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# OFFICE OF SURFACE MINING RECLAMATION AND ENFORCEMENT



**PAYER HANDBOOK  
AUGUST 2024**

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# Introduction

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## Purpose

The purpose of this Coal Reclamation Fee Payer Handbook is to help you understand your production reporting and reclamation fee payment responsibilities as the permittee/operator of a mine, to advise you of the deduction in tonnage you may take for excess moisture, and to respond to questions raised by permittees/operators.

The Office of Surface Mining Reclamation and Enforcement (OSMRE) will periodically issue Payer Letters to announce official policy changes, clarifying issues, and communicating critical changes as they occur. Payer Letters will often be included in the Quarterly Coal Reclamation Fee Report (OSM-1 Form) mailings.

This handbook is not a substitute or replacement for previous Payer Letters and does not relieve the permittee/operator of the responsibility of following regulations in the Surface Mining Control and Reclamation Act of 1977, as amended (SMCRA).

Please contact the Division of Financial Management (DFM) regarding any conflicting information contained in this handbook, the SMCRA documents, or Payer Letters, at:

Office of Surface Mining Reclamation and Enforcement  
Division of Financial Management  
P.O. Box 25065  
One Denver Federal Center, Building 41  
Lakewood, Colorado 80225-0065  
Phone: 1-800-799-4265

# Statutory Authority

OSMRE is authorized by the Surface Mining Control and Reclamation Act of 1977, as amended. The purposes of this law include:

- Protecting society and the environment from the adverse effects of surface coal mining operations.
- Reclaiming mined areas that endanger public health and safety, prevent the beneficial use of land or water resources, or decrease environmental quality.
- Providing a fund for Abandoned Mine Land (AML) reclamation.
- Providing technical and financial assistance to states with primary regulatory authority over coal mining activities within their boundaries.

The Surface Mining Control and Reclamation Act of 1977, Title IV, Section 401, Abandoned Mine Reclamation, establishes a trust fund for administration by the Secretary of the Interior. The fund consists of amounts collected through reclamation fees and other amounts. Section 402 of the Act authorizes the collection of a reclamation fee for all coal produced from all coal mine permittees/operators.

## Mission Statement

Our mission is to carry out the requirements of the Surface Mining Control and Reclamation Act in cooperation with States and Tribes. Our primary objectives are to ensure that coal mines are operated in a manner that protects citizens and the environment during mining and assures that the land is restored to beneficial use following mining, and to mitigate the effects of past mining by aggressively pursuing reclamation of abandoned coal mines.



## Applicant Violator System (AVS)

The Applicant/Violator System (AVS) is a nationwide database maintained by the Office of Surface Mining which contains unabated violation records and information on ownership and control of mining operations. When a violation is entered into the AVS the database indicates what parties were present during the violation. Permitting authorities check the AVS for outstanding compliance issues when evaluating an applicant's eligibility for permitting actions. The AVS is also used in determining the eligibility of potential recipients of Abandoned Mine Land (AML) reclamation contracts.

Users do not need an account to view information in the AVS, any person can log in as a Guest User. The address of the system is [avss.osmre.gov](http://avss.osmre.gov).

More information and resources concerning the AVS are available on OSMRE's webpage under the AVS section at the following address: [osmre.gov/programs/regulating-coal-mines/AVS](http://osmre.gov/programs/regulating-coal-mines/AVS).

The site contains the following information:

- AVS User Guide for Guest Access with View Only Rights that provides step-by-step guidance on how to use the AVS application
- AVS Users Guide for State and Federal Regulatory Authorities with Maintenance Rights
- AML Contractor Information Form and instructions on completing the form
- Contact information for all State and Federal AVS Liaisons

For AVS questions or assistance please contact the AVS Office at 1-800-643-9748 or [avshelp@osmre.gov](mailto:avshelp@osmre.gov).

## Notice to Operators

All persons engaged in or carrying out mining operations should take notice of your responsibilities under Title IV of the Surface Mining Control and Reclamation Act of 1977, 30 U.S. C. 1201 et seq, commonly referred to as “SMCRA” OR “the Act.” Among your responsibilities enumerated in the Act is the duty to report and pay AML fees, as set out in 30 U.S.C., 1232.

The Secretary of the Interior holds permittees and operators jointly and severally responsible for reporting and paying AML fees.

Furthermore, under OSMRE’s interpretation of “operator,” mining contractors and mineral owners are sometimes jointly and severally liable for reclamation fees.

Please take notice that agreements between private parties which purport to allocate the obligation to report and pay AML fees do not relieve the permittee or the operator of their responsibilities under Title IV of the Act. Regardless of the provisions of a contract between a permittee, operator, and others who are “operators” under OSMRE’s interpretation of that term (including independent contractors and mineral owner), you may have a statutory duty to report and pay AML fees.

Finally, please take notice that failing to file the AML report (generally known as the OSM-1), or knowingly filing a false report, is a crime punishable by a fine of not more than \$10,000 and/or by imprisonment for not more than one year. See 30 U.S.C., 1232(d).

Additionally, failing to pay the AML fees which accrue on all coal production is a violation of a permit condition. See 30 C.F.R., 773.17(g)

## OSM-1 Form Regulations and Penalties

OSMRE's Division of Financial Management (DFM) issues a Coal Reclamation Fee Report (OSM-1 Form) that is used to report production and pay reclamation fees for mines that have a permit to conduct coal mining. Failure to file an OSM-1 Form and failure to pay reclamation fees are separate violations of SMCRA. To avoid a failure-to-file violation, the OSM-1 Form must be completed and submitted to OSMRE even if payment cannot be made at that time. Failure to file an OSM-1 Form and failure to pay outstanding reclamation fees due may result in either a notice to the State regulatory authority to take enforcement action, or a Federal Notice of Violation, depending on the state where the mine is located.

A Federal Notice of Violation for not filing an OSM-1 Form or not paying reclamation fees may carry a civil penalty assessed using the point system outlined in 30 CFR 845.14 and 845.15. If the OSM-1 Form is not filed and/or reclamation fees remain unpaid, a Federal Cessation Order can result in your mine being closed and a penalty assessment of no less than \$3,068 per day up to a maximum of 30 days or \$92,040.

State and Federal violations become a part of OSMRE's Applicant/Violator System (AVS), a nationwide permit database that State and Federal Regulatory Authorities use as a tool to evaluate mining applicants and AML reclamation contractors prior to making permitting and contractor eligibility decisions. Therefore, failure to file an OSM-1 Form and/or pay reclamation fees may cause the responsible parties to be permit ineligible or ineligible to receive AML reclamation contracts, based on the applicable regulations in the State or Federal Program.

# Who files a Coal Reclamation Fee Report and pays a reclamation fee?

The permittee and operator will be held jointly and severally liable for reporting coal production and for paying reclamation fees, regardless of the provisions of a contract between a permittee, operator, and others who are “operators” under OSMRE’s interpretation of the term. (See ‘Notice to Operators’ on page 4.)

Permittee/operators are defined as any person, partnership, or corporation engaged in coal mining that removes or intends to remove more than 250 tons of coal from the earth by mining coal within twelve consecutive calendar months in any one location. All permittee/operators pay reclamation fees unless exempt under the Act (See “Are there exemptions from AML Fees?” on page 20)

The number and variety of business arrangements employed in the coal industry makes defining “operator” difficult in isolation, and the use and definition cannot be established outside the specific facts of each case. OSMRE believes that Congress intended that the burden of fee payment should fall upon the person who stands to benefit directly from the sale, transfer, or use of the coal. OSMRE determines this benefit while deciding who is liable for paying the fee. The decision of identifying operators is made in consideration of those benefiting from the sale of coal and does not turn solely on a literal interpretation of the word “removes.”

## How is tonnage reported?

To engage in coal mining and reclamation operations, a permittee/operator must first obtain a permit issued by a State or Federal regulatory authority. The regulatory office transmits the applicable permit information to AVS. Permit information is transferred to the DFM computer system that issues the OSM-1 Form.

The entity that assumes responsibility for filing an OSM-1 Form (reporting entity) can receive either a paper or an electronic version of the OSM-1 Form.

Both paper and electronic versions of the OSM-1 Form have three parts. (See Chapter 2 Instructions for E-Filing the OSM-1 Form, or Chapter 3 Instructions for Filling out the Paper OSM-1 Form.)

- Part 1 shows the permit number(s) for which the reporting entity is reporting production.
- Part 2 is used to report production and calculate reclamation fees by permit.
- Part 3 is used to list the names and addresses of mineral owners, coal purchasers, and coal delivery points for each permit.

Tonnage must be reported on Part 2 of the OSM-1 Form for each permit number. For example, if the permittee/operator has two producing sites and one permit number for each site, or one site and multiple permits, the tonnage must be reported for each applicable permit.

To arbitrarily allocate all the tonnage on one permit number and report zero tonnage for the other would be inappropriate. (See “Commingling coal,” page 12)

Part 2 and Part 3 of the OSM-1 Form must be completed for each permit regardless of the number of operators operating on the permit. Multiple operators are pre-populated on the electronic form and are listed on an attachment to Part 2 of the paper form. Tonnage must be reported by permit, not separately by each operator.

Moisture deduction calculations can be averaged when reporting multiple seams under one permit number. (See Chapter 6 Moisture Deduction)

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**E-Filing can save you money if you have a moisture adjustment and are using the simple excess moisture equation to calculate the moisture percentage. See E-Filing benefits on the next page.**

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All paper and electronic versions of the OSM-1 Form, Parts 1, 2, and 3, must be filed with OSMRE.

- Part 1 must be signed and notarized (***or use the unsworn signature option, in lieu of the notary option, when you file electronically.***)
- Completing and returning all forms within prescribed time frames will prevent delays in surface coal mining permit actions due to a failure-to-file violation in the AVS.
- If there is no reportable tonnage for the permit, report zero tonnage on the forms.

If you do not receive the paper OSM-1 Form, or your email notification message for the electronic form, call the Division of Financial Management (DFM) at 1-800-799-4265.

## Electronic Filing

**File your quarterly OSM-1 Report electronically!**



**Visit our website at**

[sscr.osmre.gov](http://sscr.osmre.gov)

**Link to e-File Application**

[E-filing Application](#)

OFFICE of SURFACE MINING  
RECLAMATION and ENFORCEMENT  
U.S. Department of the Interior

All OSMRE Websites

[Payer Handbook](#) ▶ [eFile Information](#) [eFile Savings Calculator](#) [eFile Instructions](#) [FAQs](#)

Welcome to the eFile site for the  
Office of Surface Mining  
Division of Financial Management

[Go to OSM-1 Login Page](#)

The benefits of e-filing your OSM-1 include automatic calculations of reclamation fees due, access to reports, and email reminders as deadlines approach. E-Filing also gives you the option to make your fee payment online with Pay.Gov.

You can visit our website, email [dfmwebmaster@osmre.gov](mailto:dfmwebmaster@osmre.gov), or call 1-800-799-4265 to enroll now.

# Chapter 1: Filing an OSM-1 Form

## When do I complete and submit an OSM-1 Form?

Coal mine operators are required to report tonnage on the Coal Reclamation Fee Report (OSM-1 Form) and pay any related reclamation fees each calendar quarter.

The OSM-1 Form reporting all coal tonnage sold, used, or transferred during the calendar quarter must be submitted within 30 days after the end of the calendar quarter. The Code of Federal Regulations (CFR), 30 CFR 870.15(b)(1) states:

Along with any fee payment due, you must submit to us a completed Coal Reclamation Fee Report (OSM-1 Form). You can file the OSM-1 Form either in a paper format or in electronic format as specified in CFR 870.17. On the OSM-1 Form, you must report the tonnage of coal sold, used, or transferred.

If you do not receive the pre-printed OSM-1 Form or your email message for the E-Filing form, call the Division of Financial Management (DFM) at 1-800-799-4265. Once you have begun reporting, you must return to OSMRE every OSM-1 Form you receive, either reporting tonnage or submitting a zero report.

## What do I do if the pre-printed information on the OSM-1 Form is incorrect?

You may change the pre-populated information on the electronic form online. On the paper form, line out the incorrect pre-printed data with a single line and enter the correct data.



## **What do I report on the OSM-1 Form during the period before mining begins, during temporary cessation, and when mining is complete?**

After the permit has been issued, and if you have received a paper copy or the electronic version of the OSM-1 Form, you must report zero tonnage for any quarter in which there is no reportable tonnage.

When mining is complete, you must report zero tonnage or applicable reportable tonnage until the stockpile is reported.

