

# *Applicant/Violator System Office*

## *System Advisory Memorandum*



**SAM # 7 DATE: December 30, 2008**

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**Subject: ORGANIZATIONAL FAMILY TREE MAINTENANCE: INTERSTATE and INTRASTATE COMPANIES**

This System Advisory Memorandum (SAM) revises and re-numbers previous SAM # 9, dated January 23, 1998, on this same subject. The purpose of this SAM is to provide guidance and establish procedures governing the maintenance of entity organizational family tree (Entity OFT) information in the Applicant/Violator System (AVS).

### **Definitions**

The following definitions apply to this guidance.

Interstate Company – Interstate business entities are those that hold surface coal mining permits in more than one State. Any organization shown in AVS having no applications or permits is considered an interstate organization.

Intrastate Company – Intrastate business entities are those that hold surface coal mining permits in only one State.

Organizational Family Tree – An organizational family tree is the name we have given to the structure of a business' relationships and associations as shown in AVS. An Entity OFT is comprised of, as appropriate, owners, shareholders, officers, directors, partners, managers, members, and subsidiaries of the business. These relationships and associations comprise the information required to be disclosed by applicants for permits under section 507(b)(4) of the Surface Mining Control and Reclamation Act of 1977, as amended, and provided for by Federal regulation under 30 CFR 778.11.

### **Guidance**

Following is the guidance governing the responsibilities for updating Entity OFT information in AVS. This guidance addresses (1) interstate business entities, (2) intrastate business entities, and (3) interstate parent entities with wholly-owned intrastate subsidiaries.

#### Interstate Business Entities

We, the AVS Office, will continue to be solely responsible for updating and maintaining all Entity OFT data in AVS for Interstate business entities. We have performed this function in AVS since 1991 to eliminate multiple and conflicting entries on Entity OFTs that would compromise the accuracy and completeness of the data in the computerized information system and impair system efficiency.

- We will update and maintain relationship and association information on Entity OFTs in AVS for all parent and wholly-owned subsidiary companies that are interstate companies. We will add and update beginning and ending dates, and correct erroneous associations where the error is documented and the information provided is credible.
- In cases where a parent company is an interstate company or where any subsidiary is an interstate company, we will be solely responsible for maintaining both the interstate parent and the interstate subsidiary.
- We will maintain a point of contact with a representative of each interstate company. Interstate companies are required, by regulation, to provide updates of this information to each regulatory authority where the company holds a permit. In 1991, under an agreement with the Interstate Mining Compact Commission on behalf of the States, OSM began performing the Entity OFT updates in AVS for interstate companies. OSM then coordinated with interstate companies whereby they would provide their updates to the AVS Office. Such coordination is established and will continue. However, this coordination does not relieve interstate companies engaged in surface coal mining from their regulatory obligation to provide this information to all regulatory authorities with jurisdiction.
- We will ensure credible documentation is provided to support any reported changes. We will not accept requests for changes where the documentation is less sufficient than what would be required by a regulatory authority.
- We will perform the credibly documented updates within 10 business days of the receiving the information. All updates can be identified in AVS by the source code of the person performing the update.
- We will notify the appropriate regulatory authority of updates we perform for interstate companies and the interstate subsidiaries of interstate parent companies.
- We will assist regulatory authorities with changes they cannot perform in AVS. For example, only we can correct an entity name or the relationship/association description of an entity to an interstate business entity.
- All Entity OFTs for interstate companies in AVS will be locked. This feature in AVS limits the possibility of duplicate or conflicting information being entered and ensures documentation of all interstate updates is maintained in one location.

### Intrastate Business Entities

The regulatory authority with jurisdiction over an issued permit has the exclusive authority to create, update, and maintain Entity OFTs in AVS for an intrastate permittee. Regulatory authorities will maintain the accuracy and completeness of this information to ensure the efficient and effective operation of AVS.

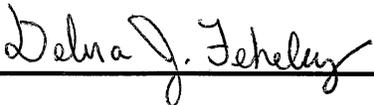
- Each regulatory authority will maintain the Entity OFT information in AVS for all intrastate business entities in its jurisdiction.
- If the AVS Office should become aware of a relationship to an intrastate business entity that is not in AVS, we will notify the appropriate regulatory authority.
- If a regulatory authority receives relationship/association information for an interstate company and does not find any reported changes in AVS after 10 business days, the regulatory authority will inquire of the AVS Office if such interstate updates have been received.
- Regulatory authorities can update or correct the relationship/association description of any entity to an intrastate business entity.

### Interstate Parent Entities with Wholly-Owned Intrastate Subsidiaries

Both the AVS Office and regulatory authorities have responsibilities with regard to interstate parent entities with wholly-owned intrastate subsidiaries.

- The AVS Office will update and maintain the Entity OFTs for all interstate parent companies whose wholly-owned subsidiaries are intrastate permittees.
- The regulatory authority with jurisdiction over an intrastate subsidiary will update and maintain the Entity OFTs for the wholly-owned intrastate subsidiary of an interstate parent company.

If you have questions regarding the procedures for maintaining interstate and intrastate relationship and association information, please contact your AVS User Assistance Liaison at 1-800-643-9748.

**Signed:**   
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Applicant/Violator System Office**