

OFFICE OF SURFACE MINING RECLAMATION AND ENFORCEMENT



KNOXVILLE FIELD OFFICE ANNUAL EVALUATION REPORT FISCAL YEAR 2015



**OFFICE OF SURFACE MINING
RECLAMATION AND ENFORCEMENT**

Annual Evaluation Report

for the

Regulatory and Abandoned Mine Land Programs

Administered by the Knoxville Field Office

of

TENNESSEE and GEORGIA

for

Fiscal Year 2015

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Prepared by:
Knoxville Field Office

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EXECUTIVE SUMMARY

Tennessee and Georgia Federal Programs

The Surface Mining Control and Reclamation Act of 1977 (SMCRA) provides authority for the Office of Surface Mining Reclamation and Enforcement (OSMRE) to implement a Federal regulatory program in the states without approved regulatory programs. In Tennessee, OSMRE implemented the Federal regulatory program in October 1984 when the State repealed its surface mining law. OSMRE conducts full Federal program functions from the Knoxville Field Office (KFO) with primary regulatory responsibilities for inspection, enforcement, and permitting in the state of Tennessee. KFO also has regulatory responsibilities for surface coal mining activities in the state of Georgia because they never adopted an approved state program under SMCRA.

REGULATORY

Accomplishments

The following items highlight KFO's major accomplishments during Fiscal Year (FY) 2015:

- Lands Unsuitable for Mining Petition – The state of Tennessee submitted a Lands Unsuitable for Mining petition for the North Cumberland Wildlife Management Area and Emory River Tracts Conservation Easement to OSMRE on October 1, 2010. The petition requests that OSMRE designate more than 67,000 acres of mountainous terrain as unsuitable for surface coal mining in support of a conservation project called “Connecting the Cumberlands.” OSMRE determined the state of Tennessee’s petition was complete in November 2010.

In conjunction with three cooperating Federal agencies, U.S. Environmental Protection Agency (EPA), U.S. Fish and Wildlife Service (USFWS), and National Park Service, OSMRE initiated development of a combined Petition Evaluation Document/Environmental Impact Statement (PED/EIS). OSMRE entered into an Interagency Agreement with the Denver Service Center to provide project management services to OSMRE for the life of the project and secured a contractor to prepare the draft PED/EIS. The draft document is tentatively scheduled to be published in the fall of 2015. The final document is scheduled to be published by the end of 2016. Status updates for the Lands Unsuitable for Mining petition are located at <http://www.osmre.gov/programs/rcm/TNLUM.shtm>.

- Reforestation – Industry planted 107,500 trees on 143 acres of reclaimed mined land in Tennessee during FY 2015. This year marks the third consecutive year KFO achieved full utilization of the Forestry Reclamation Approach, with 100 percent of all trees planted on Forestry Reclamation Approach prepared areas. This success is in part due to KFO outreach efforts with industry, citizens, and academics interested in reforestation of mined land.
- Interagency Coordination – KFO held a joint hearing on October 1, 2014, in Knoxville, Tennessee at the Tennessee Department of Environment and Conservation (TDEC) office. The group discussed the Clear Energy Corporation permit 3277 haulroad, the proposed Adams Hollow deep mine in the Stinking Creek community of Campbell County, and Davis Creek Energy, Inc. permit 3218 Area 5. In addition to KFO, representatives from TDEC, the

U.S. Army Corps of Engineers Nashville District, the USFWS Cookeville Field Office, and EPA Region 4 were present.

- Cost Recovery – KFO continued preparing for implementation of the Cost Recovery Rule in anticipation of final rule promulgation. To help organize and implement the financial portions of the cost recovery rule, OSMRE developed the Cost Recovery Support Solution or “CRSS” to assist in project tracking. The Cost Recovery Support Solution tracks each project from the beginning, when the initial cost estimate is developed, to the final closeout of the account, when the project is finished. In FY 2015, KFO Cost Recovery Support Solution team members assisted with development of the Cost Recovery Draft Rule and the Cost Recovery Handbook, and provided comments for sections 330 and 331 of the Activity Based Cost Dictionary. KFO personnel are using the Cost Recovery Support Solution system to track assignments and report employee time and attendance.
- Youth Initiative – KFO employed seven interns during FY 2015, including two U.S. Department of Veterans Affairs, Vocational Rehabilitation interns; three Pathways interns; and two AmeriCorps participants. The interns worked in the areas of geology, Geographic Information Systems, hydrology, inspection, and administration. They provided valuable assistance with projects related to the Lands Unsuitable for Mining petition, Laserfische, GeoMine, SPOT Global Positioning System, utility terrain vehicle training, and water quality databases. The London Area Office located in London, Kentucky hired one of the KFO AmeriCorps participants as a fulltime OSMRE employee.

National Measurements

- Coal Production – Tennessee ranked twenty-second in the production of coal among the 26 coal producing states in calendar year 2014. Over the past 10-year period, coal production has declined from 3.39 million tons in calendar year 2005 to 0.74 million tons in calendar year 2014, the last year data was available. This is an overall decrease of 78 percent. There was also a decrease in the number of active coal producing mines from six (three surface mines and three underground mines) in FY 2014, to five (two surface mines and three underground mines) in FY 2015. There has been no coal production in the state of Georgia since the mid-1980s.
- Off-Site Impacts – The occurrence of off-site impacts in Tennessee has significantly decreased during the past 2 years. KFO reclamation specialists observed 24 off-site impacts in FY 2013 but only 5 in FY 2015. The five off-site impacts occurred at four mine sites. One occurred at an active site, the other four occurred at three abandoned sites. During FY 2015, OSMRE forfeited and collected the bond for two of these sites. KFO subsequently obtained additional civil penalty funds and awarded a reclamation contract for one of the sites. Reclamation of the 92-acre abandoned mine site should significantly minimize future off-site impacts. Reclamation specialists attributed all off-site impacts in FY 2015 to operator error. KFO has worked extensively with industry to reduce the number of off-site impacts and plans to continue the effort in the future.
- Inspections – KFO successfully conducted the required number of inspections for all active, inactive, and abandoned mine sites in Tennessee and Georgia during FY 2015. Reclamation specialists conducted 1,268 inspections at 118 mine sites and 17 Notice of Intent to Explore

sites in Tennessee. They also conducted three inspections at an abandoned mine site in Georgia. These totals include inspections conducted at sites released from the Inspectable Units List during FY 2015. Reclamation specialists issued 39 enforcement actions citing 55 violations.

- Reclamation Success – KFO approved bond releases on 212 acres for Phase I reclamation, 64 acres for Phase II reclamation, and 395 acres for Phase III reclamation. KFO granted Phase III bond release for two permits and removed them from the Inspectable Units List.

Customer Service/Stakeholder Outreach

- KFO experienced a 71 percent decline in the number of citizen complaints received during the past 5 years. Staff promptly investigated the two complaints received during FY 2015 and provided responses to the complainants within 10 days after concluding their investigations.
- KFO ensures citizens, environmental groups, and industry representatives have access to all regulatory program files including permitting, bonding, inspection, and enforcement files. Managers and staff have open door policies for members of the public interested in issues that may arise. In FY 2015, KFO responded to assistance requests from individuals and groups ranging from simple questions concerning coal mine permits to requests related to complex water quality and inspection issues. Citizens receiving assistance continue to give KFO high feedback marks under the Government Performance and Results Act. KFO also solicits input from numerous local, State, and Federal agencies that may have an interest in a proposed permitting action. To facilitate communication with interested parties, KFO maintains a mailing and contact list that includes 10 different State and Federal agencies and 23 citizens and citizen groups.

Outstanding Issues

- During the latter part of 2014, the USFWS provided KFO with an updated list of threatened and endangered species for a number of permits on KFO's Inspectable Unit List. According to Section 7 of the Endangered Species Act of 1973, as amended (16 U.S.C. 1531 et seq.), the USFWS recommended that KFO review each of the permits in the context of the updated species list and determine whether activities pursued as a consequence of the permits would impact the species. The USFWS also recommended that KFO provide documentation supporting the determinations and asked KFO to consider coordinating with them if:
 - 1) New information revealed permitting actions were affecting listed species or critical habitat in a manner not previously considered.
 - 2) Permitting actions were modified since the occurrence of previous coordination between the agencies and the modified actions were not considered.
 - 3) Permitting actions may affect newly listed species or designated critical habitat.

KFO has worked with the USFWS to prioritize permits on the Inspectable Units List for species review based on permitting milestones. KFO will continue to refine the process to fulfill their coordination responsibilities and ensure protection of the species and/or critical habitat.

Technical Assistance and Grants

- KFO maintains a Geographic Information System personnel use to evaluate new permit, midterm, and permit renewal applications; assist with site inspections; and capture monitoring data. The KFO Geographic Information System is a valuable resource KFO uses to process numerous data requests from citizens, citizen groups, industry, and other Federal and state agencies. OSMRE has relied heavily on the system during the North Cumberland Wildlife Management Area, Lands Unsuitable for Mining petition review as well as other unique projects.
- KFO personnel continue to serve on various projects and teams of interest to the Appalachian Region and OSMRE. During FY 2015, KFO personnel expended numerous hours working on OSMRE initiatives such as Cost Recovery and the North Cumberland Wildlife Management Area, Lands Unsuitable for Mining petition.

ABANDONED MINE LANDS

- TDEC received a total of \$2,781,000 in Federal grant funding during FY 2015. TDEC's Land Reclamation Section completed three waterline extension projects and one reclamation project. Before the waterline projects were completed, the water quality in the area of the projects exceeded secondary drinking standards in iron and manganese. As a result, 333 households received potable water. Reclamation of the project areas assured that 2,096 people are no longer exposed to potential safety risks from abandoned mine lands.
- TDEC reclaimed 298 Government Performance and Results Act acres during FY 2015. The Government Performance and Results Act holds Federal agencies accountable for using resources wisely and achieving program results. It also requires agencies to develop plans for what they intend to accomplish, measure how well the agency is doing, and make appropriate decisions based on the information gathered.
- The Abandoned Mine Land Emergency program was transferred to the TDEC, Land Reclamation Section on October 1, 2010. Tennessee agreed to implement the program in accordance with the provisions of the Federal Assistance Manual. The State had no emergency projects during FY 2015.

REGULATORY

I. Introduction

The Surface Mining Control and Reclamation Act of 1977 (SMCRA) created the Office of Surface Mining Reclamation and Enforcement (OSMRE) in the Department of the Interior. SMCRA provides authority to OSMRE to oversee the implementation of and provide Federal funding for state regulatory programs that OSMRE approved as meeting the minimum standards specified by SMCRA. The Act also provides authority for OSMRE to implement a Federal regulatory program in the states without approved regulatory programs. In Tennessee, OSMRE implemented the Federal regulatory program in October 1984 when the State repealed its surface

mining law. OSMRE also has regulatory authority responsibilities for surface coal mining activities in Georgia because the state never adopted an approved state program under SMCRA.

This report contains summary information regarding the Tennessee and Georgia Federal programs and the effectiveness of the Federal programs in meeting the applicable purposes of SMCRA as specified in Section 102. This report covers the period of October 1, 2014, to September 30, 2015. Detailed background information and comprehensive reports for the program elements evaluated during this period are available for review on the OSMRE website at <http://odocs.OSMRE.gov/>. These reports are also available for review and duplication at the OSMRE, Knoxville Field Office located at 710 Locust Street, Second Floor, Knoxville, Tennessee 37902. The phone number is (865) 545-4103. The Field Office Director is Earl Bandy, and his email address is ebandy@osmre.gov.

The following acronyms are used in the regulatory section of this report:

AMD	Acid Mine Drainage
ARRI	Appalachian Regional Reforestation Initiative
EPA	U.S. Environmental Protection Agency
ESA	Endangered Species Act
FRA	Forestry Reclamation Approach
FY	Fiscal Year
GIS	Geographic Information System
IUL	Inspectable Units List
KFO	Knoxville Field Office
LIWA	Local Interagency Working Agreement
LUM	Lands Unsuitable for Mining
NCWMA	North Cumberland Wildlife Management Area
NOI	Notice of Intent to Explore
NOI	Notice of Intent to Sue
NPDES	National Pollution Discharge Elimination System
OHA	U.S. Office of Hearings and Appeals
OSMRE	Office of Surface Mining Reclamation and Enforcement
PED/EIS	Petition Evaluation Document/Environmental Impact Statement
SMCRA	Surface Mining Control and Reclamation Act of 1977
TDEC	Tennessee Department of Environment and Conservation
TWRA	Tennessee Wildlife Resources Agency
USACE	U.S. Army Corps of Engineers
USFWS	U.S. Fish and Wildlife Service

II. Overview of Tennessee and Georgia Coal Mining Industries

Tennessee's coal resources are located in 22 counties. They extend from the Kentucky border to the Alabama border in the east central portion of Tennessee as illustrated in Figure 1 on page 12. Mining in the northern counties is primarily in the steep slope areas of the Cumberland Mountain range. Area mining has been the primary method of mining in the southern counties due to the relatively flat terrain associated with the Cumberland Plateau.



Figure 1: Location of Tennessee coalfields.

Tennessee’s recoverable coal reserves of 0.5 billion short tons exist in bituminous coal beds that range from less than 28 inches to 42 inches in thickness at depths of up to 1,000 feet. Tennessee coal is primarily used for generating electric power.

Tennessee ranked twenty-second in coal production among the 26 coal producing states in calendar year 2014. The state ranked twenty-first the previous year. Coal production declined from a high of approximately 11.26 million tons in 1972 to 0.74 million tons reported in calendar year 2014. Tennessee’s coal production was 1.20 million tons in calendar year 2013. Various factors may continue to affect the rate of coal production in Tennessee including competition from regions with lower production costs, competition from natural gas and renewable energy sources, declining markets, and an overall decline in coal consumption. Figure 2 below and Figure 3 on page 13 depict the recent trend in Tennessee coal production.

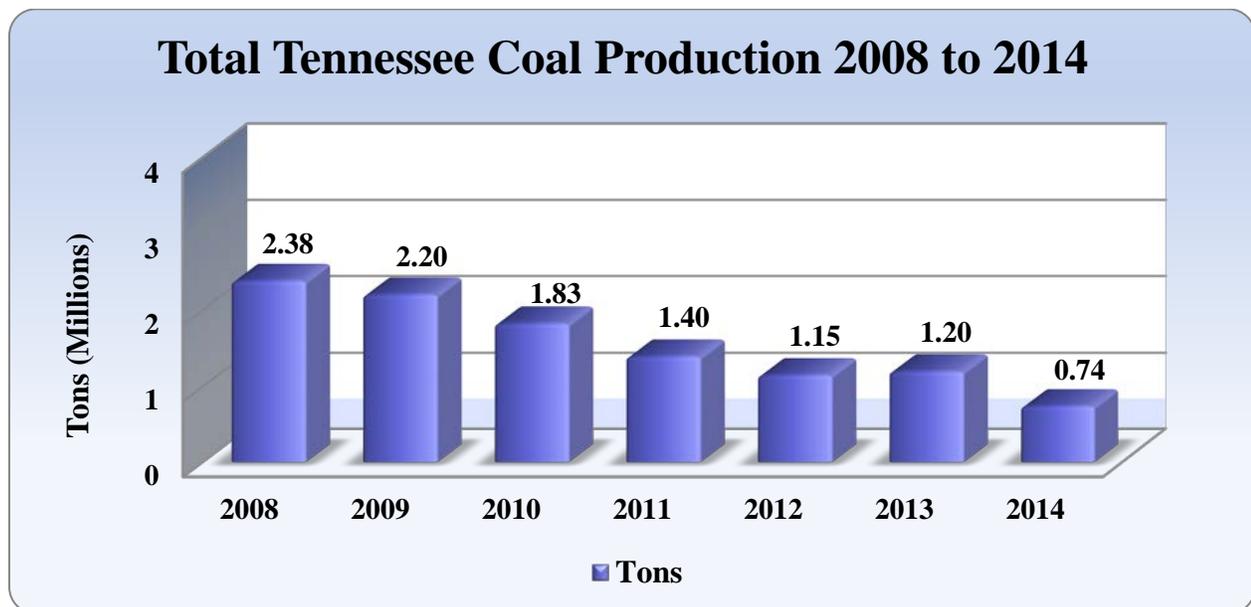


Figure 2: Total Tennessee coal production 2008 to 2014.

Tennessee Surface and Underground Mine Coal Production 2008 to 2014

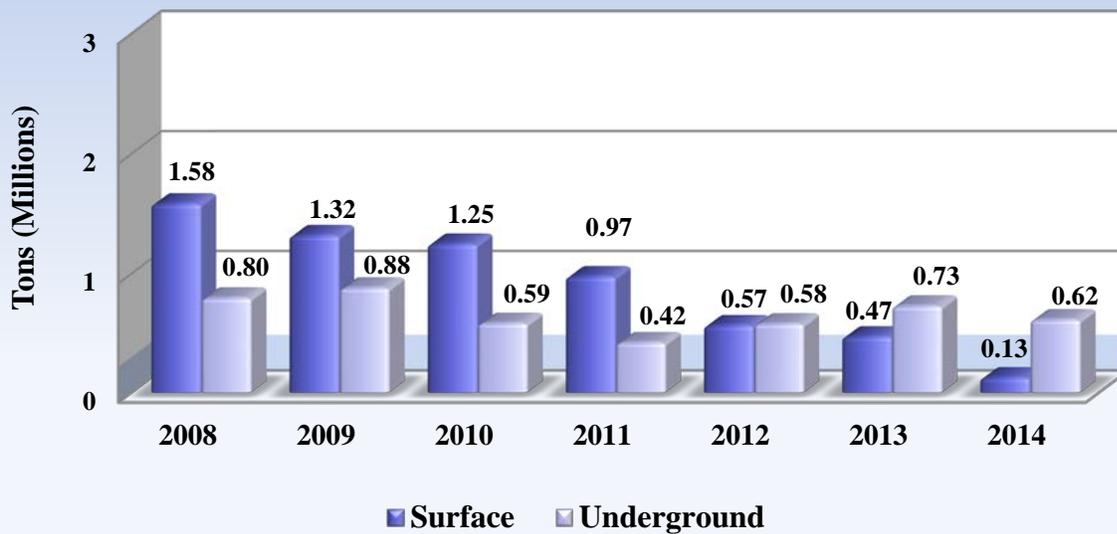


Figure 3: Tennessee surface and underground mine coal production 2008 to 2014.

During FY 2015, five mines produced coal in Tennessee, two surface mines comprised of 781 acres and three underground mines comprised of 188 acres. The permitted acreage for the underground mines does not include the shadow area, which is the footprint of the underground disturbance transposed to the surface area above.

KFO currently inspects only one abandoned mine site in Georgia. It is located in Dade County in the northern portion of the state. Ten acres of this surface mine were disturbed during the mining operation. During FY 2015, KFO acquired funds to reclaim the site. There has been no coal production or permitting activity in Georgia since the mid-1980s.

III. Overview of the Public Participation and Outreach Efforts in the Tennessee Federal Program

The Tennessee Federal Program provides numerous public participation opportunities. KFO encourages public participation and continually strives to inform the public of ways to participate in the regulatory program.

- **Public/Citizen Participation in the Regulatory Process**

Citizens, environmental groups, and industry representatives have access to regulatory program files including permitting, bonding, inspection, and enforcement. Managers and staff have open-door policies for citizens who are interested in discussing SMCRA issues that arise.

During the permitting process, KFO staff members are available to meet informally with individual citizens or organizations that express concerns or have an interest in pending permit applications, permit renewals, or revisions to existing permits. The purpose of these meetings is to answer questions relative to their concerns and provide information and/or explanations with respect to permitting actions. As a part of this informal public participation process, KFO maintains a contact list of individuals and organizations who have expressed an interest in being notified of permitting actions under consideration by KFO. In FY 2015, KFO met with individual citizens or representatives of environmental groups on four occasions and discussed numerous issues during telephone conversations and inquiries.

