

**GUIDANCE ON THE BIPARTISAN INFRASTRUCTURE LAW**  
**ABANDONED MINE LAND GRANT IMPLEMENTATION**

## I. OVERVIEW

The Bipartisan Infrastructure Law (BIL) (Pub. L. No. 117-58), also known as the Infrastructure Investment and Jobs Act, was enacted on November 15, 2021. The BIL authorized and appropriated \$11.293 billion for deposit into the Abandoned Mine Reclamation Fund administered by the Office of Surface Mining Reclamation and Enforcement (OSMRE). Of the \$11.293 billion appropriated, OSMRE will distribute approximately \$10.873 billion<sup>1</sup> in BIL Abandoned Mine Land (AML) grants to eligible States and Tribes on an equal annual basis—approximately \$725 million a year—over a 15-year period.<sup>2</sup> In accordance with Executive Order 14008, States and Tribes are encouraged to prioritize projects that support the Justice40 Initiative goal of providing 40 percent of the overall program benefits to disadvantaged communities.<sup>3</sup> BIL funds will expand the AML Reclamation Program to meet the priorities described in the BIL and the Surface Mining Control and Reclamation Act of 1977 (SMCRA), as amended. States and Tribes may use BIL AML grants to address coal AML problems, including:

- Hazards resulting from legacy coal mining that pose a threat to public health, safety, and the environment within their jurisdictions (including, but not limited to, dangerous highwalls, waste piles, subsidence, open portals, features that may be routes for the release of harmful gases, acid mine drainage, etc.);
- Water supply restoration (infrastructure);
- Coal AML emergencies; and,
- Deposit up to 30% of annual BIL AML grant funds in a State or Tribal long-term abandoned mine land reclamation fund to be expended on the abatement and treatment of acid mine drainage, subsidence, and coal mine fires.

The purpose of this guidance document is to provide State/Tribal AML Programs with overarching information concerning the interpretation of the BIL, and project eligibility and priorities for the use of BIL AML grant funds.<sup>4</sup> It also clarifies how BIL AML grant funding

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<sup>1</sup> Section 40701 of the BIL authorizes \$11.293 billion for deposit into the AML Fund, and Division J, Title VI appropriates and apportions the funds in the following ways: up to 3% for OSMRE Operations, 0.5% for Office of Inspector General (OIG) Operations, and \$25 Million for OSMRE to provide States and Tribes financial and technical assistance in making amendments to the inventory system for documenting eligible lands and waters. The remaining funds, approximately \$10.873 billion, will be distributed to eligible States and Tribes as BIL AML grants.

<sup>2</sup> Section 40701(c)(1) of the BIL limits the use of BIL AML grants to the activities described in subsections (a) and (b) of section 403 and 410 of SMCRA. Division DD, Title VIII, Sec. 801 of the Consolidated Appropriations Act, 2023, amended section 40701(c) to include language (often referred to as the “STREAM Act”) authorizing eligible States and Tribes to deposit up to 30% of their annual BIL AML grant amount in a long-term abandoned mine land reclamation fund established under State law, provided these amounts are expended on the abatement and treatment of acid mine drainage, subsidence, and coal mine fires.

<sup>3</sup> Communities identified as disadvantaged means those census tracts identified as disadvantaged by the Climate and Economic Justice Screening Tool available at: <https://screeningtool.geoplatform.gov> and all Federally recognized Tribes and Tribal entities, whether or not they have land. See OMB, CEQ, CPO, M-23-09, [https://www.whitehouse.gov/wp-content/uploads/2023/01/M-23-09\\_Signed\\_CEQ\\_CPO.pdf](https://www.whitehouse.gov/wp-content/uploads/2023/01/M-23-09_Signed_CEQ_CPO.pdf).

<sup>4</sup> As this is a guidance document, it does not create legally binding requirements and should not be construed to create any rights or benefits, either substantive or procedural, that are enforceable by law. To the extent there is any inconsistency between a provision of this guidance document and any applicable law or regulation, the law or regulation will control.

differs from the traditional fee-based AML grant distributions authorized by SMCRA. As the BIL program progresses, OSMRE will continue to assess whether it is necessary to initiate a rulemaking to establish requirements and obligations related to application procedures, allowable uses of funds, and reporting program activities and outcomes.

## **II. ELIGIBLE STATES AND TRIBES**

Pursuant to section 40701(b)(2) of the BIL, eligible grant recipients include both certified and uncertified States and Tribes carrying out approved AML Programs. A certified State or Tribe is a State or Tribe that has certified that all coal reclamation projects that are considered a priority under section 403(a) of SMCRA have been completed. An uncertified State or Tribe is a State or Tribe that has not yet made the certification that all priority coal reclamation projects in the State or on the applicable Indian lands have been completed.

## **III. ELIGIBLE PROJECTS & PRIORITIZATION**

BIL AML funding may only be spent on eligible abandoned coal mine reclamation projects.<sup>5</sup> According to section 40701(c) of the BIL, in general, BIL AML grants may only be used on one or more of the following:

- Priority 1 Projects – These projects protect public health, safety, and property from extreme danger of adverse effects of coal mining practices, including the restoration of adjacent land and water resources and the environment (Section 403(a)(1) of SMCRA).
- Priority 2 Projects – These projects protect public health and safety from adverse effects of coal mining practices, including the restoration of adjacent land and water resources and the environment (Section 403(a)(2) of SMCRA).
- Priority 3 Projects – These projects restore land and water resources and the environment previously degraded by adverse effects of coal mining practices (Section 403(a)(3) of SMCRA). These projects may include the design, construction, operation, maintenance, and rehabilitation of acid mine drainage (AMD) treatment facilities regardless of whether they are part of a qualified hydrologic unit.
- Water Supply Restoration Projects – These projects support the protection, repair, replacement, construction, or enhancement of facilities relating to water supply, including water distribution facilities and treatment plants, to replace water supplies adversely affected by coal mining practices (Section 403(b) of SMCRA).
- AML Emergency Projects - Emergency projects that restore, reclaim, abate, control, or prevent adverse effects of coal mining practices, on eligible lands when an emergency exists constituting a danger to the public health, safety, or general welfare and no other person or agency will act expeditiously to restore, reclaim, abate, control, or prevent

<sup>5</sup> In general, section 404 of SMCRA describes “[l]ands and waters eligible for reclamation or drainage abatement expenditures” under SMCRA as those lands and waters “which were mined for coal or which were affected by such mining, waste banks, coal processing, or other coal mining processes . . . and abandoned or left in an inadequate reclamation status prior to” August 3, 1977.

adverse effects of coal mining practices (Section 410 of SMCRA).

In addition to the above uses, Division DD, Title VIII, Sec. 801 of the Consolidated Appropriations Act, 2023, (commonly referred to as the “STREAM Act” after the standalone legislation containing the language) amended section 40701(c) of the BIL to authorize eligible States and Tribes to retain up to 30 percent of the “total amount of a grant made annually” under section 40701(b)(1) of the BIL in a “long-term abandoned mine land reclamation fund established under State law.” Amounts retained in this fund (together with all interest earned on the amounts) may only be expended by the State or Tribe for: (1) the abatement of the causes and the treatment of acid mine drainage resulting from coal mining practices, including costs associated with acid mine drainage treatment systems; (2) the prevention, abatement, and control of subsidence; or (3) the prevention, abatement, and control of coal mine fires. Placing funds into a long-term abandoned mine land reclamation fund account requires that the State or Tribe have an approved reclamation plan and statutory authority to establish those accounts. On January 18, 2024, OSMRE provided guidance on the implementation of amended section 40701(c) with publication of the [STREAM Act Guidance](#) and [Frequently Asked Questions](#).

