Land and Minerals Management Correspondence Tracking System

Control No: 6576 Correspondence Date: Receive Date: 2/28/2012 Due Date 2/28/2012

First Name Last name

From--> Agency: BLM

To--> AS/LM

ES Number: Audit Number: SigLevel: AS

Subject: QUESTIONS FOR MR. NED FARQUHAR, AS/LM, DOI REGARDING HEARING TESTIMONY ON THE SOUTHEAST ARIZONA LAND EXCHANGE AND CONSERVATION ACT (RESOLUTION COOPER) H.R. 1904 AND S.409

Signature: SGD BY NED FARQUHAR W/EDITS 2/29; H/C'D BY URSULA 3/1 TO JANET LIN FOR REVIEW, PER RICH

Comments: PLEASE EXPEDITE!!; BLM - PLEASE MAKE SURE JANET SEES THE EDITS. SHE MAY HAVE MORE QUESTIONS. THANKS RICH

Reviewers

Names	1: Whitlock, Jenna	2/29/2012	3: Farquhar, Ned	2/29/2012
Dates	2: Cardinale, Richard	2/29/2012	4:	

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Audit Status

Congressional QFRs
(Questions for the Record)
Bureau of Land Management
WO-620, Legislative Affairs

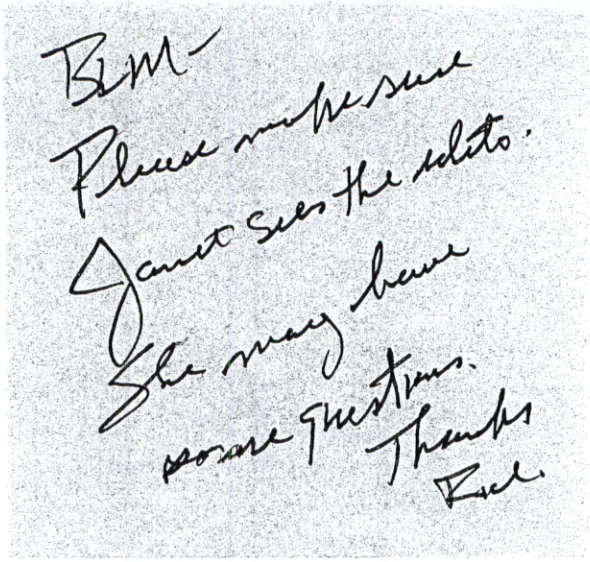
Hearing: Resolution Copper
Date: February 9, 2012
Committee: Senate Energy & Natural Resources Committee
Witness: Ned Farquhar, Deputy Assistant Secretary ASLM

Surname Office	Name/Initials	Date
WO620, Legislative	Patrick Wilkinson	2/19
Arizona	Ray Suazo	2/17
AD300	Tim Spisak	2/21
AD200	E. Roberson	2/22
AD600, Communications	C Mackey	2/21
Director's Office	R V Abbey by email	2/23
ASLM	N M	2/29/12
OCL		

WO620 Contact: Laurie Sedlmayr, 912-7427

TIME SENSITIVE: Please Expedite

Janet – Ready for your review 2/24/12


BLM -
Please make sure
Janet sees the edits.
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some questions.
Thanks
Rick

(b) (5)

(b) (5)

JEFF BINGAMAN, New Mexico, Chairman
RON WYDEN, Oregon
TIM JOHNSON, South Dakota
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MARIA CANTWELL, Washington
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KAREN K. BILLUPS, REPUBLICAN CHIEF COUNSEL

United States Senate

COMMITTEE ON
ENERGY AND NATURAL RESOURCES
WASHINGTON, DC 20510–6150

ENERGY.SENATE.GOV

February 15, 2012

Mr. Ned Farquhar
Deputy Assistant Secretary,
Land and Minerals Management
Department of the Interior
1849 C Street, N.W.
Washington, D.C. 20240

Dear Mr. Farquhar:

Thank you for testifying before the Senate Committee on Energy & Natural Resources on Thursday, February 9, 2012, on H.R. 1904, the Southeast Arizona Land Exchange and Conservation Act of 2011, and the text of S. 409, the Southeast Arizona Land Exchange and Conservation Act of 2009, as reported by the Committee during the 111th Congress.

Enclosed is a list of questions which have been submitted for the record. Please send your responses to these questions to jake_mccook@energy.senate.gov by March 12, 2012.

If you have any questions, please have your staff contact David Brooks (202) 224-9863, david_brooks@energy.senate.gov, or Jake McCook at (202) 224-9313, jake_mccook@energy.senate.gov.

Sincerely,

Jeff Bingaman
Chairman

Boddington, Celia

From: Abbey, Robert V
Sent: Thursday, February 23, 2012 2:24 PM
To: Sedlmayr, Laurie; Kornze, Neil G; Pool, Michael J; Lin, Janet H; Boddington, Celia; Falsey, William D
Cc: Leff, Craig S; Allard, Phil; Wilkinson, Patrick
Subject: RE: QFRS for surname-- Resolution Copper Hearing

Laurie;

I concur.

Bob

From: Sedlmayr, Laurie
Sent: Thursday, February 23, 2012 2:21 PM
To: Abbey, Robert V; Kornze, Neil G; Pool, Michael J; Lin, Janet H; Boddington, Celia; Falsey, William D
Cc: Leff, Craig S; Allard, Phil; Wilkinson, Patrick; Sedlmayr, Laurie
Subject: QFRS for surname-- Resolution Copper Hearing

Bob et al,
Attached and embedded below are the Questions for the Record (QFRs) from the February 9, 2012 hearing on the Southeast Arizona Land Exchange and Conservation Act (Resolution Copper) H.R. 1904 and S. 409. Ned Farquhar was the witness for the hearing. The package will be coming over the front hall this afternoon.

These QFRs have been reviewed/edited/approved by:

Legislative Affairs	Patrick Wilkinson
Arizona	Ray Suazo
Planning	Marci Todd
Lands	Kim Berns
AD200	Ed Roberson
AD300	Tim Spisak

If you have any questions or need additional information, please let me know. Thanks,
Laurie Sedlmayr
BLM Legislative Affairs Division
202/912-7427
sedlmayr@blm.gov

FROM SENATOR MURKOWSKI

Questions for Mr. Farquhar, Bureau of Land Management

Mr. Farquhar, in your testimony under *general concerns* you state that: "It is the Administration's policy that NEPA be fully complied with to address all federal actions and decisions, including those necessary to implement Congressional direction."

1. **Are you suggesting that if Congress makes a decision on public lands that this Administration should have the right to modify or qualify that decision under NEPA?**
   Unless Congress specifically exempts an action passed through legislation from NEPA, the BLM is required by law to analyze the impacts of the federal action as part of the process of implementing the congressional direction.

2. **Are you saying that NEPA, which is the law that we in Congress wrote, is somehow superior to Congresses constitutional authority to legislate on the public lands?**
   No.

3. **Is it your belief that NEPA applies to Acts of Congress? Could you provide this Committee with the specific language from the CEQ regulation that you believe imposes NEPA on laws passed by Congress?**
   Unless Congress specifically exempts an action passed through legislation from NEPA, the BLM is required by law to analyze the impacts of the federal action as part of the process of implementing the congressional direction.

4. **You state in your testimony, that many of the lands to be exchanged hold significant cultural value to Indian Tribes. You then list the Apache Leap, the Oak Flat Campground and Devil's Canyon as those culturally significant lands.**
   a. ***You do understand, that Devil's Canyon is not part of the exchange and 110-acres of private land are being added to Apache Leap which is being retained in federal ownership, correct?***
   It is our understanding that the tribes are concerned about the implications of mining on adjacent land and the effect that could have on Devil's Canyon.

5. **You state in your testimony the numerous concerns the Tribes have raised that the "legislation" is contrary to laws and policies that direct the federal land management agencies to engage in formal consultation with Indian Tribes.**
   a. ***In the opinion of this Administration are these concerns valid? Does the Administration share these concerns?***
   The Administration believes that formal consultation with the tribes before the land exchange is completed, rather than following completion (as envisioned under H.R. 1904), provides for more meaningful consultation and coordination.

Note to Reviewers:

Attached are the Questions for the Record (QFRs) from the February 9, 2012 hearing on the Southeast Arizona Land Exchange and Conservation Act (Resolution Copper) H.R. 1904 and S. 409.

These QFRs have been reviewed/edited/approved by:

Legislative Affairs	Patrick Wilkinson
Arizona	Ray Suazo
Planning	Marci Todd
Lands	Kim Berns
AD200	Ed Roberson
AD300	Tim Spisak

If you have any questions, please contact Laurie Sedlmayr with BLM Legislative Affairs at 202-912-7427.

Statement of
Ned Farquhar
Deputy Assistant Secretary
for
Land and Minerals Management
U.S. Department of the Interior
Senate Energy and Natural Resources Committee
Southeast Arizona Land Exchange and Conservation Act
February 9, 2012

Thank you for the opportunity to present testimony on the Southeast Arizona Land Exchange and Conservation Act. At the Committee's request, we will address both H.R. 1904, as passed by the U.S. House of Representatives on October 26, 2011, and S. 409, as reported by the Senate Energy and Natural Resources Committee on March 2, 2010. Both bills provide for the exchange of a 2,422-acre parcel of U.S. Forest Service-managed land to a private company in exchange for a number of parcels within the State of Arizona for management by the U.S. Forest Service (FS) and the Bureau of Land Management (BLM). Three of the private parcels are identified for transfer to the Secretary of the Interior.

In general, the Department of the Interior (DOI) defers to the FS on the issues directly related to FS-managed lands and associated valuation issues. We believe that the intent of the legislation is to facilitate an exchange of land with Resolution Copper Mining, LLC. Resolution Copper has indicated its intention to develop a copper mine near Superior, Arizona, and wishes to acquire the 2,422-acre FS parcel overlying the copper deposit as well as the Federal subsurface rights.

Conveyance of Parcels to the Bureau of Land Management

Both bills provide for the conveyance of three parcels to the Secretary of the Interior to be managed by the BLM. The parcels identified are located in Gila, Pinal, and Santa Cruz Counties and include:

- 3,050 acres along the lower San Pedro River near Mammoth, Arizona;
- 160 acres within the Dripping Springs area near Kearny, Arizona; and
- the 940-acre Appleton Ranch parcel adjacent to the Las Cienegas National Conservation Area near Sonoita, Arizona.

The lower San Pedro parcel is east of the town of Mammoth, Arizona, and straddles the San Pedro River. The acquisition of these lands would enhance key migratory bird habitat along the San Pedro River. The bills provide for the lower San Pedro parcel to be managed as part of the BLM's existing San Pedro Riparian National Conservation Area (NCA) designated by Public Law 100-696. The lower San Pedro parcel lies along the same riparian corridor as the NCA, but it is at least 60 miles downstream (north) of the existing NCA and has substantially different resource issues and needs. If this parcel is conveyed to the Secretary of the Interior and incorporated into the NCA, the Department recommends that the existing 80 acres of adjacent BLM-managed public land likewise be included within the NCA to facilitate the efficient and effective management of this important riparian corridor.

The legislation also proposes to transfer 160 acres in the Dripping Springs area near Kearny, Arizona, to the Secretary of the Interior. This private parcel is an inholding within a larger block of public lands and has important resource values, including sensitive Desert Tortoise habitat.

Finally, the bills provide for the transfer of the 940-acre Appleton Ranch parcel to the Secretary of the Interior. This parcel is located on the southern end of the BLM's Las Cienegas NCA. These lands lie within the "Sonoita Valley Acquisition Planning District" established by Public Law 106-538, which designated the Las Cienegas NCA. That law directs the Department to acquire lands from willing sellers within the planning district for inclusion in the NCA to further protect the important resource values for which the Las Cienegas NCA was designated. These lands are part of a significant wildlife corridor. The acquisition of these lands advances important conservation goals associated with this unique and special natural resource.

General Concerns

The Administration has several concerns with the Southeast Arizona Land Exchange and Conservation Act and cannot support the bills as written. The Administration's principal concern with H.R. 1904 is the requirement for the Forest Service to prepare an environmental review document under the National Environmental Policy Act (NEPA) *after* the land exchange is completed rather than in advance of the exchange as provided in S. 409 as reported. It is this Administration's policy that NEPA be fully complied with to address all federal actions and decisions, including those necessary to implement congressional direction. In addition, concerns have been raised by Indian tribes that the legislation is contrary to laws and policies and Executive Orders that direct Federal land management agencies to engage in formal consultation with interested Indian tribes, and to protect and preserve sites sacred to Native Americans.

Many of the lands to be exchanged in both bills hold significant cultural value to Indian tribes. In particular, the Apache Leap area, the Oak Flat Campground, and Devil's Canyon are culturally significant to the San Carlos Apache Tribe and the Fort McDowell Yavapai Nation. There are also other neighboring tribes with cultural interests in the area. The Administration is concerned that any consultations under H.R. 1904 would not be meaningful under Executive Order 13175, "Consultation and Coordination with Indian Tribal Governments," because the Secretary of Agriculture's discretion regarding the land exchange is limited. The tribal consultation provision in section 3(d) of S. 409 is significantly better than section 4(c) of H.R. 1904. The Senate bill requires government-to-government consultation prior to making a determination as to whether the exchange is in the public interest. The Administration believes that the timing of government-to-government consultation prior to the Secretary of Agriculture's public interest determination would allow for meaningful consultation and coordination with interested tribes. This Administration is committed to work with Tribes to ensure that views and values are seriously heard and considered.

Section 4(i) of H.R. 1904 expresses the intent of Congress that the exchange be completed within one year. This provision most notably differs from section 3(i) of S. 409, which provides for a three-year period to complete the environmental reviews and public interest determination on the land exchange. Based on our experience with exchanges, we believe the amount of time provided in H.R. 1904 is insufficient to review and finalize the necessary environmental documents, mineral report, and appraisals, as well as to conduct the final verification and prepare

title documents. We are also concerned that one year may not be sufficient to complete analysis of any historic and sacred sites in the exchange area as required by the Native American Graves Protection Act and the National Historic Preservation Act. The three-year completion period included in S. 409 provides a more reasonable timeframe for completing the necessary analyses and documentation.

Preparation of a mineral report is a crucial first step toward an appraisal of the Federal parcel because the report provides important information about the Federal mineral deposit. Neither H.R. 1904 nor S. 409 addresses access to confidential exploration and development data and company analyses on the mineral deposits underlying the Federal land in order to ensure a timely and accurate appraisal. Such information is essential for the mineral report, particularly in the context of this exchange, because of the size of the proposed mining operation and the proposed mining technique.

Section 6 of both H.R. 1904 and S. 409 provides for an annual value adjustment payment to the United States if the cumulative production of locatable minerals exceeds the projected production used in the appraisal required by section 4 and section 3, respectively. These provisions recognize that an accurate projection of future production as part of the appraisal process will be difficult to develop, and provide a mechanism for additional payments to the United States if the actual production exceeds the projected production. The Department generally defers to the FS on the specific provisions of section 6 of both bills. However, we note that section 6(d)(1) of H.R. 1904 creates a new fund in the U.S. Treasury for the deposit of these value adjustment payments. In contrast, section 6(d) of S. 409 requires that these payments be deposited into the account established under the Sisk Act (Public Law 90-171). The Department supports the Senate bill's approach for the use of these funds. We believe that these funds should be dedicated to Federal land acquisition in the same manner as the initial land equalization payments provided for in section 4(e)(2)(C) of H.R. 1904. Because these funds are to compensate for a possible initial inadvertent under-appraisal of land values, it is appropriate that the value when captured be used in the same manner as if it had been included in the initial appraisal.

Finally, there are a number of issues of a more technical nature, including appropriate map references, which we would welcome the opportunity to discuss as this legislation moves forward.

Conclusion

Thank you for the opportunity to testify. The exchange proposed in H.R. 1904 and S. 409 is complex. The Departments of Agriculture and of the Interior seek to assure that the Federal Government's interest is appropriately protected in any final legislation.

Key Points

Southeast Arizona Land Exchange and Conservation Act (Resolution Copper)
(H.R. 1904, as passed the House 10/26/11, 253-186, 112th Congress)
(S. 409, as reported by the Senate Energy Committee 3/2/10, 111th Congress)

Major Provisions

- Mandates the exchange of a 2400+ acre Forest Service parcel to Resolution Copper LLC in exchange for a number of private environmentally-sensitive parcels in Arizona.
- Three private parcels with conservation values are transferred to the BLM:
    - Lower San Pedro River (3,050 acres)
    - Dripping Springs (160 acres)
    - Appleton Ranch (940 acres)
- Additional parcels are transferred to the Forest Service.
- Because of the difficulty of fairly and accurately appraising the Forest Service parcel, the bill provides for a revenue stream to the Federal government if cumulative production of minerals exceeds that projected in the appraisal.

Background

- The Senate Energy & Natural Resources Committee reported out a version of the bill in 2010 (previous Congress) which addressed some of the most serious concerns with the legislation regarding timing on NEPA and consultation.
- The House passed version of the bill does not include the Senate agreed upon improvements.
- Resolution Copper intends to develop a very deep copper mine on this acquired parcel. They have indicated that they believe this is the largest remaining copper deposit in North America.
- The bill has been controversial. A number of tribes have raised serious concerns about important cultural issues related to the Forest Service parcel. Also varying local interests have raised concerns at different times.

BLM Position

- The Senate reported bill (S. 409, 111th Congress), is generally preferred by DOI over the House passed bill (H.R. 1904, 112th Congress)
- DOI generally defers to Forest Service on those issues related to Forest Service lands and associated valuation issues.
- Supports the acquisition of the specific parcels by the BLM.
- Tribal issues continue to be a major concern for the Department.
- However we have some concerns with specific provisions:
    - Timing of the exchange—timeframes are too short
    - Timing of the tribal consultations—meaningful consultation and coordination with tribes may not be achieved
    - Appraisal provisions—need some improvement to ensure timely, accurate appraisal
    - Value Adjustment/Equalization of Values—funds should be dedicated to land acquisition because these are meant to compensate for land values
    - Technical modifications—appropriate map references are needed.

BLM Director's Office Correspondence Tracking Sheet

Orig. Ofc ID: 600-3005

To: All Reviewers

From: Laurie Sedlmayr

Through:

Subject: Resolution Cooper

Date Received: 2/23/2012

Date of Letter:

WO#: WO-600

Comments: Please expedite. Please direct any questions to Laurie Sedlmayr, 202-912-7427.

Action	Person	Date
Delivered to	AS-LM	2/28/2012
Surnamed by	WO-100	2/27/2012
Received by	WO-100	2/23/2012
elivered for Review/Surname	WO-100	2/23/2012
Surnamed by	Celia Boddington	2/23/2012
elivered for Review/Surname	WO-600	2/23/2012
onically Delivered for Surna	Ed Roberson	2/22/2012
onically Delivered for Surna	Tim Spisak	2/21/2012
Surnamed by	Patrick Wilkinson	2/19/2012
onically Delivered for Surna	AZSO	2/17/2012

Note: Correspondence that has no actions associated with it, will not appear in this report

BLM Director's Office Correspondence Tracking Sheet

Orig. Ofc ID: 600-3005

To: All Reviewers

From: Laurie Sedlmayr

Through:

Subject: Resolution Cooper

Date Received: 2/23/2012

Date of Letter:

WO#: WO-600

Comments: Please expedite. Please direct any questions to Laurie Sedlmayr, 202-912-7427.

Action	Person	Date
Received by	WO-100	2/23/2012
elivered for Review/Surname	WO-100	2/23/2012
Surnamed by	Celia Boddington	2/23/2012
elivered for Review/Surname	WO-600	2/23/2012
onically Delivered for Surna	Ed Roberson	2/22/2012
onically Delivered for Surna	Tim Spisak	2/21/2012
Surnamed by	Patrick Wilkinson	2/19/2012
onically Delivered for Surna	AZSO	2/17/2012

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From: Laurie Sedlmayr

Through:

Subject: Resolution Cooper

Date Received: 2/23/2012

Date of Letter:

WO#: WO-600

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Action	Person	Date
:livered for Review/Surname	WO-100	2/23/2012
Surnamed by	Celia Boddington	2/23/2012
:livered for Review/Surname	WO-600	2/23/2012
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From: Laurie Sedlmayr

Through:

Subject: Resolution Cooper

Date Received: 2/23/2012

Date of Letter:

WO#: WO-600

Comments: Please expedite. Please direct any questions to Laurie Sedlmayr, 202-912-7427.

Action	Person	Date
:livered for Review/Surname	WO-600	2/23/2012
·onically Delivered for Surna	Ed Roberson	2/22/2012
·onically Delivered for Surna	Tim Spisak	2/21/2012
Surnamed by	Patrick Wilkinson	2/19/2012
·onically Delivered for Surna	AZSO	2/17/2012

Note: Correspondence that has no actions associated with it, will not appear in this report

Sedlmayr, Laurie

From: Abbey, Robert V
Sent: Thursday, February 23, 2012 2:24 PM
To: Sedlmayr, Laurie; Kornze, Neil G; Pool, Michael J; Lin, Janet H; Boddington, Celia; Falsey, William D
Cc: Leff, Craig S; Allard, Phil; Wilkinson, Patrick
Subject: RE: QFRS for surname-- Resolution Copper Hearing

Laurie;

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Bob

From: Sedlmayr, Laurie
Sent: Thursday, February 23, 2012 2:21 PM
To: Abbey, Robert V; Kornze, Neil G; Pool, Michael J; Lin, Janet H; Boddington, Celia; Falsey, William D
Cc: Leff, Craig S; Allard, Phil; Wilkinson, Patrick; Sedlmayr, Laurie
Subject: QFRS for surname-- Resolution Copper Hearing

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Arizona	Ray Suazo
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If you have any questions or need additional information, please let me know. Thanks,
Laurie Sedlmayr
BLM Legislative Affairs Division
202/912-7427
sedlmayr@blm.gov

FROM SENATOR MURKOWSKI

Questions for Mr. Farquhar, Bureau of Land Management

Mr. Farquhar, in your testimony under *general concerns* you state that: "It is the Administration's policy that NEPA be fully complied with to address all federal actions and decisions, including those necessary to implement Congressional direction."

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5. **You state in your testimony the numerous concerns the Tribes have raised that the "legislation" is contrary to laws and policies that direct the federal land management agencies to engage in formal consultation with Indian Tribes.**
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Land and Minerals Management Correspondence Tracking System

Control No:	6546	Correspondence Date:		Receive Date:	1/31/2012
				Due Date	1/31/2012

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From-->			Agency:	BLM
To-->	AS/LM			

ES Number: | Audit Number: | SigLevel: AS

Subject: DRAFT STATEMENT OF BLM, DOI TO THE SENATE ENERGY AND NATURAL RESOURCES COMMITTEE, SOUTHEAST ARIZONA LAND EXCHANGE AND CONSERVATION ACT TO ADDRESS H.R. 1904 AND S. 409 (RESOLUTION COOPER LEGISLATION

Signature: SGD BY NED FARQUHAR 2/1; H/C'D TO OCL 2/1

Comments: PLEASE EXPEDITE!!; S/N'D BY JWHITLOCK W/EDITS 2/1/12

Reviewers

Names	1:	Whitlock, Jenna	2/1/2012	3:	Farquhar, Ned	2/1/2012
Dates	2:	Cardinale, Richard	2/1/2012	4:	Burke, Marcilynn	

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Audit | Status

Congressional Testimony

Bureau of Land Management

WO-620, Legislative Affairs

Hearing: Resolution Copper legislation (H.R. 1904 & S. 409)
Date: Week of February 6; Date TBD
Committee: Senate Energy & Natural Resources Committee
Witness: TBD

Surname Office	Name/Initials	Date
WO-620, Legislative Affairs	Patrick Wilkinson	1/24/12
Arizona State Office	Ray Suazo	1/18/12
WO-320, Solids	Frank Martin	1/18/12
WO-350, Lands & Realty	Kim Berns	1/17/12
AD-300	Tim Spisak	1/24/12
NLCS	Carl Roundtree	1/25/12
AD-600, Communications	C Wood	1/27/12
Director's Office	R. Abbey	1-31-12
ASLM	Nick Pa	2/1/12
OCL		

w/ comments 1/29/12

WO620 Contact: Laurie Sedlmayr, 202/912-7427
Fax: 202/912-7181

TIME SENSITIVE: Please Expedite

ASLM cleared

1/31/11, ~~11:46~~4:~~am~~45pm--Draft

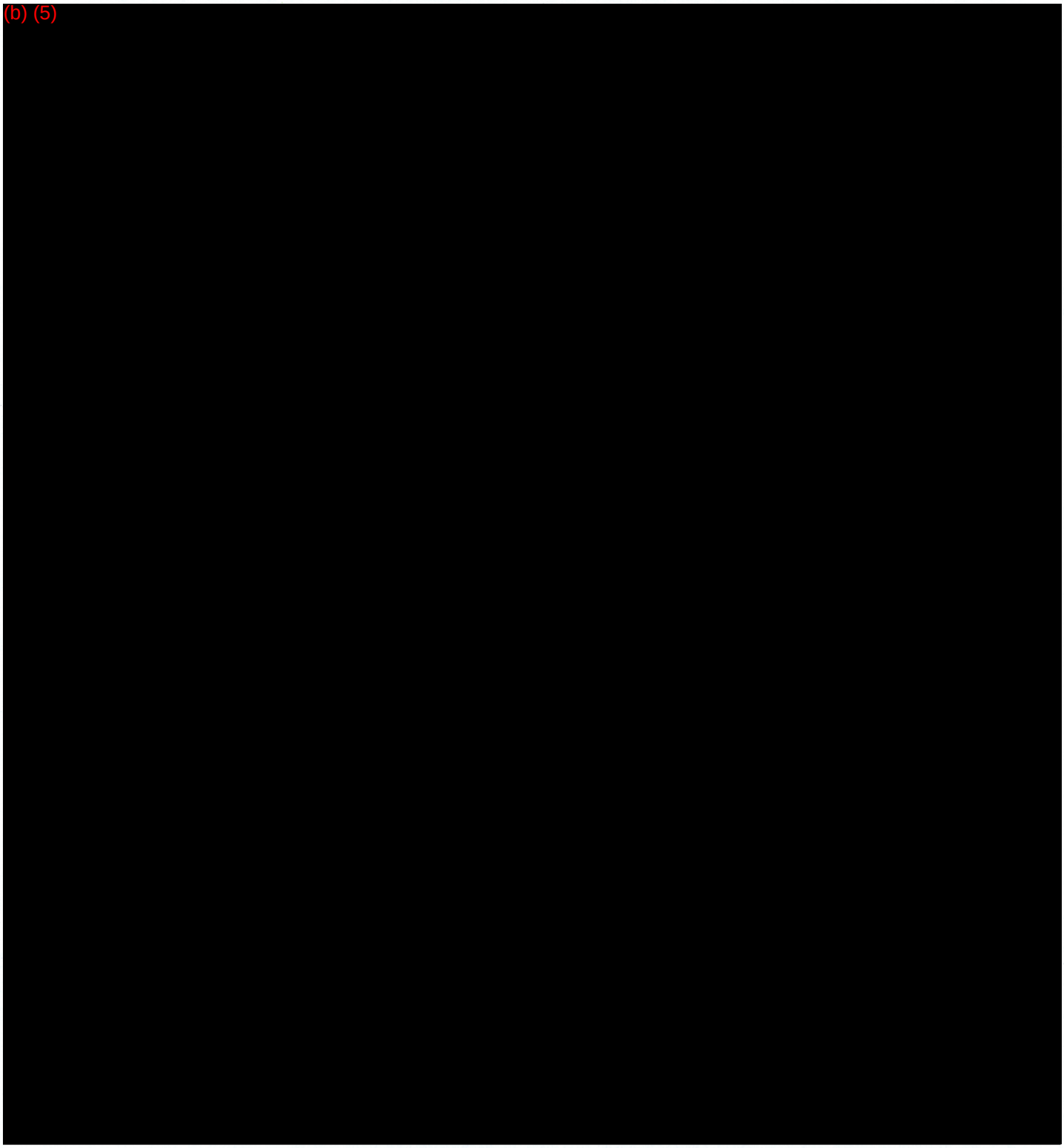
DRAFT
Statement of

Bureau of Land Management
U.S. Department of the Interior
Senate Energy and Natural Resources Committee
Southeast Arizona Land Exchange and Conservation Act
February 9, 2012

(b) (5)

[redacted]

(b) (5)



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(b) (5)

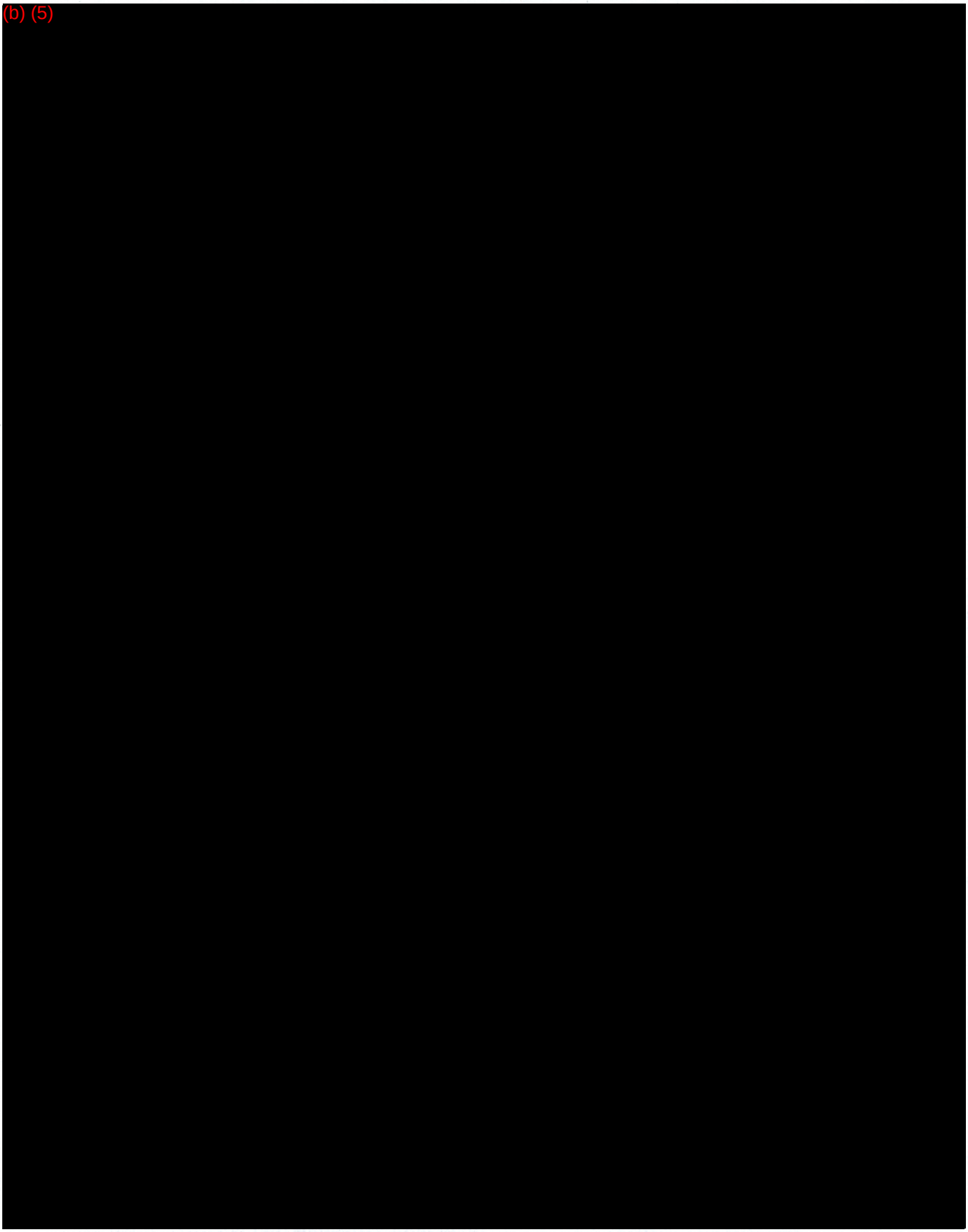
[redacted]

General Concerns

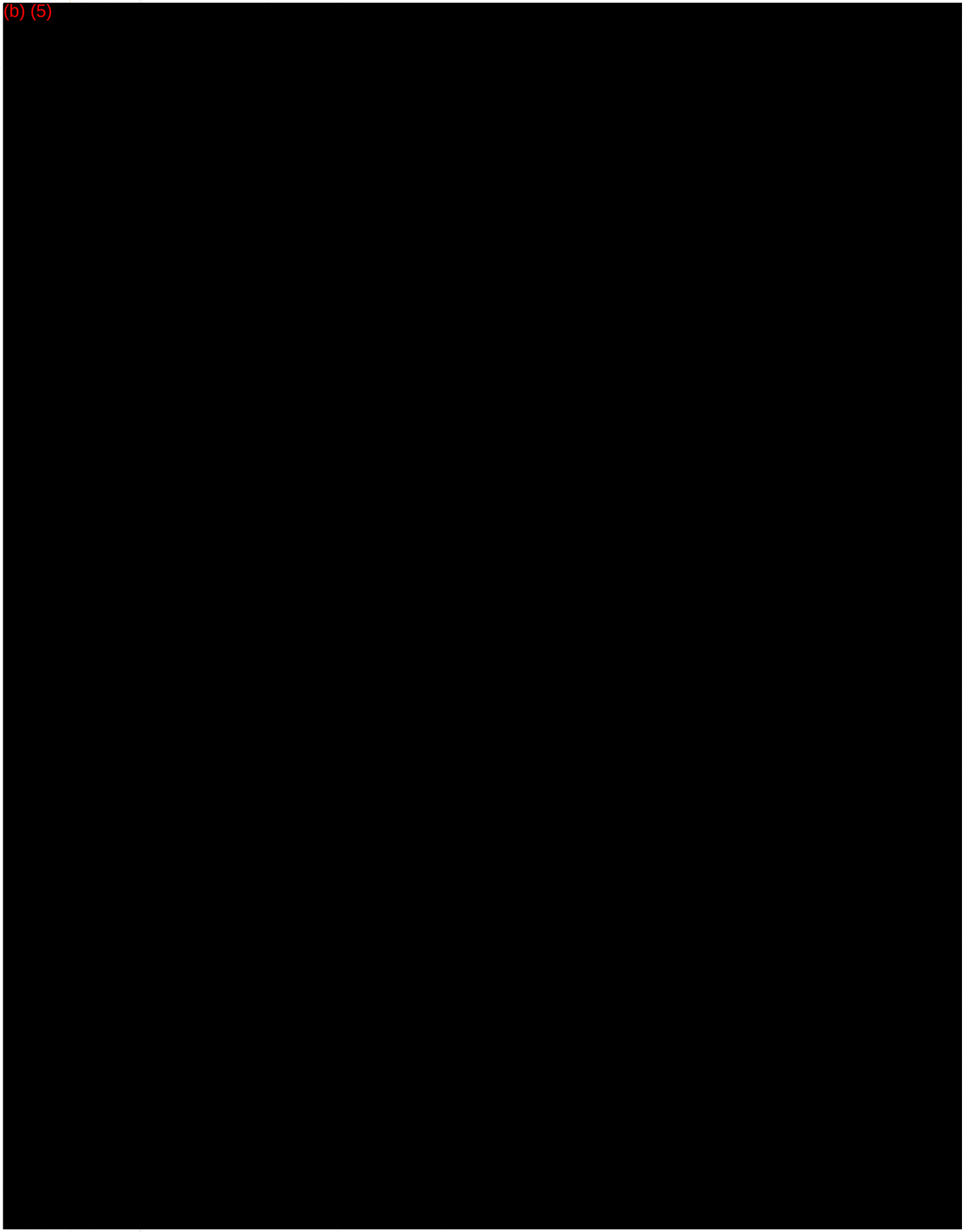
(b) (5)

[redacted]

(b) (5)



(b) (5)



(b) (5)

[redacted]

Conclusion

(b) (5)

[redacted]

DRAFT

Statement of

Bureau of Land Management
U.S. Department of the Interior
Senate Energy and Natural Resources Committee
Southeast Arizona Land Exchange and Conservation Act
February 9, 2012

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Conveyance of Parcels to the Bureau of Land Management

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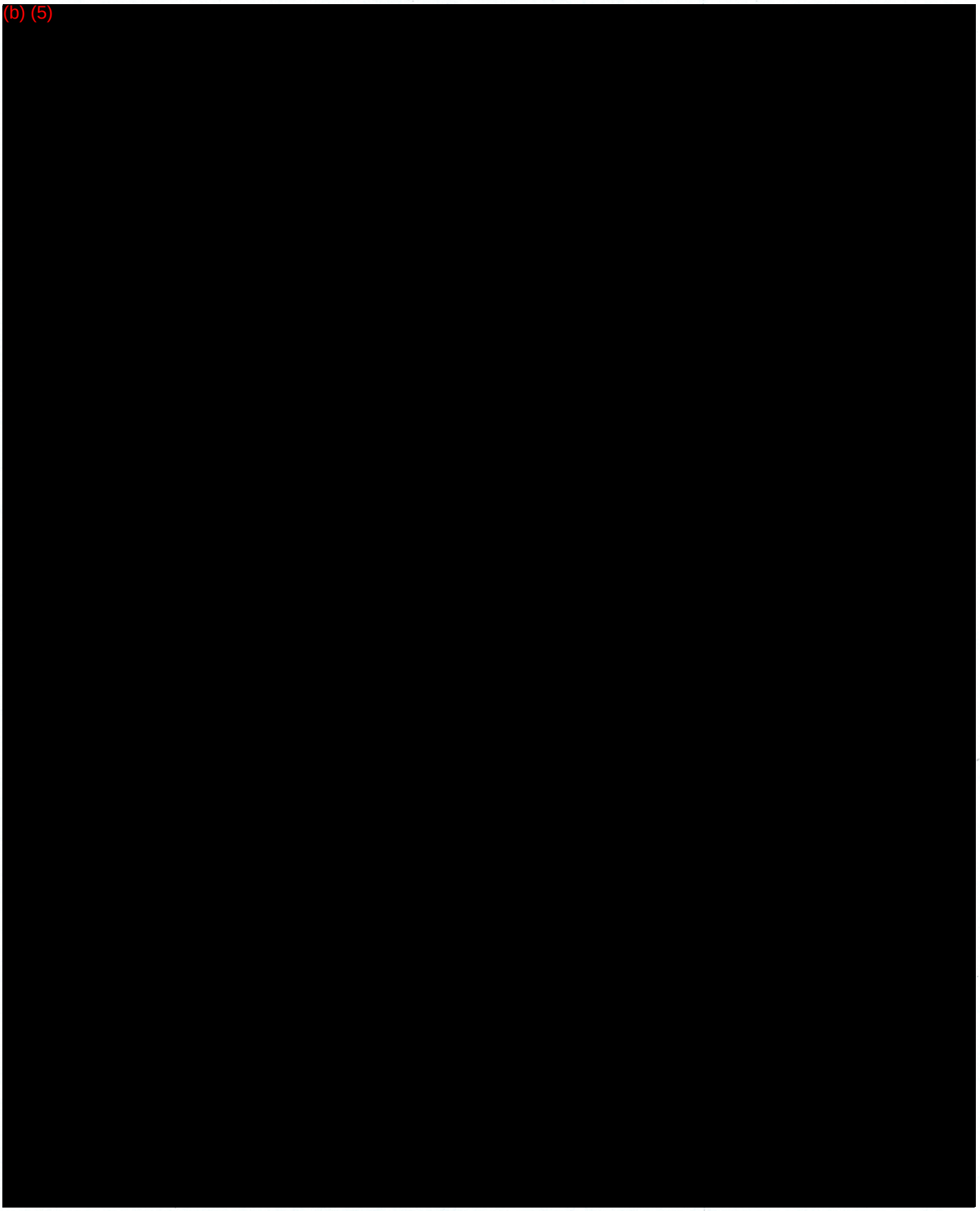

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General Concerns

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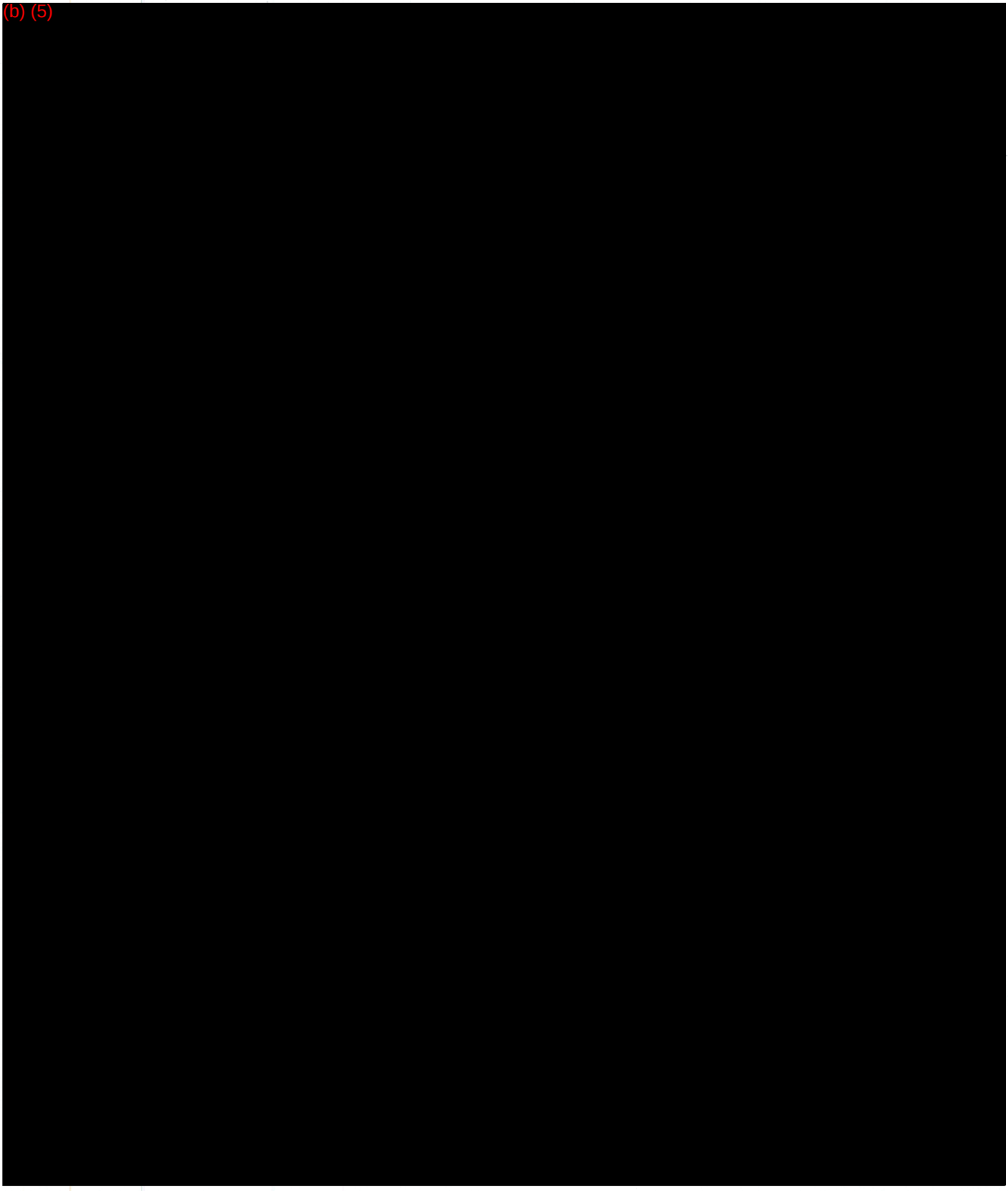

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Conclusion

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Statement of

Bureau of Land Management
U.S. Department of the Interior
Senate Energy and Natural Resources Committee
Southeast Arizona Land Exchange and Conservation Act
February 9, 2012

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Conveyance of Parcels to the Bureau of Land Management

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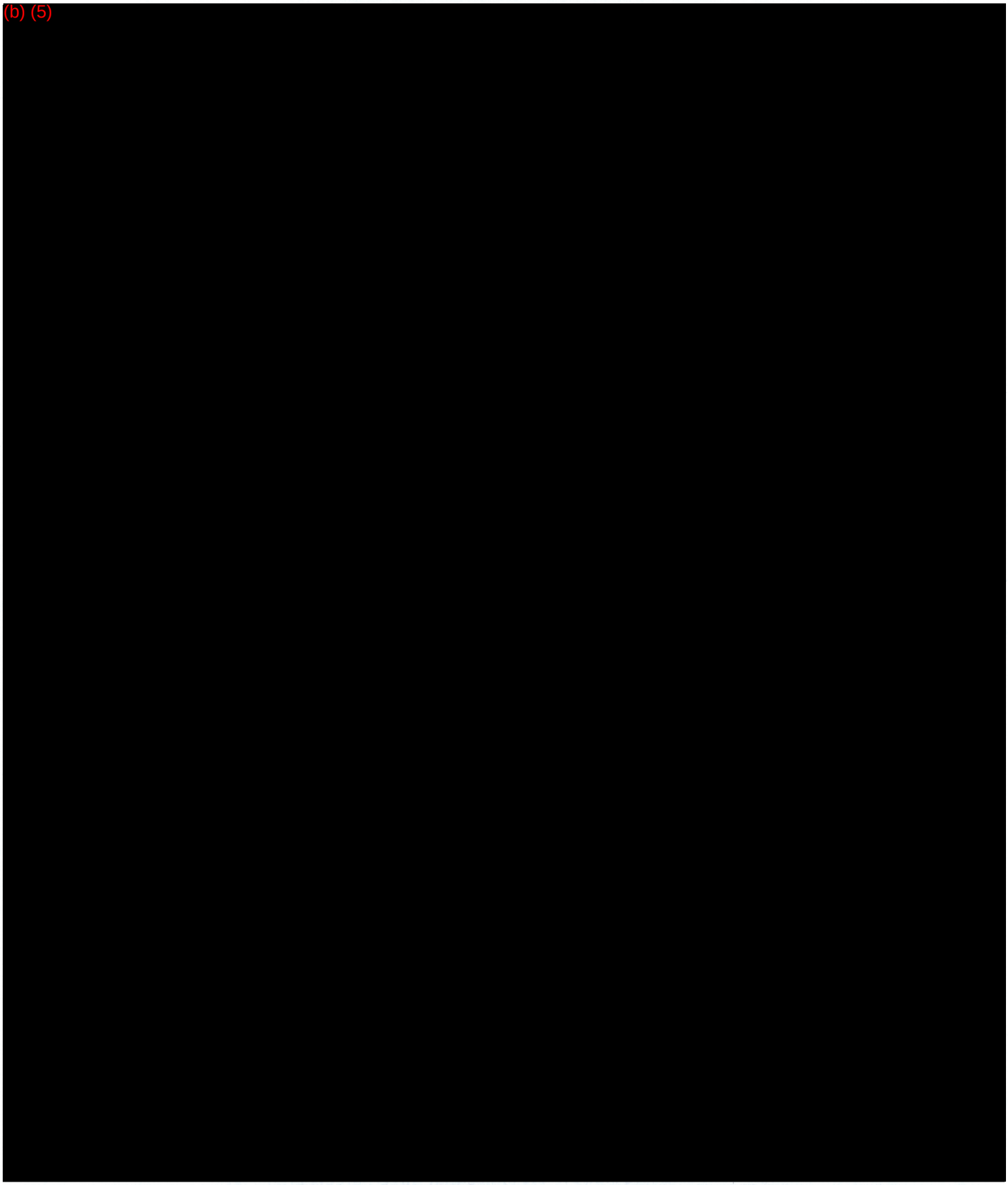

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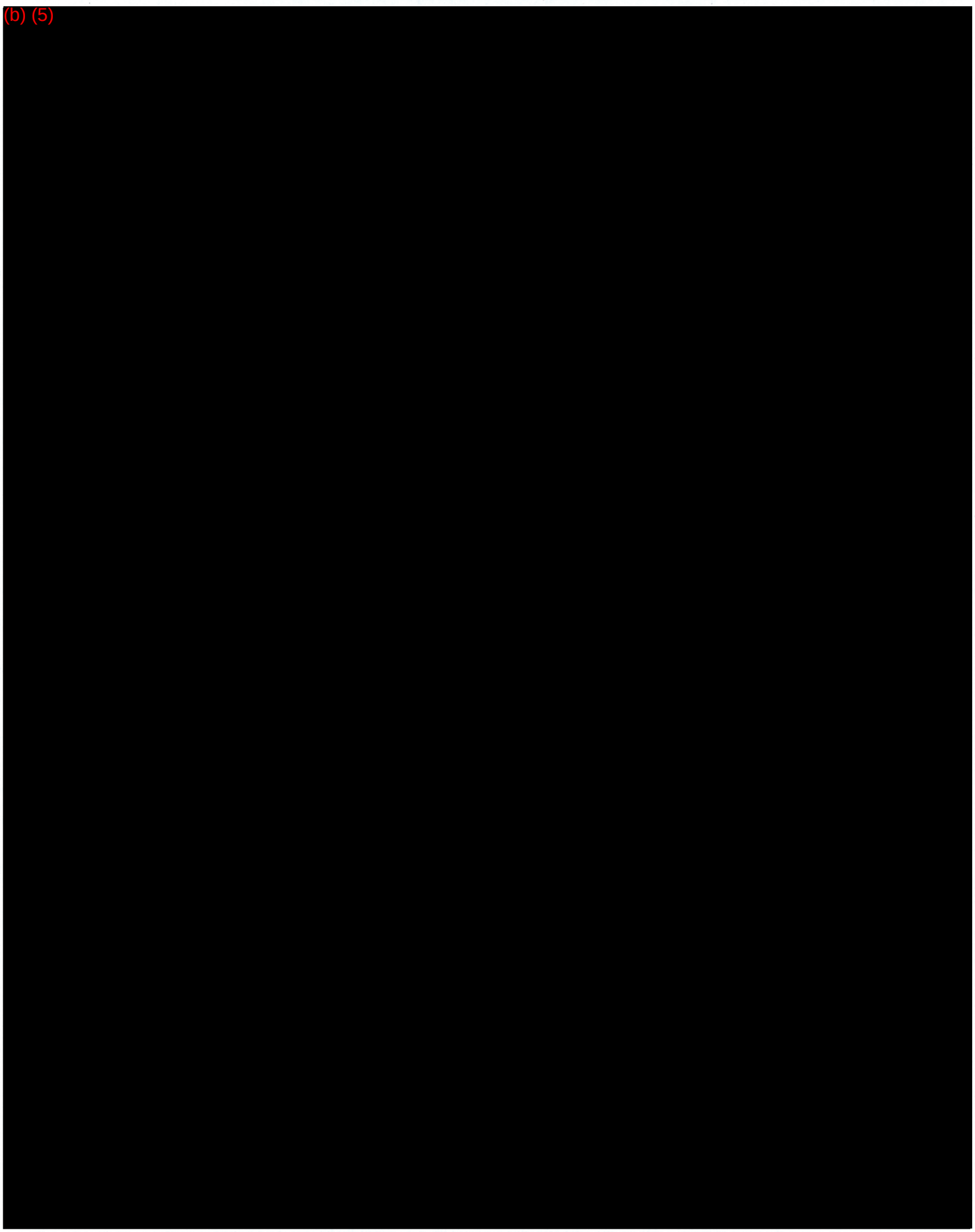

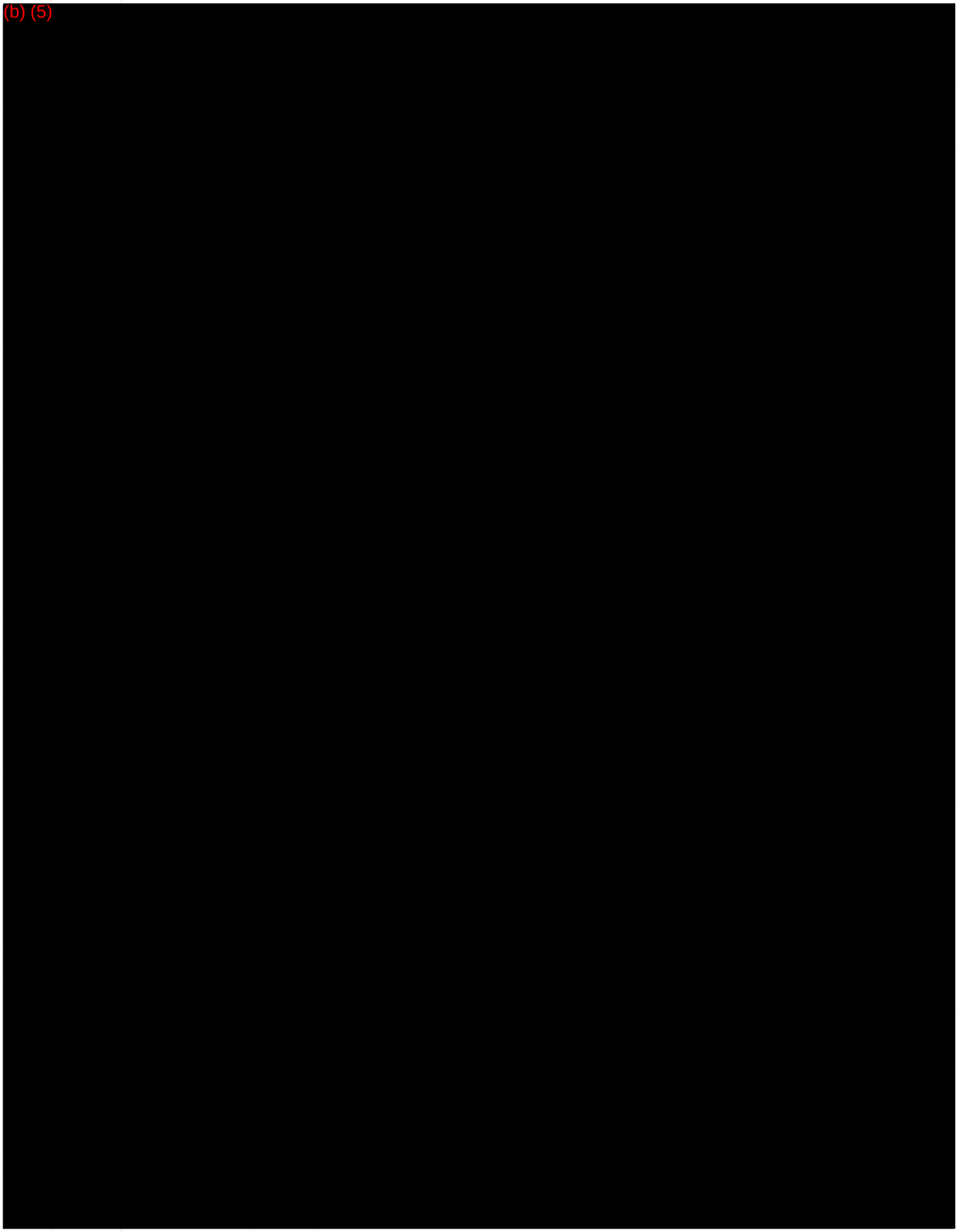
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Conclusion

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January 26, 2012

DRAFT

Statement of
NAME
TITLE
Bureau of Land Management
U.S. Department of the Interior
Senate Energy and Natural Resources Committee
Southeast Arizona Land Exchange and Conservation Act
DATE

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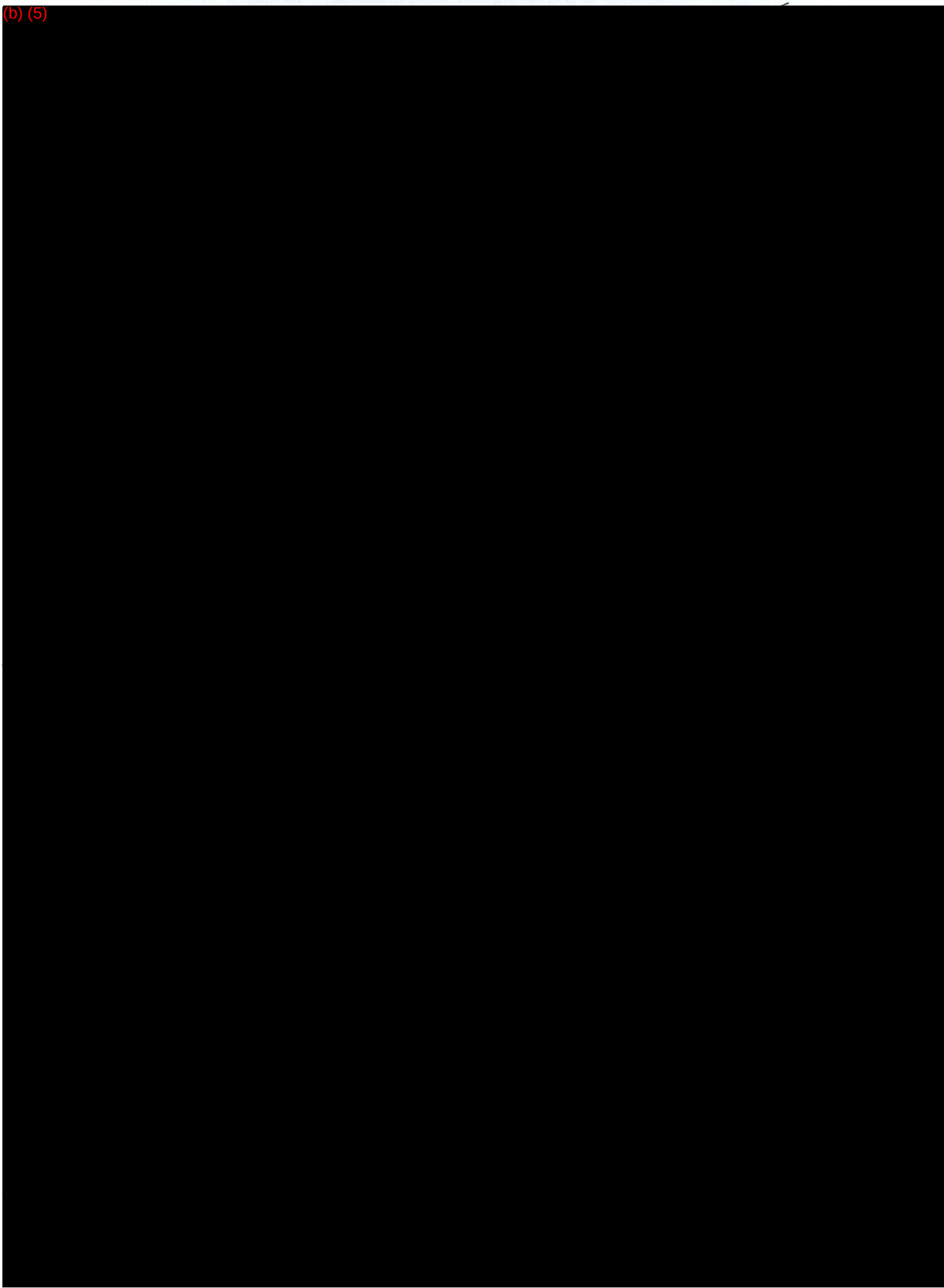
Conveyance of Parcels to the Bureau of Land Management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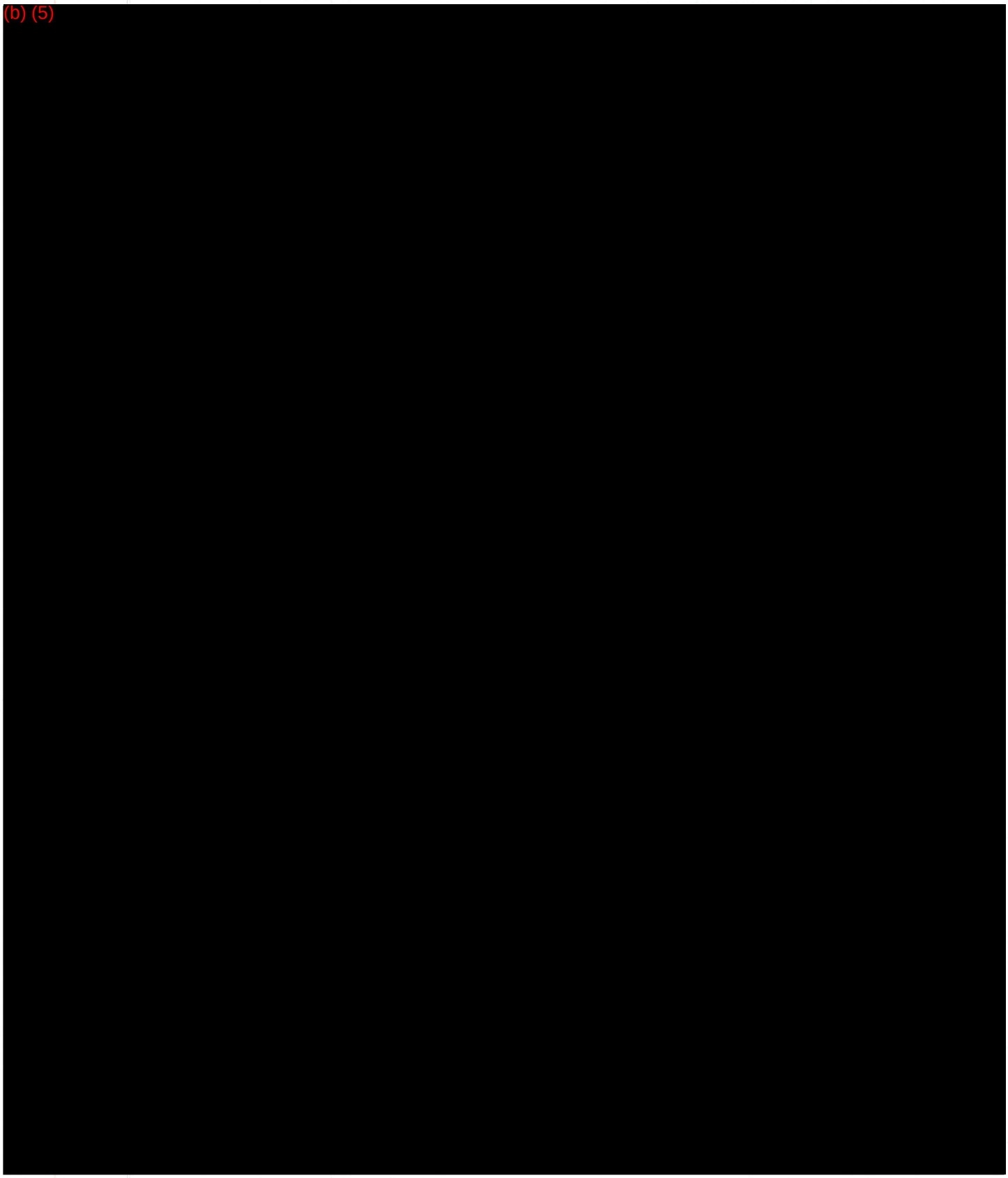

Concerns have been raised by Indian ~~t~~Tribes that ~~the~~ both bills ~~is~~ are contrary to various laws and policies and Executive Orders that direct Federal land managing agencies to engage in formal consultation with interested Indian ~~T~~tribes, and to protect and preserve sites that are sacred to Native Americans.