Formal public participation opportunities are also afforded for all new permit applications, permit renewals, and significant permit revisions reviewed by KFO. KFO received no requests for public conferences or site visits in FY 2015.

The OSMRE website located at <http://www.osmre.gov> provides information and resources of interest to citizens, such as the Federal Regulations, a list of frequently asked questions, and guidance on how to submit comments to the agency. Citizens can also obtain resources and information regarding ongoing issues related to the Tennessee Federal Program and other Appalachian Regional states at <http://www.arcc.osmre.gov>.

- **Agency Participation in the Regulatory Process**

In addition to encouraging public participation in the SMCRA regulatory process, KFO also solicits input from numerous local, State, and Federal agencies that may have an interest in a proposed permitting action. KFO maintains a mailing and contact list that includes 10 State and Federal agencies and 23 citizens and citizen groups. KFO notifies those on the list of proposed permitting actions. KFO also maintains local or county mailing and contact lists for each of the 20 historical coal producing counties in Tennessee. Each of these county lists generally includes 8 to 10 local agencies or officials that KFO notifies of proposed permitting actions.

In addition to providing written notification to these agencies, KFO continues to participate in periodic meetings with agencies such as TDEC, USFWS, Tennessee Wildlife Resources Agency (TWRA), EPA, U.S. Army Corps of Engineers (USACE), and National Park Service. The agencies meet to discuss issues related to coal mining in Tennessee. They met numerous times during FY 2015 in response to proposed permitting actions, concerns, and issues, or to clarify existing policies.

- **Outreach Efforts with Customers and Stakeholders**

KFO continues to improve its relationships with customers and stakeholders by providing increased opportunities for participation in regulatory functions. KFO meets regularly with State and Federal agencies, citizens, landowners, and industry representatives to discuss concerns and foster better working relationships. These efforts have resulted in KFO receiving beneficial input during the development of field office policies, procedures, and guidance documents; and more operators are taking the initiative to anticipate and address potential problems before they develop into violations. Feedback

from customers indicates there has been enhanced communication with industry and citizens since outreach efforts began.

KFO routinely meets with individual coal company representatives or their consultants before they submit permit applications. The purpose of these meetings is to discuss potential issues that may arise during the permitting process and to resolve concerns or problems related to regulatory requirements. KFO instituted a pre-application process within the Local Interagency Working Agreement (LIWA) whereby the applicant meets with OSMRE, USACE, EPA, USFWS, and TDEC while the SMCRA application is being developed. The purpose of this meeting is to ensure all agencies with regulatory responsibilities have the opportunity to review the proposed application and request needed information before the company submits their application. The agencies held one pre-application meeting in FY 2015.

IV. Major Accomplishments/Issues/Innovations in the Tennessee Federal Program

- **Inspection Frequency**

KFO is responsible for conducting complete and partial inspections of coal mining and reclamation operations in Tennessee and Georgia in accordance with 30 CFR 842.11(c). This requirement specifies that OSMRE must conduct an average of at least one complete inspection per calendar quarter and an average of at least one partial inspection per month of each active coal mining and reclamation operation. With respect to inactive operations, OSMRE must conduct an average of at least one complete inspection per calendar quarter and such partial inspections as are necessary to ensure effective enforcement of the regulatory program and SMCRA. KFO reclamation specialists inspect abandoned sites in Tennessee and Georgia based on a site specific inspection frequency in accordance with the criteria established in 30 CFR 842.11 (e) and (f), which is known as the abandoned site rule. SMCRA does not require a minimum inspection frequency for Notice of Intent to Explore (NOI) sites.

KFO successfully conducted the required number of inspections for all active, inactive, and abandoned coal mining and reclamation operations on the Inspectable Units List (IUL) in Tennessee and Georgia during FY 2015. Reclamation specialists conducted 1,268 inspections in Tennessee, 438 of which were complete inspections and 793 were partial inspections. KFO issued 39 enforcement actions citing 55 violations. KFO reclamation specialists also conducted three inspections in Georgia, one complete inspection and two partial inspections. Table 1 on page 16 summarizes the number of required complete and partial inspections and the number of inspections conducted in Tennessee and Georgia. Table 10 in Appendix 1 also summarizes inspection data for both states.

Table 1: Number of Required Inspections and Number of Conducted Inspections				
Tennessee				
Mine Status	*Complete Inspections Required Yearly	Complete Inspections Conducted	*Partial Inspections Required Yearly	Partial Inspections Conducted
Active	280	288	560	713
Inactive	132	127	0	56
Abandoned	10	23	0	24
Total	422	438	560	793
Georgia				
Abandoned	1	1	0	2

* The totals for required complete and partial inspections in Table 1 are approximations based on the number of sites on the Inspectable Units List at the end of the fiscal year. Over the course of the year, KFO released some sites and some inactive sites became active. As a result, the actual number of required inspections may be less than the number depicted in Table 1.

Table 2 summarizes the number of inspectable units requiring inspections, the total number of inspections conducted, and the number and percentage of inspectable units that met the required inspection frequency. The data used to derive the number of permits requiring inspections and the number of inspections conducted is from Tables 2, 6, and 10 of Appendix 1.

Table 2: Inspection Frequency Calculations		
	Tennessee	Georgia
*Number of Inspectable Units Requiring Inspections	125	1
Number of Inspections Conducted	1,268	3
Number of Inspectable Units meeting Frequency	125	1
Percentage of Inspectable Units Meeting Frequency	100	100

* The number of inspectable units requiring inspections is the number of sites on the Inspectable Units List at the end of the fiscal year. This is in accordance with Option 1 instructions provided for populating Table 10 of the Data for States and Tribes system, a database of information gathered during Federal inspections and investigations.

Abandoned Sites

There were 10 Tennessee abandoned sites on IUL at the end of FY 2015. All are permanent program permits. Initial reclamation was completed on most of the sites but KFO cannot release them from the IUL because acid mine drainage (AMD) is present or because the sites were recently abandoned and reclamation efforts have not yet been completed. The majority of these sites have existed for more than 20 years. Most are stable and largely covered with naturally occurring vegetation. KFO removed three permanent program abandoned mine sites from the IUL during the fiscal year because they were successfully reclaimed with bond forfeiture and civil penalty funds.

Reclamation of the only mine site in Georgia that remains on the IUL is nearing completion. The site is an initial program underground mine site abandoned in 1983. During FY 2015, KFO used civil penalty funds to perform reclamation work at the site. KFO personnel conducted inspections of the site while it was undergoing reclamation in order to evaluate and report on the success of contracted reclamation work. Contractors will plant trees at the site in the spring of 2016.

Bond Forfeiture Sites

KFO forfeited and collected the bond for two permanent program permits during FY 2015. During FY 2016, KFO will use bond forfeiture and civil penalty funds to reclaim one of the sites.

Notice of Intent to Explore Sites

Reclamation specialists conducted 24 complete inspections and 13 partial inspections of NOI sites, 12 of which remained on the IUL at the end of the fiscal year. KFO released 11 reclaimed NOIs from the IUL during FY 2015 and added 4 new NOIs.

- **Civil Penalty Projects**

OSMRE uses civil penalty funds the agency collects for enforcement actions to reclaim mine sites under certain criteria. In FY 2014, KFO initiated reclamation activities at a civil penalty fund project in Tennessee known as the Wheel Ridge Reclamation Project. The project is comprised of three mines sites located in Scott and Campbell Counties.

The state of Tennessee issued permits and approved bonding for these mining operations prior to OSMRE assuming SMCRA primacy in Tennessee. After OSMRE assumed primacy, the permittees abandoned the sites. KFO inherited bonds that were inadequate from the outset. KFO used the forfeited bonds to conduct initial site reclamation and later acquired civil penalty funds in FY 2014 to complete reclamation of all three mine sites. The FY 2014 reclamation work consisted of removing two ponds, converting three ponds into wetlands, restoring affected stream channels, installing riprap lined channels and diversion ditches, revegetating bare areas, and planting 500 trees. Reclamation efforts at the sites were successful and KFO released the sites from the IUL in FY 2015.



Image 1: Rock lined channel and reclaimed slope at the Wheel Ridge Reclamation Project.

KFO used civil penalty funds to conduct reclamation work at a 10-acre abandoned mine site in Dade County, Georgia during FY 2015. The state of Georgia issued a permit for this underground mining operation in 1982 but the company did not post a bond. The company subsequently abandoned the site and left it unreclaimed. KFO acquired civil penalty funds in FY 2015 and initiated a reclamation project at the site, known as the Dade County Mining Reclamation Project. The project contractor reclaimed extremely steep slopes at the site, converted a pond into a wetland, installed rock lined channels and diversion ditches, and revegetated bare areas. The project also includes plans to plant 2,000 trees in the spring of 2016. After reclamation efforts are completed, KFO will monitor the site for at least 1 year, verify reclamation is successful, and remove the site from the IUL.



Image 2: Abandoned underground mine in Dade County, Georgia.



Image 3: Contractor conducting reclamation work.



Image 4: Rock lined diversion ditches constructed for drainage control.

- **North Cumberland Wildlife Management Area, Lands Unsuitable for Mining Petition**

Background

On October 1, 2010, the state of Tennessee filed a petition with OSMRE to designate the ridgelines within the North Cumberland Wildlife Management Area (NCWMA) and the Emory River Tracts Conservation Easement in Anderson, Campbell, Morgan, and Scott Counties as unsuitable for surface coal mining operations. The State filed the petition on behalf of TWRA and TDEC under OSMRE's Federal program regulating surface mining operations in Tennessee. As described in 30 CFR Part 942, the State alleges that surface coal mining operations may adversely affect the NCWMA in the following ways:

- 1) Surface mining is incompatible with the State's existing land use plans or programs; and

- 2) Surface mining affects fragile or historic lands in which such operations could result in sufficient damage to important historic, cultural, scientific, and esthetic values and natural systems.

OSMRE responded to the petitioner on October 29, 2010, with a letter requesting additional information in order to finalize the completeness review. The petitioner responded to OSMRE's request on November 8, 2010. OSMRE reviewed the additional information, deemed the petition administratively complete, and accepted it for processing on November 23, 2010.

OSMRE met with the petitioner on three different occasions during 2012. The purpose of these meetings was to obtain additional information that would facilitate a full and complete analysis of the proposed Lands Unsuitable for Mining (LUM) petition. The petitioner provided a number of clarifications to their petition. OSMRE documented all additional information and clarifications and placed them in the LUM administrative record for public review.

Public Outreach

On January 14, 2011, OSMRE proceeded to process the petition by mailing notices to the petitioner, interested State and Federal agencies, landowners, and other interested parties. The notices stated OSMRE had accepted the petition for processing. The parties also received notification that the action on the petition is a major Federal action. It would require that OSMRE prepare a combined PED/EIS. OSMRE created a website to inform the public of the LUM process and keep the public updated concerning the LUM petition and draft PED/EIS. The website is located at <http://www.osmre.gov/programs/rcm/TNLUM.shtm>.

On March 10, 2015, OSMRE initiated government-to-government consultation with Native American tribes concerning the LUM petition area, where tribes may have traditionally associated lands or tribal interests. The consultation was in accordance with 36 CFR 800.2(c)(2)(ii)(C) of the Advisory Council on Historic Preservation regulations. OSMRE provided the tribes an opportunity to voice concerns. OSMRE will address any concerns the tribes may have in the LUM PED/EIS and will coordinate Section 106 Consultation with the Tribal Historic Preservation Office. Section 106 of the National Historic Preservation Act requires Federal agencies to take into account the effects of their undertakings on historic properties and afford the Advisory Council on Historic Preservation a reasonable opportunity to comment on such undertakings.

In the March 10, 2015 letter to the tribes, KFO requested they submit information regarding the possible existence of historic properties of religious and cultural significance within the LUM petition area. A map of the petition area was enclosed. KFO followed up with the tribes via email and telephone on July 24, 2015, to provide them with an update on the draft PED/EIS. In December 2015, KFO will send the tribes a letter regarding the publication of the draft PED/EIS along with a copy of the document and will again request their input.

Agency Participation

OSMRE invited Federal agencies to participate as cooperating agencies in the development of the LUM PED/EIS. Three agencies, the National Park Service, USFWS, and EPA accepted the invitation. Each of the agencies has been participating in the development of the PED/EIS.

Technical Evaluation

The LUM petition area is part of the NCWMA, comprised of the Royal Blue, Sundquist, and New River Units; and is also part of the Emory River Tracts Conservation Easement. The total acreage impacted by the LUM petition for the combined NCWMA and Emory River Tract is approximately 167,075 acres. The petition area, including the ridgelines and a 600-foot buffer zone on each side of the ridgelines identified by the State, is approximately 67,326 acres. The PED/EIS proposes to evaluate what environmental impacts the proposed action and each of the alternatives has on the existing environment of the NCWMA and Emory River Tract areas.

OSMRE contracted data and technical services to assist the agency in characterizing the existing environmental conditions and uses within the NCWMA and Emory River Tract. To help characterize the hydrologic regime within this area, OSMRE purchased equipment, collected field data, and sought analytical services from various vendors. The agency purchased Light Detection and Ranging or “LiDAR” and high resolution photography to provide terrain and land cover information for the project area. Coal data and related information was obtained to assist in the preparation of a coal reserve model for the area. Contracts were secured and studies completed to assist OSMRE in the evaluation of the various resources in the area including socioeconomic, recreational, aquatic, and aesthetic. The evaluation included both viewshed modeling and soundscape (noise) analysis of the LUM petition area.

OSMRE was developing the draft PED/EIS when, in July 2012, the agency learned of Tennessee’s objections to the PED/EIS alternatives under analysis. OSMRE subsequently met with the State to discuss their concerns. After considering the issues and concerns expressed by the State, OSMRE revised the alternatives under analysis in the document. The agency also developed a revised range of alternatives that was approved for analysis in May 2013.

OSMRE entered into an Interagency Agreement with the Denver Service Center, which was to provide project management services to OSMRE for the life of the project. OSMRE also secured a contractor to prepare the draft PED/EIS. OSMRE plans to publish the draft document in the winter of 2015 and the final document in the fall of 2016.

Competing Land Uses in the NCWMA and Emory River Tract

The State’s petition expresses the need to preserve the natural beauty and fragile nature of the NCWMA and Emory River Tract. The Cumberland Trail State Park passes through the NCWMA and represents part of a trail system that will extend from Tennessee’s southern border with Georgia to the State’s northern border with Kentucky. The State’s

petition indicated there are several threatened and endangered species of plants within the NCWMA.

The State implemented a multiple use wildlife management plan for the NCWMA and Emory River Tract. The primary uses for this land are hunting and off-road vehicle recreation, but other recreational activities, such as hiking, camping, mountain biking, rock climbing, and fishing, occur in the area.



Image 5: View of the NCWMA from the Cumberland Trail.

Uses of the area include natural resource extraction such as coal mining, oil and gas well drilling, and quarrying. Extensive logging activity, permitted by agreement as part of the original purchase, also occurs in the NCWMA and Emory River Tract. The agreement that allows logging on the Sundquist Unit and portions of the Royal Blue Unit of the NCWMA is set to expire in 2017, at which time, timber management reverts to TWRA. OSMRE has conducted field tests to determine the impact of various types of land use, such as mining and logging, on the sediment loads to receiving streams. Examples of the past land use practices are evident in Images 5 and 6.



Image 6: Logging disturbance in the NCWMA.

Next Steps in the Lands Unsuitable for Mining Petition Evaluation

OSMRE made significant progress in developing the draft PED/EIS in FY 2015. OSMRE and cooperating agencies reviewed and commented on a preliminary PED/EIS, and then OSMRE incorporated agency input into the draft document. KFO anticipates finalizing the draft document for public review and comment during the winter of 2015. All comments received during the public comment process will be reviewed and evaluated during preparation of the final document. KFO expects to release the final document in the fall of 2016. The public can track progress of the LUM on the OSMRE website located at <http://www.osmre.gov/programs/rcm/TNLUM.shtm>.

- **Trust Funds**

Trust funds or annuities guarantee treatment of long-term postmining pollutional discharges associated with sites permitted under the Tennessee Federal Program. The purpose of such trusts is to protect the environment and the health and welfare of the public. The trusts or annuities are invested and managed for the long-term operation of water control and treatment facilities associated with coal mine sites.

OSMRE currently has four treatment trust funds which one company manages. OSMRE conducted annual reviews of the four treatment trusts in FY 2015. The trusts experienced a positive growth year and remained ahead of projections. A total of \$10.3 million was invested in the trust funds at the end of 2015 to provide long-term treatment of pollutional discharges emanating from the sites.

The company responsible for the four sites under review was sold in FY 2012. The new owners acquired the assets and liabilities of the former owner. They have maintained the sites as required by existing settlement agreements. The new owners performed proactive maintenance on two of the four sites in 2014. The work further reduced operating costs and resulted in zero notices of violation at the four sites for 2015.

KFO also reviewed the remaining sites on the AMD list and sent letters to four companies concerning 11 sites with postmining water in need of treatment. Most of the sites are located in southern Tennessee and are older permits that came through primacy in the 1980's. All the sites have treatment systems and National Pollution Discharge Elimination System (NPDES) permits and are meeting NPDES requirements. KFO expects to add these 11 sites to the AMD treatment trust list in FY 2016.

- **Federal Regulatory Geographic Information System**

During FY 2015, KFO staff continued their review of the NCWMA and Emory River Tracts Conservation Easement LUM petition. KFO Geographic Information System (GIS) staff played a valuable role during the petition review. The GIS personnel also supported other Agency missions and were available to the public if needed. Some examples of how the GIS staff provides support include the following:

- Analyze data relative to threatened and endangered species.
- Analyze permitting actions related to the petition area that have occurred since 1985.

- Create an ArcGIS base map and Google Earth map to show NCWMA and Emory River Tracts Conservation Easement boundaries, alternative LUM boundaries, abandoned mine land highwalls, roads, wetlands, the Cumberland Trail, etc.
- Provide KFO staff with data for premining site visits, midterm and permit renewal reviews, and mine site AMD treatment analysis.
- Assist the KFO Program Support Branch with technical investigations related to cumulative hydrologic impact reviews, terrestrial impact analysis, etc.
- Supply industry with data needed to prepare coal mine permit applications.
- Provide USFWS with spatial and tabular data associated surface-water points and trend station locations.
- Share datasets of surface coal mine boundaries, underground mine extents, and environmental resource locations with GeoMine, an interactive web-based digital map of coal mining and reclamation activities in the United States.