## **When am I no longer required to report and return the OSM-1 Form?**

Anytime you receive the OSM-1 Form, the form must be completed and returned to OSMRE. Once production is complete AND all tonnage for a permit is sold, used, or transferred including stockpiles, mark block "C - Mining Complete" on Part 2 of the OSM-1 Form. Send a copy of the State or Federal inspection form that verifies that mining is complete. Include a signed statement that no stockpile exists for sale. (If stockpiles do exist, the OSM-1 Form must be filed.)

## **What do I do if the OSM-1 Form does not contain a Part 2 for each of the permits on which I should be reporting?**

If you are filing electronically, you may add the permit information online. Paper filers can call the Division of Financial Management (DFM), at 1-800-799-4265 to request an OSM-1 Form for each permit.

## **What do I do if the OSM-1 package contains permits for which I'm not responsible?**

File the OSM-1 Form and include a note stating why you believe you are not required to submit the form for a particular permit. You can also call

or email your account representative (found on your OSM-1 Form) at DFM to report and discuss the discrepancy.

If the permit has been transferred, submit a copy of the State or Federal transfer approval or permit application approval document. (See Frequently Asked Questions # 9, page 73)

### **Commingling coal**

When coal is mined from multiple surface permits and combined or commingled with coal mined from underground permits, determining the exact tonnage attributed to each permit may be impossible. In these instances, the tonnage must be allocated to individual permits for each mining method. The allocation must be reasonable, fully documented in the company records, and show consistent accounting treatment.

The easiest allocation method is based on ratio of tons produced per permit compared to total sales for all permits, as documented in production records. Other methods are acceptable if they are fully documented and approved by OSMRE.

However, the permittee/operator is still required to substantiate the amount of coal produced by surface mining.

The Code of Federal Regulations 30 CFR 870.12(c) states:

If the operator combines surface mined coal, including reclaimed coal, with underground mined coal before the coal is weighed for fee purposes, the higher reclamation fee shall apply, unless the operator can substantiate the amount of coal produced by surface mining by acceptable engineering calculations or other reports which the Director may require.

If a mine crosses state lines (and therefore has two permit numbers), report production on the permit where production is occurring. It is important the allocation to the State/permit be accurate.

If you are unsure how to report coal production for coal that is commingled or mines that cross state lines, please contact [feecompliance@osmre.gov](mailto:feecompliance@osmre.gov) or at 412-302-9159.

## How are coal weights (tonnages) determined for AML fees?

Section 870.12(b) of 30 CFR states:

The fee shall be determined by the weight and value [of the coal] at the time of initial bona fide sale, transfer of ownership, or use by the operator.

Section 870.12(b)(1) of 30 CFR states:

The initial bona fide sale, transfer, or use of the coal shall be determined by the first transaction or use of the coal by the operator immediately after it is severed or removed from a reclaimed coal refuse deposit.

A ton is defined as 2000 pounds (0.90718 metric ton).

## What is the rate of the reclamation fee for coal sold, transferred, or used within a quarter?

The regulations set different standard (per ton) fee rates for surface mined coal, underground mined coal, and lignite coal. Additionally, ad valorem (percentage based) fees may apply in some cases with low value coal sales. The following shows applicable fee rates.

**October 1, 2021, through September 30, 2034, the coal reclamation fee rates for each ton of coal used, sold, or transferred are as follows:**

- Surface-mined coal (except lignite) –22.4 cents per ton \*
- Underground-mined coal (except lignite) –9.6 cents per ton\*\*

- Lignite – 6.4 cents per ton

**October 1, 2012, through September 30, 2021, the coal reclamation fee rates for each ton of coal used, sold, or transferred are as follows:**

- Surface-mined coal (except lignite) –28 cents per ton \*
- Underground-mined coal (except lignite) –12 cents per ton\*\*
- Lignite – 8 cents per ton

**\*Surface-mined coal** - Report coal tonnage removed by auger mining and coal recovered from a deposit that is not its original geologic location such as slurry ponds, refuse piles, culm banks, stream beds, etc. (“reclaimed coal”) at the surface rate.

**\*\*Underground-mined coal-** Report coal tonnage for any face-up tonnage on an underground mine at the underground rate.

**If you have any questions regarding applicable fee rate, please contact: [feecompliance@osmre.gov](mailto:feecompliance@osmre.gov) or at 412-302-9159.**

### **\*Ad Valorem Fee**

The reclamation fee may be computed using a percentage, based on the sales value of the coal (ad valorem) when it results in a rate lower than the standard rate. The ad valorem fee for surface and underground mined coal is 10 percent of the sales value of the coal, and for lignite coal is 2 percent of the sales value of the coal.

Federal regulations (30 CFR 870.5) define value as “gross value at the time of initial bona fide sale, transfer of ownership or use by the operator **but does not include the reclamation fee required by this part**”.

If the coal extracted or the minerals removed are used by the operator or transferred to a related entity for use instead of being sold in a bona fide

sale, the fair market value of the coal is calculated at the time of use or transfer in lieu of revenue from a bona fide sale.

**October 1, 2021, through September 30, 2034:**

If the gross value of **surface-mined** anthracite, bituminous, or subbituminous coal is \$2.24 per ton or more, the fee is 22.4 cents per ton. If the gross value of the coal is less than \$2.24 per ton, the ad valorem\* fee is 10 percent of the value for each ton.

If the gross value of **underground-mined** anthracite, bituminous or subbituminous coal is \$0.96 per ton or more, the fee is 9.6 cents per ton. If the gross value of the coal is less than \$0.96 per ton, the ad valorem\* fee is 10 percent of the value for each ton.

If the gross value of **lignite coal** is \$3.20 per ton or more, the fee is 6.4 cents per ton. If the gross value of the coal is less than \$3.20 per ton, the ad valorem\* fee is 2 percent of the value of each ton.

**October 1, 2012, through September 30, 2021:**

If the gross value of **surface-mined** anthracite, bituminous, or subbituminous coal is \$2.80 per ton or more, the fee is 28 cents per ton. If the gross value of the coal is less than \$2.80 per ton, the ad valorem\* fee is 10 percent of the value for each ton.

If the gross value of **underground-mined** anthracite, bituminous or subbituminous coal is \$1.20 per ton or more, the fee is 12 cents per ton. If the gross value of the coal is less than \$1.20 per ton, the ad valorem\* fee is 10 percent of the value for each ton.

If the gross value of **lignite coal** is \$4.00 per ton or more, the fee is 8 cents per ton. If the gross value of the coal is less than \$4.00 per ton, the ad valorem\* fee is 2 percent of the value of each ton.

## **Ad valorem calculations:**

*(Based on current rates, effective Oct 1, 2021)*

- (1)** Determine the gross tons of coal sold.
- (2)** If excess moisture is deducted as allowed by the regulations (30 CFR 870.18), determine the net tons sold by subtracting the excess moisture tons from the gross tons.
- (3)** Determine the price per ton by dividing the total dollar amount of the sales revenue by the net tons sold if deducting excess moisture or gross tons if not deducting excess moisture.
- (4)** Determine value by dividing the price per ton found in Step 3 by 1.1 (1.02 if lignite). This will deduct the reclamation fee from the sales price. If the resulting amount is \$2.24 per ton or more for surface-mined coal, \$0.96 per ton or more for underground-mined coal, or \$3.20 or more for lignite, pay the fees at the standard rate of 22.4, 9.6, or 6.4 cents per ton respectively.
- (5)** If the value determined in step four is less than \$2.24 per ton for surface-mined coal or \$0.96 per ton for underground-mined coal, multiply the amount by 0.10 (10 percent) or \$3.20 per ton for lignite coal, multiply the amount by .02 (2 percent) to determine your fee rate. The rate carried to the OSM-1 Forms should be rounded to four decimal places.
- (6)** Calculate the reclamation fees you pay by multiplying the appropriate fee rate amount determined in Step 4 or 5 by the tons sold, net of any excess moisture deducted.
- (7)** Document the invoice number, date, number of gross tons (and net tons if moisture is deducted), and gross revenue for all coal included in the ad valorem calculation. Keep this documentation on file. The OSMRE auditor will request it when an audit is conducted.

**Note:** If you have any questions regarding the procedures to follow when reporting reclamation fees at the ad valorem rate, please contact OSMRE's Division of Compliance Management (DCM) at: [feecompliance@osmre.gov](mailto:feecompliance@osmre.gov) or 412-302-9159.

## Ad Valorem Reclamation Fee calculation examples

*All calculations are based on the surface mined coal rate of 22.4 cents per ton, effective Oct 1, 2021.*

### Example 1

Determination of tons to be included in ad valorem

**Invoice #1** 10,000 gross tons @ \$2.50 = \$25,000.00

**Invoice #2** 10,000 gross tons @ \$2.41 = \$24,100.00

**Invoice #3** 10,000 gross tons @ \$2.30 = \$23,000.00

Excess moisture percentage equals 2 percent.

#### Invoice #1

(1) Gross Tons	=	10,000 tons	
(2) Net Tons	=	10,000 tons - 200 tons (Excess moisture)	= 9,800 tons
(3) Sales Price Per Ton	=	\$25,000 ÷ 9,800 tons	= \$2.5510
(4) Value Per Ton	=	\$2.5510 ÷ 1.1	= \$2.3191
(5) Fee Rate	=	\$2.3191 × 10%	= \$0.2319
(6) Fees Due	=	9,800 tons × \$0.2319	= \$2,272.62

**This fee rate exceeds \$0.224 per ton, so the applicable fee rate is \$0.224 per ton (standard fee).**

**Invoice #2**

(1) Gross Tons	=	10,000 tons	
(2) Net Tons	=	10,000 tons - 200 tons (Excess moisture)	= 9,800 tons
(3) Sales Price Per Ton	=	\$24,100 ÷ 9,800 tons	= \$2.4592
(4) Value Per Ton	=	\$2.4592 ÷ 1.1	= \$2.2356
(5) Fee Rate	=	\$2.2356 × 10%	= \$0.2236
(6) Fees Due	=	9,800 tons × \$0.2236	= \$2,191.28

**This fee rate is less than \$0.224 per ton, so fees may be calculated using the ad valorem method set forth below in Part II, “Weighted Average Ad Valorem Calculations”.**

**Invoice #3**

(1) Gross Tons	=	10,000 tons	
(2) Net Tons	=	10,000 tons - 200 tons (Excess moisture)	= 9,800 tons
(3) Sales Price Per Ton	=	\$23,000 ÷ 9,800 tons	= \$2.3469
(4) Value Per Ton	=	\$2.3469 ÷ 1.1	= \$2.1335
(5) Fee Rate	=	\$2.1335 × 10%	= \$0.2134
(6) Fees Due	=	9,800 tons × \$0.2134	= \$2,091.32

**This fee rate is less than \$0.224 per ton, so fees may be calculated using the ad valorem method set forth below in Part II, “Weighted Average Ad Valorem Calculations”.**



## Example 2

### Weighted Average Approach

To determine quarterly ad valorem fees, add the gross tons and revenue for the invoices with fee rates of less than \$0.224. Then calculate the ad valorem fees due using a weighted average method, as demonstrated below.

Determination of tons to be included in ad valorem

$$\begin{array}{r}
 \text{Invoice \#2} \quad 10,000 \text{ gross tons @ } 2.41 = \$24,100.00 \\
 \text{Invoice \#3} \quad 10,000 \text{ gross tons @ } 2.30 = \$23,000.00 \\
 \hline
 = \quad 20,000 \text{ gross tons @ } 4.73 = \$47,100.00
 \end{array}$$

(1) Gross Tons	=	20,000 tons	
(2) Net Tons	=	20,000 tons - 400 tons (Excess moisture)	= 19,600 tons
(3) Sales Price Per Ton	=	$\$47,100 \div 19,600 \text{ tons}$	= \$2.4031
(4) Value Per Ton	=	$\$2.4031 \div 1.1$	= \$2.1846
(5) Fee Rate	=	$\$2.1846 \times 10\%$	= \$0.2185
(6) Fees Due	=	$19,600 \text{ tons} \times \$0.2185$	= \$4,282.60

## Reporting Coal Tonnage Sold for Export

All coal operators must report all coal tonnage produced, even if it is subsequently sold for export, and pay the related coal reclamation fees in accordance with SMCRA, as amended, and the implementing regulations.

In litigation, numerous coal operators claimed that the reclamation fee is unconstitutional as applied to coal that is sold for export. However, the U.S. Court of Appeals for the Federal Circuit has confirmed that the fee

provisions of SMCRA and the implementing regulations are constitutional. The U.S. Supreme Court denied petitions for writs of certiorari.

Thus, OSMRE continues to require payment of coal reclamation fees on all coal produced, even if it is subsequently sold for export.

