

SB

2

<TARGET><BILL>SB 2</BILL><SUBJECT>SB
2</SUBJECT><COMM>SFIN28</COMM></TARGET>

SENATE FINANCE COMMITTEE REPORT

DATE: 2/13/13

FURTHER:

DATE TURNED
IN TO OFFICE: _____

Finance Committee considered SENATE BILL NO. 2

SB 2 INTERSTATE MINING COMPACT & COMMISSION

"An Act enacting the Interstate Mining Compact and relating to the compact; relating to the Interstate Mining Commission; and providing for an effective date."

and recommends:

- be replaced with CS _____ (_____) Same Title New Title
- adopt previous CS _____ (_____) Same Title New Title
- attached amendment(s)
- adopt _____ Letter of Intent
- further referral to _____ Committee

Dept Abbr.	
ADM	LWF
CED	LAW
COR	LEG
CRT	MVA
EED	DNR
DEC	DPS
DFG	REV
GOV	DOT
DHS	UA

NEW FISCAL NOTE(S)				
Dept.	Fiscal	Indet.	Zero	FN #

PREVIOUS FISCAL NOTE(S)				
Dept.	Fiscal	Indet.	Zero	FN #
DNR	X			
ADM			X	

APPROPRIATION - no fiscal note

SIGNATURES AND RECOMMENDATIONS:	PRINTED LAST NAME	Do PASS	Do NOT PASS	NO REC	AMEND
<i>[Signature]</i>	DUNLEAVY	✓			
Anna J. Fairclough	FAIRCLOUGH	✓			
Cliff Bishop	BISHOP	✓			
<i>[Signature]</i>	Hoffman	✓			
<i>[Signature]</i>	BELSON				
CO-CHAIR: K. Meyer	Meyer	✓			
CO-CHAIR:					

Fiscal Note

State of Alaska
2013 Legislative Session

Bill Version: SB 2
Fiscal Note Number: 1
(S) Publish Date: 2/13/13

Identifier: SB002-DNR-MLW-2-9-13
Title: INTERSTATE MINING COMPACT &
COMMISSION
Sponsor: GIESSEL
Requester: Senate State Affairs

Department: Department of Natural Resources
Appropriation: Land & Water Resources
Allocation: Mining, Land & Water
OMB Component Number: 3002

Expenditures/Revenues

Note: Amounts do not include inflation unless otherwise noted below.

(Thousands of Dollars)

	FY2014	Included in	Out-Year Cost Estimates				
	Appropriation Requested	Governor's FY2014 Request	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019
OPERATING EXPENDITURES	FY 2014	FY 2014					
Personal Services							
Travel	20.0		20.0	20.0	20.0	20.0	20.0
Services	40.0		40.0	40.0	40.0	40.0	40.0
Commodities							
Capital Outlay							
Grants & Benefits							
Miscellaneous							
Total Operating	60.0	0.0	60.0	60.0	60.0	60.0	60.0

Fund Source (Operating Only)

1004 Gen Fund	60.0		60.0	60.0	60.0	60.0	60.0
Total	60.0	0.0	60.0	60.0	60.0	60.0	60.0

Positions

Full-time							
Part-time							
Temporary							

Change in Revenues							
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Estimated SUPPLEMENTAL (FY2013) cost: 0.0

Estimated CAPITAL (FY2014) cost: 0.0

ASSOCIATED REGULATIONS

Does the bill direct, or will the bill result in, regulation changes adopted by your agency? No
If yes, by what date are the regulations to be adopted, amended or repealed? N/A

Why this fiscal note differs from previous version:

Initial Version

Prepared By:	Brent Goodrum, Director	Phone:	(907)269-8501
Division:	Division of Mining, Land and Water	Date:	02/08/2013 04:00 PM
Approved By:	Daniel S. Sullivan, Commissioner	Date:	02/09/13
	Department of Natural Resources		

FISCAL NOTE ANALYSIS #1

STATE OF ALASKA
2013 LEGISLATIVE SESSION

BILL NO. SB 2 _____

Analysis

This bill would authorize Alaska to join and participate in the Interstate Mining Compact Commission (IMCC). This fiscal note has two components: annual membership and travel.

Membership Dues:

Membership in the commission requires annual dues paid by each party state. The amount of dues to be paid by each party state is covered under Article VII of the Compact and Bylaws. There are currently 19 member states; Alaska's addition would bring that total to 20.

Specifically, each party state is required to pay one half of the commission's annual budget, in equal shares. With Alaska as a member, Alaska's portion would be 1/20th of half the annual budget. If additional states become full members of the IMCC, Alaska's portion would change accordingly. The other half of the annual budget is also paid by the member states but is paid in proportion to the value of the minerals, ores and other solid matter mined in each member state.

DNR estimates that Alaska's share for dues in the first membership-year will be approximately \$40.0. This amount will fluctuate in future years based on the amount of the commission's annual budget and the value of the minerals, ores and other solid matter mined in Alaska annually. This value is based on national valuation reports prepared by the United States Geological Survey (USGS) for non-coal minerals and the federal Energy Information Administration (EIA) for coal to ensure impartial uniformity assessment of mining data. If the annual dues are significantly higher than \$40.0, DNR may request supplemental funding in that year.

Travel costs:

Full membership in the IMCC entails greater participation by member states. Membership and participation in the Interstate Mining Compact Commission will require two or more trips per year by the Commissioner, department staff, and possibly other representatives of the Governor's office. The department estimates \$20.0 per year for this expense.

Fiscal Note

State of Alaska
2013 Legislative Session

Bill Version: SB 2
Fiscal Note Number: 2
(S) Publish Date: 2/13/13

Identifier: SB002-DOA-DRB-1-22-13
Title: INTERSTATE MINING COMPACT &
COMMISSION
Sponsor: GIESSEL
Requester: Senate State Affairs

Department: Department of Administration
Appropriation: Centralized Administrative Services
Allocation: Retirement and Benefits
OMB Component Number: 64

Expenditures/Revenues

Note: Amounts do not include inflation unless otherwise noted below. (Thousands of Dollars)

	FY2014 Appropriation Requested	Included in Governor's FY2014 Request	Out-Year Cost Estimates				
			FY 2015	FY 2016	FY 2017	FY 2018	FY 2019
OPERATING EXPENDITURES	FY 2014	FY 2014					
Personal Services							
Travel							
Services							
Commodities							
Capital Outlay							
Grants & Benefits							
Miscellaneous							
Total Operating	0.0	0.0	0.0	0.0	0.0	0.0	0.0

Fund Source (Operating Only)

None							
Total	0.0	0.0	0.0	0.0	0.0	0.0	0.0

Positions

Full-time							
Part-time							
Temporary							

Change in Revenues							
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Estimated SUPPLEMENTAL (FY2013) cost: 0.0

Estimated CAPITAL (FY2014) cost: 0.0

ASSOCIATED REGULATIONS

Does the bill direct, or will the bill result in, regulation changes adopted by your agency? No
If yes, by what date are the regulations to be adopted, amended or repealed?

Why this fiscal note differs from previous version:

No applicable, initial version.

Prepared By:	Jim Puckett, Director	Phone:	(907)465-4471
Division	Division of Retirement & Benefits	Date:	01/22/2013 08:45 AM
Approved By:	Curtis Thayer, Deputy Commissioner	Date:	01/23/13
	Department of Administration		

FISCAL NOTE ANALYSIS #2

STATE OF ALASKA
2013 LEGISLATIVE SESSION

BILL NO. SB 2

Analysis

There is no fiscal impact on the Division of Retirement and Benefits or the Public Employees' Retirement System (PERS) by this legislation.

SENATE BILL NO. 2

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWENTY-EIGHTH LEGISLATURE - FIRST SESSION

BY SENATORS GIESSEL, Dyson, Coghill, McGuire, Fairclough, Meyer, Stedman, Egan, Bishop, Dunleavy, Kelly

Introduced: 1/16/13

Referred: State Affairs, Finance

A BILL

FOR AN ACT ENTITLED

1 **"An Act enacting the Interstate Mining Compact and relating to the compact; relating**
2 **to the Interstate Mining Commission; and providing for an effective date."**

3 **BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:**

4 * **Section 1.** AS 27 is amended by adding a new chapter to read:

5 **Chapter 08. Interstate Mining Compact.**

6 **Sec. 27.08.010. Compact enacted.** The Interstate Mining Compact contained
7 in this section is enacted into law and entered into as follows:

8 **INTERSTATE MINING COMPACT**

9 **ARTICLE I**

10 **FINDINGS AND PURPOSE**

11 (a) The party states find that

12 (1) mining and the contributions thereof to the economy and well-
13 being of every state are of basic significance;

14 (2) the effects of mining on the availability of land, water, and other

1 resources for other uses present special problems which properly can be approached
2 only with due consideration for the rights and interests of those engaged in mining,
3 those using or proposing to use these resources for other purposes, and the public;

4 (3) measures for the reduction of the adverse effects of mining on land,
5 water, and other resources may be costly and the devising of means to deal with them
6 are of both public and private concern;

7 (4) such variables as soil structure and composition, physiography,
8 climatic conditions, and the needs of the public make impracticable the application to
9 all mining areas of a single standard for the conservation, adaptation, or restoration of
10 mined land, or the development of mineral and other natural resources, but justifiable
11 requirements of law and practice relating to the effects of mining on lands, water, and
12 other resources may be reduced in equity or effectiveness unless they pertain similarly
13 from state to state for all mining operations similarly situated;

14 (5) the states are in a position and have the responsibility to assure that
15 mining shall be conducted in accordance with sound conservation principles, and with
16 due regard for local conditions.

17 (b) The purposes of this compact are to

18 (1) advance the protection and restoration of land, water, and other
19 resources affected by mining;

20 (2) assist in the reduction or elimination or counteracting of pollution
21 or deterioration of land, water, and air attributable to mining;

22 (3) encourage, with due recognition of relevant regional, physical, and
23 other differences, programs in each of the party states which will achieve comparable
24 results in protecting, conserving, and improving the usefulness of natural resources, to
25 the end that the most desirable conduct of mining and related operations may be
26 universally facilitated;

27 (4) assist the party states in their efforts to facilitate the use of land and
28 other resources affected by mining, so that such use may be consistent with sound land
29 use, public health, and public safety, and to this end to study and recommend,
30 wherever desirable, techniques for improvement, restoration or protection of such land
31 and other resources;

1 (5) assist in achieving and maintaining an efficient and productive
2 mining industry and in increasing economic and other benefits attributable to mining.

3 ARTICLE II

4 DEFINITIONS

5 As used in this compact, the term

6 (1) "mining" means the breaking of the surface soil in order to facilitate
7 or accomplish the extraction or removal of minerals, ores, or other solid matter, any
8 activity or process constituting all or part of a process for the extraction or removal of
9 minerals, ores, and other solid matter from its original location, and the preparation,
10 washing, cleaning, or other treatment of minerals, ores, or other solid matter so as to
11 make them suitable for commercial, industrial, or construction use, but shall not
12 include those aspects of deep mining not having significant effect on the surface, and
13 shall not include excavation of grading when conducted solely in aid of on-site
14 farming or construction;

15 (2) "state" means a state of the United States, the District of Columbia,
16 the Commonwealth of Puerto Rico, or Territory or Possession of the United States.

17 ARTICLE III

18 STATE PROGRAMS

19 Each party state agrees that within a reasonable time it will formulate and
20 establish an effective program for the conservation and use of mined land, by the
21 establishment of standards, enactment of laws, or the continuing of the same in force,
22 to accomplish

23 (1) the protection of the public and the protection of adjoining and
24 other landowners from damage to their lands and the structures and other property
25 thereon resulting from the conduct of mining operations or the abandonment or
26 neglect of land and property formerly used in the conduct of such operations;

27 (2) the conduct of mining and the handling of refuse and other mining
28 wastes in ways that will reduce adverse effects on the economic, residential,
29 recreational, or aesthetic value and utility of land and water;

30 (3) the institution and maintenance of suitable programs of adaptation,
31 restoration, and rehabilitation of mined lands;

1 (4) the prevention, abatement, and control of water, air, and soil
2 pollution resulting from mining - present, past, and future.

3 ARTICLE IV

4 POWERS

5 In addition to any other powers conferred upon the Interstate Mining
6 Commission, established by Article V of this compact, such commission shall have
7 the power to

8 (1) study mining operations, processes, and techniques for the purpose
9 of gaining knowledge concerning the effects of such operations, processes, and
10 techniques on land, soil, water, air, plant, and animal life, recreation, and patterns of
11 community or regional development or change;

12 (2) study the conservation, adaptation, improvement, and restoration of
13 land and related resources affected by mining;

14 (3) make recommendations concerning any aspect or aspects of law or
15 practice and governmental administration dealing with matters within the purview of
16 this compact;

17 (4) gather and disseminate information relating to any of the matters
18 within the purview of this compact;

19 (5) cooperate with the federal government and any public or private
20 entities having interests in any subject coming within the purview of this compact;

21 (6) consult, upon the request of a party state and within available
22 resources, with the officials of such state in respect to any problem within the purview
23 of this compact;

24 (7) study and make recommendations with respect to any practice,
25 process, technique, or course of action that may improve the efficiency of mining or
26 the economic yield from mining operations;

27 (8) study and make recommendations relating to the safeguarding of
28 access to resources which are or may become the subject of mining operations to the
29 end that the needs of the economy for the products of mining may not be adversely
30 affected by unplanned or inappropriate use of land and other resources containing
31 minerals or otherwise connected with actual or potential mining sites.

ARTICLE V

THE COMMISSION

1
2
3 (a) There is hereby created an agency of the party states to be known as the
4 "Interstate Mining Commission", hereinafter called "the commission." The
5 commission shall be composed of one commissioner from each party state who shall
6 be the governor thereof. Pursuant to the laws of the party state, each governor may
7 have the assistance of an advisory body, including membership from mining
8 industries, conservation interests, and such other public and private interests as may be
9 appropriate, in considering problems relating to mining and in discharging the
10 responsibilities as a commissioner on the commission. In any instance where a
11 governor is unable to attend a meeting of the commission or perform any other
12 function in connection with the business of the commission, the governor shall
13 designate an alternate who shall represent the governor and act in the governor's place
14 and stead. The designation of an alternate shall be communicated by the governor to
15 the commission in such manner as its bylaws may provide.

16 (b) The commissioners shall be entitled to one vote each on the commission.
17 No action of the commission making a recommendation pursuant to Article IV-3,
18 IV-7, and IV-8 or requesting, accepting, or disposing of funds, services, or other
19 property pursuant to this paragraph, Article V(g), V(h), or VII shall be valid unless
20 taken at a meeting at which a majority of the total number of votes on the commission
21 is cast in favor thereof. All other action shall be by a majority of those present and
22 voting; provided that action of the commission shall be only at a meeting at which a
23 majority of the commissioners, or their alternates, is present. The commission may
24 establish and maintain such facilities as may be necessary for the transaction of its
25 business. The commission may acquire, hold, and convey real and personal property
26 and any interest therein.

27 (c) The commission shall have a seal.

28 (d) The commission shall elect annually, from among its members, a chair, a
29 vice-chair, and a treasurer. The commission shall appoint an executive director and fix
30 the executive director's duties and compensation. Such executive director shall serve at
31 the pleasure of the commission. The executive director, the treasurer, and such other

1 personnel as the commission shall designate shall be bonded. The amount or amounts
2 of such bond or bonds shall be determined by the commission.

3 (e) Irrespective of the civil service, personnel, or other merit system laws of
4 any of the party states, the executive director, with the approval of the commission,
5 shall appoint, remove, or discharge such personnel as may be necessary for the
6 performance of the commission's functions, and shall fix the duties and compensation
7 of such personnel.

8 (f) The commission may establish and maintain independently or in
9 conjunction with a party state, a suitable retirement system for its employees.
10 Employees of the commission shall be eligible for social security coverage in respect
11 of old age and survivor's insurance provided that the commission takes such steps as
12 may be necessary pursuant to the laws of the United States, to participate in such
13 program of insurance as a governmental agency or unit. The commission may
14 establish and maintain or participate in such additional programs of employee benefits
15 as it may deem appropriate.

16 (g) The commission may borrow, accept, or contract for the services of
17 personnel from any state, the United States, or any other governmental agency, or
18 from any person, firm, association, or corporation.

19 (h) The commission may accept for any of its purposes and functions under
20 this compact any and all donations, and grants of money, equipment, supplies,
21 materials, and services, conditional or otherwise, from any state, the United States, or
22 any other governmental agency, or from any person, firm, association, or corporation,
23 and may receive, utilize, and dispose of the same. Any donation or grant accepted by
24 the commission pursuant to this paragraph or services borrowed pursuant to paragraph
25 (g) of this Article shall be reported in the annual report of the commission. Such report
26 shall include the nature, amount, and conditions, if any, of the donation, grant, or
27 services borrowed and the identity of the donor or lender.

28 (i) The commission shall adopt bylaws for the conduct of its business and shall
29 have the power to amend and rescind these bylaws. The commission shall publish its
30 bylaws in convenient form and shall file a copy thereof and a copy of any amendment
31 thereto, with the appropriate agency or officer in each of the party states.

1 (j) The commission annually shall make to the governor, legislature, and
 2 advisory body required by Article V(a) of each party state a report covering the
 3 activities of the commission for the preceding year, and embodying such
 4 recommendations as may have been made by the commission. The commission may
 5 make such additional reports as it may deem desirable.

6 ARTICLE VI

7 ADVISORY, TECHNICAL, AND REGIONAL COMMITTEES

8 The commission shall establish such advisory, technical, and regional
 9 committees as it may deem necessary, membership on which shall include private
 10 persons and public officials, and shall cooperate with the use and services of any such
 11 committees and the organizations which the members represent in furthering any of its
 12 activities. Such committees may be formed to consider problems of special interest to
 13 any party states, problems dealing with particular commodities of types of mining
 14 operations, problems related to reclamation, development, or use of mined land, or any
 15 other matters of concern to the commission.

