

Committee on Resources

Witness Testimony

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House Resources Committee,
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Madam Chair and members of the subcommittee. I appreciate the opportunity to appear here today to discuss the status of permitting hardrock mining operations on public lands managed by the Bureau of Land Management (BLM) in Nevada. The BLM regulates these operations pursuant to the general mining laws of the United States and the Federal Land Policy and Management Act.

The State of Nevada is often called the Silver State. It became a state shortly after the discovery of the rich silver deposits of the Comstock Lode on the east side of the Sierra Nevada Mountains. Now, more than a century later, gold production in northern Nevada has eclipsed the silver production of the famous Comstock.

It is important to note that proper management of minerals production is only one of many resource issues for the BLM in Nevada. About 67 percent of the total land in Nevada is managed by the BLM. In addition, BLM Nevada has recorded over 756,000 mining claims of which 135,000 are still active (involving more than two million acres). More than half of all new claims filed annually with the BLM are recorded in Nevada.

Today I would like to focus on one aspect of the BLM's Nevada programs -- the BLM's work with the mining industry. Nevada is the largest producer of gold and silver in the United States. About 67 percent of gold production in the nation is from Nevada. That amounts to over seven million ounces per year. It can be said that the modern gold rush started in Nevada. Public lands have played a significant role in mineral development in Nevada. They continue to do so.

Processing Trends

To meet the needs of industry during this rush, the BLM and other regulatory agencies have worked intensively to reduce the time required to process notices and plans of operations. In the late 1980's, the time required to review and approve plans of operations and environmental impact statements was measured in years. The BLM recognized the pace of processing those plans was unacceptable. We addressed our process and improved it. In the last two years the BLM has developed more consistent and predictable technical guidelines. In several areas the agency has taken management steps to improve the quality and timeliness of review. Even with more complex plans of operation today, we have decreased review time. Some reviews of major plans of operations and environmental impact statements in Nevada take only twelve to fifteen months.

In coordination with agencies of the State of Nevada, the BLM is now processing 13 major new mining

projects, mine expansions, and environmental impact statements. There are about 2,300 active existing notices of operations and 335 open plans of operations on the public lands managed by the BLM in Nevada.

Regulatory Framework

The basic federal regulations under which we operate are found in 43 CFR Part 3800. One provision of these regulations relates to smaller exploration and mining operations on public lands. These are operations which cause a cumulative surface disturbance of five acres or less. These operators are required to notify the BLM at least 15 calendar days before commencing operations.

The regulations are different for exploration and mining projects on public lands managed by the BLM that exceed five acres of disturbance. These operators must have a plan of operation analyzed and approved by the BLM. As a Federal agency, the BLM has a regulatory responsibility to assure that all Federal laws and regulations are met. The agency must properly analyze the information and impacts concerning any proposed operation. It has a responsibility to disclose information on mining operations to the public, as the ultimate owners of the land.

When the BLM processes exploration and mine plans and notices of operations, it must follow numerous Federal laws. These include the National Environmental Policy Act; National Historic Preservation Act; Endangered Species Act; Native American Graves Protection and Repatriation Act; American Indian Religious Freedom Act; Migratory Bird Treaty Act; the Federal Land Policy and Management Act; and the various statutes which make up the General Mining Law.

Changes affecting Processing Time

As I noted earlier, development of mineral resources in Nevada has grown rapidly in recent years. Nevada production has escalated from about a half million ounces of gold per year in 1981 to over seven million ounces in 1997. A large percentage of that production occurred on America's public lands. New production activity has shifted away from mining in shallow pits with simple leach grade oxide ores. Today's production comes from huge, deep open pits. Some of it also comes from underground mining. Some mines are producing gold from more than 1,200 feet below the surface. Furthermore, the ores produced today possess a far more complex chemistry and more expensive and challenging to process than those mined in the past.

In many of the valleys of Nevada, the ore lies below the water table. In the 1980's, these mines dewatered at an initial rate of 7,000 to 8,000 gallons per minute. To keep today's mines dry, water must be pumped at rates exceeding 30,000 to 50,000 gallons per minute.