Eligible uses of BIL AML funding differ from eligible uses of the traditional fee-based AML funding in a few important ways:

- Stand-alone projects classified as Priority 3 under SMCRA Title IV are eligible for BIL funding, whether or not the project is in conjunction with other projects classified as Priority 1 and Priority 2 projects under section 403(a) of SMCRA;
- AMD treatment projects that are not part of a qualified hydrologic unit are eligible for BIL funding;
- Unlike fee-based AML funding, BIL AML funding placed in a long-term abandoned mine land reclamation fund can also be used for coal mine fires and subsidence, in addition to AMD treatment projects.

Under section 405(e) of SMCRA, State and Tribal AML Reclamation Plans must identify the specific criteria for ranking and identifying projects to be funded. The *overall* State or Tribal AML Program must reflect the priorities listed in section 403(a), but the BIL does not require strict adherence to those priorities when grantees and OSMRE work to evaluate, apply for, and approve each individual project.

OSMRE continues to coordinate with each State and Tribe receiving funds from the BIL to identify whether any updates to the grantee’s Reclamation Plan are necessary to ensure that the Plan complies with the BIL and SMCRA.

In spending BIL AML funds, as authorized by section 40701(f) of the BIL, States and Tribes should, consistent with applicable State or Tribal law, prioritize providing employment opportunities to current and former employees of the coal industry, when such employees are available to work on projects within the region, State, or local area.

OSMRE defines a current and former employee of the coal industry as:

- (a) Any individual who is currently employed by:
  - 1) A surface coal mining operation, as defined by 30 U.S.C. § 1291;
  - 2) A facility directly related to a surface coal mining operation, such as a coal preparation plant;
  - 3) A coal end-use facility, such as a coal-fired power plant; or
  - 4) An entity that transports coal or related materials from a surface coal mining operation, preparation plant, or end-use facility.
- (b) Any other individual who earned the majority of their annual income from one or more of the employers in paragraph (a).
- (c) This term does not include an individual who is or has been—
  - 1) A sole proprietor or owner of record in excess of 50 percent of the voting securities or other instruments of ownership of an entity listed in paragraph (a); or
  - 2) An officer or director of such entity.

OSMRE will work with States and Tribes to incorporate such prioritization into their Reclamation Plans. Measures to implement these priorities may include: (1) requiring contractors to affirm that they will give preference to current and former employees of the coal industry in any hiring for BIL-funded AML projects; (2) requiring contractors to report on the extent to which current and former employees of the coal industry have been employed in any AML work the contractors perform; (3) requiring contractors to retain data that can substantiate the reported information; and (4) providing to OSMRE the information reported by the contractors as part of the State or Tribe’s regular AML reporting processes. To further implement the section 40701(f) prioritization, States and Tribes should engage with other Federal, State, Tribal, and local government agencies, and labor or worker organizations that represent coal industry workers to identify current or former employees of the coal industry who are candidates to be employed by AML reclamation contractors and provide OSMRE with certifications of this engagement.

As the BIL Program progresses, the Department will continue to assess the need for rulemaking to further implement section 40701(f) and to provide additional guidance as to its scope. Such a proposed rule would, if finalized, based on section 40701(f), require that States and Tribes provide employment opportunities to current and former employees of the coal industry, prioritize projects that provide such employment opportunities, and prioritize use of BIL AML funding on AML projects that promote the revitalization of coal communities.

States and Tribes should also prioritize projects that deliver benefits to disadvantaged communities including the reduction of environmental burdens on such communities in alignment with the overall objectives of the Justice40 Initiative.<sup>6</sup>

States with unreclaimed mines included in the [EPA’s Map of US Coal Mine Methane Current Projects and Potential Opportunities](#) are encouraged to prioritize the reclamation of such sites where eligible for BIL AML funding in a manner that eliminates methane emissions to the greatest extent possible.

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<sup>6</sup> See Footnote No. 3.

#### IV. AML PROGRAM MANAGEMENT

In carrying out their programs with BIL AML funding, OSMRE encourages States and Tribes, consistent with applicable State or Tribal law, to:

- Use procurement processes that incentivize AML contractors to hire current and former employees of the coal industry when bidding on BIL-funded AML projects collect information from AML contractors about the number of current and former coal industry employees they employ;
- Aggregate projects into larger statewide or regional contracts as part of their procurement processes, in order to improve efficiencies in their BIL AML grant funding;<sup>7</sup>
- Prioritize aggregated or larger projects in selecting projects to be funded;
- Support pre-apprenticeship, registered apprenticeship, and youth training programs that open pathways to employment by collaborating with other Federal, State, Tribal, and local government agencies and non-governmental organizations that have the relevant expertise in these areas, including the Interagency Working Group on Coal and Power Plant Communities and Economic Revitalization. While BIL AML grants may not be used to directly fund pre-apprenticeships, apprenticeships and training programs, States and Tribes are encouraged to strengthen existing partnerships with governmental agencies and non-governmental entities that provide these types of services and to strategize on ways to promote these types of opportunities for BIL AML projects, including by identifying workforce needs for AML projects.
- Require contractors to support safe, equitable, and fair labor practices by adopting collective bargaining agreements, local hiring provisions (as applicable), project labor agreements, and community benefits agreements.
- When applicable, select project designs that reduce methane emissions from AML sites.
- Incorporate input from Tribal Nations and the public, including low-income and disadvantaged communities and other communities with environmental justice concerns<sup>8</sup> into prioritization criteria and the method for selecting projects to be funded. For more information, see the “Public Engagement” section.

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<sup>7</sup> Section 40701(b)(3) of the BIL allows States and Tribes to aggregate bids in this manner.

<sup>8</sup> See footnote 3 for the definition of “disadvantaged communities. “Low-income communities” are those communities that in the last 12 months had a median household income less than twice the poverty level. This definition is similar to the EPA’s EJSCREEN definition at <https://www.epa.gov/ejscreen/ejscreen-map-descriptions>. EJSCREEN may also be used to evaluate and identify other communities with environmental justice concerns, along with other applicable local data, as relevant and appropriate.

This definition is adopted from the EPA’s EJSCREEN definition at <https://www.epa.gov/ejscreen/ejscreen-map-descriptions>. “Tribal and Indigenous communities” are communities whose members make up a Federally recognized Indian Tribe, a State-recognized Indian Tribe, an Alaska Native community or organization, a Native Hawaiian organization, or any other community of indigenous people located in a State, including indigenous persons residing in urban communities.

If any of the aforementioned activities cannot be reasonably accomplished in carrying out the BIL AML program, States and Tribes should include in their grant application a detailed rationale for why the specified activity or activities could not be implemented.

OSMRE and the Department of the Interior (DOI) continue to engage with the Department of Labor (DOL) to provide informational sessions and training to States and Tribes to support the above efforts and to help determine what additional resources and tools DOL can provide that will assist States and Tribes in implementing these efforts.

BIL AML funds may not be used, directly or indirectly, to support or oppose union organizing.