16 ARTICLE VII

17 FINANCE

18 (a) The commission shall submit to the governor or designated officer or
 19 officers of each party state a budget of its estimated expenditures for such period as
 20 may be required by the laws of that party state for presentation to the legislature
 21 thereof.

22 (b) Each of the commission's budgets of estimated expenditures shall contain
 23 specific recommendations of the amount or amounts to be appropriated by each of the
 24 party states. The total amount of appropriations requested under any such budget shall
 25 be apportioned among the party states as follows: one-half in equal shares, and the
 26 remainder in proportion to the value of minerals, ores, and other solid matter mined. In
 27 determining such values, the commission shall employ such available public source or
 28 sources of information as, in its judgment, present the most equitable and accurate
 29 comparisons among the party states. Each of the commission's budgets of estimated
 30 expenditures and request for appropriations shall indicate the source or sources used in
 31 obtaining information concerning value of minerals, ores, and other solid matter

1 mined.

2 (c) The commission shall not pledge the credit of any party state. The
3 commission may meet any of its obligations in whole or in part with funds available to
4 it under Article V(h) of this compact provided that the commission takes specific
5 action setting aside such funds prior to incurring any obligation to be met in whole or
6 in part in such manner. Except where the commission makes use of funds available to
7 it under Article V(h) thereof, the commission shall not incur any obligation prior to the
8 allotment of funds by the party states adequate to meet the same.

9 (d) The commission shall keep accurate accounts of all receipts and
10 disbursements. The receipts and disbursements of the commission shall be subject to
11 the audit and accounting procedures established under its bylaws. All receipts and
12 disbursements of funds handled by the commission shall be audited yearly by a
13 qualified public accountant and the report of the audit shall be included in and become
14 a part of the annual report of the commission.

15 (e) The accounts of the commission shall be open at any reasonable time for
16 inspection by duly constituted officers of the party states and by any persons
17 authorized by the commission.

18 (f) Nothing contained herein shall be construed to prevent commission
19 compliance with laws relating to audit or inspection of accounts by or on behalf of any
20 government contributing to the support of the commission.

21 ARTICLE VIII

22 ENTRY INTO FORCE AND WITHDRAWAL

23 (a) This compact shall enter into force when enacted into law by any four or
24 more states. Thereafter, this compact shall become effective as to any other state upon
25 its enactment thereof.

26 (b) Any party state may withdraw from this compact by enacting a statute
27 repealing the same, but no such withdrawal shall take effect until one year after the
28 governor of the withdrawing state has given notice in writing of the withdrawal to the
29 governors of all other party states. No withdrawal shall affect any liability already
30 incurred by or chargeable to a party state prior to the time of such withdrawal.

31 ARTICLE IX

1 EFFECT ON OTHER LAWS

2 Nothing in this compact shall be construed to limit, repeal, or supersede any
3 other law of any party state.

4 ARTICLE X

5 CONSTRUCTION AND SEVERABILITY

6 This compact shall be liberally construed so as to effectuate the purposes
7 thereof. The provisions of this compact shall be severable and if any phrase, clause,
8 sentence, or provision of this compact is declared to be contrary to the constitution of
9 any state or of the United States, or the applicability thereof to any government,
10 agency, person, or circumstance is held invalid, the validity of the remainder of this
11 compact and the applicability thereof to any government, agency, person, or
12 circumstance shall not be affected thereby. If this compact shall be held contrary to the
13 constitution of any state participating herein, the compact shall remain in full force
14 and effect as to the remaining party states and in full force and effect as to the state
15 affected as to all severable matters.

16 **Sec. 27.08.020. Alternate.** The governor may designate the commissioner of
17 natural resources as the governor's alternate to the Interstate Mining Commission.

18 **Sec. 27.08.030. Compact bylaws.** In accordance with art. V(i) of the compact,
19 the Interstate Mining Commission shall file copies of its bylaws and any amendments
20 to the bylaws with the commissioner of natural resources.

21 * **Sec. 2.** This Act takes effect immediately under AS 01.10.070(c).

SENATE BILL NO. 2

IN THE LEGISLATURE OF THE STATE OF ALASKA
TWENTY-EIGHTH LEGISLATURE - FIRST SESSION

BY SENATORS GIESSEL, Dyson, Coghill, McGuire, Fairclough, Meyer, Stedman, Egan, Bishop, Dunleavy,
Kelly

Introduced: 1/16/13
Referred: State Affairs, Finance

A BILL

FOR AN ACT ENTITLED

1 "An Act enacting the Interstate Mining Compact and relating to the compact; relating
2 to the Interstate Mining Commission; and providing for an effective date."

3 **BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:**

4 * **Section 1.** AS 27 is amended by adding a new chapter to read:

5 **Chapter 08. Interstate Mining Compact.**

6 **Sec. 27.08.010. Compact enacted.** The Interstate Mining Compact contained
7 in this section is enacted into law and entered into as follows:

8 **INTERSTATE MINING COMPACT**

9 **ARTICLE I**

10 **FINDINGS AND PURPOSE**

11 (a) The party states find that

12 (1) mining and the contributions thereof to the economy and well-
13 being of every state are of basic significance;

14 (2) the effects of mining on the availability of land, water, and other

1 resources for other uses present special problems which properly can be approached
 2 only with due consideration for the rights and interests of those engaged in mining,
 3 those using or proposing to use these resources for other purposes, and the public;

4 (3) measures for the reduction of the adverse effects of mining on land,
 5 water, and other resources may be costly and the devising of means to deal with them
 6 are of both public and private concern;

7 (4) such variables as soil structure and composition, physiography,
 8 climatic conditions, and the needs of the public make impracticable the application to
 9 all mining areas of a single standard for the conservation, adaptation, or restoration of
 10 mined land, or the development of mineral and other natural resources, but justifiable
 11 requirements of law and practice relating to the effects of mining on lands, water, and
 12 other resources may be reduced in equity or effectiveness unless they pertain similarly
 13 from state to state for all mining operations similarly situated;

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 15 mining shall be conducted in accordance with sound conservation principles, and with
 16 due regard for local conditions.

17 (b) The purposes of this compact are to

18 (1) advance the protection and restoration of land, water, and other
 19 resources affected by mining;

20 (2) assist in the reduction or elimination or counteracting of pollution
 21 or deterioration of land, water, and air attributable to mining;

22 (3) encourage, with due recognition of relevant regional, physical, and
 23 other differences, programs in each of the party states which will achieve comparable
 24 results in protecting, conserving, and improving the usefulness of natural resources, to
 25 the end that the most desirable conduct of mining and related operations may be
 26 universally facilitated;

27 (4) assist the party states in their efforts to facilitate the use of land and
 28 other resources affected by mining, so that such use may be consistent with sound land
 29 use, public health, and public safety, and to this end to study and recommend,
 30 wherever desirable, techniques for improvement, restoration or protection of such land
 31 and other resources;

1 (5) assist in achieving and maintaining an efficient and productive
2 mining industry and in increasing economic and other benefits attributable to mining.

3 ARTICLE II

4 DEFINITIONS

5 As used in this compact, the term

6 (1) "mining" means the breaking of the surface soil in order to facilitate
7 or accomplish the extraction or removal of minerals, ores, or other solid matter, any
8 activity or process constituting all or part of a process for the extraction or removal of
9 minerals, ores, and other solid matter from its original location, and the preparation,
10 washing, cleaning, or other treatment of minerals, ores, or other solid matter so as to
11 make them suitable for commercial, industrial, or construction use, but shall not
12 include those aspects of deep mining not having significant effect on the surface, and
13 shall not include excavation of grading when conducted solely in aid of on-site
14 farming or construction;

15 (2) "state" means a state of the United States, the District of Columbia,
16 the Commonwealth of Puerto Rico, or Territory or Possession of the United States.

17 ARTICLE III

18 STATE PROGRAMS

19 Each party state agrees that within a reasonable time it will formulate and
20 establish an effective program for the conservation and use of mined land, by the
21 establishment of standards, enactment of laws, or the continuing of the same in force,
22 to accomplish

23 (1) the protection of the public and the protection of adjoining and
24 other landowners from damage to their lands and the structures and other property
25 thereon resulting from the conduct of mining operations or the abandonment or
26 neglect of land and property formerly used in the conduct of such operations;

27 (2) the conduct of mining and the handling of refuse and other mining
28 wastes in ways that will reduce adverse effects on the economic, residential,
29 recreational, or aesthetic value and utility of land and water;

30 (3) the institution and maintenance of suitable programs of adaptation,
31 restoration, and rehabilitation of mined lands;

1 (4) the prevention, abatement, and control of water, air, and soil
2 pollution resulting from mining - present, past, and future.

3 ARTICLE IV

4 POWERS

5 In addition to any other powers conferred upon the Interstate Mining
6 Commission, established by Article V of this compact, such commission shall have
7 the power to

8 (1) study mining operations, processes, and techniques for the purpose
9 of gaining knowledge concerning the effects of such operations, processes, and
10 techniques on land, soil, water, air, plant, and animal life, recreation, and patterns of
11 community or regional development or change;

12 (2) study the conservation, adaptation, improvement, and restoration of
13 land and related resources affected by mining;

14 (3) make recommendations concerning any aspect or aspects of law or
15 practice and governmental administration dealing with matters within the purview of
16 this compact;

17 (4) gather and disseminate information relating to any of the matters
18 within the purview of this compact;

19 (5) cooperate with the federal government and any public or private
20 entities having interests in any subject coming within the purview of this compact;

21 (6) consult, upon the request of a party state and within available
22 resources, with the officials of such state in respect to any problem within the purview
23 of this compact;

24 (7) study and make recommendations with respect to any practice,
25 process, technique, or course of action that may improve the efficiency of mining or
26 the economic yield from mining operations;

27 (8) study and make recommendations relating to the safeguarding of
28 access to resources which are or may become the subject of mining operations to the
29 end that the needs of the economy for the products of mining may not be adversely
30 affected by unplanned or inappropriate use of land and other resources containing
31 minerals or otherwise connected with actual or potential mining sites.

1 personnel as the commission shall designate shall be bonded. The amount or amounts
2 of such bond or bonds shall be determined by the commission.

3 (e) Irrespective of the civil service, personnel, or other merit system laws of
4 any of the party states, the executive director, with the approval of the commission,
5 shall appoint, remove, or discharge such personnel as may be necessary for the
6 performance of the commission's functions, and shall fix the duties and compensation
7 of such personnel.

8 (f) The commission may establish and maintain independently or in
9 conjunction with a party state, a suitable retirement system for its employees.
10 Employees of the commission shall be eligible for social security coverage in respect
11 of old age and survivor's insurance provided that the commission takes such steps as
12 may be necessary pursuant to the laws of the United States, to participate in such
13 program of insurance as a governmental agency or unit. The commission may
14 establish and maintain or participate in such additional programs of employee benefits
15 as it may deem appropriate.

16 (g) The commission may borrow, accept, or contract for the services of
17 personnel from any state, the United States, or any other governmental agency, or
18 from any person, firm, association, or corporation.

19 (h) The commission may accept for any of its purposes and functions under
20 this compact any and all donations, and grants of money, equipment, supplies,
21 materials, and services, conditional or otherwise, from any state, the United States, or
22 any other governmental agency, or from any person, firm, association, or corporation,
23 and may receive, utilize, and dispose of the same. Any donation or grant accepted by
24 the commission pursuant to this paragraph or services borrowed pursuant to paragraph
25 (g) of this Article shall be reported in the annual report of the commission. Such report
26 shall include the nature, amount, and conditions, if any, of the donation, grant, or
27 services borrowed and the identity of the donor or lender.

28 (i) The commission shall adopt bylaws for the conduct of its business and shall
29 have the power to amend and rescind these bylaws. The commission shall publish its
30 bylaws in convenient form and shall file a copy thereof and a copy of any amendment
31 thereto, with the appropriate agency or officer in each of the party states.

1 (j) The commission annually shall make to the governor, legislature, and
 2 advisory body required by Article V(a) of each party state a report covering the
 3 activities of the commission for the preceding year, and embodying such
 4 recommendations as may have been made by the commission. The commission may
 5 make such additional reports as it may deem desirable.

6 ARTICLE VI

7 ADVISORY, TECHNICAL, AND REGIONAL COMMITTEES

8 The commission shall establish such advisory, technical, and regional
 9 committees as it may deem necessary, membership on which shall include private
 10 persons and public officials, and shall cooperate with the use and services of any such
 11 committees and the organizations which the members represent in furthering any of its
 12 activities. Such committees may be formed to consider problems of special interest to
 13 any party states, problems dealing with particular commodities of types of mining
 14 operations, problems related to reclamation, development, or use of mined land, or any
 15 other matters of concern to the commission.

16 ARTICLE VII

17 FINANCE

18 (a) The commission shall submit to the governor or designated officer or
 19 officers of each party state a budget of its estimated expenditures for such period as
 20 may be required by the laws of that party state for presentation to the legislature
 21 thereof.

22 (b) Each of the commission's budgets of estimated expenditures shall contain
 23 specific recommendations of the amount or amounts to be appropriated by each of the
 24 party states. The total amount of appropriations requested under any such budget shall
 25 be apportioned among the party states as follows: one-half in equal shares, and the
 26 remainder in proportion to the value of minerals, ores, and other solid matter mined. In
 27 determining such values, the commission shall employ such available public source or
 28 sources of information as, in its judgment, present the most equitable and accurate
 29 comparisons among the party states. Each of the commission's budgets of estimated
 30 expenditures and request for appropriations shall indicate the source or sources used in
 31 obtaining information concerning value of minerals, ores, and other solid matter

1 mined.

2 (c) The commission shall not pledge the credit of any party state. The
3 commission may meet any of its obligations in whole or in part with funds available to
4 it under Article V(h) of this compact provided that the commission takes specific
5 action setting aside such funds prior to incurring any obligation to be met in whole or
6 in part in such manner. Except where the commission makes use of funds available to
7 it under Article V(h) thereof, the commission shall not incur any obligation prior to the
8 allotment of funds by the party states adequate to meet the same.

9 (d) The commission shall keep accurate accounts of all receipts and
10 disbursements. The receipts and disbursements of the commission shall be subject to
11 the audit and accounting procedures established under its bylaws. All receipts and
12 disbursements of funds handled by the commission shall be audited yearly by a
13 qualified public accountant and the report of the audit shall be included in and become
14 a part of the annual report of the commission.

15 (e) The accounts of the commission shall be open at any reasonable time for
16 inspection by duly constituted officers of the party states and by any persons
17 authorized by the commission.

18 (f) Nothing contained herein shall be construed to prevent commission
19 compliance with laws relating to audit or inspection of accounts by or on behalf of any
20 government contributing to the support of the commission.

21 ARTICLE VIII

22 ENTRY INTO FORCE AND WITHDRAWAL

23 (a) This compact shall enter into force when enacted into law by any four or
24 more states. Thereafter, this compact shall become effective as to any other state upon
25 its enactment thereof.

26 (b) Any party state may withdraw from this compact by enacting a statute
27 repealing the same, but no such withdrawal shall take effect until one year after the
28 governor of the withdrawing state has given notice in writing of the withdrawal to the
29 governors of all other party states. No withdrawal shall affect any liability already
30 incurred by or chargeable to a party state prior to the time of such withdrawal.

31 ARTICLE IX

1 EFFECT ON OTHER LAWS

2 Nothing in this compact shall be construed to limit, repeal, or supersede any
3 other law of any party state.

4 ARTICLE X

5 CONSTRUCTION AND SEVERABILITY

6 This compact shall be liberally construed so as to effectuate the purposes
7 thereof. The provisions of this compact shall be severable and if any phrase, clause,
8 sentence, or provision of this compact is declared to be contrary to the constitution of
9 any state or of the United States, or the applicability thereof to any government,
10 agency, person, or circumstance is held invalid, the validity of the remainder of this
11 compact and the applicability thereof to any government, agency, person, or
12 circumstance shall not be affected thereby. If this compact shall be held contrary to the
13 constitution of any state participating herein, the compact shall remain in full force
14 and effect as to the remaining party states and in full force and effect as to the state
15 affected as to all severable matters.

16 **Sec. 27.08.020. Alternate.** The governor may designate the commissioner of
17 natural resources as the governor's alternate to the Interstate Mining Commission.

18 **Sec. 27.08.030. Compact bylaws.** In accordance with art. V(i) of the compact,
19 the Interstate Mining Commission shall file copies of its bylaws and any amendments
20 to the bylaws with the commissioner of natural resources.

21 * **Sec. 2.** This Act takes effect immediately under AS 01.10.070(c).

Fiscal Note

State of Alaska
2013 Legislative Session

Bill Version: SB 2
Fiscal Note Number: 2
(S) Publish Date: 2/13/13

Identifier: SB002-DOA-DRB-1-22-13
Title: INTERSTATE MINING COMPACT &
COMMISSION
Sponsor: GIESSEL
Requester: Senate State Affairs

Department: Department of Administration
Appropriation: Centralized Administrative Services
Allocation: Retirement and Benefits
OMB Component Number: 64

Expenditures/Revenues

Note: Amounts do not include inflation unless otherwise noted below. (Thousands of Dollars)

	FY2014 Appropriation Requested	Included in Governor's FY2014 Request	Out-Year Cost Estimates				
			FY 2015	FY 2016	FY 2017	FY 2018	FY 2019
OPERATING EXPENDITURES	FY 2014	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019
Personal Services							
Travel							
Services							
Commodities							
Capital Outlay							
Grants & Benefits							
Miscellaneous							
Total Operating	0.0	0.0	0.0	0.0	0.0	0.0	0.0

Fund Source (Operating Only)

None							
Total	0.0	0.0	0.0	0.0	0.0	0.0	0.0

Positions

Full-time							
Part-time							
Temporary							

Change in Revenues							
---------------------------	--	--	--	--	--	--	--

Estimated SUPPLEMENTAL (FY2013) cost: 0.0

Estimated CAPITAL (FY2014) cost: 0.0

ASSOCIATED REGULATIONS

Does the bill direct, or will the bill result in, regulation changes adopted by your agency? No
If yes, by what date are the regulations to be adopted, amended or repealed?

Why this fiscal note differs from previous version:

No applicable, initial version.