If you have any questions, please contact [feecompliance@osmre.gov](mailto:feecompliance@osmre.gov) or at 412-302-9159.

## **Are there exemptions from AML Fees?**

### ***Exemptions***

The following situations are exempt from a reclamation fee:

- The extraction of coal by a landowner for his/her own use (noncommercial) from land owned or leased.
- The extraction of coal as an incidental part of Federal, State, or local government-financed highway or other construction.
- The extraction of coal incidental to the extraction of other minerals where coal does not exceed 16-2/3 percent of the total tonnage of coal and other minerals removed for commercial use or sale, and the cumulative revenue derived from the coal extracted annually shall not exceed 50 percent of the total cumulative revenue derived from the coal and other minerals removed for purposes of bona fide sale or reasonable commercial use.
- The extraction of less than 250 tons of coal within twelve consecutive months.

Operators claiming exemptions under these provisions must maintain complete records to justify the reason no fees should be assessed.

## No Value Determinations

Under some circumstances, coal refuse that was a by-product of a coal mining operation abandoned prior to August 3, 1977, may be considered to have No Value for reclamation fee purposes. Operators must obtain prior approval from OSMRE's Division of Compliance Management (DCM) and report tonnage, including No Value, for reclamation fee purposes. If approved, No Value Determinations become effective beginning in the calendar quarter in which the request and supporting documents were received.

To be eligible for a No Value Determination, the operator must submit information to document the material meets all four of the following criteria.

- The material was, or is, the waste by-product of a coal preparation process.
- The waste material is used in a small power production or cogeneration facility qualified by the Federal Energy Regulatory Commission (FERC) to burn waste material. To grant certification, the Commission must find that the refuse material is a by-product and has little or no value.
- Except for use in the waste-coal fired small power production or cogeneration facility, there exists no relevant market for the waste material.
- The material is not reprocessed utilizing gravity separation to remove the residual coal from the refuse.

These criteria represent the minimum standards that must be met. OSMRE will evaluate the information submitted and the operator will be formally notified of the final decision. All coal operators are required to file Form OSM-1 to report the tonnage and maintain all supporting documentation, even if a No Value Determination is approved. Any tons sold or transferred prior to receiving an approved No Value Determination must be reported, and fees will be assessed at the surface

or ad valorem rate. Section 402(d) of SMCRA provides that failure to report tonnage may be punished by a fine of not more than \$10,000 or by imprisonment for not more than one year, or both. Failure to report tonnage could also result in enforcement actions (Notice of Violation and Cessation Order). If any circumstances change regarding the removal, processing, or other factors affecting an approved No Value Determination, the operator must immediately report that information to OSMRE.

For further information on exempt situations, and questions or requests for a No Value Determination, please contact [feecompliance@osmre.gov](mailto:feecompliance@osmre.gov) or at 412-302-9159.

### When are reclamation fees due?

Tonnage must be reported on the OSM-1 Form and appropriate fees paid within 30 days after the end of the calendar quarter. The following calendar illustrates the relationship among the above dates:

Calendar Quarter	OSM-1 Forms are sent to companies	OSM-1 Forms due date
1 <sup>st</sup>	March	April 30th
2 <sup>nd</sup>	June	July 30th
3 <sup>rd</sup>	September	October 30th
4 <sup>th</sup>	December	January 30th

### Non-Respondents

The following will establish the permittee/operator as a non-respondent in the AVS:

- Failing to respond to an OSM-1 Form or failing to report on every permit number
- Failing to report on every permit number on the OSM-1 Form by the 30th day after the end of the calendar quarter

A Non-Respondent violation may cause the responsible parties (permittee/operator) to be permit ineligible until the non-respondent violation is corrected.

After the 15th day of the month following the OSM-1 Form due date, the non-respondent permittee/operator receives a letter from the DFM requesting immediate response by completing the OSM-1 Form and sending it in with payment.

OSM-1 Form must be filed even if the fees cannot be paid. Contact the Division of Financial Management (DFM) at 1-800-799-4265 to discuss payment arrangements.

If the permit information included on the pre-printed OSM-1 Form is incorrect, the following action is appropriate:

- If the OSM-1 Form has already been filed, please contact the DFM immediately at 1-800-799-4265.
- If mining under the permit is complete and reclamation activities have begun, send to DFM a copy of the State or Federal Inspection Reports that show completion. Include a signed statement that no stockpiles exist for sale. (If stockpiles do exist, the OSM-1 Form must be filed.
- If the permit is in temporary cessation, or mining activities have not begun, send an OSM-1 Form to report zero coal production.
- If permits have been transferred, assigned, or sold, send to DFM a copy of the approved State or Federal transfer document.
- If the permittee/operator reported coal sales under another permit, amended OSM-1 Forms must be submitted. Coal tonnage must be allocated to individual producing permits for each mining method (surface or underground).
- If zero coal sales occurred, but the permit is still active, OSM-1 Forms must be submitted showing zero sales.

## **Consequences for Non-Respondents**

OSMRE may implement one or more of the following actions when a permittee/operator fails to submit an OSM-1 Form and pay reclamation fees:

- Issue a ten-day notice to the applicable state regulatory authority for state enforcement action to active, non-compliant operations.
- Issue a Notice of Violation to active non-compliant operations. If the OSM-1 Form is still not submitted and fees due are not paid, a Cessation Order will be issued.
- Institute legal sanctions against companies that have coal production and intentionally do not file OSM-1 Forms.
- Identify the responsible parties (permittee/operator) as having outstanding violations on the OSMRE Applicant/Violator System.
- Include the Non-Respondent entity on an audit priority list.

## Chapter 2: Instructions for E-Filing the OSM-1 Form

Filing out an electronic OSM-1 Form is quick and easy. Go online to file your OSM-1 Form or apply now to obtain your User ID and Password. Contact us at 1-800-799-4265 or visit us at [sscr.osmre.gov](https://sscr.osmre.gov).

### ***E-Filed OSM-1 Forms improves accuracy***

- The E-File system makes accurate calculations based on the data you enter.
- All data fields must be completed. If the OSM-1 Form is incomplete, you will not be able to submit it.
- The system sends email reminders if have not filed your report

### ***E-Filed OSM-1 Forms do not require a signature***

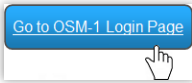
- Your User ID and Password serve as your electronic signature.
- No notary statement is needed if you chose to use the un-sworn signature option.

### ***E-Filed OSM-1 Forms allow you to pay online***

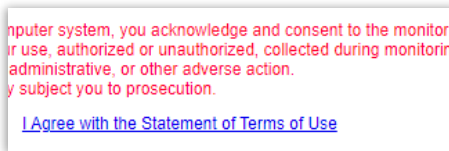
- You can schedule your payments anytime through Pay.Gov.
- The only required information is your account number and routing number.

## Step 1: Log on

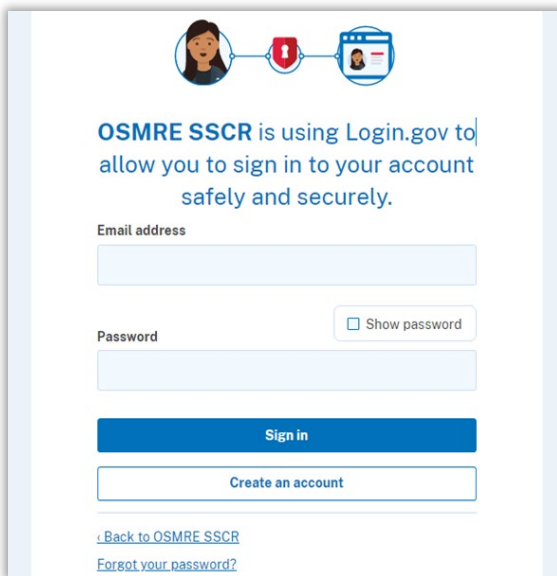
- (1) Go to [sscr.osmre.gov](https://sscr.osmre.gov). Click the blue button to begin.



- (2) Enter your User Name and Read and accept the Terms of Agreement.

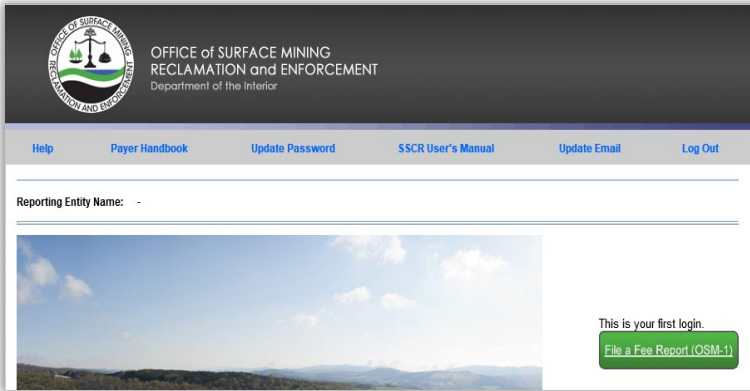


- (3) Enter the email address associated with your UserId. **You may need to create a Login.Gov account - please contact [dfmwebmaster@osmre.gov](mailto:dfmwebmaster@osmre.gov) or 1-800-799-4265 for guidance.**



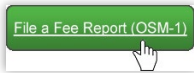
- (4) You will be directed to the main screen once you're logged in.



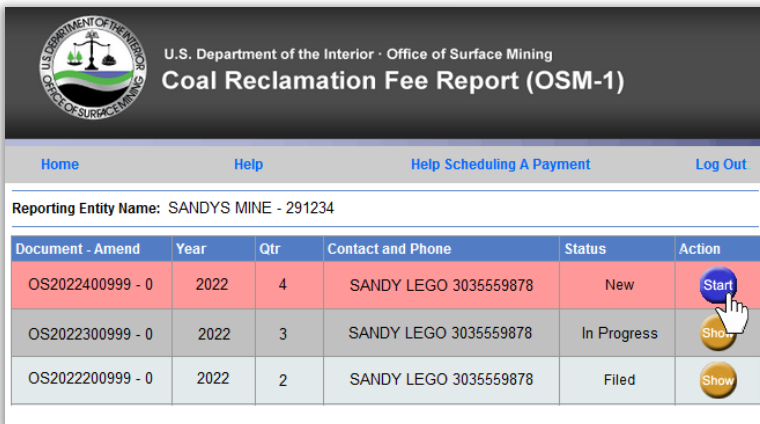


## Step 2: Select a new OSM-1 Form to file

- (5) Click the green button to view your OSM-1 Forms.



- (6) Click an action button to open an OSM-1 Form.



- (7) Review your contact information and make any changes on this screen.

Reporting Entity Name:	SANDYS MINE		
Reporting Period:	1st Qtr		
Document Number:	<input type="text" value="OS2022400999"/>		
Contact Person:	<input type="text" value="SANDY LEGO"/>		
Telephone:	<input type="text" value="3035559878"/>		
Mailing Address:	<input type="text" value="100 STARS STREET"/>		
Mailing Address 2:	<input type="text" value="SUITE 10"/>		
City:	<input type="text" value="WINDY CITY"/>		
State/Zip Code:	<input type="text" value="Colorado"/> ▼	<input type="text" value="80991"/>	<input type="text" value="5555"/>
Email Address:	<input type="text" value="SANDYLEGO@LEGOMINES.NET"/>		
Method Of Payment:	<input type="text" value="Check"/> ▼		
<input style="margin-right: 20px;" type="button" value=" &lt; Back "/> <input style="margin-right: 20px;" type="button" value=" Cancel "/> <input style="border: 1px solid black;" type="button" value=" Next &gt; "/>			

### Step 3: Select a Permit to work on

- (8) Towards the bottom of the page is a list of your permits. Click on the [Modify] link to select a permit.

Not all of the permits are complete.  
 0 of the 4 permits are complete.  
 Please finish all permits which do not have a COMPLETED status.  
 There will be a submit button in this area to continue.



Permit Number	Mine Name	Status	Fee		Action	
S-9990-99	MINE LEGGOOW	Open	\$0.00	<a href="#">[View]</a>	<a href="#">[Modify]</a>	<a href="#">[No Activity]</a>
S-9991-99	STARS MINE #35	Open	\$0.00	<a href="#">[View]</a>	<a href="#">[Modify]</a>	<a href="#">[No Activity]</a>
S-9992-99	STARS MINE #36	Open	\$0.00	<a href="#">[View]</a>	<a href="#">[Modify]</a>	<a href="#">[No Activity]</a>
U-9990-99	TELEPORT MINE LEGGOOW A	Open	\$0.00	<a href="#">[View]</a>	<a href="#">[Modify]</a>	<a href="#">[No Activity]</a>

- To file zero tons, click the [No Activity] link.
- To view all permit info, click the [View] link.