Further, States and Tribes must implement measures to ensure that a bidder for a BIL AML contract cannot be awarded a contract or subcontract or perform any work funded by BIL AML grants if their company, their owners and controllers, their corporate officers or their shareholders own or control mine operations that have any outstanding uncorrected or unabated violations. Consistent with 30 C.F.R. §§ 874.16 and §§ 875.20, every successful bidder for an AML contract must be eligible under 30 C.F.R. §§ 773.12, 773.13, and 773.14 at the time of contract award to receive a permit or be provisionally issued a permit to conduct surface coal mining operations. At a minimum, States and Tribes must review the Applicant Violator System, the System for Award Management, and any other available information to verify the eligibility of each bidder before a contract or subcontract is awarded for any work performed and funded under the BIL AML program.

## **V. BIL AML GRANTS**

On February 7, 2022, DOI announced the first BIL AML grant distribution amounts that each eligible State and Tribe would receive in fiscal year (FY) 2022. On June 1, 2023, DOI announced the FY 2023 BIL AML grant distribution amounts for each eligible State and Tribe. In May 2024, DOI is announcing the FY 2024 BIL AML grant distribution amount available to eligible States and Tribes.

Annual BIL AML grant amounts are calculated using a congressionally mandated formula based on the number of tons of coal historically produced in the States or from applicable Indian lands before August 3, 1977. Adjustments will be made to ensure the total amount of the distributions to any individual State or Tribe is not less than \$20 million over the life of the program to the extent that amount is needed for eligible projects described above and to reconcile the amount of the BIL AML funding with the total unfunded cost of coal problems at the end of the preceding fiscal year, as reflected in the enhanced Abandoned Mine Land Inventory System (e-AMLIS).

BIL AML grants will be awarded to eligible State and Tribal AML Programs on an annual basis and adjustments will be made to these distributions as required and needed to achieve the objectives of the program. For example, adjustments will be made as the number of eligible States and Tribes increases or decreases. The period of performance for BIL grants is five-years, with an option for a one-time no-cost extension of up to one year, subject to OSMRE's review and approval. BIL AML grants are disbursed and tracked under the Assistance Listing Number

(ALN) No. 15.252.<sup>9</sup> In order to receive BIL AML funding in FY 2022 and beyond, each eligible State and Tribe will need to submit a separate grant application for BIL AML grants from the traditional AML fee-based grants through GrantSolutions, but OSMRE will continue working with the States and Tribes in order to develop procedures that minimize burdens on applicants. States and Tribes are required to ensure that expenditures for the two programs are tracked separately.

BIL AML grant recipients will be required to comply with all applicable Federal grant award requirements, including but not limited to, the Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards ([2 C.F.R. part 200](#)). OSMRE anticipates that State and Tribal AML Programs will incur higher staffing and operational costs as they stand up programs to effectively implement their BIL AML programs. In addition, the administrative costs for annual BIL AML grant awards will be available for the entire grant performance period (i.e., five years, with the possibility of a one-year extension).

BIL-funded projects are subject to the Build America, Buy America (BABA) Act, which was enacted as part of the BIL on November 15, 2021. The BABA Act requires the head of each Federal agency to ensure that “none of the funds made available for a Federal financial assistance program for infrastructure . . . may be obligated for a project unless all of the iron, steel, manufactured products, and construction materials used in the project are produced in the United States.” (Pub. L. No. 117-58 § 70914). On August 23, 2023, the Office of Management and Budget published “Guidance for Grants and Agreements ([88 FR 57750](#)). These revisions provide further guidance on implementing the BABA Act and improve Federal financial assistance management and transparency. The final rule took effect on October 23, 2023.

The BABA Act allows the head of each Federal agency to waive its requirements under certain circumstances. *Id.* On February 21, 2023, DOI approved two waivers of the BABA Act requirements. The first waiver applies to small grants that do not meet the current Simplified Acquisition Threshold of \$250,000 and are not expected to exceed the Simplified Acquisition Threshold for the life of the grant. The second waiver applies to de minimis purchases for otherwise covered infrastructure projects, totaling up to 5 percent of the total applicable project costs, not to exceed a dollar amount of \$1,000,000. The small grants and de minimis purchases waivers expire on February 20, 2028. On September 1, 2023, DOI approved a one-year general applicability waiver of the Buy America Preference for financial assistance agreements issued to Federally recognized Indian Tribes, which aligns with the Federal Government’s commitment to follow consultation policies established through [Executive Order 13175](#), *Consultation and Coordination with Indian Tribal Governments*. The Tribal Consultation waiver expires September 1, 2024. BABA Act terms and conditions must be included in all subawards and all contracts or purchase orders for work or products unless an active BABA waiver applies. For current DOI BABA Act waivers, please visit:

<https://www.doi.gov/grants/BuyAmerica/GeneralApplicabilityWaivers>. Additional general information about the BABA Act is available from the DOI Office of Grants Management at: [doi.gov/grants/buyamerica](https://www.doi.gov/grants/buyamerica).

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<sup>9</sup> The ALN number is a five-digit number assigned in an awarding document for any financial assistance (e.g., grants) funded by the Federal government. Although both the BIL AML Funds and the traditional AML fee-based grants will be disbursed under the same ALN No. 15.252, separate grant applications via GrantSolutions will be necessary in FY 2022 and beyond.

Appendix I, which is entitled, “Subaccounts for BIL AML Financial Assistance,” provides guidance on the available subaccount categories that State/Tribal AML Programs can use in the development of their BIL AML grant application. Outlined below are the main subaccounts:

- BIL – Non-Emergency Administrative Costs
- BIL – Non-Water Supply (Coal Project) Costs
- BIL – Water Supply Project Costs
- BIL – Coal Projects Engineering & Design Costs (including for costs associated with e-AMLIS inventory related activities funded by the BIL, including STREAM Act funds<sup>10</sup>)
- BIL – AMD Operational and Maintenance Costs
- BIL – Emergency Project Costs
- BIL – Long Term Reclamation Funding Costs
- BIL – BIL e-AMLIS Inventory Related Activities (use only for costs associated with the additional \$8 million provided for e-AMLIS financial and technical assistance)

States and Tribes are required to include in their grant applications a list of AML Problem Area Descriptions (PADs) and Problem Types within PADs to be funded throughout the five-year period of performance; additional details on this requirement are provided in Appendix II.

Applications from States and Tribes should include:

- A list of each AML PAD containing the problems that States and Tribes plan to address with BIL-funded AML reclamation and remediation work during the next five years from the time the list is submitted (see Appendix II);
- Estimated costs for each project to be completed using the BIL AML grant funding. If BIL AML funds will be leveraged with other funding sources such as AML fee-based grants, include that information; and,
- A description of the State or Tribe’s prioritization process or ranking system for the selection of proposed problems within each AML PAD;
- A description of the process the State or Tribe will use to obtain public input on the problems to be funded within the list of PADs;
- A statement of the estimated benefits that will result from reclaiming the proposed problems within each listed PAD;
- A statement of how the State or Tribe will prioritize projects employing current or former employees of the coal industry, consistent with applicable State or Tribal law;
- Plans for engaging with other Federal, State, Tribal, or local governmental agencies and non- governmental entities on workforce training and development issues, including how activities encouraged under Section III will be implemented, if applicable, along with the names of potential partners to support recruiting and training efforts, including community colleges, workforce partners, community-based groups, and unions;

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<sup>10</sup> STREAM Act funds is a subset of BIL funds that, per the STREAM Act, represents up to 30% of what an eligible State/Tribe receives in BIL grants annually. The Consolidated Appropriations Act, 2023, amended section 40701 of the BIL to authorize eligible States and Tribes to deposit up to 30 percent of their annual BIL abandoned mine land (AML) grant amount in a long-term AML reclamation fund established under State or Tribal law. 30 U.S.C. § 1231a(c)(2). This amendment is commonly referred to as the STREAM Act.