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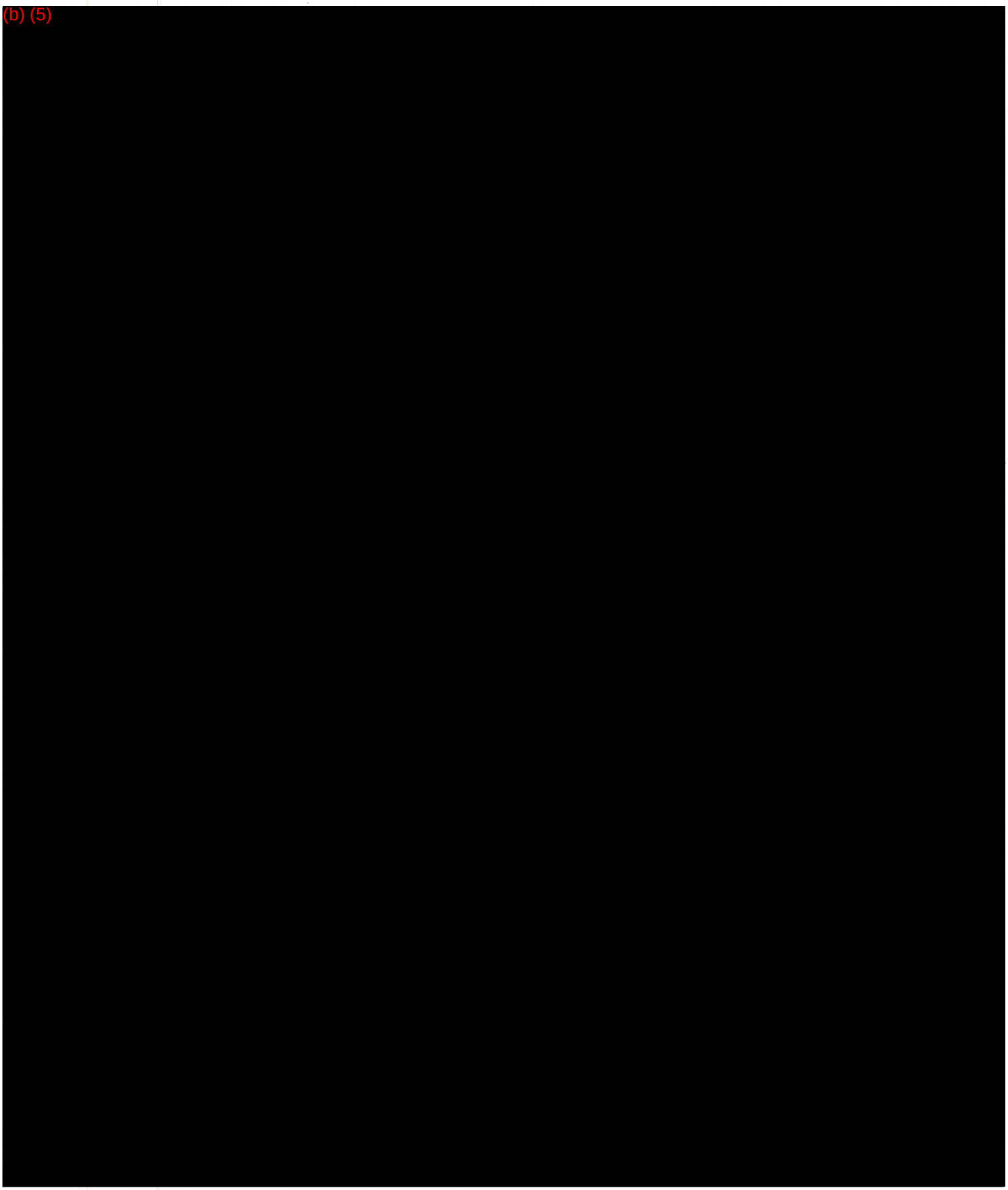

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Bureau of Land Management
U.S. Department of the Interior
Senate Energy and Natural Resources Committee
Southeast Arizona Land Exchange and Conservation Act
February 9, 2012

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Conveyance of Parcels to the Bureau of Land Management

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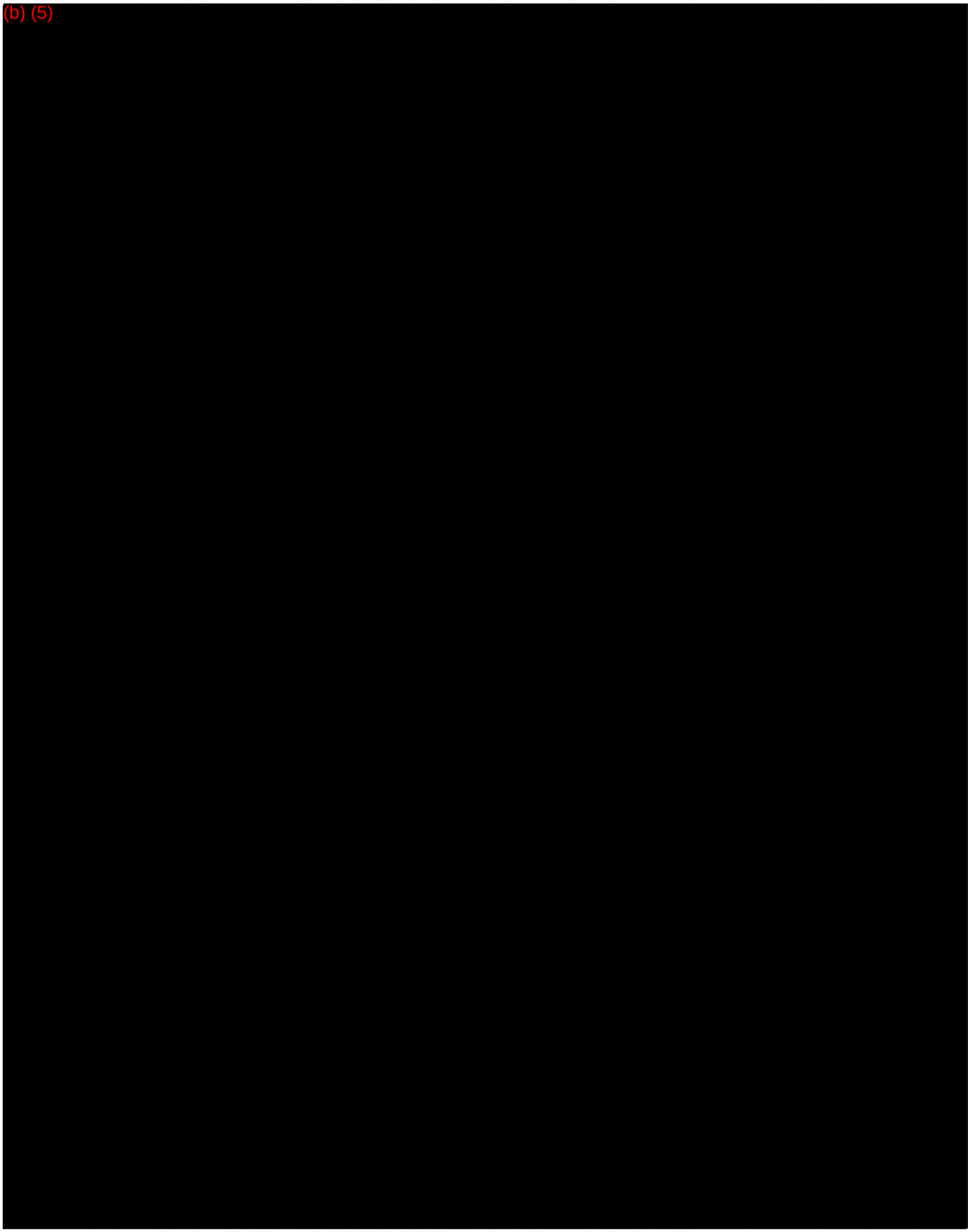

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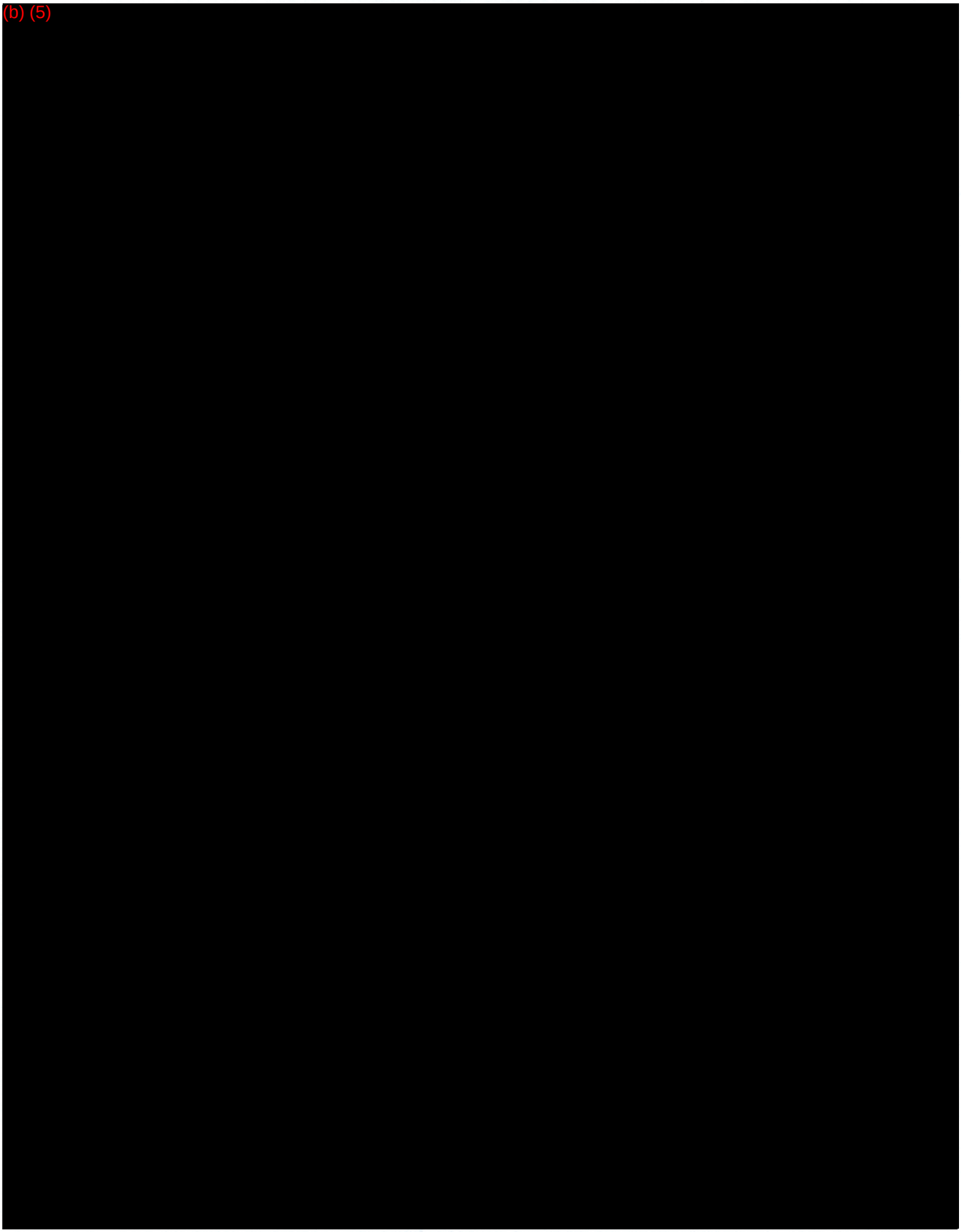

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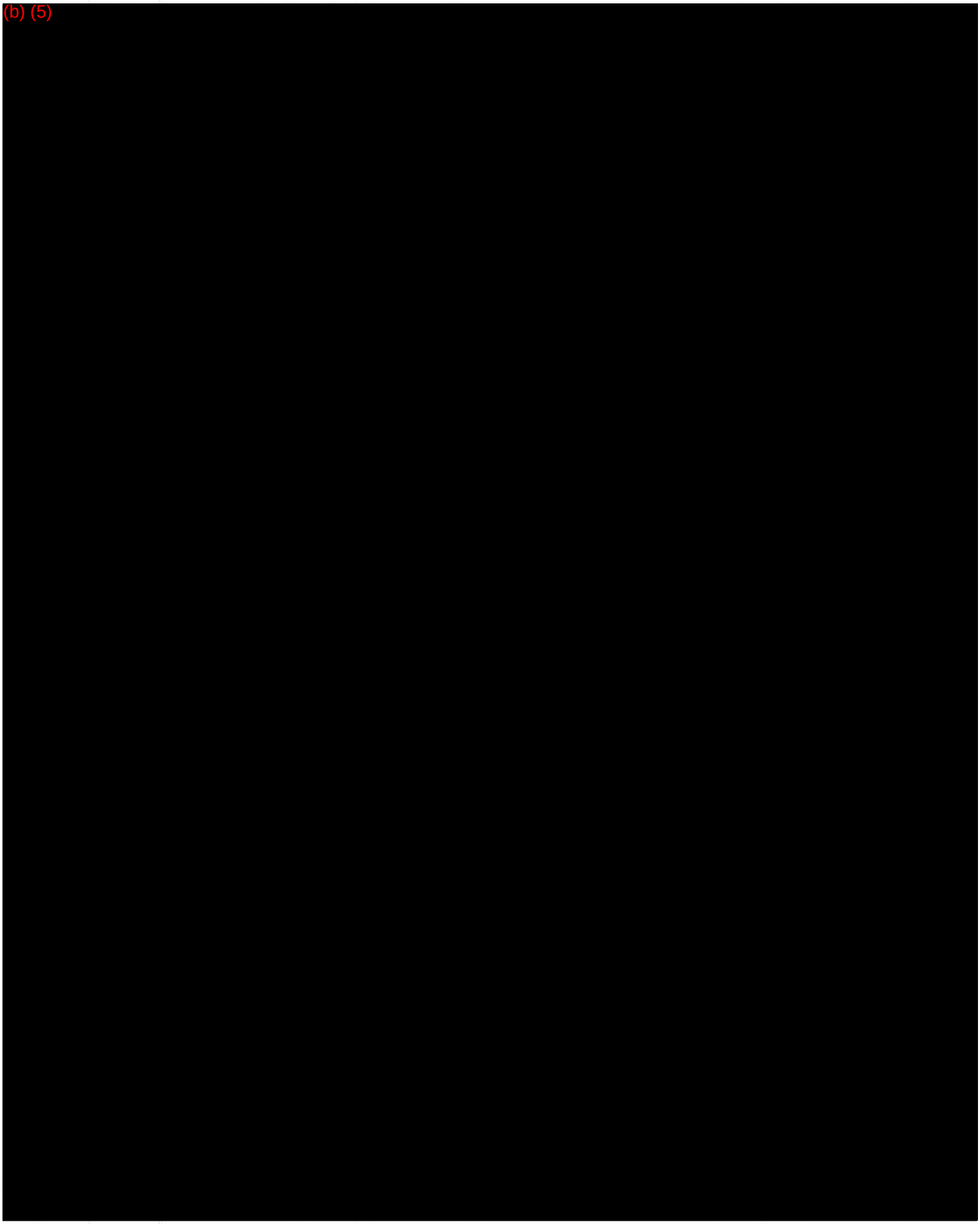

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Conclusion

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Statement of

Bureau of Land Management
U.S. Department of the Interior
Senate Energy and Natural Resources Committee
Southeast Arizona Land Exchange and Conservation Act
February 9, 2012

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Conveyance of Parcels to the Bureau of Land Management

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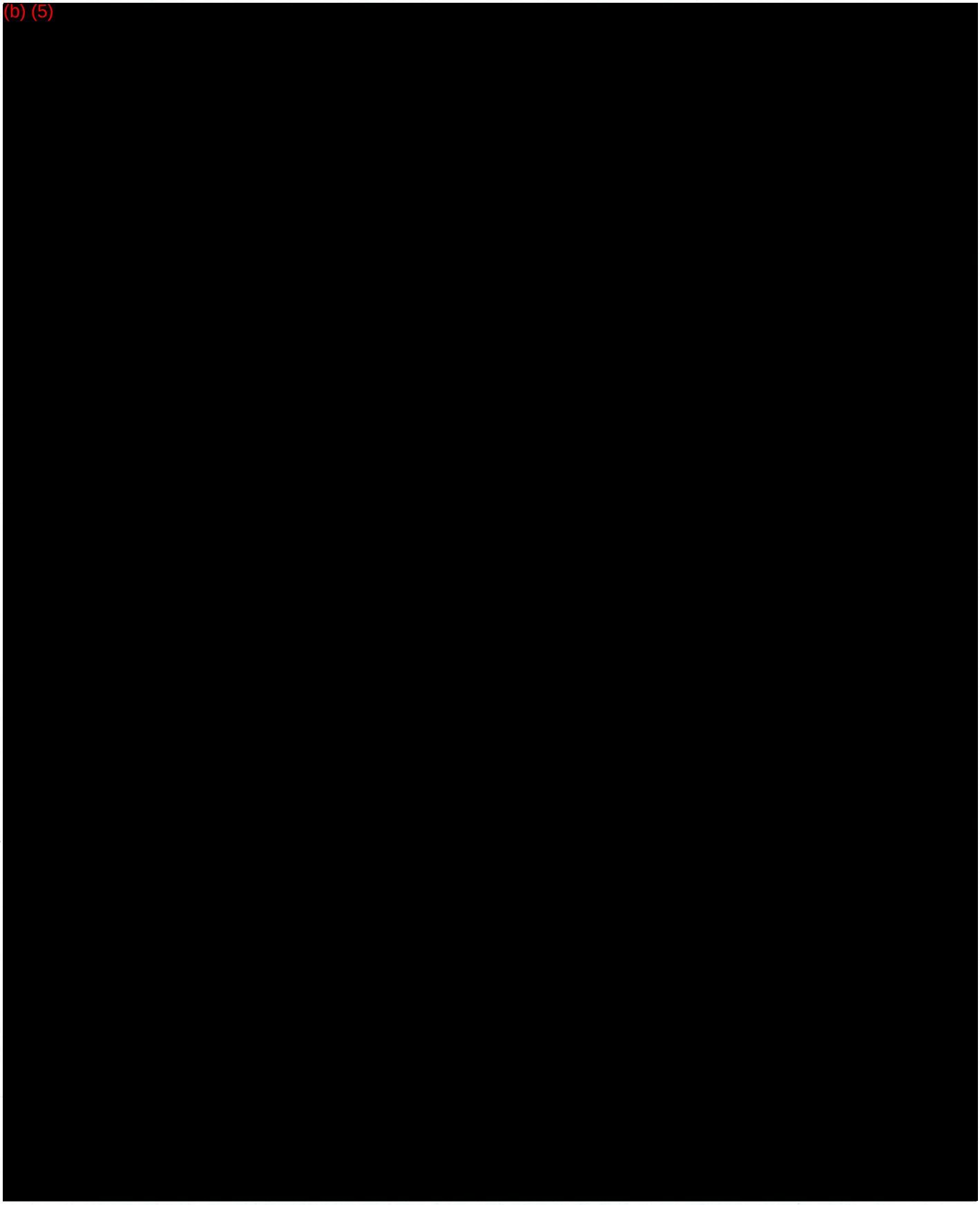

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General Concerns

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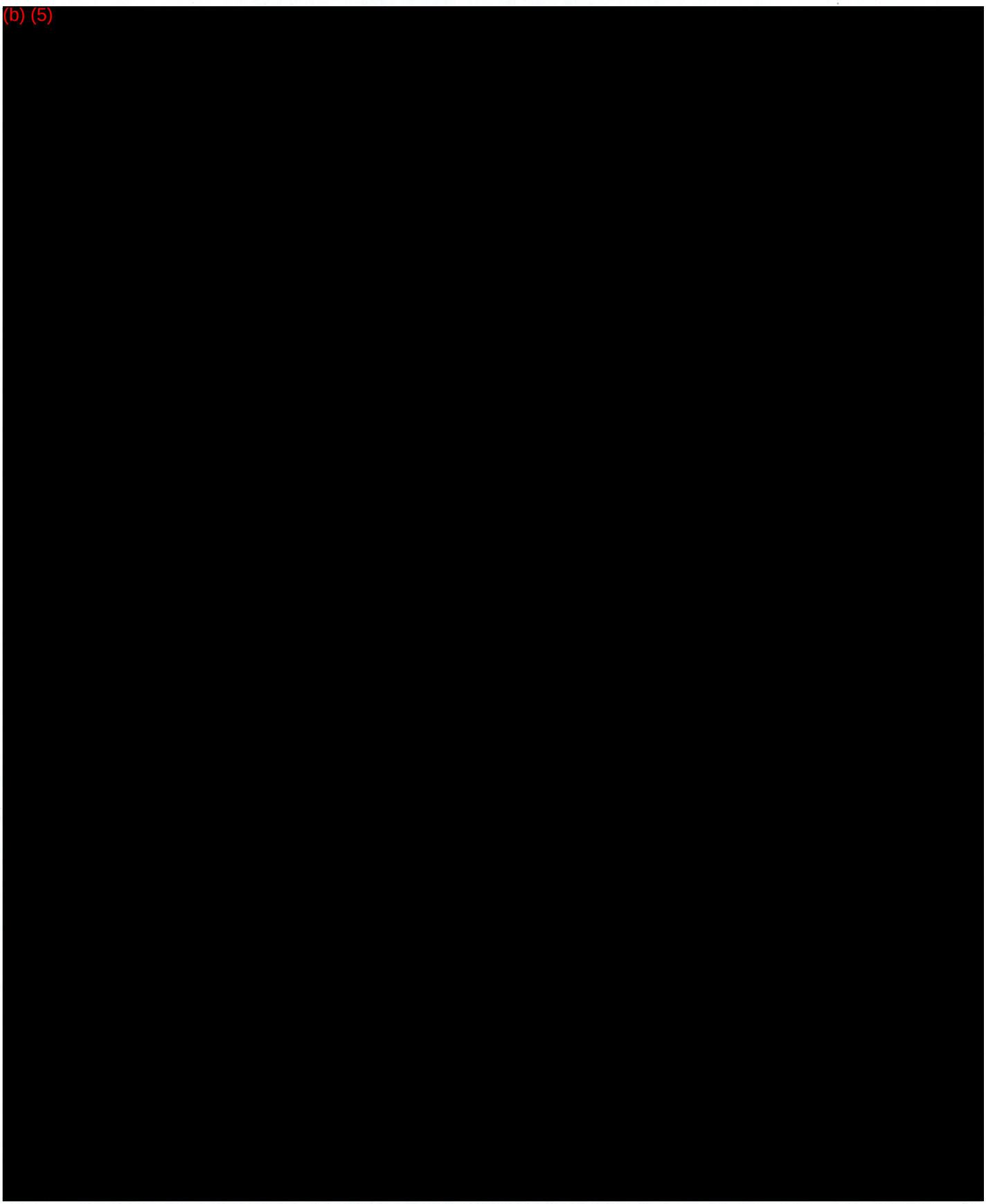

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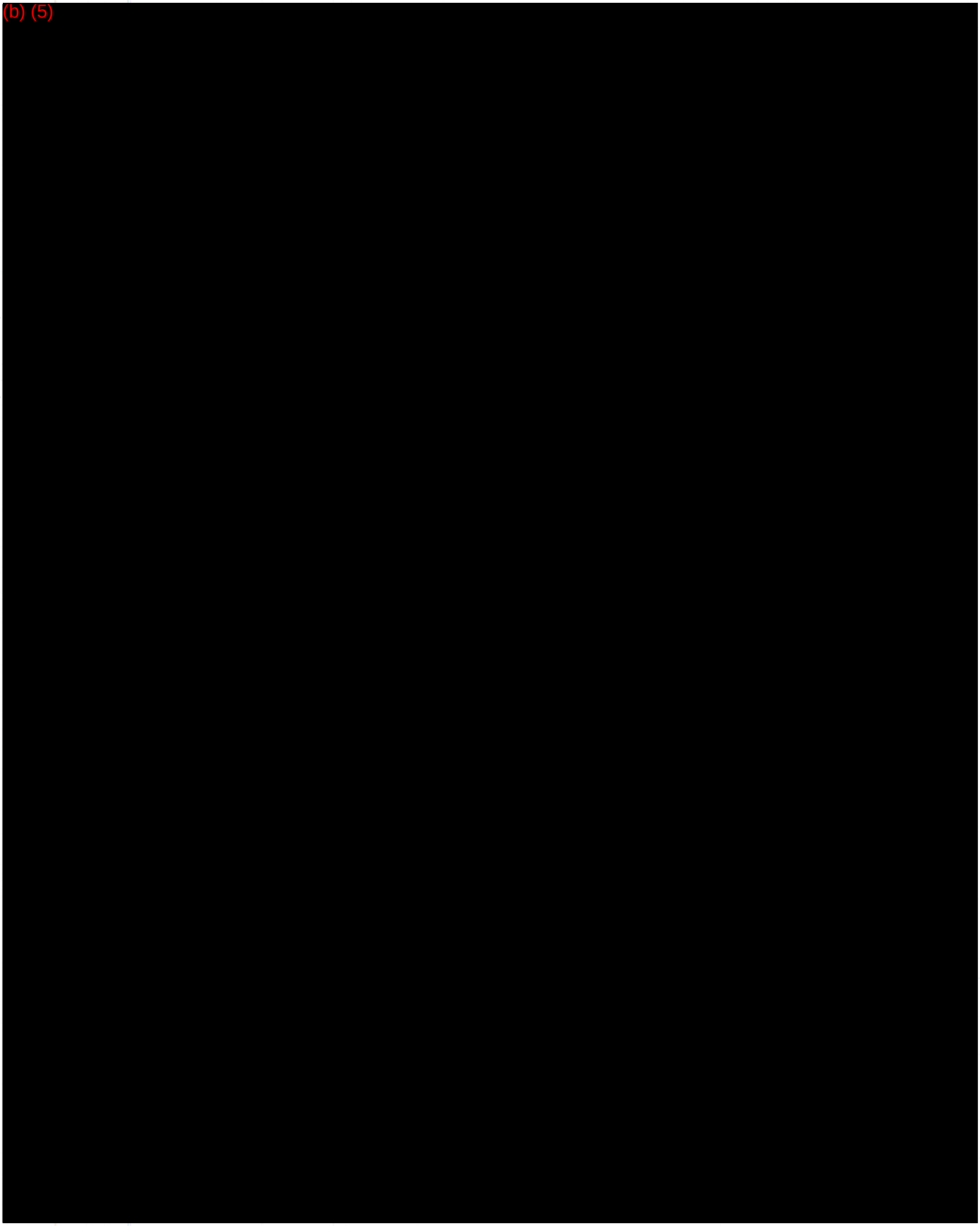

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Conclusion

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AUTHENTICATED
U.S. GOVERNMENT
INFORMATION
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112TH CONGRESS
1ST SESSION

H. R. 1904

IN THE SENATE OF THE UNITED STATES

OCTOBER 31, 2011

Received; read twice and referred to the Committee on Energy and Natural Resources

AN ACT

To facilitate the efficient extraction of mineral resources in southeast Arizona by authorizing and directing an exchange of Federal and non-Federal land, and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE; TABLE OF CONTENTS.

(a) SHORT TITLE.—This Act may be cited as the "Southeast Arizona Land Exchange and Conservation Act of 2011".

(b) TABLE OF CONTENTS.—The table of contents for this Act is as follows:

Sec. 1. Short title; table of contents.
Sec. 2. Findings and purpose.
Sec. 3. Definitions.
Sec. 4. Land exchange.
Sec. 5. Conveyance and management of non-Federal land.
Sec. 6. Value adjustment payment to United States.
Sec. 7. Withdrawal.
Sec. 8. Apache leap.
Sec. 9. Conveyances to town of Superior, Arizona.
Sec. 10. Miscellaneous provisions.

SEC. 2. FINDINGS AND PURPOSE.

(a) FINDINGS.—Congress finds that—

(1) the land exchange furthers public objectives referenced in section 206 of the Federal Land Policy and Management Act of 1976 (43 U.S.C. 1716) including—

(A) promoting significant job and other economic opportunities in a part of the State of Arizona that has a long history of mining, but is currently experiencing high unemployment rates and economic difficulties;

(B) facilitating the development of a world-class domestic copper deposit capable of meeting a significant portion of the annual United States demand for this strategic and important

mineral, in an area which has already been subject to mining operations;

(C) significantly enhancing Federal, State, and local revenue collections in a time of severe governmental budget shortfalls;

(D) securing Federal ownership and protection of land with significant fish and wildlife, recreational, scenic, water, riparian, cultural, and other public values;

(E) assisting more efficient Federal land management via Federal acquisition of land for addition to the Las Cienegas and San Pedro National Conservation Areas, and to the Tonto and Coconino National Forests;

(F) providing opportunity for community expansion and economic diversification adjacent to the towns of Superior, Miami, and Globe, Arizona; and

(G) protecting the cultural resources and other values of the Apache Leap escarpment located near Superior, Arizona; and

(2) the land exchange is, therefore, in the public interest.

(b) PURPOSE.—It is the purpose of this Act to authorize, direct, facilitate, and expedite the exchange of land between Resolution Copper and the United States.

SEC. 3. DEFINITIONS.

In this Act:

(1) APACHE LEAP.—The term "Apache Leap" means the approximately 807 acres of land depicted on the map entitled "Southeast Arizona Land Exchange and Conservation Act of 2011–Apache Leap" and dated March 2011.

(2) FEDERAL LAND.—The term "Federal land" means the approximately 2,422 acres of land located in Pinal County, Arizona, depicted on the map entitled "Southeast Arizona Land Exchange and Conservation Act of 2011–Federal Parcel–Oak Flat" and dated March 2011.

(3) INDIAN TRIBE.—The term "Indian tribe" has the meaning given the term in section 4 of the Indian Self-Determination and Education Assistance Act (25 U.S.C. 450b).

(4) NON-FEDERAL LAND.—The term "non-Federal land" means the parcels of land owned by Resolution Copper that are described in section 5(a) and, if necessary to equalize the land exchange under section 4, section 4(e)(2)(A)(i).

(5) OAK FLAT CAMPGROUND.—The term "Oak Flat Campground" means the approximately 50 acres of land comprising approximately 16 developed campsites depicted on the map entitled "Southeast Arizona Land Exchange and Conservation Act of 2011–Oak Flat Campground" and dated March 2011.

(6) OAK FLAT WITHDRAWAL AREA.—The term "Oak Flat Withdrawal Area" means the approximately 760 acres of land depicted on the map entitled "Southeast Arizona Land Exchange and Conservation Act of 2011–Oak Flat Withdrawal Area" and dated March 2011.

(7) RESOLUTION COPPER.—The term "Resolution Copper" means Resolution Copper Mining, LLC, a Delaware limited liability company, including any successor, assign, affiliate, member, or joint venturer of Resolution Copper Mining, LLC.

(8) SECRETARY.—The term "Secretary" means the Secretary of Agriculture.

(9) STATE.—The term "State" means the State of Arizona.

(10) TOWN.—The term "Town" means the incorporated town of Superior, Arizona.

SEC. 4. LAND EXCHANGE.

(a) IN GENERAL.—Subject to the provisions of this Act, if Resolution Copper offers to convey to the United States all right, title, and interest of Resolution Copper in and to the non-Federal land, the Secretary is authorized and directed to convey to Resolution Copper, all right, title, and interest of the United States in and to the Federal land.

(b) CONDITIONS ON ACCEPTANCE.—Title to any non-Federal land conveyed by Resolution Copper to the United States under this Act shall be in a form that—

(1) is acceptable to the Secretary, for land to be administered by the Forest Service and the Secretary of the Interior, for land to be administered by the Bureau of Land Management; and

(2) conforms to the title approval standards of the Attorney General of the United States applicable to land acquisitions by the Federal Government.

(c) CONSULTATION WITH INDIAN TRIBES.—If not undertaken prior to enactment of this Act, within 30 days of the date of enactment of this Act, the Secretary shall engage in government-to-government consultation with affected Indian tribes concerning issues related to the land exchange, in accordance with applicable laws (including regulations).

(d) APPRAISALS.—

(1) IN GENERAL.—As soon as practicable after the date of enactment of this Act, the Secretary and Resolution Copper shall select an appraiser to conduct appraisals of the Federal land and non-Federal land in compliance with the requirements of section 254.9 of title 36, Code of Federal Regulations.

(2) REQUIREMENTS.—

(A) IN GENERAL.—Except as provided in subparagraph (B), an appraisal prepared under this subsection shall be conducted in accordance with nationally recognized appraisal standards, including—

(i) the Uniform Appraisal Standards for Federal Land Acquisitions; and

(ii) the Uniform Standards of Professional Appraisal Practice.

(B) FINAL APPRAISED VALUE.—After the final appraised values of the Federal land and non-Federal land are determined and approved by the Secretary, the Secretary shall not be required to reappraise or update the final appraised value—

(i) for a period of 3 years beginning on the date of the approval by the Secretary of the final appraised value; or

(ii) at all, in accordance with section 254.14 of title 36, Code of Federal Regulations (or a successor regulation), after an exchange agreement is entered into by Resolution Copper and the Secretary.

(C) IMPROVEMENTS.—Any improvements made by Resolution Copper prior to entering into an exchange agreement shall not be included in the appraised value of the Federal land.

(D) PUBLIC REVIEW.—Before consummating the land exchange under this Act, the Secretary shall make the appraisals of the land to be exchanged (or a summary thereof) available for public review.

(3) APPRAISAL INFORMATION.—The appraisal prepared under this subsection shall include a detailed income capitalization approach analysis of the market value of the Federal land which may be utilized, as appropriate, to determine the value of the Federal land, and shall be the basis for calculation of any payment under section 6.

(e) EQUAL VALUE LAND EXCHANGE.—

(1) IN GENERAL.—The value of the Federal land and non-Federal land to be exchanged under

this Act shall be equal or shall be equalized in accordance with this subsection.

(2) SURPLUS OF FEDERAL LAND VALUE.—

(A) IN GENERAL.—If the final appraised value of the Federal land exceeds the value of the non-Federal land, Resolution Copper shall—

(i) convey additional non-Federal land in the State to the Secretary or the Secretary of the Interior, consistent with the requirements of this Act and subject to the approval of the applicable Secretary;

(ii) make a cash payment to the United States; or

(iii) use a combination of the methods described in clauses (i) and (ii), as agreed to by Resolution Copper, the Secretary, and the Secretary of the Interior.

(B) AMOUNT OF PAYMENT.—The Secretary may accept a payment in excess of 25 percent of the total value of the land or interests conveyed, notwithstanding section 206(b) of the Federal Land Policy and Management Act of 1976 (43 U.S.C. 1716(b)).

(C) DISPOSITION AND USE OF PROCEEDS.—Any amounts received by the United States under this subparagraph shall be deposited in the fund established under Public Law 90–171 (commonly known as the "Sisk Act"; 16 U.S.C. 484a) and shall be made available, in such amounts as are provided in advance in appropriation Acts, to the Secretary for the acquisition of land for addition to the National Forest System.

(3) SURPLUS OF NON-FEDERAL LAND.—If the final appraised value of the non-Federal land exceeds the value of the Federal land—

(A) the United States shall not make a payment to Resolution Copper to equalize the value; and

(B) except as provided in section 9(b)(2)(B), the surplus value of the non-Federal land shall be considered to be a donation by Resolution Copper to the United States.

(f) OAK FLAT WITHDRAWAL AREA.—

(1) PERMITS.—Subject to the provisions of this subsection and notwithstanding any withdrawal of the Oak Flat Withdrawal Area from the mining, mineral leasing, or public land laws, the Secretary,

upon enactment of this Act, shall issue to Resolution Copper—

(A) if so requested by Resolution Copper, within 30 days of such request, a special use permit to carry out mineral exploration activities under the Oak Flat Withdrawal Area from existing drill pads located outside the Area, if the activities would not disturb the surface of the Area; and

(B) if so requested by Resolution Copper, within 90 days of such request, a special use permit to carry out mineral exploration activities within the Oak Flat Withdrawal Area (but not within the Oak Flat Campground), if the activities are conducted from a single exploratory drill pad which is located to reasonably minimize visual and noise impacts on the Campground.

(2) CONDITIONS.—Any activities undertaken in accordance with this subsection shall be subject to such reasonable terms and conditions as the Secretary may require.

(3) TERMINATION.—The authorization for Resolution Copper to undertake mineral exploration activities under this subsection shall remain in effect

until the Oak Flat Withdrawal Area land is conveyed to Resolution Copper in accordance with this Act.

(g) COSTS.—As a condition of the land exchange under this Act, Resolution Copper shall agree to pay, without compensation, all costs that are—

(1) associated with the land exchange and any environmental review document under subsection (j); and

(2) agreed to by the Secretary.

(h) USE OF FEDERAL LAND.—The Federal land to be conveyed to Resolution Copper under this Act shall be available to Resolution Copper for mining and related activities subject to and in accordance with applicable Federal, State, and local laws pertaining to mining and related activities on land in private ownership.

(i) INTENT OF CONGRESS.—It is the intent of Congress that the land exchange directed by this Act shall be consummated not later than one year after the date of enactment of this Act.

(j) ENVIRONMENTAL COMPLIANCE.—Compliance with the requirements of the National Environmental Policy Act of 1969 (42 U.S.C. 4321 et seq.) under this Act shall be as follows:

(1) Prior to commencing production in commercial quantities of any valuable mineral from the Federal land conveyed to Resolution Copper under this Act (except for any production from exploration and mine development shafts, adits, and tunnels needed to determine feasibility and pilot plant testing of commercial production or to access the ore body and tailing deposition areas), Resolution Copper shall submit to the Secretary a proposed mine plan of operations.

(2) The Secretary shall, within 3 years of such submission, complete preparation of an environmental review document in accordance with section 102(2) of the National Environmental Policy Act of 1969 (42 U.S.C. 4322(2)) which shall be used as the basis for all decisions under applicable Federal laws, rules and regulations regarding any Federal actions or authorizations related to the proposed mine and mine plan of operations of Resolution Copper, including the construction of associated power, water, transportation, processing, tailings, waste dump, and other ancillary facilities.

SEC. 5. CONVEYANCE AND MANAGEMENT OF NON-FEDERAL LAND.

(a) CONVEYANCE.—On receipt of title to the Federal land, Resolution Copper shall simultaneously convey—

(1) to the Secretary, all right, title, and interest that the Secretary determines to be acceptable in and to—

(A) the approximately 147 acres of land located in Gila County, Arizona, depicted on the map entitled "Southeast Arizona Land Exchange and Conservation Act of 2011–Non-Federal Parcel–Turkey Creek" and dated March 2011;

(B) the approximately 148 acres of land located in Yavapai County, Arizona, depicted on the map entitled "Southeast Arizona Land Exchange and Conservation Act of 2011–Non-Federal Parcel–Tangle Creek" and dated March 2011;

(C) the approximately 149 acres of land located in Maricopa County, Arizona, depicted on the map entitled "Southeast Arizona Land Exchange and Conservation Act of 2011–Non-Federal Parcel–Cave Creek" and dated March 2011;

(D) the approximately 640 acres of land located in Coconino County, Arizona, depicted on the map entitled "Southeast Arizona Land Exchange and Conservation Act of 2011–Non-Federal Parcel–East Clear Creek" and dated March 2011; and

(E) the approximately 110 acres of land located in Pinal County, Arizona, depicted on the map entitled "Southeast Arizona Land Exchange and Conservation Act of 2011–Non-Federal Parcel–Apache Leap South End" and dated March 2011; and

(2) to the Secretary of the Interior, all right, title, and interest that the Secretary of the Interior determines to be acceptable in and to—

(A) the approximately 3,050 acres of land located in Pinal County, Arizona, identified as "Lands to DOI" as generally depicted on the map entitled "Southeast Arizona Land Exchange and Conservation Act of 2011–Non-Federal Parcel–Lower San Pedro River" and dated July 6, 2011;

(B) the approximately 160 acres of land located in Gila and Pinal Counties, Arizona, identified as "Lands to DOI" as generally de-

picted on the map entitled "Southeast Arizona Land Exchange and Conservation Act of 2011–Non-Federal Parcel–Dripping Springs" and dated July 6, 2011; and

(C) the approximately 940 acres of land located in Santa Cruz County, Arizona, identified as "Lands to DOI" as generally depicted on the map entitled "Southeast Arizona Land Exchange and Conservation Act of 2011–Non-Federal Parcel–Appleton Ranch" and dated July 6, 2011.

(b) MANAGEMENT OF ACQUIRED LAND.—

(1) LAND ACQUIRED BY THE SECRETARY.—

(A) IN GENERAL.—Land acquired by the Secretary under this Act shall—

(i) become part of the national forest in which the land is located; and

(ii) be administered in accordance with the laws applicable to the National Forest System.

(B) BOUNDARY REVISION.—On the acquisition of land by the Secretary under this Act, the boundaries of the national forest shall be modified to reflect the inclusion of the acquired land.

(C) LAND AND WATER CONSERVATION FUND.—For purposes of section 7 of the Land and Water Conservation Fund Act of 1965 (16 U.S.C. 4601–9), the boundaries of a national forest in which land acquired by the Secretary is located shall be deemed to be the boundaries of that forest as in existence on January 1, 1965.

(2) LAND ACQUIRED BY THE SECRETARY OF THE INTERIOR.—

(A) SAN PEDRO NATIONAL CONSERVATION AREA.—

(i) IN GENERAL.—The land acquired by the Secretary of the Interior under subsection (a)(2)(A) shall be added to, and administered as part of, the San Pedro National Conservation Area in accordance with the laws (including regulations) applicable to the Conservation Area.

(ii) MANAGEMENT PLAN.—Not later than 2 years after the date on which the land is acquired, the Secretary of the Interior shall update the management plan for the San Pedro National Conservation Area

to reflect the management requirements of the acquired land.

(B) DRIPPING SPRINGS.—Land acquired by the Secretary of the Interior under subsection (a)(2)(B) shall be managed in accordance with the Federal Land Policy and Management Act of 1976 (43 U.S.C. 1701 et seq.) and applicable land use plans.

(C) LAS CIENEGAS NATIONAL CONSERVATION AREA.—Land acquired by the Secretary of the Interior under subsection (a)(2)(C) shall be added to, and administered as part of, the Las Cienegas National Conservation Area in accordance with the laws (including regulations) applicable to the Conservation Area.

(c) SURRENDER OF RIGHTS.—In addition to the conveyance of the non-Federal land to the United States under this Act, and as a condition of the land exchange, Resolution Copper shall surrender to the United States, without compensation, the rights held by Resolution Copper under the mining laws and other laws of the United States to commercially extract minerals under Apache Leap.

SEC. 6. VALUE ADJUSTMENT PAYMENT TO UNITED STATES.

(a) ANNUAL PRODUCTION REPORTING.—

(1) REPORT REQUIRED.—As a condition of the land exchange under this Act, Resolution Copper shall submit to the Secretary of the Interior an annual report indicating the quantity of locatable minerals produced during the preceding calendar year in commercial quantities from the Federal land conveyed to Resolution Copper under section 4. The first report is required to be submitted not later than February 15 of the first calendar year beginning after the date of commencement of production of valuable locatable minerals in commercial quantities from such Federal land. The reports shall be submitted February 15 of each calendar year thereafter.

(2) SHARING REPORTS WITH STATE.—The Secretary shall make each report received under paragraph (1) available to the State.

(3) REPORT CONTENTS.—The reports under paragraph (1) shall comply with any recordkeeping and reporting requirements prescribed by the Secretary or required by applicable Federal laws in effect at the time of production.

(b) PAYMENT ON PRODUCTION.—If the cumulative production of valuable locatable minerals produced in commercial quantities from the Federal land conveyed to Res-

olution Copper under section 4 exceeds the quantity of production of locatable minerals from the Federal land used in the income capitalization approach analysis prepared under section 4(d)(3), Resolution Copper shall pay to the United States, by not later than March 15 of each applicable calendar year, a value adjustment payment for the quantity of excess production at the same rate assumed for the income capitalization approach analysis prepared under section 4(d)(3).

(c) STATE LAW UNAFFECTED.—Nothing in this section modifies, expands, diminishes, amends, or otherwise affects any State law relating to the imposition, application, timing, or collection of a State excise or severance tax.

(d) USE OF FUNDS.—

(1) SEPARATE FUND.—All funds paid to the United States under this section shall be deposited in a special fund established in the Treasury and shall be available, in such amounts as are provided in advance in appropriation Acts, to the Secretary and the Secretary of the Interior only for the purposes authorized by paragraph (2).

(2) AUTHORIZED USE.—Amounts in the special fund established pursuant to paragraph (1) shall be used for maintenance, repair, and rehabilitation

projects for Forest Service and Bureau of Land Management assets.

SEC. 7. WITHDRAWAL.

Subject to valid existing rights, Apache Leap and any land acquired by the United States under this Act are withdrawn from all forms of—

(1) entry, appropriation, or disposal under the public land laws;

(2) location, entry, and patent under the mining laws; and

(3) disposition under the mineral leasing, mineral materials, and geothermal leasing laws.

SEC. 8. APACHE LEAP.

(a) MANAGEMENT.—

(1) IN GENERAL.—The Secretary shall manage Apache Leap to preserve the natural character of Apache Leap and to protect archeological and cultural resources located on Apache Leap.

(2) SPECIAL USE PERMITS.—The Secretary may issue to Resolution Copper special use permits allowing Resolution Copper to carry out underground activities (other than the commercial extraction of minerals) under the surface of Apache Leap that the Secretary determines would not disturb the

surface of the land, subject to any terms and conditions that the Secretary may require.

(3) FENCES; SIGNAGE.—The Secretary may allow use of the surface of Apache Leap for installation of fences, signs, monitoring devices, or other measures necessary to protect the health and safety of the public, protect resources located on Apache Leap, or to ensure that activities conducted under paragraph (2) do not affect the surface of Apache Leap.

(b) PLAN.—

(1) IN GENERAL.—Not later than 3 years after the date of enactment of this Act, the Secretary, in consultation with affected Indian tribes, the Town, Resolution Copper, and other interested members of the public, shall prepare a management plan for Apache Leap.

(2) CONSIDERATIONS.—In preparing the plan under paragraph (1), the Secretary shall consider whether additional measures are necessary to—

(A) protect the cultural, archaeological, or historical resources of Apache Leap, including permanent or seasonal closures of all or a portion of Apache Leap; and

(B) provide access for recreation.

(c) MINING ACTIVITIES.—The provisions of this section shall not impose additional restrictions on mining activities carried out by Resolution Copper adjacent to, or outside of, the Apache Leap area beyond those otherwise applicable to mining activities on privately owned land under Federal, State, and local laws, rules and regulations.

SEC. 9. CONVEYANCES TO TOWN OF SUPERIOR, ARIZONA.

(a) CONVEYANCES.—On request from the Town and subject to the provisions of this section, the Secretary shall convey to the Town the following:

(1) Approximately 30 acres of land as depicted on the map entitled "Southeast Arizona Land Exchange and Conservation Act of 2011–Federal Parcel–Fairview Cemetery" and dated March 2011.

(2) The reversionary interest and any reserved mineral interest of the United States in the approximately 265 acres of land located in Pinal County, Arizona, as depicted on the map entitled "Southeast Arizona Land Exchange and Conservation Act of 2011–Federal Reversionary Interest–Superior Airport" and dated March 2011.

(3) The approximately 250 acres of land located in Pinal County, Arizona, as depicted on the map entitled "Southeast Arizona Land Exchange and

Conservation Act of 2011–Federal Parcel–Superior Airport Contiguous Parcels" and dated March 2011.

(b) PAYMENT.—The Town shall pay to the Secretary the market value for each parcel of land or interest in land acquired under this section, as determined by appraisals conducted in accordance with section 4(d).

(c) SISK ACT.—Any payment received by the Secretary from the Town under this section shall be deposited in the fund established under Public Law 90–171 (commonly known as the "Sisk Act") (16 U.S.C. 484a) and shall be made available, in such amounts as are provided in advance in appropriation Acts, to the Secretary for the acquisition of land for addition to the National Forest System.

(d) TERMS AND CONDITIONS.—The conveyances under this section shall be subject to such terms and conditions as the Secretary may require.

SEC. 10. MISCELLANEOUS PROVISIONS.

(a) REVOCATION OF ORDERS; WITHDRAWAL.—

(1) REVOCATION OF ORDERS.—Any public land order that withdraws the Federal land from appropriation or disposal under a public land law shall be revoked to the extent necessary to permit disposal of the land.

(2) WITHDRAWAL.—On the date of enactment of this Act, if the Federal land or any Federal interest in the non-Federal land to be exchanged under section 4 is not withdrawn or segregated from entry and appropriation under a public land law (including mining and mineral leasing laws and the Geothermal Steam Act of 1970 (30 U.S.C. 1001 et seq.)), the land or interest shall be withdrawn, without further action required by the Secretary concerned, from entry and appropriation. The withdrawal shall be terminated—

(A) on the date of consummation of the land exchange; or

(B) if Resolution Copper notifies the Secretary in writing that it has elected to withdraw from the land exchange pursuant to section 206(d) of the Federal Land Policy and Management Act of 1976, as amended (43 U.S.C. 1716(d)).

(3) RIGHTS OF RESOLUTION COPPER.—Nothing in this Act shall interfere with, limit, or otherwise impair, the unpatented mining claims or rights currently held by Resolution Copper on the Federal land, nor in any way change, diminish, qualify, or otherwise impact Resolution Copper's rights and

ability to conduct activities on the Federal land under such unpatented mining claims and the general mining laws of the United States, including the permitting or authorization of such activities.

(b) MAPS, ESTIMATES, AND DESCRIPTIONS.—

(1) MINOR ERRORS.—The Secretary concerned and Resolution Copper may correct, by mutual agreement, any minor errors in any map, acreage estimate, or description of any land conveyed or exchanged under this Act.

(2) CONFLICT.—If there is a conflict between a map, an acreage estimate, or a description of land in this Act, the map shall control unless the Secretary concerned and Resolution Copper mutually agree otherwise.

(3) AVAILABILITY.—On the date of enactment of this Act, the Secretary shall file and make available for public inspection in the Office of the Supervisor, Tonto National Forest, each map referred to in this Act.

Passed the House of Representatives October 26, 2011.

Attest: KAREN L. HAAS,
Clerk.

AUTHENTICATED
U.S. GOVERNMENT
INFORMATION
GPO

Calendar No. 279

111TH CONGRESS
2D SESSION

S. 409

[Report No. 111–129]

To secure Federal ownership and management of significant natural, scenic, and recreational resources, to provide for the protection of cultural resources, to facilitate the efficient extraction of mineral resources by authorizing and directing an exchange of Federal and non-Federal land, and for other purposes.

IN THE SENATE OF THE UNITED STATES

FEBRUARY 11, 2009

Mr. KYL (for himself and Mr. MCCAIN) introduced the following bill; which was read twice and referred to the Committee on Energy and Natural Resources

MARCH 2, 2010

Reported by Mr. BINGAMAN, with an amendment

[Strike out all after the enacting clause and insert the part printed in italic]

A BILL

To secure Federal ownership and management of significant natural, scenic, and recreational resources, to provide for the protection of cultural resources, to facilitate the efficient extraction of mineral resources by authorizing and directing an exchange of Federal and non-Federal land, and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Southeast Arizona Land Exchange and Conservation Act of 2009".

SEC. 2. PURPOSES.

The purposes of this Act are—

(1) to authorize, direct, facilitate, and expedite the conveyance and exchange of land between the United States and Resolution Copper;

(2) to provide for the permanent protection of cultural resources and uses of the Apache Leap escarpment located near the town of Superior, Arizona; and

(3) to secure Federal ownership and protection of land with significant natural, scenic, recreational, water, riparian, cultural and other resources.

SEC. 3. DEFINITIONS.

In this Act:

(1) APACHE LEAP.—The term "Apache Leap" means the approximately 822 acres of land (including the approximately 110 acres of land of Resolution Copper described in section 4(e)(1)(G)), as depicted on the map entitled "Apache Leap" and dated January 2009.

(2) FEDERAL LAND.—The term "Federal land" means the approximately 2,406 acres of land located in Pinal County, Arizona, depicted on the map entitled "Southeast Arizona Land Exchange and Conservation Act of 2009—Federal Parcel—Oak Flat" and dated January 2009.

(3) NON-FEDERAL LAND.—The term "non-Federal land" means each parcel of land described in section 4(c).

(4) OAK FLAT CAMPGROUND.—The term "Oak Flat Campground" means the campground that is—

(A) comprised of approximately 16 developed campsites and adjacent acreage at a total of approximately 50 acres; and

(B) depicted on the map entitled "Oak Flat Campground" and dated January 2009.

(5) OAK FLAT WITHDRAWAL AREA.—The term "Oak Flat Withdrawal Area" means the approximately 760 acres of land depicted on the map entitled "Oak Flat Withdrawal Area" and dated January 2009.

(6) RESOLUTION COPPER.—The term "Resolution Copper" means—

(A) Resolution Copper Mining, LLC, a Delaware limited liability company; and

(B) any successor, assign, affiliate, member, or joint venturer of Resolution Copper Mining, LLC.

(7) SECRETARY.—The term "Secretary" means the Secretary of Agriculture.

(8) SECRETARY CONCERNED.—The term "Secretary concerned" means the Secretary of Agriculture or the Secretary of the Interior, as applicable.

(9) TOWN.—The term "Town" means the Town of Superior, Arizona, an incorporated municipality.

SEC. 4. LAND CONVEYANCES AND EXCHANGES.

(a) PURPOSES.—The purposes of the land conveyances and exchanges under this section are—

(1) to secure Federal ownership and protection of significant natural, scenic, and recreational resources; and

(2) to facilitate efficient extraction of mineral resources.

(b) OFFER BY RESOLUTION COPPER.—

(1) IN GENERAL.—Subject to section 9(b)(1), if Resolution Copper submits to the Secretary of Agriculture a written offer, in accordance with paragraph (2), to convey to the United States all right,

title, and interest of Resolution Copper in and to the non-Federal land, the Secretary shall—

(A) accept the offer; and

(B) convey to Resolution Copper all right, title, and interest of the United States in and to the Federal land, subject to—

(i) section 10(c); and

(ii) any valid existing right or title reservation, easement, or other exception required by law or agreed to by the Secretary concerned and Resolution Copper.

(2) REQUIREMENTS.—Title to any non-Federal land conveyed by Resolution Copper to the United States under paragraph (1) shall—

(A) be in a form that is acceptable to the Secretary concerned; and

(B) conform to the title approval standards of the Attorney General of the United States applicable to land acquisitions by the Federal Government.

(c) RESOLUTION COPPER LAND EXCHANGE.—On receipt of title to the Federal land under subsection (b)(1)(B), Resolution Copper shall simultaneously convey—

(1) to the Secretary of Agriculture, all right, title, and interest that the Secretary determines to be acceptable in and to—

(A) the approximately 147 acres of land located in Gila County, Arizona, depicted on the map entitled "Southeast Arizona Land Exchange and Conservation Act of 2009–Non-Federal Parcel–Turkey Creek" and dated January 2009;

(B) the approximately 148 acres of land located in Yavapai County Arizona, depicted on the map entitled "Southeast Arizona Land Exchange and Conservation Act of 2009–Non-Federal Parcel–Tangle Creek" and dated January 2009;

(C) the approximately 149 acres of land located in Maricopa County, Arizona, depicted on the map entitled "Southeast Arizona Land Exchange and Conservation Act of 2009–Non-Federal Parcel–Cave Creek" and dated January 2009;

(D) the approximately 88 acres of land located in Pinal County, Arizona, depicted on the map entitled "Southeast Arizona Land Exchange and Conservation Act of 2009–Non-

Federal Parcel–J–I Ranch" and dated January 2009;

(E) the approximately 640 acres of land located in Coconino County, Arizona, depicted on the map entitled "Southeast Arizona Land Exchange and Conservation Act of 2009–Non-Federal Parcel–East Clear Creek" and dated January 2009;

(F) the approximately 95 acres of land located in Pinal County, Arizona, depicted on the map entitled "Southeast Arizona Land Exchange and Conservation Act of 2009–Non-Federal Parcel–The Pond" and dated January 2009; and

(G) subject to the retained rights under subsection (d)(2), the approximately 110 acres of land located in Pinal County, Arizona, depicted on the map entitled "Southeast Arizona Land Exchange and Conservation Act of 2009–Non-Federal Parcel–Apache Leap South End" and dated January 2009; and

(2) to the Secretary of the Interior, all right, title, and interest that the Secretary of the Interior determines to be acceptable in and to—

(A) the approximately 3,073 acres of land located in Pinal County, Arizona, depicted on the map entitled "Southeast Arizona Land Exchange and Conservation Act of 2009-Non-Federal Parcel-Lower San Pedro River" and dated January 2009;

(B) the approximately 160 acres of land located in Gila and Pinal Counties, Arizona, depicted on the map entitled "Southeast Arizona Land Exchange and Conservation Act of 2009-Non-Federal Parcel-Dripping Springs" and dated January 2009; and

(C) the approximately 956 acres of land located in Santa Cruz County, Arizona, depicted on the map entitled "Southeast Arizona Land Exchange and Conservation Act of 2009-Non-Federal Parcel-Appleton Ranch" and dated January 2009.

(d) ADDITIONAL CONSIDERATION TO UNITED STATES.—

(1) SURRENDER OF RIGHTS.—Subject to paragraph (2), in addition to the non-Federal land to be conveyed to the United States under subsection (c), and as a condition of the land exchange under this section, Resolution Copper shall surrender to the

United States, without compensation, the rights held by Resolution Copper under mining and other laws of the United States—

(A) to commercially extract minerals under—

(i) Apache Leap; or

(ii) the parcel identified in subsection (c)(1)(F); and

(B) to disturb the surface of Apache Leap, except with respect to such fences, signs, monitoring wells, and other devices, instruments, or improvements as are necessary to monitor the public health and safety or achieve other appropriate administrative purposes, as determined by the Secretary, in consultation with Resolution Copper.

(2) EXPLORATION ACTIVITIES.—Nothing in this Act prohibits Resolution Copper from using any existing mining claim held by Resolution Copper on Apache Leap, or from retaining any right held by Resolution Copper to the parcel described in subsection (c)(1)(G), to carry out any underground activities under Apache Leap in a manner that the Secretary determines will not adversely impact the surface of Apache Leap (including drilling or locat-

ing any tunnels, shafts, or other facilities relating to mining, monitoring, or collecting geological or hydrological information) that do not involve commercial mineral extraction under Apache Leap.

(c) USE OF EQUALIZATION PAYMENT.—

(1) PAYMENT.—Resolution Copper shall pay into the Federal Land Disposal Account established by section 206(a) of the Federal Land Transaction Facilitation Act (43 U.S.C. 2305(a)) (or any successor account) any cash equalization funds owed by Resolution Copper to the United States under section 7(b)(1), to remain available until expended, without further appropriation, to the Secretary and the Secretary of the Interior, as the Secretaries jointly determine to be appropriate, for—

(A) the acquisition from willing sellers of land or interests in land within the hydrographic boundary of the San Pedro River and tributaries in the State of Arizona; and

(B) the management and protection of endangered species and other sensitive environmental values and land within the San Pedro Riparian National Conservation Area established by section 101(a) of the Arizona-Idaho Conservation Act of 1988 (16 U.S.C. 460xx(a))

(including any additions to the area), including management under any cooperative management agreement entered into by the Secretary of the Interior and a State or local agency under section 103(c) of that Act (16 U.S.C. 460xx–2(c)).

