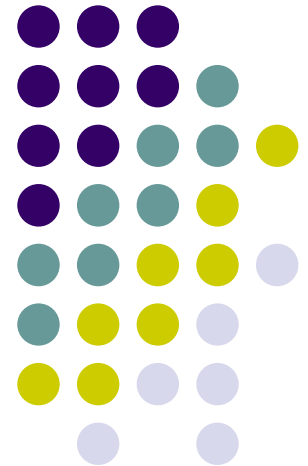


MRAB Committee

Coal Program Fees

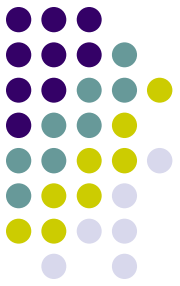


Reaction to October Meeting



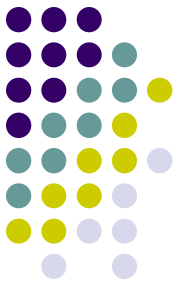
- Explore options for funding the full state share through fees
- State share is about \$10 million

Program Funding Options

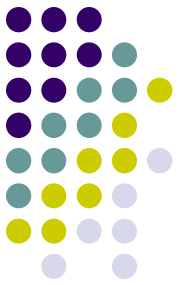


- Appropriation
- Fees
- Reduce Costs

What is the Goal? Review and recommend options for:

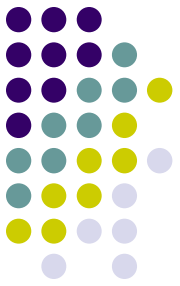


- Fee Type(s)
- Fee Amounts
- Implementation Options
- Identifying process improvements that could reduce costs



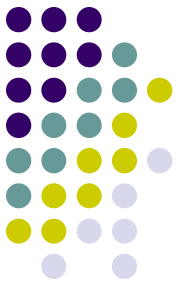
Fee Types

- Permit Application Fees
- Administrative Fees
- Tonnage
- Acres
- Variances
- Blasting
- Correction Letters
- Others?



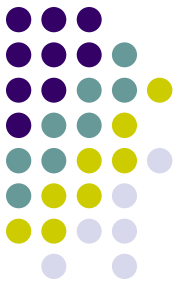
Fee Amounts

- What should be the appropriate Revenue Goal?
- How much of the program should be supported by the fees?
- How should fee amounts be calculated?



Implementation Options

- Regulations
 - Establish Fee amounts
 - Establish a Process
 - Specific vs. generic
- Phasing
 - How should substantial fee changes be implemented.
- Process for Making adjustments
 - Automatic
 - CPI
 - PA Bulletin



Did we miss anything?

- Are there other goals?
- Are there other Implementation Options?
- Are there other Fee types?



Remining

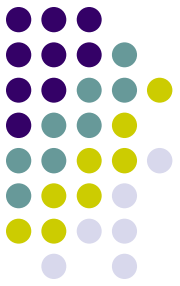
- Should an application Fee be different for a Remining site?
- If so, how should this be implemented?
- How should the reduced revenue be made up?

What do other states do?

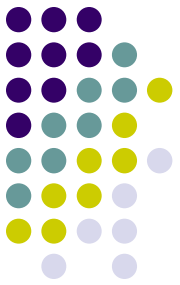
- (Florida Example)
- (IMCC Survey)
- (Updated IMCC Numbers)



Texas

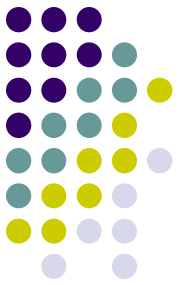


- Texas charges a permit fee for coal mining sites of at least \$5,000 for a new permit, \$3,000 for a renewal, and \$500 for revising a permit. In addition, the Railroad Commission, which regulates the coal industry in Texas, assesses an annual fee for each acre of land from which coal is extracted. That fee has been raised from \$120 per acre to \$390 per acre over the last few years, largely in response to the need to replace General Revenue with fees at most state agencies.



North Carolina-Noncoal

	<u>0-25 acres</u>	<u>26+acres</u>
● New Permit Apps	\$3,750.00	\$5,000.00
● Permit Modifications	\$750.00	\$1,000.00
● Permit Renewals	\$750.00	\$1,000.00
● Transfers/Min Mod	\$100.00	\$100.00



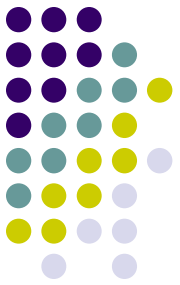
736.25-Federal Fees

- (d) Fee schedule for a new permit. Administrative completeness review \$250.00
- Technical review:
- Basic fee..... 1350.00
- Fee per acre of disturbed area in permit area:
- First 1,000 acres..... 13.50/acre Second 1,000 acres..... 6.00/acre Third 1,000 acres..... 4.00/acre Additional acres..... 3.00/acre Decision Document..... 2000.00



Workload analysis (for Permitting) is the basis for the current fee proposal

- Average number of Hours for applications (Workload Numbers Spreadsheet)
- Accounts for a small percentage of state share
 - Permit fees as proposed would produce \$1,200,000 to \$1,700,000 per year.



Fee components

- Salary
- Benefits (30% vs. 41%)
- Overhead (20% vs. 30%)

(Review Calculations)

(Fee Schedule)

(Grant percentages)

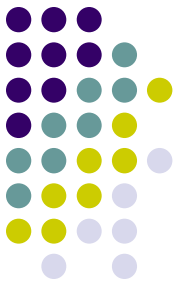
(Grant projected costs)

Program components (Grant Projection & OSM 47)



- Personnel
 - Permitting
 - Compliance
 - Administrative
- Contracts
- Equipment
- Lab costs
- Indirects

Regulation Options



- **§ 77.106. Permit fees.**

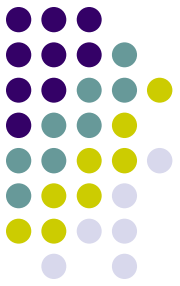
If required, a permit application for noncoal mining activities shall be accompanied by a check, payable to the “Commonwealth of Pennsylvania” in the amount set forth by the Department. The Department may require other fees set by the act, the environmental acts, this title or the Secretary.

Options

- Establish Fee Process via Regulation



Federal SMCRA-Section 405



- (c) The Secretary shall not approve, fund, or continue to fund a State abandoned mine reclamation program unless that State has an approved State regulatory program pursuant to section 503 of this Act.

Now What?