Prepared By:	<u>Jim Puckett, Director</u>	Phone:	<u>(907)465-4471</u>
Division	<u>Division of Retirement & Benefits</u>	Date:	<u>01/22/2013 08:45 AM</u>
Approved By:	<u>Curtis Thayer, Deputy Commissioner</u>	Date:	<u>01/23/13</u>
	<u>Department of Administration</u>		

FISCAL NOTE ANALYSIS #2

STATE OF ALASKA
2013 LEGISLATIVE SESSION

BILL NO. SB 2

Analysis

There is no fiscal impact on the Division of Retirement and Benefits or the Public Employees' Retirement System (PERS) by this legislation.

Fiscal Note

State of Alaska
2013 Legislative Session

Bill Version: SB 2
Fiscal Note Number: 1
(S) Publish Date: 2/13/13

Identifier: SB002-DNR-MLW-2-9-13
Title: INTERSTATE MINING COMPACT &
COMMISSION
Sponsor: GIESSEL
Requester: Senate State Affairs

Department: Department of Natural Resources
Appropriation: Land & Water Resources
Allocation: Mining, Land & Water
OMB Component Number: 3002

Expenditures/Revenues

Note: Amounts do not include inflation unless otherwise noted below. (Thousands of Dollars)

	FY2014 Appropriation Requested	Included in Governor's FY2014 Request	Out-Year Cost Estimates					
			FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019
OPERATING EXPENDITURES								
Personal Services								
Travel	20.0		20.0	20.0	20.0	20.0	20.0	20.0
Services	40.0		40.0	40.0	40.0	40.0	40.0	40.0
Commodities								
Capital Outlay								
Grants & Benefits								
Miscellaneous								
Total Operating	60.0	0.0	60.0	60.0	60.0	60.0	60.0	60.0

Fund Source (Operating Only)

1004 Gen Fund	60.0		60.0	60.0	60.0	60.0	60.0	60.0
Total	60.0	0.0	60.0	60.0	60.0	60.0	60.0	60.0

Positions

Full-time								
Part-time								
Temporary								

Change in Revenues								
---------------------------	--	--	--	--	--	--	--	--

Estimated SUPPLEMENTAL (FY2013) cost: 0.0

Estimated CAPITAL (FY2014) cost: 0.0

ASSOCIATED REGULATIONS

Does the bill direct, or will the bill result in, regulation changes adopted by your agency? No
If yes, by what date are the regulations to be adopted, amended or repealed? N/A

Why this fiscal note differs from previous version:

Initial Version

Prepared By: Brent Goodrum, Director
Division Division of Mining, Land and Water
Approved By: Daniel S. Sullivan, Commissioner
Department of Natural Resources

Phone: (907)269-8501
Date: 02/08/2013 04:00 PM
Date: 02/09/13

FISCAL NOTE ANALYSIS #1

STATE OF ALASKA
2013 LEGISLATIVE SESSION

BILL NO. SB 2

Analysis

This bill would authorize Alaska to join and participate in the Interstate Mining Compact Commission (IMCC). This fiscal note has two components: annual membership and travel.

Membership Dues:

Membership in the commission requires annual dues paid by each party state. The amount of dues to be paid by each party state is covered under Article VII of the Compact and Bylaws. There are currently 19 member states; Alaska's addition would bring that total to 20.

Specifically, each party state is required to pay one half of the commission's annual budget, in equal shares. With Alaska as a member, Alaska's portion would be 1/20th of half the annual budget. If additional states become full members of the IMCC, Alaska's portion would change accordingly. The other half of the annual budget is also paid by the member states but is paid in proportion to the value of the minerals, ores and other solid matter mined in each member state.

DNR estimates that Alaska's share for dues in the first membership-year will be approximately \$40.0. This amount will fluctuate in future years based on the amount of the commission's annual budget and the value of the minerals, ores and other solid matter mined in Alaska annually. This value is based on national valuation reports prepared by the United States Geological Survey (USGS) for non-coal minerals and the federal Energy Information Administration (EIA) for coal to ensure impartial uniformity assessment of mining data. If the annual dues are significantly higher than \$40.0, DNR may request supplemental funding in that year.

Travel costs:

Full membership in the IMCC entails greater participation by member states. Membership and participation in the Interstate Mining Compact Commission will require two or more trips per year by the Commissioner, department staff, and possibly other representatives of the Governor's office. The department estimates \$20.0 per year for this expense.

ALASKA STATE LEGISLATURE

Senate District N
*Anchorage Hillside, Indian, Bird,
Girdwood, Hope, Cooper Landing,
Sterling, Nikiski, Moose Pass, Bear
Creek, Seward*



State Capitol, Room 427
Juneau AK 99801-1182
907-465-4843
Fax: 907-465-3871
800-892-4843

Senator Cathy Giessel

Senate Bill 2 Interstate Mining Compact Commission

Sponsor Statement

Senate Bill 2 authorizes the State of Alaska to join and participate in the Interstate Mining Compact Commission.

The Interstate Mining Compact Commission is a coalition of mining states that joins together to represent the environmentally sound resource development interests of its members on a national level. Established in 1971, the IMCC recognizes the basic importance of the mining industry to the nation and believes that the collective voice of mining states is imperative to preserving and advocating for states' rights. IMCC regularly serves as the spokesperson for mining states in Washington D.C. and works to represent the member states efficiently and articulately to executive agencies.

Alaska has a unique and important relationship with mining. It was the lure of gold that brought thousands of eager prospectors to the state and mining served as the founding purpose for many cities and communities. As the territory and later the State grew, zinc, lead, coal, sand, gravel and other subsurface products all played roles in this all-important sector. Today, mining is Alaska's second largest industry and it continues to thrive.

Alaska's seven operating mines – Ft. Knox, Greens Creek, Kensington, Red Dog, Usibelli, Nixon Fork and Pogo – employ more than 2,000 people combined. The mining industry also creates public revenue by paying both state and local taxes. Interest in Alaska's mining potential continues to spur new exploration and investment in the subsurface minerals of the Last Frontier.

Mining was foundational to Alaska's statehood. It continues to be a major economic driver and will play an important role in the state's future. Joining the IMCC gives Alaska the opportunity to share our successes with others and work together to build a better mining industry. Alaska will benefit from joining forces with other states to foster a better understanding and constructive relationship with the federal agencies.

I urge your support of SB 2.

ALASKA STATE LEGISLATURE

Senate District N
*Anchorage Hillside, Indian, Bird,
Girdwood, Hope, Cooper Landing,
Sterling, Nikiski, Moose Pass, Bear
Creek, Seward*



State Capitol, Room 427
Juneau AK 99801-1182
907-465-4843
Fax: 907-465-3871
800-892-4843

Senator Cathy Giessel

Senate Bill 2 Interstate Mining Compact Commission

Sectional

Passage of Senate Bill 2 would elevate Alaska from associate membership to full membership in the Interstate Mining Compact Commission, allowing the Governor to be an active, voting member.

Section 1: Amends AS 27, adding a new chapter:

- **Section 27.08.010**, which contains and enacts into law the Interstate Mining Compact and includes the following articles:
 - **Article 1 – Page 1:** Findings and Purpose –
 - Finds the importance of mining to the state;
 - Finds the effects of mining is of public and private concern, and that each state is unique, making it impracticable to apply a single standard to mining practices, yet also recognizing that justifiable requirements of law and practice relating to the effects of mining may be less effective or equitable if they are not relatively applicable to similarly situated mining operations state-to-state;
 - Finds that the states are in the best position to assure sound mining practices with regard to local conditions;
 - And declares the purpose of the Compact to advance protection and restoration of the land and resources affected by mining;
 - To assist in reducing pollution and other adverse effects of mining;
 - To encourage programs that will protect, conserve and improve the usefulness of natural resources;
 - To assist party states efforts to engage in and improve sound mining practices;
 - To assist states achieve efficient and productive practices to enhance mining economics and benefits.
 - **Article 2 – Page 3:** Definitions – defines “mining” and “state”.
 - **Article 3 – Page 3:** State Programs – requires that member states have adequate mining regulations to protect mined land, the public, adjoining land owners, and to ensure safe mining practices, including the handling of wastes, and suitable restoration and rehabilitation programs for mined lands that will protect water, air and soil.
 - **Article 4 – Page 4:** Powers – specifies the power of the Commission to study, make recommendations, gather and disseminate information on mining-related issues, and

cooperate and consult with government agencies, the public or private entities on matters within the purview of the compact.

- **Article 5 – Page 5:** The Commission – creates the Commission, specifying its structure, voting, bylaws and other features necessary for the Commission’s operation and requiring the Commission provide an annual report to its members.
- **Article 6 – Page 7:** Allows the Commission to establish advisory, technical and regional committees;
- **Article 7 – Page 7:** Finance – details how the Commission’s finances will be handled and requires that the annual budget contain a recommendation on how much each member state should expect to request from its legislature as an appropriation for the Commission’s operation. The budget share of each state is apportioned as follows: one-half of the budget in equal shares, and the remainder in proportion to the value of the minerals, ores, and other solid matter mined.
- **Article 8 – Page 8:** Entry Into Force and Withdrawal – describes that states must enact the compact to participate and must repeal the act to withdraw, but only after providing one year written notice to all other member states;
- **Article 9 – Page 8:** Effects on Other Laws – maintains that the compact does not limit, repeal, or supersede any state laws;
- **Article 10 – Page 9:** Construction and Severability – Provides that all phrases, clauses, sentences and provisions are severable.
- **Section 2:** Provides for an immediate effective date.

Interstate Mining Compact Commission

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- Arkansas
- Illinois
- Indiana
- Kentucky
- Louisiana
- Maryland
- Missouri
- New York
- North Carolina
- North Dakota
- Ohio
- Oklahoma
- Pennsylvania
- South Carolina
- Tennessee
- Texas
- Virginia
- West Virginia

Associate Member States

- Alaska
- Colorado
- Nevada
- New Mexico
- Utah
- Wyoming

Member State Contact Information

The IMCC Membership Directory with state contact information can be accessed here: [**Membership Directory**](#)

Benefits of Membership

- Newsletter - "The Compact"
- Annual National Reclamation Awards Program
- Annual National Mineral Education Awards Program
- Special Informational Studies and Reports
- Annual Reports of activities
- Membership Directory
- Annual and Mid-Winter Meetings
- Interaction opportunities with other states and federal government officials

Membership	
Commissioner	Commissioner's Official Representative
Alabama	

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Welcome

The Interstate Mining Compact Commission is a multi-state governmental agency / organization that represents the natural resource and related environmental protection interests of its member states. First envisioned in 1964, the Commission came into existence in 1970 with the entry of its first four states. Since that time, 19 additional states have enacted legislation bringing them into the Compact, and 6 additional states have become associate members as they pursue enactment of legislation which will make them full members. The Commission established its headquarters in the Northern Virginia suburbs of Washington, D.C. in 1988. The states are officially represented by their Governors who serve as Commissioners. The Commission operates through several committees composed of duly appointed representatives of the Governors from their respective Departments of Natural Resources or Environmental Protection.

IMCC Staff

Gregory E. Conrad - Executive Director

Beth A. Botsis - Director of Programs

Phyllis Plummer - Bookkeeper



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445-A Carlisle Drive | Herndon, VA 20170 | Tel.703.709.8654 | Fax.703.709.8655

Interstate Mining Compact Commission

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What We Do

The Commission exercises several powers on behalf of the states, all of which are of a study, recommendatory or consultative nature. The Commission does not possess regulatory powers, as some Compacts do. The Commission provides a forum for interstate action and communication on issues of concern to the member states. It is the potential to stimulate the development and production of each state's mineral wealth through effective regulatory programs that draws many of the states together in the prosecution of the Commission's work. Given the environmental sensitivities associated with this objective, a significant portion of the Commission's work is dedicated to the environmental protection issues naturally associated with this mineral development. It is the significant value and clout that comes from "compacting" together and speaking with a strong, united voice that can make a difference in each state's efforts to implement effective regulatory programs that will conserve natural resources and secure a vibrant state (and thus national) mineral economy.

Initiatives

- Liaison with Federal government and Congress
- Monitoring of regulatory and legislative developments
- Development and communication of State positions and recommendations on Federal rulemakings and national legislation
- Information gathering and dissemination
- Coalition building with related State organizations
- Interaction with environmental and industry groups
- Public mining and minerals education outreaches

Issues pursued by IMCC

- Regulatory implementation issues arising under the Surface Mining Control and Reclamation Act (SMCRA) such as: primacy, federal oversight, enforcement, the Applicant/Violator System, bonding, citizen participation, acid mine drainage, national technology transfer, mine placement of coal ash, and environmental protection standards
- Regulation of coal combustion and mine wastes under the Resources Conservation and Recovery Act (RCRA)
- Reform of the 1872 Mining Law
- Regulation under the Clean Water Act, including state water quality requirements and groundwater and stormwater regulation
- Inactive and abandoned mine reclamation
- Underground Mine Mapping
- Financial assurance requirements under the Comprehensive Environmental Response, Compensation, and Liability Act (CERCLA)
- Technology Transfer
- Mine Safety and Health Issues
- Zoning and other land use restrictions

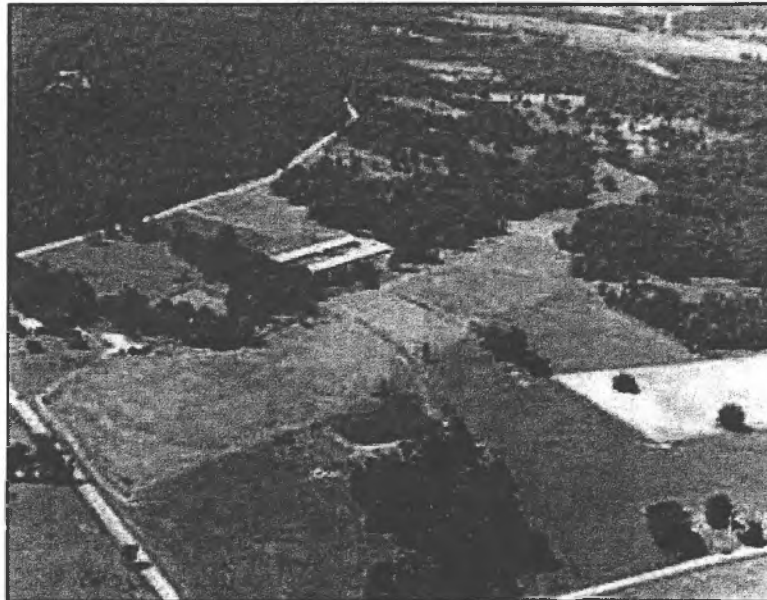
Committees

- Abandoned Mine Lands (AML) and Reauthorization of the AML Program under SMCRA
- Awards
- Education Work Group
- Finance & Administrative
- Environmental Affairs, Coal Section
- Environmental Affairs, Noncoal Section
- Mine Safety and Health
- Resolutions

Photos of Active Mining and Reclamation of one site:



*Russ & Sons, Inc.
Russ and Sons
No.1 Mine,
Sebastian County,
Greenwood,
Arkansas (Active
Mining).
April 18, 1990*



*Russ & Sons, Inc.
Russ and Sons
No.1 Mine,
Sebastian County,
Greenwood,
Arkansas
(Reclamation).
June 15, 1993*

[See More Photos...](#)



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Interstate Mining Compact Background

The mining industry is one of the most basic and important in the Nation. Our manufacturing activities, transportation systems, and the comfort of our homes depend on the products of mining. Yet it is also true that generations of mining operations have had their effect on the surface of our land and on the condition of other resources. There is an urgent need to find improved means of turning mined lands to their most useful functions and to find ways of reducing the undesirable effects of mining operations on other property and resources. The necessary programs should be undertaken with due regard for the interests of all land and other resource users, including homeowners, mining and other industries, recreationists, conservationists, and the general public.

Governmental action to assist mining industries in their efforts to become more efficient in their methods, thereby increasing yields at lower costs, also is in the public interest. Such activities can and should go hand in hand with programs aimed at improving the usefulness of the surface of mined land.

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 Interstate Mining Compact would not shift responsibility for such programs. On the other hand, states acting singly without reference to actions in other jurisdictions labor under serious handicaps in mounting desirable programs. While physiographic, climatic and regional differences in density of population and varying availability of recreational facilities make the application of rigid, single standards inappropriate, fundamental equity would be served by making it possible for individual states to construct their programs in such a way that those mining operations which actually are similarly situated be afforded similar types of assistance and be subjected to comparable regulatory patterns. There is much that an interstate agency like the Interstate Mining Commission established by this compact could do to develop and pool experience in dealing with mining problems.

The Interstate Mining Compact could do much to overcome the limitations just outlined. The Interstate Compact to Conserve Oil and Gas (in successful operation for about thirty-five years and now participated in by virtually every oil and gas producing jurisdiction of the United States), suggests some of the accomplishments that might result from interstate efforts in the field of the mining of solid substances. "The form statute for the conservation of oil and gas," and the many other suggestions of the Interstate Oil Compact Commission, have brought an increasing degree of comparability into state programs affecting the production of oil and natural gas. Also, that Commission serves as a forum for the exchange of useful information in its field of interest. While the focus of an Interstate Mining Compact as here envisaged would be somewhat different from that of the Oil and Gas Compact, and while its format bears only slight resemblance to the Oil and Gas Compact, its basic approach is the same. By adopting the compact, states would obligate themselves to undertake and maintain certain types of programs. In addition, an interstate body with roots in each of the party states and an ability to facilitate the sharing of knowledge would be placed in operation.

The Interstate Mining Compact had its beginnings in 1964. In April of that year in Roanoke, Virginia, the Council of State Governments held a conference on surface mining, attended by state and federal legislative and administrative officials, by mining industry representatives, and by conservationists. In the aftermath of this meeting, the Southern Governors' Conference, that Fall, called on the Council of State Governments to assist the states in developing one or more compacts to deal with surface mining problems. These initiatives led to the subsequent adoption in many states of strengthened laws and programs for regulating surface mining; and to supplement these intra-state activities, the Interstate Mining Compact was drafted and became available for their consideration in the legislative sessions of 1996.