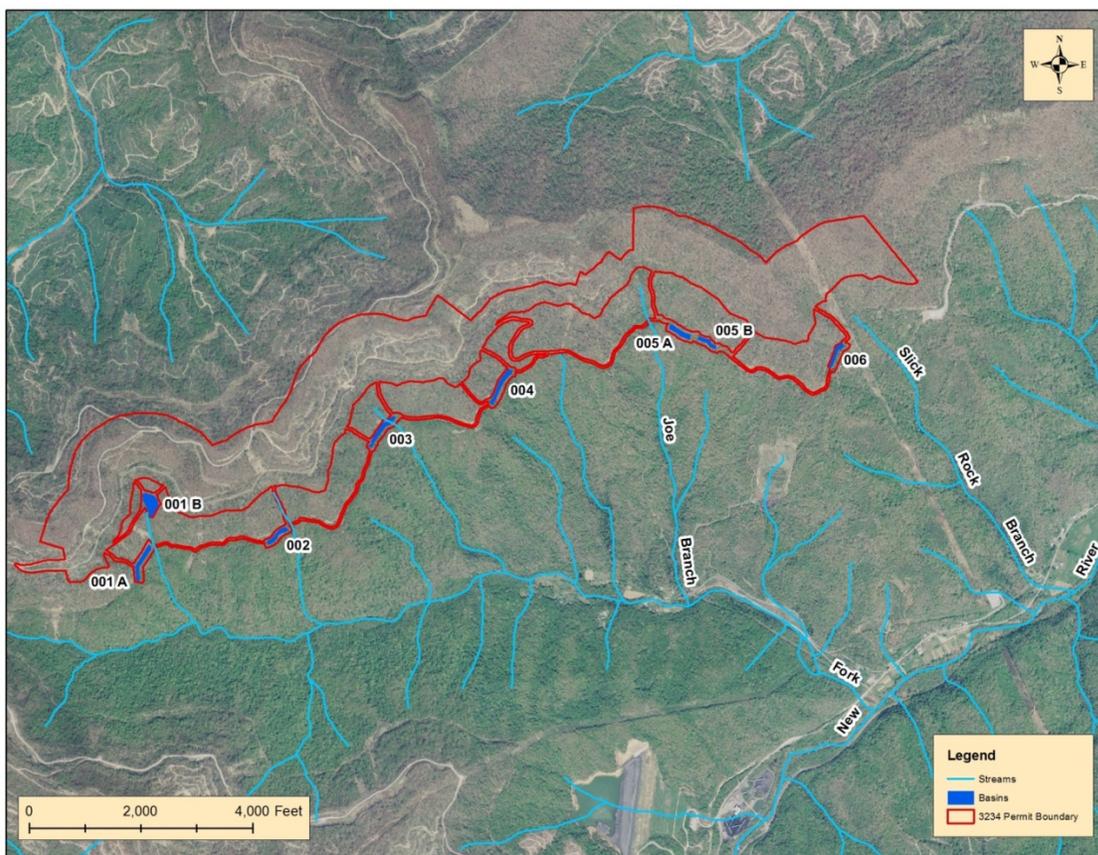


Figure 4: Map of permit boundary and NAIP 2014 imagery.

Quarterly Ground-Water, Surface-Water, and Discharge Monitoring Report Update

Industry submitted all water monitoring data to KFO in FY 2015 using an electronic form. Companies also submitted PDF copies of their laboratory analysis. The electronic form reduced the space needed to store water quality data and also reduced the time staff spent keying in the laboratory data. KFO worked with TDEC to update discharge monitoring report forms in response to modifications of the NPDES permit.

- **Tennessee Reforestation Initiative**

The Appalachian Regional Reforestation Initiative (ARRI) is a cooperative effort among OSMRE, state and Federal agencies in the coal producing states of the Appalachian Region, the coal industry, environmental organizations, academia, and local citizens. The goals of the initiative are to plant more high value hardwood trees on reclaimed coal mines and increase the survival and growth rates of the planted trees by using the Forestry Reclamation Approach (FRA). The FRA is a science based method designed to help restore native hardwood forest habitat and enhance natural succession of native forest plants on previously mined land. Additional information about the FRA is available on the ARRI website <http://arri.osmre.gov/>. Two KFO reclamation specialists serve as members of the ARRI Core Team and the ARRI Science Team. They promote the re-establishment of forestland on mine sites and provide leadership and active support to others in their efforts to achieve ARRI goals.

Industry planted 107,500 trees on 143 acres of reclaimed mined land in Tennessee in FY 2015. Due to decreased mining and reclamation activities in the state, the number of trees planted on mine sites in Tennessee has declined in recent years (Figure 5). However, the percent of trees planted in accordance with FRA guidelines has dramatically increased since 2008 (Figure 6 on page 26). This year marks the third consecutive year KFO achieved full FRA utilization, with 100 percent of all trees planted on FRA sites.

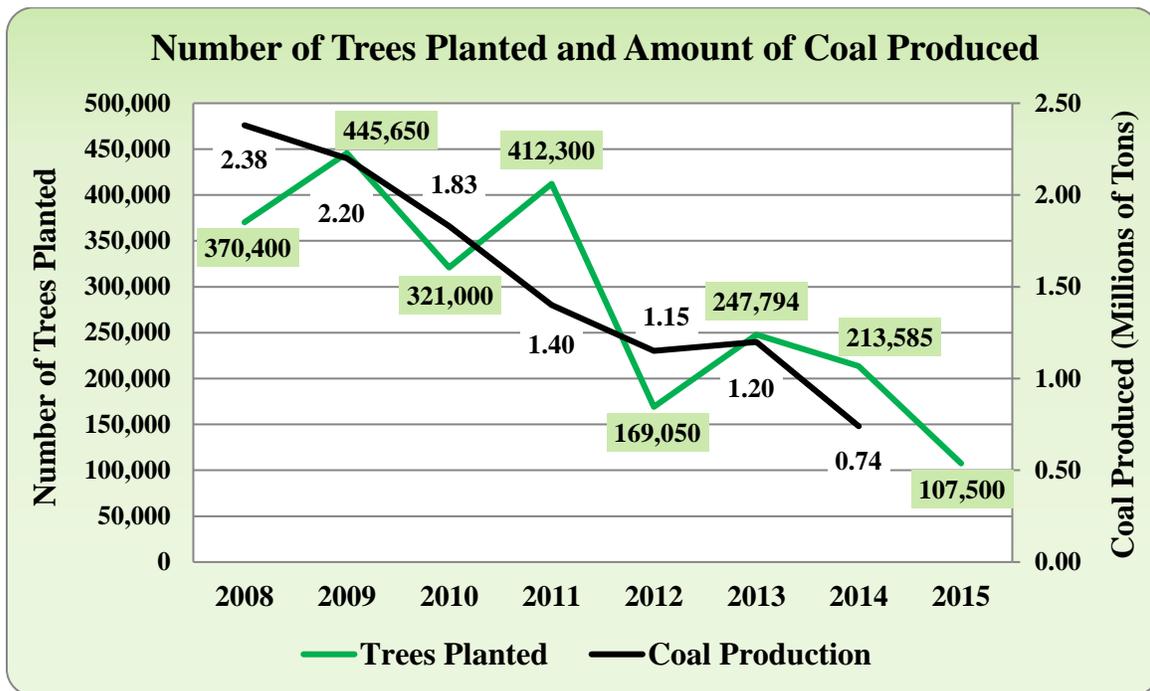


Figure 5: Total number of trees planted and amount of coal produced per year in Tennessee. (Coal production data is not yet available for 2015.)

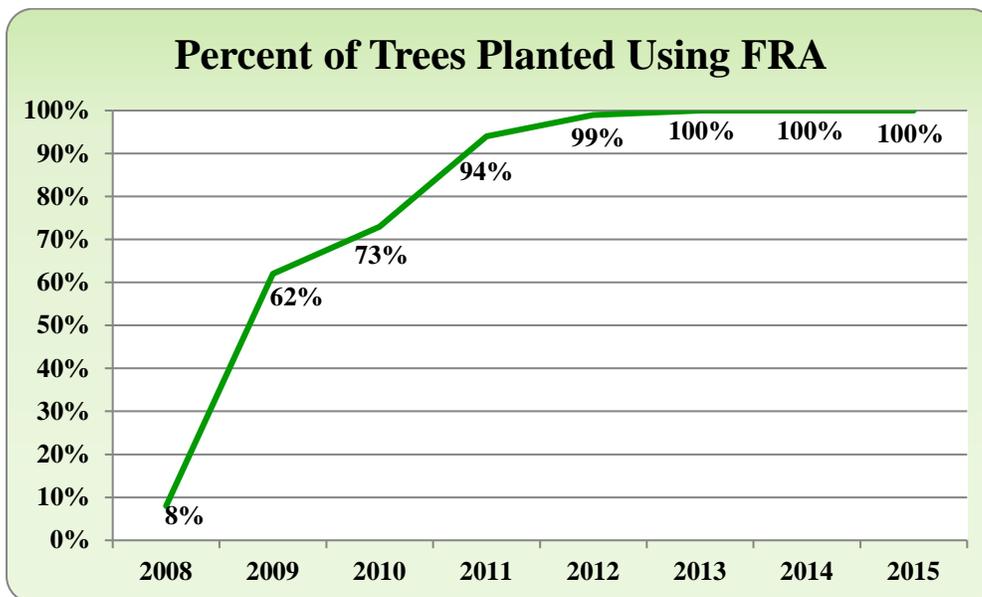


Figure 5: Percent of trees planted on Forestry Reclamation Approach prepared sites in Tennessee per year.

ARRI Excellence in Reforestation Award

The ARRI Excellence in Reforestation Awards are presented annually to honor active and abandoned coal mine reclamation operations from each state in the Appalachian Region that best exemplify the use of the FRA. Each year, states nominate one of their award winning projects for the Regional Award. This year, representatives from DRC Coal, LLC accepted the award at the 2015 ARRI and American Society of Mining and Reclamation joint conference in Lexington, Kentucky. They were rewarded for reclamation work they conducted at their White Oak Surface Mine, a 649-acre surface and underground mining operation located in Campbell County, Tennessee. Mining and logging industries historically used the area where the mine is located. These industries left degraded land that had orphan highwalls, numerous open pits, non-native grasses, and barren soil.

DRC Coal, LLC reclaimed abandoned land at the White Oak Surface Mine location that had been unusable to landowners and citizens in the White Oak community. The company used the FRA extensively throughout the operation and repeatedly went beyond what the permit called for in order to implement the FRA. The company reclaimed flat areas using the end dump method and ripping method and reclaimed sloped areas using the one-pass method. Company personnel worked with the OSMRE reclamation specialist to ensure they complied with the FRA. Due to the efforts of the company, the land use of the site was improved and native species and wildlife habitat were established.



Image 7: Dave Hartos, OSMRE Deputy Regional Director (left), presents the ARRI Excellence in Reforestation Regional Award to DRC Coal, LLC.



Image 8: Hardwood seedlings emerging from end-dumped backfill prepared using the Forestry Reclamation Approach.

FRA Community Involvement and Scientific Research

The KFO ARRI members continue to be very active in community outreach. The ARRI Core Team and Science Team members regularly coordinate with researchers and others in gathering data on mine sites. This year, ARRI members escorted University of Tennessee undergraduate students on an FRA mine site. The students were interested in learning about mining, reclamation, and reforestation. On another site visit, an ARRI member escorted Virginia Tech researchers on Tennessee FRA sites to conduct research that evaluated the potential for different rock strata to produce total dissolved solids. KFO's ARRI Science Team member also served as a peer reviewer for a new Forestry Reclamation Advisory and an article published in the Journal of the American Society for Mining and Reclamation.

Arbor Day 2015

Tennessee held its annual Arbor Day event on April 21, 2015, at DRC Coal, LLC's White Oak Mine. Tennessee's ARRI Core Team members, the Coal Creek Watershed Foundation, and DRC Coal, LLC organized the event. The White Oak Surface Mine experienced a wildfire in 2013, which burned a hillside and destroyed 2 acres of seedlings planted earlier in the year. When approached by OSMRE, DRC Coal, LLC readily agreed to host the event and viewed it as an opportunity to replant the affected area.

Over 80 students in grades 5 to 8 from Clairfield and White Oak elementary schools attended this year's event. These schools use the Arbor Day event as an educational tool and opportunity for the students to learn about the coal industry and environmental protection in their community. Students learned how re-mining and use of the FRA can reclaim barren lands and turn them into productive forests. ARRI core team members explained how proper tree planting techniques influence seedling survival. Many of the

students attended the previous year's Arbor Day event and were quick to help new students learn the techniques they had mastered. This cooperation among the students along with help from 12 adult volunteers made it possible for those in attendance to plant several American chestnut seedlings and 800 other mixed hardwood seedlings in just a few hours.



Image 9: An OSMRE geographer and an AmeriCorps GIS intern demonstrate proper tree planting techniques.



Image 10: Students plant an American chestnut on a site prepared according to the Forestry Reclamation Approach.



Image 5: An ARRI Core Team member teaches students about re-mining and the Forestry Reclamation Approach.

- **Local Interagency Working Agreement**

Representatives from KFO, TDEC, USACE, USFWS, and EPA established a Local Interagency Working Agreement (LIWA) on December 20, 2010. The purpose of the LIWA is to improve interagency communication and coordination during the coal mine permitting process in Tennessee under the respective State and Federal permitting, enforcement, and compliance reviews required by the Clean Water Act, SMCRA, and the Endangered Species Act (ESA).

The LIWA group held a joint meeting on a proposed Davis Creek Energy, LLC underground mine located near LaFollette, Tennessee on October 1, 2014. Personnel from TDEC, EPA, USACE, and OSMRE attended the meeting. On July 7 and 8, 2015, they also held a pre-application LIWA site meeting for the Middlesboro Mining, Hignite Mine near Clairfield, Tennessee, as part of a jurisdictional determination of waters of the U.S. and State. The LIWA agencies reviewed the preliminary jurisdictional determination of waters produced by the applicant's consultant and resolved outstanding issues from each agency in attendance.

KFO held several other informal public conferences in response to requests by nongovernment entities during FY 2015. The majority of these hearings resulted from permit renewal or revision applications and the public comment opportunity afforded to potentially affected citizens.

- **Cost Recovery**

On March 26, 2013, OSMRE proposed a rule to revise the Federal and Indian Lands Program regulations for the purpose of adjusting the existing permit fees and to assess new fees to recover the actual costs for permit administration and permit enforcement activities provided to the coal industry (see March 26, 2013, Federal Register 78 FR 18429). In anticipation of implementing the Cost Recovery Rule, KFO instituted changes to better track all permitting costs and project hours. Changes to time keeping improved KFO estimates on the amount of hours expended for major cost categories. The Cost Recovery Support Solution is an electronic tracking system that will assist in monitoring individual assignments as this effort moves forward. Implementation of the final rule is anticipated in FY 2016.

- **Endangered Species**

The USFWS determined threatened species status under the ESA for the northern long-eared bat (*Myotis septentrionalis*). The final rule was effective May 4, 2015. At the same time, the agency published an interim rule under the authority of Section 4(d) of the ESA, providing measures the USFWS deemed necessary and advisable for the conservation of the northern long-eared bat. The USFWS accepted comments on the interim rule until July 1, 2015. KFO is currently awaiting USFWS publication of either an affirmation of the interim rule or a final rule amending the interim rule.

The USFWS completed its 5-year review of blackside dace (*Chrosomus cumberlandensis*, previously classified as *Phoxinus cumberlandensis*). The review document was signed on September 16, 2015, and awaits publication in the Federal Register. The USFWS first published the 5-year review in the Federal Register on July 29, 2008, and opened a 60-day comment period. The agency evaluated comments and information received during the comment period and incorporated them into the most recent document as appropriate. The review concluded that the species continues to meet the definition of threatened and should remain so classified. The review also speculated the species is likely to become endangered in the foreseeable future throughout all or a significant portion of its range.

KFO continues to work with the USFWS to monitor mining impacts on federally listed endangered and threatened species and any designated critical habitat. KFO also works with

applicants to formulate mining and reclamation plans that will benefit these endangered and threatened species.

- **Youth Initiative**

KFO employed seven interns during FY 2015 including two U.S. Department of Veterans Affairs, Vocational Rehabilitation interns; three Pathways Program interns; and two AmeriCorps participants. They worked in areas of geology, GIS, hydrology, inspection, and administration. They assisted with projects related to the LUM petition, Laserfische, GeoMine, SPOT Global Positioning System device setup, Utility Terrain Vehicle training, and water quality database compilation. They also played an important role in assisting staff with various tasks such as entering data for hydrologic reviews and database development, scanning historical records, gathering information for Freedom of Information Act requests, and assisting Program Support Branch and Field Compliance Branch staff with data collection in the field. The London Area Office located in London, Kentucky hired one of the KFO AmeriCorps participants as a fulltime OSMRE employee.



Image 7: AmeriCorps participants teaching local students about reforestation of mine sites on Arbor Day.

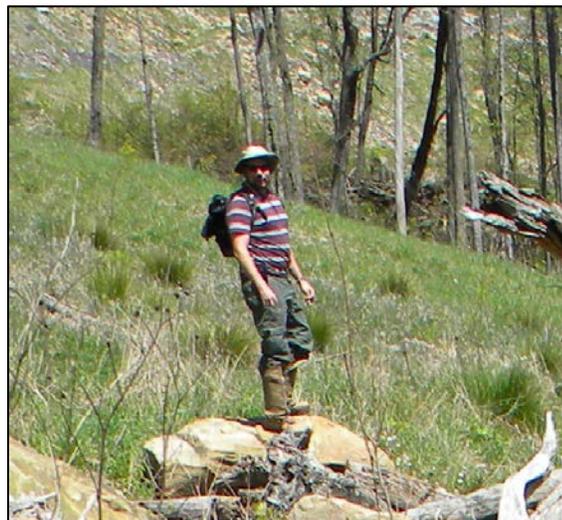


Image 7: Pathways intern participating in a mine site inspection.

V. Success in Achieving the Purposes of SMCRA

One of KFO's goals is to further the success of reporting end results. As a part of that effort, KFO collects findings from performance standard evaluations related to the number and extent of observed off-site impacts, the number of mined and reclaimed acres that meet bond release requirements, and the effectiveness of KFO's customer service efforts. Comprehensive reports for the program elements evaluated during FY 2015 are available in OSMRE's Odocs database located at <http://odocs.osmre.gov/>. The reports are also available for review and duplication at

the OSMRE Knoxville Field Office located at 710 Locust Street, Knoxville, Tennessee 37902. The KFO phone number is (865) 545-4103.

A. Off-Site Impacts

One of the objectives of OSMRE is to minimize the occurrence of coal mining related adverse impacts to the public and to environmental resources. When conducting inspections, KFO reclamation specialists evaluate all active and abandoned mine sites and NOIs on the IUL to determine if off-site impacts have occurred. Reclamation specialists record off-site impacts resulting from SMCRA violations on an Inspection and Enforcement Tracking System, Mine Site Inspection form. KFO transfers this data to a database and develops a summary report for year-end reporting purposes. KFO personnel also evaluate citizen complaint files and interview reclamation specialists to determine if off-site impacts from other sources occurred. During FY 2015, KFO found 97 percent of inspectable units in Tennessee (123 units out of 127 units) were free of off-site impacts as illustrated in Figure 7.

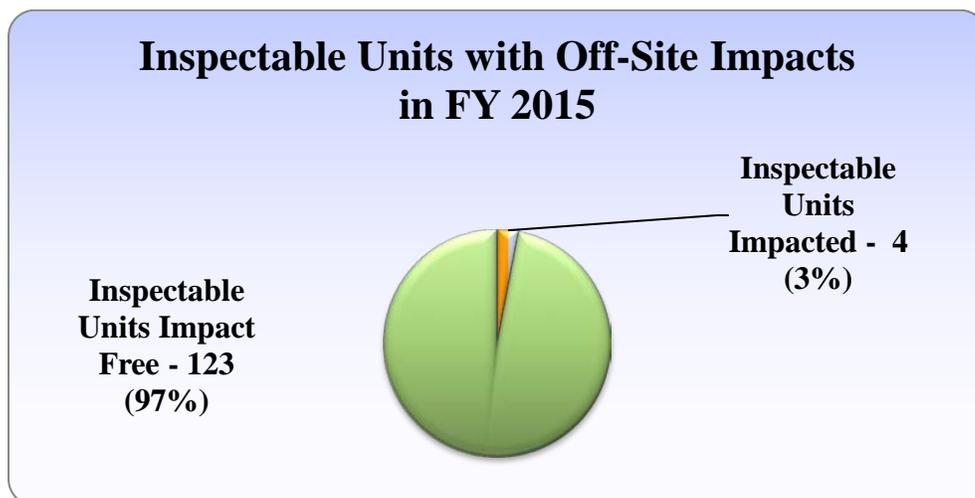


Figure 7: Inspectable units with off-site impacts in FY 2015.

