. Recent and planned topics include underground mine mapping, subsidence, bonding, blasting, metal/non-metal safety and health, and surface and ground water database development and use.

The Compact also is active in recognizing the accomplishments of the mining industry that each member state regulates. Each year, the Compact presents a national reclamation award in both the coal and non-coal categories. We believe such a program highlights the positive work that the industry and the states together are doing in the way of environmental protection. IMCC also recognizes the valuable training programs developed by the states and the mining industry related to the safety and health of our Nation's miners through the presentation of a series of national awards each year in both the coal and metal/non-metal categories.

An IMCC Education Work Group was formed to develop an education initiative for the Compact. The IMCC has published a nationally recognized educational poster regarding mine land reclamation and conducted several teacher training workshops as part of this initiative. IMCC also presents annual Mineral Education Awards in the mineral educator awareness and public outreach categories to recognize the valuable work being accomplished by teachers and others to advance the knowledge of the public concerning the importance of minerals to our society.

IMCC regularly communicates with its member states through a variety of publications, including daily or weekly e-memos concerning breaking news and issues, quarterly newsletters, an annual report and an annual audit. We also publish the proceedings of our benchmarking workshops and studies in either hard copy or on our website.

Over the years the IMCC has become an organization of national scope serving as the spokesperson for the mining states in Washington, D.C. It strives to effectively represent the interests of the mining states in their dealings with Capitol Hill and the executive agencies in an effort to articulate the concerns and recommendations of the states in their role as primary regulators of mining activities within their borders. It is the potential to stimulate the development and production of each state's mineral resources that draws many of the states together in the prosecution of the Compact's objective and goals. It is the significant value and clout that comes from compacting together and speaking with a strong, united voice that will make the difference in each state's efforts to secure a vibrant state (and thus national) mineral economy.

Full membership in the Compact is gained by enacting legislation bringing the state into the Compact. We would be pleased to work with your staff, and with members of the state legislature, to draft appropriate legislative language. The Compact document itself, which spells out the nature, purposes and operational protocols for the organization, is available on our website. Our most recent annual report is available by contacting the IMCC office. Other information, including our membership directory, is available on our website (www.imcc.isa.us). Only full members have voting privileges in the Compact and are allowed to hold office and

serve as committee chairs. Full members are recognized as such and help steer the course of Compact business and develop the positions we take on key issues affecting the states.

While full membership in the Compact is gained by enacting legislation brining the state into the Compact, the IMCC's by-laws (at Article V (f)) provide that a state which is interested in pursuing formal Compact membership through the adoption of the necessary legislation may become an Associate Member for a five-year period of time (or longer if extended by the Commission). The five-year period of time will allow the state to participate in the work of the Compact while gaining a first-hand understanding of the services we provide and how we operate. Should the associate member state find this a beneficial experience (and we trust that it will), the state can then pursue full membership. With regard to the five year requirement, the Commissioners have traditionally interpreted the requirement liberally and have unanimously approved extensions of the time period for associate members as long as the state continues to pursue full membership through the development of appropriate legislation.

In terms of a dues contribution, associate member states are currently assessed \$5,000 per year for the first five years and that amount increases every three years thereafter. The cost for full membership is based on the value of mineral production in the state using figures supplied by the U.S. Geological Survey (for noncoal) and the Energy Information Administration (for coal). IMCC staff would be pleased to provide the state with a figure for its proposed dues assessment as a full member upon request.

If you need further information or have any other questions regarding membership in IMCC, please contact us.

INTERSTATE MINING COMPACT COMMISSION

2014 ANNUAL REPORT



About the Cover Photos:

The cover photos are of the Interstate Mining Compact Commission's 2014 National Reclamation Award winning sites. The two top left and the top center photos are of Luminant Mining Company, LLC – Big Brown Mine located in Texas (winner in the Coal Category). The three photos on the right are of Newmont Mining Corporation – Twin Creeks Mine located in Nevada (winner in the Noncoal Category). The two photos at bottom left and center are of T&T Coal, Inc. – Larue Mine located in Kentucky (winner of the Special Recognition Award for a Small Operator).

Executive Director's Message

It is my pleasure to present the 2014 annual report of the Interstate Mining Compact Commission (IMCC). A good portion of the year was dominated by the mid-term elections which saw significant gains by Republicans in the House of Representatives and a shift in power from Democratic to Republican in the Senate. Unlike years past, between the importance of this election and the polarization that has characterized Capitol Hill, many federal government initiatives in the Executive branch simply stalled – often to avoid potential political fallout. Nonetheless, the states, working in concert with IMCC staff, were able to secure funding for state regulatory grants under the Surface Mining Control and Reclamation Act (SMCRA) and state assistance grants under the Mine Safety and Health Act (Mine Act). Despite the Administration's proposed cut of 15% for SMCRA grants and the proposed elimination of funding for MSH Act state grants, Congress rejected both and approved full funding for both grant programs.

IMCC continued its active involvement in the U.S. Extractive Industries Transparency Initiative (USEITI), a voluntary, global effort designed to increase transparency and strengthen the accountability of natural resource revenue reporting by building public trust for the governance of these activities. As a member of the Multi-Stakeholder Group that oversees the implementation of EITI in the U.S., IMCC has played a vital role in representing the interests of state governments, particularly with respect to the development of the U.S. application for candidacy, which was approved in December.

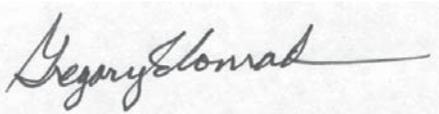
Another major initiative for IMCC throughout the year was its work with the National Association of Abandoned Mine Land Programs (NAAML) as both organizations moved forward in developing a strategy for reauthorization of the Abandoned Mine Land (AML) program under Title IV of SMCRA. This included responding to several Administration proposals that would amend Title IV in significant ways and expand funding for new types of AML projects related to economic development.

Finally, IMCC helped to facilitate a joint state/federal initiative aimed at identifying and recommending a variety of programmatic changes under SMCRA that would save money and result in program efficiencies.

During the year IMCC met with Congressional staff regarding Good Samaritan and Critical Minerals legislative efforts and monitored Endangered Species Act and Environmental Protection Agency (EPA)/U.S. Corps of Engineers (Corps) actions that have the potential to impact state regulatory programs, such as the EPA/Corps proposed "Definition of the Waters of the U.S. Rule" and an EPA initiative regarding financial assurance regulations for hardrock mining.

IMCC remained in the vanguard of activity on behalf of the member states throughout 2014 as it sought to advance the purposes and goals of the compact as set forth in the strategic plan of the organization. I urge the member states to continue their strong support of the compact and their active engagement in our work.

Sincerely,



Gregory E. Conrad
Executive Director

**2014 Annual Report
of the
Interstate Mining Compact Commission**

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2015 Commissioners and Their Representatives	50

2014 Officers



Governor Pat Quinn
Illinois – Chairman



Governor Robert J. Bentley
Alabama – Vice Chairman



Governor Terry McAuliffe
Virginia - Treasurer

History and Purpose of the Compact

The Southern Governors' Conference Meeting in San Antonio, Texas in 1964 recognized and came to grips with the problems of surface mining. Governor Edward R. Breathitt of Kentucky and Governor Bellmon of Oklahoma sponsored a resolution which in part read: "Whereas the Council of State Governments sponsored an interstate conference, in which surface mining problems of the states were reviewed, and whereas such conference underlined the desirability of action by industry to utilize techniques designed to minimize waste of our natural resources and the desirability of action by the states to assure adherence to sound standards and procedures by the mining industry: Now, therefore, be it resolved by the Southern Governors' Conference that the Council of State Governments be requested to assist representatives of the states in which surface mining takes place in exploring the possible role of interstate action, through Compact and otherwise, in this field."

The Interstate Mining Compact Commission (IMCC) was thus conceived and Kentucky became its first member followed by Pennsylvania and North Carolina. With the entry of Oklahoma in 1971, the Compact was declared to be in existence and operational. In February 1972, permanent headquarters were established in Lexington, Kentucky and an executive director was retained. Since that time, twenty-two additional states — West Virginia, South Carolina, Maryland, Tennessee, Indiana, Illinois, Texas, Alabama, Virginia, Ohio, Louisiana, Arkansas, New Mexico, Missouri, New York, North Dakota, Utah, Wyoming, Alaska, Colorado, Nevada, and Mississippi — have become members. New Mexico withdrew from the Compact in 1991 as a full member but rejoined as an associate member in 2000. New York joined the Compact as its first associate member state in 1994. Since then the following states have also joined as associate members: North Dakota (2000), Utah (2004), Wyoming (2005), Alaska (2006), Colorado (2007), Nevada (2012), and Mississippi (2013).

Mississippi, New York, North Dakota, Utah, and Alaska are now all full members.

The Mining Compact is designed to be advisory, not regulatory in nature, and its defined purposes are to:

- ▶ Advance the protection and restoration of the land, water, and other resources, affected by mining;
- ▶ Assist in the reduction or elimination or counteracting of pollution or deterioration of land, water, and air attributable to mining;
- ▶ Encourage (with due recognition of relevant regional, physical, and other differences) programs in each of the party states which will achieve comparable results in protecting, conserving, and improving the usefulness of natural resources, to the end that the most desirable conduct of mining and related operations may be universally facilitated;
- ▶ Assist the party states in their efforts to facilitate the use of land and other resources affected by mining, so that such may be consistent with sound land use, public health, and public safety, and to this end study and recommend, wherever desirable, techniques for the improvement, restoration, or protection of such land and other resources; and
- ▶ Assist in achieving and maintaining an efficient and productive mining industry and increasing economic and other benefits attributable to mining.

