



COALEX STATE COMPARISON REPORT - 185

May 1991

Interstate Mining Compact
459 B Carlisle Drive
Herndon, Virginia 22090

TOPIC: SELF-BONDING

INQUIRY: Please conduct a survey of the states to determine which state programs use self-bonding as an alternative bonding system. Include copies of the state statutes and regulations. List the state contacts.

SEARCH RESULTS: A survey of 15 states was conducted, using a questionnaire and supplemented by COALEX Library research. The survey asked the following questions:

1. Does your state program contain authority for the use of self-bonding? If not, has your state program ever contained such authority? Why did you decide to remove the self-bonding provisions?
2. Citation for relevant statutes and regulations.
3. Are you currently using self-bonding for any companies in your state? If so, how many companies?
4. Provide comments on the value and success of your state's self-bonding program as an alternative bonding system.

The results of the survey follow. A Table summarizing the findings, a list of the state contacts, and copies of the statutes, regulations, policies or procedures are attached.

TABLE OF RESPONSES

ALABAMA

QUESTIONS	RESPONSES
Has self-bonding?	Yes
Currently using self-bonding?	No
No. of companies:	None
Statute/Regulation cite:	Regulation Chap. 880-X-9. Bond and Insurance Requirements for Surface Coal Mining and Reclamation Operations; Form, Conditions and Terms of Performance Bonds and Liability Insurance.



Comments:	Only two applications for self-bonding were ever submitted to the Commission. Both were later withdrawn at the company's request.
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ARKANSAS

QUESTIONS	RESPONSES
Has self-bonding?	Yes
Currently using self-bonding?	Yes
No. of companies:	One
Statute/Regulation cite:	Regulation Sec. 806.11 Form of the Performance Bond (1987).
Comments:	Self-bonding is seldom requested.

ILLINOIS

QUESTIONS	RESPONSES
Has self-bonding?	No
Currently using self-bonding?	No
No. of companies:	N/A
Statute/Regulation cite:	N/A
Comments:	The self-bonding provision was removed because it was incompatible with the state act. The bonding requirements of the current state act are based on the requirements of previous Illinois reclamation regulatory programs which have been highly successful.

INDIANA [from COALEX]

QUESTIONS	RESPONSES
Has self-bonding?	Yes
Currently using self-bonding?	Unknown
No. of companies:	Unknown
Statute/Regulation cite:	Statute Sec. 13-4.1-6.3 Self-Bonding (1988).
Comments:	N/A

KENTUCKY [from COALEX]

QUESTIONS	RESPONSES
Has self-bonding?	No
Currently using self-bonding?	N/A
No. of companies:	N/A



Statute/Regulation cite:	N/A
Comments:	Kentucky deleted self-bonding as an option in 1982, in response to OSM findings that the state's definition was inconsistent with the federal definition.

LOUISIANA [from COALEX]

QUESTIONS	RESPONSES
Has self-bonding?	No
Currently using self-bonding?	N/A
No. of companies:	N/A
Statute/Regulation cite:	N/A
Comments:	OSM disapproved the state self-bonding regulations in 1980. A revised definition of "self-bonding" was proposed in 1990 and is awaiting OSM approval.

NEW MEXICO

QUESTIONS	RESPONSES
Has self-bonding?	Yes
Currently using self-bonding?	Yes
No. of companies:	Three companies (eight permits)
Statute/Regulation cite:	Regulation Sec. 14-23; CSMC Rule 80-1; Amendment No. 3 (1984).
Comments:	We have had self-bonding since 1987. Total amount of self-bonds is currently \$64,402,200. We have not had any bad experiences. Self-bonds save the companies a considerable amount of money.

OHIO

QUESTIONS	RESPONSES
Has self-bonding?	Yes
Currently using self-bonding?	No
No. of companies:	None
Statute/Regulation cite:	Regulation Sec. 1501:13-7-04 Self-Bonding (1988).
Comments:	No self-bonding application has been approved yet.

OKLAHOMA {from COALEX}

QUESTIONS	RESPONSES
Has self-bonding?	Yes



Currently using self-bonding?	Unknown
No. of companies:	Unknown
Statute/Regulation cite:	Regulation Sec. 800.23 Self-bonding (1988).
Comments:	N/A

PENNSYLVANIA

QUESTIONS	RESPONSES
Has self-bonding?	Yes
Currently using self-bonding?	No
No. of companies:	None
Statute/Regulation cite:	25 Pa Code Ch. 86, Secs. 86.142 Definitions and 86.159 Self-bonding (1990).
Comments:	Very few companies can qualify. Those who can are financially secure enough to obtain surety bonds.

TENNESSEE

QUESTIONS	RESPONSES
Has self-bonding?	No
Currently using self-bonding?	N/A
No. of companies:	N/A
Statute/Regulation cite:	N/A
Comments:	N/A

TEXAS

QUESTIONS	RESPONSES
Has self-bonding?	Yes
Currently using self-bonding?	Yes
No. of companies:	Three companies
Statute/Regulation cite:	Regulation Sec. 806.309 Terms and Conditions of the Bond (recently promulgated).
Comments:	Texas is participating in a joint OSM and Industry Task Force to evaluate self-bonding rules applicable to public electric utilities.