The occurrence of off-site impacts in Tennessee has significantly decreased in recent years as illustrated in Figure 8 on page 32. KFO observed five off-site impacts at four Tennessee mine sites in FY 2015. The impacts affected four water resources and one land resource (Figure 9 on page 32 and Figure 10 on page 33). The only impact reclamation specialists observed at an active mining operation, was a low flow, high iron, off-site seep that entered the receiving stream. Reclamation specialists did not report any impacts to people or structures nor did they report any impacts related to NOIs, citizen complaints, or the only Georgia mine site on the IUL.

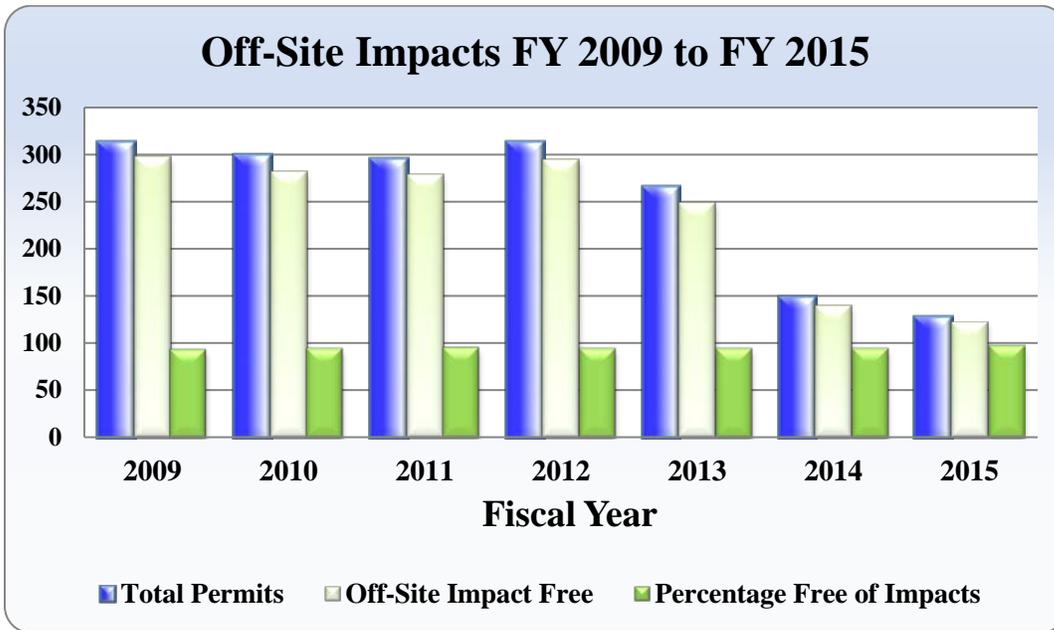


Figure 8: KFO off-site impacts FY 2009 to FY 2015.

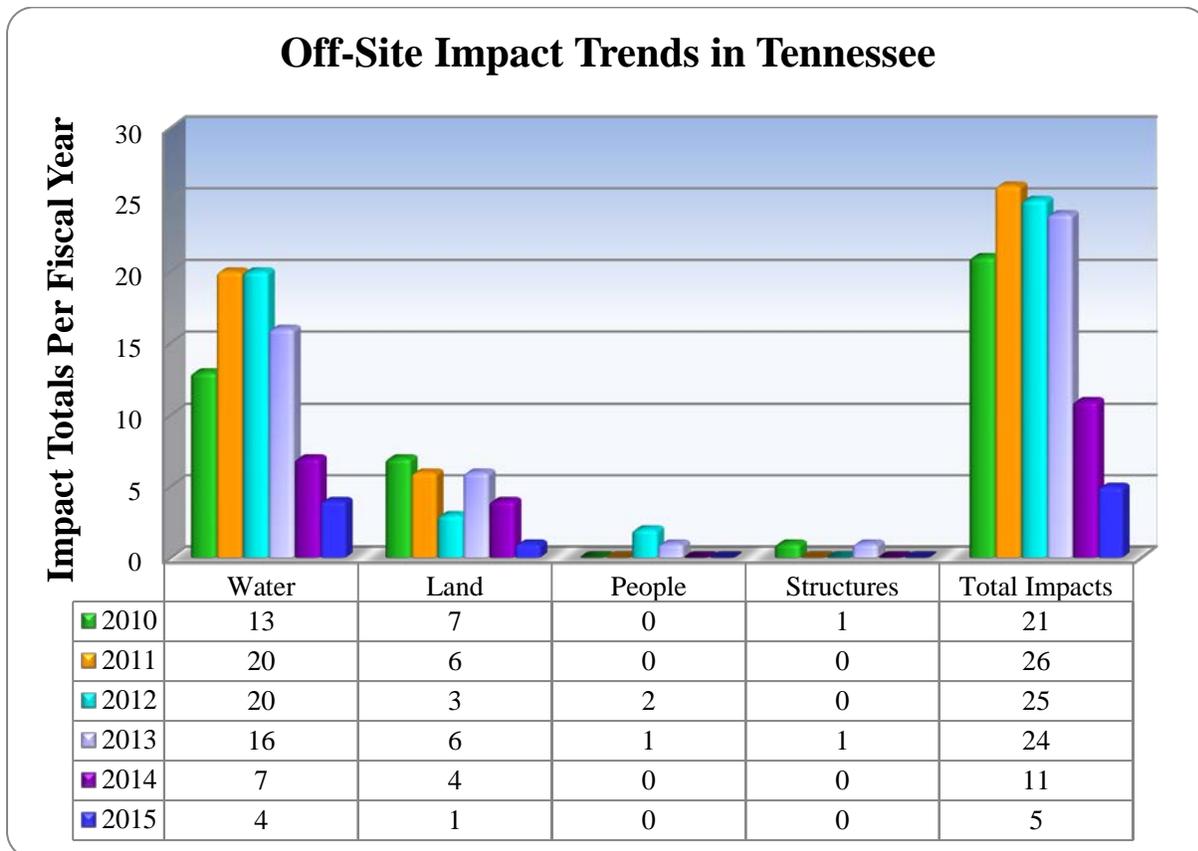


Figure 9: Off-Site impact trends in Tennessee during FY 2010 to FY 2015.

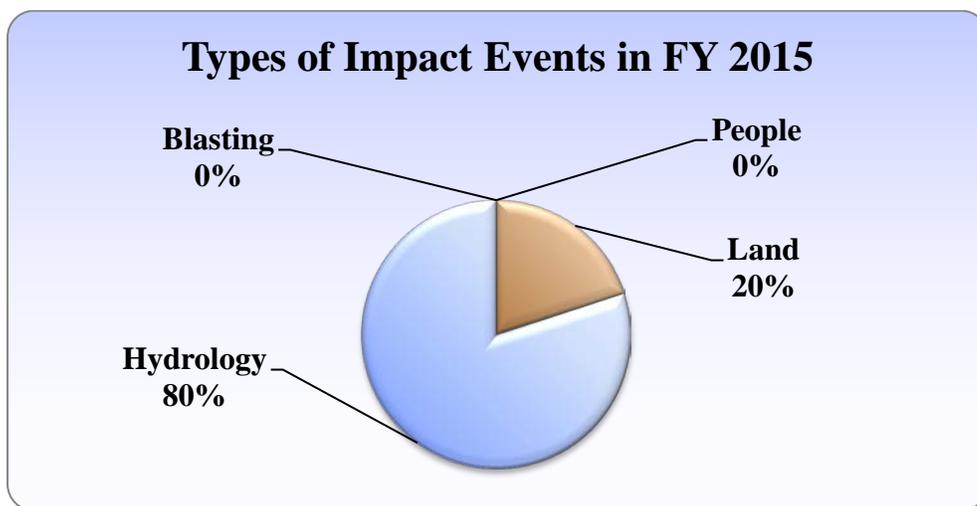


Figure 6: Types of impact events in FY 2015.

Reclamation specialists attributed all off-site impacts in FY 2015 to operator error. Although operator error has remained the primary cause of off-site impacts during the past 2 years, the number of off-site impacts caused by operators has significantly declined as illustrated in Figure 11. KFO worked extensively with industry to reduce the number of off-site impacts and plans to continue the effort in the future.

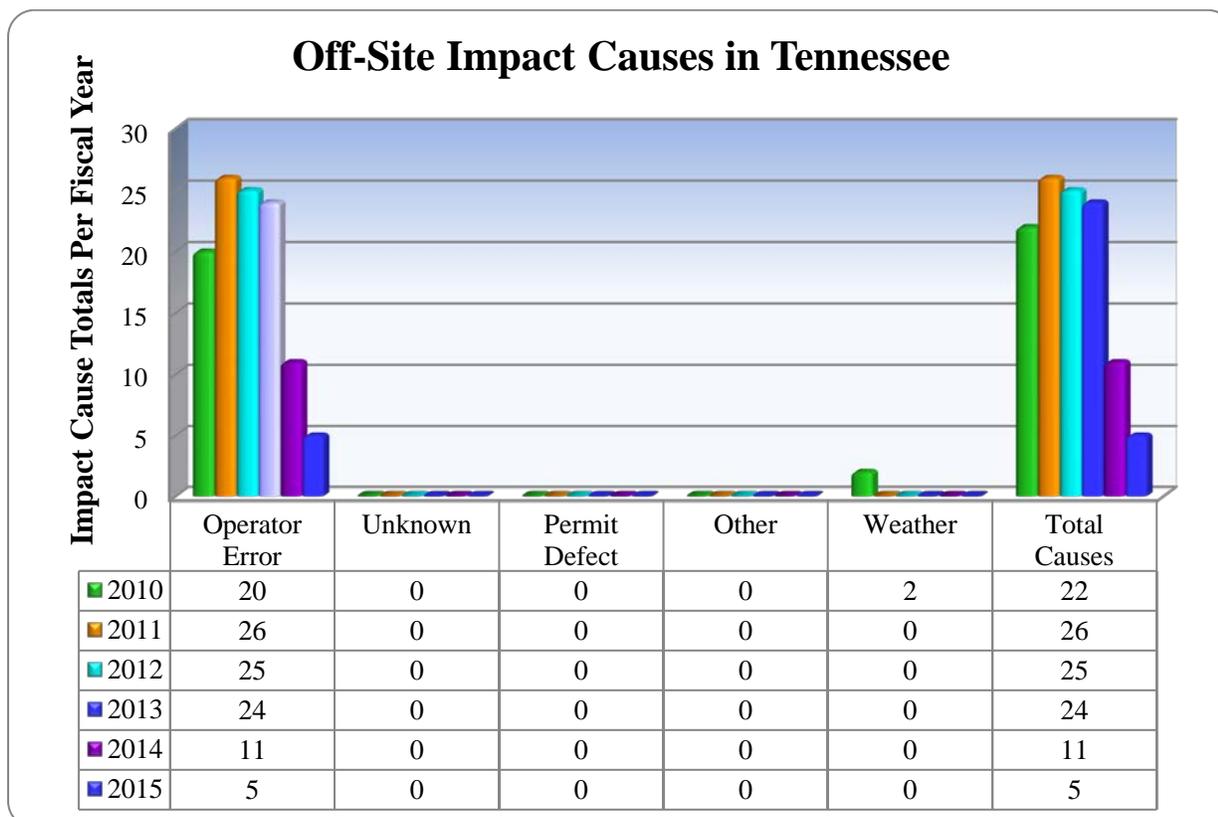


Figure 7: Off-site impact causes in Tennessee during FY 2010 to FY 2015.

Bond Forfeiture Sites

Reclamation specialists observed four off-site impacts at three bond forfeiture sites during FY 2015. Sedimentation off the mine site had a minor impact to land and water at one site. Low pH, high iron, and high manganese discharges had a moderate impact to water at another site. During FY 2015, OSMRE forfeited and collected the bond for these two sites. KFO subsequently obtained additional civil penalty funds and awarded a reclamation contract for one of the sites. Reclamation of the 92-acre abandoned mine site should significantly minimize future off-site impacts.

Noncompliant discharge from a third bond forfeiture site began in previous years and persisted into the current fiscal year. The manganese level of drainage leaving the site during the past 2 years has ranged from 5.4 to 6.1 mg/L, an improvement from previous years.

During the upcoming year, KFO will evaluate options for addressing water quality issues at abandoned sites that have periodic or continual off-site impacts. Options KFO may consider include the use of treatment trust funds or civil penalty funds to install treatment systems or implement other remedial measures.

B. Reclamation Success

The bond release process measures reclamation success as required by SMCRA. Achieving Phase III bond release is the ultimate goal. KFO has implemented bond release policy and procedures to ensure all actions adhere to regulatory and permit requirements. At each phase of bond release, the permittee must submit a complete bond release application that includes a newspaper public notice, permittee certification, bond release map, and landowner notification letters. KFO staff complete a permit review and conduct a site evaluation at each phase of bond release. Mine sites must meet the following requirements:

- Phase I – Backfilling and grading have been completed, drainage control is in place, and temporary structures except ponds and roads have been removed.
- Phase II – Vegetation has been successfully established, all temporary structures have been removed, no contribution of suspended solids outside the permit area is occurring, and permanent ponds have been properly maintained.
- Phase III – All mining and reclamation activities have been successfully completed according to SMCRA, supporting regulations, and the permit. Vegetation has been established to support the approved postmining land use for the full liability period and this determination is supported by statistical analysis.

KFO bond release procedures require that the bond release specialist and assigned reclamation specialist review the bond release application for deficiencies. They also determine if the permittee needs to conduct further reclamation work at the site or post additional bond to cover any remaining work. Additionally, KFO staff review hydrologic

and biologic data to ensure the site is not causing or is not likely to cause material damage outside the permit area.

KFO processed 15 bond release applications during FY 2015 and approved 9 applications, resulting in two Phase I, three Phase II, and four Phase III bond releases. Two of the Phase III bond releases were for increments within the permit area. KFO was able to release the entire bond for the other two permits and removed them from the IUL. These actions resulted in KFO returning all or a portion of the bond on 671 acres of reclaimed mine lands (Appendix 1, Table 6). KFO returned one bond release application because it was incomplete and industry withdrew five applications. KFO did not disapprove any bond release applications during FY 2015.



Image 8: Well vegetated backfilled slopes and an Aquatic Resource Alteration Permit channel.

C. Customer Service

Citizen's Request for Inspection

The regulations provide citizens the opportunity to request a Federal inspection. A citizen may request a Federal inspection by providing a written statement or oral report giving OSMRE reason to believe an unauthorized condition or practice or violation exists which creates an imminent danger to the health or safety of the public, or is causing or could reasonably be expected to cause significant, imminent environmental harm to land, air, or water resources. OSMRE must investigate these reports and provide a response to the citizen regarding the investigation findings and any associated actions within 10 days of the investigation conclusion. The citizen providing the information may also request an informal review of the decision regarding the complaint.

The number of citizen requests for inspections (citizen complaints) KFO has received in recent years has declined as illustrated by Figure 12 on page 36. There were only two requests for inspections during FY 2015, compared to seven requests in FY 2011. This

amounts to a 71 percent reduction in complaints during the past 5 years. KFO responded to all complaints received in FY 2015 in a timely manner as required by regulations.

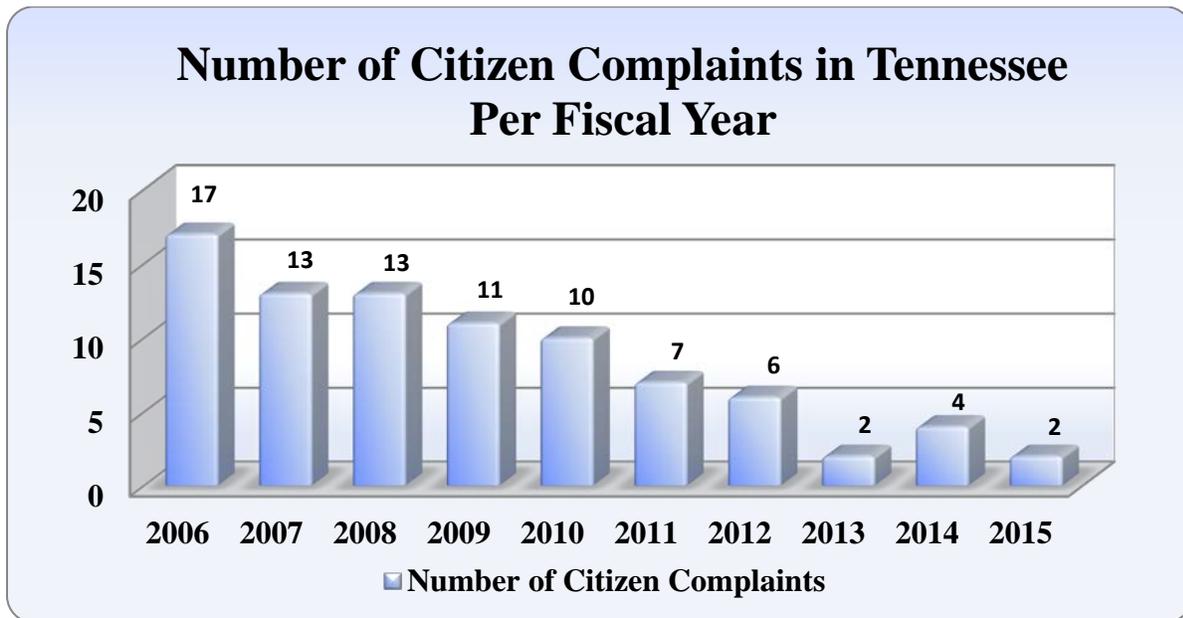


Figure 8: Number of citizen complaints in Tennessee from Fiscal Year 2006 to 2015.

Pending Litigation

Endangered Species Act, Notice of Intent to Sue and Lawsuit

On February 4, 2013, KFO received notice that three citizen groups intended to file a lawsuit against the U.S. Department of the Interior, OSMRE, USFWS, National Coal, LLC, and Davis Creek Energy, LLC. The citizen groups alleged that high conductivity wastewater from two Tennessee surface mines (National Coal, LLC permit 3249 and Davis Creek Energy, LLC permit 3218) are harming the threatened blackside dace and the endangered Cumberland darter. The groups filed a lawsuit on July 31, 2013, and amended the lawsuit on August 1, 2013. They alleged there were eight violations of the ESA. The lawsuit allegations can be grouped into two broad categories: 1) legality and validity of the USFWS’s programmatic 1996 Biological Opinion on surface mining and 2) on-the-ground implementation of the 1996 Biological Opinion. The USFWS and OSMRE completed a joint response brief on December 9, 2013. Several response and reply rounds occurred in 2014 and 2015. On January 28, 2015, the court dismissed four of eight counts related to validity of the 1996 Biological Opinion but left the remaining four counts on the as-applied challenges to the ESA and 1996 Biological Opinion. The two sides are discussing settlement terms and conditions and expect to resolve remaining issues in the lawsuit.

Defenders of Wildlife, Notice of Intent to Sue and Lawsuit

On December 19, 2015, OSMRE Program Support in Washington, D.C. informed KFO that the Defenders of Wildlife, Sierra Club, Tennessee Clean Water Network, and Statewide Organizing for Community Empowerment had filed a Notice of Intent to Sue (NOI) regarding Middlesboro Mining Operations, Inc. permit 3264. The NOI alleges there were violations of the ESA pertaining to failure to perform Section 7 consultation with USFWS and various related aspects of Section 7 consultation. It claims there were five violations directly related to the issuance of permit 3264: there was no valid blackside dace baseline, best available scientific data was not used, dace habitat on an unnamed tributary was ignored, specific conductance limits were not set, and Section 7 consultation was not completed. It also claims there were six violations of the ESA Section 7 consultation requirements. On February 18, 2015, OSMRE and USFWS sent a joint response to the plaintiffs concerning the lawsuit allegations. KFO is currently working on settlement terms and conditions for the lawsuit with the U.S. Department of Justice and solicitors.