Report of the Executive Director

Two significant events defined the year 2014 for the Interstate Mining Compact Commission: budget impasses and struggles early in the year, mostly related to a divided Congress, and the Mid-term elections in November, which brought both legislative and regulatory activity to a crawl throughout the summer and fall. Even with these circumstances, which seem to be unique to Washington, DC, the Compact saw considerable activity around several key issue areas, including the Abandoned Mine Land (AML) program under the Surface Mining Control and Reclamation Act of 1977 (SMCRA); the U.S. Extractive Industries Transparency Initiative; a Government Efficiencies Initiative between the states and the Office of Surface Mining (OSM); and a variety of issues related to reclamation bonding.

As is typically the case near the end of a federal fiscal year and then again at the beginning of the New Year with the release of the Administration's budget proposal, funding issues took center stage for IMCC. Following a protracted battle and a partial federal shutdown, Congress passed a budget resolution in December 2013 and eventually an Omnibus Appropriations bill for Fiscal Year (FY) 2014 in early January of 2014. State assistance grants under the Mine Safety and Health Act of 1977 (Mine Act), which were forecast to be completely eliminated in FY 2014, were restored to the FY 2012 level of \$8.4 million. Congress also rejected a 15% cut for state regulatory grants under Title V of SMCRA and instead approved a reinstatement of \$68.6 million based on FY 2012 funding levels. Much of this turn around can be attributed to a concerted effort by IMCC to inform Congress about the debilitating impacts resulting from such drastic cuts to state programs.

On the heels of this effort came the Administration's proposed budget for FY 2015 in March, which once again included significant cuts for state program grants under both SMCRA and the Mine Act. IMCC submitted a statement regarding OSM's proposed FY 2015 budget to the

House and Senate Appropriations Committees, as well as the SMCRA committees of jurisdiction, on April 7. IMCC also prepared and submitted statements on behalf of the National Association of Abandoned Mine Land Programs (NAAML), for whom IMCC serves as legislative and regulatory affairs counsel. IMCC sent several e-memos to the IMCC and NAAML member states providing updates on grant funding for FY 2014 and the budget for FY 2015. IMCC also submitted a statement to the House and Senate Appropriations Committees on March 28 regarding MSHA's proposed FY 2015 budget, requesting that Congress reject the proposed elimination of funding for state assistance grants and restore them to the FY 2014 level of \$8.4 million. In the end, a continuing resolution for FY 2015 was passed by Congress in late September, followed by an Omnibus Appropriations bill in December, which included full funding for state grants under SMCRA and the Mine Act.

In a related matter, IMCC helped to facilitate discussions between the states and OSM regarding funding priorities for the agency's budget. This "Government Efficiencies Initiative" consisted of three work groups made up of state and federal representatives – SMCRA Program Financial Stability, Training/TIPS Sustainability, and Program Efficiencies. IMCC served as executive sponsor for the state sector of each work group and participated in meetings and conference calls of each work group. A total of 25 conference calls and two in-person meetings were held between January and August in which IMCC participated. IMCC also distributed two surveys to states with primacy programs under SMCRA on behalf of the work groups – one on financial requirements and workload trends and another on key program efficiency issues. Following completion of the work group reports and recommendations, IMCC distributed them to the states and sent a letter to OSM Director Pizarchik regarding next steps associated with the reports. IMCC also participated in a set of briefings for the Director on August 20 and 21. Reports from each of the work group state leads were presented at the

IMCC Annual and Mid-Year meetings during the year.

IMCC was heavily involved in representing the interests of the states as a member of the Multi-Stakeholder Group (MSG) that is responsible for implementing the U.S. Extractive Industries Transparency Initiative (USEITI). This international effort seeks to strengthen the accountability of natural resource revenue reporting and build public trust for the governance of this activity. IMCC is one of four state representatives on the MSG and is also actively involved on several Subcommittees, including Candidacy, Implementation (and its Contextual Narrative Work Group) and State and Tribal Opt-in. The potential opportunities for state involvement in this effort are substantial and IMCC has been working to secure an option for states that will limit the nature and type of reporting and reconciliation requirements that otherwise attend the full implementation of USEITI. The U.S. application for candidacy was approved by the international EITI Board in March and the balance of 2014 was spent preparing for the submission of the first U.S. report next year, including hiring an Independent Administrator to work with the MSG in preparing the report. During the year, IMCC attended four meetings of the MSG in Washington, DC (April 23 and 24; June 10 and 11; September 9 and 10; and December 10 and 11). IMCC also participated in two briefings sponsored by the MSG: one for the International EITI Board members on January 31 and one for congressional staff on February 20. IMCC also sponsored a conference call to brief potential state participants on March 27 and another to brief state tax administrators on August 7. During the period, IMCC participated on a total of 33 conference calls of the various work groups and attended two in-person meetings of these groups. Following input from the member states, IMCC sent a letter to Assistant Secretary of the Interior Rhea Suh on April 16 expressing the concerns of the member states regarding the “opt-in” process and expectations for the collection and analysis of state revenue data.

Abandoned mine land (AML) issues continued to occupy the spotlight during the year, particularly the states’ efforts to seek an exemption from sequestration cuts for mandatory AML payments under SMCRA. A briefing was held by IMCC and NAAMLPLP with an official from the Office of Management and Budget (OMB) on September 12 at OSM’s offices regarding the states’ position on exemption. A follow up letter was sent to the Director of OMB on October 17 along with a resolution adopted by IMCC on the matter. A copy of the letter was sent to key congressional staff contacts on October 30. In preparation for the OMB briefing several conference calls were held. Work also began in the latter part of the year on the development of a strategy for reauthorization of the AML fee and program under Title IV of SMCRA. Several conference calls were held with the NAAMLPLP officers and/or the newly established NAAMLPLP Reauthorization Subcommittee to discuss the matter.

In that regard, IMCC continues its working relationship with NAAMLPLP on these two important matters, as well as other legislative and regulatory priorities. IMCC participated in the NAAMLPLP Winter Meeting from February 26 - 28, providing an update on key issues impacting the states. IMCC also participated on a panel discussion regarding AML reauthorization issues during the plenary session of the NAAMLPLP Annual Meeting from September 21 - 24 in Columbus, Ohio, as well as an extended discussion during the regular speaker session. IMCC also provided a regulatory and legislative issues briefing at the business meeting on September 24. IMCC also met with members of the NAAMLPLP Reauthorization Committee and its various work groups on several occasions to discuss strategies for legislative action.

IMCC presented a paper entitled “Abandoned Mine Land Reclamation: Progress, Pitfalls, and the Importance of Partnerships” to the Pennsylvania AML Conference on June 27 in State College, Pennsylvania. IMCC also participated in a congressional staff briefing on AML sequestration and reauthorization issues on

September 9 sponsored by Trout Unlimited. IMCC participated in a meeting with Pennsylvania watershed groups on December 12 in Juniata, Pennsylvania and provided an update on budget issues and reauthorization efforts.

IMCC continues its work on “Good Samaritan” legislation that would provide protections from liability under the Clean Water Act for those who undertake AML reclamation work. Meetings were held with staff from the House Energy and Mineral Resources Subcommittee throughout the year to discuss pending and potential legislation.

Critical minerals policy saw considerable attention during 2014. IMCC testified at a hearing on January 28 before the Senate Energy and Natural Resources Committee on behalf of the organization and the state of Alaska concerning S. 1600, the Critical Minerals Policy Act of 2013. IMCC also worked with the state of Alaska to prepare testimony presented by Ed Fogels, Deputy Commissioner with the Alaska Department of Natural Resources, on behalf of Alaska and IMCC before the House Energy and Mineral Resources Subcommittee at a hearing on October 10 entitled “EPA v. American Mining Jobs: The Obama Administration’s Regulatory Assault on the Economy.” IMCC also presented a paper entitled “The Interstate Mining Compact Commission: Seeking to Secure State Sovereignty in the Minerals Arena” before the Alaska Support Industry Alliance’s “Meet Alaska” Conference in Anchorage on January 9. IMCC also spoke at the monthly government affairs breakfast of the Alaska Miners’ Association the same day and presented a legislative and regulatory update.

On March 13, IMCC held its semi-annual meeting with officials from the Mine Safety and Health Administration (MSHA) at the agency’s headquarters in Arlington, Virginia with approximately ten member states in attendance. A states-only meeting was held on March 12 to prepare for the meeting. On June 30, IMCC met with Assistant Secretary Joe Main to sign an extension of the IMCC/MSHA Memorandum of Understanding. IMCC and MSHA met once again

on October 16 during IMCC’s Mid-Year Meeting in Washington, DC. IMCC facilitated a conference call with MSHA and the states on October 30 to discuss the potential of interim state assistance grants during the time that a continuing resolution is in place for funding the federal government, as well as a process for expediting grant approvals. IMCC also facilitated a conference call with MSHA and OSM officials on October 27 to receive an update on a Memorandum of Understanding concerning the respective roles of OSM, MSHA and the states for the regulation of coal waste impoundments. IMCC also held a conference call on December 15 with MSHA and several interested states to discuss the potential of using MSHA “light duty” personnel to assist the states with their individual mine mapping efforts. IMCC also conducted two surveys of the member states: one related to mine mapping efforts and another on accident notification requirements.