- Any known linkages to economic redevelopment opportunities created by carrying out proposed projects;
- A description of how the grantee will address environmental justice issues, including within coalfield communities;
- Details of how the grantee will engage with relevant State, Tribal, or local governmental agencies or non-governmental organizations to identify and address any disproportionate burden of adverse human health or environmental effects of coal AML problems on Tribal Nations, low-income and disadvantaged communities, and other communities with environmental justice concerns;
- A description of whether and to what extent proposed projects may reduce greenhouse gas emissions, particularly methane emissions;
- Proposed performance measurement (See Section XI).

When possible, a project’s scope or outcome may be expanded or enhanced. States and Tribes are encouraged to identify and leverage additional funding sources (e.g., Clean Energy Demonstration Program under Title III, Section 40341 of the BIL; DOI’s Ecosystem Restoration Program under Title VIII, Section 40804 of the BIL; and EPA Brownfield Job Training Grants) and in-kind contributions to be used in conjunction with BIL AML monies.

## VI. DAVIS-BACON ACT

The BIL requires that all laborers and mechanics employed by contractors, or subcontractors in the performance of construction, alteration, or repair work on a project that will be assisted in whole or in part by funding made available under the BIL must be paid wages at rates not less than those prevailing on similar projects in the locality, as determined by the Secretary of Labor in accordance with the Davis-Bacon Act (40 U.S.C. §§ 3141-3148).

On August 23, 2023, the Department of Labor published the final rule, “Updating the Davis-Bacon and Related Acts Regulations” ([88 FR 57526](#)). The final rule took effect on October 23, 2023. The Davis-Bacon labor standards are applicable to reclamation projects completed using BIL AML funding and Davis-Bacon clauses must be included in BIL AML work contracts. The Department of Labor [Fact Sheet #66A: Bipartisan Infrastructure Law](#) provides additional information on the responsibilities of BIL funding recipients (see Appendix IV).

Technical assistance to States and Tribes to meet the requirements of the Davis-Bacon Act is also available through the Department of Labor. Currently, the Department of Labor offers free Prevailing Wage Seminars several times a year that focus on compliance with the Davis-Bacon Act, at <https://www.dol.gov/agencies/whd/government-contracts/construction/seminars/events>. For additional resources on how to comply with DBA provisions and clauses, see <https://www.dol.gov/agencies/whd/government-contracts/construction>.

## VII. PUBLIC ENGAGEMENT

When selecting and developing eligible projects for the BIL AML Program, State and Tribal AML Programs should ensure public engagement at the local level with affected communities. The term “public” includes all stakeholders (e.g., citizens at large, industry, other Federal, State,

Tribal, or local agencies, Tribal Nations, unions and worker organizations, non-governmental organizations, community colleges, workforce boards, community-based groups, and environmental groups). Engaging with the public to identify potential projects before the projects are selected will ensure that the projects completed through this program best address the needs of the relevant communities.

States and Tribes are encouraged to use existing best practices for public engagement or develop a process for public outreach and communication with local citizens, agencies, and organizations that best fits their unique circumstances. For example, States and Tribes could notify local citizens of the intent/purpose of a project via meetings, print media, websites, and social media and/or partner with organizations that facilitate public outreach and communication. OSMRE recommends that public engagement occur as early as possible for each grant cycle, with the public provided at least 60 days to review and provide input on the projects that will be proposed for funding in the State or Tribe's grant application.

Additionally, BIL AML funds can be used to procure, distribute, and install signage at project sites to increase the transparency of projects funded in whole or in part by the BIL AML Program. Installing signage will make visible to the public the efforts of the Federal, State, and Tribal government to tackle legacy pollution. If a State or Tribe displays a sign at a project site, the sign must meet the specific design requirements in the Investing in America Signage Guidelines.<sup>11</sup>

## **VIII. ENHANCED ABANDONED MINE LAND INVENTORY SYSTEM (e-AMLIS)**

Pursuant to section 403(c) of SMCRA, OSMRE maintains e-AMLIS, the central electronic database for housing the national inventory of unreclaimed AML problems affecting public health, safety, and the environment and reclaimed sites, along with their associated reclamation costs. Data maintained in e-AMLIS are provided by States and Tribes using standardized procedures approved by OSMRE.

States and Tribes are required to enter all coal AML projects into e-AMLIS and identify them as BIL AML projects when funds are expended. To ensure that States and Tribes are able to update their respective AML inventories in e-AMLIS, the BIL makes \$25 million available to the Secretary of the Interior to provide financial and technical assistance to States and Tribes to amend e-AMLIS.

On December 18, 2023, OSMRE made \$8 million available to States and Tribes to improve overall data collection processes and the integrity, accuracy, and reliability of data in e-AMLIS. These funds can also be used for e-AMLIS activities to address the anticipated growth of the inventory, field reconnaissance activities, and the use of technologies to efficiently collect and manage additional project-related information (e.g., addition of AMD sites, BIL performance measures). OSMRE strongly recommends using subaccount No. 22 to capture costs related to e-AMLIS activities sourced from these funds.

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<sup>11</sup> Investing in America Signage Guidelines: <https://www.whitehouse.gov/wp-content/uploads/2023/02/Investing-in-America-Brand-Guide.pdf>

## IX. COMPLIANCE WITH THE NATIONAL ENVIRONMENTAL POLICY ACT (NEPA)

OSMRE has determined that BIL AML funded reclamation projects (with the exception of AML projects exclusively funded by STREAM Act funds)<sup>12</sup> are major Federal actions<sup>13</sup> subject to review under the NEPA because, in accordance with NEPA regulations,<sup>14</sup> BIL AML projects are federally assisted activities performed using Federal funds.

OSMRE REG-1, Handbook on Procedures for Implementing the National Environmental Policy Act ([NEPA Handbook](#)) (Revised 2019), provides additional information on NEPA compliance.

Depending on the significance of the actual and potential impacts of the proposed action, there are three potential analytical approaches under NEPA, including:

- 1) a Categorical Exclusion (CE);
- 2) an Environmental Assessment (EA), which may result in a Finding of No Significant Impact (FONSI) or a Notice of Intent (NOI) to prepare an Environmental Impact Statement (EIS); or
- 3) an Environmental Impact Statement (EIS) and Record of Decision (ROD).

The Department's NEPA regulations make clear that in the absence of an applicable CE, an EA, and, in some cases, an EIS, must be prepared for the proposed Federal action. 43 C.F.R. § 46.205(a) states:

*If a proposed action does not meet the criteria for any of the listed Departmental categorical exclusions or any of the individual bureau categorical exclusions, then the proposed action must be analyzed in an environmental assessment or environmental impact statement.*

In accordance with section 8.5.2.1 of OSMRE's NEPA Handbook, State and Tribal AML programs must ensure that all connected actions, regardless of the funding source or who proposes them, are analyzed in a single NEPA document. Additionally, the impacts of a project that includes multiple phases must be reviewed in a single or programmatic NEPA document. Multi-phase projects may require subsequent additional NEPA. State and Tribal AML Programs are strongly encouraged to look closely at the NEPA analyses outlined above and refer to [OSMRE's NEPA Handbook](#) to better understand the NEPA process early and align their proposed projects accordingly.

The three potential analytical approaches under NEPA are defined below:

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<sup>12</sup> An AML project that is exclusively funded by STREAM Act funds (like projects exclusively funded by fee-based AMD set-aside funds) is not subject to NEPA or ATP requirements. However, it must be entered into e-AMLIS and included in the annual grant reports and Annual Evaluation report. See the [STREAM Act FAQs](#) for more information.