VIRGINIA

QUESTIONS	RESPONSES
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Has self-bonding?	No
Currently using self-bonding?	N/A
No. of companies:	N/A
Statute/Regulation cite:	N/A
Comments:	N/A

WEST VIRGINIA

QUESTIONS	RESPONSES
Has self-bonding?	Yes
Currently using self-bonding?	Yes
No. of companies:	Four companies
Statute/Regulation cite:	Regulation Sec. 38-2-11. Insurance and Bonding.
Comments:	The program seems to be working satisfactorily. There has been no occasion to forfeit or collect the bond on a self-bonded permittee.

WYOMING [from COALEX]

QUESTIONS	RESPONSES
Has self-bonding?	Yes
Currently using self-bonding?	Unknown
No. of companies:	Unknown
Statute/Regulation cite:	Regulation Chap. XII Self-Bonding Program. Secs. 1-7.
Comments:	N/A

LIST OF CONTACTS

STATE	CONTACT INFO
ALABAMA	Carla D. Lightsey Alabama Surface Mining Commission P.O. Box 2390 Jasper, AL 35502-2390 205-221-4130
ARKANSAS	Art Ritchie, Engineering Supervisor Arkansas Department of Pollution Control and Ecology 8001 National Drive P.O. Box 8913 Little Rock, AR 72219-8913



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

	501-562-6533
ILLINOIS	Don Pflederer Illinois Department of Mines and Minerals Land Reclamation Division 300 West Jefferson Street P.O. Box 10137 Springfield, IL 62791-0197 217-782-4970
INDIANA	Michael Sponsler, Director Division of Reclamation Department of Natural Resources P.O. Box 147 210 W. Main Street Jasonville, IN 47438 812-665-2207
KENTUCKY	Carl Campbell Department for Surface Mining and Reclamation Enforcement No. 2 Hudson Hollow Frankfort, KY 40601 502-564-6940
LOUISIANA	Anthony J. Duplechin, Geologist Supervisor Injection and Mining Division Office of Conservation P.O. Box 94275 Baton Rouge, LA 70804 504-342-5515
MARYLAND	Anthony F. Abar, Director Maryland Bureau of Mines 160 South Water Street Frostburg, MD 21532 301-689-8150
NEW MEXICO	Barry Bailey, Operations Manager Energy, Minerals and Natural Resources Department 2040 South Pacheco Santa Fe, NM 87505 505-827- 5990
OHIO	Jean Backs Division of Reclamation Department of Natural Resources 1855 Fountain Square Court, Bldg. H Columbus, OH 43224 614-265-7070
OKLAHOMA	James Hamm



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

	Oklahoma Department of Mines 4040 N. Lincoln Oklahoma City, OK 73105 405-521-3859
PENNSYLVANIA	Ernest Giovanetti, Director Bureau of Mining and Reclamation Department of Environmental Resources 209 Executive House Bldg. P.O. Box 2357 Harrisburg, PA 17105-2357 717-787-5103
TENNESSEE	Carl Tenut, Director Division of Surface Mining Department of Environment and Conservation 2700 Middlebrook Pike, Suite 220 Knoxville, TN 37921 615-594-6035
TEXAS	Melvin B. Hodgkiss, Director Surface Mining and Reclamation Division Railroad Commission of Texas P.O. Drawer 12967 Austin, TX 78711-2967 512-463-6901
VIRGINIA	Benny Wampler, Ass't Director Department of Mines, Minerals and Energy P.O. Drawer 900 Big Stone Gap, VA 24219 703-523-8145
WEST VIRGINIA	Stephen C. Keen, Director Mines and Minerals Section Division of Energy Department of Commerce, Labor and Environmental Resources 10 McJunkin Road Nitro, WV 25143 304-558-3500
WYOMING	Rick Chancellor Department of Environmental Quality 122 West 25th Street Herschler Bldg. Cheyenne, WY 82002 307-777-7756



ATTACHMENTS

ALABAMA:

Regulation Chap. 880-X-9. Bond and Insurance Requirements for Surface Coal Mining and Reclamation Operations; Form, Conditions and Terms of Performance Bonds and Liability Insurance.

ARKANSAS:

Regulation Sec. 806.11 Form of the Performance Bond (1987).

INDIANA:

Statute Sec. 13-4.1-6.3 Self-Bonding (1988).

KENTUCKY:

1. 47 FR 21404 (May 18, 1982) [Excerpts].
2. 45 FR 69940 (October 22, 1980) [Excerpts].

LOUISIANA:

1. 45 FR 58576 (September 4, 1980) [Excerpts].
2. 55 FR 42207 (October 18, 1990) [Excerpts].
3. Regulation Sec. 206.11 Form of the Performance Bond (1980).

NEW MEXICO:

Regulation Sec. 14-23; CSMC Rule 80-1; Amendment No. 3; Dated 3/5/84.

OHIO:

Regulation Sec. 1501:13-7-04 Self-Bonding (1988) and accompanying procedures.

OKLAHOMA:

Regulation Sec. 800.23 Self-bonding (1988).

PENNSYLVANIA:

25 Pa Code Ch. 86, Secs. 86.142 Definitions and 86.159 Self-bonding (1990).

TEXAS:



Regulation Sec. 806.309 Terms and Conditions of the Bond (recently promulgated).

WEST VIRGINIA:

Regulation Sec. 38-2-11. Insurance and Bonding.

WYOMING:

Regulation Chap. XII Self-Bonding Program. Secs. 1-7.