IMCC interacted with OSM on several occasions throughout the year to discuss a variety of issues, including our Mid-Year and Annual Meetings. IMCC attended and provided briefings on both Title IV (AML) and Title V (active mining) issues at three OSM/State meetings: one on August 12 and 13 in Roanoke, West Virginia for the Appalachian states; one on November 19 and 20 in St. Louis for the Mid-Continent states; and one on December 16 and 17 in Denver for the Western states. IMCC attended a meeting of the Appalachian Regional Technology Transfer Team on February 18 and 19 in Beckley, West Virginia and provided an overview of legislative and regulatory issues that impact technical transfer. Other topics that were addressed with OSM during the year included permit termination requirements and the implications of potential bankruptcies in the coal industry, particularly with respect to bond forfeitures, and the use of alternative enforcement options.

IMCC continued its work as a member of the OSM/State National Technology Transfer Team and as a member of the Steering Committees that are planning a technical forum regarding protection of bats and a technical forum

on mine placement of coal combustion residues. IMCC also serves as a member of the executive management team overseeing development of the range-wide Indiana Bat Guidelines and several conference calls were held throughout the year to discuss protection issues. IMCC also serves on the Geomine Pilot Project Steering Committee.

The topic of reclamation bonding began to see additional interest during the year, beginning with a presentation by IMCC at the Winter Energy Workshop of the Eastern Mineral Law Foundation in February entitled “Mine Reclamation Bonding: From Dilemma to Crisis to Reinvention.” The paper provided an overall assessment of the current and evolving issues in the bonding arena from a state regulator’s perspective. In crafting the presentation, IMCC staff consulted with many of our member states in order to gain a picture of contemporary bonding challenges and the approaches our states are utilizing to address those challenges. IMCC conducted a survey of the member states on the status of self-bonding programs, a copy of which was provided to the member states in August. IMCC also continues its working relationship with the Western Governors’ Association regarding EPA’s rulemaking on financial assurance responsibility requirements for the hardrock mining industry under Section 108(b) of CERCLA.

IMCC initiated action on behalf of the member states concerning a proposed rule by EPA concerning the definition of the “waters of the U.S.” under the Clean Water Act and coordinated its action with the Association of Clean Water Administrators (ACWA). IMCC submitted formal, written comments to EPA on November 12.

IMCC assisted in coordinating the support of several states in signing on to an amicus curiae brief prepared by the state of West Virginia regarding a petition for certiorari before the U.S. Supreme Court seeking review of a decision by the U.S. Court of Appeals for the District of Columbia Circuit in *Mingo Logan v. EPA* in which EPA for the first time issued a final

determination under the Clean Water Act retroactively vetoing an existing Section 404 permit that had been issued by the U.S. Army Corps of Engineers.

IMCC welcomed its newest full member state with the entry of Mississippi in March following the enactment of legislation bringing the state into the compact. IMCC continued to work with the states of Wyoming, New Mexico and Colorado on proposed legislation to bring them into the compact as full members. IMCC also continued discussions with the states of Montana, Arizona and Michigan regarding membership in the compact. IMCC continued its contract with NAAMLPA to provide legislative and regulatory affairs support to the Association.

IMCC’s newly constituted Executive Committee (consisting of IL, AL, VA, ND, OK, KY and CO) met on two occasions to review and approve a proposal for expanding the IMCC staff. Following that action, IMCC hired our intern from the summer of 2013, Ryan Ellis, to serve as Legislative and Regulatory Affairs Specialist effective January 1. IMCC also promoted Beth Botsis to the position of Deputy Executive Director. Ryan is the first new hire for IMCC since it moved to northern Virginia from Lexington, Kentucky in July of 1988 and brings the total staff to three FTE’s and one part-time bookkeeper (Phyllis Plummer). IMCC also completed renovations on its office space in Herndon, Virginia in December, including a revamping of its filing system.

Given the integrity and credibility of the member states’ participation in and contribution to the work of our organization, IMCC continues to be sought out by many in Washington, DC for our insight and input on a range of policy, regulatory and legislative issues. Every week sees IMCC contacted by congressional staff, Administration officials, the press, and other organizations such as the National Academy of Sciences for assistance with or information on a plethora of issues that impact the states. With our expanded staff, we have been able to enhance our involvement in several new initiatives of

importance to the member states and anticipate being able to do so going forward. We greatly appreciate the commitment of our member states and their dedicated civil servants to the accomplishment of our work and look forward to new and ongoing opportunities to represent the interests of the states in the future.

[NOTE: For expanded versions of the most recent Executive Director's Report prepared on a semi-annual basis in preparation for IMCC's Annual and Mid-Year meetings, see the IMCC website at www.imcc.isa.us.]

2014 Standing Committees

Environmental Affairs Committee

Coal Section

Jim Deutsch, North Dakota, Chairman

Steve Weinzapfel, Indiana, Vice Chairman

Noncoal Section

Mary Ann Pritchard, Oklahoma, Chairman

Craig Kennedy, South Carolina, Vice Chairman

Abandoned Mine Lands Committee

Ed Larrimore, Maryland, Chairman

Eric Cavazza, Pennsylvania, Vice Chairman

Mine Safety and Health

Franklin Reed, Kentucky, Chairman

William Gerring, North Carolina, Vice Chairman

Finance and Administrative Committee

Butch Lambert, Virginia, Chairman

John Baza, Utah, Vice Chairman

Resolutions Committee

Scott Fowler, Illinois, Chairman

Tom Surtees, Alabama, Vice Chairman

Awards Committee

Jim Stephens, Arkansas, Chairman

Judi Stoute, Alabama, Vice Chairman

(Members of the 2014 Awards Committee: Arkansas, Louisiana, Colorado, New Mexico, Virginia)

Legal Advisor

Alaska

Minerals Education Work Group

Wendy Hamilton, South Carolina, Chairman

Activities of the Standing Committees

Finance and Administrative Committee

The committee met on three occasions during 2014. The committee met via conference call on April 18 to discuss and tentatively approve the proposed budget for Fiscal Year 2015, and to prepare recommendations for staff compensation and benefits. On April 30 the committee met in Reno, Nevada in conjunction with the Compact's Annual Meeting. The committee reviewed the Compact's current financial condition; reviewed and approved the proposed Fiscal Year 2015 budget; were updated on membership status and dues assessments; were presented with an update by current associate member states regarding their membership status; and discussed several administrative matters. The committee also approved a resolution allowing for IMCC staff to maintain their health insurance policies upon retirement, at their own expense and no cost to the organization. (See *Resolutions* section of this Annual Report.)

On October 17, the committee met in Washington, DC. The committee reviewed the Compact's current financial condition; reviewed and approved the Compact's Fiscal Year 2014 Audit; were presented with an update by current associate member states regarding their membership status and legislative initiatives to pursue full membership; and were updated on IMCC's membership outreach efforts.

Resolutions Committee

The committee met jointly with the Finance and Administrative Committee twice in 2014. On April 30 in Reno, Nevada, the committee recommended approval of three resolutions of appreciation and two more resolutions recognizing the retirements of Loretta Pineda of Colorado and Stan Thieling of

Mississippi. (See *Resolutions* section of this Annual Report.)

On October 17 in conjunction with the IMCC Mid-Year Meeting in Washington, DC, the committee met and recommended adoption of four resolutions, including one resolution of appreciation, a resolution regarding mine mapping, a resolution regarding abandoned mine land sequestration, and a resolution urging Office of Surface Mining (OSM) implementation of recommendations made by the Government Efficiency Work Groups composed of the states and OSM. (See *Resolutions* section of this Annual Report.)

Environmental Affairs Committee — Coal Section

The Coal Section of the Environmental Affairs Committee met on April 29, 2014 in Reno, Nevada in conjunction with the Compact's Annual Meeting. Among the topics discussed were: the Office of Surface Mining's (OSM) budget and appropriations issues; current expenditures and future needs of state Title V regulatory grants; IMCC's testimony submitted to Congress regarding the 2015 proposed budget; pending OSM rulemakings; follow-up efforts to the OSM/states Government Efficiency Work Groups; a litigation update; bat protection guidelines and pending listing decisions; a Geomine Pilot Project update; and a bonding issues update.

On October 16, 2014, the committee met in conjunction with the IMCC Mid-Year Meeting in Washington, DC. Among the topics discussed were: OSM's budget and appropriations issues; OSM pending rulemakings; cooperating state agency involvement in the Environmental Impact Statement (EIS) process related to a pending OSM Stream Protection Rulemaking; a proposed draft resolution urging OSM to move forward with recommendations made by the

OSM/States Government Efficiencies Work Groups (The resolution was adopted the following day by IMCC’s Resolutions Committee – see *Resolutions* section of this Annual Report); an update on results of an IMCC self-bonding survey; an update on developments related to protections for the Greater Sage Grouse; an update on bat protection issues and pending listing decisions; discussion on an OSM communication regarding treatment of species proposed for Endangered Species Act (ESA) listings; timbering issues; an update on OSM actions on petitions for rulemaking on blasting and National Environmental Policy Act (NEPA) compliance; and a proposed resolution regarding funding and personnel for mine mapping efforts in the states (The resolution was approved by the Resolutions Committee the next day – see *Resolutions* section of this Annual Report.)

