



Register Now for IMCC's 2013 Mid-Year Meeting in San Antonio, Texas

The Interstate Mining Compact Commission's (IMCC) 2013 Mid-Year Meeting will be held October 2 - 3 at the Westin Riverwalk Hotel in San Antonio, Texas.

The meeting will open with a joint meeting of the Noncoal Environmental Affairs and Mine Safety and Health Committees on the morning of Wednesday, October 2. A meeting of the States and the Office of Surface Mining (OSM) will immediately follow and continue after a luncheon. Guest speaker State Senator Cathy Giessel of Alaska will address attendees during the luncheon. The Coal Environmental Affairs and Abandoned Mine Lands Committees will meeting jointly following the OSM/States meeting. A networking reception is scheduled for the evening.

On the morning of Thursday, October 3, the IMCC Resolutions and Finance and Administrative Committees Joint Meeting will be held. The Executive Commission Business Meeting will follow immediately and conclude the Mid-Year Meeting.

Meeting registration information is included with this issue of the "Compact."

For more information, contact: Beth A. Botsis at 703.709.8654 or E-mail: bbotsis@imcc.isa.us. Information about the IMCC Mid-Year Meeting and other IMCC meetings is also available on the IMCC website at: <http://www.imcc.isa.us/Conference.htm>.

IMCC's 2014 Annual Meeting Scheduled for Reno, Nevada

The Interstate Mining Compact Commission's (IMCC) 2014 Annual Meeting has been scheduled for April 27 -30 and will be hosted by IMCC's newest associate member state, Nevada, at the Peppermill Hotel in Reno, Nevada.

A welcoming reception will take place on the evening of Sunday, April 27. The meeting will open Monday morning with a General Session and be followed by a joint meeting of the IMCC Noncoal Environmental Affairs and Mine Safety and Health Committees. An off-site activity and dinner are in the planning stages for that afternoon and evening.

On Tuesday, April 29, a meeting between the States and the Office of Surface Mining (OSM) is being planned for the morning. The IMCC Coal Environmental Affairs and Abandoned Mine Lands Committees will meet jointly immediately following. IMCC's Annual Awards Banquet will be take place on Tuesday evening.

On the morning of Wednesday, April 30, the IMCC Resolutions and Finance and Administrative Committees Joint Meeting will be held. The Annual Executive Commission Business Meeting will follow and will conclude the Annual Meeting.

For more information, contact: Beth A. Botsis at 703.709.8654 or E-mail: bbotsis@imcc.isa.us. Information about IMCC meetings is also available on the IMCC website at: <http://www.imcc.isa.us/Conference.htm>.

A Newsletter Published by
Interstate Mining Compact
Commission

Upcoming Meetings:

IMCC Bonding Workshop

August 21 - 22, 2013
The Embassy Suites Downtown Hotel
St. Louis, Missouri

IMCC 2013 Mid-Year Meeting

October 2 - 3, 2013
The Westin Riverwalk Hotel
San Antonio, Texas

IMCC 2014 Annual Meeting

April 27 - 30, 2013
The Peppermill Hotel
Reno, Nevada

For more information on IMCC Meetings as it becomes available, visit our website:

www.imcc.isa.us and click on the "Conferences" tab. Some presentations from IMCC Meetings and Workshops can also be viewed on the website at the "Conferences" tab. Copies of IMCC's Compact Newsletter are available on the website by clicking on the "Publications" tab.

Contact Information:

Interstate Mining Compact Commission
445-A Carlisle Drive
Herndon, VA 20170

Call for Nominations For IMCC's 2014 National Reclamation and Minerals Education Awards

The Interstate Mining Compact Commission (IMCC) is beginning the process of soliciting nominations for the 2014 Kenes C. Bowling National Reclamation Awards, and the 2014 National Minerals Education Awards. The criteria, deadlines, and nomination forms for both award programs can be found on IMCC's website at the following link: <http://www.imcc.isa.us/Awards.htm>. The announcements and forms will also be sent to the IMCC member states.

The awards will be presented at the Annual Awards Banquet in conjunction with IMCC's 2014 Annual Meeting in Reno, Nevada at the Peppermill Hotel on Tuesday, April 29.

For more information, contact: Beth A. Botsis at 703.709.8654 or E-Mail: bbotsis@imcc.isa.us.

Extractives Industry Transparency Initiative (EITI) Update

In September 2011, President Obama announced the United States' intention to implement The Extractive Industries Transparency Initiative (EITI), a global governance standard designed to promote revenue transparency in oil, gas, and mining industries. EITI operates through a multi-stakeholder group (MSG) made up of representatives from government, industry, and civil society. The Interstate Mining Compact Commission (IMCC) was nominated by the Secretary of the Interior to serve as a member of the government sector representing the states, along with the Interstate Oil and Gas Compact Commission (IOGCC), and two state agency representatives.