<sup>13</sup> According to 40 C.F.R. § 1508.1, major Federal actions may include, among other things, new and continuing activities, including projects and programs entirely or partly financed, assisted, conducted, regulated, or approved by Federal agencies.

<sup>14</sup> NEPA regulations issued by the White House Council on Environmental Quality (CEQ) are found at Title 40, Parts 1500-1508 of the Code of Federal Regulations (40 C.F.R. § 1500-1508, 42 U.S.C. §§ 4371 et seq.).

**Categorical Exclusion**

A CE is a class of actions that a Federal agency has determined, after review by CEQ, does not individually or cumulatively have a significant effect on the human environment; therefore, neither an EA nor an EIS is normally required unless an extraordinary circumstance is identified.<sup>15</sup> A CE is the threshold NEPA analysis for a proposed Federal action. OSMRE has created and received approval from CEQ for a CE. This CE is contained in the DOI Departmental Manual (DM), Chapter 13 [516 DM 13.5(33)].

**Environmental Assessment**

If a determination is made that the proposed Federal action cannot be categorically excluded from further NEPA analysis, then an EA is prepared. The EA determines whether a Federal action has the potential to cause significant environmental effects. If no significant environmental effects are found, the decision document will result in a FONSI, and the project may continue without further NEPA analysis. However, if it is determined that an action will have significant effects, then the project must go through the EIS process.

**Environmental Impact Statement**

For actions with significant impacts, NEPA requires Federal agencies to prepare an EIS that must assess, among other things, the potential environmental impacts of the proposal and alternatives to the proposed action. *See* 42 U.S.C. § 4332; 40 C.F.R. part 1502. Once an agency reaches a final decision on the action it wishes to take (i.e., the proposed action or an alternative), it creates a ROD, which is the conclusion of the EIS process. 40 C.F.R. § 1505.2.

**X. PROJECT AUTHORIZATION**

OSMRE's regulations require that, before the start of construction on any non-emergency reclamation project, States and Tribes must submit a request for an Authorization to Proceed (ATP)<sup>16</sup> to OSMRE once the NEPA analysis has been completed. 30 C.F.R. §§ 885.15, 886.16. An ATP request for a reclamation project must include: confirmation that the problem area to be reclaimed has been entered into e- AMLIS; all completed environmental documents, including NEPA documents and other documents necessary to ensure compliance with relevant environmental laws, such as the Endangered Species Act; an AML eligibility statement; and any additional documentation requested by OSMRE for that particular project.

As discussed above, State and Tribal AML programs should, in compliance with State or Tribal law, engage with other Federal, State, Tribal agencies, and local government agencies and labor and worker organizations that represent coal industry workers to identify current or former employees of the coal industry who are candidates to be employed by AML reclamation contractors consistent with the section 40701(f) prioritization and provide OSMRE with certifications of this engagement. States and Tribes should maintain sufficient records to substantiate this engagement upon request.

<sup>15</sup> Extraordinary circumstances are described in the Departmental NEPA regulations at 43 C.F.R. § 46.215.

<sup>16</sup> Projects exclusively funded by STREAM Act funds do not require an ATP. See [FAQ's](#) for more information.

OSMRE will provide an ATP letter once the agency has determined that the request satisfies the guidelines for ATP issuance. The ATP letter from OSMRE provides the required approval to use BIL AML grant funding to reclaim the specific project being addressed and allows project construction to begin. Although NEPA documentation is part of the criteria required for an ATP request, the NEPA process and ATP process are two separate processes. An ATP request cannot be completed until OSMRE has completed the NEPA review process and issued a ROD, FONSI, or CE in compliance with the NEPA requirements.

## **XI. EMERGENCY AUTHORIZATION**

According to chapter 4-120 of the Federal Assistance Manual (FAM), States and Tribes should submit a request for emergency declaration to OSMRE for emergency reclamation projects. The FAM requirements track the “emergency” definition at 30 C.F.R. § 700.5, identifying the proper amount of emergency reclamation as the amount necessary to stabilize the emergency aspects of the problem— eliminating the immediate danger to public health, safety, and general welfare. Any remaining reclamation should then be accomplished as part of a regular, non-emergency AML project, as necessary.

Upon receipt of a request for emergency declaration, OSMRE will review the information and ensure that the project meets all requirements of the AML emergency program. If all information contained within the request for emergency declaration is complete, OSMRE will declare an emergency by signing a Finding of Fact/ATP. The Finding of Fact certifies that the problem meets the emergency criteria and serves as the point of Federal action, authorizing the State/Tribe to proceed with reclamation work on the site. After the emergency is abated, the States and Tribes are required to comply with all applicable Federal laws and regulations, including NEPA.

## **XII. BIL AML PERFORMANCE MEASURES & REPORTING**

OSMRE is required to submit a report to Congress within six years of the first BIL AML grant allocation to State and Tribal AML Programs. This report will detail the progress made under the BIL AML provisions in addressing outstanding reclamation needs under subsections (a) and (b) of section 403 and section 410 of SMCRA. In preparing this report, OSMRE will solicit input from State and Tribal AML Programs on the progress made in addressing outstanding coal AML problems and use the information provided in the annual evaluation reports each State and Tribe submits pursuant to section 405(j) of SMCRA.<sup>17</sup> OSMRE intends to provide future guidance on how to prepare the information required in the report to Congress.

Evidence Building is the process of using data and other relevant information to inform decision-making and improve program outcomes. Per OMB Memorandum [M-22-12](#), “Advancing Effective Stewardship of Taxpayer Resources and Outcomes in the Implementation of the Infrastructure Investment and Jobs Act,” Federal agencies are required to use evidence-building activities to improve the effectiveness of policies and programs. As such, State and Tribal

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<sup>17</sup> Pursuant to section 405(j) of SMCRA, State and Tribal AML programs will be required to submit annual reports to track their progress and accomplishments in addressing outstanding reclamation needs using BIL AML grant funds.

programs are encouraged to collect and use data, or use existing data, that is needed for measuring progress and building evidence on program effectiveness, including implementation activities, performance reporting and program evaluation, as appropriate. Additionally, recipients of Federal funds, including grants, are allowed to spend a portion of award funding on relevant data gathering and analysis, and evaluation activities (*see [Office of Management and Budget: Key Features of 2024 Uniform Grants Guidance](#)*).