To provide scientific data to support future Federal and State permitting and environmental activities, the U.S. Geological Survey (USGS) is working as the lead agency with the Nevada Department of Conservation and Natural Resources on a water resource study of the cumulative impacts of mining in the Humboldt River Basin. Major funding has been provided by Barrick Goldstrike and Santa Fe Pacific Gold Companies (now a part of Newmont Mining Corporation).

Major mining corporations have also come forward as working participants in the permitting process. They have voluntarily and willingly funded third party contracts to prepare National Environmental Policy Act documentation. Their willingness to work with the system, and to pay a fair share of the cost, has been crucial in reducing the length of the permitting process.

Good neighbors, cooperation

As I mentioned at the outset, the BLM has responsibility for a major part of the land in Nevada. This agency works hard to be a good neighbor. One way we do that is to work with the State in the mineral exploration and mine permitting program. The BLM has reached some major agreements with the State of Nevada, including two with the Nevada Department of Conservation and Natural Resources.

The first involved development of a program with the Department's Division of Environmental Protection for review of exploration and mining plans, reclamation bonding, inspections and reclamation requirements. Today there is a joint review process in Nevada.

- Under a memorandum of understanding with the State Division of Environmental Protection, we jointly hold over \$375 million in reclamation bonds and sureties for exploration and mining operations on public lands.
- As part of this agreement, the State of Nevada, through fees paid by industry and allocated by legislation, has created a BLM-State mine permitting liaison position. This person works to resolve mutual concerns regarding permitting. Mining applicants benefit from the efficiency of this joint operation.

Under a second agreement, the BLM and the Nevada Division of Wildlife are cooperating in developing wildlife protection requirements, especially for tailings ponds and other mine ponds which contain chemicals used in mining operations.

The BLM also works closely with the Nevada Division of Minerals regarding remediation of abandoned mine hazards. Mining has occurred in Nevada for more than 140 years. During that time many prospectors and miners abandoned sites without cleaning them up. The State is helping us with this problem. Last year more than a hundred hazardous mine sites were identified and secured by the state. The Division of Minerals works with the mineral industry and the counties to make lands managed by the BLM safe once more.

The BLM has and will continue to practice and use the best science to address any new emerging issues. This can be achieved only through cooperation with the State and with industry. I have already mentioned the joint USGS-Nevada study of the Humboldt River Basin. The mutual goal is to provide more consistency and better predictability in the process. The results include some points in which we can all take pride. Let me list some of the products of this collaboration between the State, industry and federal agencies.

Comprehensive mine revegetation guidelines and standards.

Consistent water data analysis guidelines for mine plans and environmental documentation.

Guidelines for ecological risk assessment.

Statewide guidance on how to address cumulative impacts in environmental impact statements.

Challenges

The BLM's hardrock mining surface regulations date back to 1981. Recent updates have included use and occupancy rules, an acid mine drainage policy, and hardrock bonding regulations. Secretary Babbitt in

January of this year directed the BLM to form a 3809 task force which would address shortcomings in the current surface regulations, incorporate BLM policies which were developed to supplement the existing regulations, and meet BLM's strategic plan of incorporating "standards". The task force has embarked on a scheduled two year effort to update the 3809 regulations. Issues to be addressed include eliminating or modifying the 5-acre threshold for notices, revising the definition of unnecessary or undue degradation, expanding environmental and reclamation requirements, and clarifying casual use. Scoping meetings were held this spring throughout the country. We will be releasing to the public summaries of the comments at the scoping meetings.

During your stay here in Elko I am sure you have observed that this is a vital, growing city with a strong economy. The employees of the BLM in Nevada are aware of the important role we play in maintaining this healthy, growing economy. During the past decade technological advances in the mining industry have allowed the region's gold mines to create this expansion. The BLM has kept up with those advances. We have reduced the time required to permit development of these mines on public land. At the same time, we have learned how to address complex, comprehensive plans for mines that are on a scale not imagined twenty years ago.

This concludes my Statement. I will be pleased to answer any questions you may have.

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