# ALABAMA SURFACE MINING COMMISSION
# ADMINISTRATIVE CODE

## CHAPTER 880-X-9A
## BOND AND INSURANCE REQUIREMENTS FOR SURFACE COAL MINING AND RECLAMATION OPERATIONS - GENERAL REQUIREMENTS FOR BONDING OF SURFACE COAL MINING AND RECLAMATION OPERATIONS

## TABLE OF CONTENTS


880-X-9A-.01 Scope
880-X-9A-.02 Objective
880-X-9A-.03 Definitions
880-X-9A-.04 Requirement To File A Bond
880-X-9A-.05 Requirement To File A Certificate Of Liability Insurance
880-X-9A-.06 State Regulatory Authority Responsibilities


### 880-X-9A-.01 Scope.

This Rule sets forth the requirements for bonding and insuring surface coal mining and reclamation operations.
**Author:**
**Statutory Authority:** Code of Ala. 1975, §§9-16-71, 73, 74, 75, 80, 81, 82, 83, 85, 89.
**History:**

### 880-X-9A-.02 Objective.

The objective of this Rule is to set forth the requirements and responsibilities for filing and maintaining bonds and insurance for surface coal mining and reclamation operations in accordance with the Act.
**Author:**
**Statutory Authority:** Code of Ala. 1975, §§9-16-71, 73, 74, 75, 80, 81, 82, 83, 85, 89.
**History:**

### 880-X-9A-.03 Definitions.

See Rule 880-X-2A-.06 for a complete list of definitions.
**Author:**
**Statutory Authority:** Code of Ala. 1975, §§9-16-71, 73, 74, 75, 80, 81, 82, 83, 85, 89.

**History:**

**880-X-9A-.04 Requirement To File A Bond.**

(1) After an application for a new, revised or renewed permit to conduct surface coal mining and reclamation operations has been approved under Chapter 880-X-8 of these regulations, but before such permit is issued, the applicant shall file with the State Regulatory Authority a performance bond payable to the State Regulatory Authority. The performance bond will be conditioned upon the faithful performance of all the requirements of the Act, these regulations and the provisions of the reclamation plan and permit. The amount, duration, form, conditions and terms of the performance bond shall conform to Subchapters 880-X-9B and 880-X-9C.

(2) At a minimum, the bond shall cover that area of land within the permit area upon which the operator will initiate and conduct surface coal mining and reclamation operations within an identified increment during the initial year of the permit. As succeeding annual increments of surface coal mining and reclamation operations are to be initiated and conducted within the permit area, the permittee shall file with the State Regulatory Authority an additional bond or bonds to cover such increments in accordance with this Rule. Independent increments shall be of sufficient size and configuration to provide for efficient reclamation operations should reclamation by the Alabama Surface Mining Commission become necessary pursuant to Subchapter 880-X-9E.

(3) An operator shall not disturb surface acreage prior to receipt of approval from the State Regulatory Authority of a performance bond covering the surface acreage to be disturbed.

(a) Liability on the performance bond shall cover all surface coal mining and reclamation operations to be conducted within the permit area. After the amount of the bond has been determined for the permit area in accordance with Subchapter 880-X-9B, the permittee or applicant may either file --

1. The entire performance bond required during the term of the permit;

2. A cumulative bond schedule listing the area covered by the bond and the sequence for release of acreage as it progresses through varying reclamation phases and the addition of other acreage as it is affected. The amount of bond required to obtain a permit shall include the full reclamation cost of the initial area being affected; or

3. An incremental bond schedule and the new performance bond required for the first increment in the schedule.

(b) When the operator elects to "increment" the amount of the performance bond during the term of the permit, he shall identify the initial and successive incremental areas for bonding on the permit application map submitted for approval as provided in Rule 880-X-8F-.08, and shall specify the proportion of the total bond amount required for operations on each incremental area. The scheduled amount of each performance bond increment shall be filed in the sequence approved in the permit, and shall be filed with the State Regulatory Authority at least 30 days prior to the commencement of surface coal mining operations in the next incremental area.

(4) The amount, duration, form, conditions and terms of the performance bond shall conform to Subchapters 88O-X-9B and 88O-X-9C.

**Author:** Randall C. Johnson
**Statutory Authority:** Code of Ala. 1975, §§9-16-71, 73, 74, 75, 80, 81, 82, 83, 85, 89.
**History:** May 20, 1982; **Amended:** September 18, 1990; effective: August 2, 1991.

## 880-X-9A-.05 Requirement To File A Certificate Of Liability Insurance.

Each applicant for a permit shall submit to the State Regulatory Authority, as part of the permit application --

(a) A Certificate issued by an insurance company authorized to do business in Alabama. The amount, duration, form, conditions and terms of this insurance shall conform to Rule 880-X-9C-.04.

**Author:**
**Statutory Authority:** Code of Ala. 1975, §§ 9-16-71,73, 74, 75, 80, 81, 82, 83, 85, 89.
**History:**

## 880-X-9A-.06 State Regulatory Authority Responsibilities.

(1) The State Regulatory Authority shall prescribe and furnish forms for filing performance bonds.

(2) The State Regulatory Authority shall prescribe terms and conditions for performance bonds and insurance by regulations which meet, at a minimum, the requirements of Rules 880-X-9B - 880-X-9C.

(3) The State Regulatory Authority shall determine the amount of the performance bond required for the permit area, including adjustments to the initial amount from time-to-time as land acreages in the permit area are revised, or when other relevant conditions change according to the minimum requirements of Rule 880-X-9B-.02(1).

(4) The State Regulatory Authority may accept a self-bond in lieu of surety or collateral bond, if the permittee meets the requirements of Rule 880-X-9C-.03(7).

(5) The State Regulatory Authority shall cause all or part of a bond to be forfeited consistent with Rule 880-X-9E.

(6) The State Regulatory Authority shall release liability under bonds in accordance with Rule 880-X-9D.

(7) The State Regulatory Authority shall require in the permit that adequate bond coverage be in effect at all times. Operating without a bond is a violation of a condition upon which the permit is issued.

**Author:**
**Statutory Authority:** Code of Ala. 1975, §§9-16-71, 73, 74, 75, 80, 81, 82, 83, 85, 89.
**History:**