The MSG is expected to oversee implementation of USEITI. Governments that choose to participate in EITI voluntarily implement the EITI Principles and Criteria, but are expected to do so pursuant to their own domestic law and policy. One of the primary roles of the MSG is to determine how the EITI framework can be successfully tailored to conditions in the US in order to ensure that its implementation is both effective and viable.

Four monthly meetings of the Multi-Stakeholder Group have been held so far, on February 13, May 1-2, June 12-13, and July 23-24. The main focus of these meetings has been nominating and organizing the MSG and determining general strategies for how the US can best implement EITI. The two major variables being discussed at this time are the materiality and scoping thresholds that will dictate which revenue streams the report will capture. A materiality threshold will set a minimum level above which revenue streams must be reported. The scoping determinant prioritizes which industry and resource revenue streams are most important to the integrity and usefulness of the report. The MSG continues to draft its EITI candidacy application, which will outline its decided strategies to make the United States an EITI compliant country in the coming years.

As a representative of state mining interests, IMCC has been primarily concerned with the implications of EITI reporting for state governments. This issue arises from language in the international EITI guidelines which requires that "sub-national" revenue streams be reconciled if they are material. The extent to which this requirement will be pursued is still being debated, due to uncertainty as to whether it is appropriate or even possible to treat state governments as "sub-nationals" given the states' status as sovereign governments. A proposition is being considered by the MSG to request "adapted implementation" for the U.S., which the EITI guidelines allow for those countries with extra-ordinary government structures. This decision, in turn, will inform whether state revenue data should be included in the EITI reports. At the June 12-13 MSG meeting, Greg Conrad, executive director of IMCC, along with John Tyselling, from the New Mexico Taxation and Revenue Department, provided an overview of the potential challenges surrounding the inclusion of "sub-national" revenue data, including resource constraints (especially with regard to any reconciliation requirements), and variability in the amount and nature of revenue data among the states.

For more information, contact: Greg Conrad at 703.709.8654 or E-mail: gconrad@imcc.isa.us.

Democrats Introduce Mining Bill

Senator Ed Markey (D-Mass.), together with House Democrats Rush Holt (D-NJ) and Raul Grijalva (D-Ariz), introduced a new bill that amended the 1872 Mining Law, entitled, "Abandoned Mine Lands Cleanup and Taxpayer Fairness Act." Its provisions include: a 12.5% net smelter return royalty on production from new hard rock mines on public lands, a mine veto conferring on the secretary the authority to reject mining projects, new environmental standards, withdraw petitions, and a 7 cent per ton displaced mineral reclamation fee that would fund a hard rock abandoned mine lands program. Prospects for movement in the 113th Congress appear dim.

For more information, contact: Greg Conrad at 703.709.8654 or E-mail: gconrad@imcc.isa.us.

Section 733 Petition Seeks Termination of West Virginia's Approved SMCRA Program

In June, a petition was filed with the Office of Surface Mining Reclamation and Enforcement (OSM) urging that a federal regulatory program be implemented in place of West Virginia's existing SMCRA program under the Surface Mining Control and Reclamation Act (SMCRA). The National Wildlife Federation filed the petition with the cooperation and support of 17 other concerned civil society organizations. The groups maintain that West Virginia is not effectively administering and enforcing its program and request that OSM assume complete control of SMCRA implementation throughout the state.

For more information, contact: Greg Conrad at 703.709.8654 or E-mail: gconrad@imcc.isa.us.

ALEC Report on Regulatory Burdens

The American Legislative Exchange Council (ALEC), in a recent report entitled, "EPA's Assault on State Sovereignty," found evidence that the "unprecedented regulatory encroachment" on behalf of the Environmental Protection Agency (EPA) has produced significant negative effects to the economy. The report argues that since 2009, the EPA has largely abandoned its cooperative federalism approach to its administration of such legislation as the Clean Water Act and the Clean Air Act, replacing this congressionally intended system with one in which state participation is effectively replaced by "friendly lawsuits" from environmental groups. The report also cites the fact that the EPA has raised the percentage of its regulatory disapprovals by 190 percent over the average during the last three presidential administrations, and has increased its take-over of state programs by 2,750 percent over the same period. ALEC's report argues that these developments are contrary to congressional intent in legislation like the Clean Air Act, which specifically mandates that state and local governments should hold primary responsibility.

IMCC Hosts Congressional Staff Briefing to Discuss Recent MSHA Cuts to State-Assistance Grants

On June 25, 2013, the Interstate Mining Compact Commission (IMCC) held a series of congressional staff briefings with the help of an expert panel of state representatives from West Virginia, Pennsylvania, Kentucky, and North Carolina. The purpose of the briefings was to seek support from Congress in opposing unprecedented, drastic cuts to long-standing state-assistance grants which are vitally important to the states' administration of their mine safety and health programs. The briefing was conducted in two separate sessions for Senate and House staff, respectively.

