

114TH CONGRESS
2D SESSION

S. 3066

To protect taxpayers from liability associated with the reclamation of surface coal mining operations, and for other purposes.

IN THE SENATE OF THE UNITED STATES

JUNE 16, 2016

Ms. CANTWELL (for herself, Mr. DURBIN, Mr. HEINRICH, and Mr. WHITEHOUSE) introduced the following bill; which was read twice and referred to the Committee on Energy and Natural Resources

A BILL

To protect taxpayers from liability associated with the reclamation of surface coal mining operations, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Coal Cleanup Taxpayer
5 Protection Act”.

6 **SEC. 2. SURFACE COAL MINING BONDING.**

7 Section 509 of the Surface Mining Control and Rec-
8 lamation Act of 1977 (30 U.S.C. 1259) is amended—

1 (1) by striking subsection (c) and inserting the
2 following:

3 “(c) ALTERNATIVE BONDING SYSTEM.—The Sec-
4 retary may approve as part of a State or Federal program
5 an alternative system that will—

6 “(1) achieve the objectives and purposes of the
7 bonding program pursuant to this section; and

8 “(2) result in no greater risk of financial liabil-
9 ity to the Federal Government or a State govern-
10 ment than the bonding program under this section.”;
11 and

12 (2) by adding at the end the following:

13 “(f) SELF-BONDING.—

14 “(1) FEDERAL PROGRAMS.—

15 “(A) IN GENERAL.—Effective on the date
16 of enactment of this subsection, the Secretary—

17 “(i) may not accept the bond of the
18 applicant itself (referred to in this sub-
19 section as a ‘self-bond’); but

20 “(ii) may accept a separate surety or
21 collateral bond, consistent with the terms
22 under subsection (b).

23 “(B) EXISTING SELF-BONDS.—For coal
24 mining operations covered by a self-bond ac-
25 cepted by the Secretary prior to the date of en-

actment of this subsection, the permittee shall replace the self-bond with another form of bond acceptable to the Secretary under this section by not later than the earlier of—

“(i) the date of renewal of the permit under section 506(d); and

“(ii) the date of any major permit modification under section 506.

“(2) STATE PROGRAMS.—

“(A) IN GENERAL.—Not later than 90 days after the date of enactment of this subsection, the Secretary shall notify all State regulatory authorities that allow applicants to self-bond that the approved regulatory programs of the State regulatory authority must be amended—

“(i) to remove the authority for applicants to self-bond; and

“(ii) to require coal mining operations covered by a self-bond accepted by the State regulatory authority prior to the date of enactment of this subsection to replace the self-bond with another form of bond acceptable under this section by not later than the earlier of—

1 “(I) the date of renewal of the
2 permit under section 506(d); and

3 “(II) the date of any major per-
4 mit modification under section 506.

5 “(g) BONDS ISSUED BY SURETY.—

6 “(1) IN GENERAL.—Not later than 1 year after
7 the date of enactment of this subsection, the Sec-
8 retary shall issue rules establishing limitations on
9 surety bonds accepted under this section to minimize
10 the risk of financial liability to the Federal Govern-
11 ment or a State government, including rules regard-
12 ing—

13 “(A) the maximum quantity of corporate
14 surety bonds issued by any 1 corporate surety
15 as a percentage of the total quantity of coal
16 mine reclamation bonds in any 1 State;

17 “(B) the minimum percentage of surety
18 bonds unrelated to activities regulated pursuant
19 to this Act required to reinsure corporate surety
20 bonds;

21 “(C) the minimum collateralization re-
22 quired for corporate surety bonds; and

23 “(D) the minimum amount of cash assets
24 required to be held by a corporate surety as a

1 percentage of coal mine reclamation bonds
 2 issued by the corporate surety.

3 “(2) EXISTING CORPORATE BONDS.—Corporate
 4 surety bonds in existence on the date of enactment
 5 of this subsection must be modified or replaced as
 6 necessary by not later than 1 year after the date on
 7 which the rule is issued under paragraph (1).

8 “(h) COLLATERAL REQUIREMENTS.—Real property
 9 posted as collateral for a bond may not include—

10 “(1) coal;

11 “(2) a coal mine;

12 “(3) land that includes a coal mine;

13 “(4) land that is located above a coal mine;

14 “(5) a coal processing facility;

15 “(6) a coal waste disposal site;

16 “(7) coal mining equipment unlikely to retain
 17 salvage or resale value; or

18 “(8) any other property determined by the Sec-
 19 retary.

20 “(i) EXECUTIVE COMPENSATION.—The Secretary
 21 may require the inclusion of executive compensation, in-
 22 cluding salaries and bonuses of officers and executives, of
 23 an applicant under this section, and any affiliated com-
 24 pany, as collateral for a bond under this section.”.