Environmental Affairs Committee — Noncoal Section

The Noncoal Section of the Environmental Affairs Committee met twice in 2014. On April 28 in Reno, Nevada, the committee met in conjunction with the Compact’s Annual Meeting. The committee met again on October 16 in Washington, DC in conjunction with the Mid-Year Meeting. Topics discussed at the April 28 meeting included: an update on the Extractive Industries Transparency Initiative (EITI); an update on the Environmental Protection Agency (EPA)/U.S. Corps of Engineers proposed rule regarding Waters of the U.S. (WOTUS); an update on EPA’s rulemaking on financial assurance requirements under Section 108(b) of the Comprehensive Environmental Response, Compensation and Liability Act (CERCLA); hardrock mining legislation and Good Samaritan legislation; a hardrock abandoned mine land (AML) program proposal in the Administration’s FY 2015 budget; an update on a Department of Energy (DOE) report to Congress on uranium AML sites; and a petition for rulemaking received by the Office of Surface Mining (OSM) regarding protections of the Greater Sage Grouse.

Topics of discussion at the committee meeting held on October 16 included: an update on the EPA/Corps proposed rulemaking on the “Definition of the Waters of the United States” (WOTUS) and IMCC’s efforts to develop comments; an update on EPA’s rulemaking on financial assurance requirements under Section 108(b) of CERCLA; an update on Good Samaritan legislation; and an update on the Extractive Industries Transparency Initiative (EITI).

Abandoned Mine Lands Committee

The Abandoned Mine Lands (AML) Committee met jointly with the Coal Section of the Environmental Affairs Committee on two occasions — April 29 in Reno, Nevada and October 16 in Washington, DC. At the April 29 meeting, the committee discussed the following topics: state Title IV (AML) grants; sequestration impacts on AML programs and the Interstate Mining Compact Commission (IMCC)/National Association of Abandoned Mine Land Programs (NAAML) joint efforts to secure exemption for AML under sequestration; legislative proposals in the FY 2015 budget; and IMCC/NAAML AML reauthorization efforts and strategy.

At the October 16 meeting, topics discussed included: an IMCC briefing with the Office of Management and Budget (OMB) regarding exemption of the AML Fund from sequestration; a joint letter and resolution to OMB from IMCC and NAAML regarding exemption of the AML Fund from sequestration (the resolution was adopted during the next day’s Resolutions Committee meeting – see *Resolutions* section of this Annual Report); and ongoing IMCC/NAAML AML reauthorization efforts.

Mine Safety & Health Committee

The Mine Safety & Health Committee met jointly with the Noncoal Section of the Environmental Affairs Committee on two occasions in 2014 – on April 28 in Reno, Nevada in conjunction with the Compact’s Annual Meeting, and on October 16 in Washington, DC in conjunction with IMCC’s Mid-Year Meeting. Topics of discussion at the April 28 meeting included: Mine Safety and Health Administration (MSHA) state training grants; the status of the FY 2014 state assistance grants; a report on an MSHA/states meeting held on March 13, 2014; a report on an MSHA conference call on April 14, 2014 focusing on MSHA’s new respirable dust final rule; and the potential for personnel and financial assistance from MSHA and the Office of Surface Mining (OSM) for ongoing underground mine mapping efforts in the states.

Topics discussed at the October 16 meeting included: the status of MSHA’s FY 2014 state assistance grants; coal waste impoundments and OSM/MSHA interaction; underground mine mapping personnel assistance from MSHA; and MSHA jurisdiction at Surface Mining Control and Reclamation Act of 1977 (SMCRA) abandoned mine land (AML) sites.

Awards Committee

The Awards Committee met via conference call on March 4, 2014 to select winners of the 2014 Kenes C. Bowling National Mine Reclamation Awards. The Education Work Group met via conference call on February 6, 2014 to select winners of the 2014 IMCC National Minerals Education Awards.

The reclamation award recipients are listed elsewhere in this Annual Report. The awards were presented at the Annual Awards Banquet on April 29, 2014, which was held in conjunction with IMCC’s Annual Meeting in Reno, Nevada.

The National Mineral Education Awards were also presented at the April 29 Awards Banquet. The education award recipients are also listed elsewhere in this Annual Report.

Committees and Committee Chairmen and Vice Chairmen for 2015

Environmental Affairs Committee

Coal Section

Steve Weinzapfel, Indiana, Chairman

Michael Bograd, Mississippi, Vice Chairman

Noncoal Section

Kent Coleman, South Carolina, Chairman

Jonathan Burr, Tennessee, Vice Chairman

Abandoned Mine Lands Committee

Eric Cavazza, Pennsylvania, Chairman

Lanny Erdos, Ohio, Vice Chairman

Mine Safety and Health

William Gerringer, North Carolina, Chairman

Eugene White, West Virginia, Vice Chairman

Finance and Administrative Committee

Ed Fogels, Alaska, Chairman

John Baza, Utah, Vice Chairman

Resolutions Committee

Brian Wittwer, Alabama, Chairman

Butch Lambert, Virginia, Vice Chairman

Awards Committee

Judi Stoute, Louisiana, Chairman

John Caudle, Texas, Vice Chairman

(Members of the 2015 Awards Committee: Louisiana, Utah, Nevada, West Virginia, Texas)

Legal Advisor

Steve Alder, Utah

Minerals Education Work Group

Beth Wilson, Ohio, Chairman

Yearly Commission Meetings

2014 Annual Meeting — Reno, Nevada

The 2014 Annual Meeting was held at the Peppermill Hotel in Reno, Nevada from April 27 - 30, 2014. Twenty-two of the 26 member states were in attendance. A representative from the state of Montana was also in attendance. Attendees included approximately 67 persons consisting of IMCC members, other state representatives, federal officials, and industry representatives. The meeting was highlighted by a general session, committee meetings, the annual commission business meeting, the annual awards banquet, an opening reception, and a day trip including a stop in Virginia City, a gold mine site field trip, and a social dinner.

The meeting began with welcome remarks by Nevada Governor Brian Sandoval who opened the General Session on April 28. Richard Perry, Administrator of the Nevada Division of Minerals, served as the moderator. Speakers and topics covered during the session included: “Mining’s Contributions to Nevada” by Tim Crowley, President of the Nevada Mining Association; and “Sage Grouse: The Bird That Could Change the American West” by Allen Biaggi of A. Biaggi & Associates, LLC

IMCC’s Standing Committee meetings commenced during the mid-morning of April 28 (see *Activities of the Standing Committees*). At Noon, attendees departed by bus for a short visit to Virginia City en route to a tour of the active Comstock Gold Mine site and the historic Virginia City Comstock Gold Mill. Following the site tour, a social dinner was held at the nearby Gold Hill Hotel. The featured dinner speaker was Ron James, Executive Director of the Comstock Foundation for History and Culture who spoke on “History and Mining on the Comstock.”

The Standing Committee meetings resumed on the morning of April 29 and continued throughout the afternoon. At a banquet that evening, the IMCC presented its 2014 National Reclamation and Minerals Education Awards. (see *Awards* section later in this report for details.)

The Commission’s annual business meeting was held on April 30. The meeting was chaired by Scott Fowler on behalf of the Compact’s Chairman, Governor Pat Quinn of Illinois. Subjects of action and discussion included: approval of minutes of the Compact’s October 3, 2013 Mid-Year Business Meeting in San Anotnio, Texas; the Executive Director’s Report (see *Report of the Executive Director*); standing committee reports (see *Activities of the Standing Committees*); approval of standing committee action items; the potential for state/federal discussions to be held in conjunction with the 2014 Mid-Year Meeting in Washington, DC; and future IMCC meetings.

2014 Mid-Year Meeting – Washington, DC

The Mid-Year Executive Commission Meeting of the IMCC was held in Washington, DC at the Westin Georgetown Hotel, October 16 - 17, 2014. Twenty of the 26 member states were in attendance. A representative from the state of Montana was also in attendance. A day of Federal and State Meetings was held prior to the start of the Mid-Year Meeting on October 15. Four separate sessions were held with panelists including state representatives, the Environmental Protection Agency, the U.S. Bureau of Land Management, the U.S. Fish and Wildlife Service, and the U.S. Army Corps of Engineers. Roundtable meetings with the states and federal officials from the Office of Surface Mining and the Mine Safety and Health Administration were held prior to the committee meetings on October 16. A luncheon and a social reception were also held on October 16.

Timothy Charters, Staff Director for the House Energy and Mineral Resources Subcommittee was the keynote speaker at the luncheon. Committee meetings resumed the morning of October 17. They were followed by the commission's business meeting which concluded the meeting. The business meeting was chaired by Scott Fowler on behalf of the Compact's Chairman, Governor Pat Quinn of Illinois. Among the topics addressed at the meeting were: approval of minutes from the April 30, 2014 Annual Business Meeting in Reno, Nevada; an Executive Director's Report (see *Report of the Executive Director*); reports from standing committees of the Compact (see *Activities of Standing Committees*); approval of standing committee action items; petitions regarding NPDES permitting authority in several Appalachian states; the Environmental Protection Agency preemptive veto of Pebble Mine in Alaska; hydrology issues and a potential IMCC benchmarking workshop on cumulative hydrologic impact assessments (CHIAs); third party disturbance on abandoned mine land; the role of cooperating agency states in the Office of Surface Mining (OSM) Environmental Impact Statement (EIS) process related to OSM's stream protection rulemaking; election of officers for 2015; appointment of committee chairs for 2015; the state/federal agency discussions held on October 15; a litigation overview presented by attorney Karen Bennett of Hunton & Williams; and future IMCC meetings.