## Step 4: Review Permit, Permittee, and Operator data

(9) Enter any Permit, Permittee, or Operator changes on this screen.

### Fee Report - PART 2

---

Reporting Entity Name: SANDYS MINE - 291234  
 Reporting Period: 1st Qtr

---

[Update Permit](#)

Permit Number:

Permit State:

MSHA Number:

County:

Tribes:

Mine Name:

Mining Complete:  No  Yes

Stockpile Reported:  No  Yes

---

[Permittee Data](#)

Name:

Address1:

Address2:

City:

State:

Zip: (5 or 9 digits)

EIN/SSN

Taxpayer ID:

**Operator Instructions**

**Edit:** to make changes to an existing Operator

**Delete:** to remove an existing Operator

**Add Operator:** to insert a new line

**Copy from Permittee:** to copy the permittee data into a new line

---

[Operators Assigned to this Permit](#)

	Name	Address	Address2	City	State	Zip Code	EIN/SSN	Tax ID
<a href="#">Edit</a> <a href="#">Delete</a>	SANDYS	PO BOX 2		BECK	CO	554466	E	123456789

## Step 5: Report Tonnage Data

- (10) Report tonnage on this screen. All approved Mine Types and Rates will pre-populate.

**Fee Report - PART 2**

---

Reporting Entity Name: SANDYS MINE - 291234  
 Reporting Period: 1st Qtr

---

Permit Number: S-9990-99  
 Mine Types: S = Surface U = Underground L = Lignite N = No Value

	Mine Type	Sold or Transferred Tons	Total Moisture%	Inherent Moisture%	Excess Moisture%	Reduced Tons	Net Tons	Rate	Calculated Fee	
<a href="#">Edit</a>	<a href="#">Delete</a>	S	456000.00	10.0000	5.0000	5.2632	24000.00	432000.00	0.2240	96,768.00

## Step 6: Review 402c data

- (11) Report 402c data on this screen. 402c data from the prior quarter will pre-populate. Click the “Add a Mineral Owner,” “Add a Purchaser,” or “Add a Deliver to” button to input the information.

**Fee Report - PART 3 (402 C Data)**

---

Reporting Entity Name: SANDYS MINE - 291234  
 Permit Number: S-9990-99

---

**Mineral Owner**

	Name	Address	City	State	Zip Code
<a href="#">Edit</a>	<a href="#">Delete</a>	SMALL RAINBOW MINES	RAINBOW ROAD STE 500	THORN	CO 80001

Add from History

The 10 largest owners only.

**Purchasers of Coal**

	Name	Address	City	State	Zip Code
<a href="#">Edit</a>	<a href="#">Delete</a>	JENGA COAL CO	100 BIG STREET	WINTERVILLE	CO 80999

Add from History  ▼

The 10 largest purchaser only.

---

**Coal delivered to**

	Name	Address	City	State	Zip Code
<a href="#">Edit</a>	<a href="#">Delete</a>	BIG TRUCK INC	ROUTE 2	WOOD	CO 80297

Add from History  ▼

The 10 largest "deliver to" customers only.

**Mineral Owners:** include those with legal ownership of the coal. Mineral owners also include those who have the right to extract the coal and to receive the economic benefits normally associated with ownership of the coal, such as payment for the value of the coal.

- List the names and addresses of any person or entity owning 10% or more of tonnage sold for this permit.
- If no single mineral owner meets the 10% rule, report the largest single mineral owner.

**Purchasers of Coal:** are defined as persons or entities that purchased 10% or more of the production from a given permit.

- If no single purchaser meets the 10 percent rule, report the largest single purchaser.

**Coal delivery location:** indicates the type of facility where the coal is delivered (at the point of first sale, transfer, or use): prep plant, tipple, loading point.

- List the names and address of facilities where 10% or more of the coal was delivered.
- If no single facility meets the 10% rule, report the largest single delivery point.

## Step 7: Sign, print, and review the OSM-1 Form

- (12) When all permits show a "Complete" status, the comment box will turn green and a Submit button will appear. Click Submit.

All of the permits are complete.

You **must** press Submit to file your OSM-1.

Submit



Permit Number	Mine Name	Status	Fee		Action	
S-9990-99	MINE LEGGOOW	Complete	\$8,268.55	<a href="#">[View]</a>	<a href="#">[Modify]</a>	<a href="#">[No Activity]</a>
S-9991-99	STARS MINE #35	Complete	\$542.44	<a href="#">[View]</a>	<a href="#">[Modify]</a>	<a href="#">[No Activity]</a>
S-9992-99	STARS MINE #36	Complete	\$0.00	<a href="#">[View]</a>	<a href="#">[Modify]</a>	<a href="#">[No Activity]</a>
U-9990-99	TELEPORT MINE LEGGOOW A	Complete	\$0.00	<a href="#">[View]</a>	<a href="#">[Modify]</a>	<a href="#">[No Activity]</a>

- (13) Select a Signature Option.

### SIGNATURE OPTION SCREEN

- Notary Option - submit the form electronically, while maintaining a properly notarized paper copy of the identical electronic report for review by OSM's Fee Compliance Auditors.
- Unsworn Statement Option - submit the OSM-1 Form electronically with an electronically signed and dated statement made under penalty of perjury that the information contained in the form is true and correct. The statement does not have to be notarized. By submitting this data to OSM electronically, you affirm that you have read and agree to the statement that:

"I consider the User ID and Password that I used to access this site and to transmit this fee report to be my electronic signature on the document."

< Back

Next >

- (14) Review your OSM-1 Form. You can open printable and savable versions of your report from this screen. Click "Next" to continue.

U.S. Department of the Interior · Office of Surface Mining  
**Coal Reclamation Fee Report (OSM-1)**

Home Help Help Scheduling A Payment Log Out

[Printable Report](#) [PDF Report](#)

If you click on **Printable Report** or **PDF Report**, A copy of the report will open in a new tab.

**SCROLL TO THE BOTTOM OF THE PAGE!**  
 Verify that you have reviewed The OSM-1 Form and click **Next**.

I have reviewed the OSM-1 data above and certify under penalty of perjury that the foregoing is true and correct.

Make Changes

< Back Next >

## Step 8: Submit your completed OSM-1 Form

- (15) Click "Submit" to complete your OSM-1 Form.

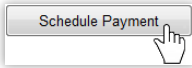
**PLEASE INCLUDE THIS COUPON WITH YOUR CHECK TO ENSURE ACCURATE POSTING OF YOUR PAYMENT**

Total calculated fee for all permits in this OSM-1 document:	\$ 8,810.99
Credits or Amount due from previous filings:	\$0.00
<b>Total Due with this OSM-1 document:</b>	<b>\$ 8,810.99</b>
Please enter the amount you intend to submit with this payment	\$8,810.99

**Data is ready to Submit** Submit


# How to schedule a Pay.Gov payment

- (1) Once your OSM-1 is submitted, you will be directed to a confirmation screen. Click "Schedule Payment."



- (2) Enter payment information and click "Continue with ACH Payment."

### SSCR



Please provide the payment information below. Required fields are marked with an \*

Agency Tracking ID  
OS2022400999 - 0


Payment Amount  
\$8,810.99

\* Payment Date (MM/DD/YYYY)

Make This A Recurring Payment

\* Account Holder Name

\* Account Type



\* Routing Number

\* Account Number


\* Confirm Account Number



- (3) Authorize the payment and click "Submit Payment."

## SSCR

---



Please review the payment information. Required fields are marked with an \*

Agency Tracking ID  
OS2022400999 - 0

Payment Amount  
**\$8,810.99**

Payment Method  
ACH Debit

Account Holder Name  
SANDY MINE

Account Type  
Business Checking

Routing Number  
102000076

Account Number  
\*\*\*\*\*0123

Payment Date  
12/03/2021

[Print Authorization and Disclosure Statement](#)

Authorization and Disclosure--Consumers and Businesses

The debit transaction(s) to which you are agreeing are handled on behalf of Federal agencies by "Pay.gov," which consists of services offered by the U.S. Treasury Department's Financial Management Service. As used in this document, "we" or "us" refers to the Financial Management Service and its agents and contractors operating Pay.gov. "You" refers to the end-user reading this document and agreeing to it prior to engaging in a debit transaction.

\* I agree to the Pay.gov authorization and disclosure statement

Continue
Previous
[Cancel](#)

- (4) If your fees are less than \$500 and you are paying by check, please print and include the coupon to ensure your account is properly credited.

## Amending an E-Filed OSM-1 Form

- (1) On the home page of an OSM-1 Form, select "Amend OSM1," and click the "Next" button.

Document Detail for OS2013100999 - 0 Year: 2013 and Quarter: 1	Status: Filed	OSM1 Fees: \$8,810.99 IRS Excise Taxes: \$0.00
Contact Information: SANDY LEGO 100 STARS STREET SUITE 10 WINDY CITY CO 80991	OSM Actions <input type="radio"/> View OSM1 <input type="radio"/> Pay OSM1 <input type="radio"/> Payment Status <input checked="" type="radio"/> Amend OSM1 <input type="radio"/> Deposit Coupon	IRS Actions: <input type="radio"/> Start IRS
<input type="button" value="Cancel"/>		<input type="button" value="Next &gt;"/>

- (2) Click on the [Amend] link for the permit that you wish to amend.

0 of the 4 permits have been amended.  
At least one permit has to be amended. Or delete the Amendment.

If you are finished amending your OSM-1 Report, click on the submit button in this area to continue.

[?](#)

Click on the [Amend] link for the permit that you wish to amend.

Permit Number	Mine Name	Status	Fee	<a href="#">View</a>	<a href="#">Amend</a>
S-9990-99	MINE LEGGOOW	Open	\$8,268.55	<a href="#">View</a>	<a href="#">Amend</a>
S-9991-99	STARS MINE #35	Open	\$542.44	<a href="#">View</a>	<a href="#">Amend</a>
S-9992-99	STARS MINE #36	Open	\$0.00	<a href="#">View</a>	<a href="#">Amend</a>
U-9990-99	TELEPORT MINE LEGGOOW A	Open	\$0.00	<a href="#">View</a>	<a href="#">Amend</a>

- (3) Make your changes to the permit that you selected. If needed, you can amend other permits at this time.
- (4) Once you are finished amending your permit(s), Click "Submit" to eFile your Amended OSM-1 Form.

1 of the 4 permits have been amended.

If you are finished amending your OSM-1 Report, click on the submit button in this area to continue.

Submit



Click on the [Amend] link for the permit that you wish to amend.

Permit Number	Mine Name	Status	Fee		
S-9990-99	MINE LEGGOOW	Amended	\$268.55	<a href="#">View</a>	<a href="#">Amend</a>
S-9991-99	STARS MINE #35	Open	\$542.44	<a href="#">View</a>	<a href="#">Amend</a>
S-9992-99	STARS MINE #36	Open	\$0.00	<a href="#">View</a>	<a href="#">Amend</a>
U-9990-99	TELEPORT MINE LEGGOOW A	Open	\$0.00	<a href="#">View</a>	<a href="#">Amend</a>

You may open an amendment for an existing electronic OSM-1 Form, make your changes, and submit it to OSMRE. You will be able to amend your reports electronically from quarter 2000/1 forward, even if you filed the report on paper.

***There are no signatures needed for E-Filed Amendments. Your User ID and Password is your electronic signature. You amend your report electronically and submit it to OSMRE online. You may also schedule payment of any fees online through Pay.Gov.***

If you chose to pay by check, send the payment coupon and your payment (if not an electronic funds transfer) to:

Office of Surface Mining Reclamation & Enforcement  
 Division of Financial Management  
 P.O. Box 25065  
 Lakewood, Colorado 80225-0065

If the adjustment in the calculation results in an overpayment, you may take this as a credit for the next quarter's reclamation fees, or you may be refunded the overpayment. We will offset to outstanding debt before we refund any amounts.

## Refunds

See "Refunds" on page 53.

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## Chapter 3: Instructions for Filling out the Paper OSM-1 Form

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The directions for filling out the OSM-1 Form are enclosed with the paper OSM-1 Form that is mailed to the permittee/operator. Instructions are repeated in this chapter with additional information.

*You may also file online. See Chapter 2 for more information.*

The Payer Handbook is available at [sscr.osmre.gov](http://sscr.osmre.gov). It may be downloaded, viewed, or printed. A hard copy of the Payer Handbook can also be requested by contacting the Division of Financial Management (DFM) at 1-800-799-4265.