OSMRE is evaluating and developing the performance measures and reporting elements to be tracked to ensure State and Tribal AML Program BIL accomplishment are captured in these annual reports. Given that AML projects are located in coalfield communities that may include Tribal Nations and/or that may also be identified geographically as disadvantaged communities using the CEJST, State and Tribal AML Programs are encouraged to track and report on the types of benefits and the percentage of benefits that accrue to these communities. State and Tribal AML Programs are also encouraged to engage with stakeholders to help identify metrics that accurately reflect the benefits of BIL AML projects in their reclamation programs for all local and affected communities. In order to enable complete reporting, States and Tribes are expected to track the following types of benefits that can be measured and reported:

#### **AML Reclamation Environmental Benefits**

- Number of acres reforested
- Number of trees planted on AML sites
- Number of bat gates installed
- Number of acres of endangered species habitat re-established
- Number of tons of rare earth elements, metals, or sediment recovered for reuse
- Amount of methane emissions reduced

#### **AMD Remediation Project Benefits**

- Quantity of iron, aluminum, manganese, sulfate, etc. removed and/or recovered on annual basis by AMD water reclamation projects
- Quantity of Rare Earth Elements (REE) recovered by AMD water reclamation projects
- Number of AMD passive treatment systems built
- Number of AMD passive treatment systems operated and maintained
- Number of AMD active treatment systems built
- Number of AMD discharges abated
- Miles of waterways improved
- Estimated volume of water treated
- Number of outflows remediated

#### **Socio-economic Benefits of BIL AML Projects**

- Percent of overall benefits and types of benefits that accrue to disadvantaged communities and/or Tribal Nations;
- Number of former/current employees of the coal industry employed in AML reclamation;
- Any relevant data on workers, such as the number of workers from disadvantaged communities or from under-represented groups, see Executive Order 13985, “Advancing Racial Equity and Support for Underserved Communities Through the Federal Government”;

- Percentage of workers employed at AML sites that reside in the county in which the AML project is located, or in adjacent counties;
- If there is a community benefit agreement as part of the project;
- Number of project partners involved in AML reclamation projects;
- Number of contract(s) awarded that aggregated projects exceeding a value of \$1 million at the time of award;
- Number of businesses constructed on reclaimed AML sites, and number of people employed at those sites;
- Number of job hours involved in BIL AML remediation;
- Number of people receiving potable water after completion of water supply restoration projects;
- Number of residents positively impacted by the restoration of previously polluted waterways; and,
- Number of residents within one mile of a BIL-funded project.

Further, for projects or aggregated projects in excess of \$1 million, States or Tribes should require that contractors, consistent with State or Tribal applicable law, provide:

- 1) a certification that the project uses a unionized project workforce;
- 2) a certification that the project includes a project labor agreement; or
- 3) a project workforce continuity plan, detailing:
  - How the contractor ensured the project had ready access to a sufficient supply of appropriately skilled and unskilled labor to ensure high-quality construction throughout the life of the project, including a description of any required professional certifications and/or in-house training, registered apprenticeships or labor- management partnership training programs, and partnerships like unions, community colleges, or community-based groups;
  - How the contractor minimized risks of labor disputes and disruptions that would have jeopardized the timeliness and cost-effectiveness of the project;
  - How the contractor provided a safe and healthy workplace that avoids delays and costs associated with workplace illnesses, injuries, and fatalities, including descriptions of safety training, certification, and/or licensure requirements for all relevant workers (e.g., OSHA 10, OSHA 30);
  - Whether workers on the project received wages and benefits that secured an appropriately skilled workforce in the context of the local or regional labor market;
  - Whether the project had a Community Benefit Agreement, with a description of any such agreement; and
  - Whether the project prioritized local hires.

As noted in Section IV, BIL AML funds may not be used to support or oppose union organizing.

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**If you have any questions or need additional assistance, please contact your servicing OSMRE Field or Regional Office.**

**Appendix I: Subaccounts for BIL AML Financial Assistance**

**Appendix II: Table for BIL AML Applications**

**Appendix III: BIL AML Project Flowchart**

**Appendix IV: Department of Labor Fact Sheet**



## **Appendix I: Subaccounts for BIL AML Financial Assistance**

### **I. Authorities**

- The Surface Mining Control and Reclamation Act of 1977 (SMCRA), Pub. L. No. 95-87, as amended;
- Infrastructure Investment and Jobs Act (IIJA), Pub. L. No. 117-58, also known as the Bipartisan Infrastructure Law (BIL);
- Division DD, Title VIII, Sec. 801 of the Consolidated Appropriations Act, 2023, Pub. L. No. 117-328;
- Office of Surface Mining Reclamation and Enforcement (OSMRE) Directive GMT-10, The Federal Assistance Manual (FAM);
- The Federal Grant and Cooperative Agreement Act of 1977, Pub. L. No. 95-224; and
- 2 C.F.R. Part 200, Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards

### **II. Purpose**

The purpose of this document is to provide guidance and to clarify the available subaccounts (i.e., cost categories) for allocating monies when submitting a BIL AML grant application and expending monies when invoices are submitted for processing through DOI's/OSMRE's financial system. This guidance document outlines the available subaccounts for BIL funds that were created in 2022 and beyond. The Federal Assistance Manual (FAM) has been updated to reflect these changes.

### **III. Additional Information**

This section contains the following information:

- BIL Subaccounts Table. (Table 1) This table provides a listing of all available subaccounts under the BIL AML Program, which is funded by monies sourced from the U.S. Treasury.
- Fund Type Descriptions. This section describes the different types of funds listed in Table 1, which are used in the BIL AML Program.

**BIL AML Grant Subaccount Table**

The table below contains a listing of standard subaccounts currently available for BIL AML Grants:

**Table 1: BIL Fund Subaccounts**

<b>Subaccount</b>	<b>Bipartisan Infrastructure Law</b>
01	IL
03	IL
04	IL
19	IL
21	IL
22	IL
23	IL
24	IL

Listed below is the fund type description.

- IL.** Funds authorized by section 40701 of the BIL that are available to eligible States and Tribes (Source: U.S. Treasury Funds)

Listed below are the subaccount number definitions:

- 01. Non-Emergency Administrative**  
These are costs that cannot be tracked to individual reclamation projects and include items, such as travel, rental of vehicles, and any other administrative expenses. Project Design and Engineering costs should not be incorporated into subaccount 01.
- 03. Coal Project Costs (Non-Water Supply)**  
These are costs for actual construction, realty work, construction contracting, construction inspection, and other items allocable to a specific project in accordance with the BIL. Please note that project design and engineering coal-related costs and operation and maintenance costs related to AMD projects should not be included under subaccount 03. An engineering and design subaccount 19, as described below, has been created to track these coal-related costs. An operational and maintenance subaccount 21, as described below, has been created to track these AMD related costs.
- 04. Water Supply Project Costs**  
These costs are authorized by the BIL, and eligible States and Tribes may expend funds to protect, repair, replace, construct, or enhance facilities related to water supplies adversely affected by coal mining practices. Please note that project design and engineering coal-related costs should no longer be included under subaccount 04. A new engineering and design subaccount 19, as described below, has been created to track these coal-related costs.

**19. Coal Projects Engineering & Design Costs**

These are coal-related engineering and design costs associated with site investigation, public engagement, including identification and mapping of hazards; environmental sample collection and data validation; costs associated with surveying design and engineering of reclamation activities, including development of construction bid packages; costs associated with owner operator searches, eligibility determination, historic and archeological surveys, threatened and endangered species reports and consultation, document preparation related to NEPA, public meetings, and landowner agreements; and any other costs associated with project preparation before the award or initiation of a construction project.

Pursuant to section 403(c) of SMCRA, OSMRE maintains e-AMLIS, the central electronic database for housing the national inventory of unreclaimed AML problems affecting public health, safety, and the environment, and reclaimed sites, along with their associated reclamation costs. BIL funding (excluding funds sourced from the \$8 million that was distributed among States and Tribes for e-AMLIS financial and technical assistance) may be used by State or Tribal AML Programs to amend their inventory of coal problems. Costs associated with the activities necessary to update a State or Tribe's inventory in e-AMLIS should be included under this subaccount. Any BIL costs related to e-AMLIS that are sourced from the \$8 million should be included under subaccount 22.

Please note that this definition does not include construction oversight or long-term monitoring or maintenance. Any cost related to construction oversight or long-term monitoring, or maintenance should be included under direct project subaccounts such as 03 and 04. Any BIL costs related to long term AMD operational and maintenance costs should be included under subaccount 21.