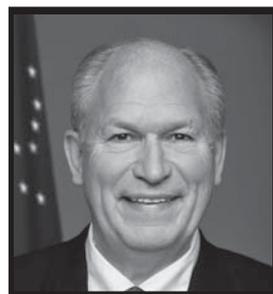
Officers Elected for 2015



Chairman:
Governor Robert J. Bentley
Alabama



Vice Chairman:
Governor Terry McAuliffe
Virginia



Treasurer:
Governor Bill Walker
Alaska

Resolution

Interstate Mining Compact Commission

BE IT KNOWN THAT:

WHEREAS, The Interstate Mining Compact Commission's (IMCC) Annual Meeting in Reno, Nevada was honored by the presence of The Honorable Brian Sandoval, Governor of the state of Nevada; and

WHEREAS, Governor Sandoval presented the Welcoming Address at the Opening Session of the Annual Meeting on April 28, 2014; and

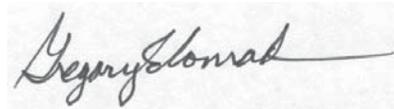
WHEREAS, Governor Sandoval was instrumental in leading the effort to bring the state of Nevada into the Interstate Mining Compact Commission as an associate member in 2012;

NOW THEREFORE BE IT RESOLVED:

That the Interstate Mining Compact Commission expresses its gratitude to Governor Sandoval for his participation in making this year's Annual Meeting an outstanding success and for his strong support of IMCC.

Issued this 30th day of April, 2014

ATTEST:



Executive Director

Resolution

Interstate Mining Compact Commission

BE IT KNOWN THAT:

WHEREAS, Throughout the years, the Interstate Mining Compact Commission has been privileged to hear many excellent speakers at its meetings; and

WHEREAS, it is through these speakers that the Commission is able to keep abreast of new developments, new policies, and new technology in the fields of mining and environmental protection; and

WHEREAS, the speakers who addressed the Commission's Annual Meeting on April 28, 2014 in Reno, Nevada are men of outstanding ability in their respective fields, and the benefits of their advice and experience are a valuable contribution to the Commission; and

WHEREAS, the Commission is most appreciative of the time and effort the speakers have expended in the preparation and presentation of their remarks;

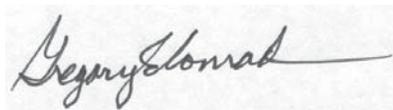
NOW THEREFORE BE IT RESOLVED:

That the Interstate Mining Compact Commission expresses its sincere gratitude to:

Tim Crowley
Allen Biaggi
Ron James

Issued this 30th day of April, 2014

ATTEST:



Executive Director

Resolution

Interstate Mining Compact Commission

BE IT KNOWN THAT:

WHEREAS, Rich Perry, Mike Visher and their staff arranged an informative and interesting annual meeting for the Interstate Mining Compact Commission in Reno, Nevada from April 27 - 30, 2014; and

WHEREAS, Mr. Perry also served as the Moderator for the Opening Session on April 28 and as the Master of Ceremonies at the Awards Banquet on April 29; and

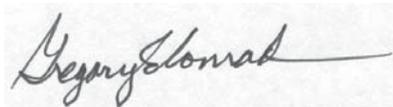
WHEREAS, our hosts warmly welcomed and generously extended their Silver State hospitality to all attendees;

NOW THEREFORE BE IT RESOLVED:

That the Interstate Mining Compact Commission expresses its deep appreciation to Rich Perry, Mike Visher and all of the other state officials who assisted IMCC staff to assure a successful meeting.

Issued this 3^{0h} day of April, 2014

ATTEST:



Executive Director

Resolution

Interstate Mining Compact Commission

BE IT KNOWN THAT:

WHEREAS, Loretta Pineda has served as an active member of the Interstate Mining Compact Commission (IMCC) on behalf of the state of Colorado for many years and most recently as the Governor's official representative to the Compact; and

WHEREAS, Loretta's leadership skills and dedicated public service during these years have been a positive and important force in the growth, direction, credibility, and influence of the IMCC; and

WHEREAS, Loretta has also served as a leader of the National Association of Abandoned Mine Land Programs (NAAML) and, through NAAML's association with IMCC, has helped to guide the states' advocacy for AML funding and legislative priorities; and

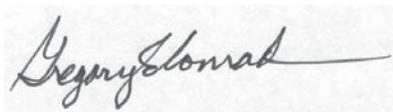
WHEREAS, Loretta's positive personality and dedication to government service have been appreciated by all those who have had the privilege of knowing and working with her;

NOW THEREFORE BE IT RESOLVED:

That the member states of the Interstate Mining Compact Commission, who have had the honor and privilege of working closely with Loretta Pineda over the years, express their sincere appreciation and heartfelt thanks to her for all she has done on behalf of the states and IMCC and wish her all the best in her retirement from state government service.

Issued this 30th day of April, 2014

ATTEST:



Executive Director

Resolution

Interstate Mining Compact Commission

BE IT KNOWN THAT:

WHEREAS, Stan Thieling has participated in the work of the Interstate Mining Compact Commission (IMCC) on behalf of the state of Mississippi for many years and most recently as the Governor's official representative to the Compact; and

WHEREAS, Stan's leadership skills and dedicated public service during these years have contributed greatly to the important natural resource and environmental protection issues before the state of Mississippi and IMCC; and

WHEREAS, Stan was instrumental in bringing the state of Mississippi into the Compact as both an associate and a full member state following gubernatorial and legislative approval, both within record time; and

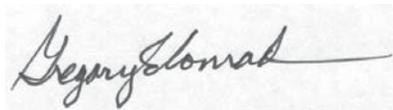
WHEREAS, Stan's positive personality and dedication to government service have been appreciated by all those who have had the privilege of knowing and working with him;

NOW THEREFORE BE IT RESOLVED:

That the member states of the Interstate Mining Compact Commission, who have had the honor and privilege of working closely with Stan Thieling over the years, express their sincere appreciation and heartfelt thanks to him for all he has done on behalf of the states and IMCC and wish him all the best in his retirement from state government service.

Issued this 30th day of April, 2014

ATTEST:



Executive Director

Resolution

Interstate Mining Compact Commission

BE IT KNOWN THAT:

WHEREAS, the Interstate Mining Compact Commission (IMCC) provides all full-time employees with medical health insurance through a health insurance plan offered through the Local Choice Benefits Program administered by the Commonwealth of Virginia, hereinafter “the Plan”; and

WHEREAS, IMCC has the option to provide employees retiring from IMCC service the ability to purchase health care insurance through the Plan until such time as they become eligible for Medicare health coverage as determined by the federal government. At that time, retiree coverage will end or the retiree will elect a Medicare Supplement from the Plan; and

WHEREAS, only those employees who meet the eligibility requirements for retiring after 50 years of age and ten years of service with IMCC or 55 years of age and 5 years of service with IMCC may participate in this Plan. Age and service requirements are waived if the retiring employee is documented to be disabled; and

WHEREAS, the participating former employee will pay all of the premium cost at regular intervals as determined by the Plan. Failure to timely pay the premium due will result in the immediate cancellation of the former employee’s plan; and

WHEREAS, the option is available only to those retiring on or after July 1, 2014; and

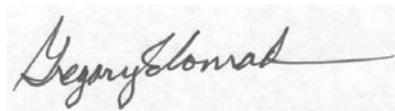
WHEREAS, IMCC reserves the right to modify or discontinue health care plans and third party providers at its discretion.

NOW THEREFORE BE IT RESOLVED:

That the Interstate Mining Compact Commission does hereby extend the option for retired employees to purchase health care insurance coverage through the Plan.

Issued this 30th day of April, 2014

ATTEST:



Executive Director

Resolution

Interstate Mining Compact Commission

BE IT KNOWN THAT:

WHEREAS, the Interstate Mining Compact Commission (IMCC) is a national multi-state organization representing the natural resource, environmental protection and abandoned mine land (AML) remediation interests of its 26 member states; and

WHEREAS, Title IV of the Surface Mining Control and Reclamation Act of 1977 (SMCRA) established the AML reclamation program and pursuant thereto IMCC member states administer AML programs funded and overseen by the Office of Surface Mining Reclamation and Enforcement (OSM), U.S. Department of the Interior; and

WHEREAS, SMCRA, Title IV, establishes a reclamation fee on each ton of coal mined in the United States to pay for abandoned mine land reclamation and these fees are deposited into the AML Trust Fund; and

WHEREAS, SMCRA, Title IV requires that OSM make mandatory disbursements from the AML Trust Fund to states and tribes with approved programs during each fiscal year under a specific allocation method; and

WHEREAS, since FY 2013, OSM has been sequestering a percentage of the annual mandatory payments to the states and tribes pursuant to the requirements of the Budget Control Act of 2011 (BCA) and to date, the state programs have lost \$39,448,478 and will, by the forecasted end of the sequestration period, stand to lose another \$136 million, given current sequestration rates; and

WHEREAS, the BCA provides the Office of Management and Budget (OMB) the authority to determine on an annual basis which mandatory accounts are exempt from applicable sequestration cuts in a particular fiscal year; and