### ***OSM-1 Form must be filled out completely***

- All data fields must be completed.
- If the OSM-1 form is incomplete, it will be returned to the sender to complete the missing information. A letter will be enclosed with instructions regarding the missing information.

### ***OSM-1 Form must contain a signature***

- If the paper form is filled out but missing the required signatures (box 2 and 5), it will be returned to the sender to be signed.

## Part 1 Instructions

The numbered paragraphs refer to the numbered boxes on the paper OSM-1 Form.

- (1) The current quarter and year are pre-printed on the OSM-1 Form. The inclusive permit numbers for this report are displayed in the blank areas, as follows:

1. Reporting for  1st,  2nd,  3rd, or  4th quarter, 20\_\_\_\_.

This certification covers the following permit number(s):

State	Permit Number
_____	_____
_____	_____
_____	_____

- (2) An authorized official must certify, sign, and enter the date in this box.

2. I hereby certify that the statements made herein are true, complete and correct to the best of my knowledge and belief and are made in good faith

Print in ink or type the name of reporting person, corporate officer, agent or director on behalf of the operator or the permittee signing below.

_____	_____
Signature	Date

- (3) Enter the name, phone number and email address (if available) of a responsible official OSMRE can contact about this report.

3.

Contact name:	_____
Telephone:	_____
Email:	_____
Entity:	_____

- (4) Enter the total dollar amount due for permit numbers listed under section number 1.

Apply any credits or amounts due from previous filings on the next line. Total the amounts and write it in the "Total Due" line, indicate how much you will be paying in the "Total Payment" line.

Specify how payment is being made (Electronic funds transfer or check.)

4.

Amount Due: \$ _____ . _____
Credits or Amounts due from previous filings \$ _____ . _____
Total Due: \$ _____ . _____
Total Payment: \$ _____ . _____
Check one: <input type="checkbox"/> Electronic funds transfer <input type="checkbox"/> Check

- (5) Notarize the OSM-1 Form **or** sign an unsworn statement.

5.

- Submit a properly notarized copy of the OSM-1 form-

Subscribed and sworn to before me in my presence the \_\_\_\_\_ day  
of \_\_\_\_\_, 20\_\_\_\_.

\_\_\_\_\_  
Notary Public signature      Commission expires: \_\_\_\_\_

OR

- Sign an unsworn statement-

"I declare under penalty of perjury that the foregoing is true and  
correct. Executed on \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_."

\_\_\_\_\_  
Signature

## Part 2 Instructions

- (6) The current quarter and year are pre-printed (You must fill out a Part 2 and Part 3 for Each permit number you are reporting).

6. Reporting for  1st,  2nd  3rd, or  4th quarter, 20\_\_\_\_

- (7) The permit number is assigned to the producing mine by the State. If OSMRE issued the permit, the Federal permit number appears here:

7. Permit Number _____		Mine Name _____	State _____
a. MSHA number	d. Permittee name	g. Operator name	
b. County Tribe	e. Address	h. Address	
c. TO STOP REPORTING ON THIS PERMIT CHECK THE APPLICABLE BOX BELOW 1 <input type="checkbox"/> PMC Auto Mining Complete <small>*Mining is complete and all stockpiles have been reported*</small> 2 <input type="checkbox"/> RMC Reported Mining Complete <small>*We have transferred this permit to another company*</small> 3 <input type="checkbox"/> TMC Temporary Mining Complete <small>*We have temporarily stopped mining but production is still possible from this permit*</small>			
		f. Taxpayer I.D.	i. Taxpayer I.D.

If the pre-filled permit information is incorrect, please insert corrections:

a. MSHA number	Enter the seven-digit number assigned by the Mine Safety and Health Administration (MSHA)
b. County Tribe	Enter the county where the mine is located. If the mine is on Indian land, enter the name of the Tribe.
c. Mining complete	Check "Mining Complete" box if mining is complete or has stopped temporarily and attach the concurring State Inspection Report.
d. All stockpile reported	Check "All Stockpile Reported" box if all stockpiles have been sold, used, or transferred, and tons have been reported.

## Chapter 3

e. Permittee/Operator name, address, & taxpayer ID	Permittee and operator names, addresses, and Taxpayer IDs. The Taxpayer ID is the Employer Identification Number (EIN). <u>When an EIN does not exist, the Social Security Number may be provided as a Taxpayer ID.</u>
--	---

**(8) Fee Computation.** Three fee computation blocks are provided on the OSM-1 Form. Use the 3 blocks as follows:

8. Fee Computation		
a. Gross tons _____ b. Moisture _____ 1. Total _____ % 2. Inherent _____ % 3. Excess _____ % c. Reduced tons _____ d. Net tons _____ e. Rate \$ _____ f. Calculated fee \$ _____	a. Gross tons _____ b. Moisture _____ 1. Total _____ % 2. Inherent _____ % 3. Excess _____ % c. Reduced tons _____ d. Net tons _____ e. Rate \$ _____ f. Calculated fee \$ _____	a. Gross tons _____ b. Moisture _____ 1. Total _____ % 2. Inherent _____ % 3. Excess _____ % c. Reduced tons _____ d. Net tons _____ e. Rate \$ _____ f. Calculated fee \$ _____

If the following tonnage is being reported:	Fill out in the Fee Computation:
<ul style="list-style-type: none"> <li>▪ Surface or Underground</li> </ul>	One block
<ul style="list-style-type: none"> <li>▪ Surface or Underground, &amp; Tonnage at a reduced rate</li> </ul>	One block for each, or two blocks
<ul style="list-style-type: none"> <li>▪ Surface or Underground without a moisture deduction, &amp;</li> <li>▪ Surface or Underground with a moisture deduction, &amp;</li> <li>▪ Tonnage at a reduced rate</li> </ul>	One block for each, or three blocks



Completing the form:

<b>Fee Computation</b>	
a. Gross tons	Coal sold, used, or transferred during the calendar quarter
b. Moisture	See Chapter 6 Moisture Deductions
c. Reduced Tons	Gross tons multiplied by the excess moisture percentage ( $a \times b = c$ )
d. Net Tons	Gross tons minus reduced tons ( $a - c = d$ )
e. Rate	Determined by the type of coal. See Chapter 1 "What is the rate of the reclamation fee for coal sold, transferred, or used within a quarter?"
f. Calculated Fee	Net tons multiplied by rate ( $d \times e = f$ )

**(9)** Enter the total fee for this permit number

Total calculated fee for this permit number (the sum of all fee computations in 8(f)).

9. Total calculated fee for this permit number \$ \_\_\_\_\_ . \_\_\_\_

## Part 3 Instructions

**(10)** The applicable quarter and year for this report are pre-printed at the top of the form (Complete a Part 3 for each permit number you are reporting. This information is required under section 402(c) of SMCRA:

10. Reporting for  1st,  2nd,  3rd, or  4th quarter, 20 \_\_\_\_

**(11)** If the permit number, mine name, or state is inaccurate as printed on the form, please correct them.

11. Permit Number \_\_\_\_\_ Mine Name \_\_\_\_\_ State \_\_\_\_\_

**(12)** Mineral Owners:

- List the names and addresses of any person or entity owning 10 percent or more of tonnage sold for this permit.
- If no single mineral owner meets the 10 percent rule, report the largest single mineral owner.

Mineral owners include those with legal ownership of the coal. Mineral owners also include those who have the right to extract the coal and to receive the economic benefits normally associated with ownership of the coal, such as payment for the value of the coal.

12. 

Mineral Owners	Address	City	State	Zip
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**(13)** Purchasers of Coal:

- If no single purchaser meets the 10 percent rule, report the largest single purchaser.

Purchasers of coal are defined as persons or entities that purchased 10 percent or more of the production from a given permit.

13. 

Purchasers of Coal	Address	City	State	Zip
--------------------	---------	------	-------	-----

**(14) Coal delivery location**

- Indicate the type of facility where the coal is delivered (at the point of first sale, transfer, or use): prep plant, tipples, loading point.
- List the names and address of facilities where 10 percent or more of the coal was delivered.
- If no single facility meets the 10 percent rule, report the largest single delivery point.

14.	Coal Delivered to	Address	City	State	Zip
-----	-------------------	---------	------	-------	-----

**Amending a Paper OSM-1 Form**

If you file an amendment on the paper form, complete the "Amended OSM-1 Form" to make changes to the tonnage calculation after the OSM-1 Form has been submitted.

Block A: Enter original tonnage reported

Block B: Enter the correct tonnage that should have been reported

Block C: Enter the difference of calculation

See Chapter 3 for more information.

**Failing to respond to an OSM-1 Form or failing to report on every pre-printed permit number.**

See Chapter 1.

**Consequences for Non-Respondents**

See Chapter 1.

## Chapter 4: Paying the Reclamation Fee

### NOTICE: Payments Greater Than \$500

Section 870.16(a)(1) of 30 CFR states:

If you owe total quarterly reclamation fees of \$500 or more for one or more mines, you must use an electronic fund transfer mechanism approved by the U.S. Department of the Treasury.

Whenever the Coal Reclamation fee is \$500 or more, the fee **MUST** be transmitted to OSMRE electronically. Your completed OSM-1 Form can be submitted electronically or mailed to the address below to OSMRE.

However, if the fee is less than \$500, the fee may be paid by check, money order, or paid electronically.

For companies that file their OSM-1 forms online through the E-File system, OSMRE offers a free electronic payment method called **Pay.Gov**. Using the Treasury Department's online payment system allows companies to make payments at the click of a button. For more information on E-File and Pay.Gov electronic payments, see our website at: [sscr.osmre.gov](http://sscr.osmre.gov).

**DO NOT SEND CASH!**

### Payment Mailing Address (For less than \$500 payments)

Send your check or money order and completed OSM-1 Form to:

Office of Surface Mining Reclamation and Enforcement  
Division of Financial Management  
P.O. Box 25065  
One Denver Federal Center, Building 41  
Lakewood, Colorado 63197-9000

## Electronic Payments: Pay.Gov

File and pay online with **Pay.Gov**. You may schedule an automatic payment with the U.S. Treasury up to 30 days in advance of the due date for the fees. The U.S. Treasury will debit your account on the date you schedule your payment and forward your payment to OSMRE.

This is a **FREE** service to companies. If you are currently paying service charges for EFT payments, start using Pay.Gov to save money. Simply submit your OSM-1 Form on the E-Filing website, and then immediately schedule the payment of your fees. The following information is required:

<b>Pay.Gov Option</b>	
<b>Sample Field Tags (the most common field tags)</b>	
<b>Field Tag Contents</b>	<b>Field Tag Number</b>
(1) Account Type *	"Business checking"
(2) Account Number *	7001894288
(3) Routing Number *	041000124
(4) Check Number	4001
<i>*Minimum information that must be provided online when transmitting funds to OSMRE by Pay.Gov</i>	

### Optional Electronic Payments

You may use one of the following two additional electronic payment options:

<b>Optional Electronic Payments</b>
1. Wire Transfer (FEDWIRE): Available at all financial institutions
2. Automated Clearing House (ACH): Available at some financial institutions

**For more information on Pay.Gov, please contact us at 1-800-799-4265. Or at the website: [sscr.osmre.gov](http://sscr.osmre.gov)**

**Federal Wire Transfer Format (FEDWIRE)**

**Sample Field Tags (the most common field tags)**

<b>Field Tag Contents</b>	<b>Field Tag Number</b>
(1) Message Disposition	(1100)
(2) Acceptance Time Stamp	(1100)
(3) OMAD	(1120)
(4) Type/Sub-Type Code	(1510)
(5) IMAD	(1510)
(6) Amount *	(2000) *\$0.00
(7) Sender FI	(3100)
(8) Sender Reference	(3320)
(9) Receiver DI *	(3400) * <i>Treasury NYC 021030004</i>
(10) Business Function	(3600)
(11) Beneficiary *	(4200) * <i>OSM ALC 14180001</i>
(12) Ref for Beneficiary	(4320)
(13) Originator *	(5000) * <i>Company Name</i>
(14) Originator FI	(5100)
(15) Originator to Beneficiary *	(6000) * <i>Payment Identification Info</i>

*\*Minimum information that must be provided to financial institution (FI) when transmitting funds to OSMRE by FEDWIRE*