**21. Acid Mine Drainage (AMD) Operational and Maintenance Costs**

These are costs associated with the long-term operation and maintenance of AMD treatment facilities. This category was created as a result of the determination that States and Tribes receiving BIL AML funding may use the grant funds to operate and maintain AMD treatment facilities. Costs related to the construction of AMD treatment facilities should be included under direct project subaccounts such as 03 and 04. Costs related to the design of AMD treatment facilities should be included under subaccount 19.

**22. BIL e-AMLIS Inventory Related Activities (\$8 million distributed among States and Tribes for e-AMLIS financial and technical assistance)**

This BIL funding code should only be used by State or Tribal AML Programs if the funds used are sourced from the \$8 million made available to amend their inventory of coal problems. Costs associated with the activities necessary to update a State's or Tribe's inventory in e-AMLIS should be included under this subaccount. These costs are associated with activities necessary to improve overall data collection processes and the integrity, accuracy, and reliability of data in e-AMLIS. These funds can also be used for e-AMLIS activities to address the anticipated growth of the inventory, field reconnaissance activities, and the use of technologies to efficiently collect and manage

the information (e.g., addition of AMD sites, BIL performance measures).

**23. BIL Emergency Projects Costs**

These costs are authorized by the BIL. As defined at 30 C.F.R. § 700.5, an emergency is a sudden danger or impairment that presents a high probability of substantial physical harm to the health, safety, or general welfare of people before the danger can be abated under normal program operation procedures. Emergency project costs cover the emergency restoration, reclamation, abatement, control, or prevention of adverse effects of coal mining practices on eligible lands. Emergency projects must be pre-authorized by OSMRE, directly related to emergency hazard abatement, and are subject to availability of funds.

**24. BIL Long Term AML Reclamation Fund**

These costs are authorized by the Consolidated Appropriations Act, 2023, which amended the BIL by authorizing eligible States and Tribes to deposit up to 30 percent of their annual BIL AML grant amount in a long-term abandoned mine land reclamation fund established under State law.<sup>1</sup> The amounts, including any interest earned, must be expended by the State or Tribe for:

- the abatement of the causes and the treatment of the effects of acid mine drainage resulting from coal mining practices, including building, operating, maintaining, and rehabilitating acid mine drainage treatment resulting from coal mining practices;
- the prevention, abatement, and control of subsidence; or
- the prevention, abatement, and control of coal mine fires.

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<sup>1</sup> This amendment is commonly referred to as the “Safeguarding Treatment for the Restoration of Ecosystems from Abandoned Mines” (STREAM) Act.

**Appendix II: Table for BIL AML Applications**

The following table is a template for State and Tribes to use for the submittal of supporting information to accompany their BIL AML grant applications.<sup>1</sup>

This table will allow States and Tribes to report areas in which they are planning to conduct AML reclamation and remediation work during the next five years from the time the table is submitted. It is intended to provide the public and interested parties in Congress and the federal government with information on the State’s and Tribe’s preliminary plans for spending BIL AML funding.

States and Tribes will advertise the information in the table on their respective websites for a minimum of 60 calendar days following submission of their BIL AML grant applications.<sup>2</sup> They will invite ongoing public input to help identify, develop, and modify planned AML reclamation and remediation activities.

<b>Name/Description/AMLIS Key of the PAD<sup>3</sup></b>	<b>County of PAD</b>	<b>Problem type(s) within the PAD</b>	<b>Total e-AMLIS cost estimate for the PAD<sup>4</sup></b>	<b>Problem type(s) to be reclaimed in the PAD</b>

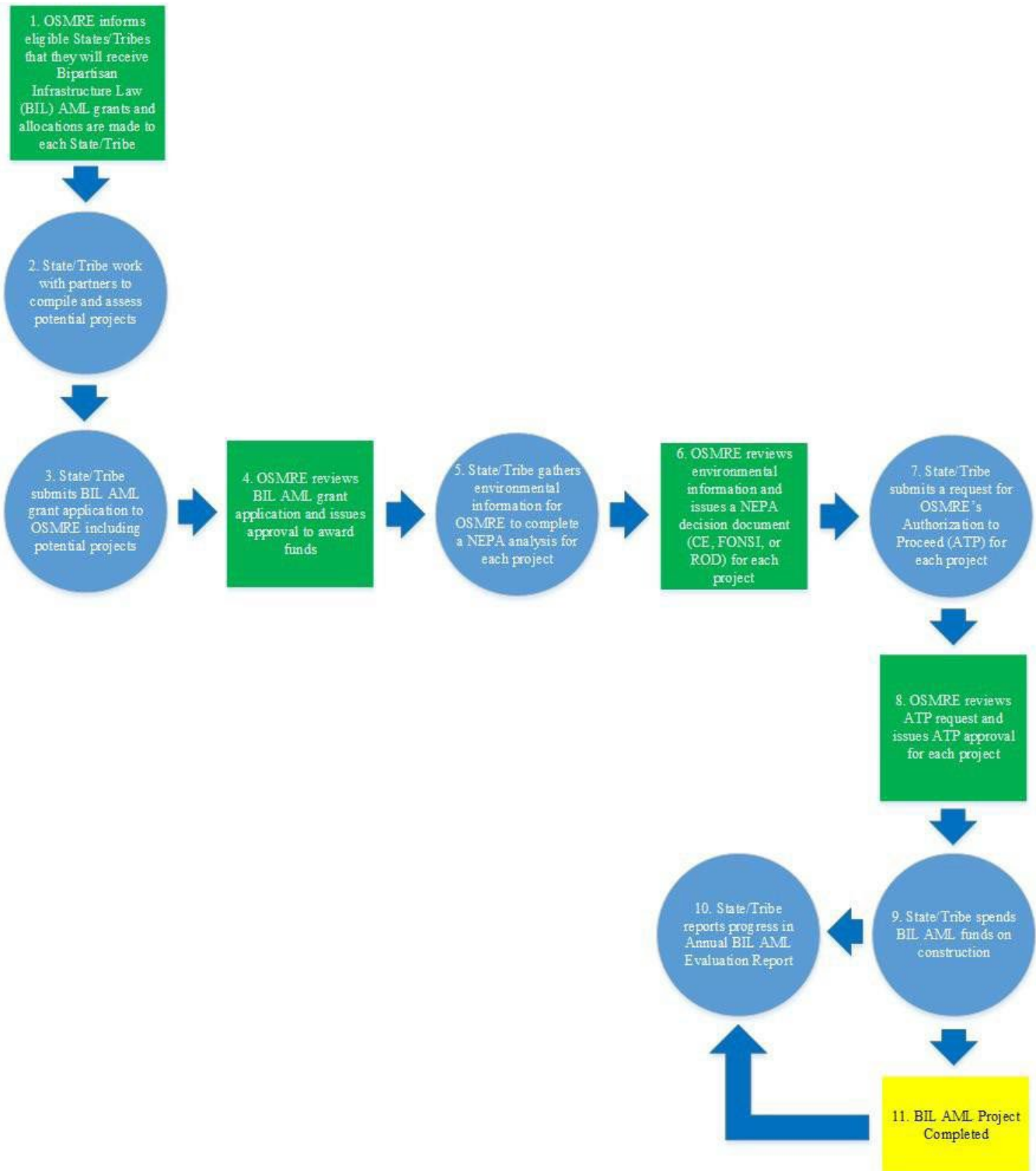
<sup>1</sup> OSMRE recognizes that the information provided in the table is only a projection of the work that may be done and that States and Tribes need flexibility in planning AML reclamation activities to incorporate input received from the public, respond to changes in circumstances that require priorities to be adjusted, and address AML emergencies. States and Tribes may conduct AML reclamation activities in areas not identified in the table, which will not be regarded as a change requiring a grant amendment. Annual and closeout reports will provide actual project status each year.