The Compact, Article by Article

It may be helpful to present a brief article-by-article description of the Compact. In particular, a number of matters which appear rather cryptic in statutory language can be illustrated in order to supply a fuller idea of the considerations behind key provisions of the Compact's ten articles.

Article I – "Findings and Purposes"

This provides the general setting for the compact. It puts into language customary for declarations of legislative intent the considerations to be employed in interpreting the policies underlying the compact and its objectives.

Article II – "Definitions"

With only two exceptions, the words and phrases used in the compact should be taken in their ordinary dictionary meanings. The words "mining" and "State" are specially defined for the purposes of the Compact.

The definition of "mining" includes more than surface mining and more than would probably be included in mining as sometimes conceived. While the problem of effects on the surface of land and water are frequently identified as effects of surface mining processes, all mining operations have some effects on the surface. Consequently, for compact purposes, mining is defined in such a way as to include the surface effects of any kind of mining within the scope of the compact. If the Interstate Mining Commission were a regulatory or law making body, this novel definition could raise questions of considerable scope. However, in view of the entirely recommendatory character of the proposed Commission, it has seemed desirable to permit a wide scope for activities under the compact.

Also, it should be noted that the definition of "mining" is broad enough to include quarrying and excavation for the removal of a wide variety of materials. Such operations can present the same kinds of problems with respect to effects on land and water surface as so operations conducted in furtherance of activities more commonly understood to be mining.

Both deep mining and the various kinds of surface mining are involved. However, certain operations conducted underground are not meant to be encompassed, because they have no demonstrable effect on the surface. On the other hand, surface subsidence, underground mine fires, and the deposit of wastes above ground (whether associated with surface or deep mining operations) do have effects on the surface. Consequently, the definition of "mining" in the compact would cover them.

"State" obviously means any one of the fifty states. In order to open the compact to participation by the Commonwealth of Puerto Rico and the Territories, the word is specially defined.

Article III – "State Programs"

Each of the party states will continue to be the regulatory authority in fields related to the compact. The only function of the interstate agency established by the compact is to study and make recommendations with respect to mining, as defined by the compact, and to study and make recommendations designed to assist the mining industries to improve their techniques. On the other hand, it is thought essential that each party state obligate itself to undertake programs in the key areas to which it applies as set forth in this article. It will be noted that the emphasis is on state programs to accomplish certain results. In certain instances, voluntary measures of nongovernmental entities may be the means of accomplishing necessary objectives; in others, law and administration of a regulatory or other character may be necessary. Depending on the conditions and circumstances prevailing in each of the states, the various ingredients of the program may be used in differing combination. However, this article is a pledge that the states will have programs adequate to the purposes of the compact.

Article IV – "Powers"

This article enumerates a number of powers which the Interstate Mining Commission may exercise. All of them are of a study, recommendatory or consultative character. This implements one of the basic purposes of the compact, and where necessary, formulates the experience and expert research and thought necessary for the implementation of their individual programs.

Article V – "The Commission"

Although this article is lengthy, most of its provisions are of a more or less routine

character and deal with the internal management on the Interstate Mining Commission's day-by-day affairs. Two features of the article which merit special attention are the actual creation and composition of the Interstate Mining Commission, and the voting procedures for it.

The Governors of the party states are to be the commissioners. This means one commissioner from each party state. However, it was considered essential to provide mechanisms for the representation of the state by a Governor's alternate, when the Governor himself could not carry out his responsibilities in compact work in person. To accomplish this purpose, the article requires that there be in each party state an advisory body to counsel the Governor in matters relating to the compact. This body must include representatives of mining industries, conservation interests, and other public and private interests. While the precise composition and functioning of this advisory board is a matter for each state to consider and implement in its own way, Section 2 of the Suggested Enabling Act which accompanies the compact should be consulted for an illustration of what might be done along these lines. In order to assure the connection between the Governor's work on the Interstate Mining Commission and this advisory body, the article also requires that the Governor's alternate be a member of the advisory board.

The voting procedures contained in this article are divided into two parts. The net effect of the provision (assuming a membership of fifty-four jurisdictions) would be to require twenty-eight affirmative votes for the taking of certain specified important actions by the Commission, such as the making of recommendations or the authorization of certain kinds of studies, and to require only a majority of those present and voting on more routine business.

Article VI – "Advisory, Technical, and Regional Committees"

Because of the variety of interests and commodities involved in various aspects of mining and the use of mined lands, it is doubtful that any agency, however expert or representative, could contain within its own membership all of the necessary knowledge and awareness of the problems which the Interstate Mining Commission will have to consider. Consequently, this article gives the Commission authority to assemble and use advisory, technical, and regional committees of the widest possible scope. The committee structure authorized by this article and the state advisory groups required by Article V provide two means of making sure that the Commission will have the benefit of the views and knowledge of all relevant segments of the community.

Article VII – "Finance"

The basic support of the Interstate Mining Commission is to come from appropriations made by the party states. However, with a large number of jurisdictions participating, it is unlikely that the appropriation requested from any single state would be very large. The article contains a formula for the apportionment of appropriation requests. In part this formula is dependent on a comparison of relative values of ores and other solid matter mined in the party states. In making such comparisons, the Commission is authorized to use publicly available sources of information. For example, the U.S. Bureau of the Census and of Mines now publish data of this sort. In particular, the "Minerals Yearbook" of the Bureau of Mines contains state-by-state breakdown of the kind that could be used. The article also contains recognition of a power, conferred elsewhere in the compact, to accept gifts and grants to aid its work. The article also contains audit and accounting safeguards.

Article VIII – "Entry Into Force and Withdrawal"

Adoption by four states will be necessary to bring the compact into effect. Withdrawal by a state is possible upon enactment of a repeal of the compact and one year's notice to the other states. This notice provision is designed to give the other party states and the Commission an opportunity to adjust compact activities in accordance with the new situation.

Article IX – "Effect on Other Laws"

Since the compact operates in a field where there is already much state legislation, this article gives specific assurance that none of these other statutes are impaired or repealed by implication.

Article X – "Construction and Severability"

This is a technical provision of standard character and language.

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Chairman's Message

As Chairman of the Interstate Mining Compact Commission (IMCC) for 2011, it is my pleasure to submit to you the Commission's Annual Report. As you will note in the Executive Director's report, IMCC was engaged on many fronts representing the interests of its member states before Congress and the executive agencies in Washington, D.C. IMCC testified before various congressional committees on issues ranging from abandoned mine land reclamation, to stream protection standards, to federal funding for state regulatory programs. Among the key issues that IMCC prosecuted before the federal agencies were financial responsibility requirements for hardrock mining sites, oversight of state regulatory programs, mine placement of coal combustion residues, and mine emergency response.

IMCC continued to coordinate its efforts on issues of mutual concern with other state government organizations such as the National Association of Abandoned Mine Land Programs, the Association of State and Territorial Solid Waste Administrators, and the Western Governors' Association. IMCC also interacted with industry and environmental organizations to provide state perspectives on many of the issues mentioned above. Through these coordination and facilitation efforts, IMCC ensures that the states have a strong and concerted voice in the ongoing debate concerning national mineral policy and energy security.

The year 2011 will be remembered as one of the busiest and most productive for IMCC and its member states as we continued to work with both a new Administration and a new Congress. Through the commitment and active participation of each member state, IMCC remains well positioned to advocate for our interests in Washington, DC and to provide much needed support among the member states.

It has been my privilege to serve as your Chairman during 2011. I encourage all of the states to continue their active support of the Compact as we strive to advance the protection of our natural resources while maintaining an efficient and productive mining industry.



Martin O'Malley
Governor of Maryland
Chairman
Interstate Mining Compact Commission

**2011 Annual Report
of the
Interstate Mining Compact Commission**

Gregory E. Conrad
Executive Director

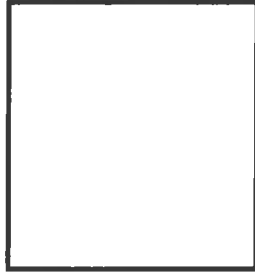
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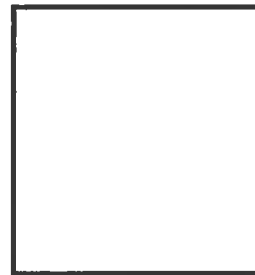
2011 Officers



Governor Martin O'Malley
Maryland — Chairman



Governor Mitchell E. Daniels
Indiana — Vice Chairman



Governor Rick Perry
Texas — 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 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 and Colorado — 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), and Colorado (2007). New York and North Dakota are now 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

As a new Administration took over the reins in Washington, DC in 2011 and the House of Representatives shifted to Republican control, the Interstate Mining Compact (IMCC) was faced with a host of new challenges and opportunities. The new year also saw the election of eleven new governors of IMCC member states. Consequently, the beginning of the year saw IMCC actively engaged in briefing the new governors and monitoring leadership changes in key congressional committees in the House. And while it took several months for the 112th Congress to gear up for its first session, once legislative activity began, the pace was unrelenting, particularly in the House. Oversight hearings on Administration actions and proposals, particularly in the mining arena, were the order of the day. And while there was little substantive legislation actually passed, IMCC was requested to review several legislative proposals that would potentially impact state mine regulatory programs. IMCC was also active in monitoring and commenting on federal agency actions concerning funding, oversight and several important regulatory issues, as noted below.

The member states of the IMCC also invested considerable time during the year planning for the future of the organization by reevaluating our strategic plan. A task group consisting of several member states worked with the Executive Director in developing new goals, strategies and measures that would guide our future work. Conference calls of the task group were held on November 30 and December 13 and a revised strategic plan was expected to be presented to the full membership at the 2012 annual meeting.

Our initial work early in the year revolved around the budget and appropriations process, beginning with the release of the Administration's proposed budget for Fiscal Year 2012 on February 15, 2011. The Office of Surface Mining (OSM) hosted a conference call that day to brief the states on the details of the budget, in which IMCC participated. Two days later, IMCC

facilitated a conference call of the states to further discuss the budget and its implications for the states. IMCC also worked closely with the National Association of Abandoned Mine Land Programs (NAAML) to develop positions, resolutions and testimony concerning the FY 2012 budget. IMCC met with congressional staff to discuss OSM's proposed budget on several occasions, including January 28, March 10 and March 22 with the House Energy and Mineral Resources Subcommittee and on March 22 with the Senate Interior Appropriations Subcommittee. IMCC also monitored hearings on the Department of Interior's proposed FY 2012 budget by the Senate Energy and Natural Resources Committee on March 2 and by the House Interior Appropriations Subcommittee on March 8. IMCC attended a hearing by the latter Subcommittee on March 10 at which OSM Director Joe Pizarchik testified. As part of the hearing process, IMCC provided questions to the congressional committee staff for the Interior Department witnesses in advance of the hearings.

IMCC, together with the NAAML, testified at a hearing by the House Energy and Mineral Resources Subcommittee on April 7 regarding OSM's budget proposal. Butch Lambert of Virginia testified for IMCC and Loretta Pineda of Colorado testified for NAAML. I testified on behalf of IMCC at a hearing by the House Interior Appropriations Subcommittee on April 14. IMCC also sponsored and facilitated a briefing for congressional staff on OSM's budget on the afternoon of April 7 at which several state representatives from both IMCC and NAAML participated.

Near the end of September, the President unveiled his Deficit Reduction Plan, which contained several legislative proposals related to abandoned mine lands (AML) programs for both coal and hardrock. IMCC worked with NAAML to formulate positions on the proposals and to communicate those positions to the Joint Special Committee on Deficit Reduction (e.g. the "Supercommittee") via letter of October 24, 2011.

Also on the appropriations/budget front, IMCC submitted statements to the Labor, Health and Human Services, Education and Related Agencies Subcommittees of the House and Senate Appropriations Committees on March 5 concerning the FY 2012 budget request for the Mine Safety and Health Administration (MSHA) within the U.S. Department of Labor.

IMCC was involved with several other legislative activities throughout the year, often jointly with NAAML. The House Energy and Mineral Resources Subcommittee held an oversight hearing July 14, 2011 on "Abandoned Mine Lands: Innovative Solutions for Restoring the Environment, Improving Safety and Creating Jobs" at which Loretta Pineda of Colorado testified on behalf of IMCC and NAAML. The hearing served as the precursor to the development of legislation that will address several amendments to SMCRA concerning the use of unappropriated state share balances for noncoal work and for the acid mine drainage set-aside program, limited liability protections, and establishing a hardrock AML program. The legislation is also expected to address Good Samaritan protections for those who perform hardrock AML work. IMCC's testimony addressed each of these matters.

In a related action in the Senate, IMCC submitted a statement at a legislative hearing on S. 897 on May 18, 2011. The bill would amend the Surface Mining Control and Reclamation Act of 1977 (SMCRA) to allow the use of unappropriated state share balances for noncoal work and for acid mine drainage set-asides. The bill passed the Senate in July. A conference call of both IMCC and NAAML member states and tribes was sponsored and facilitated by IMCC on July 27 to discuss potential legislation to address limited liability protections for states and tribes who are certified under Title IV of SMCRA. That legislation (S. 1455) was eventually introduced by Senator Tester (D-MT) in early August. IMCC also met with the staff of Senator Mark Udall (D-CO) on July 14 to discuss Good Samaritan legislation. In January, IMCC met with the staff from the House Transportation and Infrastructure

Committee and the Senate Environment and Public Works Committee to discuss the potential for Good Samaritan legislation in the 112th Congress.

Congressional interest was also sparked with respect to several pending rulemakings by the Administration on such topics as coal combustion residuals, financial responsibility for hardrock mines, stream protection and related water quality requirements for coal mines. This was played out in a series of congressional oversight hearings and in riders on appropriations bills to restrict funding for these efforts. IMCC testified at an oversight field hearing on OSM's proposed stream protection rule held by the House Energy and Mineral Resources Subcommittee on September 26 in Charleston, West Virginia. IMCC helped to coordinate the testimony of three state witnesses from West Virginia, Virginia and Wyoming. Conference calls were held on September 16 and 21 to plan for the hearing. IMCC submitted a statement for the record on October 5.

The Interior Department announced in October of 2011 the potential consolidation of OSM within the Bureau of Land Management (BLM) in an effort to realize cost savings and administrative efficiencies. A congressional oversight hearing on the proposed consolidation was held on November 17 by the Senate Energy and Natural Resources Committee, at which Butch Lambert of Virginia testified on behalf of IMCC. A conference call of the member states was held on November 8 to brief the states on the proposed consolidation and to seek input for testimony. A conference call was held on November 14 with the two state witnesses (Mr. Lambert and John Corra of Wyoming) to coordinate testimony.

On the regulatory front, IMCC continued its working relationship with several federal agencies with whom we have traditionally done business over the years. In January of 2011, IMCC submitted extensive comments to the Office of Surface Mining regarding draft directives on Ten-Day Notices (INE-35), annual oversight reports (REG-8) and corrective actions (REG-23). IMCC also participated in a conference call with OSM

officials on March 8 to discuss oversight data needs and the development of an annual permit map. IMCC facilitated several conference calls with member states who are serving as cooperating agencies in the development of OSM's environmental impact statement (EIS) to accompany a proposed rule on stream protection. Conference calls were held on January 24 and February 3 to coordinate comments on the draft EIS. IMCC helped to coordinate and participated in three regional OSM/State meetings: the Appalachian regional meeting on June 1 and 2 in Cincinnati; the Mid-Continent regional meeting on June 21 and 22 in St. Louis; and the Western regional meeting on August 9 and 10 in Denver. At each meeting, several key regulatory, technical and policy issues were discussed.

IMCC is also a member of several OSM/State steering committees. I am a member of the National Technology Transfer Team (NTTT) which met via conference call on January 4, March 1, May 3, June 28, August 16, October 5 and December 8. IMCC is represented on the Acid Drainage Technology Initiative (ADTI) by Nick Schaer of West Virginia. I serve on a steering committee planning for the next Indiana Bat interactive forum. Conference calls were held on June 7, July 13, September 14 and November 22. I also serve as a member of the state/federal task group that is overseeing the development and implementation of the Indiana Bat Guidance document. A conference call was held on December 2 to discuss a survey, to be distributed by IMCC, about how the guidelines are being used in the field.

IMCC helped to coordinate and facilitate a meeting of state and federal agency personnel to discuss development of a geospatial database for surface coal mine permits, including a pilot project for testing the database effort. A conference call was held on March 23 to discuss progress on the effort. IMCC also coordinated and facilitated a conference call between OSM and the states on August 3 regarding a potential proposed rule on the placement of coal combustion residues in mines. IMCC followed up with a memorandum to OSM on August 30

regarding suggested approaches for the potential rule. IMCC had previously submitted a letter to OSM on June 30 regarding the states' concerns on the potential rule.

IMCC received \$15,000 pursuant to a contract with OSM for the development of future benchmarking workshops. Plans called for IMCC to sponsor a workshop on mine mapping in early 2012. A steering committee consisting of state and federal agency personnel met on several occasions during the year to develop the program for the workshop, including conference calls on July 28, August 4, August 17, September 14, November 10 and December 7. IMCC also received an additional \$20,000 for its COALEX contract with OSM, pursuant to which IMCC completed work on an updated version of the Surface Mining Control and Reclamation Act reflecting all amendments and appropriations activity as of January, 2010. Future funding for this contract remains uncertain.

IMCC continued its work with the Mine Safety and Health Administration (MSHA) throughout the year. A meeting with Assistant Secretary Joe Main and several members of his leadership team was held on February 1 at MSHA headquarters in Arlington, Virginia. A states-only meeting was held on January 31 to prepare for the meeting with MSHA. Several follow-on actions/discussions were agreed upon in the areas of certification of miners, mine emergency response, and state-federal communications. A conference call to discuss next steps was held between IMCC staff and Assistant Secretary Main on February 17. A follow-up meeting with MSHA staff was held on March 8 to discuss enhanced state-federal discussions on MSHA rulemakings and policy development. It was agreed at that time to complete work on the development of a Memorandum of Understanding (MOU) between MSHA and IMCC regarding our working relationship, drafting of which occurred over the next several weeks. A meeting between state and MSHA officials was held on May 11 in Triadelphia, West Virginia regarding mine emergency response. During that meeting, IMCC's Executive Director and MSHA Assistant

Secretary Main signed the MOU. IMCC's Mine Safety and Health Committee met via conference call on April 27 to approve the MOU and to prepare for the May 11th meeting with MSHA. IMCC testified at a public hearing on June 15 conducted by MSHA on a proposed rule regarding examination of work areas at underground coal mines. Written comments were submitted to MSHA on July 29.