(2) PERIOD OF USE.—To the maximum extent feasible, the amount paid into the Federal Land Disposal Account by Resolution Copper under paragraph (1) shall be used by the Secretary and the Secretary of the Interior during the 2-year period beginning on the date of payment.

(3) COOPERATIVE MANAGEMENT AGREEMENTS.—The Secretary of the Interior may enter into such cooperative management agreements with qualified organizations (as defined in section 170(h) of the Internal Revenue Code of 1986) as the Secretary of the Interior determines to be appropriate to administer portions of the San Pedro Riparian National Conservation Area.

SEC. 5. TIMING AND PROCESSING OF EXCHANGE.

(a) SENSE OF CONGRESS REGARDING TIMING OF EXCHANGE.—It is the sense of Congress that the land exchange directed by section 4 should be consummated by

not later than 1 year after the date of enactment of this Act.

(b) EXCHANGE PROCESSING.—Before the date of consummation of the exchange under section 4, the Secretary concerned shall complete any necessary land surveys and required preexchange clearances, reviews, mitigation activities, and approvals relating to—

(1) threatened or endangered species;

(2) cultural or historic resources;

(3) wetland or floodplains; or

(4) hazardous materials.

(c) POST-EXCHANGE PROCESSING.—Before commencing production in commercial quantities of any valuable mineral from the Federal land conveyed to Resolution Copper under section 4(b)(1)(B) (except for any such production from any exploration and mine development shafts, adits, and tunnels needed to determine feasibility and pilot plant testing of commercial production or to access the ore body and tailings deposition areas), the Secretary shall publish an environmental impact statement in accordance with section 102(2)(C) of the National Environmental Policy Act of 1969 (42 U.S.C. 4322(2)(C)) regarding any Federal agency action carried out relating to the commercial production, including an analysis of the impacts of the production.

(d) OAK FLAT WITHDRAWAL AREA RESTRICTION.—

(1) MINERAL EXPLORATION.—To ensure the collection and consideration of adequate information to analyze possible commercial production of minerals by Resolution Copper from the Oak Flat Withdrawal Area, notwithstanding any other provision of law, Resolution Copper may carry out mineral exploration activities under the Oak Flat Withdrawal Area during the period beginning on the date of enactment of this Act and ending on the date of conveyance of the Oak Flat Withdrawal Area to Resolution Copper under section 4(b)(1)(B) by directional drilling or any other method that will not disturb the surface of the land.

(2) SENSE OF CONGRESS REGARDING PERMIT.—It is the sense of Congress that the Secretary should issue to Resolution Copper a permit to conduct appropriate directional drilling or other nonsurface-disturbing exploration in the Oak Flat Withdrawal Area as soon as practicable after the date of enactment of this Act.

(e) EXCHANGE AND POST-EXCHANGE COSTS.—In accordance with sections 254.4 and 254.7 of title 36, Code of Federal Regulations (or successor regulations), Resolution Copper shall assume responsibility for—

(1) hiring such contractors as are necessary for carrying out any exchange or conveyance of land under this Act; and

(2) paying, without compensation under section 254.7 of title 36, Code of Federal Regulations (or a successor regulation)—

(A) the costs of any appraisal relating to an exchange or conveyance under this Act, including any reasonable reimbursements to the Secretary on request of the Secretary for the cost of reviewing and approving an appraisal;

(B) the costs of any clearances, reviews, mitigation activities, and approvals under subsection (b), including any necessary land surveys conducted by the Bureau of Land Management Cadastral Survey program;

(C) the costs of achieving compliance with the National Environmental Policy Act of 1969 (42 U.S.C. 4321 et seq.) under subsection (c); and

(D) any other cost agreed to by Resolution Copper and the Secretary concerned.

(f) CONTRACTOR WORK AND APPROVALS.—

(1) IN GENERAL.—Any work relating to the exchange or conveyance of land under this Act that is

performed by a contractor shall be subject to the mutual agreement of the Secretary concerned and Resolution Copper, including any agreement with respect to—

(A) the selection of the contractor; and

(B) the scope of work performed by the contractor.

(2) REVIEW AND APPROVAL.—Any required review and approval of work by a contractor shall be performed by the Secretary concerned, in accordance with applicable law (including regulations).

(3) LEAD ACTOR AGREEMENT.—The Secretary of Agriculture and the Secretary of the Interior may mutually agree to designate the Secretary of Agriculture as the lead actor for any action under this subsection.

SEC. 6. CONVEYANCE OF LAND TO TOWN.

(a) CONVEYANCE REQUIREMENTS.—

(1) IN GENERAL.—On receipt of a request from the Town described in paragraph (2), the Secretary shall convey to the Town each parcel requested.

(2) DESCRIPTION OF REQUEST.—A request referred to in paragraph (1) is a request by the Town—

(A) for the conveyance of 1 or more of the parcels identified in subsection (b); and

(B) that is submitted to the Secretary by not later than 90 days after the date of consummation of the land exchange under section 4.

(3) PRICE.—The Town shall pay to the Secretary a price equal to the market value of any land conveyed under this subsection, as appraised under section 7, less the amount of any credit under section 7(b)(3).

(b) IDENTIFICATION OF PARCELS.—The Town may request conveyance of any of—

(1) the approximately 30 acres of land located in Pinal County, Arizona, occupied on the date of enactment of this Act by the Fairview Cemetery and depicted on the map entitled "Southeast Arizona Land Exchange and Conservation Act of 2009–Federal Parcel–Fairview Cemetery" and dated January 2009;

(2) the reversionary interest, and any reserved mineral interest, of the United States in the approximately 265 acres of land located in Pinal County, Arizona, depicted on the map entitled "Southeast Arizona Land Exchange and Conservation Act of

2009 Federal Reversionary Interest Superior Airport" and dated January 2009; and

(3) all or any portion of the approximately 250 acres of land located in Pinal County, Arizona, depicted on the map entitled "Southeast Arizona Land Exchange and Conservation Act of 2009 Federal Parcel Superior Airport Contiguous Parcels" and dated January 2009.

(c) CONDITION OF CONVEYANCE.—A conveyance of land under this section shall be carried out in a manner that provides the United States manageable boundaries on any parcel retained by the Secretary, to the maximum extent practicable.

SEC. 7. VALUATION OF LAND EXCHANGED OR CONVEYED.

(a) EXCHANGE VALUATION.—

(1) IN GENERAL.—The value of the land to be exchanged under section 4 or conveyed to the Town under section 6 shall be determined by the Secretary through concurrent appraisals conducted in accordance with paragraph (2).

(2) APPRAISALS.—

(A) IN GENERAL.—An appraisal under this section shall be—

(i) performed by an appraiser mutually agreed to by the Secretary and Resolution Copper;

(ii) performed in accordance with—

(I) the Uniform Appraisal Standards for Federal Land Acquisitions (Department of Justice, 5th Edition, December 20, 2000);

(II) the Uniform Standards of Professional Appraisal Practice; and

(III) Forest Service appraisal instructions; and

(iii) submitted to the Secretary for review and approval.

(B) REAPPRAISALS AND UPDATED APPRAISED VALUES.—After the final appraised value of a parcel is determined and approved under subparagraph (A), the Secretary shall not be required to reappraise or update the final appraised value—

(i) for a period of 3 years after the approval by the Secretary of the final appraised value under subparagraph (A)(iii); or

(ii) at all, in accordance with section 254.14 of title 36, Code of Federal Regulations (or a successor regulation), after an exchange agreement is entered into by Resolution Copper and the Secretary.

(C) PUBLIC REVIEW.—Before consummating the land exchange under section 4, the Secretary shall make available for public review a summary of the appraisals of the land to be exchanged.

(3) FAILURE TO AGREE.—If the Secretary and Resolution Copper fail to agree on the value of a parcel to be exchanged, the final value of the parcel shall be determined in accordance with section 206(d) of the Federal Land Policy and Management Act of 1976 (43 U.S.C. 1716(d)).

(4) FEDERAL LAND APPRAISAL.—

(A) IN GENERAL.—The Federal land shall be appraised in accordance with the standards and instructions referred to in paragraph (2)(A)(ii) and other applicable requirements of this section.

(B) TREATMENT AS UNENCUMBERED.—The value of the Federal land outside the Oak Flat Withdrawal Area shall be determined as if

the land is unencumbered by any unpatented mining claims of Resolution Copper.

(C) EFFECT.—Nothing in this Act affects the validity of any unpatented mining claim or right of Resolution Copper.

(D) ADDITIONAL APPRAISAL INFORMATION.—To provide information necessary to calculate a value adjustment payment for purposes of section 12, the appraiser under this paragraph shall include in the appraisal report a detailed royalty income approach analysis, in accordance with the Uniform Appraisal Standards for Federal Land Acquisition, of the market value of the Federal land, even if the royalty income approach analysis is not the appraisal approach relied on by the appraiser to determine the final market value of the Federal land.

(b) EQUALIZATION OF VALUE.—

(1) SURPLUS OF FEDERAL LAND VALUE.—

(A) IN GENERAL.—If the final appraised value of the Federal land exceeds the value of the non-Federal land involved in the exchange under section 4, Resolution Copper shall make a cash equalization payment into the Federal Land Disposal Account (as provided in sub-

section (c)) to equalize the values of the Federal land and non-Federal land.

(B) AMOUNT OF PAYMENT.—Notwithstanding section 206(b) of the Federal Land Policy and Management Act of 1976 (43 U.S.C. 1716(b)), the United States may accept a cash equalization payment under subparagraph (A) in an amount that is greater than 25 percent of the value of the Federal land.

(2) SURPLUS OF NON-FEDERAL LAND VALUE.—If the final appraised value of the non-Federal land exceeds the value of the Federal land involved in the exchange under section 4—

(A) the United States shall not make a payment to Resolution Copper to equalize the values of the land; and

(B) the surplus value of the non-Federal land shall be considered to be a donation by Resolution Copper to the United States.

(3) PAYMENT FOR LAND CONVEYED TO TOWN.—

(A) IN GENERAL.—The Town shall pay the Secretary market value for any land acquired by the Town from the Secretary under section 6, as determined by the Secretary through an

appraisal conducted in accordance with subsection (a)(2).

(B) CREDIT.—If the final appraised value of the non-Federal land exceeds the value of the Federal land in the exchange under section 4, the obligation of the Town to pay the United States under subparagraph (A) shall be reduced by an amount equal to the excess value of the non-Federal land conveyed to the United States.

(4) DISPOSITION AND USE OF PROCEEDS.—

(A) CASH EQUALIZATION PAYMENTS.—Any cash equalization payment under paragraph (1)(A) shall be deposited, without further appropriation, in the Federal Land Disposal Account for use in accordance with section 4(e).

(B) PAYMENT FOR LAND CONVEYED TO TOWN.—Any payment received by the Secretary from the Town under paragraph (3)(A) shall be—

(i) deposited in the fund established under Public Law 90–171 (commonly known as the "Sisk Act") (16 U.S.C. 484a); and

(ii) made available to the Secretary, without further appropriation, for the acquisition of land for addition to the National Forest System in the State of Arizona.

SEC. 8. APACHE LEAP PROTECTION AND MANAGEMENT.

(a) APACHE LEAP PROTECTION AND MANAGEMENT.—

(1) IN GENERAL.—To permanently protect the cultural, historic, educational, and natural resource values of Apache Leap, effective beginning on the date of enactment of this Act, the Secretary shall—

(A) manage Apache Leap in accordance with the laws (including regulations) applicable to the National Forest System; and

(B) place special emphasis on preserving the natural character of Apache Leap.

(2) WITHDRAWAL.—Subject to the valid existing rights of Resolution Copper under section 4(d)(2), effective beginning on the date of enactment of this Act, Apache Leap shall be permanently withdrawn from all forms of entry and appropriation under—

(A) the public land laws (including the mining and mineral leasing laws); and

(B) the Geothermal Steam Act of 1970 (30 U.S.C. 1001 et seq.).

(b) ADDITIONAL PROTECTIONS, ANALYSIS, AND PLAN.—

(1) MANAGEMENT PLAN.—Not later than 4 years after the date of enactment of this Act, the Secretary, in consultation with the Town, Resolution Copper, the Yavapai and Apache Indian tribes, and other interested members of the public, shall solicit public comment regarding, and initiate implementation of, a management plan for Apache Leap.

(2) PLANNING CONSIDERATIONS.—The plan described in paragraph (1) shall examine, among other matters, whether Apache Leap should be managed to establish—

(A) additional cultural and historical resource protections or measures, including permanent or seasonal closures of any portion of Apache Leap to protect cultural or archeological resources;

(B) additional or alternative public access routes, trails, and trailheads to Apache Leap; or

(C) additional opportunities (including appropriate access) for rock climbing, with special

emphasis on improved rock climbing access to Apache Leap from the west.

(c) MINING ACTIVITIES.—Nothing in this section imposes any restriction on any exploration or mining activity carried out by Resolution Copper outside of Apache Leap after the date of enactment of this Act.

SEC. 9. INCORPORATION, MANAGEMENT, AND STATUS OF ACQUIRED LAND.

(a) LAND ACQUIRED BY SECRETARY.—

(1) IN GENERAL.—Land acquired by the Secretary under this Act shall—

(A) become part of the National Forest within which the land is located; and

(B) be administered in accordance with the laws (including regulations) applicable to the National Forest System.

(2) BOUNDARIES.—For purposes of section 7 of the Land and Water Conservation Fund Act of 1965 (16 U.S.C. 4601 et seq.), the boundaries of a National Forest in which land acquired by the Secretary is located shall be deemed to be the boundaries of that forest as in existence on January 1, 1965.

(3) MANAGEMENT OF J–I RANCH.—

(A) IN GENERAL.—On the date on which the Secretary acquires the J–I Ranch parcel described in section 4(c)(1)(D), the Secretary shall manage the land to allow Yavapai and Apache Indian tribes—

(i) to access the land; and

(ii) to undertake traditional activities relating to the gathering of acorns.

(B) AUTHORITY OF SECRETARY.—On receipt of a request from the Yavapai or Apache Indian tribe, the Secretary may temporarily or seasonally close to the public any portion of the J–I Ranch during the period in which the Yavapai or Apache Indian tribe carries out any activity described in subparagraph (A)(ii).

(b) ROCK CLIMBING.—

(1) IN GENERAL.—Before consummating the land exchange under section 4, Resolution Copper shall pay to the Secretary $1,250,000.

(2) USE OF FUNDS.—The Secretary shall use the amount described in paragraph (1), without further appropriation, to construct or improve road access, turnouts, trails, camping, parking areas, or other facilities to promote and enhance rock climbing, bouldering, and such other outdoor recreational

opportunities as the Secretary determines to be appropriate—

(A) in the general area north of Arizona State Highway 60 encompassing the parcel described in section 4(c)(1)(F) and adjacent National Forest land to the north of that parcel (commonly known as the "upper Pond area"); or

(B) in the areas commonly known as "Inconceivables" and "Chill Hill" located in or adjacent to secs. 26, 35, and 36, T. 2 S., R. 12 E., Gila and Salt River Meridian.

(3) TIMING.—To the maximum extent practicable, the Secretary shall use the amount described in paragraph (1) during the 2-year period beginning on the date of consummation of the land exchange under section 4.

(4) THE POND PARCEL WORK.—

(A) IN GENERAL.—To improve rock climbing opportunities in the parcel described in section 4(c)(1)(F) and the upper Pond area, Resolution Copper, in consultation with the Secretary and rock climbing interests, may construct roads or improve road access to, construct trails, camping, parking areas, or other

facilities on, or provide other access to, the Pond parcel described in section 4(e)(1)(F) before the date of the conveyance under section 4(e).

(B) COSTS.—Resolution Copper shall pay the cost of any activity carried out under subparagraph (A), in addition to the amount specified in paragraph (1).

(c) LAND ACQUIRED BY SECRETARY OF INTERIOR.—

(1) IN GENERAL.—Land acquired by the Secretary of the Interior under this Act shall—

(A) become part of the Federal administrative area (including the Las Cienegas National Conservation Area or other national conservation area, if applicable) within which the land is located or to which the land is adjacent; and

(B) be managed in accordance with the laws (including regulations) applicable to the Federal administrative area or national conservation area within which the land is located or to which the land is adjacent.

(2) LOWER SAN PEDRO RIVER LAND.—To preserve and enhance the natural character and conservation value of the lower San Pedro River land described in section 4(e)(2)(A), on acquisition of the

land by the Secretary of the Interior, the land shall be automatically incorporated in, and administered as part of, the San Pedro Riparian National Conservation Area.

(d) WITHDRAWAL.—On acquisition by the United States of any land under this Act, subject to valid existing rights and without further action by the Secretary concerned, the acquired land is permanently withdrawn from all forms of entry and appropriation under—

(1) the public land laws (including the mining and mineral leasing laws); and

(2) the Geothermal Steam Act of 1970 (30 U.S.C. 1001 et seq.).

SEC. 10. OAK FLAT CAMPGROUND.

(a) REPLACEMENT CAMPGROUNDS.—

(1) IN GENERAL.—Not later than 4 years after the date of enactment of this Act, the Secretary, in consultation with Resolution Copper, the Town, and other interested parties, shall design and construct in the Globe Ranger District of the Tonto National Forest 1 or more replacement campgrounds for the Oak Flat Campground (including appropriate access routes to any replacement campgrounds).

(2) PUBLIC FACILITIES.—Any replacement campgrounds under this subsection shall be designed

and constructed in a manner that adequately (as determined in the sole discretion of the Secretary) replaces, or improves on, the facilities, functions, and amenities available to the public at the Oak Flat Campground.

(b) COSTS OF REPLACEMENT.—Resolution Copper shall pay the actual cost of designing, constructing, and providing access to any replacement campgrounds under this subsection, not to exceed $1,000,000.

(c) INTERIM OAK FLAT CAMPGROUND ACCESS.—The document conveying the Federal land to Resolution Copper under section 4(b) shall specify that—

(1) during the 4-year period beginning on the date of enactment of this Act, the Secretary shall retain title to, operate, and maintain the Oak Flat Campground; and

(2) at the end of that 4-year period—

(A) the withdrawal of the Oak Flat Campground shall be revoked; and

(B) title to the Oak Flat Campground shall be simultaneously conveyed to Resolution Copper.

(d) BOULDERBLAST COMPETITION.—During the 5-year period beginning on the date of enactment of this Act, the Secretary, in consultation with Resolution Cop-

per; may issue not more than 1 special use permit per calendar year to provide public access to the bouldering area on the Federal land for purposes of the annual "BoulderBlast" competition.

SEC. 11. TRADITIONAL ACORN GATHERING AND RELATED ACTIVITIES IN AND AROUND OAK FLAT CAMPGROUND.

(a) SENSE OF CONGRESS REGARDING ACORN GATHERING.—In addition to the acorn gathering opportunities described in section 9(a)(3)(A)(ii), it is the sense of Congress that, on receipt of a request from the Apache or Yavapai Indian tribe or any other Indian tribe during the 180-day period beginning on the date of conveyance of the Federal land to Resolution Copper under section 4, Resolution Copper should endeavor to negotiate and execute a revocable authorization to each applicable Indian tribe to use an area in and around the Oak Flat Campground for traditional acorn gathering and related activities.

(b) AREA AND TERMS.—The precise area and terms of use described in subsection (a)—

(1) shall be agreed to by Resolution Copper and the applicable Indian tribes; and

(2) may be modified or revoked by Resolution Copper if Resolution Copper, in consultation with the Indian tribes, determines that all or a portion of

the authorized use area needs to be closed on a temporary or permanent basis—

(A) to protect the health or safety of users; or

(B) to accommodate an exploration or mining plan of Resolution Copper.

SEC. 12. VALUE ADJUSTMENT PAYMENT TO UNITED STATES.

(a) ANNUAL PRODUCTION REPORTING.—

(1) IN GENERAL.—Beginning on February 15 of the first calendar year beginning after the date of commencement of production of valuable locatable minerals in commercial quantities (as defined by applicable Federal laws (including regulations)) from the Federal land conveyed to Resolution Copper under section 4(b), and annually thereafter, Resolution Copper shall file with the Secretary of the Interior a report indicating the quantity of locatable minerals in commercial quantities produced from the Federal land during the preceding calendar year.

(2) REPORT CONTENTS.—The reports under paragraph (1) shall comply with all recordkeeping and reporting requirements of applicable Federal laws (including regulations) in effect at the time of production relating to the production of valuable

locatable minerals in commercial quantities on any federally owned land.

(b) PAYMENT ON PRODUCTION.—If the cumulative production of valuable locatable minerals in commercial quantities produced from the Federal land conveyed to Resolution Copper under section 4(b) exceeds the quantity of production of locatable minerals from the Federal land used in the royalty income approach analysis under the Uniform Appraisal Standards for Federal Land Acquisitions prepared under section 7(a)(4)(D), Resolution Copper shall pay to the United States, by not later than March 15 of each applicable calendar year, a value adjustment payment for the quantity of excess production at a rate equal to—

(1) the Federal royalty rate in effect for the production of valuable locatable minerals from federally owned land, if such a rate is enacted before December 31, 2012; or

(2) if no Federal royalty rate is enacted by the date described in paragraph (1), the royalty rate used for purposes of the royalty income approach analysis prepared under section 7(a)(4)(D).

(c) STATE LAW UNAFFECTED.—Nothing in this Act modifies, expands, diminishes, amends, or otherwise affects any State law (including regulations) relating to the

imposition, application, timing, or collection of a State excise or severance tax under Arizona Revised Statutes 42–5201–5206.

(d) USE OF FUNDS.—The funds paid to the United States under this section shall—

(1) be deposited in a special account of the Treasury; and

(2) remain available, without further appropriation, to the Secretary and the Secretary of the Interior, as the Secretaries jointly determine to be appropriate, for the acquisition of land or interests in land from willing sellers in the State of Arizona.

SEC. 13. MISCELLANEOUS PROVISIONS.

(a) REVOCATION OF ORDERS; WITHDRAWAL.—

(1) REVOCATION OF ORDERS.—Any public land order that withdraws the Federal land from appropriation or disposal under a public land law shall be revoked to the extent necessary to permit disposal of the land.

(2) WITHDRAWAL.—On the date of enactment of this Act, if the Federal land or any Federal interest in the non-Federal land to be exchanged under section 4 is not withdrawn or segregated from entry and appropriation under a public land law (including mining and mineral leasing laws and the Geothermal

~~Steam Act of 1970 (30 U.S.C. 1001 et seq.)), the land or interest shall be withdrawn, without further action required by the Secretary concerned, from entry and appropriation, subject to the valid existing rights of Resolution Copper, until the date of the conveyance of Federal land under section 4(b).~~

~~(b) MAPS, ESTIMATES, AND DESCRIPTIONS.—~~

~~(1) MINOR ERRORS.—The Secretary concerned and Resolution Copper, may correct, by mutual agreement, any minor errors in any map, acreage estimate, or description of any land conveyed or exchanged under this Act.~~

~~(2) CONFLICT.—If there is a conflict between a map, an acreage estimate, or a description of land under this Act, the map shall control unless the Secretary concerned and Resolution Copper mutually agree otherwise.~~

~~(3) AVAILABILITY.—On the date of enactment of this Act, the Secretary shall file and make available for public inspection in the Office of the Supervisor, Tonto National Forest, each map referred to in this Act.~~

SECTION 1. SHORT TITLE.

This Act may be cited as the "Southeast Arizona Land Exchange and Conservation Act of 2009".

SEC. 2. DEFINITIONS.

In this Act:

(1) APACHE LEAP.—The term "Apache Leap" means the approximately 822 acres of land depicted on the map entitled "Apache Leap" and dated January 2009.

(2) FEDERAL LAND.—The term "Federal land" means the approximately 2,406 acres of land located in Pinal County, Arizona, depicted on the map entitled "Southeast Arizona Land Exchange and Conservation Act of 2009–Federal Parcel–Oak Flat" and dated January 2009.

(3) INDIAN TRIBE.—The term "Indian tribe" has the meaning given the term in section 4 of the Indian Self-Determination and Education Assistance Act (25 U.S.C. 450b).

(4) NON-FEDERAL LAND.—The term "non-Federal land" means the parcels of land owned by Resolution Copper that are described in section 4(a).

(5) OAK FLAT WITHDRAWAL AREA.—The term "Oak Flat Withdrawal Area" means the approximately 760 acres of land depicted on the map entitled "Oak Flat Withdrawal Area" and dated January 2009.

(6) RESOLUTION COPPER.—The term "Resolution Copper" means Resolution Copper Mining, LLC,

a Delaware limited liability company, including any successor, assign, affiliate, member, or joint venturer of Resolution Copper Mining, LLC.

(7) SECRETARY.—The term "Secretary" means the Secretary of Agriculture.

(8) STATE.—The term "State" means the State of Arizona.

(9) TOWN.—The term "Town" means the town of Superior, Arizona.

SEC. 3. LAND EXCHANGE.

(a) IN GENERAL.—Subject to the provisions of this Act, if Resolution Copper offers to convey to the United States all right, title, and interest of Resolution Copper in and to the non-Federal land, and if the Secretary determines that the public interest would be well served by making the exchange, the Secretary shall convey to Resolution Copper, all right, title, and interest of the United States in and to the Federal land.

(b) COMPLIANCE WITH APPLICABLE LAW.—

(1) IN GENERAL.—Except as otherwise provided in this Act, the Secretary shall carry out the land exchange under this section in accordance with section 206 of the Federal Land Policy and Management Act of 1976 (43 U.S.C. 1716) and other applicable laws,

including the National Environmental Policy Act of 1969 (42 U.S.C. 4321 et seq.).

(2) ENVIRONMENTAL REVIEW DOCUMENT.—

(A) IN GENERAL.—To the maximum extent practicable under the National Environmental Policy Act of 1969 (42 U.S.C. 4321 et seq.) and Council on Environmental Quality regulations, the Secretary, in consultation with the Secretary of the Interior and other affected Federal agencies, shall prepare a single environmental review document, which shall be used as the basis for all decisions under Federal law related to the land exchange and connected agency decisions related to the proposed mine on the Federal land.

(B) EFFECT OF PARAGRAPH.—Nothing in this paragraph precludes the Secretary from using separate environmental review documents prepared in accordance with the National Environmental Policy Act of 1969 (42 U.S.C. 4321 et seq.) or other applicable laws for exploration or other activities not involving—

(i) the land exchange; or

(ii) the extraction of minerals in commercial quantities by Resolution Copper on or under the Federal land.

(c) CONDITIONS ON ACCEPTANCE.—

(1) TITLE.—Title to any non-Federal land conveyed by Resolution Copper to the United States under this Act shall be in a form that is acceptable to—

(A) the Secretary, for land to be administered by the Forest Service; and

(B) the Secretary of the Interior, for land to be administered by the Bureau of Land Management.

(2) TERMS AND CONDITIONS.—The conveyance of the Federal land and non-Federal land under this Act shall be subject to such terms and conditions as the Secretary and the Secretary of the Interior may require.

(d) CONSULTATION WITH INDIAN TRIBES.—Prior to making a public interest determination under subsection (a), the Secretary shall engage in government-to-government consultation with affected Indian tribes concerning issues related to the exchange, in accordance with applicable laws (including regulations).

(e) APPRAISALS.—

(1) IN GENERAL.—As soon as practicable after the date of enactment of this Act, the Secretary and Resolution Copper shall select an appraiser to con-

duct appraisals of the Federal land and non-Federal land.

(2) REQUIREMENTS.—

(A) IN GENERAL.—Except as provided in subparagraph (B), an appraisal prepared under paragraph (1) shall be conducted in accordance with nationally recognized appraisal standards, including—

(i) the Uniform Appraisal Standards for Federal Land Acquisitions; and

(ii) the Uniform Standards of Professional Appraisal Practice.

(B) FINAL APPRAISED VALUE.—

(i) IN GENERAL.—After the final appraised value is determined and approved by the Secretary, the Secretary shall not be required to reappraise or update the final appraised value for a period of 3 years beginning on the date of the approval by the Secretary of the final appraised value.

(ii) REAPPRAISAL.—Nothing in this subparagraph precludes the Secretary, prior to entering into an exchange agreement with Resolution Copper, from requiring a reappraisal or update of the final appraisal

if the Secretary determines that such re-appraisal or update is necessary.

(iii) IMPROVEMENTS.—Any improvements made by Resolution Copper prior to entering into an exchange agreement shall not be included in the appraised value of the Federal land.

(C) PUBLIC REVIEW.—Before implementing the land exchange under this Act, the Secretary shall make the appraisals of the land to be exchanged (or a summary thereof) available for public review.

(3) ADDITIONAL APPRAISAL INFORMATION.—

(A) IN GENERAL.—The appraiser selected under this subsection shall prepare a detailed income capitalization approach analysis, in accordance with the appraisal requirements referred to in paragraph (2)(A), of the market value of the Federal land, even if the income capitalization approach analysis is not the appraisal approach relied on by the appraiser to determine the market value of the Federal land.

(B) INCLUSION IN FINAL APPRAISAL REPORT.—The income capitalization approach analysis under subparagraph (A) shall be in-

cluded in the final appraisal report of the Federal land.

(f) EQUAL VALUE LAND EXCHANGE.—

(1) IN GENERAL.—The value of the Federal land and non-Federal land to be exchanged under this Act shall be equal or shall be equalized in accordance with this subsection.

(2) SURPLUS OF FEDERAL LAND VALUE.—

(A) IN GENERAL.—If the final appraised value of the Federal land exceeds the value of the non-Federal land, Resolution Copper shall—

(i) convey additional non-Federal land in the State to the Secretary or the Secretary of the Interior, consistent with the requirements of this Act and subject to the approval of the applicable Secretary;

(ii) make a cash payment to the United States; or

(iii) use a combination of the methods described in clauses (i) and (ii), as agreed to by Resolution Copper, the Secretary, and the Secretary of the Interior.

(B) AMOUNT OF PAYMENT.—The Secretary may accept a payment in excess of 25 percent of the total value of the land or interests conveyed,

notwithstanding section 206(b) of the Federal Land Policy and Management Act of 1976 (43 U.S.C. 1716(b)).

(C) DISPOSITION AND USE OF PROCEEDS.—Any amounts received by the United States under this paragraph shall be deposited in the fund established under Public Law 90-171 (commonly known as the "Sisk Act") (16 U.S.C. 484a) and shall be made available to the Secretary, without further appropriation, for the acquisition of land for addition to the National Forest System in the State.

(3) SURPLUS OF NON-FEDERAL LAND.—If the final appraised value of the non-Federal land exceeds the value of the Federal land—

(A) the United States shall not make a payment to Resolution Copper to equalize the value; and

(B) except as provided in section 9, the surplus value of the non-Federal land shall be considered to be a donation by Resolution Copper to the United States.

(g) OAK FLAT WITHDRAWAL AREA.—

(1) IN GENERAL.—Subject to the provisions of this subsection and notwithstanding any withdrawal

of the Oak Flat Withdrawal Area from the mining, mineral leasing, or public land laws, the Secretary may authorize Resolution Copper to carry out mineral exploration activities—

(A) under the Oak Flat Withdrawal Area, so long as such activities would not disturb the surface of the area; and

(B) on the Oak Flat Withdrawal Area (but not within the Oak Flat Campground), so long as such activities are conducted from a single exploratory drill pad.

(2) CONDITIONS.—Any activities undertaken in accordance with this subsection shall be subject to such terms and conditions as the Secretary may require.

(3) TERMINATION.—The authorization for Resolution Copper to undertake mineral exploration activities under this subsection shall terminate on the earlier of—

(A) the date the land is conveyed to Resolution Copper in accordance with this Act; or

(B) the date that is 3 years after the date a special use permit is issued in accordance with this subsection.

(h) COSTS.—As a condition of the land exchange, Resolution Copper shall agree to pay, without compensation, any costs that are—

(1) associated with the land exchange; and

(2) agreed to by the Secretary.

(i) INTENT OF CONGRESS.—

(1) IN GENERAL.—It is the intent of Congress that the Secretary shall complete any necessary environmental reviews and public interest determination on the land exchange not later than 3 years after the date Resolution Copper submits a mining plan of operation to the Secretary.

(2) AGREEMENT.—If the Secretary determines that the public interest would be well served by making the land exchange, it is the intent of Congress that the Secretary seek to enter into an exchange agreement not later than 90 days after the date of the public interest determination.

SEC. 4. CONVEYANCE AND MANAGEMENT OF NON-FEDERAL LAND.

(a) CONVEYANCE.—On receipt of title to the Federal land, Resolution Copper shall simultaneously convey—

(1) to the Secretary of Agriculture, all right, title, and interest that the Secretary determines to be acceptable in and to—

(A) the approximately 147 acres of land located in Gila County, Arizona, depicted on the map entitled "Southeast Arizona Land Conservation Act of 2009–Non-Federal Parcel–Turkey Creek" and dated January 2009;

(B) the approximately 148 acres of land located in Yavapai County, Arizona, depicted on the map entitled "Southeast Arizona Land Conservation Act of 2009–Non-Federal Parcel–Tangle Creek" and dated January 2009;

(C) the approximately 149 acres of land located in Maricopa County, Arizona, depicted on the map entitled "Southeast Arizona Land Conservation Act of 2009–Non-Federal Parcel–Cave Creek" and dated January 2009;

(D) the approximately 640 acres of land located in Coconino County, Arizona, depicted on the map entitled "Southeast Arizona Land Exchange and Conservation Act of 2009–Non-Federal Parcel–East Clear Creek" and dated January 2009;

(E) the approximately 95 acres of land located in Pinal County, Arizona, depicted on the map entitled "Southeast Arizona Land Con-

servation Act of 2009–Non-Federal Parcel–The Pond" and dated January 2009; and

(F) the approximately 110 acres of land located in Pinal County, Arizona, depicted on the map entitled "Southeast Arizona Land Conservation Act of 2009–Non-Federal Parcel–Apache Leap South End" and dated January 2009, subject to the retained right of Resolution Copper to conduct underground activities that—

(i) the Secretary determines would not disturb the surface of Apache Leap; and

(ii) do not involve commercial mineral extraction under Apache Leap; and

(2) to the Secretary of the Interior, all right, title, and interest that the Secretary of the Interior determines to be acceptable in and to—

(A) the approximately 3,050 acres of land located in Pinal County, Arizona, identified as "Lands to DOI" as generally depicted on the map entitled "Lower San Pedro River" and dated June 3, 2009;

(B) the approximately 160 acres of land located in Gila and Pinal Counties, Arizona, identified as "Lands to DOI" as generally depicted

on the map entitled "Dripping Springs" and dated June 3, 2009; and

(C) the approximately 940 acres of land located in Santa Cruz County, Arizona, identified as "Lands to DOI" as generally depicted on the map entitled "Appleton Ranch" and dated June 3, 2009.

(b) MANAGEMENT OF ACQUIRED LAND.—

(1) LAND ACQUIRED BY THE SECRETARY.—

(A) IN GENERAL.—Land acquired by the Secretary under this Act shall—

(i) become part of the national forest in which the land is located; and

(ii) be administered in accordance with the laws applicable to the National Forest System.

(B) BOUNDARY REVISION.—On acquisition of land by the Secretary under this Act, the boundaries of the national forest shall be modified to reflect the inclusion of the acquired land.

(C) LAND AND WATER CONSERVATION FUND.—For purposes of section 7 of the Land and Water Conservation Fund Act of 1965 (16 U.S.C. 460l–9), the boundaries of a national forest in which land acquired by the Secretary is

located shall be deemed to be the boundaries of that forest as in existence on January 1, 1965.

(2) LAND ACQUIRED BY THE SECRETARY OF THE INTERIOR.—

(A) SAN PEDRO RIPARIAN NATIONAL CONSERVATION AREA.—

(i) IN GENERAL.—The following land shall be added to, and administered as part of, the San Pedro Riparian National Conservation Area in accordance with the laws (including regulations) applicable to the Conservation Area:

(I) The land acquired by the Secretary of the Interior under subsection (a)(2)(A).

(II) Any land acquired by the Secretary of the Interior which is adjacent to the San Pedro Riparian National Conservation Area.

(ii) MANAGEMENT PLAN.—Not later than 2 years after the date on which the land is acquired, the Secretary of the Interior shall update the management plan for the San Pedro Riparian National Conserva-

tion Area to reflect the management requirements of the acquired land.

(B) DRIPPING SPRINGS.—Land acquired by the Secretary of the Interior under subsection (a)(2)(B) shall be managed in accordance with the Federal Land Policy and Management Act of 1976 (43 U.S.C. 1701 et seq.) and applicable land use plans.

(C) LAS CIENEGAS NATIONAL CONSERVATION AREA.—Land acquired by the Secretary of the Interior under subsection (a)(2)(C) shall be added to, and administered as part of, the Las Cienegas National Conservation Area in accordance with the laws (including regulations) applicable to the Conservation Area.

(c) SURRENDER OF RIGHTS.—In addition to the conveyance of the non-Federal land conveyed to the United States under this Act, and as a condition of the land exchange, Resolution Copper shall surrender to the United States, without compensation, the rights held by Resolution Copper under the mining laws and other laws of the United States to commercially extract minerals under—

(1) Apache Leap; and

(2) the property described in subsection (a)(1)(E) (commonly known as "The Pond").

SEC. 5. RECREATIONAL ACCESS AND IMPROVEMENTS.

(a) RECREATIONAL ACCESS AND FACILITIES.—

(1) IN GENERAL.—As a condition of the land exchange under this Act, Resolution Copper shall pay to the Secretary $1,250,000, to improve access and facilities for dispersed recreation and other outdoor recreational activities as provided in paragraph (2).

(2) USE OF AMOUNTS.—The Secretary shall use the amount paid in accordance with paragraph (1), without further appropriation, to construct or improve road access, turnouts, trails, parking areas, or facilities for dispersed recreation and other outdoor recreational activities as the Secretary determines to be appropriate.

(3) PREFERRED LOCATIONS.—To the maximum extent practicable, the funds made available under this subsection shall be used by the Secretary on national forest land—

(A) in the general area north of Arizona State Highway 60; or

(B) in the general area along Arizona State Highway 177.

(b) DETERMINATION OF VALUE.—Amounts paid by Resolution Copper under this section shall not be considered in determining the value of the Federal and non-Federal land under section 3(f).

SEC. 6. VALUE ADJUSTMENT PAYMENT TO UNITED STATES.

(a) ANNUAL PRODUCTION REPORTING.—

(1) IN GENERAL.—As a condition of the exchange, beginning on February 15 of the first calendar year beginning after the date of commencement of production of valuable locatable minerals in commercial quantities from the Federal land conveyed to Resolution Copper under section 3, and annually thereafter, Resolution Copper shall file with the Secretary of the Interior a report indicating the quantity of locatable minerals produced in commercial quantities from the Federal land during the preceding calendar year.

(2) REPORT CONTENTS.—The reports under paragraph (1) shall comply with any recordkeeping and reporting requirements prescribed by the Secretary or required by applicable Federal laws in effect at the time of production.

(b) PAYMENT ON PRODUCTION.—If the cumulative production of valuable locatable minerals produced in commercial quantities from the Federal land conveyed to Resolution Copper under section 3 exceeds the quantity of production of locatable minerals from the Federal land used in the income capitalization approach analysis prepared under section 3(e)(3), Resolution Copper shall pay to the United States, by not later than March 15 of each applica-

ble calendar year, a value adjustment payment for the quantity of excess production at the same rate assumed for the income capitalization approach analysis prepared under section 3(e)(3).

(c) STATE LAW UNAFFECTED.—Nothing in this section modifies, expands, diminishes, amends, or otherwise affects any State law relating to the imposition, application, timing, or collection of a State excise or severance tax.

(d) USE OF FUNDS.—The funds paid to the United States under this section shall be deposited in the fund established under Public Law 90-171 (commonly known as the "Sisk Act") (16 U.S.C. 484a) and shall be made available to the Secretary, without further appropriation, for the acquisition of land for addition to the National Forest System in the State.

SEC. 7. WITHDRAWAL.

Subject to valid existing rights, Apache Leap and any land acquired by the United States under this Act is withdrawn from all forms of—

(1) entry, appropriation, or disposal under the public land laws;

(2) location, entry, and patent under the mining laws; and

(3) disposition under the mineral leasing, mineral materials, and geothermal leasing laws.

SEC. 8. APACHE LEAP.

(a) MANAGEMENT.—

(1) IN GENERAL.—The Secretary shall manage Apache Leap to preserve the natural character of Apache Leap and to protect archeological and cultural resources located on Apache Leap.

(2) SPECIAL USE PERMITS.—The Secretary may issue to Resolution Copper special use permits allowing Resolution Copper to carry out underground activities (other than the commercial extraction of minerals) under the surface of Apache Leap that the Secretary determines would not disturb the surface of the land, subject to any terms and conditions that the Secretary may require.

(3) FENCES; SIGNAGE.—The Secretary may allow use of the surface of Apache Leap for installation of fences, signs, or other measures necessary to protect the health and safety of the public, protect resources located on Apache Leap, or to ensure that activities conducted under paragraph (2) do not affect the surface of Apache Leap.

(b) PLAN.—

(1) IN GENERAL.—Not later than 3 years after the date of enactment of this Act, the Secretary, in consultation with applicable Indian tribes, the Town, Resolution Copper, and other interested members of

the public, shall prepare a management plan for Apache Leap.

(2) CONSIDERATIONS.—In preparing the plan under paragraph (1), the Secretary shall consider whether additional measures are necessary to—

(A) protect the cultural, archaeological, or historical resources of Apache Leap, including permanent or seasonal closures of all or a portion of Apache Leap; and

(B) provide access for recreation.

SEC. 9. CONVEYANCES TO TOWN OF SUPERIOR, ARIZONA.

(a) CONVEYANCES.—

(1) IN GENERAL.—On request from the Town and subject to the provisions of this section, the Secretary shall convey to the Town the following:

(A) Approximately 30 acres of land as depicted on the map entitled "Southeast Arizona Land Exchange and Conservation Act of 2009–Federal Parcel–Fairview Cemetery" and dated January 2009.

(B) The reversionary interest and any reserved mineral interest of the United States in the approximately 265 acre of land located in Pinal County, Arizona, as depicted on the map entitled "Southeast Arizona Land Exchange and

Conservation Act of 2009–Federal Reversionary Interest–Superior Airport" and dated January 2009.

(C) The approximately 250 acres of land located in Pinal County, Arizona, as depicted on the map entitled "Southeast Arizona Land Exchange and Conservation Act of 2009–Federal Parcel–Superior Airport Contiguous Parcels" and dated January 2009.

(b) PAYMENT.—

(1) IN GENERAL.—The Town shall pay to the Secretary the fair market value for each parcel of land or interest in land acquired under this section, as determined by appraisals conducted in accordance with section 3(e).

(2) REDUCTION.—If the final appraised value of the non-Federal land exceeds the value of the Federal land under section 3—

(A) the obligation of the Town to pay the United States shall be reduced by an amount not to exceed the excess value of the non-Federal land conveyed to the United States; and

(B) the amount donated by Resolution Copper to the United States shall be reduced accordingly.

(c) SISK ACT.—Any payment received by the Secretary from the Town under this section shall be deposited in the fund established under Public Law 90-171 (commonly known as the "Sisk Act") (16 U.S.C. 484a) and shall be made available to the Secretary, without further appropriation, for the acquisition of land for addition to the National Forest System in the State.

(d) TERMS AND CONDITIONS.—The conveyances under this section shall be subject to such terms and conditions as the Secretary may require.

Calendar No. 279

111TH CONGRESS
2D SESSION

S. 409

[Report No. 111–129]

A BILL

To secure Federal ownership and management of significant natural, scenic, and recreational resources, to provide for the protection of cultural resources, to facilitate the efficient extraction of mineral resources by authorizing and directing an exchange of Federal and non-Federal land, and for other purposes.

MARCH 2, 2010

Reported with an amendment

Note to Reviewers:

The enclosed testimony is prepared for a legislative hearing during the week of February 6, 2012, before Senate Energy & Natural Resources Committee. Interior's witness has been yet to be determined.

The draft testimony concerns the Southeast Arizona Land Exchange and Conservation Act, which provides for the exchange of a 2,400-acre parcel of U.S. Forest Service-managed land to a private company (Resolution Copper) in exchange for a number of non-federal parcels within Arizona for management by the Forest Service and the BLM. At the Committee's request, the BLM is addressing H.R. 1904, introduced in the 112th Congress by Representative Gosar (R-1-AZ) and passed by the House in October 2011, as well as S. 409 (Senators Kyl (R-AZ) and McCain (R-AZ)), which was reported by this Committee in the 111th Congress.

During the previous hearings on the Resolution Copper legislation, the Department of the Interior deferred to the Forest Service on issues related to Forest Service lands and associated valuation. The BLM expressed concerns with H.R. 1904 (112th) and stated that it could not support the legislation as written. In testimony on S. 409 (111th), the Department also expressed similar concerns.

The enclosed testimony updates the BLM's previously cleared statement from the 2011 hearing on H.R. 1904. **The BLM's position on this bill has not changed.** However, the testimony has been revised to incorporate a comparison of H.R. 1904 (112th) and S. 409 (111th), and the updates are shown in tracked changes.

This testimony has been reviewed, edited, and surnamed by the following:

Arizona State Director	Ray Suazo
Lands & Realty (WO-350)	Kim Berns
Solids (WO-320)	Frank Martin
AD-300	Tim Spisak
NLCS	Carl Rountree
Legislative Affairs (WO-620)	Patrick Wilkinson

Please expedite review of this testimony.

If you have any questions, please contact Laurie Sedlmayr (202-912-7427, lsedlmay@blm.gov) or Kristen Peters (202-912-7406, kepeters@blm.gov).

BLM Director's Office Correspondence Tracking Sheet

Orig. Ofc ID: 600-2955

To: All Reviewers

From: Laurie Sedlmayr

Through:

Subject: Resolution Cooper Legislation (H.R. 1904 & S. 409)

Date Received: 1/26/2012

Date of Letter:

WO#: WO-600

Comments: Please expedite: If you have any questions please contact, Laurie Sedlmayr, 202-912-7427

Action	Person	Date
:livered for Review/Surname	AS-LM	1/31/2012
Delivered to	WO-600	1/31/2012
Surnamed by	Bob Abbey	1/31/2012
Reassigned to	WO-100	1/27/2012
:livered for Review/Surname	WO-100	1/26/2012
Surnamed by	Celia Boddington	1/26/2012
Delivered for Surname to	WO-600	1/26/2012
·onically Delivered for Surna	Carl Roundtree	1/25/2012
·onically Delivered for Surna	Tim Spisak	1/24/2012
Signed by	Patrick Wilkinson	1/24/2012
·onically Delivered for Surna	WO-320	1/18/2012
·onically Delivered for Surna	Aynalem Tadesse	1/18/2012
·onically Delivered for Surna	Kim Berns	1/17/2012

Note: Correspondence that has no actions associated with it, will not appear in this report

BLM Director's Office Correspondence Tracking Sheet

Orig. Ofc ID: 600-2955

To: All Reviewers

From: Laurie Sedlmayr

Through:

Subject: Resolution Cooper Legislation (H.R. 1904 & S. 409)

Date Received: 1/26/2012

Date of Letter:

WO#: WO-600

Comments: Please expedite: If you have any questions please contact, Laurie Sedlmayr, 202-912-7427

Action	Person	Date
Reassigned to	WO-100	1/27/2012
:livered for Review/Surname	WO-100	1/26/2012
Surnamed by	Celia Boddington	1/26/2012
Delivered for Surname to	WO-600	1/26/2012
:onically Delivered for Surna	Carl Roundtree	1/25/2012
:onically Delivered for Surna	Tim Spisak	1/24/2012
Signed by	Patrick Wilkinson	1/24/2012
:onically Delivered for Surna	WO-320	1/18/2012
:onically Delivered for Surna	Aynalem Tadesse	1/18/2012
:onically Delivered for Surna	Kim Berns	1/17/2012

Note: Correspondence that has no actions associated with it, will not appear in this report

BLM Director's Office Correspondence Tracking Sheet

Orig. Ofc ID: 600-2955

To: All Reviewers

From: Laurie Sedlmayr

Through:

Subject: Resolution Cooper Legislation (H.R. 1904 & S. 409)

Date Received: 1/26/2012

Date of Letter:

WO#: WO-600

Comments: Please expedite: If you have any questions please contact, Laurie Sedlmayr, 202-912-7427

Action	Person	Date
:livered for Review/Surname	WO-100	1/26/2012
Surnamed by	Celia Boddington	1/26/2012
Delivered for Surname to	WO-600	1/26/2012
·onically Delivered for Surna	Carl Roundtree	1/25/2012
·onically Delivered for Surna	Tim Spisak	1/24/2012
Signed by	Patrick Wilkinson	1/24/2012
·onically Delivered for Surna	WO-320	1/18/2012
·onically Delivered for Surna	Aynalem Tadesse	1/18/2012
·onically Delivered for Surna	Kim Berns	1/17/2012

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USGS Tickler

Mon Jan 28, 2013

All day

Comments DUE: DOI Annual Report on Technology Transfer for FY 2012
Where: DONE
Calendar: USGS Tickler
Created by: wlukas@usgs.gov

Wed Jan 30, 2013

All day Background on USGS/Cal Tech Partnership Activities
Where: https://mail.google.com/mail/u/0/?shva=1#sent/13c72f33d790983f
Calendar: USGS Tickler
Created by: wlukas@usgs.gov

Fri Feb 1, 2013

All day Briefing Paper: 2011 Oklahoma Induced Earthquake Sequence
Where:
https://mail.google.com/mail/u/0/?
shva=1#search/induced+seismicity/13c4a8378f549ad9
Calendar: USGS Tickler
Created by: wlukas@usgs.gov

All day Talking Points for Landsat Launch events
Calendar: USGS Tickler
Created by: wlukas@usgs.gov

All day White Paper and Secretary Memos on CRUs and BBL
Where: USGS Ecosystems (Kinsinger/Lellis)
Calendar: USGS Tickler
Created by: wlukas@usgs.gov

Wed Feb 6, 2013

All day Arrange briefing on new Lake Mead NRA Circular
Where: https://mail.google.com/mail/u/1/?shva=1#inbox/13c73983b0560dde
Calendar: USGS Tickler
Created by: wlukas@usgs.gov

Fri Feb 8, 2013

All day USGS Update on Colorado River Delta flows
Where: https://mail.google.com/mail/u/0/?shva=1#label/.1+Next/13c6e5fc96480215
Calendar: USGS Tickler
Created by: wlukas@usgs.gov

DRAFT

Statement of
Ned Farquhar
Deputy Assistant Secretary
For
Land and Minerals Management
U.S. Department of the Interior
Senate Energy and Natural Resources Committee
Southeast Arizona Land Exchange and Conservation Act
February 9, 2012

(b) (5)

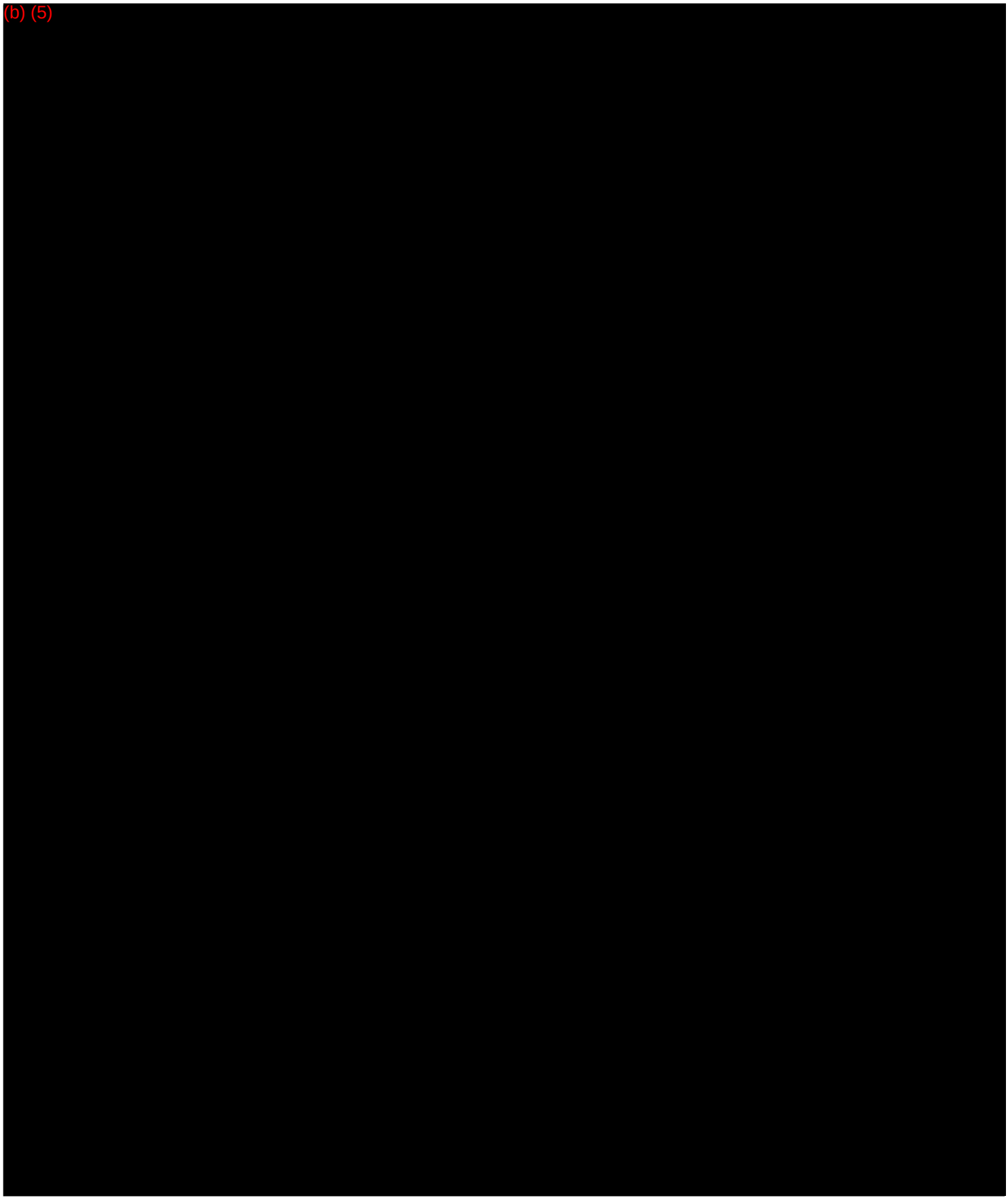
[redacted]

Conveyance of Parcels to the Bureau of Land Management

(b) (5)

[redacted]

(b) (5)



(b) (5)

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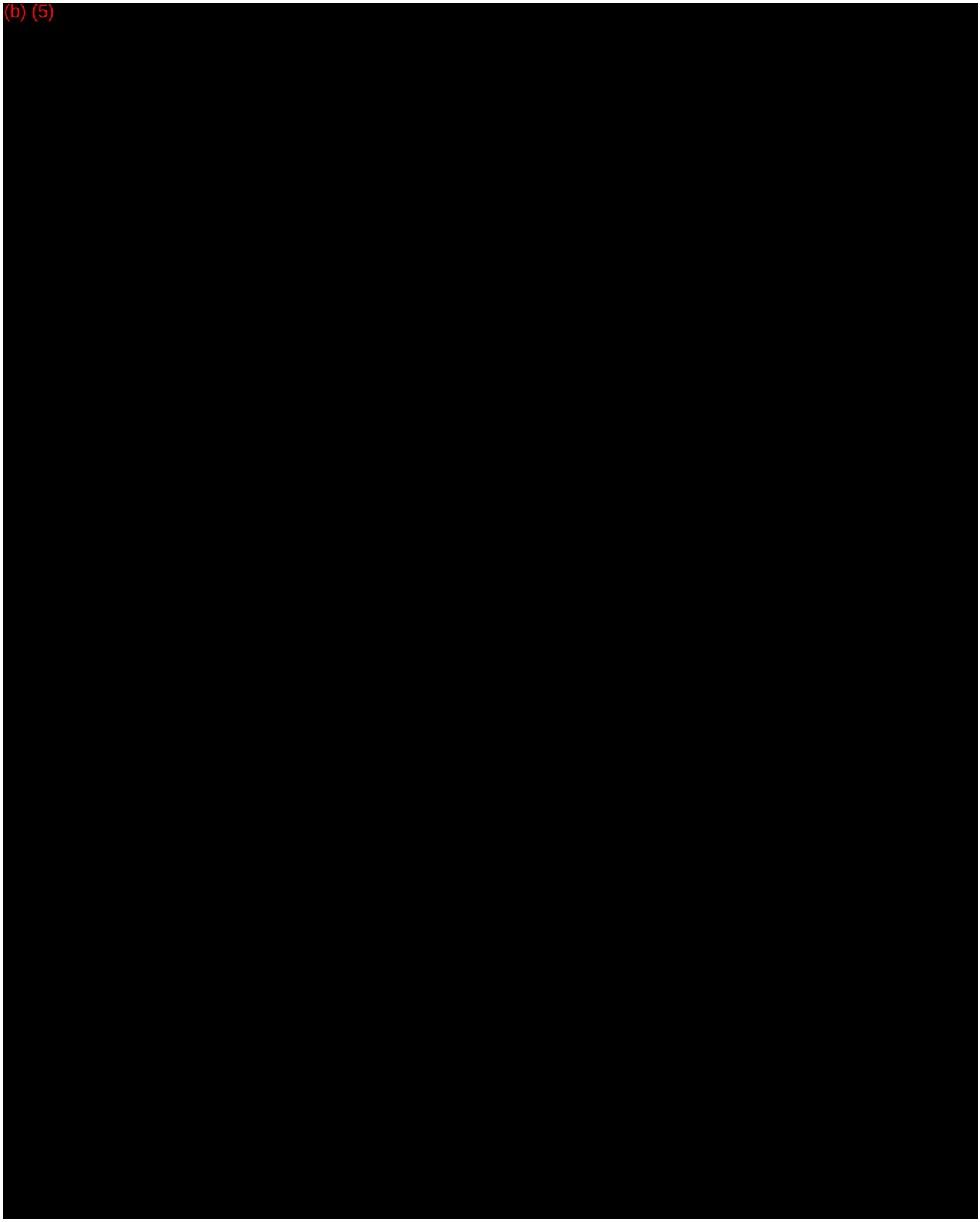
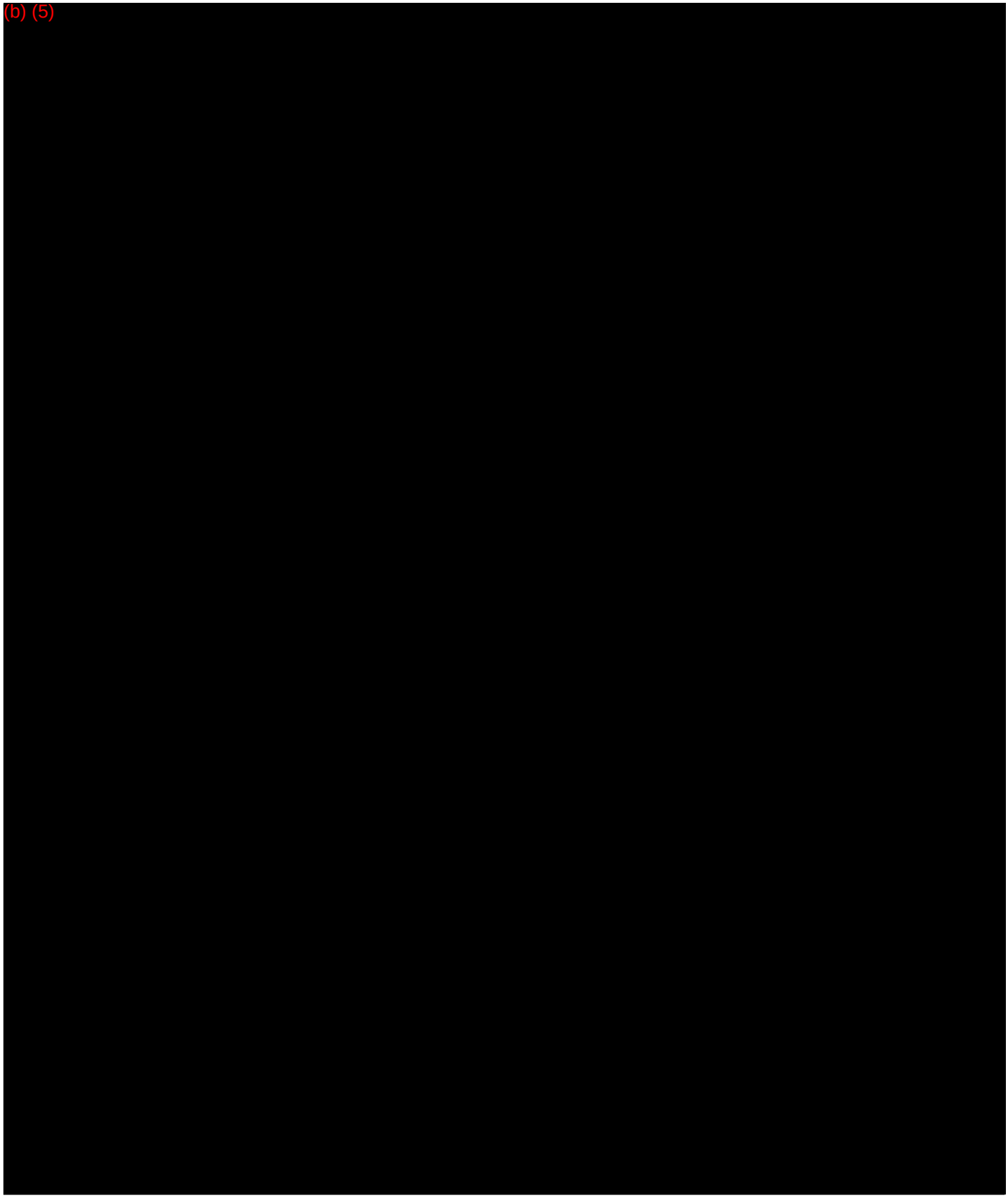
General Concerns

(b) (5)

[redacted]


(b) (5)


(b) (5)

(b) (5)

[redacted]

Conclusion

(b) (5)

[redacted]

BUREAU: **Bureau of Land Management**
MEMBER: **Sen. McCain (R-AZ), Sen. Kyl (R-AZ), Rep. Gosar (R-1-AZ), Rep. Flake (R-6-AZ)**
ISSUE: **Resolution Copper Proposed Land Exchange**

Key Points:

- Resolution Copper Mining, LLC is seeking a land exchange with the Federal Government that would give it ownership of more than 2,400 acres with high mineral potential in the Tonto National Forest in central Arizona. In return, Resolution Copper would convey to the Federal Government nonfederal parcels (5,400 acres) of equivalent value that are located throughout Arizona.
- Resolution Copper intends to develop a very deep copper mine on the acquired parcel. The company believes that this is the largest remaining copper deposit in North America.
- The land exchange proposal would require legislation. House and Senate bills have been introduced since 2005, but the bills have failed to move through Congress.
- Issues of interest to the Department of the Interior include: development of mineral valuation; land exchange timeframes; timing of the tribal consultations; and appraisal requirements.
- Under the land exchange proposal, the BLM would receive three parcels of private land which contain significant natural resource values.

