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**U.S. House of Representatives**  
**Committee on Resources**  
**Washington, DC 20515**

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*Democratic Staff Director*

September 14, 2004

STEVEN J. DING  
*Chief of Staff*

Governor Edward Rendell  
Office of the Governor  
Room 225  
Main Capitol Building  
Harrisburg, PA 17120

Dear Governor Rendell:

I am writing to you concerning the solvency of the Abandoned Mine Land (AML) program. As you know, the AML program is of great importance to your State and is scheduled to expire on September 30, 2004. The purpose of this letter is to convey my continued commitment to resolve this and related coal issues, and to urge your support for my proposal that provides a meaningful, effective and long-term solution to these matters.

The Resources Committee has primary jurisdiction in the matter of reauthorizing the AML reclamation fee authority under Title IV of the Surface Mining Control and Reclamation Act of 1977 (SMCRA), 30 U.S.C. 1201 et seq. We have attempted to hear and to legislate portions of the AML universe, while negotiations have continued on a comprehensive proposal that addresses the AML reauthorization and related coal matters in a long-term fashion.

For too long, the irresponsible practice of pushing through short-term and *ad hoc* fixes has, in effect, simply placed band-aids over an open wound that requires greater attention and a commitment to long-term program health. Based upon lengthy negotiations and discussions with all parties, I have a proposal that would extend the authority to assess fees on mined coal to finance the Abandoned Mine Lands (AML) Reclamation Fund for an additional 15 years in order to raise sufficient funds to finance the remaining \$2 billion in high priority public health and safety threatening abandoned mines, while providing long-term solvency for healthcare benefits for retired mine workers.

The operation of successful coal mines in the United States is the "goose that lays the golden egg" to meet the goals Congress has set for funding health benefits for orphaned employees and cleaning up mine sites abandoned long ago. Whatever we do, I am committed to making sure that our actions will not result in job losses for miners. This would only exacerbate the problems facing the AML fund. Coal is America's energy "ace in the hole" and those of us who support the workers should also support the use of more coal, which in turn funds beneficial health and

cleanup programs. Unfortunately, there are strong pressure groups in the United States and in foreign countries who oppose the burning of coal, and their combined efforts make it even more difficult to produce sufficient amounts of coal to fund the numerous programs Congress has attached to it through the AML program.

The solvency of coal miners' healthcare benefits is reaching a critical breaking point. More and more retirees' benefits are increasingly dependent on fewer and fewer companies. As you may be aware, Horizon Natural Resources recent bankruptcy proceedings resulted in an August 9, 2004, ruling that Horizon need not abide by labor contracts protecting healthcare benefits for thousands of active and retired miners. The responsibility to provide healthcare benefits for these miners likely will fall to the handful of remaining coal producers who are already saddled with obligations for thousands of other "orphans" and "unassigned beneficiaries." My fiscally responsible proposal would utilize ANWR revenues and interest from the AML Fund to supplement the coal miner retiree health program on an annual basis, thereby covering annual deficits in the United Mine Workers of America Combined Benefit Fund (CBF) and ensuring the full payment of health benefits of all those coal miners promised health care benefits without the need for unreliable general fund appropriations or job-killing tax increases.

The Congressional Budget Office has estimated that a lease sale in ANWR would provide \$2.15 billion to the Treasury within several years – money that under my proposal would be used to strengthen the AML program. Unfortunately, some of the most strident opponents of ANWR leasing also happen to be opposed to coal mining.

Additionally, my proposal would reform the abandoned mine reclamation program to focus on those coal-related sites that present a danger to public health or safety, reimburse States and Indian Tribes for fees collected from their lands promised them under existing law, and provide some certainty to businesses that have been unable to operate in normal capital markets due to unresolved – and unspecified – obligations to the health benefit trust funds.

Because of the complexity of all the coal matters, and the interconnection between all interests, it has proven impossible to resolve one of the issues without resolving all of them at once. Old mines must be cleaned up. States and Tribes must be paid monies they are owed under law. The health benefit guarantees of the Federal government to miners must be honored. And some certainty must be granted to companies caught in conflicting Federal laws regarding their obligations to fund health benefits before they sink, adding more "orphaned coal miners" to be paid for by existing coal companies.

If the AML fee is not reauthorized, the progress made in reclaiming abandoned mine sites will soon cease. More than \$2 billion in high priority coal reclamation will remain undone. The citizens of your State, who live, work and recreate in the coal fields will continue to be unnecessarily exposed to the many dangers these areas present.

Specifically, failure to reauthorize the AML fee will have adverse consequences, including severe decreases in the funding of the historic coal production account and related grants. States such as Pennsylvania, West Virginia, Kentucky, Ohio, Illinois, Virginia and Indiana will incur significant grant decreases until funds are depleted. Furthermore, funding for minimum program states, emergency reclamation activities, Clean Streams Programs, maintenance for AML inventory, and technical training and support vital to the AML program, will rapidly diminish or cease to exist.

Furthermore, expiration of the AML program does not mean an end to fees assessed to coal producers. In fact, new fees will be collected through rulemaking to continue to provide for the

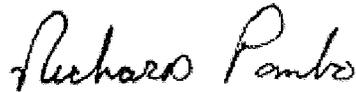
transfer of funds for the benefit of the unassigned beneficiaries of the UMWA Combined Benefits Fund.

It is unfortunate, to say the least, that over some decades Congress has heaped more and more onto the back of the Abandoned Mine Land program. The causes for which the expenditures are intended are all very worthy, but the revenue generated has been insufficient and the program design too ad hoc to remain sustainable. The original intent of the AML fund was to use revenues generated by new energy production to assist in cleaning up the mess left behind when laws did not require reclamation, as they do in today's mining enterprises. The extension of land cleanup to assisting in the health care benefits of the men and women of the coal industry was a similar approach under the same theory – new energy production paying for unmet obligations of older energy production.

At a time when our nation could use the 10 billion barrels of ANWR oil to decrease our dependency on foreign sources and put the \$2+ billion in revenues generated to work to sustain environmental clean up and workers' benefits, I ask for your support for this measure. The benefits would accrue to our nation's workers, our environment and our national security.

I know you share my concern that the AML program and its related components remain strong and ongoing. I hope you will work with me and all the parties involved to reach a comprehensive solution that will strengthen the programs while increasing our nation's energy security.

Sincerely,

A handwritten signature in black ink that reads "Richard Pombo". The signature is written in a cursive, slightly slanted style.

Richard W. Pombo  
Chairman  
Committee on Resources