Kopper Glo Mining, LLC, Permit 3231 Appeal

On February 27, 2014, a resident living adjacent to the Kopper Glo Mining, LLC, Clear Fork Surface Mine, appealed the issuance of permit 3231. KFO received notice of the appeal on April 13, 2015. The citizen requested U.S. Office of Hearings and Appeals (OHA) review of the permitting action. He alleged four issues related to landslides, water supply sampling, receiving stream impacts, and mining on the ridge above his residence existed. OSMRE investigated his allegations during several site visits. Following the site visits, OSMRE required Kopper Glo Mining, LLC to document an additional spring supplying water to the residence. KFO determined the remaining three issues had no merit. OSMRE continues efforts to resolve the citizen's concerns.

Iron Properties LLC, Permit 3257 Appeal

On October 3, 2014, a resident living adjacent to Iron Properties Liberty Mine in Rhea County, Tennessee, filed an appeal with OHA concerning KFO issuing permit 3257. OSMRE received notice of the appeal on April 13, 2015. OHA subsequently dismissed the case because the Appellant missed the appeal deadline.

Mountainside Coal Company, Permit 3211 Appeal

Mountainside Coal Company filed an appeal with OHA on October 24, 2013, concerning permit 3211. The appeal challenged an ordered revision OSMRE sent to Mountainside Coal Company. The ordered revision required the company to address AMD issues KFO found at the site. The company was to 1) revise the final reclamation plan in a manner that would prevent the formation of AMD, 2) add several water quality parameters to their water monitoring plan, and 3) install a replacement ground-water monitoring well. The parties conducted several meetings in 2014 and 2015 in an effort to resolve outstanding issues. The operator agreed to comply with the ordered revision, submitted the required information on July 15, 2015, and received an approved permit revision on July 23, 2015. OHA dismissed the case on September 28, 2015.

Kopper Glo Mining LLC, Permit 3244 Notice of Intent to Sue

On February 22, 2015, OSMRE received notification that an environmental group had filed an NOI concerning Kopper Glo Mining, LLC permit 3244. The NOI alleged the company violated its Clean Water Act NPDES permit. The NOI claimed 70 violations of NPDES parameters at 11 NPDES outfalls occurred over a period of approximately 42 months. On April 1, 2015, an attorney for Kopper Glo Mining, LLC responded to the NOI claiming “most, if not all” of the alleged violations were not violations. He said this was due to the fact there were data entry errors and subsequent revised data sheets, no pond discharges at some sampling points (i.e., in-pond samples were taken), alternative storm limits were in effect, and misunderstandings by the plaintiff concerning data sheets had occurred. OSMRE has not received notice of any further action on the part of the plaintiff.

Mountainside Coal Co., Permit 3110 Bond Release Denial

On September 5, 2013, KFO received a notice from OHA that Mountainside Coal Company had appealed KFO’s bond release denial dated August 16, 2013. The appeal stems from a denial of the Phase I, II, and III bond release request for increment 3 due to evidence that postmining pollutional discharges needed treatment. Numerous water quality violations at several ponds had occurred in recent years. The plaintiffs allege the pollutional discharges at the site are not a factor in whether KFO should release the bond for increment 3.

On August 11, 2015, OHA set aside and remanded to OSMRE KFO’s August 2013 decision to deny Phase I, II, and III bond releases for permit 3110. On September 15, 2015, the company submitted an incremental bonding permit revision to OSMRE. Once approved, the revision will allow OSMRE to release the majority of the reclaimed acreage while keeping areas associated with the pollutional discharges under permit.

The site is currently on the Tennessee AMD list. KFO will continue evaluation of the site. KFO will also request that Mountainside Coal Company begin developing treatment system designs to ensure treatment occurs in perpetuity. A rehearing date has not been set.

VI. Technical Assistance

A number of KFO employees, primarily Program Support Branch staff, work on projects and assignments that are of common interest to the Appalachian Region and to all of OSMRE. Several of these technical assistance activities are cooperative efforts with the Program Support Division within the Appalachian Region. During FY 2015, the Program Support Branch spent approximately 65 percent of their time on permitting activities with 35 percent of this time

considered cost recoverable under the proposed cost recovery rule. During the current year, KFO employees:

- Participated in the OSMRE National Blasting Work Group;
- Served as instructors for National Technical Training Program courses and for Technical Innovation and Professional Services Training Program courses;
- Participated in ARRI activities;
- Reviewed and provided guidance and expertise on the Stream Protection Rule and the associated Regulatory Impact Analysis and EIS;
- Provided technical support to the OSMRE KFO Field Oversight Branch, Lexington Field Office, and Appalachian Regional Office on oversight and regional Appalachian Regional Management Council projects;
- Participated on the Department of Interior Dam Safety Team;
- Participated and conducted evaluations as part of the Regional Impoundment Team for the Appalachian Region;
- Participated in various interagency activities related to the NCWMA LUM petition;
- Participated in hearings conducted in the Appalachian Region for the Stream Protection Rule;
- Provided substantive guidance on the Cost Recovery Rule and associated implementation;
- Provided technical assistance concerning treatment trust reviews to the West Virginia Department of Environmental Protection;
- Reviewed and provided guidance on the ESA and Migratory Bird Act Memorandum of Understanding agreements;
- Provided guidance and expertise on the electronic permitting initiative;
- Conducted stream surveys in several Tennessee watersheds as part of interagency effort related to an ESA review;
- Developed a relationship with a Knoxville, Tennessee STEM academy (a magnet high school focused on the disciplines of science, technology, engineering, and math);
- Participated and provided guidance on joint Clean Water Act and SMCRA agency development of a very large AMD treatment system in southern Tennessee.

ABANDONED MINE LAND RECLAMATION

I. General

A. Introduction

The Tennessee Abandoned Mine Land (AML) program receives Federal funding under the 2006 Surface Mining Control and Reclamation Act of 1977 (SMCRA) amendment. These changes authorized the state of Tennessee to receive minimum program funding for their approved state reclamation program. The Tennessee Department of Environment and Conservation (TDEC), Land Reclamation Section is the state agency responsible for receiving such AML funds and

implementing the approved Tennessee AML Reclamation Plan. Tennessee’s AML program is “uncertified” in that TDEC has not certified under Section 411(a) of SMCRA that reclamation of all eligible coal mine problems has been completed. Since Tennessee has the authority to manage the AML program, the primary role of the Office of Surface Mining Reclamation and Enforcement (OSMRE) is to:

- Monitor TDEC’s compliance with the requirements of its approved AML Reclamation Plan, SMCRA, applicable 30 CFR requirements, grant requirements, applicable 43 CFR requirements, and applicable Office of Management and Budget circulars governing financial management.
- Assess TDEC’s progress in addressing problems identified in its Electronic Abandoned Mine Land Inventory System (e-AMLIS).
- Ensure TDEC maintains its capability to fulfill SMCRA responsibilities.
- Assist TDEC in implementing its responsibilities.
- Report on the evaluation of TDEC’s program.
- Work with TDEC to resolve, in a reasonable and timely manner, program and implementation issues identified through oversight.
- Pursue corrective actions provided by SMCRA, Federal rules, and OSMRE policy if TDEC is not meeting program National Environmental Policy Act (NEPA) compliance requirements.

The following acronyms are used in the AML section of this report:

AMD	Acid Mine Drainage
AML	Abandoned Mine Land
e-AMLIS	Electronic Abandoned Mine Land Inventory System
ATP	Authorization to Proceed
FY	Fiscal Year
GIS	Geographic Information System
KFO	Knoxville Field Office
NEPA	National Environmental Policy Act
OSMRE	Office of Surface Mining Reclamation and Enforcement
SMCRA	Surface Mining Control and Reclamation Act of 1977
TDEC	Tennessee Department of Environment and Conservation

B. Program Administration

Based on 2006 SMCRA amendments, Tennessee was required to amend their AML program to reflect statutory, regulatory, policy, procedural, and organizational changes that have occurred since 1984, when the State’s AML program amendment was withdrawn. TDEC submitted a new program amendment to OSMRE on April 5, 2011. The amendment was included in the Federal Register (“Tennessee Abandoned Mine Land Program, Proposed Rule”, 77 FR 5740, February 6, 2012) and published in the Federal Register in February 2013.

For each proposed AML construction project, TDEC submits to OSMRE an environmental document package that includes an environmental document, AML eligibility statement,

applicable supplemental information, NEPA consultation correspondence, and a new or updated Problem Area Description, if needed. TDEC also submits an e-AMLIS printout showing the AML features as “unfunded” and the estimated budget for the project. Additional details concerning OSMRE’s e-AMLIS are in Section III of this report.

TDEC manages its program in a cost effective and efficient way. All projects comply with applicable laws and regulations, are well designed and constructed using the best technology available, and are completed with minimal disturbance to the environment. The Knoxville Field Office (KFO) monitors all projects to ensure they meet contract specifications, project objectives, and program goals.

II. Noteworthy Accomplishments

In Fiscal Year (FY) 2015, TDEC reclaimed AML features through construction contracts and joint ventures with landowners in accordance with State and Federal law. By reclaiming safety hazards, TDEC achieved beneficial land reclamation for the landowner as well as the community. TDEC worked with other government agencies and private organizations to leverage additional funding for abatement of pollution from mine drainage. Although small in comparison to surrounding states, Tennessee has a diverse and effective AML program. Since 2001, TDEC’s AML reclamation program has expended approximately \$19 million in reclaiming over 6,600 Government Performance and Results Act acres while reducing the number at risk by AML hazards by approximately 6,466 people.

A. Overall Performance for Fiscal Year 2015

Federal AML Program:

- Brushy Mountain Waterline Replacement Project, completed June 15, 2015, provided potable water to 300 households/538 residences. (\$394,818)
- Stinking Creek Waterline Extension Project, Phase III, completed November 17, 2014, provided potable water to 24 households, 1 church, and 1 business. (\$400,000)
- Jellico Waterline Replacement Project, completed June 17, 2015, provided potable water to seven households. (\$349,998)
- Fall Creek Falls Community Reclamation Project, completed December 22, 2014, achieved reclamation of 79.1 acres. (\$978,378)

Ongoing Federal AML Program Projects:

- Wooldridge-Pioneer Waterline Extension Project provided potable water to 17 households. (Approximately \$78,000 - Authorization to Proceed (ATP) issued March 3, 2015.)
- Pitts Gap Waterline Extension Project provided potable water to 41 households and 1 church. (Approximately \$588,000 - ATP issued July 14, 2015.)
- Adams Hollow Waterline Extension Project provided potable water to 23 households. (Approximately \$510,864 - ATP issued July 23, 2015.)
- Rocky River Phase II Reclamation Project achieved reclamation of 69 acres of P2 highwalls and pits and P3 spoil areas, as well as reconstruction of 750 feet of stream channel. (Approximately \$893,400 - ATP issued February 6, 2015.)

State AML Program:

- Burns Slide
- Indian Mountain SP Spillway Repair
- Flat Creek TWRA
- Joy Sanders Subdrain Repair
- Cunningham Portal
- Leforce Slide Repair
- Cuel Clogged Stream



Image 9: Images of Fall Creek Falls Community Reclamation Project.

III. Utilization of OSMRE Technological Assistance

The OSMRE Technical Innovation and Professional Services, or “TIPS”, provided TDEC with a Getac Tablet to use for fieldwork. The Getac Tablet will enable TDEC to locate AML sites in the field, which will in turn improve the AML Geographic Information System (GIS) database shared with the KFO GIS.

IV. Public Participation and Outreach

OSMRE’s March 28, 2013, Directive AML-22, “Evaluation of State/Tribe AML Programs”, establishes policies, procedures, and responsibilities for monitoring, assisting, and evaluating state/tribe AML Programs. OSMRE’s monitoring or oversight of state and tribe AML Programs serves to provide information, assistance, and feedback to states and tribes, OSMRE, and the public to ensure the purposes and goals of the AML program are responsibly, efficiently, and effectively met.

OSMRE continues to improve oversight of state programs, maximize opportunities for public participation, and make oversight-related information more available to the public. OSMRE’s

website, located at <http://www.arcc.osmre.gov/about/states/tn.shtm>, contains information for public use and a link to TDEC. In addition to contact information, there is general information on the website about OSMRE's and TDEC's mission and program. The website gives the public immediate information regarding TDEC's Regulatory and AML programs.

OSMRE solicited comments from Federal and state agencies concerning the FY 2015 State/Federal Performance Agreement and Reclamation Plan. OSMRE placed a copy of the agreement on the agency's webpage and a 30-day comment period began. All comments were considered during finalization of the plan and performance agreement. The Tennessee Historical Commission requested that OSMRE and TDEC take into consideration the proposed project's effect on historic properties and archaeological sites through a NEPA cultural resources review and Section 106 compliance of the National Historic Preservation Act. TDEC and OSMRE assured the Commission that OSMRE followed the NEPA process as part of standard procedures. The Commission had no further concerns. Through the FY 2015 Performance Agreement, signed September 9, 2015, OSMRE and TDEC will continue to provide outreach to industry and citizens concerned about abandoned mine lands. A signed copy of the agreement is located at <http://www.arcc.osmre.gov/about/states/tn.shtm>.

V. Result of Fiscal Year 2015 Reviews

OSMRE reviewed all projects seeking ATPs for FY 2015 and concluded that TDEC managed federally funded AML projects in accordance with Tennessee's approved AML program and the approved plan.

The TDEC Land Reclamation Section was awarded an AML grant for the period March 1, 2015, to February 28, 2018, in the amount of \$2,781,000 with subaccounts for non-emergency administrative costs of \$1,089,154; \$1,254,451 in non-water supply project costs; and \$437,395 in acid mine drainage (AMD) set-aside costs.

OSMRE will conduct a review of TDEC drawdowns and disbursements of OSMRE grant funding in early 2016. The review will include drawdowns occurring for FY 2015.

AML Program Management

KFO reviewed TDECs completed projects for FY 2015 and concluded that TDEC:

- Obtained construction rights of entry from all known property owners.
- Conducted required OSMRE Applicant Violator System checks prior to issuing the contract in all sampled cases to verify contractors are not barred from receiving contracts.
- Obtained completed contractor affidavits certifying all materials used in construction met the technical specification standards before they approved payment for performed work.
- Initiated and completed the NEPA consultation process.
- Obtained required permits pursuant to NEPA consultation and ensured all permits were obtained prior to project construction.
- Obtained OSMRE approval to add AML features to the project work scope.
- Documented AML project construction in inspection reports from project start through project release.

- Abated all AML hazard features included in the construction contracts.
- Required use of non-invasive revegetation species included on the list agreed upon by State and Federal agencies for use on all AML projects.
- Entered AML feature units and costs data into the e-AMLIS in a timely manner.
- Tracked administrative processes from start through their completion (such as the bid process, realty work, and e-AMLIS data entry), and captured data to support OSMRE data reporting (e.g., recording people no longer at risk).

The revised December 12, 2012, Directive AML-1 establishes that OSMRE approval is required to add any new Priority 1, 2, or 3 coal problem to e-AMLIS or to elevate a Priority 3 coal problem to a higher priority. TDEC's AML Manager notified AML staff to be aware of the new requirements in the revised OSMRE Directive AML-1 when preparing AML project documents. OSMRE also requires a signed eligibility statement for OSMRE approval. States and tribes must enter approved features into e-AMLIS prior to site reclamation for additional features found during project construction.

AMD Set-Aside

SMCRA authorizes AML funds to address remediation of AMD emanating from eligible abandoned mine sites and to pay for costs associated with program administration, planning, design, construction, and construction monitoring. The total amount of grant funds Tennessee transferred to its state AMD set-aside program account is \$437,394.60 for the FY 2015 grant. Tennessee's set-aside remains in account collecting interest.

The set-aside funding will be used to leverage matching funds from other agencies whenever possible in order to address abandoned mine land AMD emanating from the Tennessee coalfields. The funds are maintained in a separate interest bearing Tennessee Surface Mine Reclamation Fund account established under Tennessee Code 59-8-326 which is dedicated to receive AMD set-aside funds in accordance with SMCRA Section 402 (g)(1)(D) and 30 CFR 876.12 and are used solely for AMD reclamation.

AML Water Supply Projects

TDEC provides AML funding for water supply projects that local county government public service authorities administer. AML funds are combined with funding from other Federal and State sources in order to generate sufficient funding to establish efficient, safe, and potable water supplies to households in various coalfield communities. The projects provide municipal domestic water supplies to areas where pre-SMCRA coal mining operations impacted private domestic water supplies, such as dug or drilled wells or springs. Other Federal, State, and local governmental funding is used to fund non-AML impacted areas of larger water supply projects. AML funds a portion of the cost of these water replacement projects based on the mining impacts found in ground-water quality studies. The funds are most commonly used to install water storage tanks and booster pump stations and to extend or enhance existing water trunk lines and water facilities serving AML impacted areas.

The projects improve the overall quality of life and welfare of persons living in coalfield communities. Safe and reliable water services provided by the public service authority system extensions replace failed or contaminated water sources and wells. The projects are compatible

with comprehensive area-wide development plans. The waterlines also provide fire protection to all areas along the distribution lines and all residences in the involved communities. During FY 2015, TDEC requested ATP on three waterline projects: Wooldridge-Pioneer Waterline Extension Project, Pitts Gap Waterline Extension Project, and Adams Hollow Waterline Extension Project.

The Wooldridge-Pioneer Waterline Extension Project is located in the Wooldridge Community in Campbell County, Tennessee. The project involves the extension of the public system in order to provide safe potable, reliable water to 17 residences. This project was funded from the FY 2014 grant and expended \$78,000. KFO's AML GIS layer shows permitted mining occurring in the project area from 1971 to 1985. Project construction in the area is ongoing. The Pitts Gap Waterline Extension Project is located in the Pitts Gap Community near Dayton, Tennessee in Bledsoe County. The project will extend the public water system to serve 41 households and 1 church. This project was funded using \$225,379 from the 2013 AML grant, as well as leveraging funds from the City of Dayton. KFO's AML GIS layer shows permitted mining occurring in the project area from 1972 to 1981. Project construction in the area is ongoing.

The Adams Hollow Waterline Extension Project is located in Campbell County, Tennessee. The extension will provide clean water to 23 existing residences. The project will include construction of two pump stations and installation of an estimated 14,255 feet of waterline. The project will be funded using \$510,865 from the 2014 AML grant. KFO's AML GIS layer shows permitted mining occurring in the project area from 1968 to 1982. Project construction in the area is ongoing.

Non-Water Supply Projects

During this fiscal year, TDEC submitted to OSMRE one non-water project seeking ATP, the Rocky River Phase II Reclamation Project. As a result of Tennessee AML's hard work and dedication, a total of 298.1 Government Performance and Results Act acres were reclaimed, 81 households received potable water (not including 1 business), and 2,096 people are no longer exposed to potential safety risks from abandoned mine lands.

Electronic AML Inventory System

OSMRE's e-AMLIS nationally tracks all AML inventory and accomplishments. TDEC has direct access to the e-AMLIS, which allows them to update AML problem data in the system. OSMRE's Directive AML-1, "Abandoned Mine Land Inventory", revised December 12, 2012, implements program changes and modifications brought about by the Tax Relief and Health Care Act of 2006, which included the 2006 SMCRA amendments. The revised directive also reflects changes to the OSMRE e-AMLIS. States and tribes are responsible for implementing procedures consistent with OSMRE's Directive AML-1 in order to maintain the Inventory for their state or tribe.