WHEREAS, the BCA requires that OMB apply the specific exemptions listed in Sec. 255 of the Balanced Budget and Emergency Deficit Control Act (BBEDCA) and abide by the special rules listed at Sec. 256 regarding which accounts are to be exempted from sequestration; and

WHEREAS, several stipulations of BBEDCA Sec. 255 and 256, including the even application rule and the dedicated trust and private donations exemptions, require that the AML Trust Fund be deemed exempt from sequestration, as further elaborated in the attached briefing paper; and

WHEREAS, certain payments under SMCRA Sec. 411(h) require corresponding transfers to the historic coal share, and as a result of this payment structure, sequestration reductions have the effect of causing further, cascading reductions (double sequestration), as further elaborated in the attached briefing paper; and

WHEREAS, due to the vagaries of the budget process, including impacts related to sequestration, state AML programs have in recent years received grants late in the fiscal year, and as a result have lost an entire construction season by the time the necessary administrative procedures are complete; and

WHEREAS, this reduced funding severely complicates the states' ability to efficiently undertake construction projects, thereby constraining their ability to meet the stated goals, objectives, and priorities under SMCRA, as further elaborated in the attached briefing paper; and

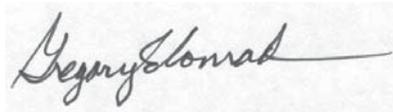
WHEREAS, sequestration cuts to AML grants do not simply represent a programmatic inconvenience to be temporarily endured through belt-tightening, but rather, due to the structure of the AML program, the cuts have caused profound impediments to the program's essential function, i.e. the elimination of hazardous AML sites to the benefit of public safety and environmental health.

NOW THEREFORE BE IT RESOLVED:

That the Interstate Mining Compact Commission urges Congress and the Administration to deem mandatory payments to the states and tribes from the AML Trust Fund exempt from sequestration, as is required by the BCA pursuant to the relevant sections of the BBEDCA.

Issued this 17th day of October, 2014

ATTEST:



Executive Director

Resolution

Interstate Mining Compact Commission

BE IT KNOWN THAT:

WHEREAS, the Interstate Mining Compact Commission (IMCC) is a national multi-state organization representing the natural resource, environmental protection and abandoned mine land (AML) remediation interests of its 26 member states; and

WHEREAS, pursuant to the Surface Mining Control and Reclamation Act of 1977 (SMCRA) and the Mine Safety and Health Act of 1977, as amended (Mine Act), each of the Compact's member states implement programs for 1) the regulation of active surface and underground coal mining and reclamation operations, 2) the elimination of health and safety hazards and the reclamation of land and water resources adversely affected by past mining left in an abandoned or inadequately restored condition, and 3) ensuring the health and safety of our Nation's miners; and

WHEREAS, pursuant to these programs under both SMCRA and the Mine Act, the states have developed robust mine mapping programs for both underground mines and the surface impacts of underground mines; and

WHEREAS, pursuant to these programs, the states have over 30 years of experience in developing, designing, and administering effective mine mapping programs, including the location, digitization, geo-referencing, cataloging and storing of mine maps; and

WHEREAS, in the course of their work, the states have worked cooperatively with the Office of Surface Mining Reclamation and Enforcement and the Mine Safety and Health Administration, including the receipt of grants from both agencies to enhance state mine mapping efforts and jointly presenting several benchmarking workshops on mine mapping; and

WHEREAS, IMCC recently conducted a survey of its member states to determine the current status of mine mapping efforts and found that, in most instances, those efforts have been significantly stymied due to limited resources and manpower to support the effort; and

WHEREAS, key areas of need include map identification and collection, scanning into a digital image (ideally meeting a 400 dpi and 24-bit RGB depth), geo-referencing, and, where possible vectorizing; and

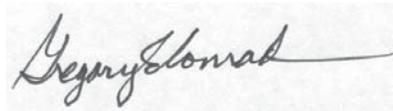
WHEREAS, without additional, dedicated manpower to undertake these mapping efforts, along with new, updated mapping equipment and the funding to support both, mine mapping efforts are likely to stall, thereby impacting the health and safety of both our Nation's miners and the public;

NOW THEREFORE BE IT RESOLVED:

That the Interstate Mining Compact Commission urges the Office of Surface Mining Reclamation and Enforcement and the Mine Safety and Health Administration to provide additional, supplemental funding for state mine mapping efforts and to work with the states to seek additional appropriations from Congress for these efforts where agency resources are unavailable.

Issued this 17th day of October, 2014

ATTEST:



Executive Director

Resolution

Interstate Mining Compact Commission

BE IT KNOWN THAT:

WHEREAS, the Surface Mining Control and Reclamation Act of 1977 (SMCRA) provides for the vesting of exclusive jurisdiction with the states for regulation of surface coal mining and reclamation operations within their borders following approval of a state program by the Secretary of the Interior; and

WHEREAS, over the past 35 years, the states have established and been recognized for their commitment to implementing the goals and objectives of SMCRA; and

WHEREAS, under the primacy regime envisioned by Congress under SMCRA, a stable, consistent and effective state/federal partnership is anticipated based on principles of comity and federalism; and

WHEREAS, the member states of the Interstate Mining Compact Commission (IMCC) have sought to work cooperatively and in collaboration with the Office of Surface Mining Reclamation and Enforcement (OSMRE) to advance the purposes and objectives of SMCRA, particularly through the use of state/federal work groups and task forces; and

WHEREAS, proposed cuts to state regulatory grants under Title V of SMCRA are resulting in a significant drain on limited state resources for the implementation of regulatory programs and often eroding the state/federal working relationship under SMCRA; and

WHEREAS, in an attempt to address this debilitating trend, as well as the overall impacts attributable to other budget and deficit reduction actions by the Administration, including sequestration, IMCC has engaged in a joint state/federal government initiative focused on financial stability and program efficiencies under SMCRA; and

WHEREAS, following six months of extensive discussion and negotiation, the three work groups established under this initiative released final reports on July 31 that include a range of options, approaches and recommendations to address the impacts of budget cuts and deficit reduction for state and federal programs under SMCRA

NOW THEREFORE BE IT RESOLVED:

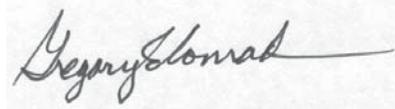
That the Interstate Mining Compact Commission reasserts its commitment to the principles of primacy and federalism that underlie implementation of the Surface Mining Control and Reclamation Act of 1977; and

That IMCC urges OSMRE to move forward in an expeditious and deliberate manner to review and then implement the actions and recommendations developed by the three Work Groups under the Government Efficiencies Initiative; and

That IMCC remains committed to working cooperatively and collaboratively with OSMRE to implement these actions and recommendations.

Issued this 17th day of October, 2014

ATTEST:



Executive Director

Resolution

Interstate Mining Compact Commission

BE IT KNOWN THAT:

WHEREAS, The Interstate Mining Compact Commission's (IMCC) Mid-Year Meeting in Washington, DC was honored by the presence of Tim Charters, Staff Director of the House Subcommittee on Energy and Mineral Resources; and

WHEREAS, Mr. Charters presented the Keynote Address at the IMCC Luncheon on October 16th; and

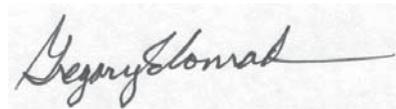
WHEREAS, Mr. Charters and his staff have been strong supporters of state primacy under the various federal laws that attend mineral development in the United States, particularly the Surface Mining Control and Reclamation Act

NOW THEREFORE BE IT RESOLVED:

That the Interstate Mining Compact Commission expresses its gratitude to Tim Charters for his participation in making this year's meeting an outstanding success and for his ongoing support of IMCC and its state members.

Issued this 17th day of October, 2014

ATTEST:



Executive Director

Financial Reports

*Interstate Mining Compact Commission
Statement of Financial Position for the Year Ended June 30, 2014*

ASSETS

Cash	\$ 139,312.00
Certificates of deposit	400,000.00
Accounts receivable, net	11,979.00
Interest receivable	6,033.00
Prepaid expenses and deposits	6,638.00
Property and equipment, net	1,788.00
Total assets	565,750.00

LIABILITIES AND NET ASSETS

Liabilities:	
Accrued vacation	50,290.00
Deferred revenue	14,139.00
Total liabilities	64,429.00
Net assets:	
Unrestricted	501,321.00
Total net assets	501,321.00
Total liabilities and net assets	565,750.00

Financial Reports

**Interstate Mining Compact Commission
Statement of Activities
For the Year Ended June 30, 2014**

Unrestricted revenue and support	
Assessments	\$542,679
Government grants and contracts	15,000
Conferences and meetings	25,515
Interest income	5,464
Other income	472
Total revenue and support	589,130
Expenses	
Government programs	15,000
Administrative and general	618,357
Total expenses	633,357
Change in net assets	(44,227)
Net assets, beginning of year	545,548
Net assets, end of year	\$501,321