Background:

- If there is a legislated land exchange, the Forest Service will be the lead agency.
- Mining is proposed in popular rock-climbing areas and on land surrounding the Oak Flat Campground, which were designated off-limits to mining by President Eisenhower in 1955.
- Indian tribes consider much of the area sacred and express opposition to the proposal.
- The proposed mining area is also home to at least one federally-listed endangered species, the Arizona hedgehog cactus.

Current Status:

- In June 2011, the Department of the Interior testified on H.R. 1904, Southeast Arizona Land Exchange and Conservation Act of 2011, introduced by Representative Paul Gosar (R-1-AZ). The Department deferred to the Forest Service on most issues regarding this exchange and could not support the legislation as written. While the acquisition of the three parcels with important resource values was supported, the Administration expressed several concerns with H.R. 1904 including: timing of the exchange; timing of consultations with interested Indian tribes; appraisal provisions; and value adjustment provisions. The House passed H.R. 1904 on October 26, 2011.
- The Department has been asked to testify on Resolution Copper legislation (H.R. 1904 and S. 409 from the 111th Congress) and expects to raise similar concerns during the hearing.
- Senators McCain (R-AZ) and Kyl (R-AZ) have indicated strong support for Resolution Copper's proposal.

Prepared by: Laurie Sedlmayr, BLM Legislative Affairs, 202-912-7427
Date: January 27, 2012

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- Resolution Copper intends to develop a very deep copper mine on the acquired parcel. The company believes that this is the largest remaining copper deposit in North America.
- The land exchange proposal would require federal legislation. House and Senate bills have been introduced since 2005, but the bills have failed to move through Congress.
- Issues of interest to the BLM include: the development of mineral valuation, land exchange timeframes, and appraisal requirements.
- Under the land exchange proposal, the BLM would receive three parcels of private land which contain significant natural resource values.

Background:

- If there is a legislated land exchange, the Forest Service will be the lead agency for the exchange.
- The land to be mined includes popular rock-climbing areas and the Oak Flat Campground, which was designated off-limits to mining by President Eisenhower in 1955.
- Indian tribes consider much of the area sacred and express serious opposition to the proposal.
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- In June 2009, the Department testified on the Southeast Arizona Land Exchange and Conservation Act of 2009. The Department deferred to the Forest Service on most issues regarding this exchange but supported the transfer of the three parcels to the BLM since they have important resource values. The Administration had several concerns including: timing of the exchange; appraisal provisions; withdrawal language; the equalization provisions; and tribal consultations.
- Senators McCain and Kyl and Representative Paul Gosar have indicated strong support for Resolution Copper's proposal.

Prepared by: Jim Kenna, BLM Arizona State Director, 602-417-9500
Date: January 18, 2011

DRAFT

Questions for Marcilynn Burke
Deputy Director, Bureau of Land Management, Department of the Interior

Subcommittee on National Parks, Forests, and Public Lands
United States House Committee on Natural Resources
June 14, 2011

Questions from Representative Grijalva:

1. **One of the reasons this deal is said to be good for America is the increased domestic supply of copper that will be produced at the proposed Resolution Copper mine and its ability to help the US solar industry. This was reiterated by my fellow colleagues Sens. Kyl and McCain in last sessions hearings on S. 409—the previous version of this legislative trade. In early March, Secretary of State Hillary Clinton's stated in her budget testimony to told the Senate Foreign Relations Committee that China is not just competing with the United States around the world but, for all intents and purposes, is eating America's lunch.**

   So, China having a major vested interest in ownership of a parent company of this mine will in all likelihood get a significant supply of its copper for its own needs. What language is contained in this legislation that would prohibit resolution copper or its parent companies from entering into direct purchase agreements to supply US produced ore directly to China or a Chinese-owned corporation?

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2. **Wikileaks reported that your partner in Resolution Copper Mining (RCM), BHP Billiton, tried to stop this deal with Rio Tinto. The leaked cables showed that BHP was concerned that the investment would give China insight into commercially important information. In light of the Chinese potentially owning a significant stake in what is now U.S. National Forest Land with its valuable as well as invaluable resources - it would seem like there is a pattern here. Why hasn't anyone from Departments of State Commerce, or Energy raised concerns about this deal? Has any agency outside of the Agriculture and Interior Departments reviewed this proposal and its implications to our national security?**

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3. **From as early as 1997 the Department of Interior, as I understand it, through several agencies including Minerals Management Services, had an MOU on Mineral Resource Management Information Sharing with China. Can you explain this MOU? Do you know what was shared? Is it still under effect?**

(b) (5)

4. **Has any analysis been done to assess potential impact to the local economy through a loss in tourism, particularly ecotourism, in the area of Oak Flat and the surrounding lands of the Tonto National Forest as a result of disturbance and degradation caused by the proposed mine? In 2009 alone, detailed direct travel impact estimates for Pinal County was $421 million with over $16 million spent by those in campground areas. Many of those dollars were spent in and around the area of this proposed mine. In the long run, the loss to the economy could be even greater, as the mine is likely to deplete and contaminate billions of gallons of water from the Superior area, potentially leaving Superior and other nearby communities with a limited water supply, without which, any hope of future economic development will have little chance.**

(b) (5)

5. **In brief, can you explain how a land trade is completed with multiple properties such as in this trade? Why are there two agencies involved?**

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6. **How long do land exchanges normally take when multiple properties are assessed?**

(b) (5) [redacted]

7. **Where do FLPMA and NEPA come in?**

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10. **What can we do in Congress to correct this inability to apply NEPA?**

(b) (5) [redacted]

11. In brief, can you explain how minerals are assessed and appraised on federal lands?

(b) (5)

[redacted]

12. Can you explain how unknown quantities of minerals are assets under an appraisal on federal lands?

(b) (5)

[redacted]

13. Can you explain the income capitalization approach analysis? Can you explain it in this legislation as to how it is used?

(b) (5)

[redacted]

14. To further examine this- how are unknown quantities or qualities of minerals that cannot be extracted because the technologies do not exist be assessed under federal appraisals?

(b) (5)

[redacted]

15. **The net present value of future royalty income from a mineral deposit is an approach to value that is frequently used in mineral appraisals. Can you explain this and why it may not really represent the full fair market value of the all the minerals in the land?**

(b) (5)

16. **Please explain the meaning of 'present value'? What does this mean against the unknown mineral qualities that may be in the ground and what about those minerals that cannot be extracted now or may never be able to be extracted how are they valued?**

(b) (5)

17. **Please explain the royalty provision in this case and how it will benefit the US?**

(b) (5)

18. **How does the agency use the information in a mining plan of operation to help in appraisals? What actually goes in this plan and how do you verify the information?**

(b) (5)

(b) (5) [redacted]

19. **When will your agency get this from RCM? The bill says within 3 years. Does your agency believe that RCM can develop a mining plan of operation on minerals they cannot yet extract?**

(b) (5) [redacted]

20. **Will your agency be able to perform an accurate appraisal if it is not given this plan within a suitable timeframe?**

(b) (5) [redacted]

21. **RCM readily admits there are billions of dollars' worth of minerals in the ground and the U.S. will never receive the benefits. The bill is designed for foreign interests to take materials that belong to the American people transport them o forging entities such as China. How is that a fair to the American public?**

(b) (5) [redacted]

22. **How would your agency envision this land exchange to make sure the American public would not to get cheated?**

(b) (5) [redacted]

23. **Development of the BHP property will dewater the Lower San Pedro and likely have harmful consequences for the 7B Ranch acquisition that is in the exchange. Shouldn't the federal government be concerned that a newly acquired asset, the 7B Ranch, will be rendered worthless if Pinal County continues to allow BHP, a minority owner of Resolution Copper, to develop thousands of homes adjacent to the San Pedro River?**

(b) (5) [redacted]

24. **The Institute for Defense Analyses (IDA) was tasked by the U.S. Defense National Stockpile Center (DNSC) to prepare an assessment of materials needed by the Department of Defense (DOD). These reports are submitted to Congress. Over the years, DOD has raised red flags in regard to securing U.S. strategic reserve minerals including Copper and Molybdenum for our national defense and weapon systems. Is**

your agency familiar with these concerns? Please provide details about your agencies concerns.

(b) (5)

[redacted]

25. Were you aware DOD and NDS, has been identified copper to be "problematic" and in "near shortage"?

(b) (5)

[redacted]

26. While China (and other developing nations) are stockpiling copper and other important resources for military purposes and to fuel an unprecedented economic growth cycle, Congress would, through the land exchange, turn over exclusive control and ownership of purportedly one of the largest copper ore deposits in north American to the foreign owned companies of Rio Tinto (owned in part by China) and BHP Billiton, whom have sole source contracts and supply arrangements with China. How can this bill be in the public interest?

(b) (5)

[redacted]

27. How are our Nation's defense systems being served here? There are no guarantees that these resources will go directly to US manufacturers for the US military purposes? These strategic U.S. resources are located in the area Resolution is to mine. However, under the proposed land exchange, Congress would turn over ownership of the purportedly unprecedented ore bodies with direct strategic military importance to two foreign companies in which China is a major shareholder. To quote our own defense department DOD and NDS have explained that "[t]hese conditions, at any given time, could potentially place the Nation's material supply chains at significant risk..."thereby jeopardizing the Nation's national defense.

(b) (5)

[redacted]

28. Mining weekly reported in May that Rio Tinto shipped its one-billionth ton of iron-ore from its operations in Western Australia to customers in China. Given copper is in such high demand there and is critical for their military there is no other conclusion to make

that other than that China will acquire all the ore that is in this mine. It appears that we are at grave risks in allowing strategic resource to the Chinese.

29. Please provide your agency's perspective on the problems associated with supply of rare earth minerals also called REE's?

(b) (5) [redacted]

30. Please provide your agency's perspective with the rare earth minerals element called Rhenium?

(b) (5) [redacted]

31. Are you aware of Rhenium's importance for the US aerospace/military applications. Coincidently, it is also critical to the new Chinese J-20 stealth fighter which is worrying top U.S. military officials.

(b) (5) [redacted]

32. From a national security and agency perspective, how do we protect these resources?

(b) (5) [redacted]

33. We import over 85% of Rhemium, but some of it the commercial rhenium in the U.S. today is obtained from molybdenum roaster-flue dusts obtained from copper-sulfide ores mined in the vicinity of Miami, Arizona, and elsewhere in Arizona and Utah. Notability, these are areas in which Rio Tinto has substantial copper ownership. With the issue at hand in relation to China and this mine are you working with DOD on this CRTICAL issue?

(b) (5) [redacted]

34. These reports make a pervasive conclusion is that the U.S. is highly import dependent and must take steps to minimize the risks of supply chain disruptions to ensure adequate supply availability both is peace time and war time. Taken with the competition for access to raw materials our long-term military capability and the competitiveness of U.S. manufacturers are threatened. Reconfiguration of the National Defense Stockpile (NDS) Report to Congress states that we must obtain these materials but also begin to process and stockpile them. As a federal agency that deals with

minerals and metals -how can you help the DOD on this important strategic military preparedness issue?

(b) (5)

[redacted]

35. What is in a mining plan of operation (MPO) and how is it used in appraisal and royalty assessment? What actually goes in this plan and how do you verify the information? How do you accurately appraise or assess without a MPO?

(b) (5)

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18. How does the agency use the information in a mining plan of operation to help in appraisals? What actually goes in this plan and how do you verify the information?

(b) (5)

[redacted]

19. When will your agency get this from RCM? The bill says within 3 years. Does your agency believe that RCM can develop a mining plan of operation on minerals they cannot yet extract?

(b) (5)

[redacted]

20. Will your agency be able to perform an accurate appraisal if it is not given this plan within a suitable timeframe?

(b) (5)

[redacted]

21. RCM readily admits there are billions of dollars' worth of minerals in the ground and the U.S. will never receive the benefits. The bill is designed for foreign interests to take

materials that belong to the American people transport them forging entities such as China. How is that a fair to the American public?

(b) (5) [redacted]

22. How would your agency envision this land exchange to make sure the American public would not to get cheated?

(b) (5) [redacted]

23. Development of the BHP property will dewater the Lower San Pedro and likely have harmful consequences for the 7B Ranch acquisition that is in the exchange. Shouldn't the federal government be concerned that a newly acquired asset, the 7B Ranch, will be rendered worthless if Pinal County continues to allow BHP, a minority owner of Resolution Copper, to develop thousands of homes adjacent to the San Pedro River?

(b) (5) [redacted]

24. The Institute for Defense Analyses (IDA) was tasked by the U.S. Defense National Stockpile Center (DNSC) to prepare an assessment of materials needed by the Department of Defense (DOD). These reports are submitted to Congress. Over the years, DOD has raised red flags in regard to securing U.S. strategic reserve minerals including Copper and Molybdenum for our national defense and weapon systems. Is your agency familiar with these concerns? Please provide details about your agencies concerns.

(b) (5) [redacted]

25. Were you aware DOD and NDS, has been identified copper to be "problematic" and in "near shortage"?

(b) (5) [redacted]

26. **While China (and other developing nations) are stockpiling copper and other important resources for military purposes and to fuel an unprecedented economic growth cycle, Congress would, through the land exchange, turn over exclusive control and ownership of purportedly one of the largest copper ore deposits in north American to the foreign owned companies of Rio Tinto (owned in part by China) and BHP Billiton, whom have sole source contracts and supply arrangements with China. How can this bill be in the public interest?**

(b) (5) [redacted]

27. **How are our Nation's defense systems being served here? There are no guarantees that these resources will go directly to US manufacturers for the US military purposes? These strategic U.S. resources are located in the area Resolution is to mine. However, under the proposed land exchange, Congress would turn over ownership of the purportedly unprecedented ore bodies with direct strategic military importance to two foreign companies in which China is a major shareholder. To quote our own defense department DOD and NDS have explained that "[t]hese conditions, at any given time, could potentially place the Nation's material supply chains at significant risk..."thereby jeopardizing the Nation's national defense.**

(b) (5) [redacted]

28. **Mining weekly reported in May that Rio Tinto shipped its one-billionth ton of iron-ore from its operations in Western Australia to customers in China. Given copper is in such high demand there and is critical for their military there is no other conclusion to make that other than that China will acquire all the ore that is in this mine. It appears that we are at grave risks in allowing strategic resource to the Chinese.**

(b) (5) [redacted]

29. **Please provide your agency's perspective on the problems associated with supply of rare earth minerals also called REE's?**

(b) (5) [redacted]

30. **Please provide your agency's perspective with the rare earth minerals element called Rhenium?**

(b) (5) [redacted]

31. **Are you aware of Rhenium's importance for the US aerospace/military applications. Coincidently, it is also critical to the new Chinese J-20 stealth fighter which is worrying top U.S. military officials.**

(b) (5) [redacted]

32. **From a national security and agency perspective, how do we protect these resources?**

(b) (5) [redacted]

33. **We import over 85% of Rhemium, but some of it the commercial rhenium in the U.S. today is obtained from molybdenum roaster-flue dusts obtained from copper-sulfide ores mined in the vicinity of Miami, Arizona, and elsewhere in Arizona and Utah. Notability, these are areas in which Rio Tinto has substantial copper ownership. With the issue at hand in relation to China and this mine are you working with DOD on this CRTICAL issue?**

(b) (5) [redacted]

34. **These reports make a pervasive conclusion is that the U.S. is highly import dependent and must take steps to minimize the risks of supply chain disruptions to ensure adequate supply availability both is peace time and war time. Taken with the competition for access to raw materials our long-term military capability and the competitiveness of U.S. manufacturers are threatened. Reconfiguration of the National Defense Stockpile (NDS) Report to Congress states that we must obtain these materials but also begin to process and stockpile them. As a federal agency that deals with minerals and metals -how can you help the DOD on this important strategic military preparedness issue?**

(b) (5) [redacted]

35. **What is in a mining plan of operation (MPO) and how is it used in appraisal and royalty assessment? What actually goes in this plan and how do you verify the information? How do you accurately appraise or assess without a MPO?**

(b) (5)

WO 620 edits to 880 QFR Response -- ACTION REQUIRED: Due NLT 10am 3/29/12 - QFRs Review

Nelson, Andrea <anelson@blm.gov> Wed, Mar 28, 2012 at 4:37 PM
To: "DeBlasi, Ann M" <amdeblas@blm.gov>, "Samuels, Tiya" <tsamuels@blm.gov>
Cc: "Boddington, Celia" <cbodding@blm.gov>, "Leff, Craig S" <cleff@blm.gov>, "Wilkinson, Patrick" <p2wilkin@blm.gov>, "Mouritsen, Karen E" <kmourits@blm.gov>, "Adams, Lark R" <ladams@blm.gov>, "Shoop, Gregory P" <gshoop@blm.gov>

Ann, Tiya – the attached document has the edits of WO-620 shown in track changes. With these changes, you have WO-620's surname on the QFRs.

Let me know if you have questions or concerns. Patrick Wilkinson will be back in the office on Thursday.

Thanks,

Andrea

Andrea Nelson

Deputy Division Chief

BLM Legislative Affairs

202-912-7431

anelson@blm.gov

From: DeBlasi, Ann M
Sent: Wednesday, March 28, 2012 06:35 AM
To: Wilkinson, Patrick; Samuels, Tiya
Cc: Leff, Craig S; Boddington, Celia; Nelson, Andrea; Mouritsen, Karen E; Shoop, Gregory P; Adams, Lark R
Subject: RE: ACTION REQUIRED: Due NLT 10am 3/29/12 - QFRs Review

This is being coordinated with WO100 – Neil - and the Department (Pam Haze). Internal brief in BLM today, Department internal brief Tomorrow. I understand Responses are "on hold" pending Department discussions.

Ann

From: Wilkinson, Patrick
Sent: Wednesday, March 28, 2012 8:24 AM
To: DeBlasi, Ann M; Samuels, Tiya
Cc: Leff, Craig S; Boddington, Celia; Nelson, Andrea; Mouritsen, Karen E
Subject: Fw: ACTION REQUIRED: Due NLT 10am 3/29/12 - QFRs Review
Importance: High

Ann/tiya,
I am double-checking with andrea, but I don't believe 620/legisl affairs officially reviewed or sumamed this package of qfrs (though our staff did assist budget staff with some of the responses on the front end I believe). We need to review the entire package for consistency with other qfrs, including marcilynns recent confirmation hearing qfrs. We will try to do so asap though a few of us are on the hill this am.
Finally, is the attachment the complete set of qfrs from this hearing? (Andrea will be point of contact for 620 edits and review.)
Thx,
Patrick

From: Leff, Craig S
Sent: Wednesday, March 28, 2012 05:53 AM
To: Wilkinson, Patrick; Nelson, Andrea
Cc: Boddington, Celia
Subject: Fw: ACTION REQUIRED: Due NLT 10am 3/29/12 - QFRs Review

FYI - not sure if you've coord with Budget on these but worth a quick review for consistency.

From: DeBlasi, Ann M
Sent: Wednesday, March 28, 2012 05:40 AM
To: Levine, Ronnie; Carter-Pfisterer, Carole A; Rountree, Carl D; Nedd, Michael D; Velasco, Janine; Boddington, Celia; Roberson, Edwin
Cc: Sanford, Paulette L; Randall, Anzanette C; Towne, Robert B; Spisak, Timothy; DeBlasi, Ann M; Leff, Craig S; Fielder, Dwight; Todd, Marci L; Stangl, Kathryn J; Samuels, Tiya; Johnson, David S
Subject: FW: ACTION REQUIRED: Due NLT 10am 3/29/12 - QFRs Review

My apologies -

Day correction – **Thursday**, **NLT 10am March 29, 2012**

Attachment is now with this email.

From: DeBlasi, Ann M
Sent: Wednesday, March 28, 2012 7:32 AM

To: Levine, Ronnie; Carter-Pfisterer, Carole A; Rountree, Carl D; Nedd, Michael D; Velasco, Janine; Boddington, Celia; Roberson, Edwin
Cc: Sanford, Paulette L; Randall, Anzanette C; Towne, Robert B; Spisak, Timothy; DeBlasi, Ann M; Leff, Craig S; Fielder, Dwight; Todd, Marci L; Stangl, Kathryn J; Samuels, Tiya; Johnson, David S (d75johns@blm.gov)
Subject: ACTION REQUIRED: Due NLT 10am 3/29/12 - QFRs Review

QUICK DEADLINE TURNAROUND – NLT 10AM Wednesday March 29, 2012 – QUESTIONS FOR THE RECORD (QFRs)

Hi All,

Last week the Budget Division Analysts worked with your staff to address the Questions for the Record from the Secretary's House Appropriations Interior Subcommittee hearing (Hearing Date February 16, 2012). The Committees have limited the time for completing the QFRs to 10 days, which includes, BLM, ASLM, POB and OMB clearance.

The attached questions and answers have been reviewed and cleared by your Division Chiefs (with the exception of Oil and Gas, which will be provided later today). Each AD should quickly review your respective directorate QFRs as well as all of the other questions. Please submit your edits and approval by **10am Wednesday 3/29/2011 to Tiya Samuels, Dave Johnson and cc me (Ann DeBlasi).**

Thank you

Ann DeBlasi

Deputy Assistant Director

Business and Fiscal Resources

202-208-4864

2013 Secretary QFRs_per adeblasi email __620 edits_3.28.12.docx
43K

House Appropriations Committee
Interior Subcommittee

Questions for the Record from Secretary Salazar's Hearing

Table of Contents:

Member	WO-200	WO-300	WO-400
Chairman Simpson	Question - 10, 11, 12	Questions - 20, 21, 30	
Rep. Calvert		Question - 1	
Rep. Cole		Questions – 1,2,3,4,5,6	
Rep. Flake	Questions 10,11	Questions – 3,4,5,6,7,8, 9	Questions 12, 13
Rep. Hinchey		Questions 1,2,3,4	

Grazing

Mr. Secretary, grazing is a large component of what the BLM does and the land it manages. For years, if not decades, this program has been underfunded given all that it must administer. In FY12 we worked very hard to increase this budget, yet your FY13 request would reduce the budget by $15 million (17%) at a time when BLM offices are being bombarded by FOIA requests and litigation in addition to their every-day jobs.

Simpson Q10: How will this reduction help the BLM catch up on permit backlogs, resource management plan revisions, NEPA, trailing, and all the other work necessary to operate the range management program?

(b) (5)

[redacted]

Simpson Q11: To offset some of this reduction, you've recommended a fee of $1 per animal unit month that would generate roughly $6.5 million. The BLM already has the authority to increase the fee on AUM's through a rule making process—why doesn't the BLM start this process rather than proposing a fee in an appropriations bill?

(b) (5)

[redacted]

(b) (5)

[redacted]

Simpson Q12: In the FY12 bill, we included language requiring litigants to exhaust administrative review of grazing activities before litigating—are there similar ideas that you have to maximize the dollars appropriated for range management?

(b) (5)

[redacted]

Land and Water Conservation Fund

(b) (5)

[redacted]

Simpson Q20: Why do you now propose carving out $2.5 million for hunting and fishing access out of a $33.5 million BLM land acquisition program?

(b) (5)

[redacted]

(b) (5)

[redacted]

Simpson Q21: Are we to infer that the other $31 million is off limits to hunting and fishing?

(b) (5)

[redacted]

New Energy Frontier

(b) (5)

[redacted]

Simpson Q30: As you know, BLM draft regulations for hydro fracking were leaked early this year. When can we expect the final draft to be released?

(b) (5)

[redacted]

Fees on Domestic Energy Production

(b) (5)

[redacted]

(b) (5)

[redacted]

Fluid Minerals

Calvert Q1: Has Interior studied the impacts of its proposed fees to determine what the economic costs of these proposals will be in terms of energy costs, domestic production and jobs? If so, what were the findings? If not, given potential impacts on jobs and prices, do you feel it is appropriate to make these fee proposals without fully understanding their impacts?

(b) (5)

[redacted]

Cole Q1: Hydraulic Fracturing has been used for over half a century. Why do we need a national standard?

(b) (5)

[redacted]

Cole Q2: What deficiency in state regulation makes you believe we need a national standard?

(b) (5)

[redacted]

Cole Q3: When the Industry has supported the FracFocus reporting system—which is working well—why are you trying to create a new system?

(b) (5)

[redacted]

Cole Q4: Do you plan to discuss this document in greater detail with the tribes? Did you notify the tribes to bring their technical experts on oil and gas drilling to ensure they were best prepared to provide feedback? What is the deadline for tribes to submit comments? Will their concerns be addressed prior to the rule being placed in the Federal Register?

(b) (5)

[redacted]

(b) (5)

[redacted]

Cole Q5: As you know, many tribes rely on revenue from oil and gas for their livelihood. Do you believe Hydraulic Fracturing regulations would reduce revenue to the tribes due to permitting delays? Will there be a cost for the tribes to implement these regulations?

(b) (5)

[redacted]

Cole Q6: I appreciate the proposed rules on surface and renewable energy leasing on tribal lands which will lead to more tribal economic development. When will we see similar reforms for subsurface leasing on tribal lands?

(b) (5)

[redacted]

Northern Arizona Uranium Withdrawal

In his testimony, the Secretary highlighted that the Department "launched significant efforts to protect America's enduring icons" and noted the recent "withdrawal of over one million acres in the vicinity of the Grand Canyon from additional uranium and hardrock mining, to protect and preserve the natural beauty of the Grand Canyon." Originally, it seemed the Department was taking steps to put a halt to new mining claims on federal lands on the Arizona strip because of the potential environmental impacts. Yet, during the impact statement process, many feel the Department was hard pressed to find any environmental downsides. Instead, the Secretary was recently quoted as saying "I do oppose efforts to overturn the decision on the Grand Canyon … Outdoor recreation and tourism are a huge part of our economies."

Flake Q3: Has the Department now shifted to using the economic benefit of tourism, which we would all certainly concede are important to Arizona, as the basis for the controversial withdrawal?

(b) (5)

[redacted]

(b) (5)

[redacted]

Flake Q4: If this is purely an economic evaluation, were the billions of dollars and thousands of jobs related to new mining in the area fully taken into consideration?

(b) (5)

[redacted]

Flake Q5: Further, how do you rectify the fact that, given that between roughly 1980 through 1990, mining was in full swing in the area and visitation at the Grand Canyon and nearby Zion National Parks saw steep increases in visitation?

(b) (5)

[redacted]

rights, was warranted.

Flake Q6: Lastly, if uranium mining even in the vicinity of the Grand Canyon is so anathema to tourism interests, why has the Department chosen to only go after new mining claims while allowing existing mining in the area to proceed?

(b) (5)

[redacted]

Flake Q7: How do you reconcile your significant investments in renewable energy on public lands with the failure to address barriers to domestic development of minerals that are the building blocks of wind, solar and other renewable technologies?

(b) (5)

[redacted]

Domestic Minerals Development and Resolution Copper

(b) (5)

[redacted]

Flake Q8: In proposing a new tax applicable to mining operations on private and public lands that goes beyond a tax on the amount of minerals removed from the ground to a tax on dirt, rock and other materials moved during the extraction process, did the Department consider the negative impacts domestic mineral production from such a disincentive?

(b) (5)

[redacted]

Flake Q9: Do you remain opposed to H.R. 1904, the Southeast Arizona Land Exchange and Conservation Act, despite the fact that it would pave the way forward for reportedly the third largest undeveloped copper resource in the world that could produce the equivalent of more than a quarter of the annual U.S. copper demand for four decades, not to mention employing nearly 4,000, adding more than $60 billion to Arizona's economy, and bringing in an estimated $16 billion in federal revenue?

(b) (5)

[redacted]

(b) (5)

Increase in Grazing Fees

(b) (5)

Flake Q10: Was this nearly 75 percent increase in grazing fees carefully contemplated prior to the Fiscal Year 2013 budget submission, or is it merely a spur-of-the-moment plan to backfill the cuts made to BLM's budget for this coming year?

(b) (5)

[redacted]

Shooting on Federal Lands

(b) (5)

[redacted]

Flake Q12: Is this not inconsistent then with the fact that, at this very moment, BLM is taking steps to ban recreational shooting across 600,000 acres in two National Monuments in the state of Arizona?

(b) (5)

[redacted]

Flake Q13: The justification for these bans according to land planning documents is that recreational shooting is a danger to every living or inanimate object within the boundaries of these desert monuments. How is one to come away from that with any other than the conclusion that, for some at least, recreational shooting is simply inconsistent with public lands management?

(b) (5)

[redacted]

Utah R.S. 2477

(b) (5)

[redacted]

Hinchey Q1: What will you do to ensure that federal public lands are fully protected from this threat?

(b) (5)

[redacted]

Iron County, Utah.

Hinchey Q2: How will Interior determine how these R.S. 2477 claims would impact existing and proposed conservation designations? How would they affect your conservation goals and achievements?

(b) (5)

[redacted]

Hinchey Q3: How would the recognition of these claims affect DOI's ability to manage federal public lands? Would it affect the effectiveness of law enforcement and ORV monitoring? How about the effectiveness of archaeological site protection efforts?

(b) (5)

[redacted]

Hinchey Q4: Some of the state's claims lie in BLM wilderness areas designated in the Cedar Mountains Wilderness Act and the Washington County Wilderness Act. Frankly, this casts doubt in my mind as to the state and counties' good faith and seriousness when it comes to enacting federal public lands designations.

How will you manage designated wilderness areas, places Congress itself has determined to be essentially roadless in the face of R.S. 2477 claims?

(b) (5)

[redacted]

Final Draft QFR Response

DeBlasi, Ann M <amdeblas@blm.gov> Wed, Mar 28, 2012 at 6:03 PM
To: "Samuels, Tiya" <tsamuels@blm.gov>, "Johnson, David S" <d75johns@blm.gov>, "Jackson, Michael A P" <michaeljackson@blm.gov>
Cc: "Nedd, Michael D" <mnedd@blm.gov>, "Spisak, Timothy" <tspisak@blm.gov>, "Rountree, Carl D" <crountre@blm.gov>, "Towne, Robert B" <r1towne@blm.gov>, "Roberson, Edwin" <eroberso@blm.gov>, "Fielder, Dwight" <dfielder@blm.gov>, "Boddington, Celia" <cbodding@blm.gov>, "Leff, Craig S" <cleff@blm.gov>, "Wilkinson, Patrick" <p2wilkin@blm.gov>, "Mouritsen, Karen E" <kmourits@blm.gov>, "Nelson, Andrea" <anelson@blm.gov>, "Velasco, Janine" <jvelasco@blm.gov>

WO880: Please see attached with edits and prepare for next review level:

Tiya – please relay to all involved that this was a nice job especially given the short turnaround deadline. Note: Final edits were coordinated with me and WO600 (Craig and conversations with Andrea).

Please let the analysts and respective Division folks know the rationale for edits made, specifically:

1. Revise to shorter sentences and paragraphs – focus on concise response. We overachieved on some responses (length and detail) so the changes/stricken sentences were to limit response to specific question and keep it as short as reasonable.

2. Ensure response adheres to prior testimony, previous responses (including other QFRs), and PresBud Justifications. However, when pulling from these prior documents it's often better to capture a few key paragraphs vice incorporating several paragraphs – we don't want to have to answer a question of "why did you include paras one –three but not para 4 from X testimony" or appear repeatative).

3. Incorporate the latest material pulled together - i.e. work involved in hydraulic fracking paper (WO300 working with WO100 (Neil))

4. Rest - Minor rewording and "word smithing" (always easier when editing with fresh eyes)

All - Any red flags or major heartburn – please let me know. Thanks again!

Ann DeBlasi

Deputy Assistant Director

Business and Fiscal Resources

202-208-4864

(b) (6) you shouldn't even have to look at this stuff, but since you were included on original (b) (6)

2013 Secretary QFRs_w final edits.docx
43K

House Appropriations Committee
Interior Subcommittee

Questions for the Record from Secretary Salazar's Hearing

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[redacted]

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[redacted]

Simpson Q21: Are we to infer that the other $31 million is off limits to hunting and fishing?

(b) (5)

[redacted]

New Energy Frontier

This year's budget request includes a $45million interagency R&D initiative for hydraulic fracturing, spread among EPA, DOE, and USGS. The initiative aims to "understand and minimize potential environmental, health, and safety impacts of shale development and production."

Simpson Q30: As you know, BLM draft regulations for hydro fracking were leaked early this year. When can we expect the final draft to be released?

(b) (5)

[redacted]

Fees on Domestic Energy Production

(b) (5)

[redacted]

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(b) (5)

[redacted]

(b) (5)

[redacted]

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(b) (5)

[redacted]

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(b) (5)

[redacted]

Flake Q11: Please detail the authority by which the Department is raising grazing fees.

(b) (5)

[redacted]

Shooting on Federal Lands

(b) (5)

[redacted]

Flake Q12: Is this not inconsistent then with the fact that, at this very moment, BLM is taking steps to ban recreational shooting across 600,000 acres in two National Monuments in the state of Arizona?

(b) (5)

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How will you manage designated wilderness areas, places Congress itself has determined to be essentially roadless in the face of R.S. 2477 claims?

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House Appropriations Committee
Interior Subcommittee

Questions for the Record from Secretary Salazar's Hearing

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Grazing

Mr. Secretary, grazing is a large component of what the BLM does and the land it manages. For years, if not decades, this program has been underfunded given all that it must administer. In FY12 we worked very hard to increase this budget, yet your FY13 request would reduce the budget by $15 million (17%) at a time when BLM offices are being bombarded by FOIA requests and litigation in addition to their every-day jobs.

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Do you plan to discuss this document in greater detail with the tribes? Did you notify the tribes to bring their technical experts on oil and gas drilling to ensure they were best prepared to provide feedback? What is the deadline for tribes to submit comments? Will their concerns be addressed prior to the rule being placed in the Federal Register?

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Utah R.S. 2477

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[redacted]

Mouritsen, Karen <kmourits@blm.gov>

qfrs

1 message

Gordon, Bill J <Bill_Gordon@ios.doi.gov> Thu, Jul 5, 2012 at 4:23 PM
To: "Mouritsen, Karen E" <kmourits@blm.gov>

4 attachments

- **2013.SAC.Secretary hearing.all DOI qfrs.docx**
  87K
- **2013.HAC.BLM hearing QFRs.Final.docx**
  64K
- **2013.HAC.Secretary hearing.all DOI QFRs.docx**
  128K
- **2013.SAC.BLM-BOEM-BSSE Hearing QFRs.docx**
  36K

Questions for the Record from Mr. Flake

Navajo Generation Station

The EPA's forthcoming determination of what constitutes Best Available Retrofit Technology for the Navajo Generation Station is a pressing issue, one that the Department has made a priority. This attention is warranted, given that the decision EPA stands to make will impact both the Navajo and Hopi tribes as well as the regional economy, the Central Arizona Project that provides water to 80 percent of the state's residents, and agricultural water users among others.

Flake Q1: As participants in what has now become an inter-agency process, can you shed some light on what you think is the likely timing of a decision will be?

ANSWER: Interior and its agencies have provided timely input into EPA's BART determination process through a variety of means, including responding directly to the EPA on specific questions and contracting with NREL to ensure that EPA and other stakeholders have additional data and input regarding technical and economic impacts of potential BART determinations. In July 2011, Interior requested that the EPA not issue a BART determination until the NREL report was completed. The EPA agreed to not issue a ruling in 2011, and is now considering the NREL information in conjunction with all stakeholder input received. The EPA has stated that it plans to issue its BART determination for NGS in the summer of 2012.

Flake Q2: If EPA requires the most costly controls under consideration, there could be significant adverse impacts to many of Arizona's Native American Tribes. What steps is the Department of Interior taking to ensure that the potential impacts to the Tribes are given appropriate consideration in EPA's rulemaking process?

ANSWER: Reclamation and Interior have worked extensively with all affected stakeholders and conducted tribal consultations with both individually affected tribes and broader Tribal entities such as the Inter Tribal Council of Arizona. The Department contracted with the National Renewable Energy Laboratory (NREL), to prepare a study that reviewed in detail all factors relevant to EPA's Best Available Retrofit Technology (BART) determination, including particularly the full range of economic impacts on the Navajo Nation and Hopi Tribe and all users of Central Arizona Project (CAP) water. CAP water users include urban users and agricultural users, both Indian and non-Indian. The Department submitted the completed NREL Study to EPA in January 2012. In addition, the Department has participated in EPA's formal consultation with Indian Tribes in connection with its BART proceeding.

Northern Arizona Uranium Withdrawal

In his testimony, the Secretary highlighted that the Department "launched significant efforts to protect America's enduring icons" and noted the recent "withdrawal of over

one million acres in the vicinity of the Grand Canyon from additional uranium and hardrock mining, to protect and preserve the natural beauty of the Grand Canyon." Originally, it seemed the Department was taking steps to put a halt to new mining claims on federal lands on the Arizona strip because of the potential environmental impacts. Yet, during the impact statement process, many feel the Department was hard pressed to find any environmental downsides. Instead, the Secretary was recently as saying ""I do oppose efforts to overturn the decision on the Grand Canyon…Outdoor recreation and tourism are a huge part of our economies."

Flake Q3: Has the Department now shifted to using the economic benefit of tourism, which we would all certainly concede are important to Arizona, as the basis for the controversial withdrawal?

Answer: Based on the analysis in the Northern Arizona Proposed Withdrawal EIS, the Department of the Interior decided that, in accordance with the preferred alternative, a withdrawal of 1,006,545 acres from location and entry under the Mining Law, subject to valid existing rights, was warranted. Several key factors were considered in making this decision. In particular, the USGS report (SIR 2010-5025) included in the EIS acknowledged uncertainty due to limited data, including the uncertainties of subsurface water movement, radionuclide migration, and biological toxicological pathways. The potential impacts estimated in the EIS have a low probability of occurrence, but pose great environmental risk should they occur. A 20-year withdrawal allows for additional data to be gathered and more thorough investigation of groundwater flow paths, travel times, and radionuclide contributions from mining as recommended by USGS.

Flake Q4: If this is purely an economic evaluation, were the billions of dollars and thousands of jobs related to new mining in the area fully taken into consideration?

Answer: As stated above, many different factors were considered in the Northern Arizona Proposed Withdrawal EIS. The EIS included a full economic analysis that showed direct employment resulting from no withdrawal (the "no action" alternative) could lead to an annual average of 295 mining related jobs. The EIS indicated that with a full withdrawal, there could be 79 jobs annually associated with mines that have valid existing rights and are not affected by the withdrawal.

Flake Q5: Further, how do rectify the fact that, given that between roughly 1980 through 1990, mining was in full swing in the area and visitation at the Grand Canyon and nearby Zion National Parks saw steep increases in visitation?

Answer: Again, many different factors were considered in the Northern Arizona Proposed Withdrawal EIS. Based on that analysis, the Department of the Interior decided that a withdrawal of 1,006,545 acres from location and entry under the Mining Law, subject to valid existing rights, was warranted.

Flake Q6: Lastly, if uranium mining even in the vicinity of the Grand Canyon is so anathema to tourism interests, why has the Department chosen to only go after new mining claims while allowing existing mining in the area to proceed?

Answer: The withdrawal respects valid existing rights by not prohibiting previously approved uranium mining, or new projects that could be approved, on claims with valid existing rights.

Domestic Minerals Development and Resolution Copper

The Department's proposed Fiscal Year 2013 budget includes $86 million "to maintain capacity to review and permit new renewable energy projects on federal lands and waters, with the goal of permitting 11,000 megawatts of new solar, wind and geothermal electricity generation capacity on DOI-managed lands by the end of 2013." Yet, the budget does nothing to encourage the domestic production of minerals that are critical to renewable energy technologies. For example, it has been indicated that a single 3MW wind turbine needs nearly five tons of copper.

Flake Q7: How do you reconcile your significant investments in renewable energy on public lands with the failure to address barriers to domestic development of minerals that are the building blocks of wind, solar and other renewable technologies?

Answer: The Administration has an obligation to ensure that the potential impact to water, air, and other natural resources are analyzed and properly addressed before mineral resources on public lands are developed. Federal agencies have established systems that ensure adequate reviews of proposals to prospect, explore, discover, and develop valuable minerals on Federal mineral rights. Coordination between Federal land management agencies and regulatory and permitting agencies is encouraged to ensure efficient and timely review of any exploration or mining plans, including the analysis of the environmental impacts required by the National Environmental Policy Act and any similar laws.

Flake Q8: In proposing a new tax applicable to mining operations on private and public lands that goes beyond a tax on the amount of minerals removed from the ground to a tax on dirt, rock and other materials moved during the extraction process, did the Department consider the negative impacts domestic mineral production from such a disincentive?

Answer: The Administration proposes that the hardrock mining industry should be responsible for funding the cleanup of abandoned hardrock mines, just as the coal industry is responsible for funding the reclamation of abandoned coal mines. This modest fee is needed to ensure the Nation's most dangerous abandoned hardrock mine sites are addressed by the mining industry.

Flake Q9: Do you remain opposed to H.R. 1904, the *Southeast* Arizona *Land Exchange* and Conservation Act despite the fact that it would pave way forward for reportedly the third largest undeveloped copper resource in the world that could produce

the equivalent of more than a quarter of the annual U.S. copper demand for four decades, not to mention employing nearly 4,000, adding more than $60 billion to Arizona's economy, and bringing in an estimated $16 billion in federal revenue?

Answer: The Department's concerns with H.R. 1904 were presented to Congress in testimony before both the House Natural Resources Committee and the Senate Energy and Natural Resources Committee, and are documented in the statements for those hearings. As indicated at those hearings, the Administration has concerns with the Southeast Arizona Land Exchange and Conservation Act and cannot support H.R. 1904 as written. These concerns include: the requirement for the Forest Service to prepare an environmental review document under the National Environmental Policy Act (NEPA) after the land exchange is completed rather than in advance of the exchange as provided in S. 409, as reported. It is the Administration's policy that NEPA be fully complied with to address all Federal actions and decisions, including those necessary to implement congressional direction. In addition, concerns have been raised by Indian tribes that the legislation is contrary to laws and policies and Executive Orders that direct Federal land management agencies to engage in formal consultation with interested Indian tribes, and to protect and preserve sites sacred to Native Americans.

Increase in Grazing Fees

The BLM budget would enact a pilot program that would impose a 1 dollar per AUM fee on all permittees starting in 2013.

Flake Q10: Was this nearly 75 percent increase in grazing fees carefully contemplated prior to the Fiscal Year 2013 budget submission, or is it merely a spur-of-the-moment plan to backfill the cuts made to BLM's budget for this coming year?

Answer: The current grazing fee remains unchanged. The budget proposes an administrative processing fee by including appropriations language for a three-year pilot project to allow BLM to recover some of the costs of issuing grazing permits/leases on BLM lands. BLM would charge a fee of $1 per Animal Unit Month, which would be collected along with current grazing fees. The goal of the administrative processing fee is to recover some of the cost of processing grazing permits/leases from the parties (permittees) who are economically benefitting from use of the public lands and resources. This fee mirrors the concept used in the Oil and Gas program and Rights-of-Way program, where the users of the public lands pay a fee for the processing of their permits and related work. BLM will use collections from the fee to assist in processing pending applications for grazing permit renewals. During the period of the pilot, BLM would work through the process of promulgating regulations for the continuation of the grazing administrative fee as a cost recovery fee after the pilot expires.

Flake Q11: Please detail the authority by which the Department is raising grazing fees.

Answer: The BLM is not raising the current grazing fee. Rather, the BLM is requesting appropriations language that will allow the BLM, beginning in 2013, to collect an

administrative processing fee for a pilot program lasting for three years, during which time the BLM will develop regulations under its current authorities that will provide for the continuation of this administrative processing fee as a cost recovery. BLM will use collections of the administrative process fee to assist in processing pending applications for grazing permit renewals.

Shooting on Federal Lands

The issue of recreational shooting on federal lands, notably at national monuments managed by BLM is one that impacts many Arizonans. Last November, the Secretary issued a directive that made two things very clear: the Department will support recreational shooting as a safe and legitimate use of public land and that the BLM ought to ensure that it facilitates opportunities for that activity in management of public lands.

Flake Q12: Is this not inconsistent then with the fact that, at this very moment, BLM is taking steps to ban recreational shooting across 600,000 acre in two national monuments in the state of Arizona?

Answer: The Secretary's memorandum to the BLM Director provides guidance consistent with the BLM's multiple-use mission under the Federal Land Policy and Management Act (FLPMA) and the requirement to evaluate the environmental considerations associated with land uses under NEPA. Restrictions on recreational shooting are determined through BLM's land-use planning process, which is informed by public input and extensive analysis. In developing the Resource Management Plans for the Sonoran and Ironwood Forest National Monuments, the BLM closely examined nearby alternative areas that are more suitable for recreational shooting activities. These proposed alternatives were developed to address impacts to resources from increased recreational target shooting and concerns for visitor safety. While 600,000 acres of the BLM's 4.8 million acres of National Monument lands may be closed to this use, 88 percent of those lands remain open to recreational shooting. Currently, any determination to close public lands to recreational shooting activities is made by the BLM local or State Office following detailed analysis and extensive public involvement and notification, including contacting over 40 hunting and fishing interest non-government organizations, as specified in the Federal Land Hunting, Fishing and Shooting Sports Roundtable Memorandum of Understanding (MOU).

Flake Q13: The justification for these bans according to land planning documents is that recreational shooting is a danger to every living or inanimate object within the boundaries of these desert monuments. How is one to come away from that with any other than the conclusion that, for some at least, recreational shooting is simply inconsistent with public lands management?

Answer: Restrictions on recreational shooting are determined through BLM's land-use planning process, which is informed by public input and extensive analysis. This is an open process through which BLM's proposals for managing particular resources are made known to the public before management action is taken, except in certain

emergency situations. When lands are closed to recreational shooting, those restrictions are often implemented to comply with state and local public safety laws and ordinances, or are implemented at the request of local communities or adjacent property owners. Currently, any determination to close public lands to recreational shooting activities is made by the BLM local or State Office following detailed analysis and extensive public involvement and notification, including contacting over 40 hunting and fishing interest non-government organizations, as specified in the Federal Land Hunting, Fishing and Shooting Sports Roundtable Memorandum of Understanding (MOU). In extremely limited circumstances, the BLM must restrict recreational shooting to ensure public safety or protect fragile resources. In most cases, recreational shooting is consistent with multiple-use activities and management efforts. The BLM estimates that well over 95 percent of the approximately 245 million acres of BLM-managed public lands are open to recreational shooting. Of the BLM's 4.8 million acres of National Monument lands, currently 88 percent are open to recreational shooting.

Wildland Fire

I am pleased to see that Wildland Fire Suppression appears to be a budgetary priority for the Department. That said, hazardous fuels reduction is cut by nearly $39 million from last year's enacted level.

Flake Q14: Is it to be assumed that the Department of Interior is placing a higher priority on putting fires out while simultaneously undervaluing doing what is necessary to prevent fires before they happen?

Answer: Interior's 2013 budget decisions were made in context of a challenging fiscal environment. The DOI budget formulation process involved making difficult decisions about reducing funding or ending programs that are laudable, but that in this fiscal environment cannot be funded at desired levels. The Department's commitment to fully fund the 10-year suppression average, which required a $195.6 million increase over the 2012 enacted level, and other priority investments, impacted the funding available for other important programs.

The Wildland Fire Management program's primary objective is to protect life and property, and this is achieved by fully funding the suppression 10-year average and maintaining our initial and extended attack firefighting capability at current levels. The 2013 request does this by funding Preparedness at the 2012 enacted level, as adjusted for fixed costs.

The planned Hazardous Fuels Reduction program for FY 2013 represents the most effective use of available funds. High priority projects will be completed in high priority areas with the goal of mitigating wildfire risks to communities.

Mouritsen, Karen <kmourits@blm.gov>

cleared Interior RS2477

1 message

Whitlock, Jenna <jwhitloc@blm.gov>
To: "Mouritsen, Karen E" <kmourits@blm.gov>

Mon, Apr 16, 2012 at 11:16 AM

RS 2477 Qs are near the end…

Jenna Whitlock, BLM Analyst

Office of the Assistant Secretary

Land and Minerals Management

US Department of the Interior

(202) 208-5348 desk, (202) 510-6816 cell, (202) 208-6243 fax

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Flake Q12: Is this not inconsistent then with the fact that, at this very moment, BLM is taking steps to ban recreational shooting across 600,000 acres in two National Monuments in the state of Arizona?

(b) (5) [redacted]

Flake Q13: The justification for these bans according to land planning documents is that recreational shooting is a danger to every living or inanimate object within the boundaries of

these desert monuments. How is one to come away from that with any other than the conclusion that, for some at least, recreational shooting is simply inconsistent with public lands management?

(b) (5) [redacted]

Utah R.S. 2477

(b) (5) [redacted]

Hinchey Q1: What will you do to ensure that federal public lands are fully protected from this threat?

(b) (5) [redacted]

Hinchey Q2: How will Interior determine how these R.S. 2477 claims would impact existing and proposed conservation designations? How would they affect your conservation goals and achievements?

(b) (5) [redacted]

Hinchey Q3: How would the recognition of these claims affect DOI's ability to manage federal public lands? Would it affect the effectiveness of law enforcement and ORV monitoring? How about the effectiveness of archaeological site protection efforts?

(b) (5)

[redacted]

Hinchey Q4: Some of the state's claims lie in BLM wilderness areas designated in the Cedar Mountains Wilderness Act and the Washington County Wilderness Act. Frankly, this casts doubt in my mind as to the state and counties' good faith and seriousness when it comes to enacting federal public lands designations.

How will you manage designated wilderness areas, places Congress itself has determined to be essentially roadless in the face of R.S. 2477 claims?

(b) (5)

[redacted]

Mouritsen, Karen <kmourits@blm.gov>

Questions for Record from Secretary's House approps hearing

1 message

Mouritsen, Karen E <kmourits@blm.gov> Fri, Mar 23, 2012 at 9:39 AM
To: "Berns, Kim M" <kmberns@blm.gov>, "Spoon, Carolyn" <cspoon@blm.gov>, "Leverette, Mitchell" <mleveret@blm.gov>, "Wells, Steven" <s1wells@blm.gov>, "Martin, Benjamin F" <bmartin@blm.gov>, "DeArmond, David M" <ddearmond@blm.gov>, "Tenney, Carl A" <atenney@blm.gov>, "Cohn, Steven M" <scohn@blm.gov>
Cc: "Samuels, Tiya" <tsamuels@blm.gov>, "Johnson, Dave" <c3johnso@blm.gov>, "Shoop, Gregory P" <gshoop@blm.gov>

Hello.

Here are the questions for the Record from the Secretary's Hearing

Mitch, Carolyn, Steve W, Mike, Steve C, Andy – please look through here and give us your approval, or edit this. We hope there won't be any changes needed because we have used the budget materials for the answers. We need your approval today please. Please scroll through the whole document – the subjects are mixed in and not in subject matter order.

Andy and Steve – There is one set of questions on shooting on the public lands. We used testimony for the answer. I am not sure which of you is responsible for this issue, which is why I have you both on here.

Thanks, Karen Mouritsen

Karen Mouritsen

Budget Officer

202-912-7060

Fax 202-912-7183

Cell 202-329-2030

2013 Secretary QFRs House Approps hearing.docx
36K

House Appropriations Committee
Interior Subcommittee

Questions for the Record from Secretary Salazar's Hearing

Table of Contents:

Member	WO-200	WO-300	WO-400
Chairman Simpson	Question - 10, 11, 12	Questions - 20, 21, 30	
Rep. Calvert		Question - 1	
Rep. Cole		Questions – 1,2,3,4,5,6	
Rep. Flake	Questions 10,11	Questions – 3,4,5,6,7,8, 9	Questions 12, 13
Rep. Hinchey		Questions 1,2,3,4	

Grazing

Mr. Secretary, grazing is a large component of what the BLM does and the land it manages. For years, if not decades, this program has been underfunded given all that it must administer. In FY12 we worked very hard to increase this budget, yet your FY13 request would reduce the budget by $15 million (17%) at a time when BLM offices are being bombarded by FOIA requests and litigation in addition to their every-day jobs.

Simpson Q10: How will this reduction help the BLM catch up on permit backlogs, resource management plan revisions, NEPA, trailing, and all the other work necessary to operate the range management program?

(b) (5)

[redacted]

Simpson Q11: To offset some of this reduction, you've recommended a fee of $1 per animal unit month that would generate roughly $6.5 million. The BLM already has the authority to increase the fee on AUM's through a rule making process—why doesn't the BLM start this process rather than proposing a fee in an appropriations bill?

(b) (5)

[redacted]

(b) (5)

[redacted]

Simpson Q12: In the FY12 bill, we included language requiring litigants to exhaust administrative review of grazing activities before litigating—are there similar ideas that you have to maximize the dollars appropriated for range management?

(b) (5)

[redacted]

Land and Water Conservation Fund

The Land and Water Conservation Fund Act of 1965 states, up front, that its purposes are to "assist in preserving, developing, and **assuring accessibility to all**…"

Simpson Q20: Why do you now propose carving out $2.5 million for hunting and fishing access out of a $33.5 million BLM land acquisition program?

(b) (5)

[redacted]

(b) (5)

[redacted]

Simpson Q21: Are we to infer that the other $31 million is off limits to hunting and fishing?

(b) (5)

[redacted]

New Energy Frontier

(b) (5)

[redacted]

Simpson Q30: As you know, BLM draft regulations for hydro fracking were leaked early this year. When can we expect the final draft to be released?

(b) (5)

[redacted]

Fees on Domestic Energy Production

(b) (5)

[redacted]

Calvert Q1: Has Interior studied the impacts of its proposed fees to determine what the economic costs of these proposals will be in terms of energy costs, domestic production and jobs? If so, what were the findings? If not, given potential impacts on jobs and prices, do you feel it is appropriate to make these fee proposals without fully understanding their impacts?

(b) (5)

[redacted]

Hydraulic Fracturing

Cole Q2: What deficiency in state regulation makes you believe we need a national standard?

(b) (5)

[redacted]

Cole Q1: Hydraulic Fracturing has been used for over half a century. Why do we need a national standard?

(b) (5)

[redacted]

(b) (5)

[redacted]

Cole Q3: When the Industry has supported the FracFocus reporting system—which is working well—why are you trying to create a new system?

(b) (5)

[redacted]

(b) (5)

[redacted]

Cole Q4: Do you plan to discuss this document in greater detail with the tribes? Did you notify the tribes to bring their technical experts on oil and gas drilling to ensure they were best prepared to provide feedback? What is the deadline for tribes to submit comments? Will their concerns be addressed prior to the rule being placed in the federal register?

(b) (5)

[redacted]

Cole Q5: As you know, many tribes rely on revenue from oil and gas for their livelihood. Do you believe Hydraulic Fracturing regulations would reduce revenue to the tribes due to permitting delays? Will there be a cost for the tribe to implement these regulations?

(b) (5)

[redacted]

Cole Q6: I appreciate the proposed rules on surface and renewable energy leasing on Tribal lands which will lead to more Tribal economic development. When will we see similar reforms for subsurface leasing on Tribal lands?

(b) (5)

[redacted]

Northern Arizona Uranium Withdrawal

(b) (5)

[redacted]

Flake Q3: Has the Department now shifted to using the economic benefit of tourism, which we would all certainly concede are important to Arizona, as the basis for the controversial withdrawal?

(b) (5)

[redacted]

(b) (5)

[redacted]

Flake Q4: If this is purely an economic evaluation, were the billions of dollars and thousands of jobs related to new mining in the area fully taken into consideration?

(b) (5)

[redacted]

Flake Q5: Further, how do you rectify the fact that, given that between roughly 1980 through 1990, mining was in full swing in the area and visitation at the Grand Canyon and nearby Zion National Parks saw steep increases in visitation?

(b) (5)

[redacted]

Flake Q6: Lastly, if uranium mining even in the vicinity of the Grand Canyon is so anathema to tourism interests, why has the Department chosen to only go after new mining claims while allowing existing mining in the area to proceed?

(b) (5)

[redacted]

Flake Q7: How do you reconcile your significant investments in renewable energy on public lands with the failure to address barriers to domestic development of minerals that are the building blocks of wind, solar and other renewable technologies?

(b) (5)

[redacted]

Domestic Minerals Development and Resolution Copper

(b) (5)

[redacted]

Flake Q8: In proposing a new tax applicable to mining operations on private and public lands that goes beyond a tax on the amount of minerals removed from the ground to a tax on dirt, rock and other materials moved during the extraction process, did the Department consider the negative impacts domestic mineral production from such a disincentive?

(b) (5)

[redacted]

Flake Q9: Do you remain opposed to H.R. 1904, the Southeast Arizona Land Exchange and Conservation Act, despite the fact that it would pave the way forward for reportedly the third largest undeveloped copper resource in the world that could produce the equivalent of more than a quarter of the annual U.S. copper demand for four decades, not to mention employing nearly 4,000, adding more than $60 billion to Arizona's economy, and bringing in an estimated $16 billion in federal revenue?

(b) (5)

[redacted]

(b) (5)

[redacted]

(b) (5)

[redacted]

Increase in Grazing Fees

The BLM budget would enact a pilot program that would impose a 1 dollar per AUM fee on all permittees starting in 2013.

Flake Q10: Was this nearly 75 percent increase in grazing fees carefully contemplated prior to the Fiscal Year 2013 budget submission, or is it merely a spur-of-the-moment plan to backfill the cuts made to BLM's budget for this coming year?

(b) (5)

[redacted]

Flake Q11: Please detail the authority by which the Department is raising grazing fees.

(b) (5)

[redacted]

Shooting on Federal Lands

The issue of recreational shooting on federal lands, notably at National Monuments managed by BLM is one that impacts many Arizonans. Last November, the Secretary issued a directive that made two things very clear: the Department will support recreational shooting as a safe and legitimate use of public land and that the BLM ought to ensure that it facilitates opportunities for that activity in management of public lands.

Flake Q12: Is this not inconsistent then with the fact that, at this very moment, BLM is taking steps to ban recreational shooting across 600,000 acres in two National Monuments in the state of Arizona?

(b) (5)

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Flake Q13: The justification for these bans according to land planning documents is that recreational shooting is a danger to every living or inanimate object within the boundaries of these desert monuments. How is one to come away from that with any other than the conclusion that, for some at least, recreational shooting is simply inconsistent with public lands management?

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Hinchey Q4: How will you manage designated wilderness areas, places Congress itself has determined to be essentially roadless in the face of R.S. 2477 claims?

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INFORMATION MEMORANDUM FOR THE DEPUTY SECRETARY

FROM: Sylvia V. Baca, Deputy Assistant Secretary, Land and Minerals Management

CC: Marcilynn A. Burke, Acting Assistant Secretary, Land and Minerals Management
Mike Pool, Deputy Director, Bureau of Land Management

DATE: October 4, 2011

SUBJECT: Interagency Land Use Coordinating Committee (ILUCC)

I. INTRODUCTION

The Department of the Interior (DOI) – Department of Defense (DoD) ILUCC was established in April 2011 to enhance collaboration on renewable energy matters. The committee is co-chaired by Deputy Assistant Secretary Sylvia Baca and Assistant Deputy Under Secretary of Defense John Conger. The ILUCC members include key leaders from the Bureau of Land Management, U.S. Fish and Wildlife Service, National Park Service, the Office of the Solicitor, and DoD. This information memo provides an update on the ILUCC's activities.