IMCC has been actively involved in the development by the U.S. Environmental Protection Agency (EPA) of a proposed rule under Section 108(b) of the Comprehensive Environmental Response, Compensation and Liability Act (CERCLA) regarding financial responsibility (bonding) requirements for the hardrock mining sector. A conference call of interested and affected states was held with EPA officials on April 13 to discuss the status of the rulemaking. In preparation for the meeting, a conference call of state attorneys general was facilitated by IMCC on April 11 regarding several presentations that would be made during the April 13 conference call regarding existing state financial responsibility programs and issues surrounding federal preemption of state programs. Additional conference calls were also held on January 13, January 24 and February 2 with attorneys general to discuss the development of letters to EPA concerning the preemption issue. EPA also sponsored a webinar to discuss the rulemaking on June 15, at which IMCC participated. Following the webinar, IMCC sent a memo to EPA on June 23 jointly with the Association of State and Territorial Solid Waste Management Officials (ASTSWMO) articulating our concerns with the rule development process and the proposed rule. IMCC is also monitoring the development of a series of reports being prepared by EPA that assess the nature and status of state financial responsibility requirements. IMCC has been in regular contact with EPA and the states regarding these draft reports.

During the year, IMCC was approached by several parties to provide a perspective from the states on a variety of issues. On March 26, I had the opportunity of providing the state

government perspective regarding Clean Water Act and SMCRA permitting concerns as a presenter at a tele-briefing sponsored by Law Seminars International on the topic "EPA's Veto of the Spruce Mine Permit". I also had the opportunity of visiting with a delegation of Chinese mining officials on April 18 in Fairfax, Virginia to present an overview of U.S. mining regulations. On June 29, I met via conference call with officials from the General Accountability Office to discuss uranium mining regulations in the U.S., with a focus on abandoned mine land reclamation.

IMCC continued its working relationship with other state government organizations on matters of mutual concern. IMCC coordinates with the Western Interstate Energy Board (WIEB) and the Western Governors' Association (WGA) on budget issues, abandoned mine lands, Good Samaritan protections and EPA's 108(b) rulemaking on financial responsibility requirements. IMCC has also worked with ASTSWMO, as noted above, and with the Environmental Council of the States (ECOS) on both water and waste issues. We are actively involved with the National Association of Abandoned Mine Land Programs (NAAMLPL), often jointly developing testimony, statements, comments and input to OSM and others on AML-related issues. IMCC attended the Mid-Winter meeting of the NAAMLPL from February 21 -23 in Orange Beach, Alabama and the Annual Conference from October 9 - 12 in Lake Tahoe, California. At the latter meeting, I presented a paper at the plenary session regarding "Key Legislative and Regulatory Challenges Facing Today's AML Program Manager". I also provided several updates and briefings at both meetings regarding OSM's budget, pending AML legislation, OSM and EPA proposed rules, and federal oversight of state programs. IMCC also coordinated several conference calls with the NAAMLPL membership during the year and worked with the leadership of the organization regarding testimony on OSM's budget and pending legislation.

During the year, IMCC conducted several surveys of the states in an effort to serve as a clearinghouse for information and data requests. A survey was conducted for the state of Illinois regarding reporting of water quality excursions under applicable water quality laws related to surface water discharges. A survey was conducted for the Commonwealth of Virginia regarding the status of state work plans under OSM's annual oversight review. A survey was conducted for the state of Louisiana concerning EPA's cross-state air pollution rule and the potential impact on coal mining operations. IMCC conducted a survey of the states as part of our benchmarking workshop on mine mapping to receive input from potential participants. IMCC conducted three surveys on behalf of the Office of Surface Mining: one on cost recovery for permitting actions under SMCRA; another on state regulatory requirements regarding mine placement of coal combustion residues; and another on the implementation and use of the Indiana Bat Guidelines.

IMCC implemented several internal operational adjustments during the year, including moving our membership directory to the IMCC website where it can be regularly updated, switching our health benefits plan to participate in the Commonwealth of Virginia's system, and making several website enhancements. IMCC's audit was conducted on August 3 and the auditor's report was provided to the member states via e-memo of August 17.

On the membership front, IMCC staff worked with several current full member states to provide information that would help explain and justify their annual dues assessment and their continued membership in IMCC, especially given the fiscal crises being faced by many states. IMCC staff also spent a considerable amount of time during the year working with associate member states to pursue legislation bringing them as full members into the organization. With the assistance of IMCC's legal advisor (Richard Morrison of Pennsylvania), IMCC staff also researched approaches used by various states to enter other compacts, including the Interstate Oil and Gas Compact Commission (IOGCC).

Compact legislation for each of the IMCC member states and for several IOGCC member states was gathered and analyzed for potential legislative approaches that would effectuate full membership without the extensive requirements currently required under the traditional approach used by IMCC member states in the past. IMCC staff also researched the law attending interstate compacts to determine appropriate methods for bringing states into compacts. IMCC participated in a webinar sponsored by the Council of State Governments on interstate compacts. A legal memorandum regarding compact enabling legislation was sent to all of the associate member states on September 1 addressing these issues. IMCC is working with several associate members to draft appropriate legislation to bring them into the compact as full members. IMCC met with officials from the state of Nevada to discuss potential membership on October 10 and also communicated with officials from Mississippi, Kansas, Montana and Arizona regarding membership. Finally, IMCC met with staff from New York via conference call on November 14 to discuss the state's outstanding dues assessments.

In today's regulatory, legislative and fiscal climate, state governments who serve as primary regulators of mining operations within their borders face a bevy of challenges on multiple fronts. As IMCC recently reiterated in our revised strategic plan, our mission is to serve as an advocate for the member states in Washington, DC and to serve the states through information exchange, effective communication, benchmarking initiatives, liaison with the federal government and educational outreach as we assist the states in fulfilling their dual responsibilities of assuring development of their abundant and strategically important natural resources while protecting and improving the environment. In the end, our goal is to insure that the states have a strong, concerted voice as we deliver on those responsibilities.

Adjusting to new Administrations and new leadership in Congress, as we saw in 2011, requires heightened vigilance and renewed vigor, especially where long-standing issues remain

unresolved and new challenges present themselves. Through the active participation of our member states, IMCC was able to engage on a number of critical fronts throughout the year, be it congressional oversight or legislative hearings, federal rulemakings , or opportunities to provide data or information to governmental organizations such as the Government Accountability Office. IMCC is regularly sought out for our experience and expertise on mining regulatory issues and we are highly respected for the quality of information and the well-coordinated positions that we provide. This speaks directly to the integrity and perseverance of the agency personnel within our member states who regularly work with the IMCC staff to accomplish these objectives.

As Beth and I begin our 25th year with IMCC, we count it a special privilege to work with so many dedicated state government folks. Your support for us and for the work of IMCC is greatly appreciated. We look forward to the many exciting opportunities that await us in the future.

2011 Standing Committees

Environmental Affairs Committee

Coal Section

James Stephens, Arkansas, Chairman

Thomas Callaghan, Pennsylvania, Vice Chairman

Noncoal Section

Kent Coleman, South Carolina, Chairman

James Simons, North Carolina, Vice Chairman

Abandoned Mine Lands Committee

James Deutsch, North Dakota, Chairman

Mike Kastl, Oklahoma, Vice Chairman

Mine Safety and Health

Johnny Greene, Kentucky, Chairman

Butch Lambert, Virginia, Vice Chairman

Finance and Administrative Committee

John Caudle, Texas, Chairman

Joe Angleton, Illinois, Vice Chairman

Resolutions Committee

C. Edmon Larrimore, Maryland, Chairman

Bruce Stevens, Indiana, Vice Chairman

Awards Committee

Dale Bergquist, Louisiana, Chairman

Lanny Erdos, Ohio, Vice Chairman

(Members of the 2011 Awards Committee: Louisiana, Ohio, Virginia, Colorado and Illinois)

Legal Advisor

Richard Morrison, Pennsylvania

Minerals Education Work Group

Dean Spindler, Illinois, Chairman

Activities of the Standing Committees

Finance and Administrative Committee

The committee met on three occasions during 2011. The committee met via conference call on March 24 to prepare recommendations for staff compensation and benefits. On April 6 the committee met in Wheeling, West Virginia in conjunction with the Compact's Annual Meeting. The committee reviewed the Compact's current financial condition; reviewed and approved the proposed Fiscal Year 2012 budget; reviewed the 2011 Executive Director's evaluations; and were presented with an update by current associate member states regarding their membership status.

On October 19, the committee met in Point Clear, Alabama. The committee reviewed the Compact's current financial condition, reviewed and approved the Compact's Fiscal Year 2011 Audit, and discussed membership initiatives.

Resolutions Committee

The committee met jointly with the Finance and Administrative Committee twice in 2011. On April 6 in Wheeling, West Virginia, the committee recommended approval of five resolutions of appreciation. (See *Resolutions* section of this Annual Report.)

On October 19 in Point Clear, Alabama, the committee recommended adoption of two resolutions of appreciation. (See *Resolutions* section of this Annual Report.)

Environmental Affairs Committee — Coal Section

The Coal Section of the Environmental Affairs Committee met on April 5, 2011 in Wheeling, West Virginia in conjunction with the Compact's Annual Meeting. Among the topics discussed were: the Office of Surface Mining's (OSM) Fiscal Year (FY) 2011 appropriation and FY 2012 budget request; congressional oversight hearings on OSM's proposed FY 2012 budget; discussion of the OSM Oversight Improvement Actions Initiative; OSM rulemakings on mine placement of coal combustion residues and stream protection; water quality requirements for coal mining permits; Indiana Bat Protection and Enhancement Guidelines; and state program amendments related to OSM's final rules on ownership and control.

On October 18, 2011, the committee met in conjunction with the IMCC Mid-Year Meeting in Point Clear, Alabama. Among the topics discussed were: OSM's FY 2012 appropriations; OSM rulemakings on mine placement of coal combustion residues, stream protection, and cost recovery; Clean Water Act issues relating to the Surface Mining Control and Reclamation Act (SMCRA); federal oversight issues under SMCRA; the OSM Geomine Pilot Project; OSM's E-Permitting initiative in the West; and a 2012 IMCC benchmarking workshop on mine mapping.

Environmental Affairs Committee — Noncoal Section

The Noncoal Section of the Environmental Affairs Committee met twice in 2011. On April 5 in Wheeling, West Virginia, the committee met in conjunction with the Compact's Annual Meeting. The committee met again on October 18 in Point Clear, Alabama in conjunction with the Mid-Year Meeting. Topics discussed at the April 5 meeting included: the Environmental Protection Agency (EPA) and the Office of Surface Mining (OSM) rulemakings regarding coal combustion residues; EPA rulemaking on financial assurance requirements under the Comprehensive Environmental Response, Compensation and Liability Act (CERCLA); mining law reform; and Good Samaritan legislation.

Topics of discussion at the committee meeting held on October 18 included: the Environmental Protection Agency's (EPA) rulemaking on financial assurance requirements under the Comprehensive Environmental Response, Compensation and Liability Act (CERCLA); hardrock abandoned mine lands (AML) legislation; and Good Samaritan legislation. The committee also engaged in a roundtable discussion regarding impacts to state regulatory programs (coal and noncoal) related to requirements and interpretations by EPA and the Army Corps of Engineers related to the Clean Water Act.

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 5 in Wheeling, West Virginia and October 18 in Point Clear, Alabama. At the April 5 meeting, the committee discussed the following topics: pending legislation in the 112th Congress concerning the Abandoned Mine Lands (AML)

program under the Surface Mining Control and Reclamation Act (SMCRA); Office of Surface Mining (OSM) legislative proposals to amend Title IV of the Surface Mining Control and Reclamation Act (SMCRA); and the status of funding for the AML emergency program in OSM's FY 2012 budget proposal.

At the October 18 meeting, topics discussed included: legislative activity regarding amendments to SMCRA; legislative activity regarding elimination of AML payments to certified states and tribes and the AML grant process; and expenditure of AML grant money – construction v. planning.

Mine Safety & Health Committee

The Mine Safety & Health Committee met jointly with the Noncoal Section of the Environmental Affairs Committee on two occasions in 2011 – on April 5 in Wheeling, West Virginia in conjunction with the Compact's Annual Meeting, on October 18 in Point Clear, Alabama in conjunction with IMCC's Mid-Year Meeting. On April 27 the committee met via conference call to prepare for a meeting with Mine Safety and Health Administration (MSHA) officials on May 11 in Triadelphia, West Virginia regarding mine emergency response. Topics of discussion at the April 5 meeting included: status of mine safety and health legislation; a Memorandum of Understanding (MOU) between IMCC and the Mine Safety and Health Administration (MSHA); recent meetings with MSHA officials; an upcoming meeting between MSHA and IMCC to discuss mine emergency response issues; and certification/decertification issues, including development of a tracking system.

Topics discussed at the October 18 meeting included: an upcoming meeting between IMCC and MSHA; impoundment safety issues; and a 2012 IMCC benchmarking workshop on mine mapping.

Awards Committee

The Awards Committee met via conference call on March 11, 2011 to select winners of the 2011 Kenes C. Bowling National Mine Reclamation Awards. The Education Work Group met via conference call on March 10, 2011 to select winners of the 2011 IMCC National Minerals Education Awards.

The reclamation award recipients, and photos of the winning sites, are listed elsewhere in this Annual Report. The awards were presented at the Annual Awards Banquet on April 5, which was held in conjunction with IMCC's Annual Meeting in Wheeling, West Virginia.

The National Mineral Education Awards were also presented at the April 5 Awards Banquet. The education award recipients are also listed elsewhere in this Annual Report.

Committees and Committee Chairmen and Vice Chairmen for 2012

Environmental Affairs Committee

Coal Section

Thomas Callaghan, Pennsylvania, Chairman *Thomas Clarke*, West Virginia, Vice Chairman

Noncoal Section

Tracy Davis, North Carolina, Chairman *Matthew Podniesinski*, New York, Vice Chairman

Abandoned Mine Lands Committee

Mike Kastl, Oklahoma, Chairman *Tim Eagle*, Tennessee, Vice Chairman

Mine Safety and Health

Butch Lambert, Virginia, Chairman *Craig Corder*, Ohio, Vice Chairman

Finance and Administrative Committee

Scott Fowler, Illinois, Chairman *Tom Surtees*, Alabama, Vice Chairman

Resolutions Committee

Bruce Stevens, Indiana, Chairman *John Caudle*, Texas, Vice Chairman

Awards Committee

Lanny Erdos, Ohio, Chairman *Kevin Mohammadi*, Missouri, Vice Chairman

(Members of the 2012 Awards Committee: Ohio, Missouri, Pennsylvania, North Carolina and Wyoming)

Legal Advisor

Sharon Pigeon, Virginia

Minerals Education Work Group

Stacy Barnett, Oklahoma, Chairman

Yearly Commission Meetings

2011 Annual Meeting — Wheeling, West Virginia

The 2011 Annual Meeting was held at The Oglebay Lodge in Wheeling, West Virginia from April 3 - 6, 2011. The following member states were in attendance: Alabama, Alaska, Arkansas, Colorado, Illinois, Indiana, Kentucky, Louisiana, Maryland, New Mexico, New York, North Dakota, Ohio, Oklahoma, Pennsylvania, South Carolina, Texas, Utah, Virginia, and West Virginia. Attendees included approximately 37 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, social receptions, and the annual awards banquet.

The meeting began with welcome remarks by Randy Huffman, Cabinet Secretary of the West Virginia Department of Environmental Protection who opened the General Session on April 4. Speakers and topics covered during the session included: Congressman David McKinley of the 1st District of West Virginia: "Recent Legislative Developments Concerning the Regulation of Coal Mining in Appalachia"; Kathy Benedetto, Republican Legislative Staff for the Subcommittee on Energy and Mineral Resources, House Committee on Natural Resources: "Overview of Key Mining Issues Before the 112th Congress"; Thomas L. Clarke, Director of the Division of Mining and Reclamation in the West Virginia Department of Environmental Protection: "Recent Developments re. Issuance of NPDES Permits for Bond Forfeiture Sites"; and Paul Ziemkiewicz, Director of the West Virginia Water Research Institute at West Virginia University: "Beyond AMD: Managing Water Quality Issues Associated with Conductivity, TDS and Selenium".

An IMCC executive session was held immediately following the General Session.

IMCC's Standing Committee meetings commenced in the late morning of April 4 (see *Activities of the Standing Committees*). In the evening attendees enjoyed a dinner buffet after which they engaged in a social time while enjoying the televised national collegiate basketball tournament finals game.

The Standing Committee meetings resumed on the morning of April 5 and continued throughout the afternoon. At a banquet that evening, the IMCC presented its 2011 National Reclamation and Minerals Education Awards. (see *Awards* section later in this report for details.)

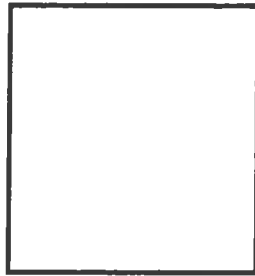
The Commission's annual business meeting was held on April 6. The meeting was chaired by Ed Larrimore on behalf of the Compact's Chairman, Governor Martin O'Malley of Maryland. Subjects of action and discussion included: the Executive Director's Report (see *Report of the Executive Director*); standing committee reports (see *Activities of the Standing Committees*); federal budget impacts and federalism policy implications for state government organizations like IMCC; and future IMCC meetings. In addition, five resolutions were adopted at the meeting and are contained in the *Resolutions* section of this Annual Report.