Compliance and training programs offered to individuals and small operators by states, pursuant to matching grants they receive under section 503 of the Mine Safety and Health Act of 1977, are a critical component in the prevention of accidents in coal and metal/non-metal mines in the U.S. As noted by Joseph Main, Assistant Secretary of Labor for Mine Safety and Health, "Effective and appropriate training will ensure that miners recognize and understand hazards and how to control or eliminate them." Despite Congressionally recognized importance of the States' role, MSHA has chosen to severely restrict funding for State Assistance Grants in FY 2013 (by 65%) and has proposed complete elimination of funding for the program beginning in FY 2014. The briefing panel urged attendees to oppose these cuts and to act to restore this funding at the statutorily authorized level of \$10 million in FY 2014.

Panel members had the opportunity to describe how the drastic reduction in funding affects each of their respective states. Joe Sbaffoni of Pennsylvania provided a historical overview of the State-Assistance Grants. He also discussed recent developments in funding for the grants and the implications for state grantees. Randy Harris of West Virginia described the full scope of activities made possible by the State-Assistance Grants in order to show that the benefits of the grants go far beyond training programs. Steve Hohmann of Kentucky provided a case study of how the programs funded by the grants operate in Kentucky. William Gerringer of North Carolina described the implications for metal/non-metal programs with a focus on the especially detrimental effect these cuts will have on small mine operators and the Spanish-speaking community.

For more information, contact: Greg Conrad at 703.709.8654 or E-mail: gconrad@imcc.isa.us.

House Oversight Hearing on Powder River Basin Controversy

The House Subcommittee on Energy and Mineral Resources held an oversight hearing on July 9, 2013 entitled, "Mining in America: Powder River Basin Coal Mining: the Benefits and Challenges." The hearing was largely in response to an investigative report by the Interior Department which found that the Bureau of Land Management (BLM) may have foregone at least \$62 million in potential revenue by undervaluing coal and accepting bids at lower than fair market

value. The report also contained several recommendations regarding valuation, bid acceptance, internal controls, exploration integrity, modifications and royalty rate reductions. Critics of BLM maintain that there should be stronger procedures and greater consistency in how the government comes up with fair market value. They also want BLM to take into account the ongoing and predicted increase in coal exports.

Others argued that despite these challenges to BLM's procedure, the federal government should be taking greater advantage of the vast resources available in the Powder River Basin. The site of the majority of coal sales from public lands, this region accounts for more than 40 percent of US coal production. However, there remain vast deposits of recoverable coal that are untouched. Mary J Hutzler provided her expert testimony on the subject, and posited that the federal government is not taking full advantage of this lucrative source of cheap energy. She, along with House Subcommittee Republicans, urged the Administration to increase leasing of public lands for coal sales. Crow Nation Chairman Darrin Old Coyote provided his testimony in support of increased coal leasing in the region, citing the fact that it would significantly ease his tribes 47% unemployment rate.

For more information, contact: Greg Conrad at 703.709.8654 or E-mail: gconrad@imcc.isa.us.

Oversight Hearing Held on OSM Stream Protection Rule

At a July 23, 2013 oversight hearing held by the House Subcommittee on Energy and Mineral Resources, Office of Surface Mining (OSM) Director Joseph Pizarchik met with fierce criticism from House Republicans concerning OSM's long-delayed Stream Protection Rule. Subcommittee Chairman Doug Lamborn (R-CO) opened the question and answer portion with allegations that OSM's pending rule will cost thousands of jobs. Mr. Pizarchik called this assumption premature because OSM has yet to complete its analysis. House Republicans were dissatisfied by Mr. Pizarchik's response and condemned OSM's rulemaking as reckless and irresponsible, specifically citing the \$9 million and number of years OSM has spent developing the rule thus far with nothing yet to show for it.

Subcommittee Democrats Huffman (CA) and Cardenas (CA) defended OSM, saying that the rulemaking process has been long and arduous due to a significant amount of new research needing to be incorporated. They also argued that much of the fault lies with the Bush Administration's 2008 rule which failed to take certain environmental laws into account and was subsequently subjected to a lawsuit and reviewed in court.