II. BACKGROUND

(b) (5) [redacted]

(b) (5) [redacted]

Solar

(b) (5) [redacted]

Geothermal

(b) (5) [redacted]

(b) (5) [redacted]

(b) (5) [redacted]

(b) (5) [redacted]

(b) (5) [redacted]

III. POSITION OF INTERESTED PARTIES

(b) (5) [redacted]

Anderson, Michael D

Subject:	hearing preparation - Resolution Copper
Location:	6616
Start:	Thu 2/2/2012 1:00 PM
End:	Thu 2/2/2012 2:00 PM
Recurrence:	(none)
Meeting Status:	Accepted
Organizer:	Whitlock, Jenna
Required Attendees:	Farquhar, Ned; Sedlmayr, Laurie; Wilkinson, Patrick; Boddington, Celia; Leff, Craig S; Cardinale, Richard; Lassiter, Tracie L

Anderson, Michael D

Subject:	hearing preparation - Resolution Copper
Location:	6616
Start:	Wed 2/8/2012 9:30 AM
End:	Wed 2/8/2012 10:15 AM
Recurrence:	(none)
Meeting Status:	Accepted
Organizer:	Whitlock, Jenna
Required Attendees:	Farquhar, Ned; Sedlmayr, Laurie; Wilkinson, Patrick; Boddington, Celia; Leff, Craig S; Cardinale, Richard; Lassiter, Tracie L

From Whitlock, Jenna **Date** Thursday, March 01, 2012 2:49:06 PM
To Farquhar, Ned
Cc
Subject need to catch you on Resolution Copper QFRs

When you have one minute! There is a problem with one of your additions – "No I do not believe that NEPA applies to an act of Congress."

The only time we don't do NEPA on Congressionally-directed actions is when NEPA is specifically precluded (e.g., notwithstanding NEPA) or when the time provided by Congress is too short to complete NEPA (90 days is our standard threshold).

(b) (5) [redacted]

Jenna Whitlock, BLM Analyst
Office of the Assistant Secretary
Land and Minerals Management
US Department of the Interior
(202) 208-5444 desk, (202) 510-6816 cell, (202) 208-6243 fax

From Whitlock, Jenna **Date** Wednesday, February 08, 2012 2:01:16 PM
To Farquhar, Ned
Cc
Subject FW: Oral Testimony--Resolution Copper

OralTstResolution.docx (28 KB HTML)

Ned – do you need this bulleted or anything? Format OK? Just holler. Thanks. j

Jenna Whitlock, BLM Analyst
Office of the Assistant Secretary
Land and Minerals Management
US Department of the Interior
(202) 208-5444 desk, (202) 510-6816 cell, (202) 208-6243 fax

From: Sedlmayr, Laurie
Sent: Wednesday, February 08, 2012 12:44 PM
To: Farquhar, Ned; Whitlock, Jenna
Cc: Sedlmayr, Laurie; Lassiter, Tracie L
Subject: Oral Testimony--Resolution Copper
Importance: High

Ned,
Attached is the oral statement for tomorrow's hearing. This should be well under 4 minutes.

I will be back in touch when I have a clearer idea on possible questions.

Thanks

Laurie Sedlmayr
BLM Legislative Affairs Division
202/912-7427
sedlmayr@blm.gov

Oral Statement of
Ned Farquhar

Southeast Arizona Land Exchange and Conservation Act
February 9, 2012

Thank you for the opportunity to present testimony on the Southeast Arizona Land Exchange and Conservation Act. I will briefly summarize and ask that my entire testimony be included in the Record.

At the Committee's request, we will address both H.R. 1904, as passed by the U.S. House of Representatives on October 26th of last year, and S. 409, as reported by the Senate Energy and Natural Resources Committee on March 2nd 2010. Both bills provide for the exchange of U.S. Forest Service-managed land to a private company in exchange for a number of parcels within the State of Arizona.

In general, the Department of the Interior defers to the FS on issues directly related to FS-managed lands and associated valuation issues.

Both bills provide for the conveyance of three parcels to the Secretary of the Interior to be managed by the BLM. The acquisition of these lands advances important conservation goals associated with this unique and special natural resource. The parcels identified include:

- 3,050 acres along the lower San Pedro River near Mammoth, Arizona;
- 160 acres within the Dripping Springs area near Kearny, Arizona; and

- the 940-acre Appleton Ranch parcel adjacent to the Las Cienegas National Conservation Area near Sonoita, Arizona.

The Administration has several concerns with the Southeast Arizona Land Exchange and Conservation Act and cannot support the bills as written. The Administration's principal concern with H.R. 1904 is the requirement for the Forest Service to prepare an environmental review document under NEPA *after* the land exchange is completed rather than in advance of the exchange as provided in S. 409 as reported.

In addition, concerns have been raised by Indian tribes that the legislation is contrary to laws and policies and Executive

Orders that direct Federal land management agencies to engage in formal consultation with interested Indian tribes, and to protect and preserve sites sacred to Native Americans.

Many of the lands to be exchanged in both bills hold significant cultural value to Indian tribes. In particular, the Apache Leap area, the Oak Flat Campground, and Devil's Canyon are culturally significant to the San Carlos Apache Tribe and the Fort McDowell Yavapai Nation. There are also other neighboring tribes with cultural interests in the area. The Administration is concerned that any consultations under H.R. 1904 would not be meaningful under Executive Order 13175, "Consultation and Coordination with Indian Tribal Governments," because the Secretary of Agriculture's

discretion regarding the land exchange is limited. The tribal consultation provision in section 3(d) of S. 409 is significantly better than section 4(c) of H.R. 1904.

Thank you for the opportunity to testify. The exchange proposed in H.R. 1904 and S. 409 is complex. The Departments of Agriculture and of the Interior seek to assure that the Federal Government's interest is appropriately protected in any final legislation.

From Sedlmayr, Laurie **Date** Wednesday, February 08, 2012 12:44:25 PM
To Farquhar, Ned; Whitlock, Jenna
Cc Sedlmayr, Laurie; Lassiter, Tracie L
Subject Oral Testimony--Resolution Copper

OralTstResolution.docx (28 KB HTML)

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I will be back in touch when I have a clearer idea on possible questions.

Thanks

Laurie Sedlmayr
BLM Legislative Affairs Division
202/912-7427
sedlmayr@blm.gov

From Whitlock, Jenna **Date** Tuesday, February 07, 2012 2:15:53 PM
To Farquhar, Ned
Cc
Subject Resolution Copper HR1904/S409

(b) (5) [redacted]

(b) (5) [redacted]

Jenna Whitlock, BLM Analyst
Office of the Assistant Secretary
Land and Minerals Management
US Department of the Interior
(202) 208-5444 desk, (202) 510-6816 cell, (202) 208-6243 fax

From: Sedlmayr, Laurie
Sent: Tuesday, February 07, 2012 2:10 PM
To: Quinn, Matthew; Salotti, Christopher
Cc: Sedlmayr, Laurie; Wilkinson, Patrick; Holmes, William E; Whitlock, Jenna
Subject: BLM comments on Forest Service Testimony-- Resolution Copper HR1904/S409
Importance: High

Matt/Chris,
Thank you for the opportunity to comment on the Forest Service testimony on H.R. 1904 and S. 409. We have the following comments:

(b) (5) [redacted]

On page 5, line 104-105

(b) (5) [redacted]

On page 9, lines 198-200

(b) (5) [redacted]

On page 9, line 202-page 10, line 209

(b) (5) [redacted]

Laurie Sedlmayr
BLM Legislative Affairs Division
202/912-7427
sedlmayr@blm.gov

Anderson, Michael D

Subject:	hearing preparation - Resolution Copper
Location:	6616
Start:	Wed 2/8/2012 9:30 AM
End:	Wed 2/8/2012 10:15 AM
Show Time As:	Tentative
Recurrence:	(none)
Meeting Status:	Not yet responded
Organizer:	Whitlock, Jenna
Required Attendees:	Farquhar, Ned; Sedlmayr, Laurie; Wilkinson, Patrick; Boddington, Celia; Leff, Craig S; Cardinale, Richard; Lassiter, Tracie L

From Burke, Marcilynn **Date** Tuesday, January 31, 2012 3:19:18 PM
To Farquhar, Ned
Cc
Subject Re: Witness for Resolution Copper hearing

That is my question.

Thanks,

Marcilynn A. Burke
Acting Asst. Secretary, Land and Minerals Mgmt.
U.S. Dept. of the Interior
1849 C St., NW, Washington, DC 20240
(202) 208-6734 (voice) (202) 208-3619 (fax)
Marcilynn_Burke@ios.doi.gov

From: Farquhar, Ned
Sent: Tuesday, January 31, 2012 03:06 PM
To: Burke, Marcilynn
Subject: RE: Witness for Resolution Copper hearing

(b) (5) [redacted]

Ned Farquhar
Deputy Assistant Secretary
US Dept of the Interior
1849 C Street NW - Room 6614
Washington, DC 20240
202-208-6734
ned_farquhar@ios.doi.gov

From: Burke, Marcilynn
Sent: Tuesday, January 31, 2012 3:04 PM
To: Urban, Heather; Farquhar, Ned
Cc: Mansour, Christopher
Subject: Re: Witness for Resolution Copper hearing

(b) (5) [redacted]

Thanks,

Marcilynn A. Burke
Acting Asst. Secretary, Land and Minerals Mgmt.
U.S. Dept. of the Interior
1849 C St., NW, Washington, DC 20240
(202) 208-6734 (voice) (202) 208-3619 (fax)
Marcilynn_Burke@ios.doi.gov

From: Urban, Heather
Sent: Tuesday, January 31, 2012 02:56 PM
To: Farquhar, Ned
Cc: Mansour, Christopher; Burke, Marcilynn
Subject: Re: Witness for Resolution Copper hearing

(b) (5) [redacted]

From: Farquhar, Ned
Sent: Tuesday, January 31, 2012 02:55 PM
To: Urban, Heather
Cc: Mansour, Christopher; Burke, Marcilynn
Subject: RE: Witness for Resolution Copper hearing

(b) (5) [redacted]

Ned Farquhar
Deputy Assistant Secretary
US Dept of the Interior
1849 C Street NW - Room 6614
Washington, DC 20240
202-208-6734
ned_farquhar@ios.doi.gov

From: Urban, Heather
Sent: Tuesday, January 31, 2012 1:28 PM
To: Farquhar, Ned
Cc: Mansour, Christopher
Subject: Witness for Resolution Copper hearing

Ned,
We really need you to testify at the SENR hearing on res copper. I believe you did the last SENR hearing on this topic. BLM is doing some other tough hearings in the next week or so.

Can you and Marcilynn touch base? We need to get back to the committee.

Thanks so much!

Heather

Heather Urban
Deputy Director
Office of Congressional and Legislative Affairs
Department of the Interior
202-208-6174

From Burke, Marcilynn **Date** Tuesday, January 31, 2012 3:18:51 PM
To Urban, Heather; Farquhar, Ned
Cc Mansour, Christopher
Subject Re: Witness for Resolution Copper hearing

Great!

Thanks,

Marcilynn A. Burke
Acting Asst. Secretary, Land and Minerals Mgmt.
U.S. Dept. of the Interior
1849 C St., NW, Washington, DC 20240
(202) 208-6734 (voice) (202) 208-3619 (fax)
Marcilynn_Burke@ios.doi.gov

From: Urban, Heather
Sent: Tuesday, January 31, 2012 03:05 PM
To: Burke, Marcilynn; Farquhar, Ned
Cc: Mansour, Christopher
Subject: Re: Witness for Resolution Copper hearing

Christopher has left you a message on this and other topics.

From: Burke, Marcilynn
Sent: Tuesday, January 31, 2012 03:04 PM
To: Urban, Heather; Farquhar, Ned
Cc: Mansour, Christopher
Subject: Re: Witness for Resolution Copper hearing

(b) (5) [redacted]

Thanks,

Marcilynn A. Burke
Acting Asst. Secretary, Land and Minerals Mgmt.
U.S. Dept. of the Interior
1849 C St., NW, Washington, DC 20240
(202) 208-6734 (voice) (202) 208-3619 (fax)
Marcilynn_Burke@ios.doi.gov

From: Urban, Heather
Sent: Tuesday, January 31, 2012 02:56 PM
To: Farquhar, Ned
Cc: Mansour, Christopher; Burke, Marcilynn
Subject: Re: Witness for Resolution Copper hearing

(b) (5) [redacted]

From: Farquhar, Ned

Sent: Tuesday, January 31, 2012 02:55 PM
To: Urban, Heather
Cc: Mansour, Christopher; Burke, Marcilynn
Subject: RE: Witness for Resolution Copper hearing

(b) (5)

[redacted]

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Deputy Assistant Secretary
US Dept of the Interior
1849 C Street NW - Room 6614
Washington, DC 20240
202-208-6734
ned_farquhar@ios.doi.gov

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Heather Urban
Deputy Director
Office of Congressional and Legislative Affairs
Department of the Interior
202-208-6174

From Urban, Heather **Date** Tuesday, January 31, 2012 3:05:33 PM
To Burke, Marcilynn; Farquhar, Ned
Cc Mansour, Christopher
Subject Re: Witness for Resolution Copper hearing

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From: Burke, Marcilynn
Sent: Tuesday, January 31, 2012 03:04 PM
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Subject: Re: Witness for Resolution Copper hearing

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Cc: Mansour, Christopher; Burke, Marcilynn
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Deputy Assistant Secretary
US Dept of the Interior
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Subject Re: Witness for Resolution Copper hearing

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Sent: Tuesday, January 31, 2012 02:55 PM
To: Urban, Heather
Cc: Mansour, Christopher; Burke, Marcilynn
Subject: RE: Witness for Resolution Copper hearing

(b) (5) [redacted]

Ned Farquhar
Deputy Assistant Secretary
US Dept of the Interior
1849 C Street NW - Room 6614
Washington, DC 20240
202-208-6734
ned_farquhar@ios.doi.gov

From: Urban, Heather
Sent: Tuesday, January 31, 2012 1:28 PM
To: Farquhar, Ned
Cc: Mansour, Christopher
Subject: Witness for Resolution Copper hearing

Ned,
We really need you to testify at the SENR hearing on res copper. I believe you did the last SENR hearing on this topic. BLM is doing some other tough hearings in the next week or so.

Can you and Marcilynn touch base? We need to get back to the committee.

Thanks so much!

Heather

Heather Urban
Deputy Director
Office of Congressional and Legislative Affairs
Department of the Interior
202-208-6174

From Urban, Heather **Date** Tuesday, January 31, 2012 2:56:53 PM
To Farquhar, Ned
Cc Mansour, Christopher; Burke, Marcilynn
Subject Re: Witness for Resolution Copper hearing

(b) (5) [redacted]

From: Farquhar, Ned
Sent: Tuesday, January 31, 2012 02:55 PM
To: Urban, Heather
Cc: Mansour, Christopher; Burke, Marcilynn
Subject: RE: Witness for Resolution Copper hearing

(b) (5) [redacted]

Ned Farquhar
Deputy Assistant Secretary
US Dept of the Interior
1849 C Street NW - Room 6614
Washington, DC 20240
202-208-6734
ned_farquhar@ios.doi.gov

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Heather

Heather Urban
Deputy Director
Office of Congressional and Legislative Affairs
Department of the Interior
202-208-6174

From Urban, Heather **Date** Tuesday, January 31, 2012 1:28:20 PM
To Farquhar, Ned
Cc Mansour, Christopher
Subject Witness for Resolution Copper hearing

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Heather

Heather Urban
Deputy Director
Office of Congressional and Legislative Affairs
Department of the Interior
202-208-6174

From MaBurke@blm.gov **Date** Monday, June 13, 2011 4:51:27 PM
To Farquhar, Ned
Cc Cardinale, Richard
Subject Fw: Resolution Copper testimony

(b) (5)
[redacted]

Note that I testify tomorrow morning, but OMB has not cleared the testimony because the Forest Service is still working on its testimony.

Thanks,

Marcilynn

Marcilynn A. Burke
Deputy Director, Programs and Policy
Bureau of Land Management, U.S. Department of the Interior
1849 C St., N.W., Washington, D.C. 20240
(202) 208-3774 (office)
(202) 527-3395 (cell)
(202) 208-5242 (fax)
----- Forwarded by Marcilynn A Burke/WO/BLM/DOI on 06/13/2011 04:48 PM -----

"Quinn, Matthew" <Matthew_Quinn@ios.doi.gov> 06/13/2011 11:13 AM

To "Burke, Marcilynn A" <MaBurke@blm.gov>
cc "Bedonie, Chastity E" <Chastity_Bedonie@ios.doi.gov>
Subject Resolution Copper testimony

Marcilynn:

(b) (5)
[redacted]

Can you let me know if you and he conclude edits are needed? I'll be happy

to make any changes.

Thanks,
Matt

Matthew J. Quinn
Office of the Legislative Counsel
United States Department of the Interior
mquinn@ios.doi.gov
(202) 208-3146

From Meghan_Conklin@fws.gov **Date** Wednesday, December 09, 2009 12:17:02 PM

To Mansour, Christopher; Levison, Lara; Faeth, Lori; Farquhar, Ned; Baca, Sylvia; Lewis, Wilma; Strickland, Thomas; Hayes, David; Cardinale, Richard; Salotti, Christopher; Quinn, Matthew; Lin, Janet H; Abbey, Robert V; Echohawk, Larry; Tsosie, Paul; Fink, Wendy

Cc Sedlmayr, Laurie

Subject CLOSE HOLD: Proposed Resolution Copper Amendment (flo09a07)

pic01842.gif (1 KB HTML) **ecblank.gif** (110 B HTML) **FLO09A07.pdf** (47 KB HTML)

Hello:

(b) (5)

[redacted]

Thank you,
Meghan

Meghan Conklin
Chief of Staff
U.S. Fish and Wildlife Service
Department of the Interior
Phone: 202.208.7229
E-mail: meghan_conklin@fws.gov
Please note new e-mail address
----- Forwarded by Meghan Conklin/ARL/R9/FWS/DOI on 12/09/2009 11:56 AM -----

"Brooks, David (Energy)" <David_Brooks@energy.senate.gov>

12/09/2009 11:54 AM

To"Meghan_Conklin@fws.gov" <Meghan_Conklin@fws.gov>, Laurie Sedlmayr <Laurie_Sedlmayr@blm.gov>, Gary Schiff <gschiff@fs.fed.us>, "Jay.Jensen@usda.gov" <Jay.Jensen@usda.gov>
cc"Miller, Scott (Energy)" <Scott_Miller@energy.senate.gov>
SubjectFW: Proposed Resolution Copper Amendment (flo09a07)

FYI, for your review. Attached is a substitute amendment weâ€™ve worked out with Sen. McCainâ€™s staff, but not yet cleared with the minority committee staff. Let us know if you see any issues of concern. We will probably try to set up a meeting with AZ Senators, committee staff and agencies before trying to mark this up next week.

Thanks,

David

David Brooks

Senior Counsel
Committee on Energy & Natural Resources
312 Hart Senate Office Building
United States Senate
Washington, DC 20510
(202) 224-9863

------ Forwarded Message
From: David Brooks <David_Brooks@energy.senate.gov>
Date: Wed, 09 Dec 2009 11:47:09 -0500
To: Frank Gladics <Frank_Gladics@energy.senate.gov>, Karen Billups <Karen_Billups@energy.senate.gov>, "Matiella, Nick (McCain)" <Nick_Matiella@mccain.senate.gov>, Sam Fowler <Sam_Fowler@energy.senate.gov>
Subject: Proposed Resolution Copper Amendment (flo09a07)

Attached is our proposed substitute amendment for S. 409, Resolution Copper. Once youâ€™ve had a chance to look it over, weâ€™re ready to sit down and discuss it at your convenience. Weâ€™re also going to send a copy over to the Forest Service and DOI to get their comments, and we can sit down with them, or set up a separate meeting, whatever you prefer.

Thanks,

David
------ End of Forwarded Message *(See attached file: FLO09A07.pdf)*

AMENDMENT NO._____ Calendar No._____

Purpose: In the nature of a substitute.

IN THE SENATE OF THE UNITED STATES—111th Cong., 1st Sess.

S. 409

To secure Federal ownership and management of significant natural, scenic, and recreational resources, to provide for the protection of cultural resources, to facilitate the efficient extraction of mineral resources by authorizing and directing an exchange of Federal and non-Federal land, and for other purposes.

Referred to the Committee on _____ and ordered to be printed

Ordered to lie on the table and to be printed

AMENDMENT IN THE NATURE OF A SUBSTITUTE intended to be proposed by _____

Viz:

Strike all after the enacting clause and insert the following:

SECTION 1. SHORT TITLE.

This Act may be cited as the "Southeast Arizona Land Exchange and Conservation Act of 2009".

SEC. 2. DEFINITIONS.

In this Act:

(1) APACHE LEAP.—The term "Apache Leap" means the approximately 822 acres of land depicted on the map entitled "Apache Leap" and dated January 2009.

(2) FEDERAL LAND.—The term "Federal land" means the approximately 2,406 acres of land located in Pinal County, Arizona, depicted on the map entitled "Southeast Arizona Land Exchange and Conservation Act of 2009–Federal Parcel–Oak Flat" and dated January 2009.

(3) INDIAN TRIBE.—The term "Indian tribe" has the meaning given the term in section 4 of the Indian Self-Determination and Education Assistance Act (25 U.S.C. 450b).

(4) NON-FEDERAL LAND.—The term "non-Federal land" means the parcels of land owned by Resolution Copper that are described in section 4(a).

(5) OAK FLAT WITHDRAWAL AREA.—The term "Oak Flat Withdrawal Area" means the approximately 760 acres of land depicted on the map entitled "Oak Flat Withdrawal Area" and dated January 2009.

(6) RESOLUTION COPPER.—The term "Resolution Copper" means Resolution Copper Mining, LLC, a Delaware limited liability company, includ-

ing any successor, assign, affiliate, member, or joint venturer of Resolution Copper Mining, LLC.

(7) SECRETARY.—The term "Secretary" means the Secretary of Agriculture.

(8) STATE.—The term "State" means the State of Arizona.

(9) TOWN.—The term "Town" means the town of Superior, Arizona.

SEC. 3. LAND EXCHANGE.

(a) IN GENERAL.—Subject to the provisions of this Act, if Resolution Copper offers to convey to the United States all right, title, and interest of Resolution Copper in and to the non-Federal land, and if the Secretary determines that the public interest would be well served by making the exchange, the Secretary shall convey to Resolution Copper, all right, title, and interest of the United States in and to the Federal land.

(b) COMPLIANCE WITH APPLICABLE LAW.—

(1) IN GENERAL.—Except as otherwise provided in this Act, the Secretary shall carry out the land exchange under this section in accordance with section 206 of the Federal Land Policy and Management Act of 1976 (43 U.S.C. 1716) and other applicable laws, including the National Environmental Policy Act of 1969 (42 U.S.C. 4321 et seq.).

(2) ENVIRONMENTAL REVIEW DOCUMENT.—To the maximum extent permitted under the National Environmental Policy Act of 1969 (42 U.S.C. 4321 et seq.) and Council on Environmental Quality regulations, the Secretary, in consultation with the Secretary of the Interior and other affected Federal agencies, shall prepare a single environmental review document, which shall be used as the basis for all decisions under Federal law related to the land exchange and connected agency decisions related to the proposed mine on the Federal land.

(c) CONDITIONS ON ACCEPTANCE.—

(1) TITLE.—Title to any non-Federal land conveyed by Resolution Copper to the United States under this Act shall be in a form that is acceptable to—

(A) the Secretary, for land to be administered by the Forest Service; and

(B) the Secretary of the Interior, for land to be administered by the Bureau of Land Management.

(2) TERMS AND CONDITIONS.—The conveyance of the Federal land and non-Federal land under this Act shall be subject to such terms and conditions as

the Secretary and the Secretary of the Interior may require.

(d) CONSULTATION WITH INDIAN TRIBES.—Prior to making a public interest determination under subsection (a), the Secretary shall engage in government-to-government consultation with affected Indian tribes concerning issues related to the exchange, in accordance with applicable laws (including regulations).

(e) APPRAISALS.—

(1) IN GENERAL.—As soon as practicable after the date of enactment of this Act, the Secretary and Resolution Copper shall select an appraiser to conduct appraisals of the Federal land and non-Federal land.

(2) REQUIREMENTS.—

(A) IN GENERAL.—Except as provided in subparagraph (B), an appraisal prepared under paragraph (1) shall be conducted in accordance with nationally recognized appraisal standards, including—

(i) the Uniform Appraisal Standards for Federal Land Acquisitions; and

(ii) the Uniform Standards of Professional Appraisal Practice.

(B) FINAL APPRAISED VALUE.—

(i) IN GENERAL.—After the final appraised value is determined and approved by the Secretary, the Secretary shall not be required to reappraise or update the final appraised value for a period of 3 years beginning on the date of the approval by the Secretary of the final appraised value.

(ii) REAPPRAISAL.—Nothing in this subparagraph precludes the Secretary from requiring a reappraisal or update of the final appraisal if the Secretary determines that such reappraisal or update is necessary to reflect new information.

(iii) IMPROVEMENTS.—Any improvements made by Resolution Copper to the Federal land as a result of exploration activities authorized under subsection (g) shall not be included in the appraised value of the Federal land.

(C) PUBLIC REVIEW.—Before implementing the land exchange under this Act, the Secretary shall make available for public review a summary of the appraisals of the land to be exchanged.

(D) COSTS.—Resolution Copper may agree to pay, without compensation, any costs that are—

(i) associated with the land exchange; and

(ii) agreed to by the Secretary.

(3) ADDITIONAL APPRAISAL INFORMATION.—

(A) IN GENERAL.—To provide additional information necessary to calculate a value adjustment payment for purposes of section 6, the appraiser selected under this subsection shall prepare a detailed income capitalization approach analysis, in accordance with the appraisal requirements referred to in paragraph (2)(A), of the market value of the Federal land, even if the income capitalization approach analysis is not the appraisal approach relied on by the appraiser to determine the market value of the Federal land.

(B) INCLUSION IN FINAL APPRAISAL REPORT.—The income capitalization approach analysis under subparagraph (A) shall be included in the final appraisal report of the Federal land.

(f) EQUAL VALUE LAND EXCHANGE.—

(1) IN GENERAL.—The value of the Federal land and non-Federal land to be exchanged under this Act shall be equal or shall be equalized in accordance with this subsection.

(2) SURPLUS OF FEDERAL LAND VALUE.—

(A) IN GENERAL.—If the final appraised value of the Federal land exceeds the value of the non-Federal land, Resolution Copper shall—

(i) convey additional non-Federal land in the State located within the boundaries of a national forest or a unit of the National Landscape Conservation System, National Park System, or National Wildlife Refuge System to the Secretary or the Secretary of the Interior, consistent with the requirements of this Act and subject to the approval of the applicable Secretary;

(ii) make a cash payment to the United States; or

(iii) use a combination of the methods described in clauses (i) and (ii), as agreed to by Resolution Copper, the Secretary, and the Secretary of the Interior.

(B) AMOUNT OF PAYMENT.—The Secretary may accept a payment in excess of 25 percent of the total value of the land or interests conveyed, notwithstanding section 206(b) of the Federal Land Policy and Management Act of 1976 (43 U.S.C. 1716(b)).

(C) DISPOSITION AND USE OF PROCEEDS.—Any amounts received by the United States under this paragraph shall be deposited in the fund established under Public Law 90-171 (commonly known as the "Sisk Act") (16 U.S.C. 484a) and shall be made available to the Secretary, without further appropriation, for the acquisition of land for addition to the National Forest System in the State.

(3) SURPLUS OF NON-FEDERAL LAND.—If the final appraised value of the non-Federal land exceeds the value of the Federal land—

(A) the United States shall not make a payment to Resolution Copper to equalize the value; and

(B) except as provided in section 9, the surplus value of the non-Federal land shall be considered to be a donation by Resolution Copper to the United States.

(g) OAK FLAT WITHDRAWAL AREA.—

(1) IN GENERAL.—Subject to the provisions of this subsection, Resolution Copper may carry out mineral exploration activities under the Oak Flat Withdrawal Area, beginning on the date of enactment of this Act, notwithstanding any withdrawal of the area from the mining, mineral leasing, or public land laws, so long as such activities would not disturb the surface of the area.

(2) CONDITIONS.—Any activities undertaken in accordance with this subsection shall be subject to such terms and conditions as the Secretary may require.

(3) TERMINATION.—The authorization for Resolution Copper to undertake mineral exploration activities under this subsection shall terminate on the earlier of—

(A) the date the land is conveyed to Resolution Copper in accordance with this Act; or

(B) the date that is 3 years after the date a special use permit is issued in accordance with this subsection.

(h) INTENT OF CONGRESS.—

(1) IN GENERAL.—It is the intent of Congress that the Secretary shall complete any necessary envi-

ronmental reviews and public interest determination on the land exchange not later than 3 years after the date Resolution Copper submits a mining plan of operation to the Secretary.

(2) AGREEMENT.—If the Secretary determines that the public interest would be well served by making the land exchange, it is the intent of Congress that the Secretary seek to enter into an agreement to implement the land exchange not later than 90 days after the date of the public interest determination.

SEC. 4. CONVEYANCE AND MANAGEMENT OF NON-FEDERAL LAND.

(a) CONVEYANCE.—On receipt of title to the Federal land, Resolution Copper shall simultaneously convey—

(1) to the Secretary of Agriculture, all right, title, and interest that the Secretary determines to be acceptable in and to—

(A) the approximately 147 acres of land located in Gila County, Arizona, depicted on the map entitled "Southeast Arizona Land Conservation Act of 2009–Non-Federal Parcel–Turkey Creek" and dated January 2009;

(B) the approximately 148 acres of land located in Yavapai County, Arizona, depicted on

the map entitled "Southeast Arizona Land Conservation Act of 2009–Non-Federal Parcel–Tangle Creek" and dated January 2009;

(C) the approximately 149 acres of land located in Maricopa County, Arizona, depicted on the map entitled "Southeast Arizona Land Conservation Act of 2009–Non-Federal Parcel–Cave Creek" and dated January 2009;

(D) the approximately 640 acres of land located in Coconino County, Arizona, depicted on the map entitled "Southeast Arizona Land Exchange and Conservation Act of 2009–Non-Federal Parcel–East Clear Creek" and dated January 2009;

(E) the approximately 95 acres of land located in Pinal County, Arizona, depicted on the map entitled "Southeast Arizona Land Conservation Act of 2009–Non-Federal Parcel–The Pond" and dated January 2009; and

(F) the approximately 110 acres of land located in Pinal County, Arizona, depicted on the map entitled "Southeast Arizona Land Conservation Act of 2009–Non-Federal Parcel–Apache Leap South End" and dated January 2009, subject to the retained right of Resolu-

tion Copper to conduct underground activities that—

(i) the Secretary determines would not disturb the surface of Apache Leap; and

(ii) do not involve commercial mineral extraction under Apache Leap; and

(2) to the Secretary of the Interior, all right, title, and interest that the Secretary of the Interior determines to be acceptable in and to—

(A) the approximately 3,073 acres of land located in Pinal County, Arizona, depicted on the map entitled "Southeast Arizona Land Conservation Act of 2009–Non-Federal Parcel–Lower San Pedro River" and dated January 2009;

(B) the approximately 160 acres of land located in Gila and Pinal Counties, Arizona, depicted on the map entitled "Southeast Arizona Land Exchange and Conservation Act of 2009–Non-Federal Parcel–Dripping Springs" and dated January 2009; and

(C) the approximately 956 acres of land located in Santa Cruz County, Arizona, depicted on the map entitled "Southeast Arizona Land Exchange and Conservation Act of 2009–Non-

Federal Parcel–Appleton Ranch'' and dated January 2009.

(b) MANAGEMENT OF ACQUIRED LAND.—

(1) LAND ACQUIRED BY THE SECRETARY.—

(A) IN GENERAL.—Land acquired by the Secretary under this Act shall—

(i) become part of the national forest in which the land is located; and

(ii) be administered in accordance with the laws applicable to the National Forest System.

(B) BOUNDARY REVISION.—On acquisition of land by the Secretary under this Act, the boundaries of the national forest shall be modified to reflect the inclusion of the acquired land.

(C) LAND AND WATER CONSERVATION FUND.—For purposes of section 7 of the Land and Water Conservation Fund Act of 1965 (16 U.S.C. 460l–9), the boundaries of a national forest in which land acquired by the Secretary is located shall be deemed to be the boundaries of that forest as in existence on January 1, 1965.

(2) LAND ACQUIRED BY THE SECRETARY OF THE INTERIOR.—

(A) SAN PEDRO RIPARIAN NATIONAL CONSERVATION AREA.—

(i) IN GENERAL.—Land acquired by the Secretary of the Interior under subsection (a)(2)(A) shall be added to, and administered as part of, the San Pedro Riparian National Conservation Area in accordance with the laws (including regulations) applicable to the Conservation Area.

(ii) MANAGEMENT PLAN.—Not later than 2 years after the date on which the land is acquired, the Secretary of the Interior shall update the management plan for the San Pedro Riparian National Conservation Area to reflect the management requirements of the acquired land.

(B) DRIPPING SPRINGS.—Land acquired by the Secretary of the Interior under subsection (a)(2)(B) shall be managed in accordance with the Federal Land Policy and Management Act of 1976 (43 U.S.C. 1701 et seq.) and applicable land use plans.

(C) LAS CIENEGAS NATIONAL CONSERVATION AREA.—Land acquired by the Secretary of the Interior under subsection (a)(2)(C) shall be

added to, and administered as part of, the Las Cienegas National Conservation Area in accordance with the laws (including regulations) applicable to the Conservation Area.

(c) SURRENDER OF RIGHTS.—In addition to the conveyance of the non-Federal land conveyed to the United States under this Act, and as a condition of the land exchange, Resolution Copper shall surrender to the United States, without compensation, the rights held by Resolution Copper under the mining laws and other laws of the United States to commercially extract minerals under—

(1) Apache Leap; and

(2) the property described in subsection (a)(1)(E) (commonly known as "The Pond").

SEC. 5. RECREATIONAL ACCESS AND IMPROVEMENTS.

(a) RECREATIONAL ACCESS AND FACILITIES.—

(1) IN GENERAL.—As a condition of the land exchange under this Act, Resolution Copper shall pay to the Secretary $1,250,000, to improve access and facilities for dispersed recreation and other outdoor recreational activities as provided in paragraph (2).

(2) USE OF AMOUNTS.—The Secretary shall use the amount paid in accordance with paragraph (1), without further appropriation, to construct or im-

prove road access, turnouts, trails, campgrounds, parking areas, or other outdoor recreational facilities as the Secretary determines to be appropriate.

(3) PREFERRED LOCATIONS.—To the maximum extent practicable, the funds made available under this subsection shall be used by the Secretary on national forest land—

(A) in the general area north of Arizona State Highway 60; or

(B) in the general area along Arizona State Highway 177.

(b) DETERMINATION OF VALUE.—Amounts paid by Resolution Copper under this section shall not be considered in determining the value of the Federal and non-Federal land under section 3(f).

SEC. 6. VALUE ADJUSTMENT PAYMENT TO UNITED STATES.

(a) ANNUAL PRODUCTION REPORTING.—

(1) IN GENERAL.—As a condition of the exchange, beginning on February 15 of the first calendar year beginning after the date of commencement of production of valuable locatable minerals in commercial quantities (as defined by applicable Federal laws) from the Federal land conveyed to Resolution Copper under section 3, and annually thereafter, Resolution Copper shall file with the Secretary

of the Interior a report indicating the quantity of locatable minerals produced in commercial quantities from the Federal land during the preceding calendar year.

(2) REPORT CONTENTS.—The reports under paragraph (1) shall comply with any recordkeeping and reporting requirements prescribed by the Secretary or required by applicable Federal laws in effect at the time of production.

(b) PAYMENT ON PRODUCTION.—If the cumulative production of valuable locatable minerals produced in commercial quantities from the Federal land conveyed to Resolution Copper under section 3 exceeds the quantity of production of locatable minerals from the Federal land used in the income capitalization approach analysis prepared under section 3(e)(3), Resolution Copper shall pay to the United States, by not later than March 15 of each applicable calendar year, a value adjustment payment for the quantity of excess production at the same rate assumed for the income capitalization approach analysis prepared under section 3(e)(3).

(c) STATE LAW UNAFFECTED.—Nothing in this section modifies, expands, diminishes, amends, or otherwise affects any State law relating to the imposition, applica-

tion, timing, or collection of a State excise or severance tax.

(d) USE OF FUNDS.—The funds paid to the United States under this section shall be deposited in the fund established under Public Law 90-171 (commonly known as the "Sisk Act") (16 U.S.C. 484a) and shall be made available to the Secretary, without further appropriation, for the acquisition of land for addition to the National Forest System in the State.

SEC. 7. WITHDRAWAL.

Subject to valid existing rights, Apache Leap and any land acquired by the United States under this Act is withdrawn from all forms of—

(1) entry, appropriation, or disposal under the public land laws;

(2) location, entry, and patent under the mining laws; and

(3) disposition under the mineral leasing, mineral materials, and geothermal leasing laws.

SEC. 8. APACHE LEAP.

(a) MANAGEMENT.—

(1) IN GENERAL.—The Secretary shall manage Apache Leap to preserve the natural character of Apache Leap and to protect archeological and cultural resources located on Apache Leap.

(2) SPECIAL USE PERMITS.—The Secretary may issue to Resolution Copper special use permits allowing Resolution Copper to carry out underground activities (other than the commercial extraction of minerals) under the surface of Apache Leap that the Secretary determines would not disturb the surface of the land, subject to any terms and conditions that the Secretary may require.

(3) FENCES; SIGNAGE.—The Secretary may allow use of the surface of Apache Leap for installation of fences, signs, or other measures necessary to protect the health and safety of the public, protect resources located on Apache Leap, or to ensure that activities conducted under paragraph (2) do not affect the surface of Apache Leap.

(b) PLAN.—

(1) IN GENERAL.—Not later than 3 years after the date of enactment of this Act, the Secretary, in consultation with applicable Indian tribes, the Town, Resolution Copper, and other interested members of the public, shall prepare a management plan for Apache Leap.

(2) CONSIDERATIONS.—In preparing the plan under paragraph (1), the Secretary shall consider whether additional measures are necessary to—

(A) protect the cultural, archaeological, or historical resources of Apache Leap, including permanent or seasonal closures of all or a portion of Apache Leap; and

(B) provide access for recreation.

SEC. 9. CONVEYANCES TO TOWN OF SUPERIOR, ARIZONA.

(a) CONVEYANCES.—

(1) IN GENERAL.—On request from the Town and subject to the provisions of this section, the Secretary shall convey to the Town the following:

(A) Approximately 30 acres of land as depicted on the map entitled "Southeast Arizona Land Exchange and Conservation Act of 2009–Federal Parcel–Fairview Cemetery" and dated January 2009.

(B) The reversionary interest and any reserved mineral interest of the United States in the approximately 265 acre of land located in Pinal County, Arizona, as depicted on the map entitled "Southeast Arizona Land Exchange and Conservation Act of 2009–Federal Reversionary Interest–Superior Airport" and dated January 2009.

(C) The approximately 250 acres of land located in Pinal County, Arizona, as depicted

on the map entitled "Southeast Arizona Land Exchange and Conservation Act of 2009–Federal Parcel–Superior Airport Contiguous Parcels" and dated January 2009.

(b) PAYMENT.—

(1) IN GENERAL.—The Town shall pay to the Secretary the fair market value for each parcel of land or interest in land acquired under this section, as determined by appraisals conducted in accordance with section 3(e).

(2) REDUCTION.—If the final appraised value of the non-Federal land exceeds the value of the Federal land under section 3—

(A) the obligation of the Town to pay the United States shall be reduced by an amount not to exceed the excess value of the non-Federal land conveyed to the United States; and

(B) the amount donated by Resolution Copper to the United States shall be reduced accordingly.

(c) SISK ACT.—Any payment received by the Secretary from the Town under this section shall be deposited in the fund established under Public Law 90-171 (commonly known as the "Sisk Act") (16 U.S.C. 484a) and shall be made available to the Secretary, without further

appropriation, for the acquisition of land for addition to the National Forest System in the State.

(d) TERMS AND CONDITIONS.—The conveyances under this section shall be subject to such terms and conditions as the Secretary may require.

From William_Falsey@blm.gov **Date** Tuesday, December 08, 2009 4:25:27 PM
To Conklin, Meghan; Echohawk, Larry; Farquhar, Ned
Cc
Subject Hot Issues Meeting: Resolution Copper

Larry, Ned, and Meghan,
Due to travel (and an awkwardly timed dress rehearsal for DOI's Got Talent), the BLM will not have a representative at tomorrow's Hot Topics meeting; in our absence, Bob asked me to pass along word of his understanding of where things stand on Resolution Copper:

> [T]he status of Resolution Copper is as follows. I met with the company's CEO three weeks ago and I was informed he was working with the AZ delegation to modify the current legislative proposal. The modification will include a provision to complete NEPA prior to any land exchange or mining approval. That's what I have been told. We have not validated that such a modification to the bill has been made since McCain has held his plans fairly close. If true, then this change in the legislation is what we (BLM and Larry Echo-hawk) were advocating for, along with the understanding that tribal consultation is required. The FS as the lead agency would take the lead for tribal consultation and NEPA.
>
> Bob

Thanks---and let me know if you need me to track anything else down before tomorrow morning.
-Bill

William D. Falsey
Special Assistant to the Director
Bureau of Land Management
U. S. Department of the Interior
1849 C Street, N.W.
Room 5648
Washington, D.C. 20240

Phone: (202) 208-6262
Fax: (202) 208-5242
Email: William_Falsey@blm.gov

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----- Forwarded by William D Falsey/WO/BLM/DOI on 12/08/09 04:21 PM -----

Robert V
Abbey/WO/BLM/DOI

To

12/08/09 04:17 PM William D Falsey/WO/BLM/DOI@BLM
cc
Janet H Lin/WO/BLM/DOI@BLM
Subject
Re: Fw: Hot Issues Meeting TOMORROW
(Document link: William D Falsey)

Bill; yes, you can share with Megan, Larry, and Ned with a message that BLM may not be in attendance tomorrow.

Bob

----- Original Message -----
From: William D Falsey
Sent: 12/08/2009 04:01 PM EST
To: Robert Abbey
Cc: Janet Lin
Subject: Re: Fw: Hot Issues Meeting TOMORROW

I'm unfortunately supposed to be in a final DOI's Got Talent "Run-through" tomorrow morning at 9am. Meghan Conklin seems to be plugged in on the Resolution Copper legislative effort; would it be worth passing this note along to her?
-Bill

William D. Falsey
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Bureau of Land Management
U. S. Department of the Interior
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Phone: (202) 208-6262
Fax: (202) 208-5242
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Robert V
Abbey/WO/BLM/DOI

12/08/09 03:31 PM

To
"Special Assistant Willam Falsey" <William_Falsey@blm.gov>
cc
Janet H Lin/WO/BLM/DOI
Subject
Fw: Hot Issues Meeting TOMORROW

Bill; Are you attending this meeting tomorrow? If so, the status of Resolution Copper is as follows. I met with the company's CEO three weeks ago and I was informed he was working with the AZ delegation to modify the current legislative proposal. The modification will include a provision to complete NEPA prior to any land exchange or mining approval. That's what I have been told. We have not validated that such a modification to the bill has been made since McCain has held his plans fairly close. If true, then this change in the legislation is what we (BLM and Larry Echo-hawk) were advocating for, along with the understanding that tribal consultation is required. The FS as the lead agency would take the lead for tribal consultation and NEPA.

Bob

From: "Davis, Laura" [Laura_Davis@ios.doi.gov]
Sent: 12/08/2009 02:56 PM EST
To: Robert Abbey; Deanna Archuleta; Tony Babauta; Sylvia Baca; Kit Batten; Michael Bean; Letty Belin; Sarah Bittleman; Steve Black; Lori Caramanian; Anne Castle; Michael Connor; Laura Davis; Barbara Diehl; "Echo-Hawk, Larry" <IMCEAEX-_O=DOI_OU=EXCHANGE+20ADMINISTRATIVE+20GROUP+20+28FYDIBOHF23SPDLT+29_CN=RECIPIENTS_CN=73923e9-8ccddb; Kim Elton; Lori Faeth; William Falsey; Ned Farquhar; Kira Finkler; Wizi Garriott; Carmiece Graves; David Hayes; Pam Haze; Betsy Hildebrandt; Jon Jarvis; Terri Johnson; Melissa Koenigsberg; Kenneth Lane; Del Laverdure; Matt Lee-Ashley; Wilma Lewis; Liz Birnbaum; Jane Lyder; Christopher Mansour; Lizzie Marsters; Marcia McNutt; Joan Padilla; "Pizarchik, Joseph G" <JPizarchik@osmre.gov>; Kat Pustay; Ray Rivera; Sam Hamilton; Brian Screnar; Will Shafroth; Eileen Sobeck; "Stevens, Tracie" <IMCEAEX-_O=DOI_OU=EXCHANGE+20ADMINISTRATIVE+20GROUP+20+28FYDIBOHF23SPDLT+29_CN=RECIPIENTS_CN=9e2a4859-f67ea1; Renee Stone; Thomas Strickland; Rhea Suh; Hilary Tompkins; Paul Tsosie; John Tubbs; Chanelle Williams
Subject: Hot Issues Meeting TOMORROW

Good afternoon,
Although our leader is in Copenhagen tomorrow, Hot Topics will go on at 9 a.m. in room 5160. Suggested agenda items:

Resolution Copper update
California water – announcements next week
Ocean Policy Task Force update
MMS/BLM Energy management reform update
Climate Change/LCCs/RCCRCs
National Mall roll-out check-in
Colorado River/Glen Canyon Dam/high flows check-in
OCS action items check-in

Please advise if you have additional hot topics to suggest – in particular any inter-departmental deadlines or policy disputes which may need the attention of the Secretary in the coming days/weeks. We've been falling short in that area, as discussed last week.

Many thanks,
Laura

From Jensen, Jay
To Farquhar, Ned
Cc
Subject Re: Resolution copper

Date Wednesday, August 19, 2009 2:27:56 PM

Gotcha...just got some of the low down, but we should still connect so we can help out where needed with messaging or otherwise...

From: Ned_Farquhar@ios.doi.gov
To: Jensen, Jay
Sent: Wed Aug 19 14:18:27 2009
Subject: Re: Resolution copper

I have been in meetings, still am. Will call ASAP

From: "Jensen, Jay" [Jay.Jensen@osec.usda.gov]
Sent: 08/19/2009 02:17 PM AST
To: Ned Farquhar
Cc: "Harrell, Meryl" <Meryl.Harrell@osec.usda.gov>; "Cooksey, Rick" <Rick.Cooksey@osec.usda.gov>
Subject: Resolution copper

Heard Salazar will be meeting with local community on resolution copper land exchange Friday? Any info you can share? What's the impetus / objectives if you can share?

From Jensen, Jay **Date** Wednesday, August 19, 2009 2:17:13 PM
To Farquhar, Ned
Cc 'Harrell, Meryl'; 'Cooksey, Rick'
Subject Resolution copper

Heard Salazar will be meeting with local community on resolution copper land exchange Friday? Any info you can share? What's the impetus / objectives if you can share?

From Lane, Kenneth **Date** Tuesday, August 18, 2009 1:59:15 PM
To Mussenden, Paul
Cc 'CN=Janet H Lin/OU=WO/OU=BLM/O=DOI@BLM'; Dubin, Lindsay; Farquhar, Ned; Cardinale, Richard; Baca, Sylvia; Lewis, Wilma
Subject Re: Resolution Copper Information Memo

Maybe we just include IA's memo as an additional read

Ken Lane

Senior Advisor to the Secretary,

Assistant Deputy Chief of Staff

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Phone: 202-208-7351

Fax: 202-273-3501

e-mail: kenneth_lane@ios.doi.gov

From:

Paul Mussenden/SIO/OS/DOI

To:

Kenneth Lane/SIO/OS/DOI@DOI
Cc:

Janet H Lin/WO/BLM/DOI@BLM, Lindsay Dubin/SIO/OS/DOI@DOI, Ned Farquhar/SIO/OS/DOI@DOI, Richard Cardinale/ASLM/OS/DOI@DOI, Sylvia Baca/ASLM/OS/DOI@DOI, Wilma Lewis/ASLM/OS/DOI@DOI
Date: 08/18/2009 01:32 PM

Subject: Re: Resolution Copper Information Memo

OK - I'll check with Ned and Janet and get back to you.

From:

Kenneth Lane/SIO/OS/DOI

To:

Paul Mussenden/SIO/OS/DOI@DOI
Cc:

Janet H Lin/WO/BLM/DOI@BLM, Lindsay Dubin/SIO/OS/DOI@DOI, Ned Farquhar/SIO/OS/DOI@DOI, Richard Cardinale/ASLM/OS/DOI@DOI, Sylvia Baca/ASLM/OS/DOI@DOI, Wilma Lewis/ASLM/OS/DOI@DOI
Date: 08/18/2009 01:29 PM

Subject: Re: Resolution Copper Information Memo

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Phone: 202-208-7351

Fax: 202-273-3501

e-mail: kenneth_lane@ios.doi.gov

From: Paul Mussenden/SIO/OS/DOI
To: Lindsay Dubin/SIO/OS/DOI@DOI, Kenneth Lane/SIO/OS/DOI@DOI

Cc: Ned Farquhar/SIO/OS/DOI@DOI, Wilma Lewis/ASLM/OS/DOI@DOI, Janet H Lin/WO/BLM/DOI@BLM, Sylvia Baca/ASLM/OS/DOI@DOI, Richard Cardinale/ASLM/OS/DOI@DOI
Date: 08/18/2009 01:00 PM
Subject: Resolution Copper Information Memo

Ken/Lindsay: Ned Farquhar asked that I make sure you received the attached Information Memo today.

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To: Paul Mussenden/SIO/OS/DOI@DOI
Cc: Ned Farquhar/SIO/OS/DOI@DOI, Robert V Abbey/WO/BLM/DOI@BLM, Mike_Pool@blm.gov@BLM, Mike_Nedd@blm.gov@BLM
Date: 08/18/2009 12:48 PM
Subject: Resolution Copper

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(202) 341-9419 (c)

(202) 208-5242 (f)

From Mussenden, Paul **Date** Tuesday, August 18, 2009 1:49:08 PM
To Farquhar, Ned
Cc
Subject TIME SENSITIVE Fw: Resolution Copper Information Memo

Ned - Please let me know how I should respond to Ken. I reviewed the edits I received from various sections and I don't have anything from Indian Affairs - do you?

----- Forwarded by Paul Mussenden/SIO/OS/DOI on 08/18/2009 01:47 PM -----

From:

Kenneth Lane/SIO/OS/DOI

To:

Paul Mussenden/SIO/OS/DOI@DOI
Cc:

Janet H Lin/WO/BLM/DOI@BLM, Lindsay Dubin/SIO/OS/DOI@DOI, Ned Farquhar/SIO/OS/DOI@DOI, Richard Cardinale/ASLM/OS/DOI@DOI, Sylvia Baca/ASLM/OS/DOI@DOI, Wilma Lewis/ASLM/OS/DOI@DOI
Date: 08/18/2009 01:29 PM

Subject: Re: Resolution Copper Information Memo

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Ken Lane

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e-mail: kenneth_lane@ios.doi.gov

From:

Paul Mussenden/SIO/OS/DOI

To:

Lindsay Dubin/SIO/OS/DOI@DOI, Kenneth Lane/SIO/OS/DOI@DOI
Cc:

Ned Farquhar/SIO/OS/DOI@DOI, Wilma Lewis/ASLM/OS/DOI@DOI, Janet H Lin/WO/BLM/DOI@BLM, Sylvia Baca/ASLM/OS/DOI@DOI, Richard Cardinale/ASLM/OS/DOI@DOI
Date: 08/18/2009 01:00 PM

Subject: Resolution Copper Information Memo

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To: Paul Mussenden/SIO/OS/DOI@DOI
Cc: Ned Farquhar/SIO/OS/DOI@DOI, Robert V Abbey/WO/BLM/DOI@BLM, Mike_Pool@blm.gov@BLM, Mike_Nedd@blm.gov@BLM
Date: 08/18/2009 12:48 PM
Subject: Resolution Copper

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(202) 208-4586 (direct)

(202) 341-9419 (c)

(202) 208-5242 (f)

From CN=Janet H Lin/OU=WO/OU=BLM/O=DOI **Date** Tuesday, August 18, 2009 1:36:20 PM
To Mussenden, Paul; Farquhar, Ned; 'CN=Robert V Abbey/OU=WO/OU=BLM/O=DOI@BLM'; Pool, Mike
Cc
Subject Re: Resolution Copper Information Memo
DocLink1.ndl (258 B HTML)

Paul - I'm afraid I can't help much - I just finalized what you all provided and was not involved in the drafting.

Janet H. Lin

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Paul Mussenden/SIO/OS/DOI@DOI

08/18/2009 01:32 PM

To

Kenneth Lane/SIO/OS/DOI@DOI

cc

Janet H Lin/WO/BLM/DOI@BLM, Lindsay Dubin/SIO/OS/DOI@DOI, Ned Farquhar/SIO/OS/DOI@DOI, Richard Cardinale/ASLM/OS/DOI@DOI, Sylvia

Baca/ASLM/OS/DOI@DOI, Wilma Lewis/ASLM/OS/DOI@DOI

Subject

Re: Resolution Copper Information Memo <<DocLink1.ndl>>

OK - I'll check with Ned and Janet and get back to you.

From:

Kenneth Lane/SIO/OS/DOI

To:

Paul Mussenden/SIO/OS/DOI@DOI
Cc:

Janet H Lin/WO/BLM/DOI@BLM, Lindsay Dubin/SIO/OS/DOI@DOI, Ned Farquhar/SIO/OS/DOI@DOI, Richard Cardinale/ASLM/OS/DOI@DOI, Sylvia Baca/ASLM/OS/DOI@DOI, Wilma Lewis/ASLM/OS/DOI@DOI
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From Mussenden, Paul **Date** Tuesday, August 18, 2009 1:32:27 PM
To Lane, Kenneth
Cc 'CN=Janet H Lin/OU=WO/OU=BLM/O=DOI@BLM'; Dubin, Lindsay; Farquhar, Ned; Cardinale, Richard; Baca, Sylvia; Lewis, Wilma
Subject Re: Resolution Copper Information Memo

OK - I'll check with Ned and Janet and get back to you.