FRB = FEDERAL RESERVE BANK  
 ALC = AGENCY LOCATION CODE  
 OSM = OFFICE OF SURFACE MINING

Field Tag Definitions for FEDWIRE
(1) Message attribute information assigned by the Federal Reserve Bank (FRB)
(2) Message date/time stamp information assigned by the FRB, when the message is first received
(3) Output Message Accountability Data (OMAD) – Control Information assigned by the FRB, when the message is opened
(4) Type and Subtype codes entered by the sender
(5) Input Message Accountability Date (IMAD) – Control information assigned by the sender's terminal, when it is queued for transmission to the FRB
(6) * The dollar amount of the transfer
(7) Sender FI – identifies the sending financial institution
(8) The sender institution's reference information
(9) * Identified the receiving financial institution
(10) The Business Function Code (Product Code), which describes the business purpose of the message (i.e., "Fee" = AML Fees)
(11) * Identifies the ultimate party to be paid <u>(ALC) 14180001 Office of Surface Mining</u>
(12) FRB provides reference information, for use by the beneficiary (i.e., OSM)
(13) * ORG Identifies the originator of the payment
(14) OGB identifies the originator's financial institution, if different from sender
(15) * OBI Any additional information the originator wants to include (i.e., Reporting Entity number, OSM-1 Document number)
<i>*Minimum information that must be provided to financial institution (FI) when transmitting funds to OSMRE by FEDWIRE</i>
Office of Surface Mining DFM Accountant at 1-800-799-4265

## Receiver Physical Address:

FEDERAL RESERVE BANK OF NEW YORK  
 33 LIBERTY STREET  
 NEW YORK, NY 10045  
 212-720-5000

## Beneficiary Physical Address:

OFFICE OF SURFACE MINING  
 ONE DENVER FEDERAL CTR, BLDG 41  
 PO BOX 25065  
 LAKEWOOD, CO 80225-0065

**Remittance Express for the Office of Surface Mining Program  
Implementation Data Sheet for ACH CCD+ Format**

This form has been designed as an aid for Remitters in providing complete and accurate data to the financial institutions for originating **Automated Clearing House (ACH) payments**. This is the record format for CCD+ with the associated addenda record format. (A CCD+ format may be sent without an addendum)

<b>DATE ELEMENT NAME</b>	<b>CONTENTS</b>	<b>SIZE</b>	<b>POSITION</b>
(1) Record Type Code *	'6'	1	01-01
(2) Transaction Code *	'22'	2	02-03
(3) Receiving ABA *	'051036706'	9	04-12
(4) Account Number *	'312001	17	13-29
(5) Payment Amount	\$	10	30-39
(6) Identification No.*	Your Reporting Entity #	15	40-54
(7) Receiver Name *	Office of Surface Mining	22	55-76
(8) Discretionary *	(optional)	2	77-78
(9) Addenda Indicator	'1' = addenda present '2' = no addenda present	1	79-79
(10) Trace Number	Assigned by permittee/operator's bank	15	80-94

*\* Indicates information permittee/operator MUST provide*



<b>Field Tag Definitions for ACH CCD+ Format</b>	
(1) Record Type Code *	Entry detail record assigned by Treasury, always '6'
(2) Transaction Code *	Two-digit code identifying types of Credits and Debits. A Credit is always '22'
(3) Receiving ABA *	ACH payments go to the
(4) Check Digit *	Entry detail record formula for FR Banks ABA#, always '6'
(5) Account Number *	OSM account number is '312001'
(6) Payment Amount	Remitter's payment amount
(7) Identification No. *	Company Reporting Entity Number
(8) Receiver Name *	Office of Surface Mining
(9) Discretionary *	Enter two-letter type of payment FE = AML Fee AU = Audit CP = Civil Penalty
(10) Addenda Indicator	'1' = addenda present '2' = no addenda present
(11) Trace Number	Assigned by permittee/operator's bank
* Indicates information permittee/operator MUST provide	
Office of Surface Mining DFM Accountant at 1-800-799-4265	

## Receiver Physical Address:

FEDERAL RESERVE BANK OF RICHMOND  
701 E BYRD STREET  
RICHMOND, VA 23219  
804-697-8000

## Beneficiary Physical Address:

OFFICE OF SURFACE MINING RECLAMATION AND  
ENFORCEMENT  
ONE DENVER FEDERAL CTR, BLDG 41  
PO BOX 25065  
LAKEWOOD, CO 80225-0065

**Remittance Express for the Office of Surface Mining Program  
Implementation Data Sheet for Addenda Record Format**

DATE ELEMENT NAME	CONTENTS	SIZE	POSITION
(A) Record Type Code *	'7'	1	01-01
(B) Addenda Type Code *	'05'	2	02-03
(C) Payment Related *	Reporting Entity Name, Reporting Entity Number and current OSM Doc Number	80	04-83
(D) Sequence Number	Addenda number starting at 0001	4	84-87
(E) Addenda Trace Number	Same as the last seven numbers of detail trace number	10	30-39
<i>* Indicates information permittee/operator MUST provide</i>			

**Field Tag Definitions for Addenda Record Format**

(A) Record Type Code*	Addenda record '7'
(B) Addenda Type Code*	CCD+ or CTX. '5'
(C) Payment Related	Enter your current OSM-1 Document Number, Report Entity, Company Name, Bill Number, or any information needed to identify this payment
(D) Sequence Number	Addenda number starting at 0001 or 0002
(E) Addenda Trace Number	Same as the last seven numbers of detail trace number (see line #11 on pg. 51)
<i>* Indicates information permittee/operator MUST provide</i>	

## **Refunds**

Reclamation fee overpayments of \$175 dollars or greater are processed after offsetting any outstanding AML, audit, or civil penalty debt.

Refund requests for less than \$175 dollars must be in writing and sent to DFM:

Office of Surface Mining Reclamation and Enforcement  
Division of Financial Management  
P. O. Box 25065  
One Denver Federal Center, Building 41  
Lakewood, Colorado 80225  
Phone: 1-800-799-4265

## **Chapter 5: Delinquent Payments**

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### **When you receive a bill resulting from nonpayment**

When an OSM-1 Form is completed and sent or submitted online without full payment for reclamation fees due, the OSMRE bills the permittee. Notification of debt is also sent to the operator and the reporting entity (when different from the permittee). The permittee/operator will be ultimately held responsible for unpaid fees, regardless of the provisions of a contract between parties.

OSMRE is authorized to assess interest, penalties, and administrative costs on delinquent payments.

### **Unpaid bills**

When reclamation fees remain unpaid, the Division of Financial Management (DFM) will pursue debt collection. Certain actions may be taken to recover the debt:

- An installment payment plan agreement may be negotiated.
- A collection agency may be contracted.
- Legal action may be instigated against the delinquent company for recovery of debt, interest, and other fees.
- A ten-day notice may be issued to the applicable State Regulatory Authority for state enforcement action to active, non-compliant operations.
- A Notice of Violation and subsequent Cessation Order may be issued.
- Surface coal mine permitting actions and abandoned mine land reclamation contracts may be delayed or found to be ineligible

due to any AML-related violation including non-respondent or failure to pay AML or AML audit debt.

- Delinquent debt is also reported to credit bureaus.

Contact the DFM at **1-800-799-4265**, for questions about delinquent debt and debt collection.

## Chapter 6: Moisture Deduction

The regulations on moisture deduction are contained in the following documents:

- Title IV of the SMCRA of 1977
- 30 CFR Section 870.5 Definitions
- 30 CFR Section 870.12(g)(3)(I) Reclamation Fee
- 30 CFR Sections 870.18, 870.19, 870.20

OSMRE incorporates the following ASTM Standards for use in sampling and testing for the moisture deduction. ASTM Standards D2234, Standard Test Methods for Collection of a Gross Sample of Coal; D3302, Standard Test Method for Total Moisture in Coal; D5192, Standard Practice for Collection of Coal Samples from Core; D1412, Standard Test Method for Equilibrium Moisture of Coal at 96 to 97 Percent Relative Humidity and 30°C; D4596, Standard Practice for Collection of Channel Samples of Coal in a Mine are incorporated by reference as published in the Annual Book of ASTM Standards, Volume 05.05.

Each applicable ASTM standard is incorporated as it exists on the date of the approval, and a notice of any change in it will be published in the Federal Register. You may obtain copies from:

ASTM  
100 Barr Harbor Drive  
West Conshohocken, Pennsylvania 19428

A copy of the ASTM standards is available for inspection at the:

**Office of Surface Mining  
1841 C Street NW  
Washington, DC 20240**

Or [visit]

**Office of the Federal Register  
800 North Capitol Street, NW  
Suite 700  
Washington, D.C. 20408**

Or [mail]

**Office of the Federal Register  
National Archives and Records Administration  
700 Pennsylvania Avenue, NW  
Washington, D.C. 20408**

## Calculating Excess Moisture

Beginning July 1, 1988, the Office of Surface Mining allowed a percentage deduction for excess moisture, calculated to be the difference between the inherent moisture found in the coal at the time of mining and the total moisture present in the coal at the point of fee assessment. The point in time of fee assessment is the first bona fide sale, transfer of ownership or use of the coal by the permittee/operator immediately after it is severed from a coal seam.

The first Rule became effective July 1, 1988. A subsequent amendment became effective on October 1, 1997. All excess moisture weight deductions must be based on standard laboratory tests used to determine the total and inherent moisture percentage. OSMRE's final determination of a permittee/operator's excess moisture allowance will be made on a case-by-case basis and depend on the particular facts of the situation. It is critical that all laboratory tests used to support an excess moisture deduction, in accordance with the regulations, are maintained.

# Definition of terms

**ASTM International:** (originally known as the American Society for Testing and Materials)

**As-shipped coal:** Raw or prepared coal that is loaded for shipment from the mine or loading facility.

**Blended coal:** Coals of various qualities and predetermined quantities mixed to control the final product.

**Channel sample:** A sample of coal collected according to ASTM standard D4596-93 from a channel extending from the top to the bottom of a coal seam.

**Commingled coal:** Coal from different sources and/or types combined prior to shipment or use.

**Core sample:** A cylindrical sample of coal that represents the thickness of a coal seam penetrated by drilling according to The American Society for Testing and Material (ASTM) standard D5192-91.

**Correction factor:** The difference between the equilibrium moisture and the inherent moisture in low rank coals for the purpose of Section 870.20(a).

**Equilibrium moisture:** The moisture in the coal as determined through ASTM standard D1412-93.

**Excess moisture:** The difference between total moisture and inherent moisture, calculated according to Section 870.19 for high-rank coals or the difference between total moisture and inherent moisture calculated according to Section 870.20 for low-rank coals.

**High-rank coals:** Anthracite, bituminous, and subbituminous A and B coals.

**Inherent moisture:** Moisture that exists as an integral part of the coal seam in its natural state, including water in pores, but excluding that present in macroscopically visible fractures.

**Low-rank coals:** Subbituminous C and lignite coals.

**Slurry pond:** Any natural or artificial pond or lagoon used for the settlement and draining of the solids from the slurry resulting from the coal washing process.

**Tipple coal:** Coal from a mine or loading facility that is ready for shipment.

**Total moisture:** The measure of weight loss in an air atmosphere under rigidly controlled conditions of temperature, time, and air flow, as determined according to either Section 870.19(a) or Section 870.20(a).



## General rules for calculating excess moisture

If you are an operator who mined coal after June 1988, you may deduct the weight of excess moisture in the coal to determine reclamation fees you owe under 30 CFR 870.12(b)(3)(i). Excess moisture is the difference between total moisture and inherent moisture. The following sections explain how to calculate excess moisture in HIGH-rank and LOW-rank coal. Report your calculations on the OSM-1 Form, Coal Reclamation Fee Report, for every calendar quarter in which you claim a deduction.

Some cautions:

- a. You or your customer may do any test required by the regulations. But whoever does a test is required to keep test results and all related records for at least six years after the test date.
- b. If OSMRE disallows any or all allowance for excess moisture, you must submit an additional fee plus interest computed according to Section 870.15(c) and penalties computed according to Section 870.15(f).

## Calculating excess moisture in HIGH-rank coals

Here are the requirements for calculating the excess moisture in high-rank coals for a calendar quarter:

- (1) Calculate excess moisture percentage using one of these equations:

***If you file electronically and have moisture adjustments, the E-Filing system calculates a lower fee using the more advantageous complex moisture equation (2nd equation shown below).***

$$EM = TM - IM$$

Or

$$EM = TM - \left[ IM \times \frac{100 - TM}{100 - IM} \right]$$

**EM** = excess moisture %

**TM** = total as- shipped moisture % calculated, according to Tables 1 and 3 of this section.

**IM** = inherent moisture % calculated according to Tables 2 and 4 of this section.

- (2) Multiply the excess moisture percentage by the tonnage from the bona fide sales, transfers of ownership, or uses by the operator during the quarter.