2011 Mid-Year Meeting – Point Clear, Alabama

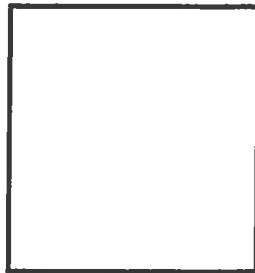
The Mid-Year Executive Commission Meeting of the IMCC was held in Point Clear, Alabama at the Marriott Grand Hotel, October 18 - 19, 2011. Eighteen of the 24 member states were in attendance. Committee meetings were held on October 18. A luncheon and a social reception were also held on October 18. Dr. George Crozier, Executive Director (Retired) of the Dauphin Island Sea Lab, was the luncheon speaker. He provided an

interesting talk about the after-effects of the April 2010 Deepwater Horizon (BP) blowout and oil spill in the Gulf of Mexico and the Mobile Bay. Committee meetings resumed the morning of October 19. They were followed by the commission's business meeting which concluded the meeting. The business meeting was chaired by Bruce Stevens on behalf of the Compact's Vice Chairman, Governor Mitchell Daniels of Indiana. Among the topics addressed at the meeting were: an Executive Director's Report (see *Report of the Executive Director*); reports from standing committees of the Compact (see *Activities of Standing Committees*); election of officers for 2012; appointment of committee chairs for 2012; IMCC's strategic plan; and future IMCC meetings. In addition, three resolutions were adopted at the meeting and are contained in the *Resolutions* section of this Annual Report.

Officers Elected for 2012



Chairman:
Governor Mitchell E. Daniels
Indiana



Vice Chairman:
Governor Rick Perry
Texas



Treasurer:
Governor Pat Quinn
Illinois

Resolution

Interstate Mining Compact Commission

BE IT KNOWN THAT:

WHEREAS, Lewis Halstead and his staff arranged an informative and interesting annual meeting for the Interstate Mining Compact Commission in Wheeling, West Virginia from April 3 - 6, 2011; and

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

NOW THEREFORE BE IT RESOLVED:

That the Interstate Mining Compact Commission expresses its deep appreciation to Lewis Halstead and all of the other state officials who assisted IMCC staff to assure a successful meeting.

Issued this 6th day of April, 2011

ATTEST:

Executive Director

Resolution

Interstate Mining Compact Commission

BE IT KNOWN THAT:

WHEREAS, the Interstate Mining Compact Commission's (IMCC) Annual Meeting in Wheeling, West Virginia from April 3 - 6, 2011 was honored by the presence of Thomas L. Clarke, Director of the Division of Mining & Reclamation within the West Virginia Department of Environmental Protection; and

WHEREAS, Mr. Clarke served as the Master of Ceremonies at the Annual Awards Banquet on April 5, 2011;

NOW THEREFORE BE IT RESOLVED:

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

Issued this 6th day of April 2011

ATTEST:

Executive Director

Resolution

Interstate Mining Compact Commission

BE IT KNOWN THAT:

WHEREAS, The Interstate Mining Compact Commission's (IMCC) Annual Meeting in Wheeling, West Virginia from April 3 - 6, 2011 was honored by the presence of The Honorable Randy Huffman, Secretary of the West Virginia Department of Environmental Protection and Governor Tomblin's official representative to the Compact; and

WHEREAS, Secretary Huffman presented the Welcoming Address during the Opening Session on April 4, 2011;

NOW THEREFORE BE IT RESOLVED:

That the Interstate Mining Compact Commission expresses its gratitude to Secretary Randy Huffman for his participation in making this year's meeting an outstanding success and for his support of IMCC.

Issued this 6th day of April, 2011

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 4, 2011 in Wheeling, West Virginia are men and women of outstanding ability in their respective fields, and the benefit 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 (IMCC) expresses its sincere gratitude to

Kathy Benedetto

Thomas L. Clarke

Paul Ziemkiewicz

Issued this 6th day of April, 2011

ATTEST:

Executive Director

Resolution

Interstate Mining Compact Commission

BE IT KNOWN THAT:

WHEREAS, The Interstate Mining Compact Commission was honored by the presence of The Honorable Joe Pizarchik, Director of the Office of Surface Mining, at its annual meeting in Wheeling, West Virginia from April 3 - 6, 2011; and

WHEREAS, Director Pizarchik and members of his staff attended and actively participated in the IMCC Environmental Affairs Committee meeting on April 4 and 5, 2011;

NOW THEREFORE BE IT RESOLVED:

That the Interstate Mining Compact Commission expresses its gratitude to Director Pizarchik and his staff for their participation in making this year's meeting a success and for their continued involvement with IMCC on issues of mutual interest and concern.

Issued this 6th day of April, 2011

ATTEST:

Executive Director

Resolution

Interstate Mining Compact Commission

BE IT KNOWN THAT:

WHEREAS, Michael Skates and the staff of the Alabama Department of Industrial Relations arranged an informative and interesting Mid-Year meeting for the Interstate Mining Compact Commission in Point Clear, Alabama from October 18 - 19, 2011; and

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

NOW THEREFORE BE IT RESOLVED:

That the Interstate Mining Compact Commission expresses its deep appreciation to Michael Skates and all of the other state officials who assisted IMCC staff to assure a successful meeting.

Issued this 19th day of October, 2011

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 Commission is most appreciative of the time and effort Dr. George Crozier expended in the preparation and presentation of his remarks at the business luncheon on October 18, 2011 in conjunction with IMCC's Mid-Year meeting in Point Clear, Alabama;

NOW THEREFORE BE IT RESOLVED:

That the Interstate Mining Compact Commission expresses its sincere gratitude to

Dr. George Crozier

Issued this 19th day of October, 2011

ATTEST:

Executive Director

Financial Reports

*Interstate Mining Compact Commission
Statement of Financial Position for the Year Ended June 30, 2011*

ASSETS

Cash	\$ 13,765.00
Investments	400,000.00
Accounts receivable	99,023.00
Prepaid expenses and deposits	6,538.00
Property and equipment, net	1,534.00
Total assets	520,860.00

LIABILITIES AND NET ASSETS

Liabilities:	
Accrued vacation	38,643.00
Deferred rent	5,316.00
Total liabilities	43,959.00
Net assets:	
Unrestricted	476,901.00
Total net assets	476,901.00
Total liabilities and net assets	520,860.00

Financial Reports

*Interstate Mining Compact Commission
Statement of Activities
For the Year Ended June 30, 2011*

Unrestricted revenue and support	
Assessments	\$493,104
Conferences and meetings	15,905
Interest income	5,636
Other income	75
Total revenue and support	<u>514,720</u>
Expenses	
Administrative and general	<u>503,118</u>
Total expenses	<u>503,118</u>
Change in net assets	11,602
Net assets, beginning of year	<u>465,299</u>
Net assets, end of year	<u><u>\$476,901</u></u>

Financial Reports

**Interstate Mining Compact Commission
Schedule of Comparison of Expenses and Budget
For the Year Ended June 30, 2011**

Description	Government Grants	Admin. & General	Budget	Variance Over (Under)
Salaries	-	\$296,598	\$297,000	\$ (402)
Employee benefits	-	94,711	105,000	(10,289)
Rent	-	39,671	34,400	5,271
Conference and meetings	-	21,677	22,000	(323)
Travel	-	17,998	20,000	(2,002)
Publications	-	3,991	10,000	(6,009)
Telephone	-	7,679	11,000	(3,321)
Auditing	-	5,800	6,000	(200)
Postage	-	1,540	3,000	(1,460)
Equipment expenses	-	1,719	1,500	219
Office supplies	-	2,426	3,500	(1,074)
Other expenses	-	2,761	2,600	161
Insurance	-	2,186	4,500	(2,314)
Printing	-	1,265	1,500	(235)
Registration fees/ subscriptions	-	939	2,000	(1,061)
Utilities	-	1,411	1,500	(89)
Depreciation	-	746	-	746
Total expenses	-	\$ 503,118	\$ 525,500	\$(22,382)

Member State Permitting Data

PERMITS ISSUED AND ACRES OF LAND DISTURBED AND RECLAIMED
JANUARY 1 - DECEMBER 31, 2011 FOR COAL SURFACE MINING

State/Enforcement Agency	# Permits Issued	# Acres Permitted	#Acres Disturbed	# Acres Reclaimed
Alabama Surface Mining Commission	6	1,495	N/A	2,281
Alaska Dept. of Natural Resources	12	12,397	2,155	93
Arkansas Dept. of Environmental Quality, Surface Mining and Reclamation Division	7	689	536	15.93
Colorado Division of Reclamation, Mining & Safety, Coal Program	0	163,762	20,129	75 ¹
Illinois Dept. of Natural Resources, Office of Mines & Minerals, Land Reclamation Division	5	2,960	1,604	296
Indiana Dept. of Natural Resources, Division of Reclamation	8	28,684.8 ²	3,494.10 ³	3,473.64
Kentucky Dept. for Natural Resources, Division of Mine Reclamation and Enforcement	653	105,278.83	246,699.41 ⁴	8,960.41
Maryland Bureau of Mines ⁵	12	627	2,776	107
Missouri Department of Natural Resources, Land Reclamation Program	0	0	122.4	261.8
New Mexico Energy, Minerals & Natural Res. Dept., Coal Mine Reclamation Program ⁶	0	0	598	0
North Dakota Public Service Commission	0	17,600 (via major revision)	2,530	1,210 ⁷
Ohio Dept. of Natural Resources, Division of Mineral Resources Management	40	19,381.2	57,562.78 ⁸	1,829.8 ⁹
Oklahoma Dept. of Mines	2 - permits 63 - permits on IUL 20 - revisions	23,348	10,507	1,546.10
Pennsylvania Dept. of Environmental Protection	78	9,896	8,441	4,456
Texas Railroad Commission	4 - new, renewals and revisions	13,445.3 ¹⁰	6,820.6 ¹¹	5,179.3 ¹²
Utah Division of Oil, Gas and Mining	0 - new 2011; 30 - total active permits	2,877.86 - new in 2011; 135,788.67 - total of all permitted acres ¹³	.37 - new in 2011; 3,404.87 - total of all disturbed acres	5.95 (2011 phase III bond release)
Virginia Dept. of Mines, Minerals & Energy, Division of Mined Land Reclamation	21 (5 - new; 16 - transfers)	78,751.79	54,898.55; 66,734.09 (acres bonded)	1,557.60; 30,523.49 (total reclaimed)
West Virginia Dept. of Environmental Protection, Division of Mining and Reclamation	62	8,483 (2011); 300,186 (total)	N/A	6,127 (2011 released Phase III)
Wyoming Dept. of Environmental Quality, Land Quality Division	1	443,780 (total); 963 in 2011	150,611 (total)	67,823 (total)

See footnotes on following page...

¹ Acres reclaimed are those areas that were approved for final bond release.

² Surface acres 2,406.2 + underground shadow acres 26,278.6 = 28,684.8 acres.

³ Acres mined 2,493.2 + acres disturbed 1,000.90 = 3,494.10.

⁴ Includes acres disturbed on operations permitted in previous years.

⁵ Number of acres permitted is the number of acres for which bond was posted during the reporting period. Number of acres disturbed is the number of actual disturbed acres that have not been approved for phase 3 release as of 12/31/2011. Number of acres reclaimed is the number of acres for which phase 3 release was approved during the reporting period.

⁶ The numbers shown are for permitting and mining/reclamation activity taking place during the calendar year 2011. These numbers do not represent cumulative acreage. Reclaimed lands means that full bond release has been approved.

⁷ Acres reclaimed reflects the reclaimed acreage that was seeded in 2011 as reported on annual maps submitted by the mining companies.

⁸ Total bonded acres as of 12/31/2011.

⁹ Phase III acres released 1/1/2011 - 12/31/2011.

¹⁰ Total permit acreage as of 12/31/2011 (309,939.79 acres) minus total permit acreage as of 1/1/2011 (296,494.49 acres) = 13,445.3 acres.

¹¹ 3,240.8 acres mined and 3,579.8 acres non-mined disturbed = 6,820.6 acres.

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

¹³ In 2011 Utah allowed operators to adjust their permit areas. Some mines changed their permit area to just the area covered under bond (previously included the adjacent area) effectively reducing the permit acre totals, though Utah did not change the area the mine is responsible for.

Member State Permitting Data

PERMITS ISSUED AND ACRES OF LAND DISTURBED AND RECLAIMED
JANUARY 1 - DECEMBER 31, 2011 FOR NONCOAL SURFACE MINING

State/Enforcement Agency	# Permits Issued	# Acres Permitted	#Acres Disturbed	# Acres Reclaimed
Alabama Department of Industrial Relations, Mining and Reclamation Division ¹	27 (new); 350 (renewals)	10,835	20,800	21 mines, 459 acres
Alaska Dept. of Natural Resources, Mining Section	289	376	290	125
Arkansas Dept. of Environmental Quality	258	22,194.122	13,505.841	63.5
Colorado Division of Reclamation, Mining and Safety, Minerals Program	31	180,857	108,519	949 ²
Illinois Dept. of Natural Resources, Office of Mines & Minerals, Land Reclamation Division	9	240	478	829
Indiana Dept. of Natural Resources, Division of Reclamation	6	501	10 (estimate)	0
Kentucky Dept. for Natural Resources, Division of Mine Reclamation and Enforcement	60	18,242.87	21,832.30 ³	14.75
Maryland Minerals, Oil & Gas Division ⁴	84	252.72	14,305.20	7,105.18
Missouri Department of Natural Resources, Land Reclamation Program	365	32,061	32,061	1,327
New Mexico Energy, Minerals and Natural Resources Dept., Mining Act Reclamation Prog. ⁵	44	94	336	626
New York State Dept. of Environmental Conservation, Div. of Mineral Resources	26 (new in 2011); 2040 (total active)	145,963 (total) ⁶	59,519 (total) ⁶	1,299 (2011); 33,628 (total) ⁶
North Carolina Dept. of Environment & Natural Resources, Division of Land Resources	866	54,321	1,201	1,202
Ohio Dept. of Natural Resources, Division of Mineral Resources Management	23	1,245.1	1,942.21 ⁷	717.2 ⁸
Oklahoma Dept. of Mines	9	133,396	54,521	1,106
Pennsylvania Dept. of Environmental Protection	86	1,461	1,813	269
South Carolina Dept. of Health and Environmental Control	33	893.3	347.5	336.6
Tennessee Department of Environment and Conservation	11	4,948 (under bond)	3,761 (reported by operator)	213 (full bond release)
Utah Division of Oil, Gas and Mining, Minerals Regulatory Program	654 (total); 34 (new)	65,940 (total); 215 (new)	65,940 (total); 215 (new)	791
Virginia Division of Mineral Mining	27	5,497.73	2,569.50	900.23
West Virginia Dept. of Environmental Protection, Division of Mining and Reclamation	4	208 (new); 11,462 (total)		0
Wyoming Dept. of Environmental Quality, Land Quality Division ¹⁰	88 (includes small operations)	589,890 (total); 5,024 (new)	N/A	N/A

See footnotes on following page...

- ¹ The acreage disturbed does not include chert, limestone, marble or dolomite. Approximately 6,000 acres are disturbed at those mines.
- ² Acres reclaimed are for those areas that were approved for final bond release.
- ³ Includes acres disturbed on operations permitted in previous years.
- ⁴ Number of acres permitted is the number of acres for which bond was posted during the reporting period. Number of acres disturbed is the number of actual disturbed acres that have not been approved for phase 3 release as of 12/31/2011. Number of acres reclaimed is the number of acres for which phase 3 release was approved during the reporting period.
- ⁵ The majority of permits issued represent exploration (15) or general permits (24). General permits include recreational miners. 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 calendar year 2010. These numbers do not represent cumulative acreage. Permits issued include regular and minimal impact mines, exploration permits and general permits.
- ⁶ Total statewide acreage figures since New York State Mined Land Reclamation Law enacted in 1975.
- ⁷ Noncoal mineral acres bonded 1/1/2011 - 12/31/2011.
- ⁸ IM-7 acres released 1/1/2011 - 12/31/2011.
- ⁹ Permits issued = 41 revisions = 64 transfers = 15 limited use permits issued - 34 annual reviews of permits = 530 and permits on IUL = 747.
- ¹⁰ Noncoal minerals includes construction materials such as sand and gravel. The noncoal category also includes small mining operations limited to 10 acres.

Member State Reclaimed Land Use Data

USE OF LAND FOLLOWING RECLAMATION (PERCENT)
 JANUARY 1 - DECEMBER 31, 2011 FOR COAL SURFACE MINING

State	Pasture	Wildlife	Forest	Commercial	Other
Alabama	0	3	0	0	97 ¹
Alaska	0	100	0	0	0
Arkansas	0	0	0	100	0
Illinois	0.3	4.2	1.3	5.5	88.7 (cropland)
Indiana	4 (131.3 acres)	18 (630.7 acres)	5 (173.6 acres)	< 1 (0.7 acres)	73 ¹ (2,537.34 acres)
Kentucky	27.6	51.6	17.1	1.1	2.6
Maryland	50	4	45	1	0
Missouri	94	2	0	2	2
North Dakota	31	2	1	5	59 (cropland); 2 (other)
Oklahoma	96	2	0	0	2 (water)
Pennsylvania ²	30	5	50	2	13
Texas	50 (2,574.2 acres)	19 (997.2 acres)	26 (1,364.8 acres)	2 (71.8 acres) (commercial & industrial)	3 (171.3 acres) (water resources)
Utah	0	100	0	0	0
Virginia	7.58 (70.83 acres) (pasture, hayland & grazing)	6.50 (0.70 acres) (includes fish, wildlife & wetlands)	50.82 (475.15 acres)	5.33 (49.79 acres) (industrial/ commercial)	35.58 (332.67 acres)
West Virginia	11	11	66	2	10 ³
Wyoming	0	0	0	5	95 (rangeland & wildlife habitat)

¹ For coal "Other" land uses: 2,231.2 acres cropland (64%); 241.0 acres water (7%); 53.2 acres roads (2%); 11.3 acres residential (1%); 0.60 acres other (< 1%).

² Use of land estimates are based on general observations of post-mining land use.

³ The 10% is made up of 1% rangeland and the rest are combined (two or more land uses on one permit).