From:

Kenneth Lane/SIO/OS/DOI

To:

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Cc:

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From:

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Cc: Ned Farquhar/SIO/OS/DOI@DOI, Robert V Abbey/WO/BLM/DOI@BLM, Mike_Pool@blm.gov@BLM, Mike_Nedd@blm.gov@BLM
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From Lane, Kenneth **Date** Tuesday, August 18, 2009 1:29:38 PM
To Mussenden, Paul
Cc 'CN=Janet H Lin/OU=WO/OU=BLM/O=DOI@BLM'; Dubin, Lindsay; Farquhar, Ned; Cardinale, Richard; Baca, Sylvia; Lewis, Wilma
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From Mussenden, Paul
Date Tuesday, August 18, 2009 1:00:24 PM
To Dubin, Lindsay; Lane, Kenneth
Cc Farquhar, Ned; Lewis, Wilma; 'CN=Janet H Lin/OU=WO/OU=BLM/O=DOI@BLM'; Baca, Sylvia; Cardinale, Richard
Subject Resolution Copper Information Memo

ResolutionCopper.mem (August 18, 2009).doc (36 KB HTML)
Superior-Dripping Springs-Lower San Pedro-Appleton Ranch.pdf (Res Copper).pdf (821 KB HTML)
ApacheLeapProtectionArea (Res Copper).pdf (1.1 MB HTML)
FedParcelOakFlat(2406Acres) (Res Copper).pdf (950 KB HTML)
New-OakFlatCampground (Res Copper).pdf (951 KB HTML) OakFlatWithdrawalArea (Res Copper).pdf (971 KB HTML)

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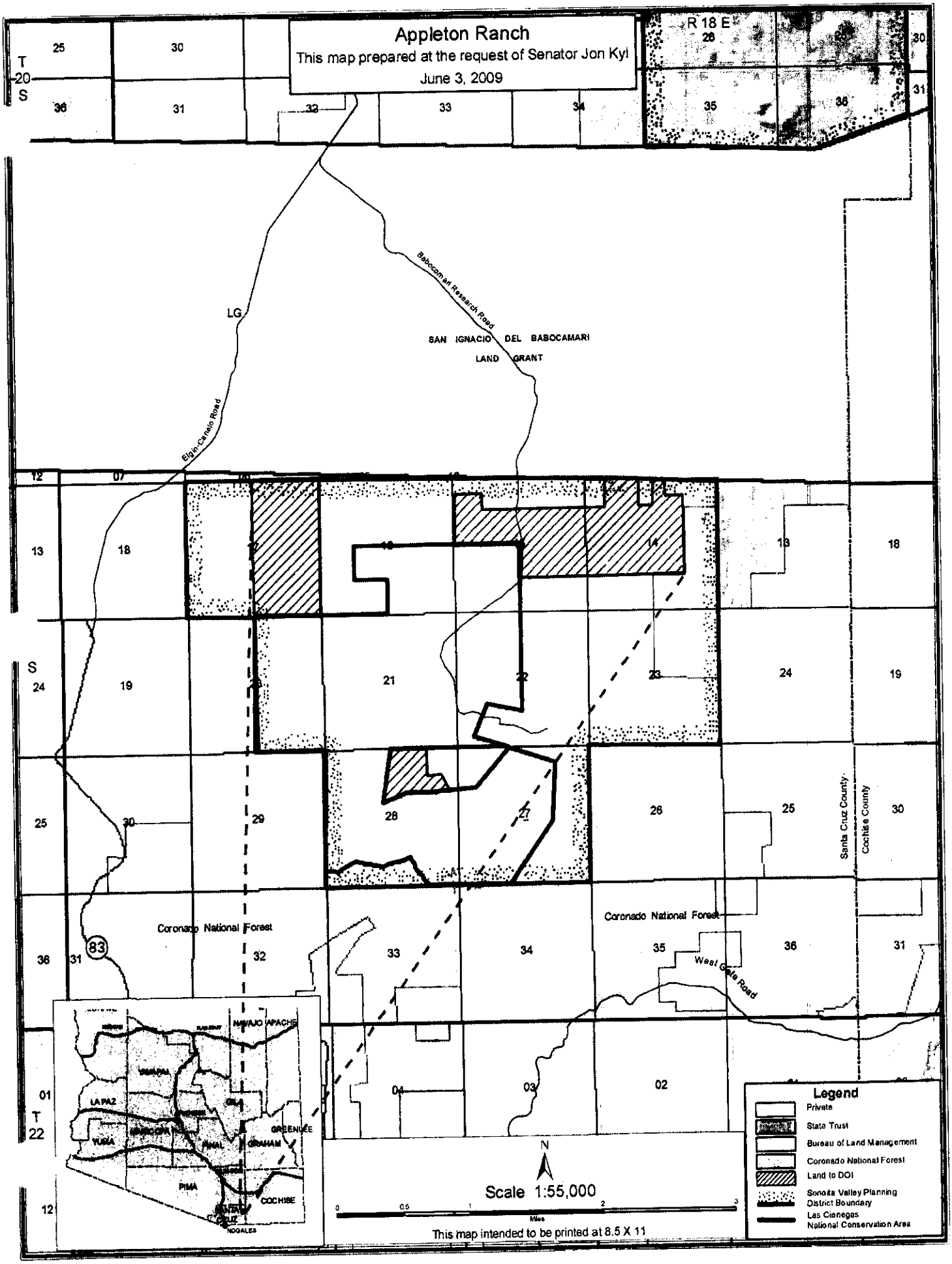
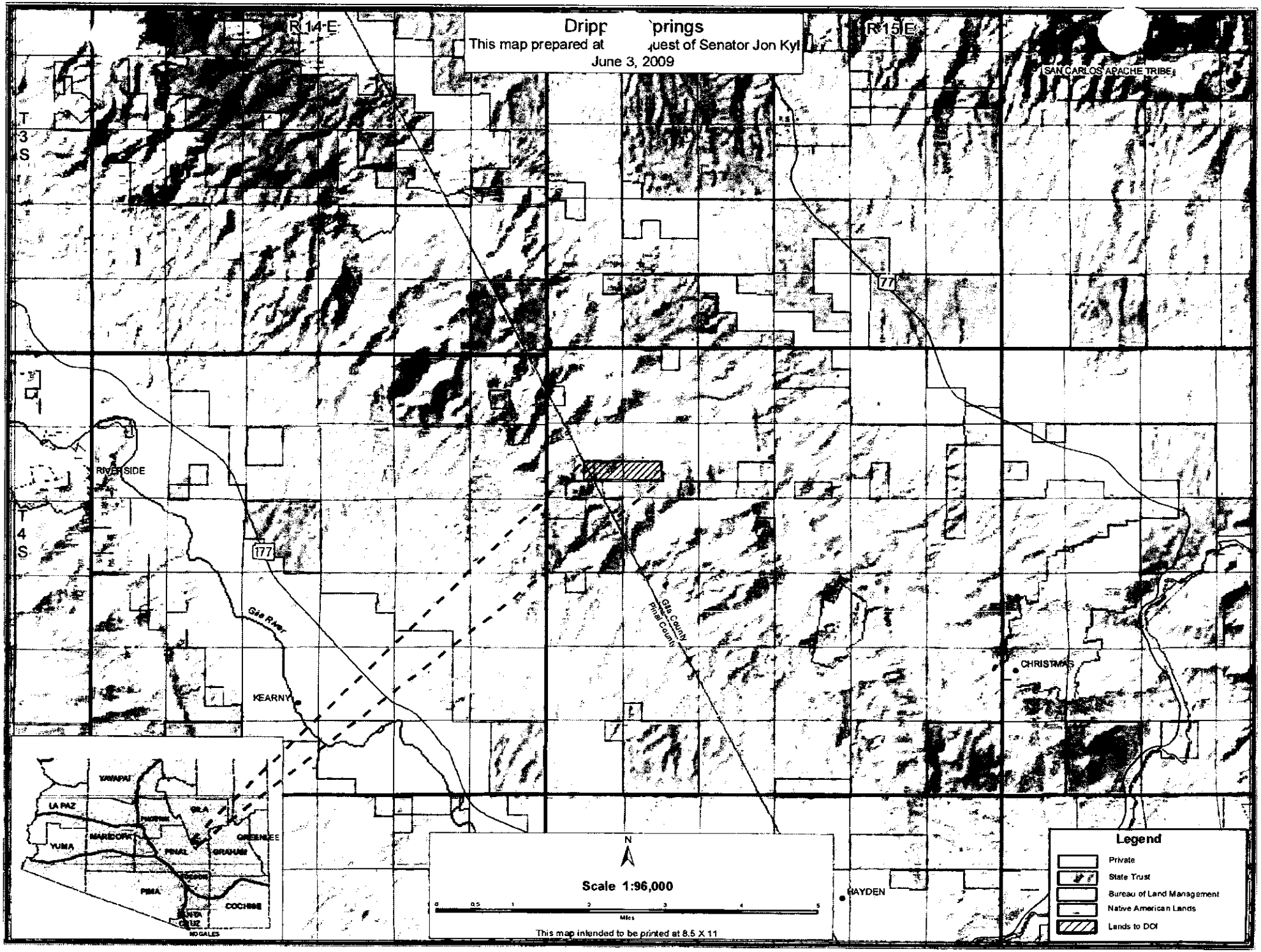

Appleton Ranch
This map prepared at the request of Senator Jon Kyl
June 3, 2009
R 18 E
T 20 S
T 22 S
LG
Elgin-Canelo Road
Babocomari Research Road
SAN IGNACIO DEL BABOCAMARI LAND GRANT
Coronado National Forest
Coronado National Forest
West Gate Road
Santa Cruz County
Cochise County
83
NAVAJO
APACHE
GILA
LA PAZ
YUMA
MARICOPA
PINAL
GRAHAM
GREENLEE
PIMA
COCHISE
SANTA CRUZ
NOGALES
Legend
Private
State Trust
Bureau of Land Management
Coronado National Forest
Land to DOI
Sonoita Valley Planning District Boundary
Las Cienegas National Conservation Area
N
Scale 1:55,000
0 0.5 1 2 3
Miles
This map intended to be printed at 8.5 X 11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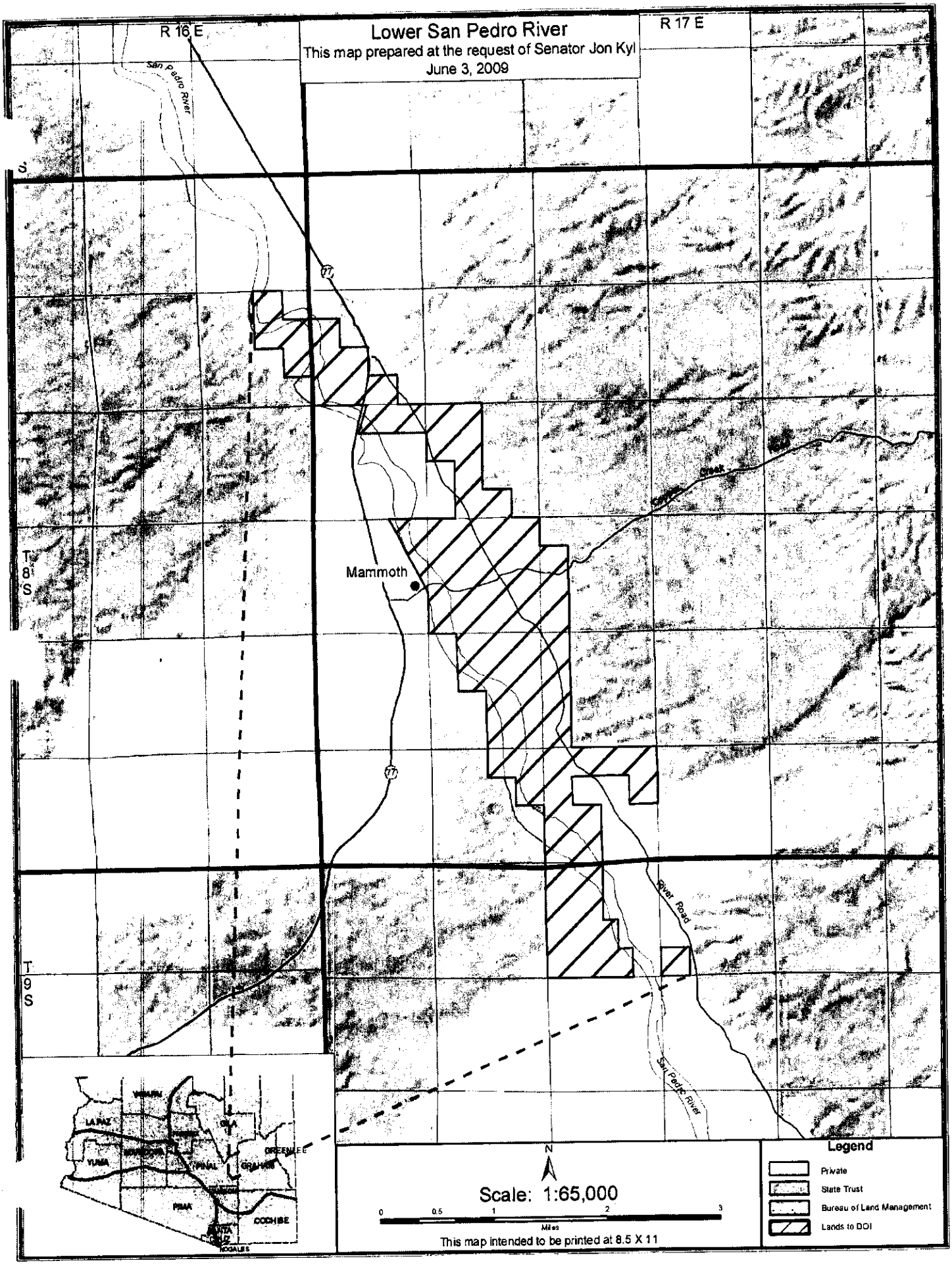
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June 3, 2009
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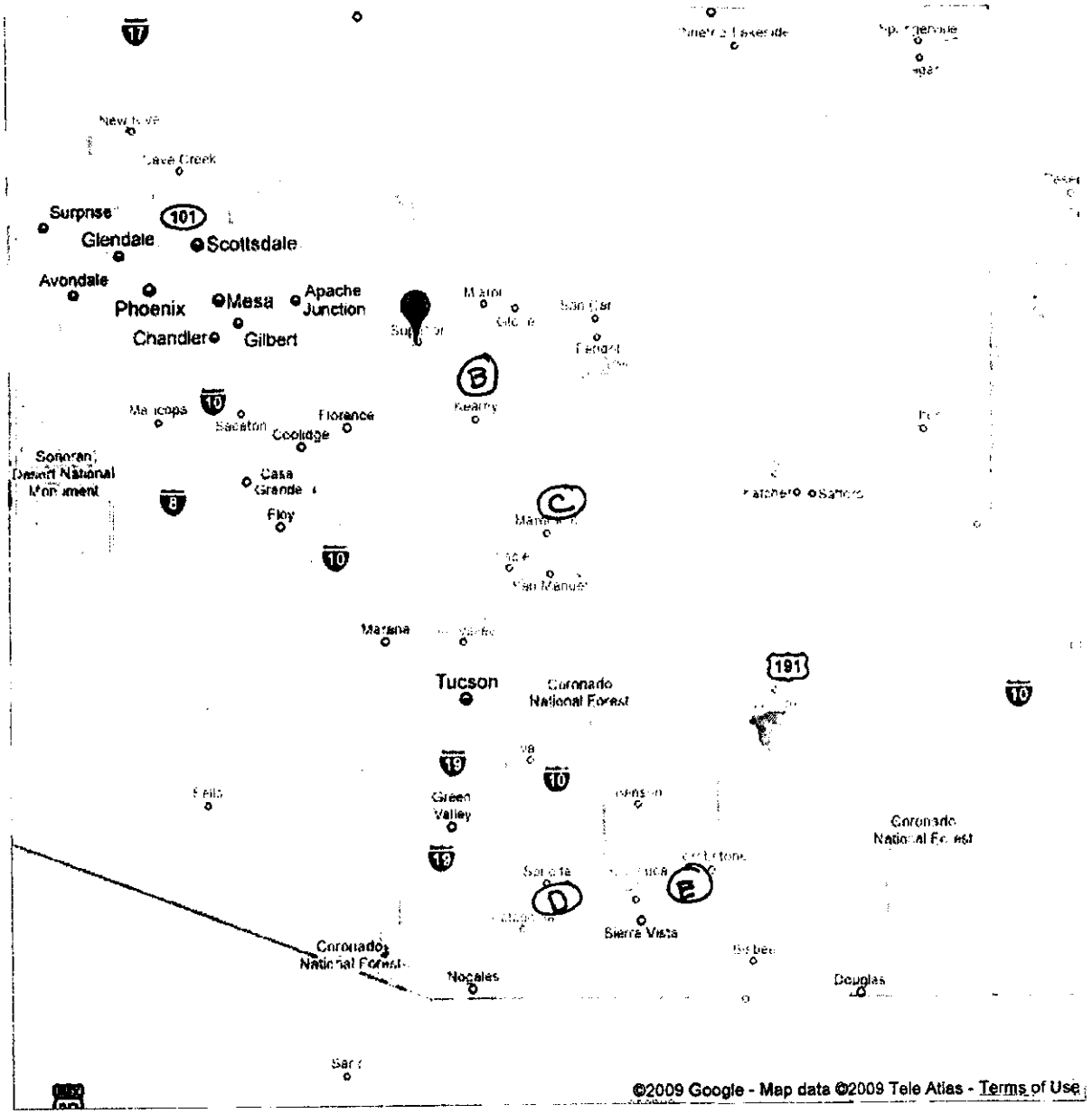
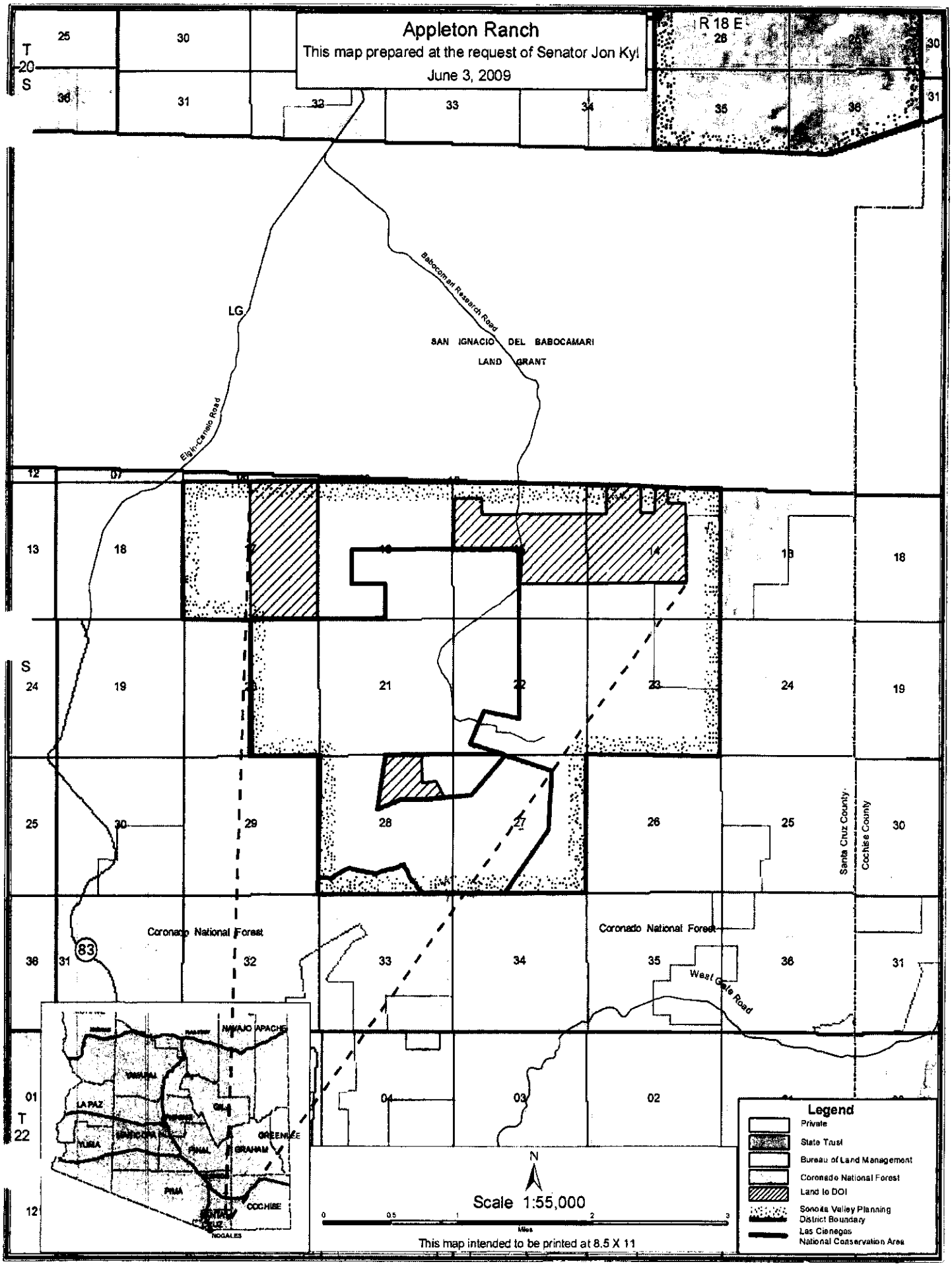


A) Superior, Arizona—Location of proposed Resolution Copper mine
B) Dripping Springs Parcel
C) Lower San Pedro Parcel
D) Appleton Ranch Parcel
E) Existing San Pedro National Conservation Area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June 3, 2009
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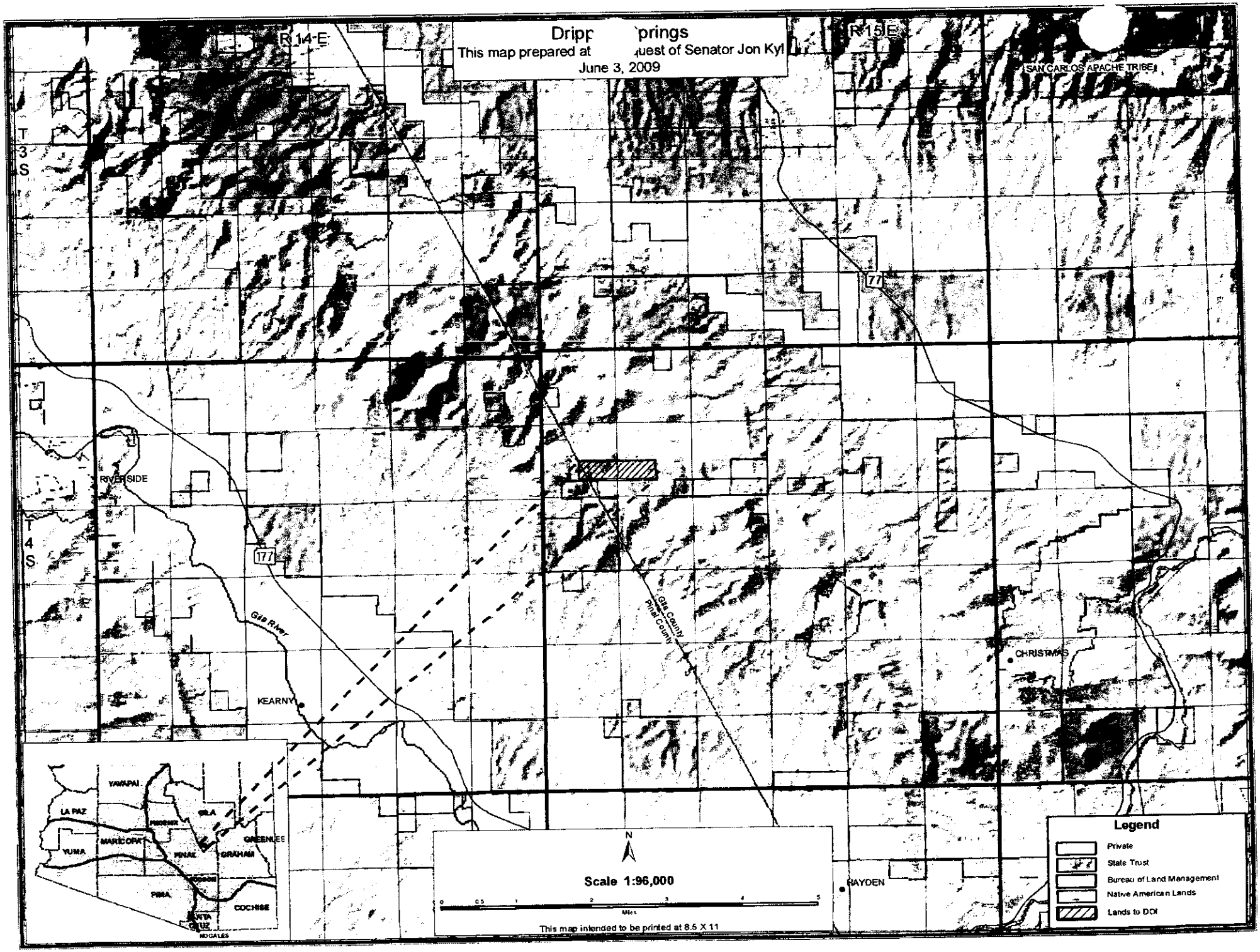
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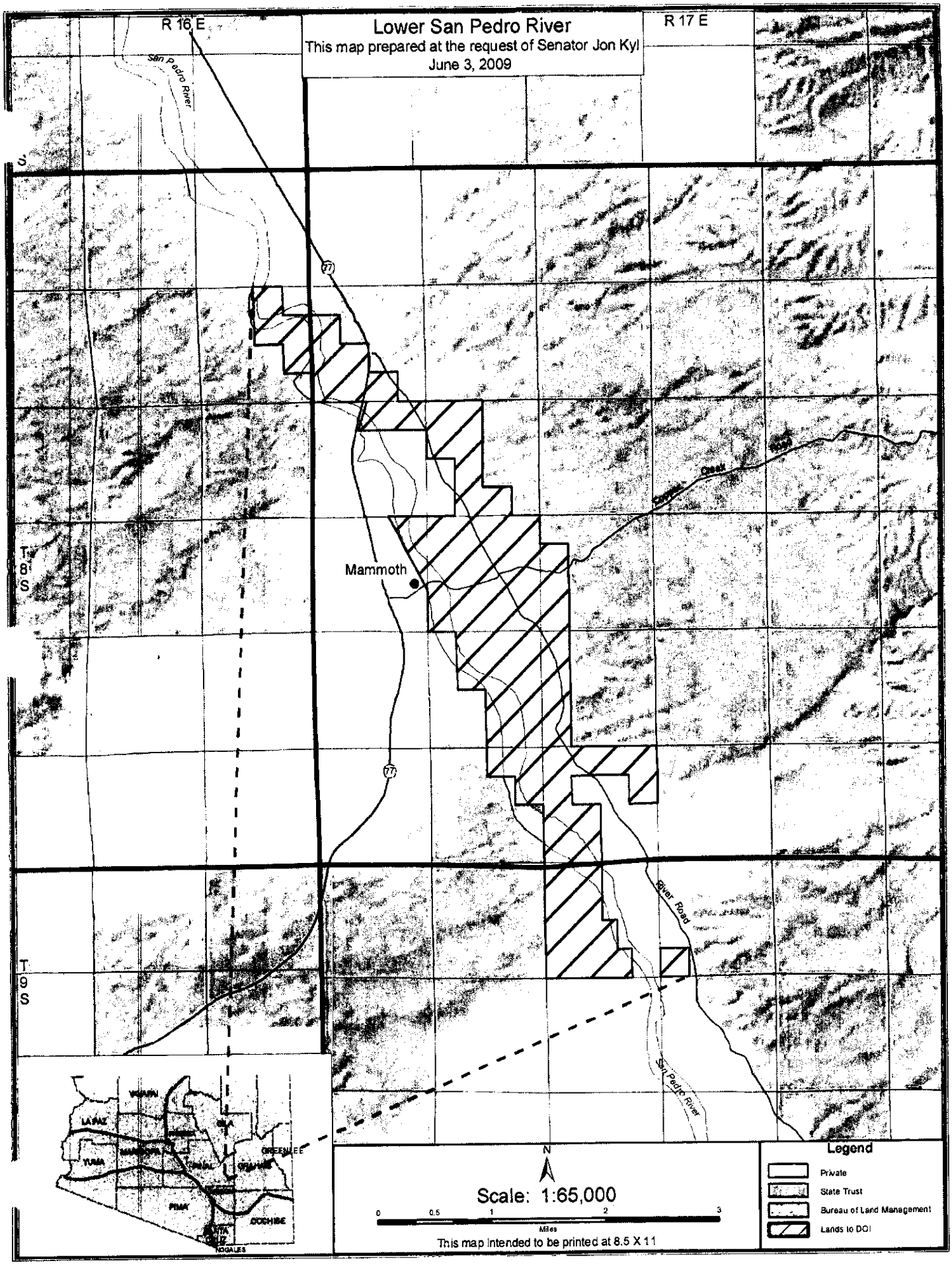
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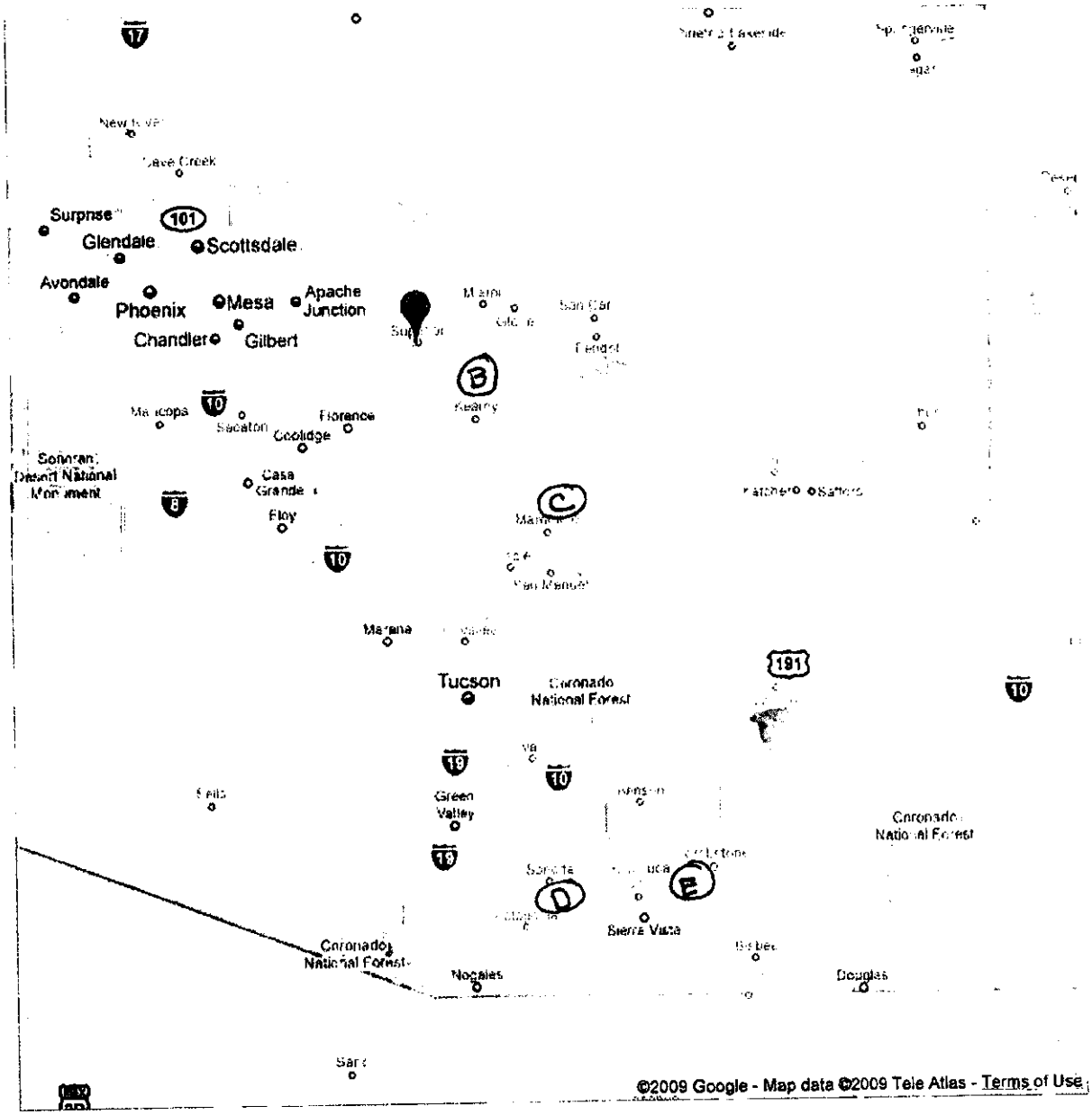

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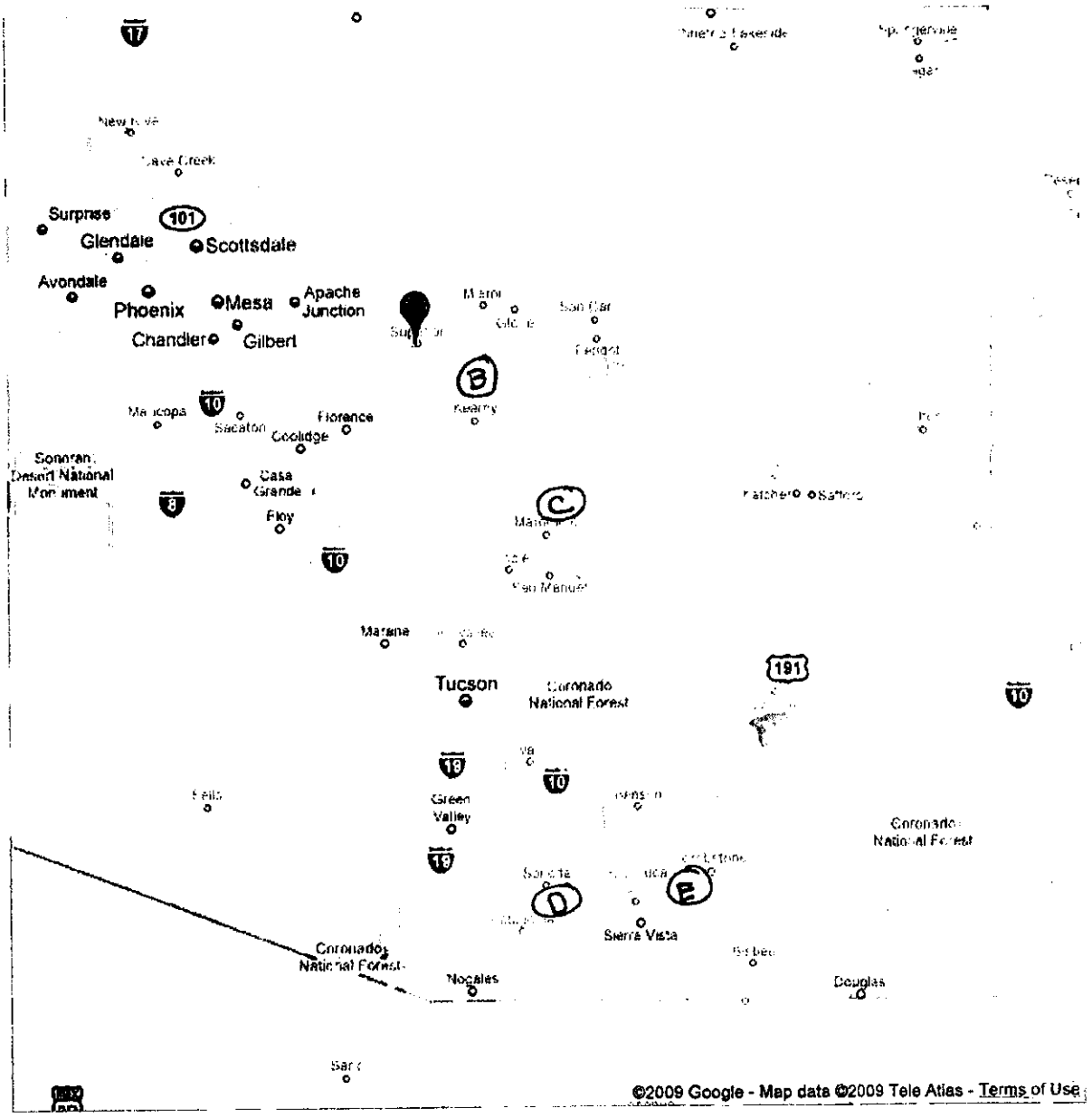

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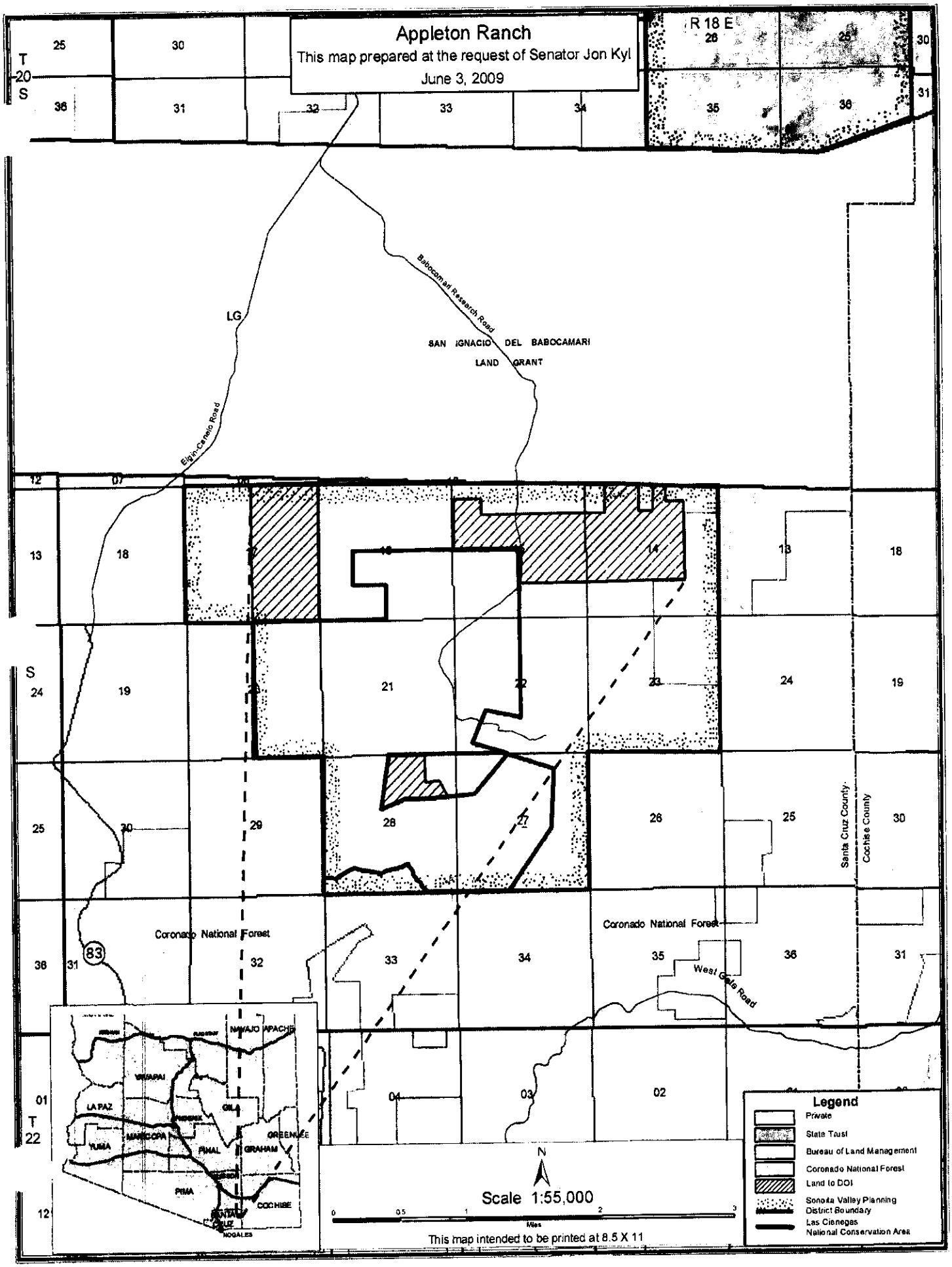
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Bureau of Land Management
Coronado National Forest
Land to DOI
Sonoita Valley Planning District Boundary
Las Cienegas National Conservation Area

Information Memo

TO: Ken Salazar, Secretary

THROUGH: Wilma A. Lewis, Assistant Secretary for Lands and Minerals Management
Ned Farquhar, Deputy Assistant Secretary for Land and Minerals Management
Sylvia V. Baca, Deputy Assistant Secretary for Land and Minerals Management

FROM: Robert V. Abbey, Director, Bureau of Land Management

SUBJECT: Resolution Copper, Arizona

DATE: August 18, 2009

BACKGROUND:

Proposed Legislation: Senator Jon Kyl introduced S.409, the Southeast Arizona Land Exchange and Conservation Act of 2009, in February 2009. Senator John McCain is a co-sponsor. The bill would convey 2,406 acres within the Tonto National Forest to Resolution Mining Copper, LLC. The United States would receive 5,566 acres in return, including 1,377 added to the National Forest System and approximately 4,200 conveyed to the Bureau of Land Management in several locations.

The proposed mine: Resolution Copper proposes a major underground copper mining development in the Oak Flat area about four miles east of Superior, Arizona. The copper is deep (at around 7000 feet) but is considered one of the richest deposits in North America. The Oak Flat parcel lies adjacent to the company's existing private land and the site of the Magma mine, which closed in 1996.

Pre-existing uses and proposed conveyances: Oak Flat was developed as a CCC campground in the late 1930's and attracts about 6,600 campers annually. The 760 acres around the campground was withdrawn from appropriation in 1955 by President Eisenhower to keep it open as a campground. Apache Leap, to the west of the campground, is a site where Apache warriors leapt to their deaths rather than surrender to US Army forces. Grand Canyon, to the east, is a perennial stream and ecologically significant riparian area and is the sacred site of the Crowndancers that is important to the Apache and Yavapai Nations. To the northwest, and likewise adjacent, is Queen Creek, flowing into the Gila Watershed and also important to local tribes. Cultural and archaeological resources include prehistoric rock art and burial sites.

The Fairview Cemetery, which would also be conveyed under the Act, features very early graves and old wooden crosses. The Act also conveys acreage granted to Superior in 1952 for an airstrip which the County eventually used for a sewage disposal plant in

violation of the original grant; conveyance of the property would prevent reversion to the federal government. Four parcels totaling 250 acres contiguous to the airport tract would also be conveyed to local government as they are difficult for the Forest Service to manage.

(b) (5)

(b) (5)

(b) (5) [redacted]

(b) (5) [redacted]

POSITIONS OF INTERESTED PARTIES:

(b) (5) [redacted]

(b) (5) [redacted]

(b) (5) [redacted]

(b) (5) [redacted]

(b) (5)

From Dubin, Lindsay **Date** Monday, August 17, 2009 1:43:08 PM
To Farquhar, Ned
Cc Lewis, Courtenay; Tsosie, Paul
Subject Re: Resolution Copper Briefing

Hi Ned,

I'm just looping back in to make sure we get the below by tomorrow at 12pm. Thanks again!

Lindsay Dubin

Special Assistant

Scheduling Office

Department of the Interior

(202) 208-5387

From:

Ned Farquhar/SIO/OS/DOI

To:

Lindsay Dubin/SIO/OS/DOI@DOI
Cc:

Courtenay Lewis/SIO/OS/DOI@DOI, Paul Tsosie/ASIA/OS/DOI@DOI
Date: 07/30/2009 03:21 PM

Subject: Re: Resolution Copper Briefing

Ok

----- Original Message -----

From: Lindsay Dubin

Sent: 07/30/2009 02:28 PM EDT

To: Ned Farquhar

Cc: Courtenay Lewis; Paul Tsosie

Subject: Resolution Copper Briefing

Hi Ned,

We just spoke with Ken Lane about trip briefings for the next month of the Secretary's travel. The Secretary will be headed to Arizona on Thursday August 20th with regard to Resolution Copper and Ken said it was important that the Secretary had an updated informational memo from your office with site maps of the area. In addition, he wanted this same memo to flesh out tribal concerns and that you should work with Paul Tsosie and Assistant Secretary Echo Hawk to obtain information about these tribal concerns and incorporate them into the memo coming from you guys.

We will need this memo along with the site maps by Tuesday August 18th at 12pm.

Attached is the new format for informational memos to the Secretary.

[attachment "Decision & Information Memos Format.doc.doc" deleted by Ned Farquhar/SIO/OS/DOI]

Thanks so much and please let me know if there's any way I can help with this!

Lindsay Dubin

Special Assistant

Scheduling Office

Department of the Interior

(202) 208-5387

From Rees, C **Date** Friday, August 14, 2009 4:39:19 PM
To Farquhar, Ned
Cc
Subject Resolution Copper Docs

Resolution Copper Docs.doc (83 KB HTML) **Resolution Copper Docs2.PDF** (434 KB HTML)

Here are some more documents

Gareth C. Rees

Office of the Assistant Secretary

Land and Minerals Management

1849 C Street, NW MS - 6628

Washington, D.C. 20240

Tel: 202-208-3905

Fax: 202-208-3619

Likely Questions Bingaman/Wyden
Resolution Copper

Testimony

Mr. Holtrop, your testimony on the Resolution Copper land exchange states that the Department has not completed its analysis of the bill and that you will provide additional views and concerns upon completion of that analysis. I believe the formal invitation to testify on this bill went out two weeks ago today, and of course the Forest Service has been familiar with the proposed exchange for a number of years, so it's frustrating that at this date we don't have the Department's complete views on this bill. How much more time does the Forest Service need to review this bill? Can you give me a date by which we will have the Administration's complete comments on this bill?

[You may just want to let Joel Holtrop answer this question. However, if you have to give an answer this is ours.]

(b) (5) [redacted]

Company Data and Analyses

Your testimony indicates that it is essential for the agencies to have confidential access to the mining companies' data and analyses in order to develop an accurate mineral report and appraisal. The previous Administration took the same position. If the agencies were to negotiate an exchange such as this under its standard administrative procedure, would they have the authority to require confidential access to such information as a condition of proceeding with the exchange? Are you aware of whether the agencies have done that before?

(b) (5) [redacted]

Tribal Consultation

Mr. Farquhar, your testimony mentions that tribal consultations are a concern for the Department, but it does not otherwise specifically address the issue. Mr. Holtrop, your testimony states that you will continue to work with the Tribes as you move forward with analyzing the bill. The tribes have testified repeatedly that they have been deeply concerned about the lack of consultation on a government-to-government basis. I realize that the Administration is still working to get its agency leadership in place, but can you tell me whether either of your agencies have consulted with the Tribes on a government-to-government basis to-date and, if not, if you plan to?

(b) (5) [redacted]

BHP-Billiton Property

(b) (5)

[redacted]

Qs&As—RESOLUTION COPPER
ADDITIONAL POSSIBLE QUESTIONS

In your testimony you raise concerns about tribal consultations. This is a new issue that hasn't come up before. What exactly are the tribal concerns and how do you believe they should be addressed?

(b) (5) [redacted]

Does the Department of the Interior support S. 409, it isn't clear to me from your testimony? What about the specific parcels the bill identifies to come to the Department of the Interior.

(b) (5) [redacted]

(b) (5) [redacted]

"OM\

)N,

Qs&As—Resolution Copper
Timing & Appraisals

(b) (5)

Qs&As—Resolution Copper
Equalization of Values

Why is it so important for the funds from the sale of lands to go to acquire lands? Don't you have plenty of projects you could undertake with those monies?

(b) (5)

[redacted]

Section 12 of the bill places a royalty on future mineral production. What do you think of this approach?

(b) (5)

[redacted]

Key Points

S. 409, Southeast Arizona Land Exchange and Conservation Act (Resolution Copper)

Major Provisions

- Mandates the exchange of a 2400+ acre Forest Service parcel to Resolution Copper LLC in exchange for a number of private environmentally-sensitive parcels in Arizona.
- Three private parcels with conservation values are transferred to the BLM:
  - Lower San Pedro River (3,056 acres)
  - Dripping Springs (164 acres)
  - Appleton Ranch (938 acres)
- Additional parcels are transferred to the Forest Service.
- Because of the difficulty of fairly and accurately appraising the Forest Service parcel as described in BLM testimony, the bill provides for a revenue stream to the Federal government if cumulative production of minerals exceeds that projected in the appraisal.

Background

- Introduced by Senator Kyl (R-AZ) and cosponsored by Senator McCain (R-AZ) there have been several hearings on this legislation over the past four years. The bill has changed substantively over that time but the basic elements remain consistent.
- Resolution Copper intends to develop a very deep copper mine on this acquired parcel. They have indicated that they believe this is the largest remaining copper deposit in North America.
- The bill is not without controversy. A number of tribes have raised concerns about important cultural issues related to the Forest Service parcel. Also varying local interests have raised concerns at different times.
- Former Congressman Renzi (R-AZ) was indicted last year by a Federal grand jury on fraud and conspiracy charges related to his efforts on the bill. Parcels he allegedly advocated adding to the bill are not included and Resolution Copper rebuffed his proposals.

BLM Position

- (b) (5) [redacted]

Qs&As—RESOLUTION COPPER
BLM ACQUIRED PARCELS

San Pedro

Why do you support bringing the San Pedro parcel into BLM ownership?

(b) (5) [redacted]

Will you manage these lands as part of the San Pedro NCA?

(b) (5) [redacted]

Dripping Springs

What is the BLM's position on the Dripping Springs Parcel?

(b) (5) [redacted]

With the State of Arizona out of the picture on the proposed rock-climbing park, does the BLM plan on actively running the area for that purpose?

(b) (5) [redacted]

Appleton Ranch

What would the Appleton Ranch parcel bring to the exchange?

(b) (5) [redacted]

Qs&As—RESOLUTION COPPER
TIMING & APPRAISALS

In your testimony you argue that the bill provides insufficient time to complete the exchange. What takes so long? Why can't this be done quickly?

(b) (5)

[redacted]

Why do you need access to Resolution Copper's internal information on the nature of the mineral deposits? Isn't this proprietary information? Is this typical?

(b) (5)

[redacted]

Qs&As—RESOLUTION COPPER
EQUALIZATION OF VALUES

Why is it so important for the funds from the sale of lands to go to acquire lands? Don't you have plenty of projects you could undertake with those monies?

(b) (5) [redacted]

Section 12 of the bill places a royalty on future mineral production. What do you think of this approach?

(b) (5) [redacted]

Some may question whether it's appropriate to exclude a corridor from the designated wilderness area for the benefit of one person. While wilderness bills routinely exclude or "cherry stem" routes from wilderness designation, generally those exclusions benefit larger segments of the public.

Is it common to designate a special, temporary cherry stem through a wilderness for one person or a small group of people to use?

(b) (5) [redacted]

14. If this is acceptable, how could other individuals petition for similar rights-of-way through other wildernesses?

(b) (5) [redacted]

[redacted]

15. S. 3157, to provide for the exchange and conveyance of certain National Forest System land and other land in southeast Arizona, and for other purposes.

Mr. Nedd, in the last session of Congress the BLM expressed a number of concerns with this Resolution Copper proposal.. I note that significant changes have been made to the bill.

On balance, have those changes improved or detracted from this legislation?

(b) (5) [redacted]

Questions from Senator Cordon Smith:

16. Is off-highway vehicle recreation demand currently being met by BLM's existing management in Central Oregon?

A group of brave individuals responded to these events by establishing the NAACP 100 years ago today, turning tragedy into hope for a better future. The founders of the NAACP issued a call to the Nation on President Lincoln's birthday in 1909, urging their fellow Americans to take stock of the progress since the Emancipation Proclamation and to measure how well the country had lived up to its obligation to ensure that each and every citizen was afforded equal opportunity and protection.

Less than 50 years after the end of the Civil War, the founders of the NAACP concluded that President Lincoln would be tremendously disappointed by the situation in 1909: the disenfranchisement of African Americans in several States between 1890 and 1908, the failure of the Supreme Court to strike down these disenfranchisement provisions, the segregation in trains and other public places, and attacks on African Americans, even in his hometown of Springfield, IL.

In 1909, Springfield held a banquet to celebrate President Lincoln's centennial. Booker T. Washington was invited to speak at this banquet, but declined to come to the city where race riots had taken place only 6 months before. Not a single African-American resident of Springfield was invited to this banquet. Black residents of Springfield held their own commemoration at the nearby African Methodist Episcopal Church, where the Reverend L. H. Magee expressed his disappointment at the exclusion of African Americans from the official commemoration of the Lincoln Centennial and predicted that by the bicentennial in 2009 Americans would have banished prejudice.

Over the last 100 years, the NAACP has been at the forefront of the struggle for equality. The NAACP led the fight to desegregate public schools, culminating in the Supreme Court's 1954 Brown v. Board of Education decision, and played a central role in the passage of the 1964 Civil Rights Act and the 1965 Voting Rights Act. Thanks to the hard work of the NAACP and many others, we have taken tremendous steps since the tragic events that led to its creation.

Tonight, at Springfield's bicentennial banquet in honor of President Lincoln, the minister of the African Methodist Episcopal Church will deliver the benediction and President Barack Obama will be the keynote speaker. President Obama's election and so much else that we treasure about America today is possible in part because of the vision and leadership of Abraham Lincoln and shows that there is still within us a passionate longing to be the America that President Lincoln believed we could and must become.

A hundred years later, I believe the founders of the NAACP might conclude that President Lincoln would be proud about many things in our country. But I think they would also remind us that there is still much to be done in the struggle for equality for all persons. I am reassured in knowing that the NAACP will continue to lead the fight to ensure political, educational, social and economic equality for all persons.

Mr. WEBB. Mr. President, I rise today to celebrate the 100th anniversary of the founding of the National Association for the Advancement of Colored People, NAACP, one of our Nation's oldest and most influential civil rights organizations.

Founded on February 12, 1909, the NAACP's original and primary goal was to secure for African Americans the rights that our Constitution guarantees under the 13th, 14th and 15th amendments. The NAACP played a leading role in the civil rights movement in the mid-20th century, stirring the conscience of our nation against segregation and institutionalized racism. Today, the NAACP continues its work to eliminate racial prejudice, and the organization has expanded its endeavors to ensure equal access to political, educational, social and economic advancement for all Americans.

Throughout its 100-year history, the NAACP has effected change at all levels of society and politics, working tirelessly through organizing, advocacy, and judicial action. From a small group of determined citizens in the early 1900s to an organization with over a half-million members and supporters today, the NAACP has established itself throughout America and the world as a leading champion for civil and human rights.

I am proud to be a lifetime member of the NAACP. I share its desire to ensure economic fairness and social justice in this country, and I am pleased to congratulate the NAACP on the occasion of its 100th anniversary.

SOUTHEAST ARIZONA LAND EXCHANGE AND CONSERVATION ACT OF 2009

Mr. KYL. Mr. President, yesterday I was pleased to join with Senator MCCAIN to introduce the Southeast Arizona Land Exchange and Conservation Act, which has been introduced in previous Congresses and has been modified only slightly from the version introduced last year. This bill is a culmination of several years of negotiation with local and State stakeholders and other interested parties.

Let me briefly explain the new provisions in this bill. First, a previous version of this bill would have placed 822 acres of Federal land, including the Apache Leap, in a conservation easement to ensure that these sensitive lands were protected. This modified bill goes a step further by keeping the Apache Leap under the control of the Forest Service, thereby providing Federal protection in perpetuity. In addition, I am pleased to announce that representatives from Resolution Copper have agreed to add an additional 110 acres of privately owned land adjacent to the federally owned portion of the Leap in this version of the land exchange.

Besides addressing concerns with Apache Leap, this modified bill also would provide for continued acorn gathering by the Apache tribes at the Oak Flat campground, and transfer additional private lands that will also serve this purpose.

In summary, this land exchange would preserve highly sought after land that is important for wildlife habitat, cultural resources, watershed and land-management objectives; promote outdoor recreation and tourism; and generate economic opportunities for state and local residents in the copper triangle region in Arizona. It is good for our environment and our economy. At a time when our economy is in desperate need of new jobs, this land exchange could create more than a thousand jobs at its peak, and generate more than $10 billion in total Federal, State, county and local tax revenues. The mine could also meet as much as a quarter of the U.S. demand for copper in the future.

I urge my colleagues to approve the legislation at the earliest possible date.

SELECT COMMITTEE ON ETHICS RULES OF PROCEDURE

Mrs. BOXER. Mr. President, in accordance with rule XXVI(2) of the Standing Rules of the Senate, Senator ISAKSON and I ask, unanimous consent that the Rules of Procedure of the Select Committee on Ethics, which were adopted February 23, 1978, and revised November 1999, be printed in the CONGRESSIONAL RECORD for the 111th Congress. The committee procedural rules for the 111th Congress are identical to the procedural rules adopted by the committee for the 110th Congress.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

RULES OF THE SELECT COMMITTEE ON ETHICS

PART I: ORGANIC AUTHORITY

SUBPART A—S. RES. 338 AS AMENDED

S. Res. 338, 88th Cong., 2d Sess. (1964)

Resolved, That (a) there is hereby established a permanent select committee of the Senate to be known as the Select Committee on Ethics (referred to hereinafter as the "Select Committee") consisting of six Members of the Senate, of whom three shall be selected from members of the majority party and three shall be selected from members of the minority party. Members thereof shall be appointed by the Senate in accordance with the provisions of Paragraph 1 of Rule XXIV of the Standing Rules of the Senate at the beginning of each Congress. For purposes of paragraph 4 of Rule XXV of the Standing Rules of the Senate, service of a Senator as a member or chairman of the Select Committee shall not be taken into account.

(b) Vacancies in the membership of the Select Committee shall not affect the authority of the remaining members to execute the functions of the committee, and shall be filled in the same manner as original appointments thereto are made.

Land Letter

3. MINING: Controversial Ariz. land exchange bill resurfaces in Congress *(05/28/2009)*

April Reese, E&E Western reporter

A contested land exchange bill that led to corruption charges against a former Arizona senator resurfaced in Congress last week, this time with new provisions aimed at allaying critics' concerns that the bill would allow a mining company to sidestep federal law.

The bill, introduced by Rep. Ann Kirkpatrick (D-Ariz.) on May 20, directs the secretary of the Interior Department to accept a reasonable offer from Resolution Copper Mining, a subsidiary of international mining companies Rio Tinto and BHP-Billiton, for 4,189 acres of federal lands in Tonto National Forest, near the town of Superior.

In exchange, the federal government would acquire 1,377 acres in five counties that are currently owned by Resolution Copper, including ranchland that would become part of the San Pedro Riparian National Conservation Area.

According to the bill, known as the "Southeast Arizona Land Exchange and Conservation Act," the land exchange is needed to "facilitate efficient extraction of mineral resources." It would allow exploration beneath the 760-acre Oak Flat recreation area, which was placed off-limits to mining via executive order by President Eisenhower 50 years ago.

Arizona's two senators, John Kyl (R) and John McCain (R), introduced a similar bill (S. 409) in the upper chamber in February, maintaining that the land swap "strikes the right balance of common sense fiscal and environmental policy."

Kyl noted in a statement that the bill would allow Resolution Copper Mining to create 1,000 new mining jobs while also protecting important conservation lands that would come under federal ownership in the exchange. The mine could supply as much as 20 percent of the nation's demand for copper – an important component of hybrid vehicles, which use about twice as much copper as traditional vehicles, Kyl added.

Proposal's troubled history

The new legislation is the first attempt to salvage the land exchange after a federal grand jury last year indicted former Rep. Rick Renzi (R) on 35 counts, including fraud and conspiracy, for allegedly offering to support the exchange if Resolution Copper agreed to buy $4 million worth of land from a former business partner. The company turned the offer down, and the land at the center of the ongoing corruption case is not included in the new version of the legislation.

The new bill also includes $1.2 million for the Forest Service to improve rock climbing opportunities in other areas to make up for lost climbing access at Oak Flat when the mine is opened.

Nevertheless, critics say there is plenty not to like about the new bill.

While making several changes from previous iterations in 2005 and 2006 -- including putting Apache Leap, an area sacred to American Indian tribes, off-limits to mining and requiring that an environmental impact statement (EIS) be conducted to analyze the effects of the mine -- opponents say the measure still allows Resolution to skirt federal law in its quest for copper reserves.

Roger Featherstone, director of the Arizona Mining Reform Coalition, called the changes to the bill "greenwashing." He noted that by privatizing the federal lands, mining activities would become subject to weaker state environmental requirements. And while the bill mandates the completion of an EIS, Featherstone said there was only a remote possibility that the company would ever need one, since it would own both the surface and mineral rights on the lands, making federal approvals unnecessary.

"The company isn't stupid," Featherstone said. "They're going through this process to make sure there's no federal nexus."

According to Resolution Copper's Web site, a new mine would need Forest Service approval for a water pipeline that would pass through Tonto National Forest, which could provide that nexus.

Resolution plans to use a mining method called "block caving," which involves collapsing the mine's ceiling, crushing the ore, then hauling the minerals to the surface for processing. While block cave mining occurs almost entirely underground, as opposed to in an open pit, critics say the method is more environmentally damaging than the traditional cut-and-fill approach used by many mining firms.

"They're going to be going so deep that it's going to all cave in and destroy the whole landscape," said Manuel Ortega, chairman of the Superior-based Concerned Citizens and Retired Miners Coalition and a former miner himself. "They could destroy our water table."

Environmental precautions

Troy Corder, a spokesman for Resolution Copper, said the company plans to take precautions to minimize the mine's environmental impact. And according to information on the company's Web site, Resolution plans to conduct "rigorous monitoring" of mining activities. "We recognize that by its nature mining disturbs the land, and we are fully committed to minimizing negative impacts and sustaining the environment at every stage of mine development and operation," the Web site states.

The company has also hired a member of the Navajo Nation to work with tribes to address concerns about protecting sacred areas both before and during the project, Corder said.

The proposal, which the company estimates could generate $46 million in economic benefits over the life of the mine, has the support of many local businesses and officials, including Superior Mayor Michael Ling.

Ling testified before Congress in support of an earlier version of the legislation, arguing that the land swap is "critical" to the town's future. As part of the deal, Superior will receive 250 acres of additional land surrounding the town.

"From the beginning, Resolution Copper has worked with Superior and other area communities with a vision of sustainable development," Ling said. "They routinely ask our opinions and include us in crucial discussions."

An earlier mine in the area swelled Superior's population to 7,500 and allowed the town to "make a name for itself," Ling said. But when mining ceased in 1987, the town's population dropped by half, and it has never really recovered, he said.

Click here to view the latest version of the land swap bill.

April Reese writes from Santa Fe, N.M.

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Bill revives land swap for copper mine

by Erin Kelly and Dan Nowicki - May. 21, 2009 12:00 AM
The Arizona Republic

WASHINGTON - U.S. Rep. Ann Kirkpatrick, D-Ariz., introduced legislation Wednesday that throws her support behind a controversial underground copper mine near Superior that developers say could turn into the largest source of copper ore in North America.

Kirkpatrick's bill could herald the long-awaited breakthrough for a federal land swap that is critical to the development of the mine. The proposed land exchange stalled two years ago, after her predecessor, Rep. Rick Renzi, was engulfed in a public-corruption scandal. Renzi is accused of trying to pressure Resolution Copper Co., the project's developers, to buy unrelated property from his former business partner in exchange for his help on the deal.

Renzi, a Republican who denies any wrongdoing, was indicted in February 2008 and is awaiting trial on federal charges. He did not seek re-election in 2008.

Kirkpatrick is seen as vital to the project because she represents the area where the mine would be developed and because she is a Democrat.

The mine already has the support of Arizona's Republican Sens. John McCain and Jon Kyl, but it needs bipartisan support to have any real chance of being approved in the Democratic-controlled Congress. Arizona Gov. Jan Brewer, also a Republican, recently voiced her support for the project.

Resolution Copper has been lobbying Kirkpatrick for months.

"For me, it comes down to jobs," she said in an interview Wednesday. "This could bring as many as 1,000 well-paying jobs to the area."

The federal land is thought to contain the world's largest undeveloped deposit of high-grade copper, worth billions of dollars even at today's depressed prices. Lawmakers must vote on the project because Resolution is seeking to gain control of the 3,000-acre site in Tonto National Forest.

In turn, the developers would give up more than 4,500 acres of environmentally sensitive land throughout Arizona.

Legislation praised

Company officials praised the legislation.

"This is the culmination of Congresswoman Kirkpatrick's countless hours of meetings with stakeholders and her deliberate and thorough discussion of this matter with constituents regarding this important legislation," said David Salisbury, president and chief executive of Resolution Copper. "Introduction of the bill is a very important first step in making the Resolution Copper project a reality."

The company has been trying since 2005 to acquire the site but has been blocked by the corruption scandal, environmentalists, rock climbers and Native American protests.

The land contains cultural and religious sites that are sacred to the San Carlos Apaches and other Native American tribes. There also have been concerns about the project's environmental impact.

The land includes some of the state's best rock-climbing terrain and a 600-acre campground that was set aside in the 1950s by presidential order as a national-recreation site.

Kirkpatrick, a freshman who represents Arizona's 1st Congressional District, said she met with all interested parties before deciding to introduce the bill in the House. Kyl already has introduced it in the Senate, with McCain as a co-sponsor.

Kirkpatrick said she is convinced the overwhelming majority of residents in the community support the project, which developers have said could bring as much as $800 million a year to the state. The mine would begin production in 2020 and produce an estimated 500,000 tons of copper ore a year.

'Long process'

"We worked a very long process bringing all the stakeholders together to address everyone's concerns," she said.

"I'm sure some groups may not be 100 percent happy, but I think we struck as good a balance as we could between helping the economy while preserving the local culture and environment."

The next step for the project is a hearing before the Senate Energy and Natural Resources Committee, which is scheduled for June 17.

Kirkpatrick said she will be working to drum up support for the bill among her colleagues and on the House Resources Committee, which must vote on the land exchange.

She said Wednesday that she was pleased that Rep. Jeff Flake, a Republican who represents Arizona's 6th Congressional District, has already signed on to her bill as a co-sponsor.

Reporter Max Jarman contributed to this article.

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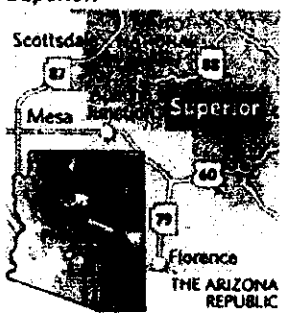
Future mine

Resolution Copper Co. has plans for a mine near Superior.



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May 20, 2009

Senate confirms 3 nominees for DOE, 1 for Interior

By KATHERINE LING, Greenwire

The Senate yesterday unanimously approved three top-level Energy Department nominees and one Interior Department nominee.

The confirmed Energy Department nominees are Kristina Johnson, undersecretary of energy; Steven Koonin, undersecretary of science; and Scott Harris, general counsel. Larry EchoHawk was confirmed to be Interior's assistant secretary for Indian Affairs.

Sen. Jon Kyl (R-Ariz.) had placed a procedural "hold" on four DOE nominees, including Johnson, Koonin and Harris, over a public lands and mining bill he supports. Kyl said yesterday that he would lift the holds after working out an agreement with Democrats that he would get a hearing on S. 409, which would facilitate a new copper mine near Superior, Ariz.

Under the bill, the federal government would transfer about 2,400 acres of the Tonto National Forest to Resolution Copper, a subsidiary of mining giant Rio Tinto. In exchange, the government would get about 5,500 acres along the San Pedro River, a valuable migratory bird corridor and riparian and wetland habitat for at-risk species, according to Kyl's office.

Ines Triay, nominated to be DOE's assistant secretary of environmental management, was the fourth candidate Kyl had placed a hold on, but her nomination was not considered yesterday. Reid's office would not comment on Triay's confirmation delay. "We are still working to get an agreement for consideration of the nomination and hope to do so soon," a spokeswoman said.

Triay would be in charge of a much-criticized DOE agency responsible for cleaning up Cold War and World War II legacy waste. The large toxic cleanup projects in Washington, South Carolina, Tennessee and Idaho have experienced cost overruns, delays and management issues that have been the subject of multiple Government Accountability Office reports and congressional hearings.

The office also is chronically underfunded, exacerbating the cleanup problems. The Environmental Management Office will receive $6 billion during the next two years to reduce the legacy footprint of the environmental management program and complete the cleanup of near-term projects, Triay told a Senate panel in April.

Johnson, an electrical engineer, is Johns Hopkins University's provost and senior vice president for academic affairs and previously was dean of Duke University's Pratt School of Engineering.

Koonin, an award-winning physicist and BP chief scientist, helped Energy Secretary Steven Chu form a major biosciences energy research partnership when Chu headed the Lawrence Berkeley National Laboratory.