Because OSMRE's Directive AML-1 eliminated the use of paper forms, TDEC must enter all required supporting documentation to meet the requirements for completing a Program Area Description into the e-AMLIS. A complete submission includes the information entered into the e-AMLIS data fields, Priority Documentation Forms, cost information, maps, and any supporting narratives. The revised Directive establishes that OSMRE's approval is required to add any new

Priority 1, 2, or 3 coal problem feature to e-AMLIS or to elevate a Priority 3 coal problem to a higher priority. It also establishes that a signed eligibility statement for OSMRE approval is required, and the approved features must be entered into e-AMLIS prior to reclamation for additional features found during project construction. TDEC advised its AML staff of the requirements of the revised Directive. The e-AMLIS allows TDEC and local OSMRE management to process new AML problems and update existing problems in a quicker and more streamlined manner, promoting accuracy and facilitating OSMRE's ATP approval process.

**Knoxville Field Office
Annual Evaluation Report
Fiscal Year 2015**

APPENDIX 1

Summary of Core Data to Characterize the Regulatory Program

The following tables and charts present data pertinent to mining operations and Federal regulatory activities within Tennessee and Georgia. Unless otherwise specified, the reporting period for the data contained in the tables is October 1, 2014, through September 30, 2015. Additional data used by KFO in its evaluation of performance is available for review in the evaluation files maintained by KFO.

List of Tables and Charts

Table 1	Coal Produced for Sale, Transfer, or Use in Tennessee
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Chart 2A	Historical Trends – Number of Initial Program Sites and Permanent Program Permits in Tennessee (2012-2015)
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Summary of Core Data to Characterize the Regulatory Program (Continued)

Chart 9A	Historic Trends - Funds Granted to State by OSMRE (2012-2015)
Table 9A	Funds Granted to State by OSMRE (2012-2015)
Table 10	KFO Inspection Activity in Tennessee
Chart 10A	Historic Trends - KFO Inspection Activity in Tennessee (2012-2015)
Table 10A	KFO Inspection Activity in Tennessee (2012-2015)
Table 10	KFO Inspection Activity in Georgia
Chart 10A	Historic Trends - KFO Inspection Activity in Georgia (2012-2015)
Table 10A	KFO Inspection Activity in Georgia (2012-2015)
Table 11	KFO Enforcement Activity in Tennessee
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Table 11A	KFO Enforcement Activity in Tennessee (2012-2015)
Table 11	KFO Enforcement Activity in Georgia
Chart 11A	Historic Trends - KFO Enforcement Activity in Georgia (2012-2015)
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Table 12	Lands Unsuitable Activity
Chart 12A	Historic Trends - Lands Unsuitable Activity (2012-2015)
Table 12A	Lands Unsuitable Activity (2012-2015)
Chart 12 B	Historic Trends - Lands Unsuitable Acres Declared Unsuitable (2012-2015)
Table 12B	Lands Unsuitable Acres Declared Unsuitable (2012-2015)

TABLE 1

COAL PRODUCED FOR SALE , TRANSFER, OR USE ^A			
(Millions of short tons)			
Calendar Year	Surface Mines	Underground Mines	Total
2011	1.0	0.4	1.4
2012	0.6	0.6	1.2
2013	0.5	0.7	1.2
2014	0.1	0.6	0.7

^A Coal production is the gross tonnage (short tons) and includes coal produced during the calendar year (CY) for sale, transfer or use. The coal produced in each CY quarter is reported by each mining company to OSM during the following quarter on line 8(a) of form OSM-1, "Coal Reclamation Fee Report." Gross tonnage does not provide for a moisture reduction. OSM verifies tonnage reported through routine auditing of mining companies. This production may vary from that reported by other sources due to varying methods of determining and reporting coal production.

TABLE 2

PERMANENT PROGRAM PERMITS, INITIAL PROGRAM SITES, INSPECTABLE UNITS, AND EXPLORATION														
Mines and Other Facilities	Numbers of Permanent Program Permits and Initial Program Sites									Area in Acres ¹				Total Area
	Permanent Program Permits				Initial Program Sites				Insp. Units ²	Permanent Program Permits (Permit Area)		Initial Program Sites		
	Active	Inactive	Abandoned	Total	Active	Inactive	Abandoned	Total		Federal Lands	State/Tribal and Private Lands	Federal Lands	State/Tribal and Private Lands	
Surface Mines	33	8	5	46	2	0	0	2	48	201	23,041	0	138	23,380
Underground Mines	17	13	4	34	0	0	0	0	34	144	885	0	0	1,029
Other Facilities	17	12	1	30	1	0	0	1	31	0	1,598	0	0	1,598
Total	67	33	10	110	3	0	0	3	125	345	25,524	0	138	26,007
Permanent Program Permits and Initial Program Sites (Number on Federal Lands: 4)				Total Number:		113		Average Acres per Site:				230.15		
Average Number of Permanent Program Permits and Initial Program Sites per Inspectable Unit (IU):				Total Number:		1.00		Average Acres per IU:				230.15		
Permanent Program Permits in Temporary Cessation:				Total Number:		20		Number More than 3 Years:				15		
EXPLORATION SITES				Total Number of Sites				Sites on Federal Lands ⁴				Exploration Inspectable Units		
Exploration Sites with Permits:				0				0				0		
Exploration Sites with Notices:				12				0				12		
¹ An Inspectable Unit may include multiple small and neighboring Permanent Program Permits or Initial Program Sites that have been grouped together as one Inspectable Unit, or conversely, an Inspectable Unit may be one of multiple Inspectable Units within a Permanent Program Permit.														
² Total Inspectable Units calculation includes Exploration Sites Inspectable Units														
³ When a Permanent Program Permit or Initial Program Site contains both Federal and State and Private lands, the acreage for each type of land is in the applicable column.														
⁴ The number of Exploration Sites on Federal lands includes sites with exploration permits or notices any part of which is regulated by the state under a cooperative agreement or by OSM pursuant to the Federal Lands Program, but excludes exploration sites that are regulated by the Bureau of Land Management														

**CHART 2A HISTORICAL TRENDS
NUMBER OF INITIAL PROGRAM SITES AND PERMANENT PROGRAM PERMITS**

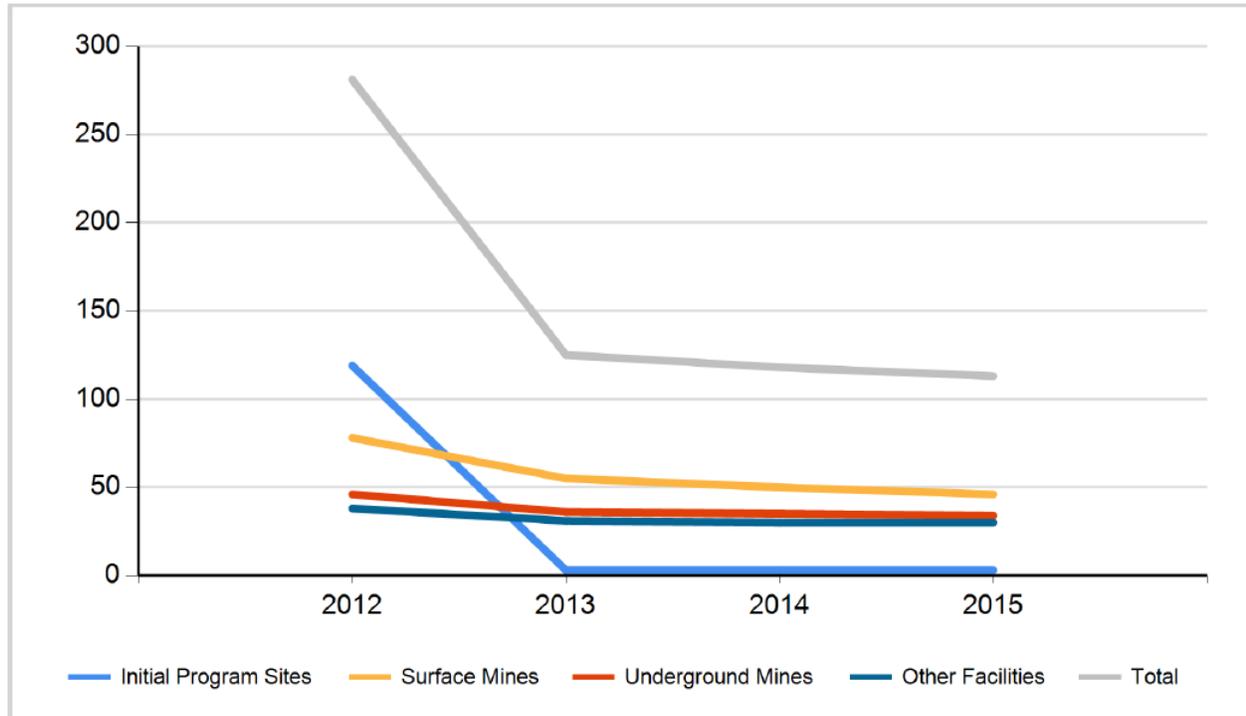


TABLE 2A

NUMBER OF INITIAL PROGRAM SITES AND PERMANENT PROGRAM PERMITS					
Year	Initial Program Sites	Permanent Program Permits			Total
		Surface Mines	Underground Mines	Other Facilities	
2012	119	78	46	38	281
2013	3	55	36	31	125
2014	3	50	35	30	118
2015	3	46	34	30	113

TABLE 2

PERMANENT PROGRAM PERMITS, INITIAL PROGRAM SITES, INSPECTABLE UNITS, AND EXPLORATION

Mines and Other Facilities	Numbers of Permanent Program Permits and Initial Program Sites								Insp. Units ¹	Area in Acres ²				Total Area	
	Permanent Program Permits				Initial Program Sites					Permanent Program Permits (Permit Area)		Initial Program Sites			
	Active	Inactive	Abandoned	Total	Active	Inactive	Abandoned	Total		Federal Lands	State/Tribal and Private Lands	Federal Lands	State/Tribal and Private Lands		
Surface Mines	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Underground Mines	0	0	0	0	0	0	1	1	1	0	0	0	10	10	
Other Facilities	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Total	0	0	0	0	0	0	1	1	1	0	0	0	10	10	
Permanent Program Permits and Initial Program Sites (Number on Federal Lands: 0)				Total Number:				1		Average Acres per Site:				10.00	
Average Number of Permanent Program Permits and Initial Program Sites per Inspectable Unit (IU):				Total Number:				1.00		Average Acres per IU:				10.00	
Permanent Program Permits in Temporary Cessation:				Total Number:				0		Number More than 3 Years:				0	
EXPLORATION SITES				Total Number of Sites				Sites on Federal Lands⁴				Exploration Inspectable Units			
Exploration Sites with Permits:				0				0				0			
Exploration Sites with Notices:				0				0				0			

¹An Inspectable Unit may include multiple small and neighboring Permanent Program Permits or Initial Program Sites that have been grouped together as one Inspectable Unit, or conversely, an Inspectable Unit may be one of multiple Inspectable Units within a Permanent Program Permit.

²Total Inspectable Units calculation includes Exploration Sites Inspectable Units

³When a Permanent Program Permit or Initial Program Site contains both Federal and State and Private lands, the acreage for each type of land is in the applicable column.

⁴The number of Exploration Sites on Federal lands includes sites with exploration permits or notices any part of which is regulated by the state under a cooperative agreement or by OSM pursuant to the Federal Lands Program, but excludes exploration sites that are regulated by the Bureau of Land Management

CHART 2A HISTORICAL TRENDS
NUMBER OF INITIAL PROGRAM SITES AND PERMANENT PROGRAM PERMITS

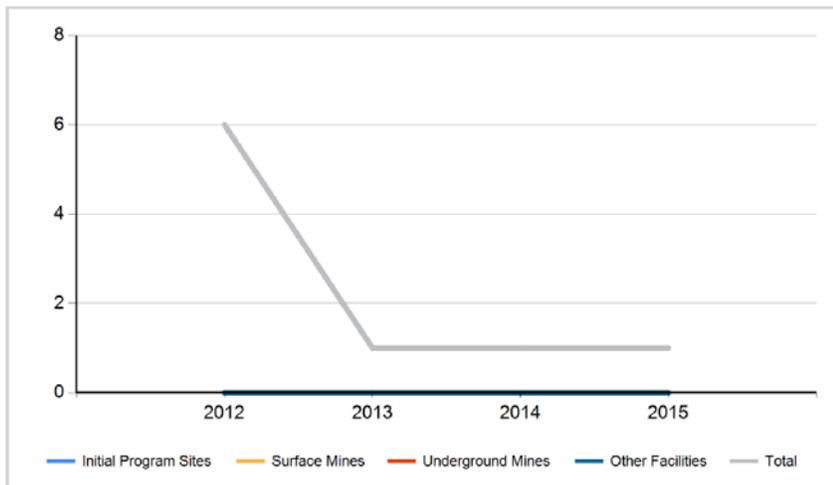


TABLE 2A

NUMBER OF INITIAL PROGRAM SITES AND PERMANENT PROGRAM PERMITS					
Year	Initial Program Sites	Permanent Program Permits			Total
		Surface Mines	Underground Mines	Other Facilities	
2012	6	0	0	0	6
2013	1	0	0	0	1
2014	1	0	0	0	1
2015	1	0	0	0	1

Tennessee

EY 2015, ending September 30, 2015

TABLE 3

PERMITS ALLOWING SPECIAL CATEGORIES OF MINING			
Special Category of Mining	30 CFR Citation Defining Permits Allowing Special Mining Practices	Numbers of Permits	
		Issued During EY	Total Active and Inactive Permits
Experimental Practice	785.13(d)	0	0
Mountaintop Removal Mining	785.14(c)(5)	0	0
Steep Slope Mining	785.15(c)	0	0
AOC Variances for Steep Slope Mining	785.16(b)(2)	0	0
Prime Farmlands Historically Used for Cropland	785.17(e)	0	0
Contemporaneous Reclamation Variances	785.18(c)(9)	0	0
Mining on or Adjacent to Alluvial Valley Floors	785.19(e)(2)	0	0
Auger Mining	785.20(c)	0	0
Coal Preparation Plants Not Located at a Mine Site	785.21(c)	0	0
In-Situ Processing	785.22(c)	0	0
Remining	773.15(m) and 785.25	0	0
Activities in or Within 100 Feet of a Perennial or Intermittent Stream	780.28(d) and/or (e) 784.28(d) and/or (e)	0	0

TABLE 4

PERMITTING ACTIVITY												
Type of Application	Surface Mines			Underground Mines			Other Facilities			Totals		
	App. Rec.	Issued/ Appvd	Acres	App. Rec.	Issued/ Appvd	Acres ¹	App. Rec.	Issued/ Appvd	Acres	App. Rec.	Issued/ Appvd	Acres
New Permits	0	0	0	0	1	133	0	0	0	0	1	133
Renewals	4	2		2	6		3	7		9	15	
Transfers, sales, and assignments of permit rights	0	8		2	4		1	1		3	13	
Small operator assistance	0	0		0	0		0	0		0	0	
Exploration permits										0	0	
Exploration notices ²											4	
Revisions that do not add acreage to the permit area	31	27		8	7		8	9		38	32	
Revisions that add acreage to the permit area but are not incidental boundary revisions	0	0	0	0	0	0	0	0	0	0	0	0
Incidental boundary revisions	4	3	8	1	2	915	0	0	0	5	5	923
Totals	39	40	8	13	20	1,048	12	17	0	64	81	1,056
Permits terminated for failure to initiate operations:							Number:	0	Acres:		0.0	
Acres of Phase III bond releases (Areas no longer considered to be disturbed):									Acres:		395.0	
Permits in temporary cessation							Notices received:	4	Terminations:		0	
Midterm permit reviews completed							Number:	16				
¹ Includes only the number of acres of proposed surface disturbance												
² State approval not required. Involves removal of less than 250 tons of coal and does not affect lands designated unsuitable for mining.												

TABLE 5

**OFF-SITE IMPACTS
EXCLUDING BOND FORFEITURE SITES**

RESOURCES AFFECTED		People			Land			Water			Structures		
DEGREE OF IMPACT		Minor	Moderate	Major	Minor	Moderate	Major	Minor	Moderate	Major	Minor	Moderate	Major
TYPE OF IMPACT EVENT	NUMBER OF EVENTS												
Blasting	0	0	0	0	0	0	0	0	0	0	0	0	0
Land Stability	0	0	0	0	0	0	0	0	0	0	0	0	0
Hydrology	2	0	0	0	0	0	0	2	0	0	0	0	0
Encroachment	0	0	0	0	0	0	0	0	0	0	0	0	0
Other	0	0	0	0	0	0	0	0	0	0	0	0	0
Total	2	0	0	0	0	0	0	2	0	0	0	0	0

Total Number of Inspectable Units¹: 125

Inspectable Units with one or more off-site impacts: 2

Exploration Inspectable Units with one or more off-site impacts²: 0

Inspectable Units free of off-site impacts: 123 % of Inspectable Units free of off-site impacts⁴: 98

¹ Total number of Inspectable Units is (1) the number of active and inactive inspectable units at the end of the Evaluation Year and (2) the number of Inspectable Units that were final bond released or removed during the Evaluation Year

² Exploration Inspectable Units with one or more off-site impacts is a subset of Inspectable Units with one or more off-site impacts

OFF-SITE IMPACTS AT BOND FORFEITURE SITES

RESOURCES AFFECTED		People			Land			Water			Structures		
DEGREE OF IMPACT		Minor	Moderate	Major	Minor	Moderate	Major	Minor	Moderate	Major	Minor	Moderate	Major
TYPE OF IMPACT EVENT	NUMBER OF EVENTS												
Blasting	0	0	0	0	0	0	0	0	0	0	0	0	0
Land Stability	0	0	0	0	0	0	0	0	0	0	0	0	0
Hydrology	2	0	0	0	1	0	0	1	1	0	0	0	0
Encroachment	0	0	0	0	0	0	0	0	0	0	0	0	0
Other	0	0	0	0	0	0	0	0	0	0	0	0	0
Total	2	0	0	0	1	0	0	1	1	0	0	0	0

Total Number of Inspectable Units³: 2

Inspectable Units with one or more off-site impacts: 2

Inspectable Units free of off-site impacts: 0

% of Inspectable Units free of off-site impacts⁴: 0

³ Total number of Inspectable Units is (1) the number of bond forfeiture sites that were reclaimed during the Evaluation Year and (2) the number of bond forfeiture sites that were unreclaimed at the end of the Evaluation Year

TABLE 5
(Continued)

TOTAL OFF-SITE IMPACTS INCLUDING BOND FORFEITURE SITES													
RESOURCES AFFECTED		People			Land			Water			Structures		
DEGREE OF IMPACT		Minor	Moderate	Major	Minor	Moderate	Major	Minor	Moderate	Major	Minor	Moderate	Major
TYPE OF IMPACT EVENT	NUMBER OF EVENTS												
Blasting	0	0	0	0	0	0	0	0	0	0	0	0	0
Land Stability	0	0	0	0	0	0	0	0	0	0	0	0	0
Hydrology	4	0	0	0	1	0	0	3	1	0	0	0	0
Encroachment	0	0	0	0	0	0	0	0	0	0	0	0	0
Other	0	0	0	0	0	0	0	0	0	0	0	0	0
Total	4	0	0	0	1	0	0	3	1	0	0	0	0

Total Number of Inspectable Units⁵: 127
 Inspectable Units with one or more off-site impacts: 4
 Exploration Inspectable Units with one or more off-site impacts: 0
 Inspectable Units free of off-site impacts: 123 % of Inspectable Units free of off-site impacts⁴: 97

⁴ % of Inspectable Units free of off-site impacts is based on the number of Inspectable Units during the Evaluation Year. The number of Inspectable Units may vary during the Evaluation Year.