Member State Reclaimed Land Use Data

USE OF LAND FOLLOWING RECLAMATION (PERCENT)
JANUARY 1 - DECEMBER 31, 2011 FOR NONCOAL SURFACE MINING

State	Pasture	Wildlife	Forest	Commercial	Other
Alabama	57	2	38	1	2
Alaska	0	100	0	0	0
Arkansas	27.5	63	0	0	9.5 (ponds)
Illinois	55	0	0	8	37 (cropland)
Indiana	3.2 (15.9 acres)	53.2 (266.55 acres)	< 1 (2.14 acres)	0	'
Kentucky	70	1.7	15	3.3	10
Maryland	60	10	5	20	0
Missouri	12	38	0	32	18
New Mexico ²	10	70	0	10	0
New York	1	70	0	4	25 ³
North Carolina ⁴	N/A	N/A	N/A	N/A	100
Oklahoma	83	0	0	13	2
Pennsylvania ⁵	10	5	10	15	60
South Carolina	45.3 (152.3 acres)	0	1 (3.5 acres)	6 (20.1 acres)	47.7 (160.1 acres) ⁶
Tennessee	105 acres	0	53 acres	10 acres	45 acres
Utah	0	100 (791 acres)	0	0	0
Virginia	33	54	10	2	1
West Virginia	12.5	25	12.5	25	25 ⁷
Wyoming	0	0	0	0	98

¹ Clay/Shale only: 24.44 acres cropland (4.9%), 191.9 acres water (38.3%), 0.07 acre road (< 1%).

² The percentages for Use of Land Following Reclamation are for mined lands reclaimed in 2010.

³ Includes 16% agricultural farmland, 9% wetland/lake.

⁴ North Carolina Department of Natural Resources, Division of Land Resources does not collect post mining land use information.

⁵ Land use percentages are estimates based on observations.

⁶ 160.1 acres reclaimed as lakes or ponds.

⁷ "Other" = 10% rangeland and the rest are combined (two or more land uses on one permit)

2011 Kenes C. Bowling Reclamation Award Winners

2011 Winners

The following companies were winners of the Compact's 2011 national reclamation awards and were presented with plaques at the 2011 awards banquet:

Coal Category Winner:

Patriot Coal Company, LP – Patriot Surface Mine (Kentucky)

Noncoal Category Winner:

Frozen Ropes Baseball Company – Frozen Ropes Sports Park (New York)

2011 Honorable Mention Recipient

The following company received recognition as honorable mention in the Compact's reclamation awards program and was presented with a certificate at the 2011 awards banquet:

Coal Category:

Vigo Coal Operating Company, Inc. – Friendship Mine (Illinois)

2011 Minerals Education Award Winners

2011 Winners

The following were winners of the Compact's annual minerals education awards, which were presented during the awards banquet held in conjunction with the 2011 Annual Meeting in Wheeling, West Virginia. 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 Educator Awareness Category Winner:

No award was presented in this category for 2011

Public Outreach Category Winner:

Alaska Resource Education (Alaska)

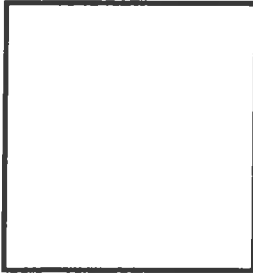
2011 Honorable Mention Recipient

Public Outreach Category Winner:

Lignite Energy Council (North Dakota)

2011 IMCC Membership

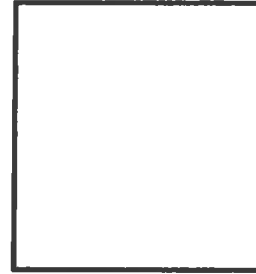
Commissioner



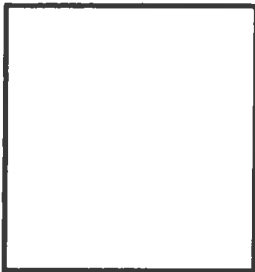
Governor
Robert J. Bentley

Alabama

Commissioner's Official Representative

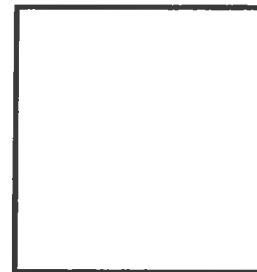


G. Thomas Surtees
Director
Department of
Industrial Relations

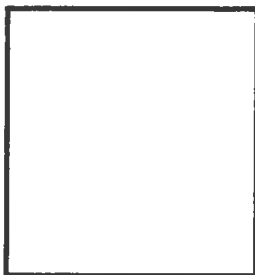


Governor
Mike Beebe

Arkansas

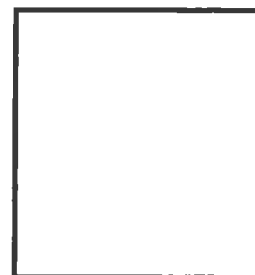


James F. Stephens
Chief
Surface Mining and
Reclamation Division



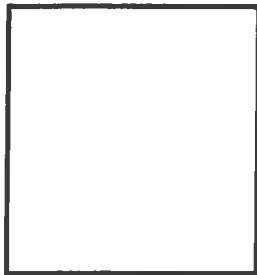
Governor
Pat Quinn

Illinois



Marc Miller
Director
Department of
Natural Resources

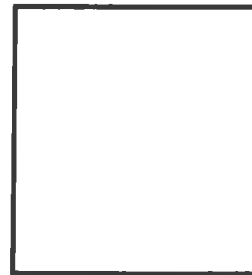
Commissioner



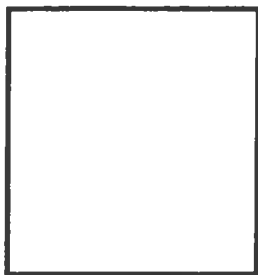
Governor
Mitchell E. Daniels, Jr.

Indiana

**Commissioner's Official
Representative**

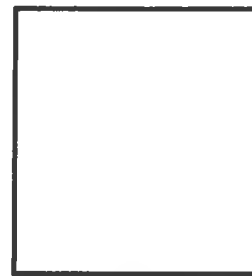


Ron McAhron
Deputy Director
Department of
Natural Resources



Governor
Steven L. Beshear

Kentucky

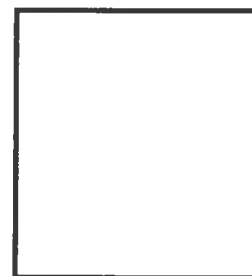


Dr. Leonard K. Peters
Secretary
Energy & Environment
Cabinet



Governor
Bobby Jindal

Louisiana

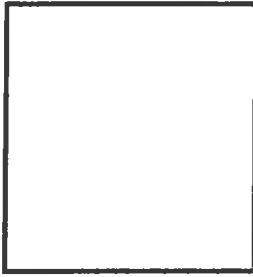


Dale Bergquist
Chief, Surface Mining
Section
Office of Conservation

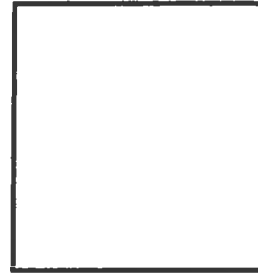
Commissioner

Commissioner's Official Representative

Maryland

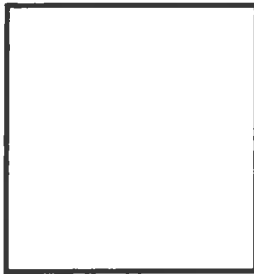


Governor
Martin O'Malley

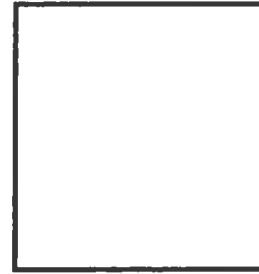


C. Edmon Larrimore
Administrator
Water Management
Administration

Missouri

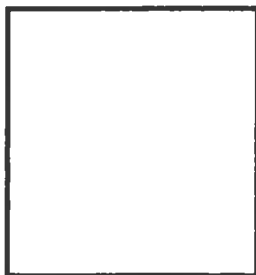


Governor
Jay Nixon

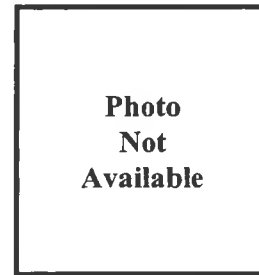


Sara Parker Pauley
Director
Department of
Natural Resources

New York



Governor
Andrew Cuomo



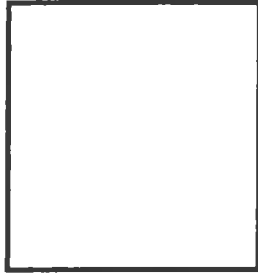
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Available**

Vacant

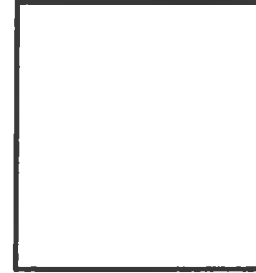
Commissioner

Commissioner's Official Representative

North Carolina

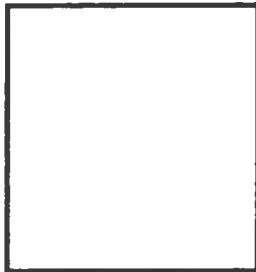


Governor
Beverly Eaves Perdue

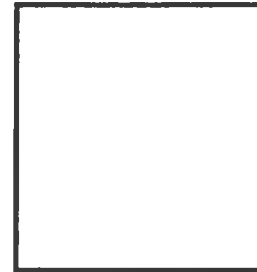


James D. Simons
State Geologist & Director
Department of
Environment and
Natural Resources

North Dakota

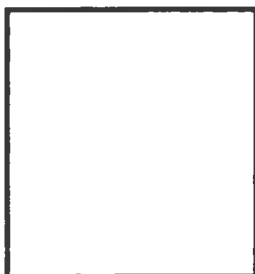


Governor
Jack Dalrymple

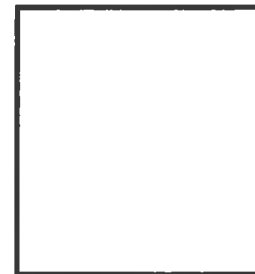


James R. Deutsch
Director
Reclamation Division
Public Service Commission

Ohio

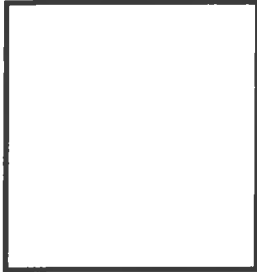


Governor
John R. Kasich



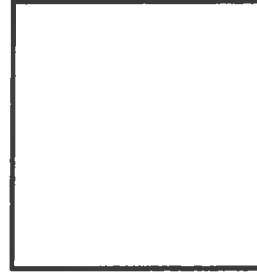
Jim Zehringer
Director
Department of Natural
Resources

Commissioner



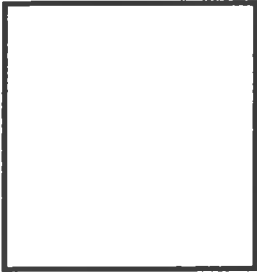
Governor
Mary Fallin

**Commissioner's Official
Representative**



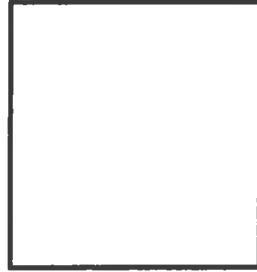
Robert A. Wegener
Secretary of Energy

Oklahoma



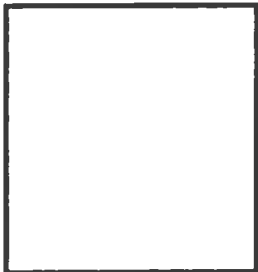
Governor
Tom Corbett

Pennsylvania

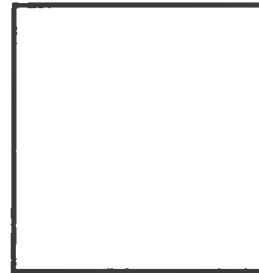


J. Scott Roberts
Deputy Secretary
Department of
Environmental Protection

South Carolina

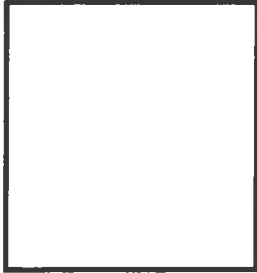


Governor
Nikki Haley



R. Craig Kennedy
South Carolina
Mining Council

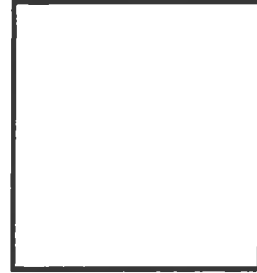
Commissioner



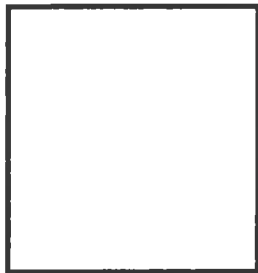
Governor
Bill Haslam

Tennessee

**Commissioner's Official
Representative**

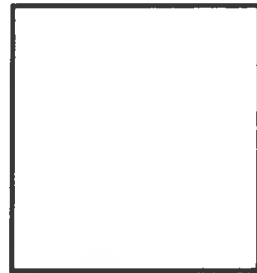


Robert J. Martineau, Jr.
Commissioner
Department of
Environment and
Conservation

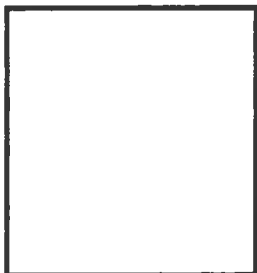


Governor
Rick Perry

Texas



Michael L. Williams
Commissioner
Railroad Commission
of Texas



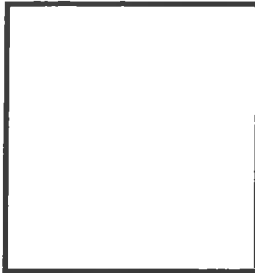
Governor
Robert F. McDonnell

Virginia



Bradley C. (Butch)
Lambert
Deputy Director
Department of Mines,
Minerals and Energy

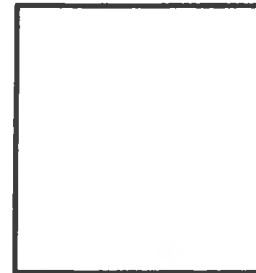
Commissioner



Governor
Earl Ray Tomblin

West Virginia

**Commissioner's Official
Representative**

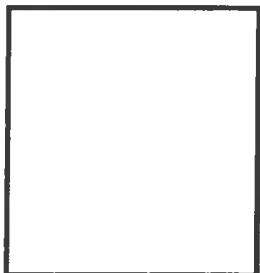


Randy Huffman
Cabinet Secretary
Department of
Environmental Protection

2011 Associate Member States

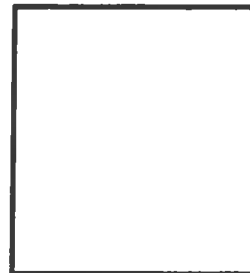
Commissioner

Commissioner's Official Representative

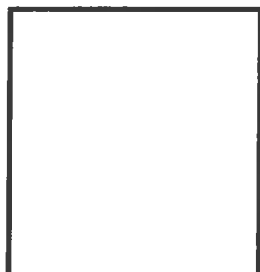


Governor
Sean Parnell

Alaska

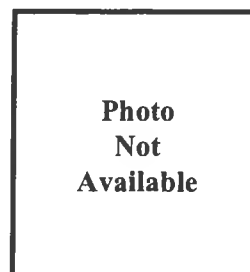


Ed Fogels
Deputy Commissioner
Department of
Natural Resources

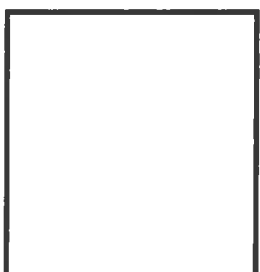


Governor
John Hickenlooper

Colorado

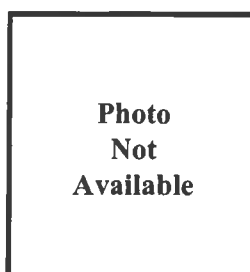


Loretta Pineda
Director, Div. of
Reclamation, Mining &
Safety, Dept. of Natural
Resources



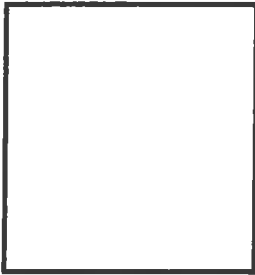
Governor
Susana Martinez

New Mexico



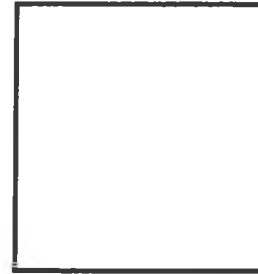
Vacant

Commissioner



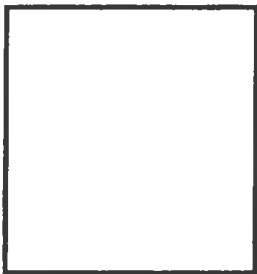
Governor
Gary R. Herbert

**Commissioner's Official
Representative**



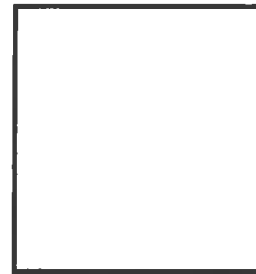
John Baza
Director
Division of Oil, Gas &
Mining