Financial Reports

**Interstate Mining Compact Commission
Schedule of Comparison of Expenses and Budget
For the Year Ended June 30, 2014**

Description	Government Programs	Admin. & General	Totals	Budget	Variance Over (Under)
Salaries	\$15,000	\$363,505	\$378,505	\$342,500	\$ 36,005
Employee benefits	-	97,989	97,989	100,000	(2,011)
Rent	-	40,068	40,068	40,100	(32)
Conference and meetings	-	28,234	28,234	25,000	3,234
Travel	-	20,212	20,212	22,000	(1,788)
Legal	-	12,977	12,977	-	12,977
Publications	-	3,276	3,276	3,500	(224)
Telephone	-	6,833	6,833	9,000	(2,167)
Auditing	-	4,800	4,800	5,500	(700)
Postage	-	2,188	2,188	2,500	(312)
Equipment expenses	-	3,525	3,525	2,500	1,025
Office supplies	-	3,877	3,877	3,000	877
Other expenses	-	1,889	1,889	2,500	(611)
Insurance	-	3,517	3,517	5,000	(1,483)
Printing	-	2,423	2,423	1,500	923
Registration fees/ subscriptions	-	445	445	1,500	(1,055)
Utilities	-	1,238	1,238	1,500	(262)
Depreciation	-	895	895	-	895
Bad debt	-	20,466	20,466	-	20,466
Total expenses	\$15,000	\$ 618,357	\$633,357	\$567,600	\$65,757

Member State Permitting Data

PERMITS ISSUED AND ACRES OF LAND DISTURBED AND RECLAIMED JANUARY 1 - DECEMBER 31, 2014 FOR COAL SURFACE MINING

State/Enforcement Agency	# Permits Issued	# Acres Permitted	#Acres Disturbed	# Acres Reclaimed
Alabama Surface Mining Commission	3	808		
Alaska Dept. of Natural Resources, Division of Mining, Land & Water	13 (cumulative); 1 (new)	13,244 (cumulative); 847 (new)	2,483 (cumulative); 51 (new)	355 (cumulative); 0 (new)
Arkansas Dept. of Environmental Quality, Surface Mining and Reclamation Division	3	1,436	815	0
Colorado Division of Reclamation, Mining & Safety, Coal Program	0	173,577	19,220	11,056 ²
Illinois Dept. of Natural Resources, Office of Mines & Minerals, Land Reclamation Division	2	2,407.36	1,510.94	545.31
Indiana Dept. of Natural Resources, Division of Reclamation	6	8,229.4 ³	2,453.4 ³	2,453.4
Kentucky Dept. for Natural Resources, Division of Mine Reclamation and Enforcement	446 ⁴	37,563 (new); 2,026,515 (total)	235,319	12,094.83 (phase III bond release)
Louisiana Dept. of Natural Resources, Office of Conservation	0	0	22,366	0
Maryland Bureau of Mines ⁵	4	41	2,427	231
Mississippi Dept. of Environmental Quality	0	8,389 (total)	3,917 (total)	
Missouri Department of Natural Resources, Land Reclamation Program	1	111	50	60
New Mexico Energy, Minerals & Natural Res. Dept., Coal Mine Reclamation Program ⁶	0	0	830	0
North Dakota Public Service Commission	3	17,525	1,815	1,950
Ohio Dept. of Natural Resources, Division of Mineral Resources Management	9 (new); 7 (adjacent)	3,732.4 (surface) 11,594.8 (underground)	32,311.18 ⁷ (1,298.1)	2,532.7 ⁸
Oklahoma Dept. of Mines	⁹	22,057	10,487	519
Pennsylvania Dept. of Environmental Protection	50	8,297	3,648	1,699
Texas Railroad Commission	2 (renewals and revisions)	- 108.2 ¹⁰	6,021.0 ¹¹	2,485.9 ¹²
Utah Division of Oil, Gas and Mining	0 (new); 27 (total)	85 (new); 123,629 (total)	10.5 (new); 3,016 (total)	47 (phase III bond release)
Virginia Dept. of Mines, Minerals & Energy, Division of Mined Land Reclamation	30 (8 new; 22 transfers)	79,774.38	55,541.11; 65,740.98 (acres bonded)	1,692.64; 31,273.56 ¹³
West Virginia Dept. of Environmental Protection, Division of Mining and Reclamation	48 (2014 new and amendments)	6,242 (2014); 338,841 (total)	126,535 (total) ¹⁴	2,047 (2014 released - Phase III)
Wyoming Dept. of Environmental Quality, Land Quality Division	0	447,038 (total); 0 (new)	165,277 ¹⁵	75,222 ¹⁵

See footnotes on following page...

¹ “Acres Reclaimed” are those acres for which final bond release was approved.

² Surface Acres 4,357.40 + Underground Shadow Acres 3,872.0 = 8,229.4 Acres.

³ Acres Mined 2,012.4 + Acres Disturbed 441.0 = 2,453.4 Total Acres Disturbed.

⁴ These numbers reflect all the permitting activity that occurred in CY 2014; however a great deal of this permitting activity occurred on existing permits. Only 24 (5.4%) were newly permitted coal mining operations.

⁵ Acres permitted reflects number of acres for which bond was posted during the reporting period. Acres disturbed reflects number of actual disturbed acres that have not been approved for phase III bond release as of 12/31/2014. Acres reclaimed reflects number of acres for which phase III release was approved during the reporting period.

⁶ The numbers shown are for permitting and mining/reclamation activity taking place during calendar year 2014. These numbers do not represent cumulative acreage. Reclaimed lands mean full bond release has been approved.

⁷ Sum total of coal “reclamation due” plus “to be affected” through 12/31/2014 (the 1,298.1 figure indicates new coal acres bonded 1/1/2014 - 12/31/2014).

⁸ Phase III acres released 1/1/2014 - 12/31/2014.

⁹ 1 permit issued; 58 permits on IUL; 26 revisions approved.

¹⁰ Total permit acreage as of 12/31/2014 (324,724.23) minus total permit acreage as of 1/01/2014 (324,832.43) = - 108.2 acres.

¹¹ 2,651.7 acres mined and 3,369.3 acres non-mined disturbed = 6,021.0 acres.

¹² Phase III bond release approval (may not have been removed from permitted acreage).

¹³ 31,273.56 reflects total reclaimed and currently permitted.

¹⁴ “Disturbed Acres – Total” means the total number of disturbed acres, including acreage disturbed and reclaimed but not yet receiving final bond release, associated with permits that as of 12/31/2014 were not final release or revoked.

¹⁵ Total for all currently permitted coal mines.

Member State Permitting Data

PERMITS ISSUED AND ACRES OF LAND DISTURBED AND RECLAIMED JANUARY 1 - DECEMBER 31, 2014 FOR NONCOAL SURFACE MINING

State/Enforcement Agency	# Permits Issued	# Acres Permitted	#Acres Disturbed	# Acres Reclaimed
Alabama Department of Labor	28 (new); 293 (renewals)	12,190 ¹	15,260	611
Alaska Dept. of Natural Resources, Division of Mining, Land and Water	5	854	854	0
Arkansas Dept. of Environmental Quality	252	23,369	10,108	272
Colorado Division of Reclamation, Mining and Safety, Minerals Program	33	186,577	110,786	3,643 ²
Illinois Dept. of Natural Resources, Mine Safety & Training Div., Blasting and Explosives Unit	14	731.8	549.61	400
Indiana Dept. of Natural Resources, Division of Reclamation	7	635.6	15.0	5
Kentucky Dept. for Natural Resources, Division of Mine Reclamation and Enforcement	79 ³	788 (2014); 50,376 (total)	22,518.72	293.70
Maryland Minerals, Oil & Gas Division ⁴	99	6,167.44	2,189.26	534.01
Mississippi Dept. of Environmental Quality	30	1,214.28	N/A	1,144
Missouri Department of Natural Resources, Land Reclamation Program	350 (permits); 779 (sites) ⁵	35,710	35,710	309
Nevada Division of Environmental Protection ⁶	268	199,387	134,911	16
New Mexico Energy, Minerals and Natural Resources Dept., Mining Act Reclamation Prog. ⁷	27	76	123	681
New York State Dept. of Environmental Conservation, Div. of Mineral Resources	28 (new in 2014); 1,952(total active)	148,644 (total) ⁸	60,464 (total) ⁸	935 (2014); 36,288 (total) ⁸
North Carolina Dept. of Environment & Natural Resources	826	74,833	43,267	1,488
Ohio Dept. of Natural Resources, Division of Mineral Resources Management	8 (new); 21 (amended)	1,384.2	934.2 ⁹	416.4 ¹⁰
Oklahoma Dept. of Mines	¹¹	137,953	56,948	1,405.52
Pennsylvania Dept. of Environmental Protection	66	1,880	739	521
South Carolina Dept. of Health and Environmental Control	20	908.4	204.8	158.8
Tennessee Department of Environment and Conservation, Mining Unit	14	5,121	4,097	85
Utah Division of Oil, Gas and Mining	614 (total); 28 (new)	67,337 (total)	67,337 (total)	306
Virginia Dept. of Mines, Minerals and Energy, Division of Mineral Mining	12(new); 8 (transfers)	31,481.33	16,711.52	236.89
West Virginia Dept. of Environmental Protection, Division of Mining and Reclamation	0	0 (new); 12,492 (total)	5,411 (total)	0
Wyoming Dept. of Environmental Quality, Land Quality Division	7	1,486.6 (new)	N/A	N/A

See footnotes on following page...

¹ Acres permitted do not include limestone, dolomite, or marble.

² "Acres Reclaimed" are those acres for which final bond release was approved.

³ These numbers reflect all the permitting activity that occurred in CY 2014. However a great deal of this permitting activity occurred on existing permits. On the noncoal sites 17 (21.5%) were newly permitted operations.