⁵ Total number of Inspectable Units is (1) the number of active and inactive Inspectable Units at the end of the Evaluation Year and (2) the number of Inspectable Units that were final bond released or removed during the Evaluation Year and (3) the number bond forfeiture sites that were reclaimed during the Evaluation Year and (4) the number of bond forfeiture sites that were unreclaimed at the end of the Evaluation Year.

TABLE 5
(Continued)

TOTAL OFF-SITE IMPACTS INCLUDING BOND FORFEITURE SITES													
RESOURCES AFFECTED		People			Land			Water			Structures		
DEGREE OF IMPACT		Minor	Moderate	Major	Minor	Moderate	Major	Minor	Moderate	Major	Minor	Moderate	Major
TYPE OF IMPACT EVENT	NUMBER OF EVENTS												
Blasting	0	0	0	0	0	0	0	0	0	0	0	0	0
Land Stability	0	0	0	0	0	0	0	0	0	0	0	0	0
Hydrology	0	0	0	0	0	0	0	0	0	0	0	0	0
Encroachment	0	0	0	0	0	0	0	0	0	0	0	0	0
Other	0	0	0	0	0	0	0	0	0	0	0	0	0
Total	0	0	0	0	0	0	0	0	0	0	0	0	0
Total Number of Inspectable Units ⁵ :					1								
Inspectable Units with one or more off-site impacts:					0								
Exploration Inspectable Units with one or more off-site impacts:					0								
Inspectable Units free of off-site impacts:					1			% of Inspectable Units free of off-site impacts ⁴ :			100		
⁴ % of Inspectable Units free of off-site impacts is based on the number of Inspectable Units during the Evaluation Year. The number of Inspectable Units may vary during the Evaluation Year.													
⁵ Total number of Inspectable Units is (1) the number of active and inactive Inspectable Units at the end of the Evaluation Year and (2) the number of Inspectable Units that were final bond released or removed during the Evaluation Year and (3) the number bond forfeiture sites that were reclaimed during the Evaluation Year and (4) the number of bond forfeiture sites that were unreclaimed at the end of the Evaluation Year.													

TABLE 6

SURFACE COAL MINING AND RECLAMATION ACTIVITY							
Areas of Phase I, II, and III Bond Releases During the Evaluation Year (EY)							
Phase I Releases	Phase II Releases		Phase III Releases			Total Acres Released During the EY	
	Total Acres Released in Approved Phase II Releases	Acres not previously released under Phase I	Total Acres Released in Approved Phase III Releases	Acres not previously released under Phase II	Acres not previously released under Phase I or II		
180		0			32	Phase I	212
	0			64		Phase II	64
			395			Phase III	395
Number of Permanent Program Permits with Jurisdiction Terminated Under Phase III Bond Release During the Evaluation Year					2	Other Releases - Acres	
Initial Program Sites with Jurisdiction Terminated During the Evaluation Year					0	Administrative Adjustments	0
Number of Inspectable Units Removed					2	Bond Forfeiture	0
Areas of Permits Bonded for Disturbance by Surface Coal Mining and Reclamation Operations							

	Total Acres at Start of EY	Total Acres at End of EY	Change in Acres During EY
New Area Bonded for Disturbance			133
Total Area Bonded for Disturbance	20,832	19,832	(1,000)
Area Bonded for Disturbance without Phase I Bond Release	7,514	16,706	9,192
Area Bonded for Disturbance for which Phase I Bond Release Has Been Approved	6,157	5,213	(944)
Area Bonded for Disturbance for which Phase II Bond Release Has Been Approved	2,464	2,471	7
Area Bonded for Disturbance with Bonds Forfeited During Evaluation Year			738
Area Bonded for Remining	0	0	0
Areas of Permits Disturbed by Surface Coal Mining and Reclamation Operations			
Disturbed Area	15,186	13,508	N/A

TABLE 7

BOND FORFEITURE ACTIVITY (Permanent Program Permits)			
Bond Forfeiture and Reclamation Activity	Number of Sites	Dollars	Acres
Sites with bonds forfeited and collected that were un-reclaimed at the start of the current Evaluation Year (i.e., end of previous Evaluation Year) ¹	0		0
Sites with bonds forfeited and collected during the current Evaluation Year	2	241,700	738
Sites with bonds forfeited and collected that were re-permitted during the current Evaluation Year	0		0
Sites with bonds forfeited and collected that were reclaimed during the current Evaluation Year	0		0
Sites with bonds forfeited and collected that were un-reclaimed at the end of the current Evaluation Year ¹	2		738
Sites with bonds forfeited but un-collected at the end of the current Evaluation Year	0		0
Forfeiture Sites with Long-Term Water Pollution			
Bonds forfeited, lands reclaimed, but water pollution is still occurring	1		
Bonds forfeited, lands reclaimed, and water treatment is ongoing	1		
Surety/Other Reclamation Activity In Lieu of Forfeiture			
Sites being reclaimed by surety/other party at the start of the current Evaluation Year (i.e., the end of previous Evaluation Year) ²	0		0
Sites where surety/other party agreed during the current Evaluation Year to do reclamation	0		0
Sites being reclaimed by surety/other party that were re-permitted during the current Evaluation Year	0		0
Sites with reclamation completed by surety/other party during the current Evaluation Year ³	0		0
Sites being reclaimed by surety/other party at the end of the current Evaluation Year ²	0		0
¹ Includes data only for those forfeiture sites not fully reclaimed. ² Includes all sites where surety or other party has agreed to complete reclamation and the site is not fully reclaimed. ³ These sites are also reported in Table 6, Surface Coal Mining and Reclamation Activity, because Phase III bond release would be granted on these sites.			

TABLE 8

REGULATORY AND AML PROGRAMS STAFFING	
Function	Number of FTEs
Regulatory Program	
Permit Review and Maintenance	10.00
Inspection	8.00
Other (supervisory, clerical, administrative, fiscal, personnel, etc.)	8.00
Regulatory Program Total	26.00
AML Program Total	1.00
TOTAL	27.00

Tennessee

EY 2015, ending September 30, 2015

TABLE 9

FUNDS GRANTED TO STATE OR TRIBE BY OSM (Actual Dollars Rounded to the Nearest Dollar)			
Type of Funding	Federal Funds Awarded	Total Program Cost	Federal Funds Awarded as a Percentage of Total Program Costs
Regulatory Funding			
Administration and Enforcement Grant	0		
Other Regulatory Funding, if applicable	0		
Subtotal (Regulatory Funding)	0	0	
Small Operator Assistance Program Grant Funding	0	0	
Abandoned Mine Land Reclamation Funding	2,781,000	2,781,000	100
Watershed Cooperative Agreement Program	0	0	
TOTAL	2,781,000		

**CHART 9A HISTORICAL TRENDS
FUNDS GRANTED TO STATE OR TRIBE BY OSM**

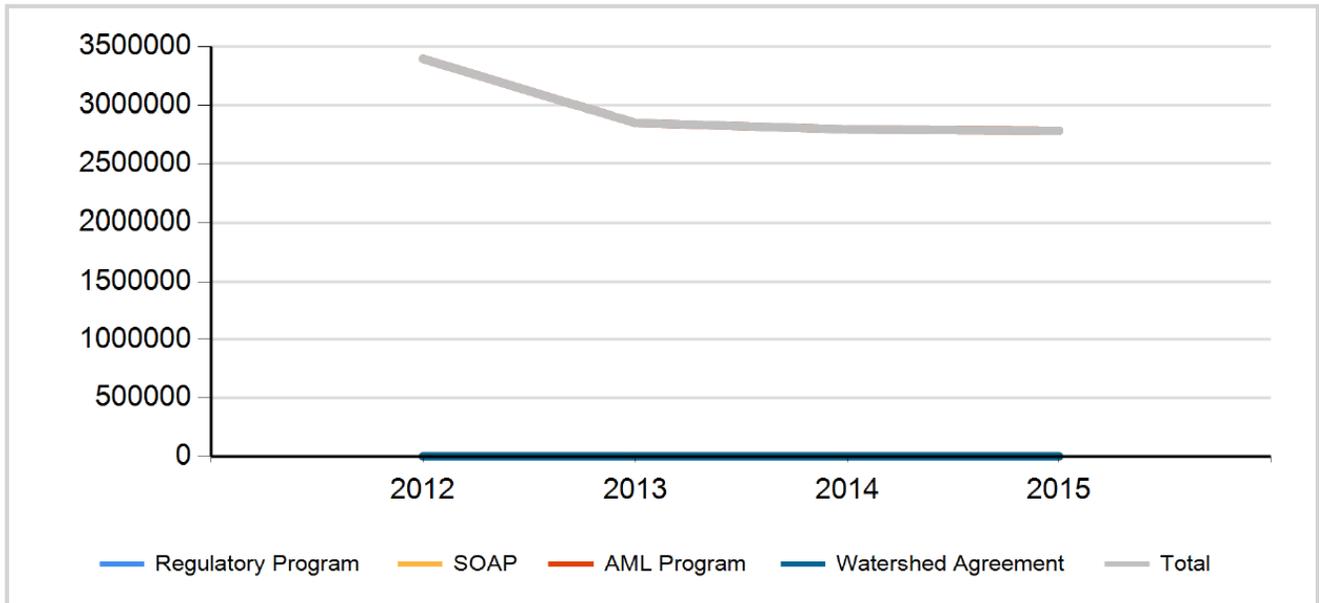


TABLE 9A

FUNDS GRANTED TO STATE OR TRIBE BY OSM				
Year	Regulatory Program	SOAP	AML Program	Total
2012	0	0	3,395,925	3,395,925
2013	0	0	2,847,000	2,847,000
2014	0	0	2,792,597	2,792,597
2015	0	0	2,781,000	2,781,000

TABLE 10

STATE INSPECTION ACTIVITY
INSPECTABLE UNITS FOR WHICH STATE MET REQUIRED INSPECTION FREQUENCY ON AN
INSPECTABLE UNIT-BY-INSPECTABLE UNIT BASIS ¹

Inspectable Units (IUs)	Total number of inspectable units ²	Number of inspections required annually		Number of inspections conducted		IUs Met Complete Inspection Frequency Requirement		IUs Met Partial Inspection Frequency Requirement		IUs Met Complete and Partial Inspection Frequency Requirements		
		Complete inspections	Partial inspections	Complete inspections	Partial inspections	Number	Percent	Number	Percent	Total number of IUs	Number that met inspection frequency	Percent
COAL MINES AND FACILITIES												
Active	70	280	560	288	713	70	100	70	100	70	70	100
Inactive	33	132	0	127	56	33	100	33	100	33	33	100
Abandoned	10	10	0	23	24	10	100	10	100	10	10	100
TOTALS ³	113	422	560	438	793	113	100	113	100	113	113	100
Coal Exploration Activities ⁴		Complete Inspections					Partial Inspections					
Exploration sites with permits		0					0					
Exploration sites with notices		24					13					

¹ Calculated on a site-specific basis.

² Total number includes both permanent program permits and initial program sites.

³ OSM is assuming that all states have gone through the process described in 30 CFR 840.11(h) and 842.11(f) to reduce inspection frequency on abandoned/forfeited sites

⁴ Includes all valid notices and permits. No inspection frequency data are provided since SMCRA does not establish a minimum numerical inspection frequency for coal exploration activities.

⁵ NA - Not Available

**CHART 10A HISTORICAL TRENDS
 STATE OR TRIBAL INSPECTION ACTIVITY**

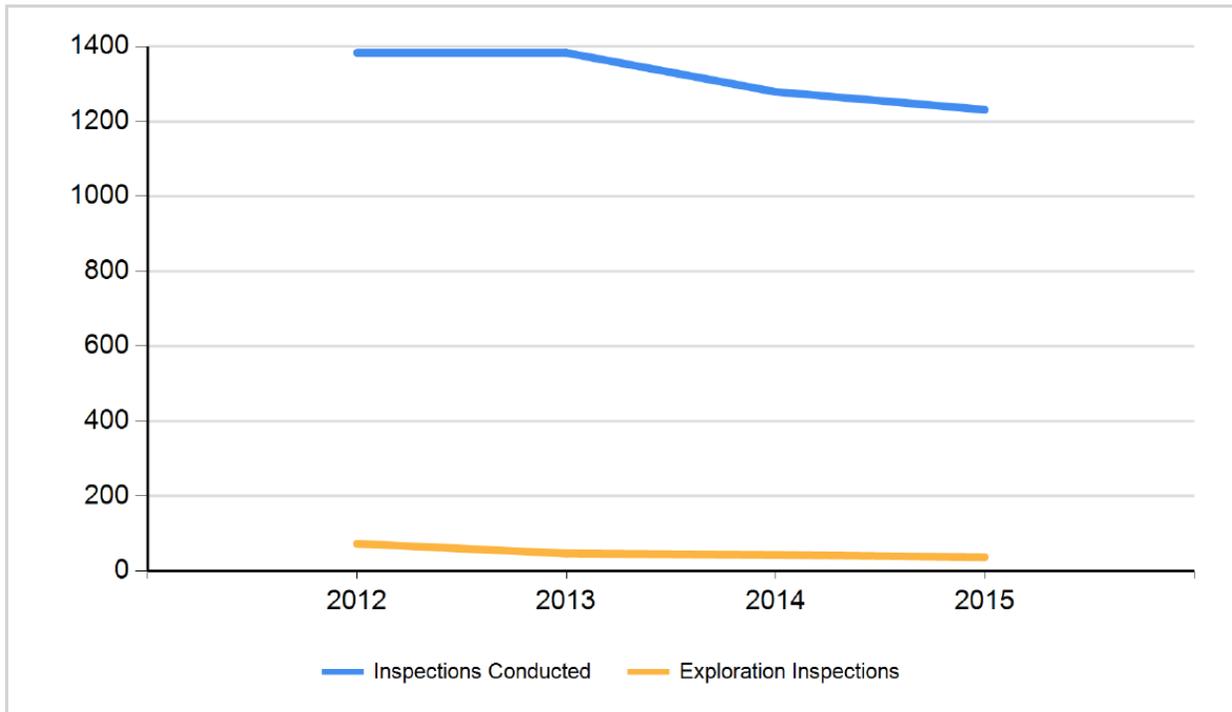


TABLE 10A

STATE OR TRIBAL INSPECTION ACTIVITY		
Year	Inspections Conducted	Exploration Inspections
2012	1383	73
2013	1383	47
2014	1279	43
2015	1231	37

TABLE 10

STATE INSPECTION ACTIVITY
INSPECTABLE UNITS FOR WHICH STATE MET REQUIRED INSPECTION FREQUENCY ON AN
INSPECTABLE UNIT-BY-INSPECTABLE UNIT BASIS ¹

Inspectable Units (IUs)	Total number of inspectable units ²	Number of inspections required annually		Number of inspections conducted		IUs Met Complete Inspection Frequency Requirement		IUs Met Partial Inspection Frequency Requirement		IUs Met Complete and Partial Inspection Frequency Requirements		
		Complete inspections	Partial inspections	Complete inspections	Partial inspections	Number	Percent	Number	Percent	Total number of IUs	Number that met inspection frequency	Percent
COAL MINES AND FACILITIES												
Active	0	0	0	0	0	0	0	0	0	0	0	0
Inactive	0	0	0	0	0	0	0	0	0	0	0	0
Abandoned	1	1	0	1	2	1	100	0	0	1	1	100
TOTALS ³	1	1	0	1	2	1	100	0	0	1	1	100
Coal Exploration Activities ⁴		Complete Inspections						Partial Inspections				
Exploration sites with permits		0						0				
Exploration sites with notices		0						0				

¹ Calculated on a site-specific basis.

² Total number includes both permanent program permits and initial program sites.

³ OSM is assuming that all states have gone through the process described in 30 CFR 840.11(h) and 842.11(f) to reduce inspection frequency on abandoned/forfeited sites

⁴ Includes all valid notices and permits. No inspection frequency data are provided since SMCRA does not establish a minimum numerical inspection frequency for coal exploration activities.

⁵ NA - Not Available

**CHART 10A HISTORICAL TRENDS
STATE OR TRIBAL INSPECTION ACTIVITY**

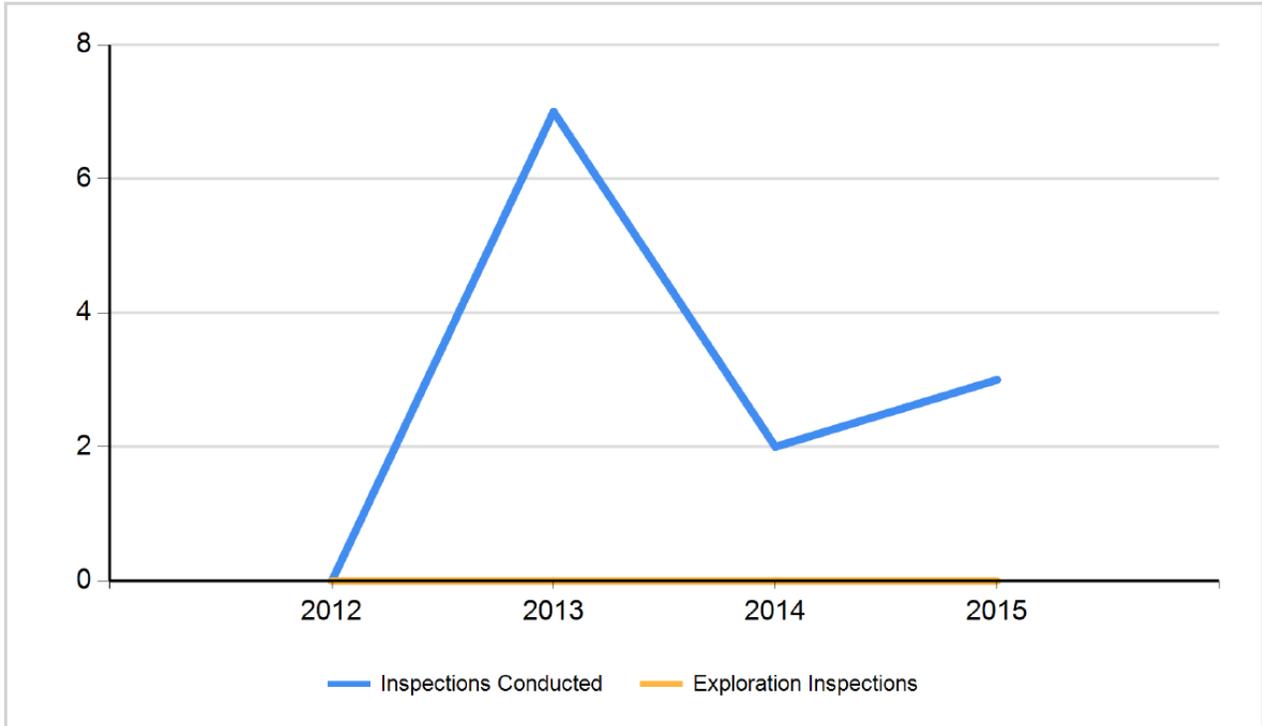


TABLE 10A

STATE OR TRIBAL INSPECTION ACTIVITY		
Year	Inspections Conducted	Exploration Inspections
2012	0	0
2013	7	0
2014	2	0
2015	3	0

TABLE 11

STATE OR TRIBAL ENFORCEMENT ACTIVITY		
Type of Enforcement Action	Number of Actions ¹	Number of Violations ¹
Notice of Violation	28	42
Failure-to-Abate Cessation Order	10	12
Imminent Harm Cessation Order	1	1

¹ Does not include actions and violations that were vacated.