APACHES' INTERVENTION AT 8TH SESSION, U.N. PERMANENT FORUM ON INDIGENOUS ISSUES

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WENDSLER NOSIE, SR.
CHAIRMAN

DAVID REEDE
VICE-CHAIRMAN

Oak Flat/Apache Leap Statement

The purpose of this statement is to affirm why the **Lipan Apache Woman's Defense** and the **San Carlos Apache Tribe** opposes the Southeast Arizona Land Exchange and the proposed Resolution Copper mine at Chich'il Bildagoteel, how these proposed activities will seriously harm Apaches, and what steps the Tribe believes should be taken to resolve this matter.

Apaches have traditionally opposed large-scale mining, and the Tribe opposes large-scale mining to this day. Since 1996 the Tribe's Elder's Cultural Advisory Council has written several formal letters to Federal and local government agencies strongly opposing large-scale mining. Long before that countless Apaches fought, killed, and died protecting our homelands from large-scale mining.

Mining is inconsistent with our conservative, traditional Apache values. We have been taught to respect the natural world, and to keep it clean and natural. Our traditional relationship with the land is deep and personal. We depend on the natural world for our survival, and our survival depends on maintaining our personal relationships with all living things. Our word for this earth is Nigosdzan, "Earth is Woman". We were taught never to desecrate her by digging deep into her veins.

In pre-Reservation days rape was punishable by death, the victim's relatives exacting justice from the perpetrator. When our ancestors saw disrespectful miners raping Nigosdzan, they responded harshly in a proper, traditional manner. They viewed many of the early White settlers, especially miners, as filthy savages who destroyed the natural world wherever they went through mining, overgrazing, over-hunting, or by dirtying the land with their garbage and indiscriminate human waste. Our ancestors found these activities shocking and dangerous.

Everything in the natural world is alive and has a power. We have a name for everything: the plants, the animals, the birds, the atmosphere, the minerals, the winds, the stars, the bodies of waters, the places, and everything else. We recognize the power that each element of the natural world has, and that each individual power is directly related to particular Holy Beings.

We recognize that each of these elements works in concert with the other elements that make up an ecosystem. The power of each of these species is influenced by the other species in the ecosystem, and these combinations of power contribute to the power of the entire ecosystem. All of these powers are in turn influenced by the particular power of the place they are found, so that the power of each ecosystem cannot be duplicated or replaced.

Apaches often need to access these particular species and ecosystems, in person or remotely, by physical access, prayer, song, vision, or ceremony. Our traditional specialists use song cycles and ceremonies - just like modern scientists use formulas and technology – for the community's healing, protection, and physical and spiritual well-being and happiness.

Damage to these ecosystems, and to the species found within them, weakens their power and shows great disrespect to the Holy Beings with whom they are associated, who have the ability to deny the benefits of this power, or the spiritual or physical access to these ecosystems. Losing access to these ecosystems – both by their closure or their destruction – profoundly weakens the strength of Apache prayer and ceremony, and severely limits the ability of Apaches to effectively practice their religion, ultimately resulting in physical and spiritual harm to Apaches.

Over the past 150 years our traditional Apache lands have been destroyed, place-

by-place, ecosystem-by-ecosystem. We see parking lots covering our traditional food and medicine gathering areas, our sacred springs run dry by development, and trailer parks in our traditional corn and pumpkin fields. Now you are proposing more destruction.

The proposed mine at Chich'il Bildagoteel will destroy many particular ecosystems and the living things within them. These ecosystems and living things are associated with particular Holy Beings that we depend on, in particular a certain kind of Gaan – all-powerful Mountain Spirits – with whom Chich'il Bildagoteel is associated. Destroying this area will greatly hurt our ability to conduct public and private ceremonies involving these Gaan and other Holy Beings.

The area impacted by the mine includes cherished traditional food and medicine gathering areas, which would be forever lost if the mine were to open. We believe that the proposed mine will seriously affect the waters both above and below the ground that we depend on for physical and spiritual sustenance. We believe that there is no way to mitigate this loss or the serious impacts to Apaches. We believe that destroying these ecosystems will violate our civil and religious rights.

We, like you, believe in economic development for our people. We need jobs desperately. But we can't accept an economy that is inconsistent with our most deeply held values. Just as you don't want jobs for your young people that are based on drugs or prostitution, we don't want jobs that are based on destroying Nigosdzan. We believe that an economy based on extractive industries is short-term, and physically and spiritually harmful. We believe, like so many international reports indicate, that extractive industries rarely benefit indigenous communities.

We want the Federal Government to proceed with a full administrative review through an Environmental Impact Statement so that we can more fully analyze the serious impacts that this proposed mine will have on our people. Existing cultural resource legislation has been ignored by the absence of meaningful, government-to-government consultation and the absence of responsible efforts to manage lands important to Indigenous populations, not to mention the pubic-at-large. At that time, we will be happy to discuss in detail these impacts, and the ways in which they may or may not be mitigated.

We would also like to work with our local, state, and Federal governments in identifying long-term, responsible economic development strategies for all of us, that are consistent with both traditional Apache values and scientifically-informed, environmentally sustainable practices.

Thank you for your attention to projects occurring on our traditional Apache lands, ancestral lands to many Indigenous populations and the many diverse publics who use and care for the Oak Flat/Apache Leap areas. If you would like more information, please contact Chairman Wendsler Nosie Sr. at (928) 475-

From Rees, C on behalf of Farquhar, Ned **Date** Friday, August 14, 2009 4:22:09 PM
To Farquhar, Ned
Cc
Subject Fw: Resolution Copper Testimony Cleared (finally)

FINALS409 DOI testimony.doc (53 KB HTML)
OralTestimony.docx (15 KB HTML)
Qs&AsResolutionSupplemental.docx (13 KB HTML) **Qs&AsJune17Unrelated.docx** (14 KB HTML)

hope this helps

----- Forwarded by Gareth C Rees/SIO/OS/DOI on 08/14/2009 04:21 PM -----

From:

Laurie_Sedlmayr@blm.gov

To:

ned_farquhar@ios.doi.gov, nfarq@comcast.net
Cc:

Richard_Cardinale@ios.doi.gov, Laurie_Sedlmayr@blm.gov, Patrick_Wilkinson@blm.gov, Joe_Stout@blm.gov, Gareth_Rees@blm.gov
Date: 06/16/2009 07:47 PM

Subject: Resolution Copper Testimony Cleared (finally)

Ned,

Our testimony just cleared and I have sent it up to the Hill. They won't be happy about the lateness and may grouse a little about it tomorrow, but it was out of our hands. The best thing to do if they complain is to simply apologize.

Here is our testimony

(See attached file: FINALS409 DOI testimony.doc)

I have also made changes to the oral testimony to reflect both changes to

Resolution Copper and Volcano testimony. It is attached. (See attached file: OralTestimony.docx)

I will of course have hard copies of these for you tomorrow when I come over to MIB.

I don't yet have the Forest Service testimony, but they were successful in putting back in some of their substance so it isn't just a paragraph. However, it will still say that the Administration is still analyzing the legislation. When I get their final I will send it to you.

On Qs&As, trust you received the likely Barrasso/Murkowski Qs with As that I sent this morning. I may get some on the Resolution Copper testimony in the morning, or Frank may withhold them because of our lateness.

Here are some additional Qs&As on Resolution, to reflect changes in the testimony:

(See attached file: Qs&AsResolutionSupplemental.docx)

Also Qs&As on the unrelated issues of Grand Canyon Uranium and WSAs. I don't really think these will come up, but you might want to glance at them.

(See attached file: Qs&AsJune17Unrelated.docx)

If you have any questions, I'll be leaving the office shortly, but you can reach me at home (as long as it isn't too late) at 202/364-8118. I'll be in the office by 7:30 or so in the morning.

Laurie Sedlmayr

BLM Legislative Affairs

202/452-5003

Statement of
Ned Farquhar
Deputy Assistant Secretary
Land & Minerals Management
Department of the Interior
Senate Energy &Natural Resources Committee
Subcommittee on Public Lands and Forests
S. 409, Southeast Arizona Land Exchange and Conservation Act
June 17, 2009

Thank you for the opportunity to testify on S. 409, the Southeast Arizona Land Exchange and Conservation Act. The legislation provides for the exchange of a 2,406-acre parcel of Forest Service-managed land to a private company in exchange for a number of parcels within the State of Arizona for management by the Forest Service and the Bureau of Land Management (BLM). Three of the private parcels are identified for transfer to the Secretary of the Interior. In general, the Department of the Interior (DOI) defers to the United States Forest Service on the issues directly related to Forest Service lands and associated valuation issues. It is our understanding that the intent of the legislation is to facilitate an exchange of land with Resolution Copper Mining, LLC. Resolution Copper has indicated its intention to develop a copper mine near Superior, Arizona, and wishes to acquire the 2,406-acre Forest Service parcel overlying the copper deposit as well as the Federal subsurface rights. The Administration may have additional concerns as it works through the analysis of the bill.

Conveyance of Parcels to the Bureau of Land Management

We note that while the bill states that three parcels are to be conveyed to the Secretary of the Interior, it is our understanding that the intention of the sponsors is for the parcels to be under the administrative jurisdiction of the BLM. We have prepared maps at the request of Senator Kyl's office depicting these parcels and our testimony reflects the information on those maps dated June 3, 2009. We have recently discovered some inconsistencies in our mapping data. . The parcels identified are:

- 3,073 acres along the Lower San Pedro River near Mammoth, Arizona;
- 160 acres within the Dripping Springs area near Kearny, Arizona; and
- The 956 acre Appleton Ranch parcel adjacent to the Las Cienegas National Conservation Area near Sonoita, Arizona.

The lower San Pedro parcel is east of the town of Mammoth, Arizona, and straddles the San Pedro River. The acquisition of these lands would enhance key migratory bird habitat along the San Pedro River. S. 409 directs the BLM to manage the lower San Pedro parcel as part of the existing San Pedro Riparian National Conservation Area (NCA) designated by Public Law 100-696. The lower San Pedro parcel lies along the same riparian corridor as the San Pedro NCA, but is at least 60 miles downstream (north) of the existing NCA, and has substantially different resource issues and needs.

The legislation also proposes to transfer 160 acres in the Dripping Springs area northeast of Hayden to the BLM. This private parcel is an inholding within a larger block of public lands and has important resource values, including sensitive Desert Tortoise habitat.

Finally, the bill provides for the transfer to the BLM of the 956-acre Appleton Ranch parcel on the southern end of the BLM's Las Cienegas NCA. These lands lie within the "Sonoita Valley Acquisition Planning District" established by Public Law 106-538, which designated the Las Cienegas NCA. That law directs the Department of the Interior to acquire lands from willing sellers within the planning district for inclusion in the NCA to further protect the important resource values for which the NCA was designated. These lands are part of a significant wildlife corridor.

Additional Department of the Interior Concerns

There are several additional issues of concern to the Department.. Among these are the timing of the exchange, appraisal provisions, withdrawal language, the equalization of values provisions and Tribal consultations

Section 5 of the legislation expresses the sense of the Congress that the exchange be completed within one year. Based on our experience with exchanges, we believe this is not sufficient time for the completion of and review of a necessary environmental documents, mineral report, completion and review of the appraisals, and final verification and preparation of title documents. We are also concerned that one year may not be enough time to complete analysis of any historic and sacred sites in the exchange area as required by the Native American Graves Protection Act and the National Historic Preservation Act. While this provision is not binding, we believe it is unrealistic to expect this to be completed in less than two to three years.

Preparation of a mineral report is a crucial first step toward an appraisal of the Federal parcel because the report provides important information for an appraisal where the property includes a Federal mineral deposit. Accordingly, adequate information for the mineral report is essential, particularly in the context of this exchange where the proposed mining operation is unique in size and scope. The bill does not address confidential access for exploration and development data and company analyses on the mineral deposits underlying the Federal land in order to ensure a timely and accurate appraisal.

The withdrawal language in section 9(d) is not standard and may not provide the intended protection for the lands acquired by both the Secretary of the Interior and Agriculture.

Section 4(e) provides for an equalization of values if the land values are disparate. We support 4(e)(1) directing any equalization payment by the exchange proponent be deposited into the Federal Land Disposal Account established under the Federal Land Transaction Facilitation Act (FLTFA; Public Law 106-248). Funds in that account are used for the acquisition of environmentally sensitive lands within Forest Service, BLM, National Park Service, and Fish & Wildlife Service units. We have concerns with the geographic scope of section 4(e)(1)(A), and wish to broaden the area where land acquisitions could occur using proceeds from the land equalization. The funds could then be used in a manner consistent with other FLTFA acquisitions.

However, section 4(e)(1)(B) provides for the use of these funds for management activities. We oppose this provision and recommend that subsection (B) be deleted. Because the deposited

funds are a result of the exchange of lands out of Federal ownership, these funds should be available to acquire highly sensitive conservation lands consistent with the intent of FLTFA.

S. 409 includes a provision in Section 12 that would require a payment to the United States should the cumulative production of locatable minerals exceed the projected production used in the appraisal required by section 7(a)(4)(D). This provision recognizes that an accurate projection of future production as part of the appraisal process will be difficult to develop, and provides a mechanism for additional payments to the United States should the actual production exceed the projected production. This provision needs clarification.

Finally, rather than creating a new fund in the U.S. Treasury as envisioned under section 12(d), the Department recommends the receipts be placed in the Federal Land Disposal Account consistent with the provisions of section 4(e)(1)(A) of S. 409. Because these funds are to compensate for a possible initial inadvertent under-appraisal of land values, it is appropriate that the value when captured be used in the same manner as if it had been included in the initial appraisal.

Many of the lands to be exchanged in the bill hold significant cultural value to Indian Tribes. In particular, the Apache Leap area, the Oak Flat Campground, and Devil's Canyon are culturally significant to the San Carlos Apache Tribe and the Fort McDowell Yavapai Nation. There are also other neighboring Tribes with cultural interests in the area.

Conclusion

Thank you for the opportunity to testify. The exchange proposed in S. 409 is complex and the Administration is continuing its analysis of the bill to assure that the Federal government's interest is appropriately protected in any final legislation.

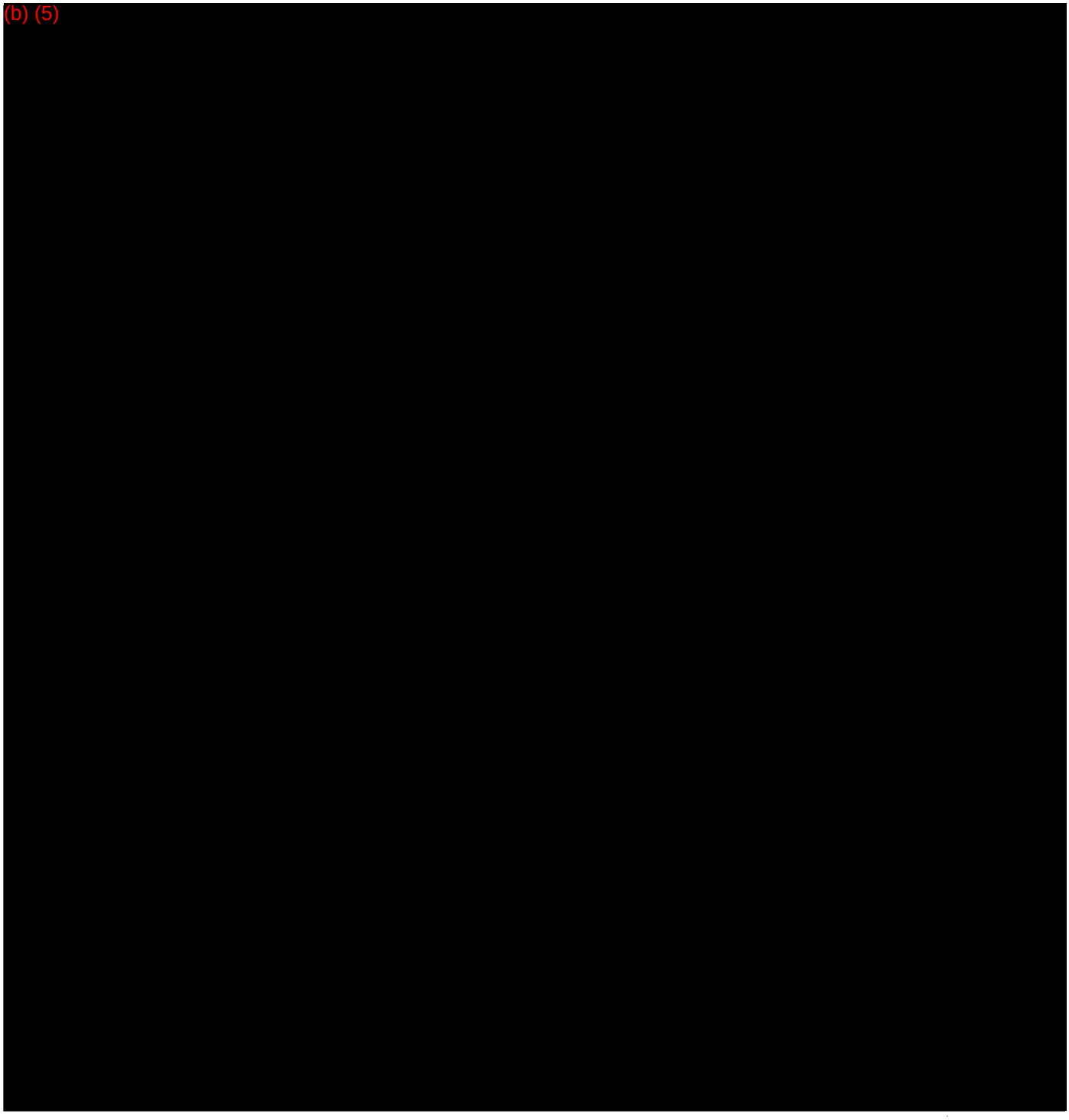
DRAFT
Oral Testimony
Ned Farquhar
Senate Energy & Natural Resources Committee Hearing
June 17, 2009

(b) (5)

[redacted]

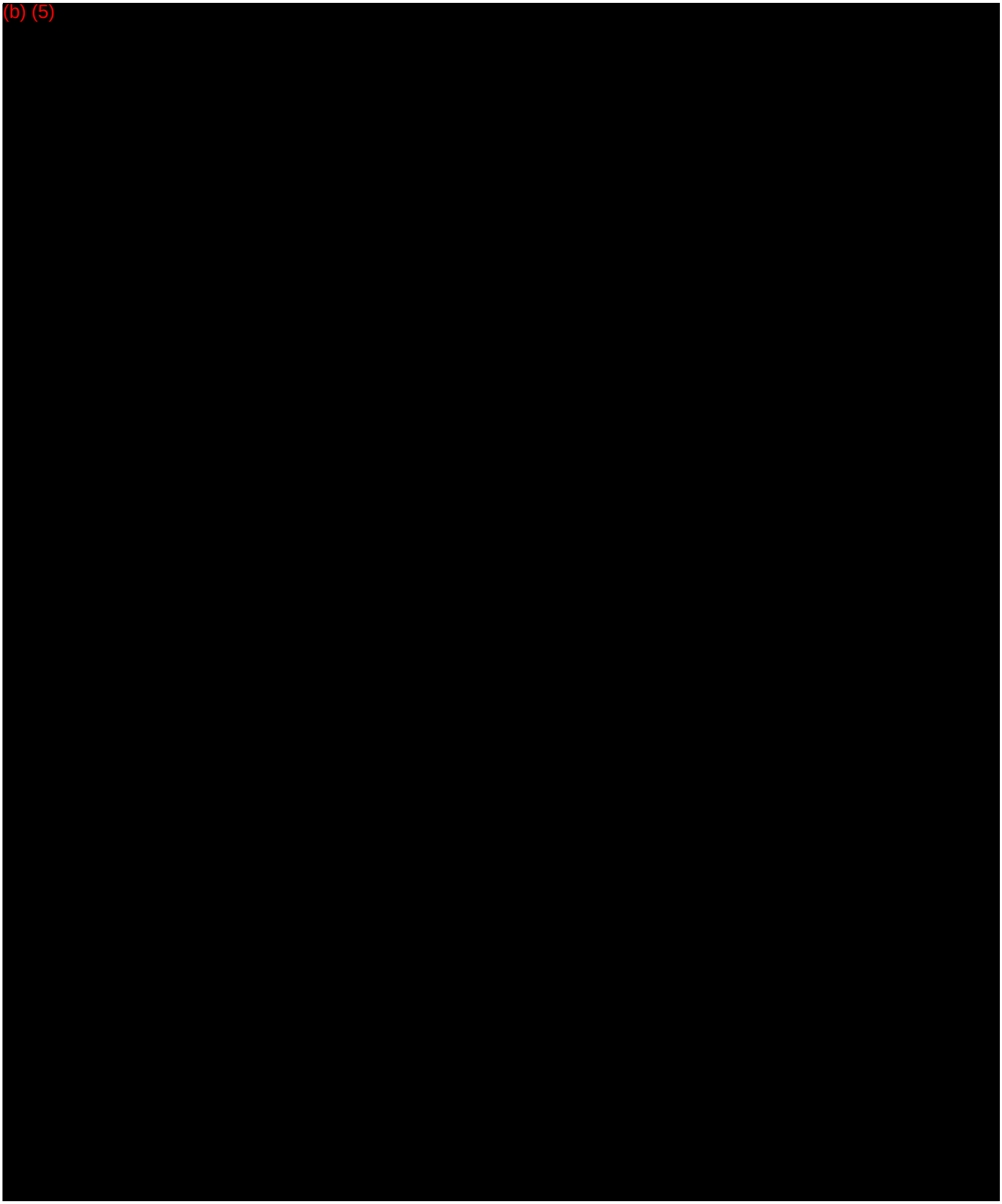
S. 409, Resolution Copper

(b) (5)



S. 874, El Río Grande Del Norte NCA

(b) (5)



S. 1140, La Pine, Oregon

(b) (5)

S. 782, Volcano Early Warning

(b) (5)

Conclusion

Thank you for the opportunity to testify, I will be happy to answer any questions.

QS&AS—RESOLUTION COPPER
ADDITIONAL POSSIBLE QUESTIONS

In your testimony you raise concerns about tribal consultations. This is a new issue that hasn't come up before. What exactly are the tribal concerns and how do you believe they should be addressed?

(b) (5)

[redacted]

Does the Department of the Interior support S. 409, it isn't clear to me from your testimony? What about the specific parcels the bill identifies to come to the Department of the Interior.

(b) (5)

[redacted]

QS&AS—JUNE 17, 2009 SENR HEARING
UNRELATED—GRAND CANYON AND WILDERNESS

Grand Canyon & Uranium

Does the Department of the Interior have any plans to impose a temporary or permanent withdrawal on the BLM and Forest Service lands surrounding the Grand Canyon?

(b) (5) [redacted]

Twenty-five years ago uranium mining on the Arizona Strip was settled with a collaborative agreement that resulted in the passage of the Arizona Wilderness Act of 1984 which added over one million acres of land to the National Wilderness Preservation System and directed the release of 490,000 acres of BLM lands and 50,000 acres of Forest Service lands from wilderness study with the full understanding and intention that this action would allow uranium mining on the Arizona Strip and the Kaibab National Forest. Some of my colleagues have now sought withdrawal of an additional one million acres of land, with the express intent to prevent uranium mining, a valuable commodity to clean, nuclear energy. They have sought this withdrawal through proposed legislation, as well as appeals to the Secretary of the Interior. Would you advise the Secretary of the Interior to honor the intent of the 1984 Act and not withdraw the additional lands from mining?

(b) (5) [redacted]

Wilderness Study Areas

As you are aware, on May 20 Secretary Salazar sent me responses to questions I had posed to Solicitor Nominee Tompkins regarding the Utah Wilderness Settlement Agreement. In those responses Secretary Salazar confirmed that the agreement is consistent with Federal law, making clear that the BLM does not have the authority to create de facto wilderness. Do you agree?

(b) (5) [redacted]

From Rose, Christine A. **Date** Thursday, August 13, 2009 1:20:57 PM
To Farquhar, Ned; 'Jensen, Jay'
Cc 'Hight, Courtney'; 'Rose, Christine A.'
Subject Lettter to AZ State legislators re: Resolution Copper Mine Land Exchange

AZ Legislature Copper Exchange Bill.pdf (101 KB HTML) **letter to arizona reps.docx** (13 KB HTML)

Attached is the letter from several AZ state legislators to Nancy Sutley regarding the legislation for Resolution Copper Mine Land Exchange. I am also attaching a draft response for your quick review; please let me know if you have any problems with this draft ; we'd like to get this out in the next few days. Could you let me know if you have received a similar letter addressed to your Department?

Please let me know if you have questions.

Chris

Christine A. Rose
Deputy Associate Director for Lands I Council on Environmental Quality
Phone: 202-395-3593 I Fax: 202-456-2710 I email: crose@ceq.eop.gov

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Arizona House of Representatives
Phoenix, Arizona 85007

June 8, 2009

Chair of the White House Council on Environmental Quality
Nancy Sutley
722 Jackson Place NW
Washington, DC 20503

Dear Ms. Sutley:

We'd like to take this opportunity to offer our insight on the legislation you recently introduced, HR 2509 the Southeastern Arizona Land Exchange Conservation Act.

We understand that land exchanges of the magnitude of the one proposed by Resolution Copper are extremely complex and can take years to complete. We have expressed concerns over previous versions of the legislation and continue to have significant issues with the current version. We appreciate the opportunity to provide you with the following suggested principles moving forward to shape legislation that take into account the needs and concerns of all interested parties.

A legislated land exchange should not be initiated until there have been adequate environmental reviews and analysis consistent with the National Environmental Policy Act (NEPA). The land exchange should only be consummated after the public and the interested parties – tribal entities, conservation organization, local communities, and others have had an opportunity to learn about the potential impacts to the air, water, and land as well as the cultural sites, examine and comment on alternatives, and seek measures to address the environmental impacts.

Conservation organizations have raised concerns about the environmental impacts of this exchange and the failure to do any real environmental analysis up front and prior to consummating the exchange, for example, how this mine will affect water resources, how it will impact Devil's Canyon and Queen Creek, how the ore will be processed, how moving it and processing it will affect the air, water and land in the area. These and many other questions about the impacts of this proposal should be answered to ascertain whether this exchange is in the public's best interest.

We want to see a measure that provides a fair and equitable return for taxpayers in Arizona and the rest of the United States. We want to see a land exchange that serves the public interest and not merely the interest of Resolution Copper, as HR 2509 currently does.

For the land exchange to occur, it must address the significant degradation of cultural and natural resources. There must be a fair return to the public – the offered lands do not come close to making up for the loss of Oak Flat or the loss of significant cultural resources to the San Carlos Apache and Ft. McDowell Yavapai peoples.

We respect the Arizona tribal nations' request to discuss their concerns at the federal government to tribal government level. The tribal nations have raised concerns about the impacts of block cave mining on the Apache Leap Escarpment and also about the loss of Oak Flats, an area where spiritual ceremonies are held as well as a traditional acorn gathering. Despite the tribal nations raising these issues repeatedly in various forums, there still is no real effort to address them.

Oak Flat also provides many recreational opportunities for Arizonans, including for those in the local communities, and for others from around the country. Recreational activities in the area include hiking, camping, rock climbing, birding, bouldering and more. Loss of Oak Flat would be a significant loss of public resources.

And finally, as you are aware, Rio Tinto is a stakeholder in the Resolution Copper venture with BHP as the minority partner. RCC has been unable to negotiate a deal with BHP to acquire even a portion of their holding in the land exchange. BHP's land holdings are so critical in creating a comprehensive Riparian National Conservation Area along the Lower San Pedro River that Representatives Grijalva, Giffords, and Mitchell and former Governor Janet Napolitano have all written previously to Resolution to ask for the inclusion of the BHP property in the exchange. We would like to see BHP come to the table independently of RCC, and request that you contact Linda Broughton from BHP to include them in discussions.

As the bill is currently drafted, we do not see it as a fair and equitable exchange. It does not account for the billions of dollars worth of copper Resolution Copper Company indicates is in this area. The public is receiving small parcels of land and a few other small incentives, but it is not even close to being equal.

We strongly support economic development opportunities for the people of this area and throughout the state, but considering the legacy of mining in the area, it is essential that any proposal be carefully evaluated before proceeding. It must ensure protection of the culture and concerns of native peoples. It must ensure a fair return to the public. A proposal must also minimize environmental impacts and ensure that any lost recreational opportunities are addressed.

Thank you for considering our comments.

Respectfully,

Steve Farley
Arizona State Representative
Legislative District 28
Democratic Policy Leader

David M. Lujan
Arizona State Representative
Legislative District 15
House Democratic Leader

Chad Campbell
Arizona State Representative
Legislative District 14
House Democratic Whip

Kyrsten Sinema
Arizona State Representative
Legislative District 15
Assistant House Democratic Leader

Paula Aboud
Arizona State Senator
Legislative District 28

Daniel Patterson
Arizona State Representative
Legislative District 29

Nancy Young Wright
Arizona State Representative
Legislative District 26

Phil Lopes
Arizona State Representative
Legislative District 27

Rae Waters
Arizona State Representative
Legislative District 20

Eric Meyer
Arizona State Representative
Legislative District 11

Matt Heinz
Arizona State Representative
Legislative District 29

Cc: Congressman Ed Pastor
Congressman Harry E. Mitchell
Congressman Raul M. Grijalva
Congresswoman Gabrielle Giffords
Congressman Nick J. Rahall II
Nancy Sutley, Chair of the White House Council on Environmental Quality

SF/ps

August 13, 2009 DRAFT

Dear (Arizona State Legislators),

(b) (5)

Again, thank you for voicing your concerns. Please do not hesitate to be in touch with my office.

Sincerely,

Nancy A. Sutley
Chair
Council on Environmental Quality

From Faeth, Lori **Date** Thursday, August 13, 2009 11:52:43 AM
To Farquhar, Ned
Cc
Subject Fw: Resolution copper

Copper Resolution Memo 072709.doc.doc (24 KB HTML)

Hey Ned,

I understand you are taking the lead on the briefing doc for the trip next week (see below). Is there a newer draft than the one Ken sent? If so, can you send it around? We are trying to coordinate it w/a BIA document (still have not tracked that one down -- BIA was in my office looking for it this morning) so we can put them together and update as necessary.

also, a heads up that Ray Rasker from Headwaters Economics is going to give you a call regarding an economic profile system that BLM uses. Ray used to work for Luther Propst at Sonoran Institute.

Thanks in advance -- hope today's meetings w/BLM go well.

Lori

Lori Faeth

Deputy Director, Intergovernmental Affairs

Office of the Secretary

Department of the Interior

202-208-1923

----- Forwarded by Lori Faeth/OEA/OS/DOI on 08/13/2009 11:49 AM -----

From:

Kenneth Lane/SIO/OS/DOI

To:

Lori Faeth/OEA/OS/DOI@DOI
Date: 08/13/2009 11:48 AM

Subject: Re: Resolution copper

I have no final drafts of anything. Ned is on the hook for providing a combined information memo,

complete with maps, by August 18.

What I do have is the draft memo (attached) Ned had prepared back in July, that I believe you supplied the last paragraph (?) and that I assume will be the basis for the latest memo, along with a memo prepared by Indian Affairs that is going to be folded into Ned's memo. I will send that by separate email.

Certainly if anyone wants to add updated or additional info to the memo should be free to coordinate with Ned.

Ken Lane

Senior Advisor to the Secretary,

Assistant Deputy Chief of Staff

U.S. Department of the Interior

1849 C Street, N.W., Room 6142

Washington, D.C. 20240

Phone: 202-208-7351

Fax: 202-273-3501

e-mail: kenneth_lane@ios.doi.gov

From:

Lori Faeth/OEA/OS/DOI

To:

Kenneth Lane/SIO/OS/DOI@DOI
Date: 08/13/2009 10:05 AM

Subject: Resolution copper

Hi Ken,

Do you have the last drafts of the resolution copper briefings? If so, could you please circulate so we can all take a look and get them finalized (maybe we could even have the briefing done DAYS in advance on this one!!).

thanks,

Lori

Lori Faeth

Deputy Director, Intergovernmental Affairs

Office of the Secretary

Department of the Interior

202-208-1923

TO Secretary Salazar
FROM Ned Farquhar
SUBJECT Resolution Copper
DATE July 27, 2009

(b) (5) [redacted]

(b) (5) [redacted]

(b) (5) [redacted]

(b) (5) [redacted]

(b) (5) [redacted]

(b) (5) [redacted]

From Dubin, Lindsay **Date** Thursday, July 30, 2009 3:36:41 PM
To Farquhar, Ned
Cc
Subject Re: Resolution Copper Briefing

Thanks so much,

Lindsay Dubin

Special Assistant

Scheduling Office

Department of the Interior

(202) 208-5387

From:

Ned Farquhar/SIO/OS/DOI

To:

Lindsay Dubin/SIO/OS/DOI@DOI
Cc:

Courtenay Lewis/SIO/OS/DOI@DOI, Paul Tsosie/ASIA/OS/DOI@DOI
Date: 07/30/2009 03:21 PM

Subject: Re: Resolution Copper Briefing

Ok

----- Original Message -----

From: Lindsay Dubin

Sent: 07/30/2009 02:28 PM EDT

To: Ned Farquhar

Cc: Courtenay Lewis; Paul Tsosie

Subject: Resolution Copper Briefing

Hi Ned,

We just spoke with Ken Lane about trip briefings for the next month of the Secretary's travel. The Secretary will be headed to Arizona on Thursday August 20th with regard to Resolution Copper and Ken said it was important that the Secretary had an updated informational memo from your office with site maps of the area. In addition, he wanted this same memo to flesh out tribal concerns and that you should work with Paul Tsosie and Assistant Secretary Echo Hawk to obtain information about these tribal concerns and incorporate them into the memo coming from you guys.

We will need this memo along with the site maps by Tuesday August 18th at 12pm.

Attached is the new format for informational memos to the Secretary.

[attachment "Decision & Information Memos Format.doc.doc" deleted by Ned Farquhar/SIO/OS/DOI]

Thanks so much and please let me know if there's any way I can help with this!

Lindsay Dubin

Special Assistant

Scheduling Office

Department of the Interior

(202) 208-5387

From Dubin, Lindsay **Date** Thursday, July 30, 2009 2:28:24 PM
To Farquhar, Ned
Cc Lewis, Courtenay; Tsosie, Paul
Subject Resolution Copper Briefing

Decision & Information Memos Format.doc.doc (24 KB HTML)

Hi Ned,

We just spoke with Ken Lane about trip briefings for the next month of the Secretary's travel. The Secretary will be headed to Arizona on Thursday August 20th with regard to Resolution Copper and Ken said it was important that the Secretary had an updated informational memo from your office with site maps of the area. In addition, he wanted this same memo to flesh out tribal concerns and that you should work with Paul Tsosie and Assistant Secretary Echo Hawk to obtain information about these tribal concerns and incorporate them into the memo coming from you guys.

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Thanks so much and please let me know if there's any way I can help with this!

Lindsay Dubin

Special Assistant

Scheduling Office

Department of the Interior

(202) 208-5387

Decision Memo Format

DECISION MEMORANDUM FOR THE SECRETARY

FROM: (Always include Name & Office/Bureau)

CC:

SUBJECT:

I. INTRODUCTION
(Define the issue/problem)

II. BACKGROUND

III. POSITION OF INTERESTED PARTIES

III. DECISION OPTIONS

IV. RECOMMENDATION

V. SECRETARY'S DECISION

_____ APPROVE

_____ DISAPPROVE

_____ COMMENTS

The memorandum should be no more than 3-5 pages long. Attachments other than appropriate charts or maps should be avoided if possible. Incorporating relevant information from other documents into the memorandum, avoiding the need for multiple attachments of similar background information, is encouraged.

Information Memo Format

INFORMATION MEMORANDUM FOR THE SECRETARY

FROM: (Always include Name and Office/Bureau)

CC:

SUBJECT:

I. INTRODUCTION
(Define the issue/problem)

II. BACKGROUND

III. POSITION of INTERESTED PARTIES

The memorandum should be no more than 3-5 pages long. Attachments other than appropriate charts or maps should be avoided if possible. Incorporating relevant information from other documents into the memorandum, avoiding the need for multiple attachments of similar background information, is encouraged.

From Conklin, Meghan **Date** Wednesday, July 29, 2009 10:02:35 AM
To Mansour, Christopher; Stone, Renee
Cc Farquhar, Ned
Subject Re: Fw: Resolution copper

Here is a summary on Resolution Copper for you.

BACKGROUND ON RESOLUTION COPPER

S. 409, the Southeast Arizona Land Exchange and Conservation Act (commonly referred to as the Resolution Copper Exchange), was introduced by Senator John Kyl on February 11, 2009, and is cosponsored by Senator John McCain. The bill authorizes and directs a land exchange and conveyance of certain National Forest land and other Bureau of Land Management (BLM) land in southeast Arizona. This complicated bill involves the conveyance and exchange of a number of parcels. At its heart, S. 409 seeks to convey into private ownership the 2,406 acre Oak Flat parcel managed by the Forest Service. Much of the Oak Flat parcel is currently operated as a Forest Service campground. 760 acres of the Oak Flat parcel were administratively withdrawn from mining by the Eisenhower Administration in 1955. Beneath the Oak Flat parcel is what many have characterized as the largest copper deposit in North America. The Canadian-based Resolution Copper Company is seeking to facilitate this land exchange and conveyance in order to acquire the Oak Flat parcel for mining purposes. The Oak Flat parcel lies adjacent to the company's existing private land and the site of the Magma mine, which closed in 1996.

Numerous concerns have been raised about this land exchange, including from local Indian tribes and former Arizona Governor Janet Napolitano. Specifically, the San Carlos Apache and Ft. McDowell Yavapai Nation have both expressed concern that they have not been engaged in the process of developing this proposal and strongly believe that a formal government to government consultation is necessary. Then-Governor Janet Napolitano echoed these concerns in a letter dated August 24, 2007 , where she wrote, "Clearly these lands hold significant religious and cultural value to the Tribe and they need to be engaged in discussions regarding the mine and land exchange."

Meghan Conklin, Deputy Director

Office of Congressional and Legislative Affairs

Office of the Secretary

Department of the Interior

1849 C Street, NW

Washington, DC 20240

(202) 208-7693 Office

(202) 208-5533 Fax

From:

Christopher Mansour/OCL/OS/DOI

To:

"Meghan M. Conklin" <meghan_conklin@ios.doi.gov>
Date: 07/29/2009 09:39 AM

Subject: Fw: Resolution copper

Could you get us words?

----- Original Message -----

From: Renee Stone

Sent: 07/29/2009 09:34 AM EDT

To: Christopher Mansour; Ned Farquhar

Subject: Resolution copper

For the secretary's white house report can one of you send me two or three sentences on the background of this please? It's a proposed forest service land exchange? Tribes care because? Not doi decision? Just enoughfor me to tell wh why we care. Thanks.

From Stone, Renee **Date** Wednesday, July 29, 2009 9:34:34 AM
To Mansour, Christopher; Farquhar, Ned
Cc
Subject Resolution copper

For the secretary's white house report can one of you send me two or three sentences on the background of this please? It's a proposed forest service land exchange? Tribes care because? Not doi decision? Just enoughfor me to tell wh why we care. Thanks.

From Lane, Kenneth **Date** Monday, July 27, 2009 3:47:04 PM
To Farquhar, Ned
Cc Mansour, Christopher; Hayes, David; Echohawk, Larry; Stone, Renee; Black, Steve
Subject Re: Resolution Copper

Yep, we're good. the 1 pager has all the essential ingredients

Ken Lane

Senior Advisor to the Secretary,

Assistant Deputy Chief of Staff

U.S. Department of the Interior

1849 C Street, N.W., Room 6142

Washington, D.C. 20240

Phone: 202-208-7351

Fax: 202-273-3501

e-mail: kenneth_lane@ios.doi.gov

From:

Ned Farquhar/SIO/OS/DOI

To:

Steve Black/SIO/OS/DOI@DOI
Cc:

Christopher Mansour/OCL/OS/DOI@DOI, David Hayes/SIO/OS/DOI@DOI, Kenneth Lane/SIO/OS/DOI@DOI, Larry Echohawk/DC/BIA/DOI@BIA, Renee Stone/SIO/OS/DOI@DOI
Date: 07/27/2009 02:03 PM

Subject: Re: Resolution Copper

I sent Ken and Lori a draft that they have improved and I think it is probably en route to all of you

From:

Steve Black/SIO/OS/DOI

To:

Kenneth Lane/SIO/OS/DOI@DOI
Cc:

David Hayes/SIO/OS/DOI@DOI, Larry Echohawk/DC/BIA/DOI@BIA, Ned_Farquhar@ios.doi.gov, Renee Stone/SIO/OS/DOI@DOI, Christopher Mansour/OCL/OS/DOI@DOI
Date: 07/27/2009 12:35 PM

Subject: Re: Resolution Copper

(b) (5)
[redacted]

From: Kenneth Lane/SIO/OS/DOI
To: Steve Black/SIO/OS/DOI@DOI
Cc: David Hayes/SIO/OS/DOI@DOI, Larry Echohawk/DC/BIA/DOI@BIA, Ned_Farquhar@ios.doi.gov, Renee Stone/SIO/OS/DOI@DOI
Date: 07/27/2009 09:40 AM
Subject: Re: Resolution Copper

For purposes of today's expected meeting, this all just needs to be boiled down to bullets describing everyone's position/concerns.

Ken Lane

Senior Advisor to the Secretary,

Assistant Deputy Chief of Staff

U.S. Department of the Interior

1849 C Street, N.W., Room 6142

Washington, D.C. 20240

Phone: 202-208-7351

Fax: 202-273-3501

e-mail: kenneth_lane@ios.doi.gov

From: Steve Black/SIO/OS/DOI
To: Kenneth Lane/SIO/OS/DOI@DOI, Ned_Farquhar@ios.doi.gov
Cc: David Hayes/SIO/OS/DOI@DOI, Larry Echohawk/DC/BIA/DOI@BIA, Renee Stone/SIO/OS/DOI@DOI
Date: 07/27/2009 09:34 AM
Subject: Resolution Copper

Ken/Ned -- Chris Rose at CEQ sent me the attached. As I mentioned this morning, Kim Teehee, Senior Advisor for Tribal Affairs, and Heather Higginbottom, WH DPC, want to be sure we and KLS are fully briefed on the tribal issues related to the proposed land exchange before he meets with Sen. McCain.

Thanks.

Steve

[attachment "S409 Resolution Copper and Wallowa Forest Service FINAL.doc" deleted by Kenneth Lane/SIO/OS/DOI] [attachment "Final Letterto SENR_AutopennedCopy.pdf" deleted by Kenneth Lane/SIO/OS/DOI] [attachment "Resolution Copper Questions for Record final.doc" deleted by Kenneth Lane/SIO/OS/DOI]

Steve Black

Counselor to the Secretary

U.S. Department of the Interior

1849 C Street, N.W., MS 7229

Washington, D.C. 20240

202-208-4123

steve_black@ios.doi.gov

From Black, Steven **Date** Monday, July 27, 2009 12:35:11 PM
To Lane, Kenneth
Cc Hayes, David; Echohawk, Larry; Farquhar, Ned; Stone, Renee; Mansour, Christopher
Subject Re: Resolution Copper

(b) (5)
[redacted]

From:

Kenneth Lane/SIO/OS/DOI

To:

Steve Black/SIO/OS/DOI@DOI
Cc:

David Hayes/SIO/OS/DOI@DOI, Larry Echohawk/DC/BIA/DOI@BIA, Ned_Farquhar@ios.doi.gov, Renee Stone/SIO/OS/DOI@DOI
Date: 07/27/2009 09:40 AM

Subject: Re: Resolution Copper

For purposes of today's expected meeting, this all just needs to be boiled down to bullets describing everyone's position/concerns.

Ken Lane

Senior Advisor to the Secretary,

Assistant Deputy Chief of Staff

U.S. Department of the Interior

1849 C Street, N.W., Room 6142

Washington, D.C. 20240

Phone: 202-208-7351

Fax: 202-273-3501

e-mail: kenneth_lane@ios.doi.gov

From:

Steve Black/SIO/OS/DOI

To:

Kenneth Lane/SIO/OS/DOI@DOI, Ned_Farquhar@ios.doi.gov
Cc:

David Hayes/SIO/OS/DOI@DOI, Larry Echohawk/DC/BIA/DOI@BIA, Renee Stone/SIO/OS/DOI@DOI
Date: 07/27/2009 09:34 AM

Subject: Resolution Copper

(b) (5) [redacted]

Thanks.

Steve

[attachment "S409 Resolution Copper and Wallowa Forest Service FINAL.doc" deleted by Kenneth Lane/SIO/OS/DOI] [attachment "Final Letterto SENR_AutopennedCopy.pdf" deleted by Kenneth Lane/SIO/OS/DOI] [attachment "Resolution Copper Questions for Record final.doc" deleted by Kenneth Lane/SIO/OS/DOI]

Steve Black

Counselor to the Secretary

U.S. Department of the Interior

1849 C Street, N.W., MS 7229

Washington, D.C. 20240

202-208-4123

steve_black@ios.doi.gov

From Lane, Kenneth **Date** Monday, July 27, 2009 9:40:11 AM
To Black, Steve
Cc Hayes, David; Echohawk, Larry; Farquhar, Ned; Stone, Renee
Subject Re: Resolution Copper

For purposes of today's expected meeting, this all just needs to be boiled down to bullets describing everyone's position/concerns.

Ken Lane
Senior Advisor to the Secretary,
Assistant Deputy Chief of Staff
U.S. Department of the Interior
1849 C Street, N.W., Room 6142
Washington, D.C. 20240
Phone: 202-208-7351
Fax: 202-273-3501
e-mail: kenneth_lane@ios.doi.gov

From: Steve Black/SIO/OS/DOI
To: Kenneth Lane/SIO/OS/DOI@DOI, Ned_Farquhar@ios.doi.gov
Cc: David Hayes/SIO/OS/DOI@DOI, Larry Echohawk/DC/BIA/DOI@BIA, Renee Stone/SIO/OS/DOI@DOI
Date: 07/27/2009 09:34 AM
Subject: Resolution Copper

(b) (5)

[redacted]

Thanks.

Steve
[attachment "S409 Resolution Copper and Wallowa Forest Service FINAL.doc" deleted by Kenneth Lane/SIO/OS/DOI] [attachment "Final Letterto SENR_AutopennedCopy.pdf" deleted by Kenneth Lane/SIO/OS/DOI] [attachment "Resolution Copper Questions for Record final.doc" deleted by Kenneth Lane/SIO/OS/DOI]

Steve Black
Counselor to the Secretary
U.S. Department of the Interior
1849 C Street, N.W., MS 7229
Washington, D.C. 20240
202-208-4123
steve_black@ios.doi.gov

From Black, Steven

Date Monday, July 27, 2009 9:34:27 AM

To Lane, Kenneth; Farquhar, Ned

Cc Hayes, David; Echohawk, Larry; Stone, Renee

Subject Resolution Copper

S409 Resolution Copper and Wallowa Forest Service FINAL.doc (38 KB HTML)
Final Letterto SENR_AutopennedCopy.pdf (115 KB HTML)
Resolution Copper Questions for Record final.doc (100 KB HTML) S409 Resolution Copper and Wallowa Forest Service FINAL.doc (737 B HTML)

(b) (5)

[redacted]

Thanks.

Steve

Steve Black
Counselor to the Secretary
U.S. Department of the Interior
1849 C Street, N.W., MS 7229
Washington, D.C. 20240
202-208-4123
steve_black@ios.doi.gov

Statement of
Joel Holtrop
Deputy Chief, National Forest System
U.S. Forest Service
U.S. Department of Agriculture

Before the

Subcommittee on Public Lands and Forests
Committee on Energy and Natural Resources
U.S. Senate

June 17, 2009

Concerning

S.409: A bill to secure Federal ownership and management of significant natural, scenic, and recreational resources, to provide for the protection of cultural resources, to facilitate the efficient extraction of mineral resources by authorizing and directing an exchange of Federal and non-Federal land, and for other purposes,

and

S.1139: A bill to direct the Secretary of Agriculture to enter into a property conveyance with the city of Wallowa, OR, and for other purposes.

Mr. Chairman and members of the Subcommittee, thank you for the opportunity to appear before you today to provide the Department of Agriculture's views on two bills that would legislate land transactions: S.409, would provide for an exchange of federal land containing a proposed copper mine for non-federal land containing riparian areas in Arizona and S.1139, would convey an administrative site in Wallowa, Oregon. We defer

to the Department of the Interior on provisions relating to lands to be managed by the BLM.

S. 409 – Resolution Copper Exchange

S.409 is a complex bill that directs the Secretary of Agriculture to convey to Resolution Copper Mining, LLC (Resolution Copper), lands on the Tonto National Forest if certain conditions are met. The federal lands to be exchanged may contain a sizeable copper ore body and are adjoining an existing copper mine. In exchange the bill provides the Forest Service certain lands in the state of Arizona. The Department has not completed its analysis of this complex bill and the Administration will provide its views and concerns to the Committee upon completion of this work. Nevertheless, there are still a number of preliminary concerns with the bill as introduced.

The bill requires the agency to conduct an environmental impact statement after the agency no longer owns the property on which the mine would be located. The purpose of the National Environmental Policy Act (NEPA) is to inform the decision maker about potential impacts prior to making a decision. Given the current language, we would assume that we would only be analyzing impacts from mining activities on the surrounding National Forest land, not the land to be conveyed. Consistent with Administration policy, NEPA should be done before moving forward on the land exchange.

The bill proposes to use any cash equalization payment for multiple purposes including management. Any equalization payment by the exchange proponent should be deposited into the Federal Land Disposal Account.

The bill proposes that Resolution Copper replace the Oak Flat Campground. We have been unable to locate a suitable replacement site for a campground in the vicinity. Funding provided in the bill to replace the campground provided to the Tonto National Forest should instead address deferred maintenance needs of existing recreation facilities.

The bill directs Resolution Copper to convey a parcel of land known as "the Pond parcel." We are concerned about recreation related liability issues, access, and facilities needed to manage this parcel. A public interest determination analysis under NEPA should be required and provide the basis for determining whether to proceed with the conveyance.

We understand there are concerns about management of the Apache Leap area and in addition, the acreage that would be added to this area. We are concerned about adding another planning process as prescribed in the bill because it is duplicative of an ongoing Tonto National Forest Planning process which can analyze and provide for, if necessary and appropriate, a special management area.

Many of the lands to be exchanged in the bill hold significant cultural value to Indian Tribes. In particular, the Apache Leap area, the Oak Flat Campground, and Devil's

Canyon are culturally significant to the San Carlos Apache Tribe and the Fort McDowell Yavapai Nation. There are also other neighboring Tribes with cultural interests in the area. We will continue to work with these Tribes as we move forward with the analysis.

The bill states that Resolution Copper will surrender the right to commercially extract minerals under Apache Leap "or" the Pond parcel but not both. This language should be clarified by changing the word "or" to "and."

The bill would provide that it is the sense of Congress that the exchange to be completed in one year. We appreciate the sponsors' interest in expediting this project. However, if an environmental impact statement is required on the mining operation on the parcel to be conveyed, prior to conveyance, we will most likely exceed this time frame. We anticipate that there will be considerable concern with any decision and there is a likelihood of administrative appeal and litigation.

S. 1139 – Wallowa Conveyance

S.1139 would require the Secretary of Agriculture to enter into a property conveyance with the City of Wallowa, Oregon to convey without consideration the Wallowa Ranger Station located at 602 West First Street, Wallowa, Oregon. The Department appreciates the Committee's efforts to assist the City of Wallowa, Oregon with historic, cultural and economic development. However, we have significant concerns with conveyance of the Compound without compensation to the taxpayer and would ask the committee defer consideration of this conveyance at this time.

The Forest Service has identified the Wallowa Forest Service Compound as a site that should be sold under the Forest Service Facility Realignment and Enhancement Act (FSFREA), allowing the proceeds from the sale to be used to address other administrative site needs. Therefore, conveyance without consideration would remove the proceeds from the sale. In addition, the Forest Service has expended funds to repair and improve the Compound, as required by the FSFREA. The Forest Service desires to re-invest proceeds from the sale in other deteriorating infrastructure on the forest as provided for in the Act.

In addition, S.1139 includes a requirement for reversion to the Secretary if the facility is used for other purposes or managed by the City of Wallowa in a manner that is inconsistent with an interpretative center or non-profit status. Further, this bill would set a precedent for conveyance of similar properties across the nation contrary to the intent of the Facilities Realignment and Enhancement Act. Finally we would request that the subcommittee defer consideration of this bill while we continue to explore options with the City of Wallowa, in an attempt to address their interests.

This concludes my statement and I would be happy to answer any questions you may have.

USDA

United States Department of Agriculture

Office of the Secretary
Washington, D.C. 20250

July 13, 2009

The Honorable Ron Wyden
Chairman
Subcommittee on Public Lands and Forests
Committee on Energy and Natural Resources
United State Senate
304 Dirksen Senate Office Building
Washington, DC 20510-6150

Dear Chairman Wyden:

The Department of Agriculture (USDA) appreciates the opportunity to provide the Administration's position on S.409, the Southeast Arizona Land Exchange and Conservation Act of 2009.

This bill would convey lands on the Tonto National Forest to be used for an underground copper mine in exchange for environmentally sensitive lands in the State of Arizona. USDA has weighed many factors in clarifying our position. One key factor is the unique and significant natural and cultural qualities of the lands to be conveyed and the lands to be acquired. The Administration still has a number of concerns with the legislation, as outlined below and expressed by the Department of the Interior (DOI) in its testimony from June 17, 2009.

The bill would direct the Secretary of Agriculture, after certain requirements are met , to convey 2,406 acres in the Oak Flat area, located within the northeastern portion of Pinal County, approximately four miles east of Superior, Arizona, south of U.S. Route 60 (US 60), to Resolution Copper Mining, LLC. These lands of historical, cultural, and environmental significance are adjacent to Apache Leap, Devil's Canyon, and Queen's Creek, which are all located on the Tonto National Forest. These areas are considered sacred places to the Apache and Yavapai tribes, and are used to conduct religious ceremonies. In exchange, the United States Government would acquire 5,566 acres. The U.S. Forest Service would manage 1,377 of the acquired acres and the Bureau of Land Management (BLM) would manage the remaining approximately 4,200 acres.

Lands to Be Conveyed by the Forest Service (2,406 acres)

The following is a description of the parcels which are proposed to be conveyed:

Most of the 2,406 acres of the Oak Flat parcel is hilly, rocky terrain. Near the northeast corner of the tract is a large relatively flat terrain named Oak Flat. The name is derived from the large evergreen Emory oak trees growing along the shallow drainages that traverse the area. Oak Flat was developed as a campground by the Civilian Conservation Corp (CCC) in the late1930's and has been used continuously since the CCC era. Visitation of the campground is estimated to be 6,600 campers per year. In addition to camping, Oak Flat is popular for "bouldering" (a scaled down version of rock climbing) and off road vehicle use. World class bouldering competitions are held in this area.

The approximately 760 acres of land within Oak Flat was withdrawn from all forms of appropriation in 1955 by Public Land Order (PLO) 1229, as modified by PLO 5132 in 1971. This area contains additional dispersed camping sites and recreational opportunities.

To the west of Oak Flat and adjacent to it, overlooking the Town of Superior (Superior), is an escarpment known as Apache Leap. This is a famous site where Apache warriors were trapped by the U.S. Army. Rather than surrender, the warriors chose to jump to their deaths. According to Apache legend, the tears of their wives were transformed into the dark green obsidian nodules called "Apache tears" found prolifically throughout the perlite bedrock east of Superior. To the east of Oak Flat and adjacent to it is an area called Devil's Canyon, known as Gaan Canyon by the Apache and Yavapai Nations, which is a perennial stream and an ecologically significant riparian area. This Canyon, with its perennial stream, is important to the Apache and Yavapai Nations. To the northwest of Oak Flat and adjacent to it is Queen Creek, which flows along the north edge of Apache Leap down to the town of Superior and Boyce Thompson Arboretum. The creek flows southwest into the Gila River watershed. This water source is also important to the Apache and Yavapai as well as to surrounding communities. The extensive tribal history in Apache Leap, the prehistoric rock art found within Oak Flat, the other sites sacred to Native Americans, and the numerous burial and archeological resources in these areas are the basis for tribal concerns over the likelihood of serious subsidence and loss of access to the Oak Flat area.

Fairview Cemetery is another tract of Federal property to be conveyed out of Federal ownership. The Forest Service has made several offers to convey this property to the Town of Superior through "Townsite Act" authority over the last 25 years. The property is fully utilized with both old and new gravesites and monuments. In addition there are remnants of old wooden crosses and small sunken pits that mark some very early graves that have been overgrown with desert shrubs in the northwest corner of the property.

A 265 acre tract that lies to the south of US 60 and east of the Superior was granted to Pinal County for an airstrip in 1952. A reversion clause in that property patent stipulated the land must be used for airport purposes. Over the years Pinal County forgot about that reversion clause and chose that property to put in a sewage disposal plant for Superior. The conveyance of the reversionary interest in that tract would prevent the legal entanglements that the land reverting back to the Federal Government would entail.

Two hundred and fifty acres designated as "Superior Airport Contiguous Parcels" are four tracts of desert lands surrounded or abutted by private lands that can not be suitably managed for National Forest purposes. Local government ownership of those four tracts would enable Pinal County and Superior to plan and eventually build other public facilities to support community needs and would simplify some forest boundary identification issues.

Lands to Be Conveyed to the Forest Service by Resolution Copper Mining

The following are descriptions of some of the parcels proposed for transfer to the Forest Service; three additional parcels are identified for transfer to the BLM as described in the DOI testimony.

- Two parcels (total 110 acres) adjacent to the Apache Leap area on the Tonto National Forest. This area is the escarpment adjoining the Apache Leap area. This area is utilized by the San Carlos Apache and other tribes for acorn collection and traditional ceremonies.

- Turkey Creek (147 acres), Cave Creek (149 acres), J-I Ranch (88 acres), and Tangle Creek (148 acres) land parcels, which would consolidate Forest Service management of key lands with riparian habitat on its Cave Creek, Pleasant Valley, and Globe Ranger Districts. Each of these parcels is an in-holding surrounded by lands managed by the Tonto National Forest. This acquisition will allow the Tonto National Forest to apply more consistent, comprehensive landscape management.

- The East Clear Creek parcel (640 acres) which would become part of the Coconino National Forest, contains important riparian and stream habitats. This section of land is also an in-holding surrounded by lands managed by the Coconino National Forest. The acquisition of this parcel would complement the recent acquisition of another 640 acre parcel located nearby.

Concerns

The acquired lands to be managed by the U.S. Forest Service and the BLM have important resource values that should be protected, and it is clear that environmentally sensitive production of the copper to be produced by Resolution Copper, LLC can provide important economic benefits. However, it is equally important that the negative environmental consequences that can result from mining operations be avoided; environmental impairment of this special place is not the legacy to leave for future generations. The National Forests are, unfortunately, home to numerous remnants of past mining operations which are still creating significant environmental and financial impacts.

Of primary concern is the requirement in section 5 of the bill that the Secretary of Agriculture prepare an environmental impact statement (EIS) under the National Environmental Policy Act of 1969 (NEPA) *after* the land exchange in section 4 is completed, which will include consultation with tribal entities. The bill should be amended to require the preparation of an environmental impact statement *before* the land exchange is completed. NEPA is a forward

looking statute setting out procedural obligations to be carried out before a Federal action is taken. It requires that, before making a discretionary decision, a Federal agency consider the environmental impacts of a proposed major Federal action and alternatives to such action. The purpose of a requirement that the agency prepare the EIS *after* the exchange, when the land is in private ownership, is unclear because the bill provides the agency with no discretion to exercise after completing the EIS. If the objective of the environmental analysis is to ascertain the impacts of the potential commercial mineral production on the parcel to be exchanged, then the analysis should be prepared before an exchange, not afterwards, and only if the agency retains the discretion to apply what it learns in the EIS to its decision about the exchange. It seems completion of the exchange prior to the EIS would negate the utility of the EIS.

While the environmental analysis before the exchange would identify the impacts of the transfer itself and reasonably foreseeable post-transfer mineral development, as the bill is currently drafted the Agency could not require the mitigation of these impacts because it would have no discretion under the bill to impose any conditions or mitigation measures on the land exchanged. The bill should be amended to identify the Agency's latitude for decision making under the legislated exchange and limit the environmental analysis to those issues where there is administrative discretion.

If the bill is amended as requested, the Agency line officer will make a decision on whether or not to proceed with the exchange and under what conditions. Alternatively, the bill could be amended to require the Agency to perform a NEPA analysis on the transaction and provide the results to Congress, allowing Congress to provide further direction in subsequent legislation.

USDA also has additional concerns with S. 409.

- Section 4(c)(1)(F) of the bill would direct Resolution Copper, LLC, as part of the exchange, to convey to the United States land known as "the Pond parcel." USDA is concerned about the recreation-related liability issues, and the access and facilities needed to manage this parcel. Acquiring this parcel is not in the public interest, and we request that the provision mandating the conveyance of this parcel to the United States be dropped from the bill.