⁴ Acres permitted reflects number of acres for which bond was posted during the reporting period. Acres disturbed reflects number of actual disturbed acres that have not been approved for phase III release as of 12/31/2014. Acres reclaimed reflects number of acres for which phase III release was approved during the reporting period.

⁵ For noncoal permits, many sites can be on one permit, therefore the distinction between permits and sites.

⁶ The extraction of aggregate is not regulated as mining in Nevada

⁷ The majority of permits issued represent Minimal Impact Mining (3), Exploration (3), and General Permits (21). General Permits include recreational miners. Noncoal does not include sand and gravel operations. Acres reclaimed means regrading and seeding has occurred, not necessarily bond release. The numbers shown are for permitting and mining/reclamation activity taking place during CY 2014. These numbers do not represent cumulative acreage.

⁸ Total statewide acreage figures since New York State Mined Land Reclamation Law enacted in 1975.

⁹ Noncoal mineral acres bonded 1/1/2014 - 12/31/2014.

¹⁰ IM-7 acres released 1/1/2014 - 12/31/2014.

¹¹ 41 permits issued; 78 revisions; 16 transfers; 49 limited use permits issued; 622 annual reviews of permits; 729 permits on IUL.

Member State Reclaimed Land Use Data

USE OF LAND FOLLOWING RECLAMATION (PERCENT) JANUARY 1 - DECEMBER 31, 2014 FOR COAL SURFACE MINING

State	Pasture	Wildlife	Forest	Commercial	Other
Alabama	0	2	46	0	52
Alaska	0	100	0	0	0
Illinois	5	17	0	0	78 ¹
Indiana	< 1 (8.3 acres)	8 (232.5 acres)	21 (553.0 acres)	< 1 (3.7 acres)	69 ² (1,798.3 acres)
Kentucky	30	47	20	1.6	1.4
Maryland	54	0	45	1	0
Missouri	60	0	0	0	0
North Dakota	34	3	1	6	56 (cropland)
Ohio	90.5	1.8	0	1.3	6.4 (cropland/PFL)
Oklahoma	96	1	0	1	2 (water)
Pennsylvania ³	30	5	50	2	13
Texas	1,183.5 acres	645.1 acres	273.0 acres	327.1 acres	57.2 acres (water resources)
Utah	0	0	0	0	100 (grazing & wildlife habitat)
Virginia	11.27 (206.70 acres)	2.50 (45.60 acres)	76.37 (1,397.39 acres)	9.47 ⁴ (173.24 acres) (indus./commercial)	0.39 ⁵ (7.15 acres)
West Virginia	4	23	43	9.0	21.0 ⁶
Wyoming	0	0	0	0	95 (grazing & wildlife habitat)

¹ "Other" includes: 27% cropland; 19% water; and 32% recreational.

² For coal, "Other" includes: 61% (1,584.7 acres) cropland; 4% (101.9 acres) water; 3% (76.5 acres) other; 1% (31.6 acres) roads; and < 1% (3.6 acres) residential.

³ Land use percentages are estimates based on observations.

⁴ Industrial/commercial includes – 45.95 acres commercial; 85.27 acres industrial – gas wells; and 42.02 acres industrial manufacturing.

⁵ "Other" includes: 1.72 acres residential; and 5.43 acres public roads.

⁶ "Other" includes: of the 21% "other", 13% is combined use (i.e. two or more land uses on one permit) with the remaining 8% being a category other than listed above.

Member State Reclaimed Land Use Data

USE OF LAND FOLLOWING RECLAMATION (PERCENT)
JANUARY 1 - DECEMBER 31, 2014 FOR NONCOAL SURFACE MINING

State	Pasture	Wildlife	Forest	Commercial	Other
Alabama	60	10	30	0	0
Alaska	0	100	0	0	0
Arkansas	88.6	4.4	1.9	0	5.1
Illinois	70	0	0	20	10 (water)
Indiana	0	100 (5 acres)	0	0	0
Kentucky	63	2	13	5	17
Maryland	60	10	5	20	0
Mississippi	70	0	20	10	0
Missouri	34.5	3.2	0	51.5	10.8 (water)
Nevada	0	100 ¹	0	0	0
New Mexico ²	0	100	0	0	0
New York	1.6	55.5	0.3	2.4	40.2 ³
Ohio	⁴				
Oklahoma	89	0	0	8	3 (water)
Pennsylvania ⁵	10	5	10	15	60
South Carolina	50.3 (79.9 acres)	0	0.3 (0.5 acres)	3.2 (5.0 acres)	46.2 (73.4 acres) (lakes/ponds)
Tennessee	10	75	15	0	0
Utah	0	100	0	0	0
Virginia	14.8	42.5	30.9	11.3	.5
Wyoming	0	0	0	0	95 ⁶

¹ The 16 acres reclaimed in 2014 were completed to establish a post-mining land use of wildlife habitat.

² The percentages for use of land following reclamation are for mined lands reclaimed in 2014.

³ Includes 16.1% agricultural farmland and 24.1% wetland/lake.

⁴ The majority of releases are pasture and private recreational. Noncoal use percentages are not tracked in Ohio.

⁵ Land use percentages are estimates based on observations.

⁶ "Other" = 95% grazing and wildlife habitat. Not sure of the other 5% – a mix of commercial, agricultural, and pasture.

2014 Kenes C. Bowling Reclamation Award Winners

2014 Winners

The following companies were winners of the Compact's 2014 national reclamation awards and were presented with plaques at the 2014 awards banquet:

Coal Category Winner:

Luminant Mining Company, LLC – Big Brown Mine (Texas)

Noncoal Category Winner:

Newmont Mining Corporation – Twin Creeks Mine (Nevada)

Floyd G. Durham Special Recognition for a Small Operator Winner:

T&T Coal, Inc. – Larue Mine (Kentucky)

2014 Honorable Mention Recipients:

Coal Category: *United Minerals Company, LLC/Peabody Midwest – Somerville East Mine (Permit #S-354) (Indiana)*

Noncoal Category: *Hanson Material Service – Fairmont Quarry (Illinois)*

2014 Minerals Education Award Winners

2014 Winners

The Compact's annual minerals education award was presented during the awards banquet held in conjunction with the 2014 Annual Meeting in Reno, Nevada. Annually, the mining educator awareness award is presented to a teacher or school from one of the Compact's member states. The winner receives an engraved plaque and a \$500 award to go toward teaching materials. The public outreach award is presented to an industry, environmental, citizen, or other group from one of the Compact's member states, or to a member state government body. The public outreach award winner is presented with an engraved plaque of recognition.

Mining Awareness Educator Category Winner:

Robert Livingston, Head Instructor, Mining Technology Program, Gillette College (Wyoming)

Public Outreach Category Winner:

Nevada Mining Association's Education Committee for its Teacher Workshop Program (Nevada)

2014 Honorable Mention Recipients:

Public Outreach Category:

Eastern Coal Council (Virginia)

Grove Stone and Sand Company/Hedrick Industries (North Carolina)

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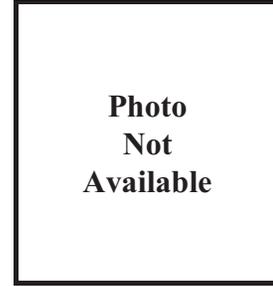
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Maryland

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Vacant



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Program Manager
Department of the
Environment, Mining
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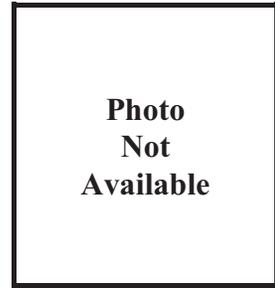


Sara Parker Pauley
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Department of Natural
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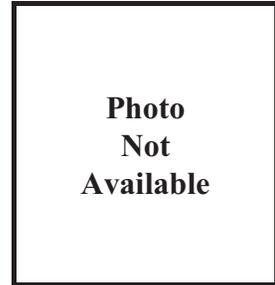


Jim Zehringer
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Butch Lambert
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Department of Mines,
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West Virginia

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Randy Huffman
Cabinet Secretary
Department of
Environmental Protection

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Governor
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Governor
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Nevada

New Mexico

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Division of Reclamation,
Mining & Safety



Richard Perry
Administrator
Nevada Division of
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Fernando Martinez
Director
Division of Mining and
Minerals

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Matt Mead

Wyoming

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Todd Parfitt
Director
Department of
Environmental Quality

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Nevada

Governor Brian Sandoval

New Mexico

Governor Susana Martinez

Wyoming

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Commissioner, Alabama
Department of Labor

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Deputy Commissioner,
Department of Natural
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Chief, Surface Mining and
Reclamation Division
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Chris Smith
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Program

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Vacant

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Co-Founder/CEO, Restoration
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James R. Deutsch
Director, Reclamation
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Jim Zehringer
Director, Department of
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Oklahoma

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Deputy Secretary, Office of
Active and Abandoned Mine
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South Carolina Mining
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Robert J. Martineau, Jr.
Commissioner, Department of
Environment and Conservation

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Commissioner, Railroad
Commission of Texas

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Director, Utah Division of Oil, Gas
& Mining

Virginia

Butch Lambert
Deputy Director, Department of
Mines, Minerals and Energy

West Virginia

Randy Huffman
Cabinet Secretary, Department of
Environmental Protection

Associate Member States

Colorado

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