Utah



Governor
Matt Mead

Wyoming



John Corra
Director
Department of
Environmental Quality

2012 Commissioners and Their Representatives

2012 Commissioners

Indiana

Governor Mitchell E. Daniels, Jr. – Chairman

Texas

Governor Rick Perry – Vice Chairman

Illinois

Governor Pat Quinn – Treasurer

Alabama

Governor Robert J. Bentley

Arkansas

Governor Mike Beebe

Kentucky

Governor Steven L. Beshear

Louisiana

Governor Bobby Jindal

Maryland

Governor Martin O'Malley

Missouri

Governor Jay Nixon

New York

Governor Andrew Cuomo

North Carolina

Governor Beverly Eaves Perdue

North Dakota

Governor Jack Dalrymple

Ohio

Governor John R. Kasich

Oklahoma

Governor Mary Fallin

Pennsylvania

Governor Tom Corbett

South Carolina

Governor Nikki Haley

Tennessee

Governor Bill Haslam

Virginia

Governor Robert F. McDonnell

West Virginia

Governor Earl Ray Tomblin

Associate Member States

Alaska

Governor Sean Parnell

Colorado

Governor John Hickenlooper

Nevada

Governor Brian Sandoval

New Mexico

Governor Susana Martinez

Utah

Governor Gary R. Herbert

Wyoming

Governor Matt Mead

Commissioner's Official Representatives — 2012

Alabama

G. Thomas Surtees
Director
Department of Industrial
Relations

Arkansas

James Stephens
Chief
Surface Mining and
Reclamation Division
Department of
Environmental Quality

Illinois

Marc Miller
Director
Department of Natural
Resources

Indiana

Ron McAhron
Deputy Director
Department of Natural
Resources

Kentucky

Leonard K. Peters
Secretary
Energy and Environment
Cabinet

Louisiana

Vacant

Maryland

C. Edmon Larrimore
Program Manager
Department of the
Environment
Mining Program

Missouri

Sara Parker Pauley
Director
Department of Natural
Resources

New York

Vacant

North Carolina

James D. Simons
State Geologist and Director
Division of Land Resources
Department of Environment
and Natural Resources

North Dakota

James R. Deutsch
Director, Reclamation
Division
Public Service Commission

Ohio

David Mustine
Director
Department of Natural
Resources

Oklahoma

Robert A. Wegener
Secretary of Energy

Pennsylvania

John F. Stefanko
Deputy Secretary for Active
and Abandoned Mine
Operations

South Carolina

R. Craig Kennedy
South Carolina Mining
Council

Tennessee

Robert J. Martineau, Jr.
Commissioner
Department of Environment
and Conservation

Texas

David J. Porter
Commissioner
Railroad Commission of Texas

Virginia

Butch Lambert
Deputy Director
Department of Mines, Minerals
and Energy

West Virginia

Randy Huffman
Cabinet Secretary
Department of Environmental
Protection

Associate Member States

Alaska

Ed Fogels
Deputy Commissioner
Department of Natural Resources

Colorado

Loretta Pineda
Director
Division of Reclamation, Mining
& Safety
Department of Natural Resources

Nevada

Alan R. Coyner
Administrator
Division of Minerals
400 W. King Street, Suite 106
Carson City, NV 89703

New Mexico

Vacant

Utah

John Baza
Associate Director, Mining
Utah Division of Oil, Gas &
Mining

Wyoming

John Corra
Director
Department of Environmental
Quality

STATES= DUES ASSESSMENTS
FISCAL YEARS 2014 AND 2015
(Based on 2011 U.S. Geological Survey and 2010 Energy Information Administration
Production and Price Figures)

State	Total Coal Dollar Value (Thousands)	Total Noncoal Dollar Value (Thousands)	Total Coal & Noncoal Dollar Value (Thousands)	% Production	Equal Shares of \$539,580	Pro-Rata Shares	2 Year Total Shares	1 Year (or 50%)
Alabama	1,715,656	964,000	2,679,656	5.6	28,394	30,212	58,606	29,303
Arkansas	1,120	771,000	772,120	1.6	28,394	8,632	37,026	18,513
Illinois	1,612,473	894,000	2,506,473	5.2	28,394	28,054	56,448	28,224
Indiana	1,504,060	772,000	2,276,060	4.8	28,394	25,896	54,290	27,145
Kentucky	6,385,590	836,000	7,221,590	15.1	28,394	81,465	109,859	54,929
Louisiana	78,900	498,000	576,900	1.2	28,395	6,474	34,869	17,434
Maryland	87,689	276,000	363,689	0.8	28,395	4,316	32,711	16,356
Missouri	10,992	2,220,000	2,230,992	4.7	28,395	25,356	53,751	26,878
New York	N/A	1,140,000	1,400,000	2.4	28,395	12,948	41,343	20,672
North Carolina	N/A	883,000	883,000	1.9	28,395	10,250	38,645	19,323
North Dakota	421,787	98,000	520,187	1.0	28,395	5,395	33,791	16,895
Ohio	1,153,673	1,160,000	2,313,673	4.9	28,395	26,435	54,830	27,415
Oklahoma	57,519	749,000	806,519	1.7	28,395	9,171	37,566	18,783
Pennsylvania	3,662,648	1,590,000	5,252,648	11.1	28,395	59,884	8,2797	44,141
South Carolina	N/A	502,000	502,000	1.0	28,395	5,395	33,791	16,895

Tennessee	118,281	848,000	966,281	2.0	28,395	10,790	39,185	19,592
Texas	832,754	2,810,000	3,642,754	7.6	28,395	41,002	69,397	34,698
Virginia	2,203,678	1,030,000	3,233,678	6.8	28,395	36,686	65,081	32,540
West Virginia	9,476,073	350,000	9,826,073	20.6	28,395	111,137	139,532	69,766 (Due to the cap, WV will only pay \$56,790)
Totals	29,322,293	18,396,100	47,718,293	100.0	539,500	539,500	1,079,000	539,500

These proposed dues assessments are based on the Compact's projected budgets for Fiscal Years 2014 and 2015. This dues formula was approved by action of the Commission in 1991, as amended in 2008. Member states should use these proposed assessment figures when planning their state budgets for Fiscal Years 2014 and 2015.

Associate Member Dues Assessments: 4 x \$7,500 and 1 x \$10,000 = \$40,000. Associate members are: AK, CO, NM, UT and WY.

The calculation is as follows: Projected budgeted expenses for FY 2014 (\$591,200) + projected budgeted expenses for FY 2015 (\$616,500) = Total projected two-year budgeted expenses of \$1,207,700. (See respective projected budgets for Fiscal Years 2014 and 2015 for details.) Subtract from this projected two-year budgeted expense amount of \$1,207,700 projected Aother@ income of \$97,500 (1 associate member state @ \$10,000 for two years; 1 associate member state @ \$7,500 for one year and \$10,000 for one year; and 4 associate member states @ \$7,500 for two years); registration fees (\$12,500 per year for two years); and interest income (\$3,000 per year for two years) for a total dues assessment need of \$1,079,200 (\$1,207,700- \$128,500), which is divided by two fiscal years for an average of \$539,500 per fiscal year B the figure used in the above chart to calculate individual dues assessments for member states.

Based on the dues assessment cap approved by the Commission of two times the equal share amount (2 x \$28,395), the cap for Fiscal Years 2014 and 2015 is \$56,790. 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) will be \$12,976 per year.



ALASKA MINERS ASSOCIATION, INC.

3305 Arctic Blvd., Ste. 105, Anchorage, Alaska 99503 (907) 563-9229 www.alaskaminers.org

January 28, 2013

Senator Fred Dyson, Chair
Senate State Affairs Committee

Dear Senator Dyson:

The Alaska Miners Association (AMA) writes to express its support for SB2, an Act that would allow Alaska to join the Interstate Mining Compact Commission (IMCC) as a full member.

AMA is a non-profit membership organization established in 1939 to represent the mining industry in Alaska. We are composed of more than 1,500 individual prospectors, geologists, engineers, vendors, suction dredge miners, small family mines, junior mining companies, and major mining companies. Our members look for and produce gold, silver, platinum, molybdenum, lead, zinc, copper, coal, limestone, sand and gravel, crushed stone, armor rock, and other materials.

Alaska's history is deeply rooted in mining; the prospect of gold is why several of our communities today exist in the first place. Mining is now Alaska's second largest industry, with seven large-scale producing mines, hundreds of placer mines, and numerous exploration projects around the state.

The IMCC, a coalition of mining states joined to promote environmentally responsible resource development, is an ideal fit for Alaska. The IMCC recognizes the importance of mining nationwide and brings a collective voice in preserving and advocating for states' rights. The IMCC speaks for its member states in Washington D.C., an element that is critical given our distant location.

Full membership in the IMCC will provide our resource and permitting agencies with access to a network of peers and exchange information on best practices, regulations, reclamation, and more; and apply that information to better Alaska and the mining industry.

AMA understands that several western states are currently contemplating membership in the IMCC. By being one of the first western states to join as a full member, Alaska can show true leadership in its efforts to responsibly develop of our mineral resources.

Fully joining the IMCC will give Alaska the opportunity to build on our successes and partner with other states to build a better mining industry nationwide. Therefore, we urge the committee to move SB2 in a timely manner.

Thank you for your consideration,

Deantha Crockett
Executive Director



Council of
Alaska Producers

**Comments on SB2: Interstate Mining Compact and
Commission**

January 18, 2013

Senator Cathy Giessel
Capitol Building
Juneau, AK 99811

Dear Senator Giessel,

The Council of Alaska Producers (CAP) would like to thank you for introducing SB2, the bill that would allow Alaska to join the Interstate Mining Compact and Commission (IMCC) as a full member.

CAP is a non-profit trade association formed in 1992 and serves as a spokesperson for the large metal mines and major metal developmental projects in the state. The Council brings together mining companies with interest in Alaska to represent and inform members on legislative and regulatory issues, to support and advance the mining industry, to provide education to members, the media, and the general public on mining related issues, and to promote economic opportunity and environmentally sound mining practices.

The Council fully supports SB2 and we believe that full membership within the IMCC will solidify the State as a leader in permitting and regulation of the mining industry.

CAP has always supported a permitting and regulatory process that is rigorous, science based, transparent, and predictable. We believe Alaska is a leader in this arena, however as mining technologies advance and our understanding of the environment continues to grow, our permitting agencies must continue to learn and adapt as well.

Full membership within the IMCC will allow our resource agencies to have a dedicated forum to collaborate with their peers in other mining states. Within the IMCC they will be able to freely exchange information and best practice in regard to permitting, regulatory and reclamation issues and be able to apply these lessons learned to Alaska.

Historically the IMCC has consisted mainly of coal producing states in the eastern and southern portions of the country. With the resurgence of interest in metal mining throughout the west, including Alaska, it is important that the western states become part of the IMCC to ensure they are part of the collective discussion on issues raised by the development of mining opportunities. By being one of the first western states to join as a full member, Alaska can show true leadership in its efforts to responsibly develop our mineral resources.



Council of
Alaska Producers

Finally, CAP supports this bill as it allows us to join in with other mining states in working with the federal government on state primacy of permitting and regulatory issues. This is best supported by the following statement from the IMCC website:

"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."

We thank you again for introducing this legislation and we look forward to supporting it through the committee process in the Legislature.

Sincerely,

Michael Satre
Executive Director
Council of Alaska Producers
PO Box 33499
Juneau, Alaska 99803
907-957-2149

Senator Cathy Giessel
State Capitol, Room 427
Juneau Alaska 99801-1182

Dear Senator Giessel:

This letter is in support of SB No. 2 relating to full Alaska membership in the Interstate Mining Compact Commission. I have been part of the minerals industry in Alaska since 1969 and am and have been employed by the University of Alaska system to train and assist the Alaska minerals industry for the past 44 years. I have attended many governmental (federal) meetings around the country and tried to explain why the regulations they are considering might not even be possible to meet in Alaska. I find even after 40 years, there is little appreciation for Alaska and our economic and employment interests at that level.

The IMCC is the one forum where states with mineral interests can share experience, discuss issues with policy makers, devise strategies and enter into compacts that have a very real and positive effect on our mines and their employees. It is especially important to states with a strong metals mining interest. The oil is running out and even with potential large discoveries, it will be at least 15 years before the state can realize revenue from those discoveries. I believe we need some means to combat the large-scale unemployment in parts of the state and to replace the potential loss of the high paying oilfield jobs. I worked with the Kensington mine for over 25 years before it was able to employ over 300 Alaskans, many of whom I trained and many of whom came from regions of desperate economic conditions. We cannot run a state with that kind of timeline. IMCC might well have helped had we had a voice.

The Interstate Mining Compact organization works and works well. I thank you for your continued support and attempts to get us full membership. It is important, and in my professional opinion essential to our state's overall economic welfare.

Sincerely,

Dennis Steffy
Director, Mining and Petroleum Training Service
The University of Alaska Statewide System of Higher Education
Steffy Building
College Road
Soldotna, AK 99669

Sent electronically without signature



RESOURCE DEVELOPMENT COUNCIL

Growing Alaska Through Responsible Resource Development

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Senator Lisa Murkowski

Congressman Don Young

Governor Sean Parnell

February 7, 2013

The Honorable Fred Dyson, Chair
Senate State Affairs Committee
Alaska State Legislature
State Capitol Room 121
Juneau, AK 99801

Re: SB 2 - An Act enacting the Interstate Mining Compact and relating to the compact;
relating to the Interstate Mining Commission.

Dear Senator Dyson:

The Resource Development Council is writing in support of SB 2, an act that will allow the State of Alaska to join the Interstate Mining Compact Commission (IMCC) as a full member.

RDC is a statewide, non-profit, membership-funded organization founded in 1975. The RDC membership is comprised of individuals and companies from Alaska's oil and gas, mining, timber, tourism, and fisheries industries, as well as Alaska Native corporations, local communities, organized labor, and industry support firms. RDC's purpose is to link these diverse interests together to encourage a strong, diversified private sector in Alaska and expand the state's economic base through the responsible development of our natural resources.

Historically, mining has been a cornerstone of Alaska's economy. Many roads, docks and other infrastructure throughout Alaska were originally constructed to serve the mining industry. Alaska should encourage a viable mining industry that will continue to help diversify our economy and improve infrastructure statewide.

In joining the IMCC, Alaska could show leadership in advocating for a healthy and stable permitting and regulatory system. The IMCC is a commission of states aligned to promote environmentally responsible resource development. Alaska can gain the experience of best practices from other member states to ensure an effective regulatory system. The IMCC recognizes the importance of mining nationwide and brings a collective voice to Washington D.C., advocating for states' rights.

Furthermore, joining the IMCC as a full member will allow Alaska to benefit in many ways, including partnering with other states on federal issues, and building on successes that will promote the mining industry in Alaska and nationwide.

RDC urges you to move SB 2 from the State Affairs Committee in a timely manner, and thanks you for your consideration of our comments.

Sincerely,

A handwritten signature in black ink, appearing to read "Rick Rogers", with a long horizontal flourish extending to the right.

Rick Rogers
Executive Director

CC: Senator Giesell, SB2 Sponsor

Testimony of Gregory E. Conrad, Executive Director, Interstate Mining Compact Commission before the Senate Finance Committee re SB 2 – February 27, 2013

Good morning. My name is Gregory Conrad and I serve as Executive Director of the Interstate Mining Compact Commission. I appreciate the opportunity to testify today in support of S.B. 2, a bill to authorize the state of Alaska to join the Compact as a full member state. As you know, Alaska has been an associate member of the Compact since 2006, during which time the state has had an opportunity to learn more about the benefits and services that IMCC provides to its member states. I believe you will hear [have heard] directly from a representative of the Department of Natural Resources about Alaska's experience to date, which I understand has been very positive. It is based on this experience that the state has chosen to move forward with the legislation that is necessary to bring the state into the Compact as a full member.

In today's legislative and regulatory climate in Washington, DC, it is more important than ever for state governments to be heard and their concerns understood. This is as true for mining issues and related environmental concerns as any other governmental matter, such as health care, transportation, infra-structure and budgets. IMCC is recognized by many in Washington, DC for our experience and expertise on mining issues. As an example, we have been requested to testify on behalf of the states at six congressional hearings in the House and Senate over the past couple of years on topics such as Good

Samaritan protections for hardrock abandoned mine cleanups, stream protection requirements for surface coal mining operations, hardrock financial assurance requirements under CERCLA, legislation to enhance funding for states to reclaim abandoned coal and hardrock mines, and the impacts of the federal budget on state grant programs. We have been consulted by the General Accountability Office and the National Academy of Sciences on a range of issues affecting the states. And we have also 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.

As you will note from our annual report, a copy of which has been provided to you, IMCC is regularly called upon to provide its recommendations on a plethora of issues on Capitol Hill and before the federal regulatory agencies in DC. These recommendations are developed by the states at IMCC meetings and conference calls and are communicated in the form of resolutions, testimony at congressional and federal agency hearings, formal comments on agency rulemakings, congressional staff briefings and state/federal meetings and task forces. Without the input of our member states, none of this would be possible. It is our ability to speak with one voice on common concerns that draws the states together and gives meaning to what we do.

The specific matter I would like to address with you today is why Alaska should become a full member. As with other state government organizations, it is the active participation and commitment of the full member states that carries the organization forward in terms of both

support and leadership. Upon becoming a full member through the enactment of legislation, the state of Alaska will have a formal vote in guiding the direction of the Compact. Alaska will also be in a position to chair the various standing committees of the Compact and to thereby help lead the Compact in directions that are favorable to both Alaska and the member states. Alaska will continue to enjoy the many other benefits to which it has been exposed over the past seven years, including access to all IMCC communications, meetings, programs, and initiatives.

Alaska's participation as a full member will also be recognized and understood by those who work with the Compact on a regular basis, including both the Congress and the federal agencies, and this brings a greater degree of recognition and influence regarding Alaska's participation in our work. IMCC's presence in Washington, DC allows us to monitor federal agency and congressional initiatives that might impact state primacy programs as well as developmental constraints on mineral resources. I believe that Alaska's participation in the organization opens avenues for the state to be heard in unique and valuable ways not otherwise available to it and to be supported with the clout that comes from 25 states speaking together as one voice. And since IMCC is focused solely on mining and related environmental protection issues with the federal government, we are able to delve deeper into the concerns that matter most to Alaska in this critical area of resource use and protection.

I know I speak for all of the member states of the Compact in encouraging the Committee to seriously consider and hopefully approve this legislation to bring Alaska in as our newest full member state. I would be happy to answer any questions you may have or provide additional information. Thanks for the opportunity to participate in today's hearing.