

# Coal Mining Program Fees

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EQB

J. Scott Roberts, Deputy Secretary for  
Mineral Resources Management

# Coal Mining Program Background

- Permits
  - ~1600 Coal Mining Permits
- Operators
  - ~500 Permittees
- Program Cost
  - Total ~\$21,000,000
  - up to 50% Federal Funding

# Regulation Development Timeline

- Fee Proposal-October 2009 MRAB Meeting
  - Opposition was expressed
  - Relegated to committee for discussion
- MRAB Committee Meetings
  - November 2009-January 2010
- January 2010 MRAB Recommendations
- April 2010 MRAB Recommendation

# January 2010 MRAB Recommendations

- Because permit fees have not gone up since 1982, a permit fee increase is reasonable.
- Any increase in permit fees should be dedicated exclusively to finance the mining program permitting fee process.
- DEP should not do anything to discourage or provide disincentives to remaining activities and their reclamation benefits to the State.
- It is reasonable to ask industry to contribute to funding some part of the program.
- MRAB will continue to advise DEP on appropriate permit fee assessment and allocations.

# April 2010 MRAB Recommendation

- Fee package should include permit application fees
- Fees should generate about \$400,000 per year

# Definitions Added

- Permit Application Fee
- Major Permit Revisions

# Fees to the Mining Program

**86.3(b) Permit Application Fees required by this Chapter for permit applications submitted pursuant to the Coal Refuse Disposal Control Act will be used by the Department to cover its costs to review such applications.**

# Proposed 86.17(c)

**For surface coal mine facilities, coal refuse reprocessing facilities, and coal mining activity facilities, except for bituminous underground mines, all Permit Application Fees collected shall be deposited in the Surface Mining Conservation and Reclamation Fund. Permit Application Fees collected for bituminous underground mines shall be deposited in the Bituminous Mine Subsidence and Land Reclamation Fund. For coal refuse disposal facilities, all Permit Application Fees collected shall be deposited in the Coal Refuse Disposal Control Fund.**



# Fee Basis

- Workload Analysis
  - Review time for each application type
- Personnel costs
- Overhead
- Proportion needed to generate \$400,000
  - ~37% of state share of cost for application review

# New Permits

	<b>Fee</b>
<b>Surface Mining Permit</b>	<b>\$3,250.00</b>
<b>Coal Refuse Reprocessing Permit</b>	<b>\$1,900.00</b>
<b>Coal Refuse Disposal Permit</b>	<b>\$3,250.00</b>
<b>Coal Preparation Plant Permit</b>	<b>\$1,650.00</b>
<b>Anthracite Underground Mining Permit</b>	<b>\$1,650.00</b>
<b>Bituminous Underground Mining Permit</b>	<b>\$5,750.00</b>
<b>Post Mining Activity Permit</b>	<b>\$300.00</b>
<b>Incidental Extraction Permit</b>	<b>\$1,650.00</b>

# Major Permit Revisions

	<b>Fee</b>
<b>Surface Mining Permit</b>	<b>\$300.00</b>
<b>Coal Refuse Reprocessing Permit</b>	<b>\$300.00</b>
<b>Anthracite Refuse Disposal Permit</b>	<b>\$300.00</b>
<b>Bituminous Refuse Disposal Permit</b>	<b>\$1,250.00</b>
<b>Anthracite Preparation Plant Permit</b>	<b>\$300.00</b>
<b>Bituminous Preparation Plant Permit</b>	<b>\$1,250.00</b>
<b>Anthracite Underground Mining Permit</b>	<b>\$300.00</b>
<b>Bituminous Underground Mining Permit</b>	<b>\$1,250.00</b>

# Other Fees

	<b>Fee</b>
<b>Permit Transfer</b>	<b>\$250.00</b>
<b>Permit Renewal</b>	<b>\$250.00</b>
<b>Auger Safety Permit</b>	<b>\$200.00</b>
<b>Bond Liability Revision</b>	<b>\$100.00</b>

# Periodic Fee Review

**The Department will review the adequacy of the Permit Application Fees established in this section at least once every three years and shall provide a written report to the Environmental Quality Board. The report shall identify any disparity between the amount of program income generated by the fees and the costs to administer these programs, and it shall contain recommendations to increase fees to eliminate the disparity, including recommendations for regulatory amendments to increase program fees.**

# Summary and Recommendation

- Proposed regulations are in line with MRAB Recommendations
- Estimated to generate about \$400,000 per year
- The Department is requesting approval of the proposed regulations.