**Table 1: Calculating TOTAL moisture percentage in HIGH-rank coal**

<p><b>Collect and test each day you ship or use coal</b></p> <p>Collect a sample of as shipped or used coal. Follow procedures in ASTM D2234-89.</p> <p>Test the sample for daily total moisture percentage. Follow laboratory procedures in ASTM D3302-91 or D2961.</p> <p>Obtain prior OSM approval for use of other procedures.</p>	<p><b>Convert daily test results to quarterly figures and report them</b></p> <ol style="list-style-type: none"> <li>1. Multiply daily total moisture percentage by daily tonnage shipped or used. You now have daily total moisture tonnage.</li> <li>2. Add up daily total moisture tonnage for the quarter.</li> <li>3. Add up daily tonnage shipped or used in the quarter.</li> <li>4. Divide 2 by 3.</li> </ol> <p><b>Report this total moisture percentage in high-rank coal for the quarter on OSM-1, Coal Reclamation Fee Report.</b></p>
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**Table 2: Calculating INHERENT moisture percentage in HIGH-rank coal**

<p><b>Choose from 3 ways to collect and test</b></p> <p style="text-align: center;"><b>First</b></p> <p>Collect a core sample.<sup>1</sup> Follow procedures in ASTM D5192-91.</p> <p>Test the sample to estimate inherent moisture. Follow laboratory procedures in ASTM D1412-93</p> <p><sup>1</sup>Core sampling was approved by the ASTM effective January 1, 1992.</p> <p><b>Or second</b></p> <p>Collect a channel sample. Follow procedures in ASTM D4596-93.</p> <p>Test the sample to estimate inherent moisture. Follow laboratory procedures in ASTM D1412-93 or ASTM D3302-91.</p> <p><b>Or third</b></p> <p>Collect a sample of blended coal, as-shipped coal, tippie coal, commingled coal, or coal from slurry ponds</p> <p><b>Choose from 3 ways to collect and test</b></p> <p>Follow procedures in ASTM D1412-93. Test the sample to estimate inherent moisture. Follow laboratory procedures</p>	<p><b>Choose from 2 ways to time the tests and convert the results for quarterly reporting</b></p> <p style="text-align: center;"><b>First</b></p> <p>Collect and test once each quarter. Report test results for that quarter on OSM-1. Test results need no converting; they are in quarterly units already.</p> <p><b>Or second</b></p> <p>Create a 24-month baseline and update as follows:</p> <p><i>For reporting months 1-24 . . .</i></p> <p>Collect and test one sample each month. Each quarter, calculate a weighted average percentage of inherent moisture:</p> <ul style="list-style-type: none"> <li>● Multiply a month's inherent moisture percentage by tons produced or shipped. You now have the month's inherent moisture tonnage.</li> <li>● Add up 3 months of that inherent moisture tonnage</li> <li>● Divide by tons produced or shipped in those 3 months. Report the quarter's weighted average percentage on OSM-1.</li> </ul> <p><i>For all subsequent months . . .</i></p> <p>Collect and test one sample for inherent moisture every 12 months. Calculate - and report in the following 4 quarters - one updated rolling average percentage:</p>
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**Table 2: Continued**

	<ul style="list-style-type: none"> <li>● Add to the annual sample percentage the inherent moisture percentages for the preceding 23 tests.</li> </ul> <p><b>Choose from 2 ways to time the tests and convert the results for quarterly reporting (continued)</b></p> <ul style="list-style-type: none"> <li>● Divide by 24. Report the weighted average percentage on OSM-1.</li> </ul>
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**Table 3: Calculating TOTAL moisture percentage in LOW-rank coal**

<p><b>Collect and test each day you ship or use coal</b></p> <p>Collect a sample of as shipped or used coal. Follow procedures in ASTM D2234-89.</p> <p>Test the sample for daily total moisture percentage. Follow laboratory procedures in ASTM D3302-91.</p> <p>Obtain prior OSM approval for use of other procedures.</p>	<p><b>Convert test results to quarterly figures and report them</b></p> <p>Convert daily total moisture percentage to quarterly total moisture percentage:</p> <ol style="list-style-type: none"> <li>1. Multiply daily total moisture percentage by daily tonnage shipped or used. You now have daily total moisture tonnage.</li> <li>2. Add up daily total moisture tonnage for the quarter.</li> <li>3. Add up daily tonnage shipped or used in the quarter.</li> <li>4. Divide 2 by 3.</li> </ol> <p><b>Report this total moisture percentage in low-rank coal for the quarter on OSM-1, Coal Reclamation Fee Report.</b></p>
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**Table 4: Calculating INHERENT moisture percentage in LOW-rank coal**

<p><b>Collect and test once a month</b></p> <p>Collect 1 sample of as-shipped coal. Follow procedures in ASTM D2234-89.</p> <p>Test the sample to estimate inherent moisture. Follow laboratory procedures in ASTM D1412-93.</p>	<p><b>Convert test results to quarterly figures and report them</b></p> <p>Calculate inherent moisture percentage for the quarter:</p> <ul style="list-style-type: none"> <li>● Average the 3 equilibrium moisture results from your monthly tests.</li> <li>● Add to this average a <b>Correction Factor</b> that can be calculated for the first quarter, according to Table 5 below. Report this inherent moisture percentage for the quarter on OSM-1.</li> </ul>
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**Table 5: Calculating the Correction Factor for Table 4**

<p><b>Collect and test in the first quarter a deduction is taken</b></p> <p><b>Collect 15 samples that are representative of the entire seam from freshly exposed, un-weathered coal seam face.</b> Follow procedures in ASTM D1412-93 Appendix X1.</p> <p>Test each sample for two things:</p> <ul style="list-style-type: none"> <li>● Inherent moisture</li> <li>● Equilibrium moisture. Follow laboratory procedures in ASTM D1412-93 Appendix X1</li> </ul> <p><i>Note: Research has shown that inherent moisture is always equal to or greater than equilibrium moisture. Any tests producing other results should not be used in calculating the correction factor</i></p>	<p><b>Convert test results into a correction factor for all quarterly reports</b></p> <p>Use the test results to calculate a correction factor:</p> <ul style="list-style-type: none"> <li>● Average the 15 inherent moisture results from your tests</li> <li>● Average the 15 equilibrium moisture results from your tests</li> <li>● Subtract the average equilibrium moisture from the average inherent moisture.</li> </ul> <p>You now have a correction factor for the first quarter the deduction is taken and all later quarters. Use it in Table 4 above. The correction factor may be changed at any time by repeating the steps in this table.</p>
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Table 5: Continued

	<p>You now have a correction factor for the first quarter the deduction is taken and all later quarters. Use it in Table 4 above. The correction factor may be changed at any time by repeating the steps in this table.</p> <p>A correction factor applies to only the bench sampled. If multiple benches or seams are mined simultaneously, the sample results may be combined from the different benches or seams to calculate an average correction factor. The correction factor may be updated by repeating the procedures or incorporating new test results with the initial result.</p>
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If you have any questions regarding excess moisture deductions or the correction factor, please contact [feecompliance@osmre.gov](mailto:feecompliance@osmre.gov) or at 412-302-9159.

## Chapter 7: Raw or Clean Coal

### Reclamation fees on clean coal tonnages

Effective June 23, 1997, the permittee/operator is allowed to pay reclamation fees on clean coal tonnages providing:

- The permittee/operator cleaned the coal it mined and sold this coal. -or-
- Transferred raw coal to an unrelated second party who purchased and cleaned the mined coal and paid the permittee/operator only for the clean coal.

***Cleaning the coal means removing materials extraneous to the coal, such as dirt and clay, but not removing impurities inherent in the coal***

The following examples clarify this policy:

#### Example 1

The permittee/operator delivers 100 tons of coal to a preparation plant owner who determines, through accepted standard industry analysis, that only 90 tons of coal will be recovered after cleaning. The preparation plant owner pays for 90 tons. The permittee/operator is responsible for fees based only on the 90 tons sold.

#### Example 2

The permittee/operator delivers 100 tons of coal to a preparation plant owner who pays for the entire 100 tons. The permittee/operator determines that the coal, when cleaned, would have a reject factor of 10 percent, and therefore pays reclamation fees on only 90 tons. However, the permittee/operator is responsible for paying reclamation fees on the entire 100 tons because the permittee/operator received funds for 100 tons. OSMRE would assess reclamation fees, interest, and penalties for the 10 tons sold that were not included in the original payment of fees.

### Example 3

The permittee/operator delivers 100 tons of coal to a preparation plant owner who determines, by accepted standard industry analysis, that only 90 tons would be recovered after cleaning. The preparation plant owner pays the permittee/operator for only 90 tons. The permittee/operator subsequently determines that the coal contains 5 tons of ash, and therefore pays fees on 85 tons sold (90 tons of clean coal minus 5 tons of ash). However, the permittee/operator is responsible for paying reclamation fees on the entire 90 tons because the permittee/operator received funds for 90 tons. OSMRE would assess reclamation fees, interest, and penalties for the 5 tons sold that were not included in the original payment of fees to OSMRE. **No deductions are allowed for matter that is intrinsic to the coal.** The correct tonnage for calculating the reclamation fee payment is 90 tons.

## Maintaining records

The importance of maintaining records that show run-of-mine or raw tonnage and calculations that substantiate the basis of clean coal transactions, including standard industry analysis, cannot be overemphasized. All permittees/operators must maintain these records, as specified in 30 CFR 870.12(b)(3)(ii) and (iii) and 30 CFR 870.16. Failure to do so may result in penalties and higher reclamation fees

Section 870.12(b)(3)(ii) and (iii) of 30 CFR states:

Operators selling coal on a clean coal basis shall retain records that show run-of-mine tonnage and the basis for the clean coal transaction. Insufficient records shall subject the operator to fees based on raw tonnage data.

For any questions regarding reporting clean/raw, please contact [feecompliance@osmre.gov](mailto:feecompliance@osmre.gov) or at 412-302-9159.



# Chapter 8: Completing Mining Activities

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## The inspection report

After the permittee/operator has completed all coal mining activities on a permit, the regulatory inspector (state or Federal) will issue an inspection report that certifies all mining activities have been completed.

Once the permittee/operator sends a copy of the inspection report to the Division of Financial Management, DFM, and states all stockpiled coal has been sold, transferred, or used and that reclamation has begun, the OSM-1 Form for that permit will no longer be sent.

## The performance bond

The permittee/operator is responsible for finishing the job by fully reclaiming the mined land (both surface and underground) either

- Back to the land's original use,
- Or
- Improving the land for new use that benefits both landowners and communities.

The performance bond, originally posted by the permittee/operator when the mining permit was granted, is fully released when all performance standards have been met, and full reclamation of the site, including permanent re-vegetation, is determined to be successful. However, the performance bond can be partially released as the various phases of reclamation (backfilling, re-grading, and re-vegetation) are successfully completed. The bond release serves as a final certification of successful completion of the coal mining/reclamation process under the Surface Mining Control and Reclamation Act of 1977, as amended (SMCRA).

## **Chapter 9: Auditing Records**

### **What records am I required to maintain (30 CFR 870.22)?**

The Division of Compliance Management (DCM) audits coal mining operations to determine if they are in compliance with the reclamation fee provisions of SMCRA and its implementing Federal regulation.

The permittee/operator of a mine must maintain records and books for a period of at least six years from the end of the calendar quarter in which the fee was due or paid, whichever is later, and make these records available to the auditors. These books and records should be current and should substantiate the tonnages, moisture deductions, and fee calculations reported on the OSM-1 Form. These records, at minimum, should contain the following:

- The actual tons of coal produced, bought, sold, or transferred, the amount received per ton, the name of the person to whom the coal is sold or transferred, and the date of each sale or transfer.
- The tons of coal used by the permittee/operator and the date of consumption.
- The tons of coal stockpiled or inventoried that are not classified as sold for fee computation purposes.
- The total BTU value of gas produced by a ton of coal in place of an in-situ coal operation, the semiannual independent laboratory certification of the BTU value of gas produced, and the amount received for gas sold, transferred, or used.
- The results of all laboratory analyses and relevant documentation used as the basis for excess moisture deduction.

- The run-of-mine tonnage and the basis for the clean coal transaction, per accepted standard industry analysis, if reporting on clean coal tonnages.

If a permittee/operator fails to maintain the required production records, OSMRE may estimate the fees due and add a 20 percent adjustment to compensate for possible error. The permittee/operator may also be subject to paying a fee estimate should the auditors be denied access to the records, as well as reimbursement for expenses incurred for fee and penalty collection.

If a permittee/operator fails to maintain records to support moisture deductions or the clean coal transaction, OSMRE may assess higher reclamation fees.

