

**Appendix VI – Presentation of Great Basin Mine Watch  
FY 2003 Nevada BLM Energy & Minerals Leadership  
Workshops**

**Executive Summary**

This report is the result of three Energy and Minerals Leadership Workshops held in Nevada during Fiscal Year (FY) 2003, i.e., Reno (February 6, 2003), Elko (February 19-20, 2003), and Las Vegas (April 22-23, 2003). The Reno workshop (see Appendix I) was primarily for Nevada BLM's external customers, while the Elko and Las Vegas workshops were intended for our northern and southern field offices, respectively. The plan was to gather and document the issues of our external customers at the Reno workshop and, then, present the issues to the field offices in Elko and Las Vegas. Field office responses to those issues were in turn collected, as well any other operational issues they wanted to identify. The result is Table I, FY 2003 Nevada BLM Energy & Minerals Issues Summary. This table will serve as a primary management guide for Nevada BLM energy and minerals programs. A "status" column was added to the table to allow for tracking the progress of identified action items related to resolving the issues. It is anticipated this table and report will be updated and made available to Nevada BLM internal and external customers on an annual or biannual basis for at least the next few years, or as long as it is deemed useful by our customers.

In Reno, presentations were provided by all the major special interest groups involved in energy and mineral development on public land in Nevada. Both positive and negative aspects of the programs were identified. Positive aspects included: 1) a good dialogue exists between the BLM and the various parties involved, 2) cooperation between BLM and local agencies, and 3) the progress of the Abandoned Mine Lands program. Also, the Native American representative appreciated the assistance provided by BLM concerning the Olinghouse Mine bankruptcy and reclamation process. There were three general areas of concern listed by our external customers: 1) consistency, 2) communication, and 3) coordination.

**Resource Advisory Council (RAC)** members (energy and minerals representatives; see Appendix III) supported the concerns of the **Nevada Mining Association (NMA)** (see Appendix II) and the mining industry. They emphasized that to invest money in a mining venture a company needs to know what to do, how long it will take, and what it will cost. These criteria are not being clearly and timely provided under current policies in Nevada. In addition, the high cost of permitting in the U.S. today is favoring investments in foreign properties. However, the recent increase in the price of gold should increase the industry's incentive to request more exploration and mining permits in Nevada, which translates into more work for BLM. A major concern is that BLM will not be prepared to keep up with their workload. Also, there are several issues that BLM could consider to encourage investments in U.S. properties, including: consistent policies between field offices, streamlining the NEPA process, development of a formalized conflict resolution system, bonding policies should be more flexible than regulations, use better project management practices to keep on schedule during the permitting process, get all publics involved in the planning process, make better use of land sales and exchanges to manage resources, develop an endangered business act with all active mines listed and considered endangered during the NEPA process, continue the annual reclamation awards as incentive to do good reclamation, focus on the big issues during NEPA process, shorten the Federal Register publishing process during the NEPA process, shorten or streamline the lengthy NEPA appeal process (so Industry does not have to resort to the shorter litigation process), get input from the "silent majority" instead of focusing on fringe groups, and improve the Native American consultation process.

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**Great Basin Mine Watch** (GBMW; see Appendix IV) indicated their primary issues focused on reclamation bonding, long-term trust funds, perpetual treatment at mine sites, mine closures, geochemical and groundwater modeling (including [built-in] uncertainty), and environmental sustainability. They were particularly concerned with what BLM's involvement is with the State's corporate guarantee (CG) program for ensuring mine reclamation, especially in light of BLM's new surface management rules at 43 CFR 3809.574 (including if BLM has an approved MOU specifically addressing CGs, BLM's oversight role, if any, and its definition of a CG). Also, they recommended BLM not always use the mining company's prime NEPA consultant because their objectivity could be an issue. Further, GBMW suggested BLM consider denying mining plans that could destroy sacred sites, sacred mountains, and significant cultural resources. The **Sierra Club** was primarily concerned with mine closure and long-term liability, including acid drainage, pit lakes, water- and air-borne mercury, and legacy sites (e.g., Sleeper site).

The **Native American** representative indicated BLM should work more closely with the tribes to foster trust, respect, and understanding. The eastern BLM field offices need to get more involved with the tribes on mining proposals and issues. To avoid delays in responding to issues during the NEPA process, the appropriate tribal environmental staffer (not necessarily the tribal chairman) should be contacted early in NEPA process. BLM needs to be aware that Native Americans continue cultural practices on Ancestral lands, many sites of which are not identified on BLM cultural resources maps and have boundaries that are difficult to delineate.

The **Nevada Division of Environmental Protection** (NDEP; see Appendix V) was primarily concerned with improving coordination, consistency, and reclamation bonding. The NDEP focused on the revised reclamation Memorandum of Understanding (MOU) between NDEP, BLM, and the U.S. Forest Service, emphasizing the need to follow through on the three-way coordination meetings between the State, BLM and the operator. Also, they stressed that updating all bonds and having adequate bonds in place should be the highest priority for BLM. Further, NDEP raised the issue of improving information sharing, specifically providing both agencies with the same information at the same time and utilizing a point-of-contact list that will soon be updated. In addition, improvements need to be made in the areas of coordination of site inspections for bond reduction, coordination of plans of operation and reclamation permit applications, and inconsistencies in the day-to-day business and programmatic differences (identify and highlight). Overall, there needs to be a closer working relationship between individual project leaders. NDEP supported the NMA's concern for the lack of consistency between BLM field offices, and added consistency with NDEP, especially on matters of bond costing. Policy, guidance, standards, and individual responsibilities should be clarified to remedy these issues.

The **Nevada Division of Minerals** discussed their AML, oil and gas, and geothermal programs. The AML program has been very successful, especially under the MOU with BLM, and volunteers have been very helpful, but there is no funding for the RAMS program in FY 2003 and its future is in doubt. **AML** issues focused on the need for "authorizations to secure" for timely fencing, continuation of the assistance agreement at current or increased levels, and coordinating prioritization of statewide inventory and securing efforts. The formal **Oil and Gas** (O & G) MOU is working and various partnerships have been successful. Concerns focused on maintaining four (4) competitive O & G sales per year, reducing the backlog of industry nominated tracts in the Ely FO, revising NEPA planning documents, and programmatic EAs on an interim basis. **Geothermal** leasing has progressed nicely over the past two years. Geothermal concerns focused on being responsive to the development needs associated with the State's Renewable Energy Portfolio Standard, meeting timelines in power purchase agreements, and allocating appropriate resources for NEPA work associated with well, pipeline, transmission and plant approvals.

### **Nevada BLM Field Offices**

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BLM issues focused on the poor transmission of guidance from higher organizational levels to the field offices, the submission of poor or inadequate information and reclamation cost calculations by the public for proposed activities in notices and plans of operations, the increased workload caused by the new 3809 regulations and our inability to complete all the required work with existing staff levels, the excessive length of time for the 3809 appeals process within Nevada, coordination issues with NDEP, the need for a consistent statewide NEPA tracking database, the policy on plugging 3809-related drill holes and calculating the reclamation costs, streamlining the bond forfeiture process to avoid value losses, updating mineral material appraisals, and funding abandoned mine land and hazardous materials site clean-ups. All field offices opposed the “ombudsman” concept set forth by Industry at the Reno workshop to resolve technical issues in order to streamline the NEPA process. An ombudsman would not be able to exceed the authority of the authorized officer, the Field Manager.