<sup>2</sup> States and Tribes may advertise or solicit public input on the list in advance of submitting a BIL application.

<sup>3</sup> The Problem Area Description (PAD) is specific information required to establish a Problem Area in the e-AMLIS inventory that describes a group of AML problems in a geographically distinct area. See [OSMRE Directive AML-1](#) for more information.

<sup>4</sup> OSMRE recognizes that the cost estimates from e-AMLIS represent approximations of the costs to reclaim and remediate AML features within the PAD and that e-AMLIS cost estimates only reflect construction costs; they do not include other necessary costs such as planning, design, permitting, and construction oversight.

**Appendix III: BIL AML Project Flowchart**



## **Appendix IV: DOL Fact Sheet #66A: Bipartisan Infrastructure Law**

This fact sheet provides general information relating to Davis-Bacon requirements for construction projects funded by the Bipartisan Infrastructure Law (BIL), provided by the Department of Labor's Wage and Hour Division (WHD). The WHD administers and enforces Davis-Bacon labor standards on Federally funded and assisted construction projects, and, as such, is responsible for determining locally prevailing wage rates and ensuring those prevailing wages are paid to construction workers on covered projects.

### **Davis-Bacon Related Act Coverage of Bipartisan Infrastructure Law Construction Projects**

The Davis-Bacon Act requires contractors and subcontractors to pay laborers and mechanics employed on federal construction contracts no less than the locally prevailing wages and fringe benefits for corresponding work on similar projects in the area. Many federal laws that authorize federal assistance for construction projects, such as through grants, loans, loan guarantees, or other similar funding mechanisms, require funding recipients to comply with the prevailing wage and labor standards requirements of the Davis-Bacon Act. Such laws are generally known as Davis-Bacon "Related Acts," or Davis-Bacon Related Acts.

The BIL, which President Biden signed on November 15, 2021, focuses on rebuilding and improving our nation's aging infrastructure through a historic investment of federal funds in state and local infrastructure construction. A vast majority of the federal funding authorized by the BIL requires the payment of Davis-Bacon prevailing wages on covered construction projects. The BIL applies Davis-Bacon labor standards to federally-funded or assisted construction projects in three different ways by:

1. adding funding to programs previously authorized by an existing Davis-Bacon Related Act (such as the Infrastructure for Rebuilding America program and the Drinking Water/Clean Water state revolving loan funds);
2. adding new programs under the umbrella of an existing Davis-Bacon Related Act (such as the new Bridge Investment program and the new Airport Terminal Improvement program); or
3. including provisions which expressly provide that Davis-Bacon labor standards apply to all construction projects receiving funding under particular programs created by or funded through the BIL. For example, construction projects assisted by funding made available under Division D or an amendment made by Division D of the BIL (Energy) are subject to Davis-Bacon requirements.

Finally, while the broadband assistance programs under Division F of the BIL do not generally require the payment of Davis-Bacon prevailing wages, the agencies administering those programs may consider the payment of prevailing wages as a positive factor when allocating funding. WHD will be available to provide guidance to funding applicants and funding agencies who are considering the payment of Davis-Bacon prevailing wages as a factor in connection with funding awards under the BIL's broadband assistance programs.

## **Basic Provisions/Requirements of Davis-Bacon Related Acts**

Funding for construction projects authorized by the BIL requires certain actions on the part of federal funding agencies, funding recipients (such as state or local agencies), and construction contractors in order to ensure compliance with Davis-Bacon Related Acts.

### **Federal Funding Agencies**

Among other requirements, the Federal funding agency must:

- notify potential funding recipients that the Davis-Bacon labor standards are applicable to any construction projects that receive the relevant BIL funding; ensure that the funding recipients require the Davis-Bacon contract clauses, as set forth at 29 C.F.R. § 5.5, and applicable wage determinations be inserted into all contracts for construction projects receiving the federal funding (a wage determination is a schedule of prevailing wage rates determined by the Secretary of Labor that applies to construction subject to Davis-Bacon requirements in a particular geographic area);
- provide guidance to funding recipients as to which construction projects are covered by Davis-Bacon requirements and which wage determinations apply to those projects; and
- take steps to ensure that the Davis-Bacon requirements are met on their funded projects, including receiving and reviewing certified payrolls submitted by contractors (except to the extent that the federal agency has delegated the receipt and review of certified payrolls to the funding recipient).

### **Funding Recipients**

Among other requirements, the funding recipients must:

- ensure that the Davis-Bacon contract clauses and applicable wage determinations are inserted into any construction contracts entered into by themselves or their sub-recipients for projects receiving any federal funding subject to Davis-Bacon labor standards (the required contract clauses are set forth at 29 C.F.R. § 5.5, and general wage determinations and guidance on their application can be found at [alpha.sam.gov](http://alpha.sam.gov));
- provide guidance to sub-recipients and contractors as to Related Act coverage, wage determination applicability, and the classifications of work performed on the contract;
- conduct sufficient monitoring of sub-recipients and contractors to ensure that laborers and mechanics are being paid the applicable prevailing wages and fringe benefits;
- receive and review certified payrolls, and, where applicable, forward certified payrolls to the federal funding agency; and
- upon the written request of the Department of Labor, or on their own initiative, both the federal funding agencies and the funding recipients must withhold payments to the prime contractors in an amount sufficient to cover any unpaid prevailing wages owed to workers or suspend any further payments until violations of the Davis-Bacon labor standards have ceased.



Failure to take these actions may result in the loss of the federal funding, in accordance with 29 C.F.R. 5.6.

### **Contractors and Subcontractors**

Among other requirements, contractors and subcontractors must:

- pay at least the Davis-Bacon prevailing wages listed in the applicable wage determinations included in the contract to laborers and mechanics who work on the site of work—
  - the Davis-Bacon prevailing wage is the combination of the basic hourly rate and any fringe benefits listed in a Davis-Bacon wage determination;
  - contractors can meet this obligation by paying each laborer and mechanic the applicable prevailing wage for the classification of work they perform entirely as cash wages or by a combination of cash wages and employer-provided bona fide fringe benefits;
  - contractors must pay laborers and mechanics the applicable prevailing wages for all hours worked on the site of the work on a weekly basis (except for contributions to bona fide fringe benefit plans, which must be made at least quarterly);
- maintain an accurate record of hours worked and wages paid, including fringe benefit contributions;
- submit certified payrolls to the contracting agency/funding recipient each week, within seven days of the payroll date for that workweek; and
- ensure that the required contract clauses and applicable wage determinations are incorporated into any lower-tier subcontracts.

### **Where to Obtain Additional Information**

For additional information, visit the Wage and Hour Division website:

[www.dol.gov/agencies/whd](http://www.dol.gov/agencies/whd) or call our toll-free information and helpline, 1-866-4USWAGE (1-866-487-9243), available 8 a.m. to 5 p.m. in your time zone. This appendix is for general information and is not to be considered in the same light as official statements of position contained in the regulations.

The contents of this appendix do not have the force and effect of law and are not meant to bind the public in any way. This appendix is intended only to provide clarity to the public regarding existing requirements under the law or agency policies.