CHART 11A HISTORICAL TRENDS
STATE OR TRIBAL ENFORCEMENT ACTIVITY

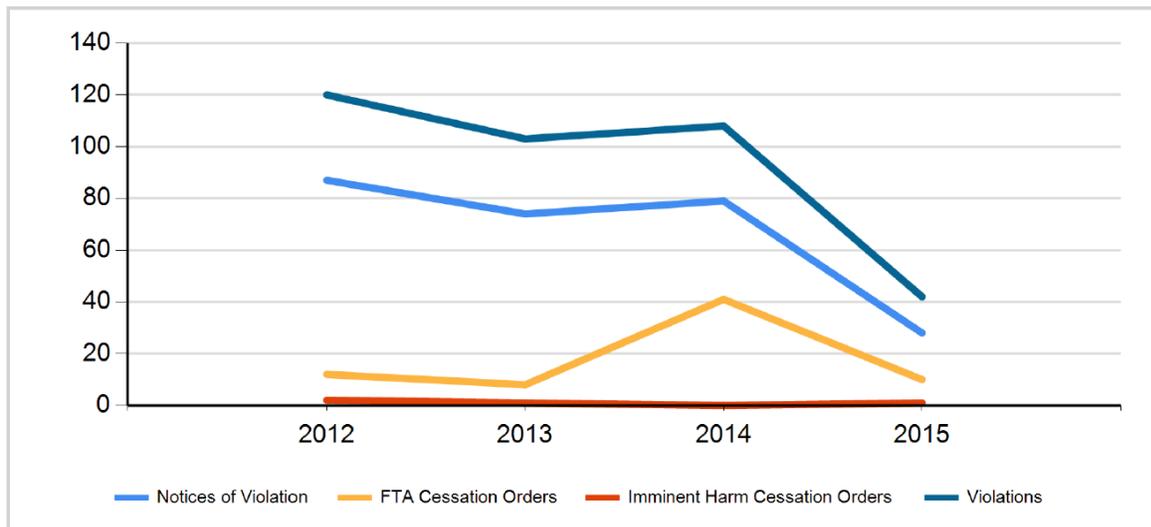


TABLE 11A

STATE OR TRIBAL ENFORCEMENT ACTIVITY				
Year	Notices of Violation	Violations	FTA Cessation Orders	Imminent Harm Cessation Orders
2012	87	120	12	2
2013	74	103	8	1
2014	79	108	41	0
2015	28	42	10	1

TABLE 11

STATE OR TRIBAL ENFORCEMENT ACTIVITY		
Type of Enforcement Action	Number of Actions ¹	Number of Violations ¹
Notice of Violation	0	0
Failure-to-Abate Cessation Order	0	0
Imminent Harm Cessation Order	0	0

¹ Does not include actions and violations that were vacated.

CHART 11A HISTORICAL TRENDS
STATE OR TRIBAL ENFORCEMENT ACTIVITY

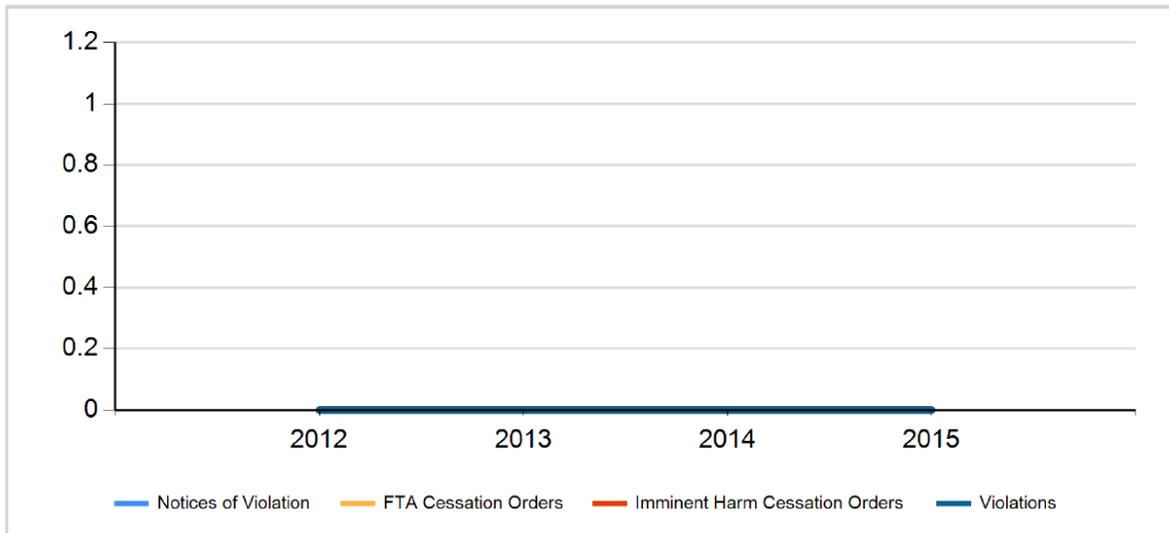


TABLE 11A

STATE OR TRIBAL ENFORCEMENT ACTIVITY				
Year	Notices of Violation	Violations	FTA Cessation Orders	Imminent Harm Cessation Orders
2012	0	0	0	0
2013	0	0	0	0
2014	0	0	0	0
2015	0	0	0	0

TABLE 12

LANDS UNSUITABLE ACTIVITY		
Activity	Number	Acres
Petitions Received	0	
Petitions Rejected	0	
Petitions Accepted	0	
Decisions Denying Petition	0	
Decisions Declaring Lands Unsuitable	0	0
Decisions Terminating Unsuitable Designations	0	0

CHART 12A HISTORICAL TRENDS
LANDS UNSUITABLE ACTIVITY

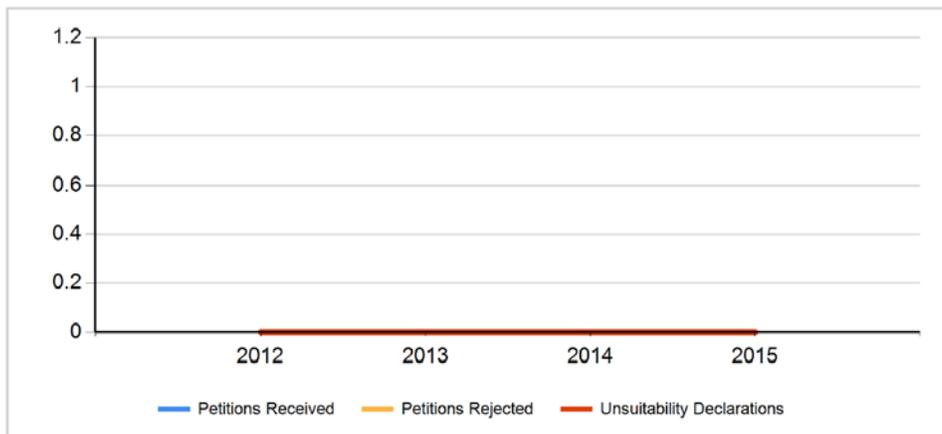


TABLE 12A

LANDS UNSUITABLE ACTIVITY			
Year	Petitions Received	Petitions Rejected	Unsuitability Declarations
2012	0	0	0
2013	0	0	0
2014	0	0	0
2015	0	0	0

**CHART 12B HISTORICAL TRENDS
ACRES DECLARED UNSUITABLE**

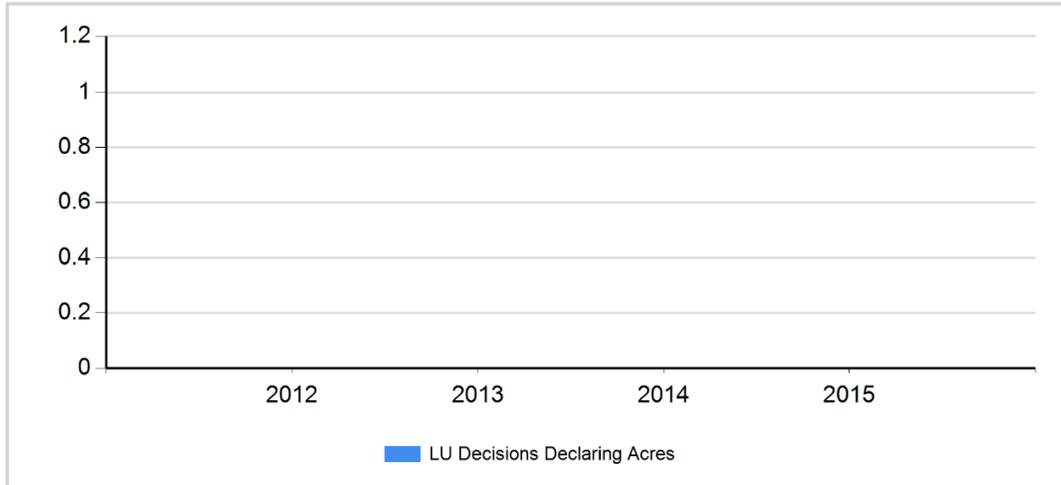


TABLE 12B

ACRES DECLARED UNSUITABLE	
Year	Acres Declared Unsuitable
2012	0.0
2013	0.0
2014	0.0
2015	0.0

**Knoxville Field Office
Annual Evaluation Report
Fiscal Year 2015**

APPENDIX 2

Summary of Core Data to Characterize the AML Program

The following tables present summary data pertinent to mining operations and regulatory activities under the Tennessee regulatory program. Unless otherwise specified, the reporting period for the data contained in the tables is the Fiscal Year. Other data and information used by OSMRE in its evaluation of Tennessee's performance is available for review in the evaluation file maintained by KFO.

Because of the enormous variations from state to state and tribe to tribe in the number, size, and type of coal mining operations and the differences between state and tribal programs, the summary data should not be used to compare one state or tribe to another.

List of Tables

Table 1	Tennessee Status of AML Inventory
Table 2	Tennessee Accomplishments in Eliminating Health and Safety Hazards Related to Past Mining
Table 3	Tennessee Accomplishments in Eliminating Environmental Problems Related to Past Mining
Table 4	Tennessee Accomplishments in Public Well-Being Enhancement
Table 5	Tennessee Partnership Financial Resources Dedicated to Protecting the Public from Adverse Effects of Past Mining
Table 6	Tennessee Reclamation Projects
Table 7	Tennessee AML Program Grant Awards and Staffing

Table 1 – (State/Tribe) Status of AML Inventory
 (All Priority 1, 2, and 3 Hazards as of September 30, 2015)

	High Priority		Elevated Priority 3	Stand Alone Priority 3 (not adjacent or in conjunction w/ P1&P3)	Total
	Priority 1	Priority 2			
UNFUNDED					
GPR Acres	1.00	888.12	6.00	8,156.30	9051.42
Dollars	300,000.00	9,575,838.00	100,000.00	27,051,255.00	37,027,093.00
FUNDED					
GPR Acres	0	388.80	54.95	77.07	520.82
Dollars	0.00	699,425.00	270,020.00	364,680.00	1,334,125.00
COMPLETED					
GPR Acres	265.23	3,200.50	325.46	1,638.97	5,430.16
Dollars	4,448,574.30	19,911,390.22	1,505,660.57	8,739,289.00	34,604,914.09

Table 2 – (State/Tribe)
Accomplishments in Eliminating Health and Safety Hazards Related to Past Mining
Priority 1 and 2 Hazards
(As of September 30, 2015)

	Clogged Stream Lands (Acres)	Clogged Streams (Miles)	Dangerous Highwalls (Feet)	Dangerous Impoundments (Count)	Dangerous Piles & Embankments (Acres)	Dangerous Slides (Acres)	Hazardous Equip. & Facilities (Count)	Hazardous Water Bodies (Count)	Industrial/Residential Waste (Acres)	Polluted Water: Agricultural & Industrial (Count)	Polluted Water: Human Consumption (Count)	Portals (Count)	Subsidence (Acres)	Surface Burning (Acres)	Vertical Openings (Count)	Total
UNFUNDED																
Units	0.00	7.00	19,538.00	1.00	82.50	72.00	30.00	21.00	3.00	9.00	45.00	323.00	0.00	1.00	12.00	20,144.50
GPRA	0.00	35.00	279.12	5.00	82.50	72.00	3.00	105.00	3.00	45.00	225.00	32.30	0.00	1.00	1.20	889.12
Costs	0.00	370,000.00	1,178,175.00	1,000.00	570,000.00	3,450,000.00	529,000.00	779,000.00	15,000.00	585,000.00	1,092,408.00	944,680.00	0.00	300,000.00	61,000.00	9,875,263.00
FUNDED																
Units	0.00	0.00	2,715.00	0.00	0.00	0.00	0.00	12.00	0.00	0.00	58.00	0.00	0.00	0.00	0.00	2,785.00
GPRA	0.00	0.00	38.80	0.00	0.00	0.00	0.00	60.00	0.00	0.00	290.00	0.00	0.00	0.00	0.00	388.80
Costs	0.00	0.00	89,420.00	0.00	0.00	0.00	0.00	169,384.00	0.00	0.00	440,621.00	0.00	0.00	0.00	0.00	699,425.00
COMPLETED																
Units	147.00	1.80	86,217.90	3.00	534.30	49.50	31.00	110.00	17.00	7.00	164.00	193.00	6.00	27.50	11.00	87,520.00
GPRA	147.00	9.00	1,237.93	15.00	534.30	49.50	3.10	550.00	17.00	35.00	820.00	19.30	6.00	27.50	1.10	3,471.73
Costs	91,214.00	404,082.00	6,609,635.68	48,000.00	4,056,039.00	1,696,784.30	318,767.00	3,495,313.89	161,972.00	783,347.00	4,293,730.65	621,479.00	120,783.00	1,507,095.00	151,722.00	24,359,964.52
TOTAL																
Units	147.00	8.80	108,470.90	4.00	616.80	121.50	61.00	143.00	20.00	16.00	267.00	516.00	6.00	28.50	23.00	110,449.50
GPRA	147.00	44.00	1,549.85	20.00	616.80	121.50	6.10	715.00	20.00	80.00	1,335.00	51.60	6.00	28.50	2.30	4,743.65
Costs	91,214.00	774,082.00	7,877,230.68	49,000.00	4,626,039.00	5,146,784.30	847,767.00	4,443,697.89	176,972.00	1,368,347.00	5,826,759.65	1,566,159.00	120,783.00	1,807,095.00	212,722.00	34,934,652.52

Table 3 – (State/Tribe)
Accomplishments in Eliminating Environmental Problems Related to Past Mining
Priority 3 and SMCRA section 403(b) Hazards
(As of September 30, 2015)

	Bench (Acres)	Equipment Facility (Count)	Gobs (Acres)	Haul Road (Acres)	High Wall (Feet)	Industrial/Residential Waste (Acres)	Mine Opening (Count)	Other ()	Pits (Acres)	Slump (Acres)	Slurry (Acres)	Spoil Area (Acres)	Water Problems (Gallons)	Total
Unreclaimed Remaining Hazards (Unfunded)														
Units	1,839.00	20.00	118.50	461.00	13,858.00	2.00	43.00	6.00	1,153.50	0.00	1.00	4,378.50	1,739.00	23,619.50
GPRA	1,839.00	2.00	118.00	461.00	198.00	2.00	4.30	0.00	1,153.50	0.00	1.00	4,378.50	5.00	8,162.30
Costs	4,411,719.00	158,500.00	344,603.00	749,057.00	2,369,000.00	5,000.00	124,001.00	73,501.00	4,879,353.00	0.00	1,500.00	12,310,156.00	1,724,865.00	27,151,255.00
ANNUAL RECLAMATION - FY2015 only (Completed)														
Units	0.00	0.00	0.00	0.00	5,435.00	1.00	0.00	0.00	5.42	0.00	0.00	48.00	0.00	5,489.42
GPRA	0.00	0.00	0.00	0.00	77.60	1.00	0.00	0.00	5.42	0.00	0.00	48.00	0.00	132.02
Costs	0.00	0.00	0.00	0.00	232,184.00	189.00	0.00	0.00	162,827.00	0.00	0.00	239,500.00	0.00	634,700.00
HISTORICAL RECLAMATION - FY1978-2015 (Completed)														
Units	76.00	15.00	68.50	8.00	34,453.30	5.20	3.00	1.00	185.80	4.00	0.00	1,222.20	361.00	36,403.00
GPRA	76.00	1.50	69.00	8.00	492.12	5.20	0.30	0.00	185.00	4.00	0.00	1,222.20	1.00	2,064.32
Costs	359,275.00	56,055.00	471,931.00	48,403.00	1,448,693.00	5,015.00	9,500.00	48,025.00	1,356,714.00	136,870.00	0.00	5,896,451.57	408,017.00	10,244,949.57

Table 4 – (State/Tribe) Public Well-Being Enhancement
(All Priority 1, 2, 3 AML projects completed during FY 2015)

PAD Number	Problem Type(s) Reclaimed	Project Name	Cost	GPRA Acres	Number of People with Reduced Exposure Potential
TN000045	HWB	Fall Creek Community Reclamation Project	\$43,907.24	25	54
TN000045	DH	Fall Creek Community Reclamation Project	\$ 541,522.68	71.5	54
TN000045	SA	Fall Creek Community Reclamation Project	\$ 133,425.57	25	54
TN000048	HWB	Fall Creek Community Reclamation Project	\$ 46,713.95	5	54
TN000048	DH	Fall Creek Community Reclamation Project	\$ 212,808.00	34.6	54
TN000139	403(b)	Brushy Mountain Waterline Replacement Project	\$ 394,817.63	1	317
TN000098	403(b)	Jellico Waterline Replacement Project	\$ 349,997.81	1	1,373
TN000064	PWHC	Stinking Creek Phase 3 Waterline Extension	\$ 400,000.00	135	82

Table 5 – (State/Tribe) – Partnership Financial Resources Dedicated to Protecting the Public from Adverse Effects of Past Mining
(AML projects completed during FY 2015)

PAD Number	Project Name	SMCRA Program Funding Source	Total SMCRA Funding	Alternate Non-SMCRA Funding Source	Alternate Non-SMCRA Funding Source
TN000035	Cherry Branch 3	SGA	\$140,759.00	Program	\$0.00
TN000036	Cherry Branch 3	SGA	\$736,519.00	Program	\$0.00
TN000046	Bellview Phase 2	SGA	\$305,052.00	Program	\$0.00
TN000049	Bellview Phase 2	SGA	\$484,385.00	Program	\$0.00
TN000087	Seiber Flats Waterline Extension	SGA	\$280,540.45	Program	\$0.00
TN000166	Stinking Creek Waterline Phase 2	SGA	\$418,828.20	Program	\$0.00
TN000193	Roseanne Ellis	SGA	\$337,328.00	Program	\$0.00
TN000234	Grave Hill Landslide	SGA	\$47,398.20	Program	\$0.00
TN000239	Wolf Ridge Gob Pile	SGA	\$262,599.00	Program	\$0.00

Table 6 – (State/Tribe) – Reclamation Projects Started and/or Completed
(During FY 2015)

Project Type	Projects Started	Projects Completed
State/Tribe (FY 2015)	4	4
Federal (FY 2015)	0	0
Total (FY 2015)	4	4

Table 7 – (State/Tribe) – AML Program Grant Awards and Staffing
(During FY 2015)

AML Program Costs	
Administration	\$1,089,154.00
Non –Water Supply Construction	\$1,254,451.40
Water Supply Construction	\$0.00
AMD Set-Aside	\$437,394.60
Other(s)	\$0.00
Total AML Funding	\$2,781,000.00
AML Program Staffing (full-time equivalents on September 30, 2015)	3