If an audit shows that the permittee/operator owes delinquent reclamation fees, OSMRE will bill for the reclamation fees plus interest, penalty, and administrative costs. To avoid assessment for additional administrative fees and other charges, the permittee/operator should:

- Ensure all tonnage sold, used, or transferred in the calendar quarter is reported.
- Maintain required records.

For any questions regarding records or more information about OSMRE reclamation fee compliance audits, please contact [feecompliance@osmre.gov](mailto:feecompliance@osmre.gov) or at 412-302-9159.

# Chapter 10: IRS Coal Producers Federal Excise Tax Responsibilities

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Note: There are differences in how reclamation fees and coal excise taxes are calculated. Call the appropriate OSMRE or IRS phone number if you need clarification.

Producers are likely to be liable for payment of Federal Excise Tax on Coal, as defined in [Internal Revenue Code Section 4121](#). If you are liable for the Excise Tax, you will be required to file a quarterly excise tax return **Form 720** with the Internal Revenue Service. This tax is in addition to a producer's requirements for filing Office of Surface Mining Coal Reclamation Fee Report. The tax is designated for the Black Lung Disability Trust Fund.

The following will help you determine if you are liable for the Federal Excise Tax. For a copy of Publication 510, Excise Taxes, Form 720 and 720 Instructions used to report and pay the Federal Excise Tax on coal, go to the IRS web site <http://www.irs.gov>

Note: A Form 720X may be required if an Amended OSM-1 form is filed.

Internal Revenue Service (IRS)  
Contact number for coal companies to call with questions on  
IRS Form 720.

1-866-699-4096

[Excise tax | Internal Revenue Service \(irs.gov\)](#)

# OSMRE Frequently Asked Questions

**(1) Q: When is the Coal Reclamation Fee Report (OSM-1 Form) due?**

**A:** The OSM-1 Form, and appropriate fees must be postmarked within 30 days after the end of the calendar quarter.

**(2) Q: When is the OSM-1 Form due if the due date falls on a weekend?**

**A:** If the due date falls on a weekend, the OSM-1 Form, and fees must be postmarked by the Friday prior to the due date to ensure timely filing.

**(3) Q: What if I can't pay the AML fees right now?**

**A:** If a completed OSM-1 Form is filed without the associated reclamation fees, a bill for the fees (and appropriate late charges) will be mailed to you. Pay from this bill to avoid additional late charges. You can also contact a Collection Specialist at 1-800-799-4265 to see if you qualify for a payment agreement.

**(4) Q: How do I pay by wire transfer?**

**A:** If you file electronically, you may schedule an automatic payment of your fees online. There are two additional electronic payment options available:

- Wire transfer- available at all financial institutions.
- Automated Clearing House- (ACH), available at some financial institutions.

If you are interested in paying electronically, please call your OSMRE contact at 1-800-799-4265. We will email, fax, or mail instructions to you.

**(5) Q: I just started my mining company. Where do I send my OSM-1 Form and payment?**

**A:** If the fee due is \$500 or more, the fee must be transmitted electronically to OSMRE (see above question, “How do I pay by wire transfer?”). Fees less than \$500 can be paid by wire, pay.gov, check, or money order. Do not send cash!

Send the OSM-1 Form and payment by check or money order to:

Office of Surface Mining Reclamation and Enforcement  
Division of Financial Management  
P.O. Box 25065  
Lakewood, Colorado 80225-0065

**(6) Q: What if the information on my OSM-1 Form is not correct?**

**A:** You may change the pre-populated information on the electronic form. On the paper form, line out the incorrect information and write in the correct information.

**(7) Q: I have a new permit, but didn't receive an OSM-1 Form, or the permit number wasn't included in my OSM-1 Form packet. What do I do?**

**A:** Call OSMRE at 1-800-799-4265 to request a blank OSM-1 Form or make a copy of Parts 2 and 3 of the form you did receive and fill in with the information pertaining to the new permit. The blank OSM-1 Form is also available here.

[Blank OSM-1 Form](#)

**(8) Q: I made a mistake on a prior quarter OSM-1 Form. How do I correct it?**

**A:** If you file electronically, you may amend prior quarters online from January 1, 2000, forward, even if you filed the quarter on paper.

If you are filing on paper, an “Amended OSM-1” form can be found online:

[OSM-1-Amend Form](#)

Fill out the amended form, sign, and notarize. Mail the amended form to:

Office of Surface Mining Reclamation and Enforcement  
Division of Financial Management  
P.O. Box 25065  
One Denver Federal Center, Building 41  
Lakewood, Colorado 80225-0065

You can also call OSMRE at 1-800-799- 4265 to request an Amended form.

**(9) Q: I received an OSM-1 Form for a permit that I sold or transferred or is being reclaimed. Do I need to file this OSM-1 Form?**

**A:** File the OSM-1 Form with a note stating when the permit was sold/transferred and to whom or mark the “Mining Complete” box (Part 2, Section 7). Submit the latest inspection report for the permit if available.

OSMRE will research and verify the information with the State Regulatory Authority (SRA). Once you receive an OSM-1 Form for a permit, you will be required to file the form for that permit until OSMRE has confirmed that you are no longer the permittee of record or reclamation has begun, at which time OSMRE will remove the permit from the OSM-1.

**(10)Q: I have an incidental permit to remove coal on a commercial building site. Must I pay reclamation fees on this coal?**

**A:** Yes, fees must be paid on the coal removed under incidental permits for all commercial construction projects. Only incidental coal removal that is part of a Federal, State, or local government-financed highway or other construction is exempt from paying fees.

**(11)Q: Do I have to file an OSM-1 Form if I didn't have any production?**

**A:** If you receive an OSM-1 Form, it must be completed and returned to OSMRE. You must report zero tonnage for any quarter in which there is no reportable tonnage if the permit is still active.

**(12)Q: Do I have to file an OSM-1 Form if I'm not mining?**

**A:** Yes, you must report zero tonnage or applicable reportable tonnage until stockpiles are depleted. Once all tonnage for a permit is sold, used, or transferred, including stockpiles, mark blocks "C, Mining Complete" and block "D, All stockpiles reported" on the OSM-1 Form. If you have a copy of the State or Federal inspection form which verifies that mining is complete, please include it with your OSM-1 Form.

**(13)Q: Do I have to file an OSM-1 Form for quarters being audited and/ or for quarters following the audited quarters?**

**A:** As long as you receive OSM-1 Forms, you need to file, even for quarters being audited. If you believe you have received the OSM-1 Form in error, call OSMRE at 1-800-799-4265 to speak to an Accounting Technician.

**(14)Q: Why was an OSM-1 Form sent to me when I have an agreement with a contractor/operator/other party that he/she will file and pay the fees?**

**A:** OSM-1 Forms are usually mailed to permittees, but they can be sent to any other entity at the request of a permittee. However, an agreement between private parties to assign the



obligation to file the OSM-1 Form and/or to pay fees does not relieve the permittee, the operator, or the company with the primary economic interest in the sale of the coal of their legal responsibility to be sure the forms are filed, and fees are paid.

**(15)Q: I lost/never received the OSM-1 Form that was mailed to me. Can you send another?**

**A:** We can email, mail, or fax a replacement form to you. Call OSMRE at 1-800- 799-4265 to request a form for each permit you hold. When you call, we will verify that we have the correct mailing address, contact name, and phone number for the OSM-1 Form. You can also download a blank OSM-1 Form from the OSMRE website at:

[Blank OSM-1 Form](#)

**(16)Q: Does the OSM-1 Form have to be notarized?**

**A:** You have the option to notarize the OSM-1 Form or sign the unsworn statement on the paper OSM-1 Form. If you file electronically, The Electronic Filing system offers an Additional Signature Option: The Unsworn signature option provides an electronically signed and dated document that you may choose in lieu of the Notary option.

**(17)Q: I received a Non-Respondent letter but I'm no longer associated with the company. What do I need to do?**

**A:** Call OSMRE (800-799-4265) to speak to an Accounting Technician or return the letter with a written explanation stating why you believe you are not required to submit an OSM-1 Form. If the permit has been transferred, assigned, or sold to a new permittee please send us a copy of the approved State or Federal transfer document.

# Payer Handbook Glossary

**ASTM**: previously known as American Society for Testing and Materials.

**Cleaning the coal**: Removing materials extraneous to the coal, such as dirt and clay, but not removing impurities inherent in the coal.

**DCM**: Division of Compliance Management (DCM). This Division is responsible for compliance with the reclamation fee provisions, performing the audit function for OSMRE. Contact DCM regarding questions about audit policy, how to report tonnage in accordance with SMCRA and records that must be maintained. Contact DCM at [feecompliance@osmre.gov](mailto:feecompliance@osmre.gov) or 412-302-9159.

**DFM**: Division of Financial Management (DFM). Contact DFM, when there are problems with the OSM-1 Form, payments, reclamation fee debt, etc.

**Excess moisture**: The difference between total moisture and inherent moisture.

**Fee Compliance Officer**: means any person authorized by the Secretary to exercise authority in matters relating to this part.

**Mineral owner**: One who has a minimum of 10 percent ownership or leasehold interests in the minerals and conveys the right to extract the minerals to the permittee. For purposes of completing the OSM-1 form, this includes those with legal ownership of the coal. Also, mineral owners include those who have the right to extract the coal and to receive the economic benefits normally associated with ownership of the coal, such as payment for the value of the coal.

**Operator**: For purposes of completing the OSM-1 form, the "Operator" is defined as the company that is removing coal at the mine site.

**OSMRE**: The Office of Surface Mining Reclamation and Enforcement; authorized by the Surface Mining Control and Reclamation Act of 1977, as amended.

**OSM-1**: Coal Reclamation Fee Report (OSM-1 Form).

**OSM-1 Document Number**: Unique document number printed in upper right corner of each OSM-1 form per quarter. Current OSM-1 document number should be used.

**Payer letters**: Letters informing permittee/operators of official policy changes, clarifying issues, and communicating critical changes as they occur. Watch for these notices. Payer Letters will often be included in the OSM-1 mailings.

**Permit**: A permit to conduct coal mining and reclamation operations issued by the State regulatory authority pursuant to a state program or issued by OSMRE pursuant to a federal program.

**Permittee**: The entity to whom the permit is issued. This entity may be an individual, partnership, association, society, joint stock company, firm, company, corporation, or other business organization.

**Point in time of fee assessment**: The first bona fide sale, transfer of ownership, or use of the coal by the permittee/operator immediately after the coal is extracted from a coal seam.

**Purchaser of coal**: Defined as persons or entities who purchased 10 percent or more of the production from a given permit.

**Reclaimed Coal**: means coal recovered from a deposit that is not in its original geological location, such as refuse piles or culm banks or retaining dams and ponds that are or have been used during the mining or preparation process, and stream coal deposits. Reclaimed coal operations are considered to be surface coal mining operations for fee liability and calculation purposes.

**Reporting entity**: Reporting Entity is the company or corporation that is responsible for filing the OSM-1 Form.

**Reporting entity number**: Six-digit number assigned by OSMRE to the company or corporation that is responsible for filing the OSM-1 Form.

**SMCRA**: Surface Mining Control and Reclamation Act of 1977, as amended.

**Ton**: Defined as 2000 pounds (0.90718 metric ton).

**Value**: means gross value at the time of initial bona fide sale, transfer of ownership or use by the operator, but does not include the reclamation fee required by this part.

# Directory

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## Engineering/Technical

If you have any questions about types of coal, applicable fee rate, ad valorem, moisture calculations, or acceptable tests or laboratories, contact:

[feecompliance@osmre.gov](mailto:feecompliance@osmre.gov) or **412-302-9159**

## Audit/Records

If you have general questions about how to report, audit policy, an audit report, or the records you should maintain, contact:

[feecompliance@osmre.gov](mailto:feecompliance@osmre.gov) or **412-302-9159**

## AVS Users Liaison

**1-800-643-9748**

## Billing/Accounting

If you have questions on filling out the OSM-1 Form, contact an OSMRE Account Representative at **1-800-799-4265**.

OSMRE, Division of Financial Management, DFM  
P.O. Box 25065  
Lakewood, CO 80225-0065

## Collections

If you have questions about your debt or debt payment, contact a Collections Specialist at **1-800-799-4265**.

OSMRE, Division of Financial Management, DFM  
PO Box 25065  
Lakewood, CO 80225-0065

Pay.gov Customer Service : **1-800-624-1373**

## Internal Revenue Service (IRS)

Contact number for coal companies to call with questions on IRS Form 720 IRS Excise Tax (Black Lung): **1-866-699-4096**

## Mine Safety and Health Administration (MSHA)

For any MSHA assistance, contact MSHA at [askmsha@dol.gov](mailto:askmsha@dol.gov) or 202-693-9400.

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