WPCAMR Regional Coordinator's Report

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Quick Response Continues to be Successful

We've continued to have applications for our Quick Response program this quarter. The program continues to be a successful avenue for emergency funding for repair of Growing Greener eligible projects. Currently, we are expending funds from Quick Response IV which has a deadline of June 30, 2012. We've requested our up front funding from Quick Response V and that should be coming in shortly.

With the Board's approval, we applied for a Quick Response VI grant for \$130,000 for the most recent grant round which closed on August 26th. As of the DEP Announcement on February 3rd, we have been awarded the Quick Response VI grant!

Proposed OSMRE merger with BLM

As a review, toward the end of October, Department of Interior (DOI) Secretary Salazar, announced a proposed merger between the US Office of Surface Mining Reclamation and Enforcement (OSMRE) with the Interior's Bureau of Land Management (BLM), both currently, separate agencies under the DOI. According the Secretary Salazar's memo, this merger is to make the most out of limited resources. There has been quite a bit of reaction to this proposed merger ranging from questions on its legality from members of the US House and Senate to concerns about OSMRE's abilities to be an efficient regulator from members of national environmental groups. There was a hearing by the Senate Energy Committee regarding the proposed merger on November 17th that we watched via video feed at our office. The Senators present were not pleased with Secretary Salazar's move to merge the two agencies and wanted the Secretary to delay the merger date until interested parties and stakeholders could weigh in. The DOI set up public meetings around the country in January to receive comments on the merger. We attended the public meeting in Washington, PA to express our concerns about the merger and its possible effects on abandoned mine reclamation in our region. The overall tone of the meeting was negative toward the merger. Both industry representatives and non profits either expressed deep concern or outright opposition to the move, some on the grounds that the merger is illegal. It is my understanding that the other 9 meetings throughout the country elicited similar responses from the public with little or no support. With the opposition from the public and industry, and general resistance from the Senate, I suspect it will be difficult, if not impossible, for Secretary Salazar to go forward with the proposed merger. I wrote Senator Toomey in late November and expressed concern about how this merger could affect the Abandoned Mine Land funding to Pennsylvania and our good working relationship with OSMRE. In his response, Senator Toomey assured us he is looking into the matter. I then called Sen. Toomey's office in January to inquire if a framework had actually been developed by the DOI which would illustrate the movement of funds between

the two agencies and, specifically, where AML funds would be funneled to and from. I have not yet received any answers from Senator Toomey's office. My suspicion is that any framework put forward by Secretary Salazar is, at this time, rudimentary or nonexistent. There continues to be little information from the DOI with which to draw a definitive decision. It is that same lack of available information that, in my mind, casts serious doubt on the proposed merger.

DEP White Paper: Utilization of AMD in Well Development for Natural Gas Extraction

For some time, members of the reclamation community have been considering how or if the shale gas industry could use AMD water for shale gas well development. In the past, gas industry representatives had questioned DEP about this but, since no official procedure was in place at DEP to handle such requests, no one at DEP knew how exactly to handle them. As a result, the industry found other supplies for water. Fortunately, Secretary Krancer had heard requests from both the industry and our community to address this potential resource. In fact, it was one of the issues brought forward to Secretary Krancer at the field tour hosted by WPCAMR in May 2011. The result is a draft framework for utilizing/storing AMD for use in shale gas well development. DEP held public meetings in Harrisburg in January to receive comments and suggestions on the draft whitepaper. We attended one of those meetings and gave verbal comments and encouraged the Department on its "out of the box" thinking with regard to reclamation. Comments were generally positive but the audience recognized that some details need to be further clarified.

As a result of this draft whitepaper, it appears that industry is now more willing to locate and work with non profits to utilize AMD for shale gas well development.

The current draft whitepaper and commentaries can be viewed/heard at DEP's Bureau of Watershed Management's website:

http://www.portal.state.pa.us/portal/server.pt/community/watershed_management/10593

An Interesting Proposal

WPCAMR was recently approached by a shale gas company to be involved in their use of AMD water for their gas extraction activities. There is a lot to consider with this and we will discuss this proposal under New Business.

Title IV Advisory Body Formed

After the Surface Mining and Reclamation Act was reauthorized in 2006 (due in large part to the grassroots efforts of the AML Campaign), the reclamation community began to call for an advisory body be formed in the state to give suggestions to the DEP, provide a sense of transparency, and monitor how Title IV funding was spent. WPCAMR has been working with Trout Unlimited to come up with a framework for the formation of this advisory body. Our idea was received well and the advisory body is beginning to make plans to meet soon. It is our goal for this body to provide feedback on remediation projects and plans for future spending and to make information available to our constituency so our community will be more aware of Title IV spending and plans for the future. It is my understanding that DEP has accepted our framework and Amy Wolfe from Trout Unlimited and I will begin to arrange for the first meeting of this advisory body. I will provide updates at each WPCAMR board meeting.