Much of the congressional criticism from Republican members, especially Cramer (ND), Wittman (VA), Johnson (OH) and Lummis (WY), focused on OSM's seeming reluctance to involve the states in the rulemaking process. Mr. Pizarchik defended OSM, saying the rulemaking process is not far enough along and that the states will be brought into the process when it is deemed appropriate. He said that the states lack the resources to review the rule at this preliminary stage. Congresswoman Lummis cited a July 3, 2013 letter sent to OSM by nine cooperating state agencies requesting that OSM comply with its legal obligations under the National Environmental Policy Act (NEPA) and release drafts of the Stream Protection Rule to the states for review and comment. House Republicans took issue with Mr. Pizarchik's characterization of his agency's responsibility to the states, and to congressional oversight in general, citing a history of delay and non-compliance.

Following this contentious hearing, Congressman Johnson (R-OH) and Subcommittee Chairman Lamborn introduced H.R. 2824, the "Preventing Government Waste and Protecting Coal Mining Jobs in America Act." A legislative hearing on the act was held on August 2, 2013. *(See related story which follows.)*

IMCC Member State Representatives Testify at Legislative Hearing Re. H.R. 2824

Two member state representatives of the Interstate Mining Compact Commission (IMCC) testified at a legislative hearing on August 2, 2013 before the House Subcommittee on Energy and Mineral Resources on H.R. 2824, the "Preventing Government Waste and Protecting Coal Mining Jobs in America Act." The bill, introduced by Congressman Johnson (R-OH) and Subcommittee Chairman Lamborn (R-CO), is meant to amend the Surface Mining Control and Reclamation Act of 1977 (SMCRA) "to stop the ongoing waste by the Department of the Interior of taxpayer resources and implement the final rule on excess spoil, mining waste, and buffers for perennial and intermittent streams, and for other purposes." Specifically, it requires that states implement the 2008 Stream Buffer Zone Rule within two years.

Thomas Clarke of the West Virginia Department of Environmental Protection, and Butch Lambert of the Virginia Department of Mines, Minerals and Energy, provided testimony in support of implementation of the 2008 rule over the still pending OSM rewrite. Much of the questioning focused on the topics and concerns expressed by the subcommittee during the July 23 oversight hearing on the Stream Protection Rule *(see previous related article)*. Mr. Clarke and Mr. Lambert testified that the 2008 rule is more than satisfactory to protect streams, despite the unsubstantiated

scientific studies alluded to by House Democrats. They also confirmed House Republicans' allegations that OSM has not done enough to involve the states in the rulemaking process, and stressed that the states are quite capable and willing to provide feedback on the progress made by OSM so far.

An IMCC written statement was also submitted to the subcommittee and added to the hearing record in support of H.R. 2824. IMCC's statement recognizes H.R. 2824 as an appropriate way to proceed, especially given the scrutiny and review that attended the development of the 2008 rule. It was noted that some states have already incorporated provisions from the 2008 rule into their regulatory programs. IMCC said that the rule addressed and clarified many of the concerns associated with stream protection and was an improvement over the 1983 rule in many respects, despite some admitted challenges for states associated with the 2008 rule. IMCC's statement also reiterated the testimonies of Mr. Clarke and Mr. Lambert regarding the states' abilities and desires to be involved in the process of reviewing and developing the new rule, and the lack of opportunities being provided by OSM for states' involvement.

For more information or a copy of IMCC's statement, contact: Greg Conrad at 703.709.8654 or E-mail: gconrad@imcc.isa.us.

Registration Form

Interstate Mining Compact Commission 2013 Mid-Year Meeting

The Westin Riverwalk Hotel, San Antonio, Texas – October 2 - 3, 2013

Last Name:	First Name:
Title:	State & Agency or Organization Affiliation:
Street Address:	
City:	State:
Telephone:	Postal Code:
E-Mail:	

Registration Fee:	
Delegate	\$175.00

Important Note: Please register with IMCC as soon as possible, preferably by September 20, 2013, if possible. Cancellations received after September 23, 2013 are non-refundable. **Early registrations are very helpful to our planning and budgeting and are greatly appreciated.**

****HOTEL RESERVATIONS should be made via weblink by visiting <http://www.starwoodmeeting.com/StarGroupsWeb/res?id=1308088959&key=EA1CF>, or by phone directly with the Westin by calling: 1-888-627-8396. Identify yourself with the “Interstate Mining Compact Commission group” to receive the government per diem room rate of \$106 plus taxes.**

Hotel reservations must be made by September 3, 2013. Do not wait to make your reservations if you plan to attend. Room Cancellations can be made until 6:00 p.m. two days prior without penalty if necessary.

Registration fee (\$175) should be made payable to the Interstate Mining Compact Commission (IMCC) and mailed to:

IMCC
445-A Carlisle Drive
Herndon, VA 20170

You do not have to send your registration payment with this form. Registration forms received without payment will automatically be invoiced. Please provide the invoice address if different from the mailing address above.

We cannot accept credit card payments.

Questions? Contact Beth Botsis at: 703.709.8654, fax: 703.709.8655, or email: bbotsis@imcc.isa.us.