LEGISLATIVE ROUNDUP

Federal Coal Ash Bill

House Resolution 2273, the "Coal Residuals Reuse and Management Act", first introduced in the US House of Representatives by Rep. David McKinley, R-W.Va. and passed the House on October 14th, was introduced into the Senate on October 17th. That Resolution has yet to be taken up by the Senate. The Act would allow the states to continue to operate their existing programs while adopting and implementing a coal combustion residuals permit program. Any coal ash residue not beneficially reused would be disposed of properly.

As reported at the last quarterly meeting, PA DEP Secretary Krancer wrote a letter to the Pennsylvania Delegation urging Congress to adopt HR 2273. That letter is also on the meeting's web page.

We will continue to follow the progress of HR2273 as it moves through the Senate.

House Bill #1659 in the PA General Assembly

In November, House Bill #1659 was taken up by the House and subsequently passed. As I read it, it appears that this Bill proposes to privatize DEP's permitting processes. Apparently, all of the permitting. Many of us learned about this Bill in mid-January and were shocked. I expressed concern about the implications of the Bill to DEP and inquired if the Secretary was aware and/or has a comment about this Bill. At the time of my communication, the DEP was examining the Bill and had no comment.

Senate Bill #1346 in the PA General Assembly

In November, Senate Bill #1346 was introduced in the Senate. The sponsors are: Kasunic, Yudichak, Soloby, Hughes, and Fontana. The Bill was referred to the Environmental Resources and Energy Committee in the Senate on the same day. In a nutshell, the bill addressing liability issues for landowners and shale gas companies who wish to use AMD for gas well development. As I read this bill, I became aware that it doesn't address the issue of nonprofits being involved. As we continue on this course of exploring AMD for use in gas well development, it appears to me that we must educate the legislators about the importance of nonprofits being involved in the mix. The text of the legislation as it stands, is on our meeting web page.

OTHER ITEMS

WPCAMR Strategic Planning

At the November meeting, the Strategic Planning review committee presented its findings on the need for a revised Strategic Plan for WPCAMR. Tom Grote was suggested as a likely facilitator for this process. WPCAMR staff met with Tom Grote to discuss the strategic planning process for WPCAMR. The result of our meeting is a Strategic Planning process proposal from Mr. Grote. Our current Strategic Plan had not been updated since 2004. That proposal is presented for Board approval in New Business.

Federal Environmental Good Samaritan Issue Update

WPCAMR continues to work with its partners (TU, FPW, watershed groups, and various state and federal agencies) on this very important issue. Our recent educational interactions with US EPA in Washington have been positive. There seems to be a need for a great deal of education all around, from legislators to the EPA. We continue to examine the possibilities and strategize however, we also recognize that this is a process and does not occur overnight. We will continue to represent our constituent districts and the reclamation community's interests in the development of a solution or solutions.

2012 Statewide AMR Conference

WPCAMR is the lead organization for the 2012 Conference. The dates for the Conference are August 2-4, 2012. The venue for the Conference will be the Ramada Inn and Conference Center in State College. We continue to flesh out the details of the conference but, at this time, our general theme will deal with working with industry. This draft theme and the resulting presentations, we hope, will showcase partnerships with the active mining industry and the shale gas industry and provide opportunity for industry to interact with watershed groups. This is particularly timely considering the advent of the DEP's whitepaper on using AMD for shale gas activities. We are developing the website and once it is up and running, we will begin to publicize.

Impact Fee Getting Closer?

Senate and House Republicans and the Governor's Office have reached an apparent agreement on Marcellus Shale legislation which includes a drilling impact fee and several environmental protection measures. It is called the House Bill 1950 Conference Committee Report. House Bill 1950 is now on the Senate Calendar and will likely have amendments. According to the PA Environment Digest, "The Senate and House would form a six member Conference Committee and that Committee must meet and adopt the proposal which then goes to the full House and Senate for adoption. The tentative schedule seems to be having the Senate and the House vote this week before going into budget hearings."

Thanks for all your help Jim!

Many thanks to Jim Panaro for all his help! We will continue to work closely with our partners in the waste coal industry to remediate AMD and reclaim our abandoned mine lands.