- Section 4(d)(1)(A) would provide that Resolution Copper, LLC, as part of its consideration to the United States Government, must surrender its rights under mining and other laws of the United States to commercially extract minerals under Apache Leap *or* the Pond parcel (the company would, however, retain certain exploration rights under section 4(d)(2).) The U.S. Forest Service seeks to avoid management challenges with conflicting uses on the surface by *not* acquiring "split estates". Should the bill continue to require the acquisition of the Pond parcel, USDA believes that Resolution Copper should surrender its rights to both parcels.

- Section 4(e) would make any cash equalization payment made by Resolution Copper, LLC available for use by the Secretaries of Agriculture and Interior, as they jointly determine is appropriate, for the acquisition of land or interests within the hydrologic boundary of the San Pedro River and tributaries in Arizona, and for management and

protection of endangered species and other sensitive environmental values and land within the San Pedro Riparian National Conservation Area. The Administration's position is that funds received from land conveyance should be used for land acquisition only, and not also for management. Our policy is to maintain the value of the Federal estate and not exchange long term assets (National Forest land) for short term management needs. Also, consistent with the Federal Land Transaction Facilitation Act (FLTFA; Public Law 106-248) the funds should be available for the purchase of other environmentally important lands anywhere in the State of Arizona and not be limited to lands within the hydrologic boundary of the San Pedro River and its tributaries.

- Section 8 relates to the protection and management of Apache Leap. Subsection (b)(1) would require the Secretary to initiate implementation of a management plan for Apache Leap within four years. We understand there are concerns about management of the additional acreage that would be added to the Tonto National Forest in the Apache Leap Area. The appropriate process to analyze and, if necessary, create a special management area should be addressed through the ongoing Tonto National Forest Planning process. Further, if any subsequent activity on the transferred land damages any of the surrounding public lands, the responsible private entity should be held liable for damages.

- Section 10(a) would require the Secretary to construct replacement campgrounds for theOak Flat Campground that would be conveyed. Under subsection (b), Resolution Copper, LLC, as a condition of the exchange, would be required to provide an additional $1,000,000 for the cost of the replacement. Because the Forest Service cannot find a suitable replacement for the Oak Flat Campground, USDA recommends that *if* the bill provides such a payment, the provision be amended to provide for the funds to be used to improve the capacity and quality of the existing campgrounds on the Tonto National Forest.

The U.S. Forest Service has conducted informal consultations with concerned Tribes over the course of the several years this exchange has been under discussion, and supports the continuation of consultation efforts, including a formal Government to Government consultation. Concerns have been raised by Tribal Governments that the bill circumvents various laws,[1] policies,[2] and an Executive Order[3] that directs the federal land managing agencies to engage in formal consultation with the interested Indian tribes. Tribal Governments have also raised important concerns that the bill is contrary to various policies[4] and Executive Orders[5] that require

[1] For example, NEPA requires federal agency officials to consult with Indian tribes concerning the effects of the proposed projects on their sacred sites.
[2] The 2004 Forest Service Manual requires the Forest Service to consult with Tribes on matters that may affect tribal rights and interests.
[3] Executive Order 13175 relating to Consultation and Coordination with Indian Tribal Governments directs each federal agency to consult with Indian tribes on actions that have substantial direct effects on one or more Indian tribes.
[4] The Forest Service Manual provides comprehensive direction for agency interaction with Indian Tribes to ensure compliance with the laws and Executive Orders as well as other laws designed to protect areas of significance to Indian tribes that are located on National Forest System lands.

Federal land managing agencies to protect and preserve sites that are sacred to Native Americans. Because of these expressed concerns and because this specific site has been the focus of historic Government protection[6] it is important that this bill engage in the process of formal tribal consultation to ensure both tribal participation and the protection of this site.

The Office of Management and Budget has no objection to the presentation of this legislative report to the Congress.

Again, thank you for this opportunity to amplify USDA's views expressed at the Subcommittee's June 17, 2009, hearing. I would welcome the opportunity to have further discussions with the Committee on this issue. If we can be of further assistance, please have your staff contact Jay Jensen, Deputy Under Secretary for Natural Resources and Environment, at (202) 720 7173.

Sincerely,

Thomas J. Vilsack
Secretary

[5] Executive Order 13007 relating to Indian sacred sites directs that federal land management agencies, to the extent permitted by law, and not clearly inconsistent with essential agency functions, to accommodate access to and ceremonial use of Indian sacred sites and avoid adversely affecting the physical integrity of such sacred sites. Federal agencies are required to establish a process for ensuring that reasonable notice is provided to affected tribes of proposed federal actions or policies that may affect Indian sacred sites.

[6] BLM Public Land Order 1229 placed the Oak Flat area off limits to future mining activity so that it could be used as a place for public access and recreation. Subsequently, BLM Public Land Order 5132 modified Public Land Order 1229 to allow "all forms of appropriation under the public land laws applicable to national forest lands – except under the US mining laws."

Questions for Joel Holtrop
Deputy Chief
National Forest System
Forest Service
Department of Agriculture
Subcommittee on Public Lands and Forests Hearing – June 17, 2009

Question from Senator Wyden re: S. 1139:

As we discussed at the hearing, this property, built by the Civilian Conservation Corps in the 1930s, has high historical value, which the community intends to protect and restore. You indicated that the Forest Service intends to protect the unique architectural features and the important cultural and historic features of the property. Can you tell me how the Forest Service plans to ensure that these unique architectural, cultural and historic features of the property are maintained if it sells it under existing law?

The Forest Service is working with the Oregon State Historic Preservation Officer (SHPO) to determine the most appropriate means of either recording or protecting the site. Because there are other nearby sites with similar features from the same time period, the SHPO has determined that the site can be photographed and recorded and that existing buildings would not need to be maintained or retained. (The agency estimates that costs for deferred maintenance of the existing buildings approaches $300,000.) Therefore, if sold, the disposition of the buildings would be at the discretion of the new owners.

Questions from Senator Bingaman:

Question 1:
The Department of the Interior has testified that adding a provision requiring Resolution Copper to provide confidential access to the Secretaries of Agriculture and the Interior (and their representatives) to all exploration and development data and company analyses on the mineral deposits underlying the Federal land is essential in order to ensure an accurate appraisal. Is access to such data and analyses important to the Department in the context of completing appropriate analyses under NEPA and other environmental laws?

Subsurface information that would be part of the mining plan and mining operations documentation are essential in order to assess environmental impacts, including the hydrological conditions, subsidence, and other related issues. This information is critical in order to evaluate the mineral appraisal process. Without such documentation, it's impossible to assess impacts or to evaluate the ore body.

Question 2:
The Tribes have testified repeatedly that they have been deeply concerned about the lack of consultation on a government-to-government basis regarding the Southeast Arizona Land Exchange and Conservation Act. In past testimony, the Department has not directly recognized the Tribes' interests in the proposal or addressed the Tribes' consultation concerns. In its testimony at our recent hearing, however, the Department did recognize that:

> *Many of the lands to be exchanged in the bill hold significant cultural value to Indian Tribes. In particular, the Apache Leap area, the Oak Flat Campground, and Devil's Canyon are culturally significant to the San Carlos Apache Tribe and the Fort McDowell Yavapai Nation. There are also other neighboring Tribes with cultural interests in the area. We will continue to work with these Tribes as we move forward with the analysis.*

Has the Forest Service consulted with the Tribes on a government-to-government basis on this proposal and, if not, does it plan to?

Although the U.S. Forest Service has conducted informal consultations with concerned Tribes over the course of the several years this exchange has been under discussion, the Secretary's letter to Senator Wyden on July 13, 2009, highlights the need for the Administration to conduct formal Government to Government consultation with concerned Tribes over S. 409 to discuss the concerns raised by Tribal Governments that the bill circumvents various laws, policies, and Executive Orders. As set forth in the 2004 Forest Service Manuel, the U.S. Forest Service seeks to ensure that it protects sites sacred to Native Americans located on the National Forest System lands and provides continued access to these sites. Further, under the 2004 Forest Service Manuel, the U.S. Forest Service seeks to ensure that it protects Native American burial and archeological resources located on National Forest System lands.

Question 3:

Does the Forest Service have an understanding of whether the proposed mine will have any impact on local or regional water supplies and water quality? If so, please provide to the Committee with whatever information and analyses the Forest Service has considered.

At this time the U.S. Forest Service does not have an understanding of the impacts the proposed mine will have on local or regional water supplies, water quality, or possible dewatering of the area. No studies or assessments of the water supplies have been conducted. That is information which could be obtained by the Forest Service with NEPA analysis *before* the exchange. A NEPA analysis after the

exchange would not allow the Forest Service to recommend alternatives since the exchanged parcel would already be in private ownership. Data and analyses in the possession of Resolution Copper Mining would be of assistance to the Forest Service in evaluating the impacts of the proposed mine on local and regional water supplies and quality.

Question 4a:

A number of interested parties have advocated for the inclusion in the exchange of some land near San Miguel along the Lower San Pedro River that is owned by BHP-Billiton, which is the minority partner in the mining project. Apparently, the concern is that the development of that property would have a significant adverse affect on the riparian values of the other property along that river that the Federal government would acquire through the exchange.
Has the Department evaluated the BHP-Billiton parcel and the potential impact of its development on the conservation values of the land the Federal government would acquire in the proposed exchange?

The lower San Pedro River and BHP-Billiton parcels are outside of the National Forest boundary. The lower San Pedro River parcel would likely be under the jurisdiction of the BLM. We would defer to the Department of Interior.

Question 4:
At the hearing on this proposal on July 9, 2008, Chairman Wyden asked Mr. Salisbury if lifting the Oak Flat withdrawal and conveying that land to Resolution Copper was essential to the development of the mine, and Mr. Salisbury responded that it was. See S. Hrg. 110-572 at 56-57. If Congress provided authorization to carry out the proposed 3-party exchange under existing law, please generally describe whether and, if so, how the Forest Service would evaluate the environmental impacts of conveying the Oak Flat parcel.

Under existing administrative procedures for land exchanges, it would be analyzed along with the other federal and private lands proposed for this exchange utilizing standard NEPA procedures. The first step is a feasibility analysis which would provide information on whether to proceed with the environmental analysis.

The next step in the process would then be to complete resource surveys and conduct public scoping of the proposal to determine the significance of potentially affected resources (e.g., subsidence, impact on water table), uses and social effects (e.g., heritage resources, loss of a campground, economic analysis) to determine the extent of any potential impacts to those resources, uses and social effects, describe possible mitigation measures for those impacts, and disclose the impacts for which no mitigation is possible. After documenting those findings a decision would be made by the line officer as to whether or not the proposed exchange is in the public interest and whether to approve it.

Question 5:
Mr. Salisbury's testimony states that Resolution Copper estimates that it will have to invest approximately $600 million over the coming years on exploration and feasibility studies before it determines whether mining the ore is economically or technologically feasible. Given the substantial financial investment and the remaining uncertainty, my understanding is that Resolution Copper is concerned about waiting until the end of that process to conduct the environmental analyses associated with the land exchange.

Would it be possible for the Forest Service to conduct the environmental analyses that would be necessary to complete the exchange in accordance with existing law with the information that is currently available or reasonably obtainable, or would the Forest Service be required under existing law to wait until Resolution Copper has completed its exploration and technological feasibility analyses? Please describe how the Forest Service would proceed under these circumstances.

The information now available or that which could be reasonably obtained would allow the Forest Service to conduct the needed environmental analysis. As a start and as described in company reports and information that has already been shared, the subject property is highly mineralized.

While a significant amount of information is available to begin the analysis, ecological evaluations such as hydrologic conditions of the area, geologic assessments, ESA assessments, or other environmental resources analysis have not been conducted. In addition, Resolution Copper Mining does not have a mining plan of operations. Without such studies, assessments, or documents, mining and post mining subsidence issues, water quality contamination concerns (including acid mine drainage and subsequent pollution), water quantity (including the dewatering of nearby surface water and water rights concerns), air quality compliance issues, tailings and overburden storage and placement cannot be assessed or determined at this time.

The NEPA process mandates analysis and disclosure of environmental impacts, including cumulative impacts, allowing all affected parties and decision-makers to review and comprehend the risk assessment.

The Council on Environmental Quality has made allowances for incomplete or unavailable information which are available when the overall costs of obtaining the information are exorbitant or the means to obtain the information are unknown. In such cases, 40 CFR 1502.22, states:

> **"When an agency is evaluating reasonably foreseeable significant adverse affects on the human environment in an environmental impact statement and there is incomplete or unavailable information, the agency shall always make clear that such information is lacking....." 40 CFR 1502.22.**

Question 6:

If you followed the standard administrative land exchange authority under section 206 of the Federal Land Policy and Management Act, you would need to make a public interest determination. What factors would the agency consider in making that determination?

The Forest Service would follow the criteria outlined in 36 CFR 254.3. 36 CFR 254.3(b)(1) requires that an exchange be made only after a determination that "the public interest is well served." 36 CFR 254.3(b)(2) sets forth the factors to consider in making that determination.

When considering the public interest, the authorized officer shall give full consideration to the opportunity to achieve better management of Federal lands and resources, to meet the needs of State and local residents and their economies, and to secure important objectives, including but not limited to: protection of fish and wildlife habitats, cultural resources, watersheds, and wilderness and aesthetic values; enhancement of recreation opportunities and public access; consolidation of lands and/or interests in lands, such as mineral and timber interests, for more logical and efficient management and development; consolidation of split mineral estates; expansion of communities; accommodation of existing or planned land use authorizations (254.4(c)(4)); promotion of multiple-use values; implementation of applicable Forest Land and Resource Management Plans; and fulfillment of public needs.

Senator Barrasso Supplemental Questions

S. 409 – Resolution Copper Land Exchange

Mr. Holtrop in the 110th Congress the Forest Service testified that they supported the exchange in S. 409 but then equivocated in answers to supplemental questions by saying once the exchange was directed by Congress that your responsibility to make such a determination ends and that it would be difficult to make such a finding until you understand the proposal for the mine better.

Given what you know about this bill, do you think this proposed exchange is likely to be in the public interest?

If the U.S. Forest Service concludes after careful analyses that the proposed mine that the land exchange would facilitate would not have unacceptable adverse environmental impacts and if the proposal takes into account and resolves the concerns of Indian Tribes and surrounding or affected communities, then the exchange may well be determined to be in the public interest. However, until the U.S. Forest Service can fully analyze environmental impacts as addressed through

NEPA, *formally* consults with Tribes and the public through that process, including assessing the proposed land exchange in light of the U.S. Forest Service's responsibilities under applicable laws, policies, and Executive Orders, it is too early to conclude that the proposed land exchange would be in the public interest.

You also complained in your testimony during the 110th Congress that you had concerns about the cost of rebuilding a camp ground to replace the Oak Flats Campground. In your testimony in the hearing you suggested the Company just give the Forest Service the million dollars to spend on general camp ground upgrades and backlog maintenance. It seems to me the agency can't have it both ways. You can't complain about the loss of the camp ground at Oak Flats and then say you can't find a replacement, while also asking for a million dollars.

This legislation requires Resolution Copper Company to pay up to a million dollars to replace the Campground.

If the agency does not think that a million dollars is a sufficient sum would you provide the Committee with a list of the cost of the last ten new campgrounds it developed, along with a description of the facilities constructed at those campgrounds.

The agency is not seeking one million dollars in funding. If the bill provides one million dollars the agency would use those funds to increase capacity as well as quality at nearby sites as they have not been able to find a replacement site nearby. Current cost of campground development on the Tonto is $35,000 per camp unit. This includes everything from survey and design through opening day. Replacement of 21 units at the current standard ($35M/unit) would be $735,000. This cost does not include NEPA and other pre-design environmental analyses, archaeological site effects mitigation or site access roads, which depending upon location, could be a substantial cost.

Please provide the subcommittee with your agency's rationale of why it thinks this company should make a million dollar donation to be used to take care of backlog maintenance of other campground?

The agency is not asking for funding. If the bill provides one million dollars the agency would use those funds to increase capacity as well as quality at nearby sites as they have not been able to find a replacement site nearby.

Mr. Holtrop I know you are acutely aware of the issues that revolve around having to complete NEPA and/or a finding of public interest when it comes to land exchanges.

Those questions become even more complex when a land exchange involves a proposal for a major development, such as a mine.

Several Congresses ago the Yavapai Ranch land exchange passed and included both a Congressional directed exchange to be completed on a tight timeline, as well as a requirement that the exchange comply with Section 206 of the Federal Land Policy and Management Act (FLPMA).

What is the status of that exchange?

The Northern Arizona Land Exchange partnership has dissolved and we recently cancelled the original "Agreement to Initiate" document that outlined the responsibilities, timelines and costs for the various aspects of conducting the land exchange process. A new Agreement is being written with the remaining partner, Fred Ruskin.

S. 1139 – City of Wallowa

I generally think turning federal land over to non-federal entities should be seriously considered, but I am concerned about the precedent that S. 1139 and S. 1140 will set.

Mr. Holtrop how many other parcels of land does the Forest Service have that it would like to give to non-federal entities?

None. The agency seeks to receive consideration when conveying lands out of federal ownership. The intent is to preserve the value of the federal estate.

How would you suggest Congress deal with a situation when multiple parties, including Indian tribes, have asked to be given the same parcel of land and/or buildings?

If a single municipality wishes to acquire federal property for the benefit of its constituents, under the Townsite Act, the agency can offer a direct sale at the appraised value. The hierarchy for offering these lands or facilities would be as follows a. other federal, b. tribes, c. state, d. county, e. city, f. public utility district (PUD. If multiple parties of same standing wish to acquire the same property; i.e., two different PUD's or two different tribes , a competitive bid process would be a preferred means for conveying the property.

Would you provide this committee with a list of parcels that you would like Congress to give away?

We have no such list.

<u>Senator Murkowski Supplemental Questions</u>

Both in your testimony and in answers to questions at the hearing you indicated it would take some time for the Administration to analyze S. 409 before the Administration could take a position on the bill. Yet, the agency didn't seem to have difficulty formulating a position on S. 1139. S. 1139 which were introduced May 21, 2009. S. 409 was introduced February 11, 2009 and nearly identical bills were introduced in both the 109th and 110th Congress. In fact, Mr. Holtrop testified at hearings on the earlier versions of the bills in those Congresses. Additionally, you committed to Subcommittee Chairman Senator Ron Wyden to have answers to questions within two weeks.

1. *While I understanding we are six months into a new Administration, I need to know how long you expect it will take your agency to analyze legislation before being able to provide competent testimony in the future?*

    A) *Should we hold off on hearings on new bills for 3 months after a bill is introduced or will you need more time than that?*

This is a complex bill that took time to analyze. In addition to the Department of the Interior's testimony of June 17, 2009, Secretary Vilsack provided the Subcommittee with a letter detailing additional views and concerns on July 13, 2009.

Please help us better understand how it is that the Administration found the ability to testify on S. 1139 and S. 1140 and S. 874, all which were introduced since the last week of April, 2009, while it struggled to formulate an opinion on legislation which has been before the Forest Service for the last two sessions of Congress and which your agency supported as recently as 11 months ago?

S409 is a much more complex bill than the conveyance bills noted in your question. The Administration has a number of concerns as noted in the Department of the Interior testimony of June 17, 2009 and the Secretary of Agriculture's letter of July 13, 2009.

S. 1139 – City of Wallowa

The Administration testified that it was already prepared to use its authority under the Forest Service Facility Realignment and Enhancement Act to dispose of the Wallowa Ranger Station.

Absent S. 1139 being signed into law, when will that sale take place?

It is scheduled to take place in the fall of 2009.

You indicated that you had multiple parties interested in acquiring the property, including the Nez Perce Tribe. Would you provide the Committee with a list of all parties, individuals, or groups who have expressed an interest in acquiring the property?

A total of 24 responses were received from groups or individuals interested in acquiring the property, including the following (Ten of these responses were in support of the Forest giving the property to the Wallowa School District, in conjunction with the Maxville Project):

Individuals interested in possible purchase of the property:

Keith Kessler (Colorado)
Jim Soares (Enterprise, OR)
Gerald Schmeckpeper (Wallowa, OR)
Dick and Laura Parsons (Elgin, OR)
James Livingston (California)
Mike Young (Vale, OR)
Glen Foote (Baker City, OR)
Ben Deal (Enterprise, OR)
Ernie Josie (Wallowa, OR)
Dale Johnson (Wallowa, OR)
Four additional individuals who did not provide their name (neighbors, etc) also contacted the Forest with interest in possibly acquiring the compound.

Lower Valley Economic Development Team (to donate to Wallowa Resources)

Supporters of Gwen Trice and the Maxville Project include the following (all supported giving the compound to the Wallowa School District):

Friends of the Joseph Branch
Wallowa County Board of Commissioners
Wallowa School District
City of Wallowa
Northeast Oregon Economic Development District
Lower Valley Economic Development Team
Friends of Wallowa County Museum
Wallowa Resources
Wallowa Band Nez Perce Trail Interpretive Center, Inc. (Nez Perce Homeland Project)

Will you provide the Committee with your best estimate of the total value of the property if it were to be advertised for sale on the open market?

We have no appraisal information on this property. Any estimate would be without foundation.

Questions by Senator McCain

At the hearing, Mr. Holtrop, testifying on behalf of the U.S. Forest Service indicated that the Department had not completed its analysis of S. 409. He further indicated that the Administration will provide its views and concerns to the Committee upon completion of this work. The Forest Service has testified and provided its views and concerns regarding this land exchange on as many as three occasions prior to the hearing on June

17, 2009. On each of these occasions the Forest Service testified that it supported the exchange and that it was the Department's view that the exchange as a whole is in the public interest. In fact, in your "Responses to Additional Questions" you actually explained in detail why the Department believed the exchange was in the public interest. (see S. Hrg. 110-572 and S. Hrg. 109-582)

Did the Administration review your prior testimony prior to this hearing? What has changed substantively with regard to this land exchange since you last testified on July 9, 2008 that warrants additional review?

It is the prerogative of the Administration to analyze S. 409 and provide its views and concerns to the Subcommittee.

In 2006 (S. Hrg. 109-582) Mr. Holtrop testified that "the Department believes the acquisition of the non-Federal parcels to be managed by the Forest Service is in the public interest and would provide protection for riparian habitat and water rights, archeological sites, lands along permanently flowing stream, a year-round pond and an endangered cactus species. In this context, the Department supports the exchange." In 2008 (S. Hrg. 110-572), Mr. Holtrop testified that the non-Federal lands "have outstanding natural qualities" and that "the Department supports the exchange and believes that overall it is in the public interest." Is it the Forest Service's position that acquiring these non-Federal lands is no longer in the public interest?

In addition to the Department of the Interior's testimony of June 17, 2009, Secretary Vilsack's letter to Senator Wyden on July 13, 2009, describes additional views and concerns about S. 409. Several factors must be assessed prior to making a determination of whether or not the land exchange is in the public interest. Formal Government to Government consultations with Tribes along with other meaningful dialogue, environmental assessments including NEPA, and other analyses must be conducted in order to determine fully the impacts of mining operations on the National Forest System lands proposed for conveyance under S. 409, the adjacent areas of Apache Leap, Devil's Canyon and other areas.

In your written statement submitted at the hearing, you indicate that "consistent with Administration policy, NEPA should be done before moving forward on the land exchange."

What "Administration policy" are you referring to? Please provide copies of the policy. This is not a written policy but the policy position of this Administration in land conveyance legislation. Is it the position of the Forest Service that this "Administration policy" applies to actions that are directed or mandated by Congress? If so, please explain the basis for that position. Again, this is the policy which this administration is adopting when testifying on land conveyance legislation. In your written statement submitted at the hearing, the Forest Service claims that the Environmental Impact Statement (EIS) required by Section 5(c) would not analyze impacts from mining activities on the land to be conveyed. Please explain why the impacts from mining

activities on the land conveyed would not be part of the "cumulative effects" analysis in the EIS required by Section 5(c).

Section 5(c) of the bill would require the Secretary of Agriculture to prepare an environmental impact statement (EIS) under the National Environmental Policy of 1969 (NEPA) *after* the land exchange in section 4 is completed. It is the Administration's policy that the bill should be amended to require the preparation of an environmental impact statement *before* the land exchange is completed. NEPA is a forward looking statute setting out procedural obligations to be carried out before a Federal action is taken. It requires that, before making a discretionary decision, a Federal agency consider the environmental impacts of a proposed major Federal action and alternatives to such action. It is this Administration's policy that NEPA be fully complied with to address all federal decisions, including those necessary to implement Congressional direction. Furthermore, the effects of mining activities on the land to be conveyed will be considered in the NEPA analysis.

The purpose of a requirement in the bill that the agency prepare the EIS *after* the exchange, when the land is in private ownership, is unclear because the bill provides the agency with no discretion to exercise. If the objective of the environmental analysis is to ascertain the impacts of the potential commercial mineral production on the parcel to be exchanged, then the analysis should be prepared before an exchange, not afterwards, and only if the agency were exercising its discretion in making a decision about the exchange. An EIS after the exchange would preclude the U.S. Forest Service from developing a reasonable range of alternatives to the proposal and providing the public with opportunities to comment on the proposal. The exchange would be a *fait accompli.* A reasonable range of alternatives and public comment would be superfluous.

An EIS requires full disclosure to the public of all adverse environmental impacts so if the EIS required by Section 4(h) was conducted and it revealed that the mine would cause adverse environmental impacts would not the Forest Service disclose those adverse environmental impacts to the public? What other federal environmental laws would affect the permitting of the mining operations?

The Forest Service would disclose those adverse environmental impacts to the public. If the objective of the environmental analysis is to ascertain the impacts of the potential commercial mineral production on the parcel to be exchanged, then the analysis should be prepared before an exchange, not afterwards, As indicated in the previous answer, preparing an EIS after the exchange would preclude the agency's ability to recommend alternatives which would mitigate adverse environmental impacts since the land would already be in private ownership. There are many federal laws which apply to mining operations; e.g., Clean Water Act, Clean Air Act, the Endangered Species Act, the National Historic Preservation Act, etc.

How many copper mines are in operation and located on National Forest System Lands?

When was the last time the Forest Service approved a major mining plan of operations that resulted in active copper mine on National Forest System Lands in the lower 48 states where the U.S. remained the landowner during the permitting process? Please provide the name and location of the mine.

Most of the copper mines are of mixed ownership (private and U.S.) and mixed commodity (a variety of minerals.) Most major mines are not located on federal lands but some of the infrastructure is. In the Southwestern Region (R-3), where many of the large copper mines are located, most are on mixed ownership lands, including patented private lands which are directly adjacent to National Forest lands. In these instances, additional mine expansion, new waste rock or leach pads, and infrastructure needs often involve approvals and permits from the adjoining Forest unit for the benefit of the mine. BHP's Pinto Valley Mine in Globe, Arizona, and Freeport MacMoran Copper and Gold Inc.'s Miami mine, in Miami, Arizona, are examples of large copper mines, with complex landownership patterns, that include the Forest Service.

In some cases such as the Carlota Copper Mine in Globe, Arizona, the vast majority of the mine (greater than 75 percent) occupies Forest Service land (Tonto NF). The Carlota Copper Mine is one of the few copper mines that is primarily on Forest Service land. The Record of Decision for this mine was approved in 1997. The Mining Plan of Operation was approved in 1998. Mine construction began in 2007 and actual operations began in 2008.

What kind of outreach has the Forest Service conducted with the San Carlos Apache tribe and other Arizona tribes concerning this proposal? Past Forest Service testimony indicates that government-to-government discussions have been occurring as far back as 2004.

Although the U.S. Forest Service has conducted informal discussions with concerned Tribes, including the San Carlos Apache Tribe, over the course of the several years this exchange has been under discussion, there is a need for formal Government to Government consultation with the concerned Tribes to discuss the obligations of the U.S. Forest Service to protect and preserve the Forest Service land that would be conveyed to Resolution Copper Mining under S. 409 as set forth in policies, Executive Orders and various laws. For example, NEPA requires the federal agency officials to consult with Indian Tribes concerning the effects of the proposed projects on their sacred sites.

Due to limited information, the U.S. Forest Service is unable at this time to provide its own proposed treatment plan to mitigate the adverse effects of the proposed land exchange on the archaeological, religious, historical, and cultural sites on the proposed National Forest System lands to be conveyed to Resolution Copper Mining and the adjacent areas of Apache Leap, Devil's Canyon and other areas if mitigation is even possible. One of the formidable issues the U.S. Forest Service

faces regarding mitigation planning is the lack of information on the mining plan of operations. In order to determine the effects of mining, such as land subsidence and dewatering of springs, it is essential to having mining operations plans. Thus, without such information, completing formal Government to Government consultations with Tribes will be difficult as potential impacts cannot be adequately analyzed by the affected parties. Initial contact with Tribes was made through the delivery of Resolution Copper Mining's pre-feasibility studies, but this is not a substitute for the plan of operations or mine planning. Formal consultation regarding the pre-feasibility has not occurred with Indian Tribes.

S409 Resolution Copper and Wallowa Forest Service FINAL.doc--=_mixed
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Content-Transfer-Encoding: binary

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004A921985257600_=--

From CN=Hilary C. Tompkins/OU=HQ/OU=SOL/O=DOI **Date** Wednesday, July 22, 2009 10:00:10 AM

To Farquhar, Ned

Cc

Subject Re: Resolution copper

We are a full service operation. HT

Message sent by Office of the Solicitor BlackBerry

----- Original Message -----

From: Ned Farquhar

Sent: 07/22/2009 09:18 AM EDT

To: Hilary Tompkins

Subject: Re: Resolution copper

Hmmmmmmmmm I don't think so - legislative - but good idea

----- Original Message -----

From: Hilary C. Tompkins

Sent: 07/22/2009 09:12 AM EDT

To: Ned Farquhar

Subject: Resolution copper

Anyone in my shop reviewing stuff for u on this?

Message sent by Office of the Solicitor BlackBerry

From CN=Hilary C. Tompkins/OU=HQ/OU=SOL/O=DOI

Date Wednesday, July 22, 2009 9:17:52 AM

To Farquhar, Ned

Cc

Subject Resolution copper

Anyone in my shop reviewing stuff for u on this?

Message sent by Office of the Solicitor BlackBerry

From Johnson, Teresa **Date** Tuesday, July 21, 2009 11:52:34 AM
To Farquhar, Ned
Cc Rees, C
Subject Question - Resolution Copper

Ned - who else should I invite to the Resolution Copper meeting? I currently have you, David, Meghan & Tom. Thinking there should be more people but just don't know who?

Ter

From Cardinale, Richard
To Farquhar, Ned
Cc Mansour, Christopher; Hayes, David; Strickland, Thomas
Subject Re: Draft Response to Senator McCain re Resolution Copper
Date Tuesday, July 21, 2009 9:43:55 AM

Farquhar Final Testimony S. 409.doc (36 KB HTML) QFRs from June 17th hearing.doc (57 KB HTML) FINALHoltropTestimonyS409andS1139061709.doc (34 KB HTML)

Ned,

Per your request, attached are the QFR's from the hearing. Please note that McCain's q and a is first, followed by q's and a's from Sens. Murkowski, Barrasso and Bingaman. The q's and a's also address the other bills on which you testified. Finally, attached is your testimony and the Forest Service testimony.

From:

Ned Farquhar/SIO/OS/DOI

To:

Richard Cardinale/ASLM/OS/DOI@DOI, David Hayes/SIO/OS/DOI@DOI, Thomas Strickland/SIO/OS/DOI@DOI, Christopher Mansour/OCL/OS/DOI@DOI
Date: 07/21/2009 09:15 AM

Subject: Re: Draft Response to Senator McCain re Resolution Copper

Rich - can you also find/send QFRs? Thx, NF

---- Original Message -----

From: Richard Cardinale

Sent: 07/21/2009 08:51 AM EDT

To: David Hayes; Thomas Strickland; Christopher Mansour

Cc: Ned Farquhar

Subject: Draft Response to Senator McCain re Resolution Copper

Good Morning. Ned asked me to forward the attached letter to Sen. McCain for your review and comment.

Rich

[attachment "McCain_letterJuly15.docx" deleted by Ned Farquhar/SIO/OS/DOI]

Statement of
Ned Farquhar
Deputy Assistant Secretary
Land & Minerals Management
Department of the Interior
Senate Energy &Natural Resources Committee
Subcommittee on Public Lands and Forests

S. 409, Southeast Arizona Land Exchange and Conservation Act
June 17, 2009

Thank you for the opportunity to testify on S. 409, the Southeast Arizona Land Exchange and Conservation Act. The legislation provides for the exchange of a 2,406-acre parcel of Forest Service-managed land to a private company in exchange for a number of parcels within the State of Arizona for management by the Forest Service and the Bureau of Land Management (BLM). Three of the private parcels are identified for transfer to the Secretary of the Interior. In general, the Department of the Interior (DOI) defers to the United States Forest Service on the issues directly related to Forest Service lands and associated valuation issues. It is our understanding that the intent of the legislation is to facilitate an exchange of land with Resolution Copper Mining, LLC. Resolution Copper has indicated its intention to develop a copper mine near Superior, Arizona, and wishes to acquire the 2,406-acre Forest Service parcel overlying the copper deposit as well as the Federal subsurface rights. The Administration may have additional concerns as it works through the analysis of the bill.

Conveyance of Parcels to the Bureau of Land Management

We note that while the bill states that three parcels are to be conveyed to the Secretary of the Interior, it is our understanding that the intention of the sponsors is for the parcels to be under the administrative jurisdiction of the BLM. We have prepared maps at the request of Senator Kyl's office depicting these parcels and our testimony reflects the information on those maps dated June 3, 2009. We have recently discovered some inconsistencies in our mapping data. . The parcels identified are:

- 3,073 acres along the Lower San Pedro River near Mammoth, Arizona;
- 160 acres within the Dripping Springs area near Kearny, Arizona; and
- The 956 acre Appleton Ranch parcel adjacent to the Las Cienegas National Conservation Area near Sonoita, Arizona.

The lower San Pedro parcel is east of the town of Mammoth, Arizona, and straddles the San Pedro River. The acquisition of these lands would enhance key migratory bird habitat along the San Pedro River. S. 409 directs the BLM to manage the lower San Pedro parcel as part of the existing San Pedro Riparian National Conservation Area (NCA) designated by Public Law 100-696. The lower San Pedro parcel lies along the same riparian corridor as the San Pedro NCA, but is at least 60 miles downstream (north) of the existing NCA, and has substantially different resource issues and needs.

The legislation also proposes to transfer 160 acres in the Dripping Springs area northeast of Hayden to the BLM. This private parcel is an inholding within a larger block of public lands and has important resource values, including sensitive Desert Tortoise habitat.

Finally, the bill provides for the transfer to the BLM of the 956-acre Appleton Ranch parcel on the southern end of the BLM's Las Cienegas NCA. These lands lie within the "Sonoita Valley Acquisition Planning District" established by Public Law 106-538, which designated the Las Cienegas NCA. That law directs the Department of the Interior to acquire lands from willing sellers within the planning district for inclusion in the NCA to further protect the important resource values for which the NCA was designated. These lands are part of a significant wildlife corridor.

Additional Department of the Interior Concerns

There are several additional issues of concern to the Department.. Among these are the timing of the exchange, appraisal provisions, withdrawal language, the equalization of values provisions and Tribal consultations

Section 5 of the legislation expresses the sense of the Congress that the exchange be completed within one year. Based on our experience with exchanges, we believe this is not sufficient time for the completion of and review of a necessary environmental documents, mineral report, completion and review of the appraisals, and final verification and preparation of title documents. We are also concerned that one year may not be enough time to complete analysis of any historic and sacred sites in the exchange area as required by the Native American Graves Protection Act and the National Historic Preservation Act. While this provision is not binding, we believe it is unrealistic to expect this to be completed in less than two to three years.

Preparation of a mineral report is a crucial first step toward an appraisal of the Federal parcel because the report provides important information for an appraisal where the property includes a Federal mineral deposit. Accordingly, adequate information for the mineral report is essential, particularly in the context of this exchange where the proposed mining operation is unique in size and scope. The bill does not address confidential access for exploration and development data and company analyses on the mineral deposits underlying the Federal land in order to ensure a timely and accurate appraisal.

The withdrawal language in section 9(d) is not standard and may not provide the intended protection for the lands acquired by both the Secretary of the Interior and Agriculture.

Section 4(e) provides for an equalization of values if the land values are disparate. We support 4(e)(1) directing any equalization payment by the exchange proponent be deposited into the Federal Land Disposal Account established under the Federal Land Transaction Facilitation Act (FLTFA; Public Law 106-248). Funds in that account are used for the acquisition of environmentally sensitive lands within Forest Service, BLM, National Park Service, and Fish & Wildlife Service units. We have concerns with the geographic scope of section 4(e)(1)(A), and wish to broaden the area where land

acquisitions could occur using proceeds from the land equalization. The funds could then be used in a manner consistent with other FLTFA acquisitions.

However, section 4(e)(1)(B) provides for the use of these funds for management activities. We oppose this provision and recommend that subsection (B) be deleted. Because the deposited funds are a result of the exchange of lands out of Federal ownership, these funds should be available to acquire highly sensitive conservation lands consistent with the intent of FLTFA.

S. 409 includes a provision in Section 12 that would require a payment to the United States should the cumulative production of locatable minerals exceed the projected production used in the appraisal required by section 7(a)(4)(D). This provision recognizes that an accurate projection of future production as part of the appraisal process will be difficult to develop, and provides a mechanism for additional payments to the United States should the actual production exceed the projected production. This provision needs clarification.

Finally, rather than creating a new fund in the U.S. Treasury as envisioned under section 12(d), the Department recommends the receipts be placed in the Federal Land Disposal Account consistent with the provisions of section 4(e)(1)(A) of S. 409. Because these funds are to compensate for a possible initial inadvertent under-appraisal of land values, it is appropriate that the value when captured be used in the same manner as if it had been included in the initial appraisal.

Many of the lands to be exchanged in the bill hold significant cultural value to Indian Tribes. In particular, the Apache Leap area, the Oak Flat Campground, and Devil's Canyon are culturally significant to the San Carlos Apache Tribe and the Fort McDowell Yavapai Nation. There are also other neighboring Tribes with cultural interests in the area.

Conclusion

Thank you for the opportunity to testify. The exchange proposed in S. 409 is complex and the Administration is continuing its analysis of the bill to assure that the Federal government's interest is appropriately protected in any final legislation.

Questions by Senator McCain
Senate Subcommittee on Public Lands and Forests
Southeast Arizona Land Exchange and Conservation Act, S. 409
June 17, 2009

Question for BLM

1. At the hearing, Ned Farquhar, testifying on behalf of the Bureau of Land Management indicated that the "Administration is continuing its analysis of the bill ...and the Administration may have additional concerns as it works through its analysis." The Bureau of Land Management has testified and provided its views and concerns regarding this land exchange on as many as three occasions prior to the hearing on June 17, 2009. On each of these occasions the Bureau of Land Management testified that it supported the goals of the exchange." Did the Administration review its past testimony prior to this hearing? What has changed substantively with regard to this land exchange since you last testified on July 9, 2008 that warrants additional review?

The Department of the Interior's concerns with S. 409, the Southeast Arizona Land Exchange and Conservation Act, are fully described in the Department's testimony from June 17, 2009. As noted in that testimony, the Department of the Interior defers to the Forest Service on those issues directly related to the Forest Service. It is in regard to Forest Service-related issues that we understand the Administration is continuing its analysis of S. 409.

The Department did review past testimonies prior to the June 17 hearing. With every new Congress the Department carefully reviews previous testimony and new and previous legislative proposals as testimony is written for presentation to Congress.

Senator Murkowski Supplemental Questions
For Public Lands Legislative Hearing
2:30 PM June 17, 2009

Questions for Ned Farquhar

S. 874 – El Rio Grande Norte NCA

On March 24, 2009, I wrote the Secretary asking that all testimony on any wilderness or other land set aside proposal answer a series of questions regarding energy production and infrastructure potential. On June 11, 2009, your staff provided some information on existing mineral and oil and gas claims in the area, as well as some information on roads and power lines within the proposed NCA. Given that S. 874 includes two new proposed Wilderness Areas (San Antonio Wilderness and the Cerro de Yuta Wilderness) and is a 236,000 National Conservation Area proposal, I do not believe your testimony or maps were fully responsive to all of the questions in my March 24th letter. I would like these questions answered at this time:

1. **The location and estimated amounts of all energy resources within or adjacent to a proposed set-aside, to which access could be impacted by the designation. This should include the potential for development of solar, wind, geothermal, hydro, biomass, wave, tidal, coal, oil, natural gas, oil shale, and coal-bed methane resources;**
   The BLM has not evaluated all energy resource potential on BLM-managed lands. However, the BLM has estimates for potential for some of the energy resources you have requested. Specifically, the wind and geothermal energy potential for this area is low, and the solar energy potential is moderate. It is not within a known oil shale basin, nor is it within known coal fields. Finally, the potential for oil and gas is low.

2. **The locations of all existing, designated, or applied-for transmission lines or corridors for electric power as well as pipelines or corridors for geothermal steam, biofuels, carbon dioxide, oil, natural gas, or refined products. In addition, please indicate if these pass through, are adjacent to, or could be impeded by any of the aforementioned land set-aside designations;**
   The BLM provided a map to the Republican Committee staff, dated June 11, 2009, which shows the location of all existing transmission rights-of-way within the proposed NCA. There are no pending applications for pipelines or transmission lines.

3. **The locations of all existing designated, or applied-for solar farms, wind farms or other renewable energy facilities located in or adjacent to proposed set-aside.**

There are no existing renewable energy projects within the proposed NCA, nor are there any applications for renewable energy projects within the proposed NCA.

4. **The location and estimated amounts of all known or suspected mineral deposits, hardrock or otherwise, within or adjacent to a proposed set-aside, to which access could be impacted by the designation and for which the United States is more than 15 percent reliant upon imports. Furthermore, please explain if these mineral resources are used, or could be used, in any 'green' or 'renewable' applications such as solar panels, wind turbines, geothermal facilities, wave or tidal generation, nuclear power plants, batteries, hybrid vehicles, plug-in vehicles, and fuel cells.**
Definitive information on known or suspected amounts of mineral deposits on Federal lands is not available. However, we are providing information that may be useful in this regard. First, attached is a chart, provided by the U.S. Geological Survey entitled "2008 U.S. Net Import Reliance for Selected Nonfuel Mineral Materials." Second, as we have discussed with your staff, the USGS' Mineral Resources Data System, available on the web at: http://mrdata.usgs.gov/mineral-resources/mrds-us.html, is a good resource for considering current and past mineral activities on particular lands. Additionally, the USGS did prepare a study entitled "The 1998 National Assessment of Undiscovered Deposits of Gold, Silver, Copper, Lead and Zinc in the United States." We are enclosing a copy of that report. Finally, the Department of the Interior does not have information on which mineral resources might be used in particular energy applications.

   There are 10 unpatented mining claims on the western edge of the NCA, adjacent to existing perlite mining operations. Those claims are held by the owner of the existing mining operation. There has been no recent activity on the claims within the proposed NCA boundary.

5. **Whether or not a Wilderness Area proposed in legislation was recommended for designation in the most recent land management plan for the area; and if it was not, what the reasons were for withholding such recommendation.**
The BLM may not include recommendations for wilderness designation in its Resource Management Plans (RMPs) or through the land use planning process. However, in May of 1992 the President submitted to Congress recommendations for wilderness study areas (WSA) within New Mexico. Those recommendations did not include the proposed Cerro del Yuta Wilderness which was largely private land at the time and not a WSA. Attached is a copy of the Study Report for the proposed Río San Antonio Wilderness.

Additionally, I would like to know a little more information concerning how the existing roads and power line corridors might be treated if the lands proposed for the NCA are legislated.

6. **There are a number of power lines within the NCA, would they be retained and will the permit-holder have the right to undertake whatever maintenance of the lines and right-of-way might be need?**
Yes.

7. **Several of the power lines appear to pass through the entire NCA, will those corridors be maintain and will they be able to service additional utilities if the need arises in the future?**
Yes.

8. **What grazing allotments exist in the proposed NCA and please describe any stock ponds or other water developments that might be located within the bounds of both the Wilderness Areas, as well as the proposed NCA? And the impact to those development and permit holders if this legislation is signed into law?**
The proposed NCA covers all or part of 47 grazing allotments. 15,080 animal unit months (AUMs) are attributable to lands within the proposed NCA. Five of the 47 allotments are within the proposed Rio San Antonio Wilderness and two are within the proposed Cerro del Yuta Wilderness. The attached spreadsheet lists the 90 water developments within the proposed NCA; three of those are within a proposed wilderness area. S. 874 allows for the continued maintenance of these water developments.

S. 1140 – City of La Pine Conveyance

Given your testimony on this proposed conveyance please provide the Committee with a map of the boundary changes you recommend, along with those changes needed to accommodate the power lines, pipe lines, and the travel corridor for Elk along the Deschutes River.
A map has been provided to the Committee staff which includes this information.

Senator Barrasso Supplemental Questions
For Public Lands Legislative Hearing
2:30 PM June 17, 2009

Questions for Ned Farquhar

S. 874 – El Rio Grande Norte NCA

1. **Please list and explain the nature of each oil and gas leases that fall within the proposed boundaries of the proposed National Conservation Area?**
   There is one oil or gas lease within the boundaries of the proposed National Conservation Area (NCA). That lease will expire on December 1, 2009. Beyond that date, the lease could only be held by production, there have been no applications for permits to drill on this lease.

2. **Exactly what mineral or minerals are involved in the claims, and how long have each of those claims existed?**
   There are 10 unpatented mining claims on the western edge of the NCA, adjacent to existing perlite mining operations. Those claims are held by the owner of the existing mining operation. There has been no recent activity on the claims within the proposed NCA boundary. These claims date from 1982 and cover an area of approximately 200 acres. When filing a mining claim in New Mexico the claimant is not required to identify those minerals for which they intend to develop the proposed mine.

3. **Is the BLM or Mineral Management Service aware of any other mineral potential in the proposed NCA?**
   a. **If so, what potential mineral resources might exist within the area?**
   Definitive information on potential mineral resources on Federal lands is not available. However, the U.S. Geological Survey's Mineral Resources Data System is available on the web at: http://mrdata.usgs.gov/mineral-resources/mrds-us.html and is a good resource for considering current and past mineral activities on particular lands.

   We note, because this area had past volcanic activity there is potential for scoria and cinders (these are not locatable minerals, but rather are handled through discretionary sales of mineral materials).

I understand that there are also a number of power line permits within the proposed boundaries of the NCA.

4. **Could you describe how the designation of the NCA would or would not affect the permit holders of these power lines?**
   These rights-of-way are valid existing rights.

5. **Can you assure me that they will be able to maintain those rights-of-way and that the BLM will continue to allow those facilities to operate into the future?**
Yes.

6. **If someone new were to ask to put a power line or water pipeline across or within the El Rio Grande Norte National Conservation Area in the future, should this bill be signed into law, would the BLM allow that?**
S. 874 does not expressly prohibit new rights-of-way within the proposed NCA. However, any new rights-of-way would need to further the protective purposes for which the NCA is established. The BLM in New Mexico would look closely at any such requests and would strongly consider alternate locations.

7. **If someone were to ask to put a new pipeline or power line along any of the existing power line right-of-ways, how would the BLM respond to such a request if S. 874 were signed into law as currently written?**
Without seeing a specific application it is, of course, hard to predict. However on the whole the BLM prefers to manage rights-of-way through consolidation. Furthermore, section 3(2)(E) of S. 874 specifically makes provision for upgrades to utility corridors.

S. 1140 – City of La Pine Conveyance

I have to observe that these two conveyances are quite large when considering this is a town of less than 8,000 people.

1. **Mr. Farquhar how many other conveyances has your agency carried out in the last decade similar to this proposal?**
During the ten years between 1998 and 2007, the BLM administratively issued approximately 250 patents for Recreation and Public Purposes (R&PP) applications according to BLM's Annual Public Land Statistics Report.

2. **Your testimony suggests the BLM does not believe that the City of La Pine needs the full 750 acres to site a waste water treatment plant, would you provide the committee with detailed map showing us the exact boundaries of this parcel that the BLM would support?**
In our testimony we did not raise concerns with the size of Parcel B.

For example, how many acres are utilized by similar facilities in Bend or Redmond, OR?
The BLM is not aware of the size of similar facilities in Bend or Redmond Oregon.

Is this proposed exchange providing an abnormally large acreage for this purpose?
The proposed Parcel B is identical to the RP&P applications submitted by the city of La Pine.

3. Your testimony suggests that BLM does not believe that the City of La Pine needs all the acres to develop an equestrian and rodeo site, would you provide the committee with detailed map showing us the exact boundaries of this parcel that the BLM would support?

We have provided a map to the Committee staff which indicates the modifications the BLM recommends to Parcel A. The new configuration would transfer 80 acres out of Federal ownership.

Questions for Ned Farquhar
Deputy Assistant Secretary
Land and Minerals Management
Department of the Interior
Subcommittee on Public Lands and Forests Hearing – June 17, 2009

Questions from Senator Bingaman:

Question 1:
The Department's testimony indicates that it is essential for the agencies to have confidential access to the mining companies' data and analyses in order to develop an accurate mineral report and appraisal.

If the agencies were to negotiate an exchange such as this under its standard administrative procedure, would they have the authority to require confidential access to such information as a condition of proceeding with the exchange? If so, has this been done before?
In 2005 the BLM completed an administrative land exchange with the Phelps Dodge Corporation in the Safford, Arizona area. That exchange, frequently referred to as the Dos Pobres/San Juan Mine land exchange, was similar in some respects to the exchange proposed in S. 409. The BLM requested and received confidential access to the mining company's data and analyses to assist in preparing an accurate mineral report and appraisal.

Question 2:
The Department's testimony mentions that tribal consultations are a concern for the Department, but it does not otherwise specifically address the issue. The tribes have testified repeatedly that they have been deeply concerned about the lack of consultation on a government-to-government basis.

Has the Department consulted with the Tribes on a government-to-government basis on this proposal and, if not, does it plan to?
[redacted]

Question 3:
One of the provisions in S. 409 authorizes the BLM to enter cooperative management agreements with non-profit organizations to administer portions of the San Pedro National Conservation Area.

Does the BLM typically delegate Federal management responsibilities to a private organization?

As you note section 4(e)(3) provides:

> "The Secretary of the Interior may enter into such cooperative management agreements with qualified organizations . . . as the Secretary of the Interior determines to be appropriate to administer portions of the San Pedro Riparian National Conservation Area."

We note that this language is discretionary and does not require any such agreements. The BLM does not have cooperative management agreements for the management of Federal land in any units of the National Landscape Conservation System. We do not delegate management authority. However we do have a variety of agreements with governmental and non-governmental entities to do a range of projects within NLCS units including interpretation, monitoring, restoration and research.

Statement of
Joel Holtrop
Deputy Chief, National Forest System
U.S. Forest Service
U.S. Department of Agriculture

Before the

Subcommittee on Public Lands and Forests
Committee on Energy and Natural Resources
U.S. Senate

June 17, 2009

Concerning

S.409: A bill to secure Federal ownership and management of significant natural, scenic, and recreational resources, to provide for the protection of cultural resources, to facilitate the efficient extraction of mineral resources by authorizing and directing an exchange of Federal and non-Federal land, and for other purposes,

and

S.1139: A bill to direct the Secretary of Agriculture to enter into a property conveyance with the city of Wallowa, OR, and for other purposes.

Mr. Chairman and members of the Subcommittee, thank you for the opportunity to appear before you today to provide the Department of Agriculture's views on two bills that would legislate land transactions: S.409, would provide for an exchange of federal land containing a proposed copper mine for non-federal land containing riparian areas in Arizona and S.1139, would convey an administrative site in Wallowa, Oregon. We defer

to the Department of the Interior on provisions relating to lands to be managed by the BLM.

S. 409 – Resolution Copper Exchange

S.409 is a complex bill that directs the Secretary of Agriculture to convey to Resolution Copper Mining, LLC (Resolution Copper), lands on the Tonto National Forest if certain conditions are met. The federal lands to be exchanged may contain a sizeable copper ore body and are adjoining an existing copper mine. In exchange the bill provides the Forest Service certain lands in the state of Arizona. The Department has not completed its analysis of this complex bill and the Administration will provide its views and concerns to the Committee upon completion of this work. Nevertheless, there are still a number of preliminary concerns with the bill as introduced.

The bill requires the agency to conduct an environmental impact statement after the agency no longer owns the property on which the mine would be located. The purpose of the National Environmental Policy Act (NEPA) is to inform the decision maker about potential impacts prior to making a decision. Given the current language, we would assume that we would only be analyzing impacts from mining activities on the surrounding National Forest land, not the land to be conveyed. Consistent with Administration policy, NEPA should be done before moving forward on the land exchange.

The bill proposes to use any cash equalization payment for multiple purposes including management. Any equalization payment by the exchange proponent should be deposited into the Federal Land Disposal Account.

The bill proposes that Resolution Copper replace the Oak Flat Campground. We have been unable to locate a suitable replacement site for a campground in the vicinity. Funding provided in the bill to replace the campground provided to the Tonto National Forest should instead address deferred maintenance needs of existing recreation facilities.

The bill directs Resolution Copper to convey a parcel of land known as "the Pond parcel." We are concerned about recreation related liability issues, access, and facilities needed to manage this parcel. A public interest determination analysis under NEPA should be required and provide the basis for determining whether to proceed with the conveyance.

We understand there are concerns about management of the Apache Leap area and in addition, the acreage that would be added to this area. We are concerned about adding another planning process as prescribed in the bill because it is duplicative of an ongoing Tonto National Forest Planning process which can analyze and provide for, if necessary and appropriate, a special management area.

Many of the lands to be exchanged in the bill hold significant cultural value to Indian Tribes. In particular, the Apache Leap area, the Oak Flat Campground, and Devil's

Canyon are culturally significant to the San Carlos Apache Tribe and the Fort McDowell Yavapai Nation. There are also other neighboring Tribes with cultural interests in the area. We will continue to work with these Tribes as we move forward with the analysis.

The bill states that Resolution Copper will surrender the right to commercially extract minerals under Apache Leap "or" the Pond parcel but not both. This language should be clarified by changing the word "or" to "and."

The bill would provide that it is the sense of Congress that the exchange to be completed in one year. We appreciate the sponsors' interest in expediting this project. However, if an environmental impact statement is required on the mining operation on the parcel to be conveyed, prior to conveyance, we will most likely exceed this time frame. We anticipate that there will be considerable concern with any decision and there is a likelihood of administrative appeal and litigation.

S. 1139 – Wallowa Conveyance

S.1139 would require the Secretary of Agriculture to enter into a property conveyance with the City of Wallowa, Oregon to convey without consideration the Wallowa Ranger Station located at 602 West First Street, Wallowa, Oregon. The Department appreciates the Committee's efforts to assist the City of Wallowa, Oregon with historic, cultural and economic development. However, we have significant concerns with conveyance of the Compound without compensation to the taxpayer and would ask the committee defer consideration of this conveyance at this time.

The Forest Service has identified the Wallowa Forest Service Compound as a site that should be sold under the Forest Service Facility Realignment and Enhancement Act (FSFREA), allowing the proceeds from the sale to be used to address other administrative site needs. Therefore, conveyance without consideration would remove the proceeds from the sale. In addition, the Forest Service has expended funds to repair and improve the Compound, as required by the FSFREA. The Forest Service desires to re-invest proceeds from the sale in other deteriorating infrastructure on the forest as provided for in the Act.

In addition, S.1139 includes a requirement for reversion to the Secretary if the facility is used for other purposes or managed by the City of Wallowa in a manner that is inconsistent with an interpretative center or non-profit status. Further, this bill would set a precedent for conveyance of similar properties across the nation contrary to the intent of the Facilities Realignment and Enhancement Act. Finally we would request that the subcommittee defer consideration of this bill while we continue to explore options with the City of Wallowa, in an attempt to address their interests.

This concludes my statement and I would be happy to answer any questions you may have.

From Cardinale, Richard **Date** Tuesday, July 21, 2009 8:51:30 AM
To Hayes, David; Strickland, Thomas; Mansour, Christopher
Cc Farquhar, Ned
Subject Draft Response to Senator McCain re Resolution Copper

McCain_letterJuly15.docx (15 KB HTML)

Good Morning. Ned asked me to forward the attached letter to Sen. McCain for your review and comment.

Rich

The Honorable John McCain
United States Senate
Washington, D.C. 20510

Dear Senator McCain:

(b) (5)

(b) (5)

[redacted]

Sincerely,

Ned Farquhar
Deputy Assistant Secretary
Lands and Minerals Management

bc: ES:MIB:7229
LM:MIB:6628
SOL:MIB:6352
OCL:MIB:6242
LLM:WO620:LS:401
FNP:MIB:3112

LLM:WO:620:LS:401:LSedlmayr:WO620:OSierra:07/02/09:00005407:090177

From Conklin, Meghan **Date** Friday, July 17, 2009 11:26:01 AM
To Farquhar, Ned
Cc
Subject Memo for KLS on Reso Copper

Memo and Talking Points on Resolution Copper and Grand Canyon.doc (36 KB HTML)

Hey

Here is a draft of the memo that David asked for. Please send me any edits you may have by 2 pm. THANKS!!

meghan

Meghan Conklin, Deputy Director

Office of Congressional and Legislative Affairs

Office of the Secretary

Department of the Interior

1849 C Street, NW

Washington, DC 20240

(202) 208-7693 Office

(202) 208-5533 Fax

DRAFT DOCUMENT
DELIBERATIVE MATERIAL
NOT SUBJECT TO RELEASE

July 17, 2009

TO: Secretary Salazar
FROM: Meghan Conklin
CC: Ned Farquhar
Lori Faeth
David Hayes
SUBJECT: Resolution Copper Land Exchange; Talking Points for Call with Senators Kyl and McCain

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BACKGROUND ON RESOLUTION COPPER

(b) (5)

[redacted]

THE BUREAU OF LAND MANAGEMENT'S ROLE IN RESOLUTION COPPER

(b) (5)

[redacted]

(b) (5)

[redacted]

CONGRESSIONAL TESTIMONY

(b) (5)

[redacted]

TALKING POINTS FOR PHONE CALLS TO KYL AND MCCAIN
On Monday July 20, 2009

Resolution Copper:

(b) (5)

Grand Canyon:

(b) (5)

2012 ASLM Accomplishments

America's Great Outdoors

ASLM

- Co-hosted the Western Regional Partnership's 5th Annual Principal's Meeting to encourage interagency cooperation in Southwest.
- Participated in the White House Conservation Conference
- Supported BLM, OSM efforts promote conservation and restoration efforts, through presentation of Conservation Initiatives Awards, through tours of National Monuments and various restoration projects.
-

Outreach Efforts to Promote America's Great Outdoors and DOI Conservation Intiatives:

- Presented the Partners in Conservation Awards - The award recipients include the Phoenix District Youth Initiative (nominated by the BLM), the Ute Learning Garden (nominated by the BLM), the Iditarod National Historic Trail Partnership (nominated by the BLM), the Volunteers in Service to America (nominated by the OSM), the Appalachian Regional Reforestation Initiative (nominated by the OSM), and the Multi-Agency Rocky Intertidal Network (nominated by the BOEM).
- MAB toured the Wildwood area in the Salem BLM District to see a stream restoration project where Cascade Streamwatch partnered with the BLM
-
- Fort Ord National Monument Tour
- Medford District tour - Cascade-Siskiyou National Monument, Soda Mountain Wilderness, and the Table Rocks AGO project
- Wrangell St. Elias National Park and Preserve
- ASLM overflew the White Mountains National Conservation Area
- ASLM attended groundbreaking ceremony for the National Museum of African American History and Culture
- Toured; Grand Staircase Escalante National Monument, the Red Cliffs National Conservation Area, and to participate in the opening of a new office for the Grand Staircase Escalante National Monument
- Toured the Rauch Creek Abandoned Mine Drainage Treatment Plant.

BLM

- Wild horse eco sanctuary
- Wild Horse IM change
- 23 AGO projects submitted for 2013…what about 2012 info?
- First two Rapid Eco-regional Assessments (REAs). These REAs cover the Colorado Plateau and the Sonoran Desert
- SNPLMA
- National Multi-Agency Coordinating Group at the National Interagency Fire Center raised the Fire Preparedness Level to 4
- Western Oregon Secretarial Pilot..what accomplishments are worth touting?
- DOI to be Cooperating Agency on Keystone Pipeline EIS:
- Sage Grouse Task Force

- Grand Canyon mining ban

BOEM

BSEE

OSM:
- Tennessee LUM?
- Proposed Expansion of Municipal Airport in Grundy, VA?
- Abandoned Mine Land (AML) payments provision in transportation bill
- Appalachian Regional Reforestation Initiative (ARRI). .

Climate Change

ASLM:
- briefing from Copper Valley Electric Association (CVEA) on its efforts to generate 100% of its power from renewable energy

BLM

BOEM

BSEE

OSM

Native American Nations

ASLM
- GAO report on oil and gas leasing in Indian country
- Provided significant comments and guidance on Sacred Sites MOU/SO
- ASLM met with the Chairman of the Alaska Eskimo Whaling Commission and the Board of the Inupiat Community of the Arctic Slope.
-
-

BLM
- Sacred Sites MOU/SO
- Hydraulic fracturing consultations

BOEM

BSEE

OSM

New Energy Frontier

General ASLM:

- Chaired the ILLUC and ensured progress by its workgroups.
- Negotiated the DoD/DOI renewable Energy MOU
- Provided guidance and oversight on implementation of the GAO High Risk Report
- Provided guidance and oversight on the OSM-BLM Consolidation Implementation
- Participated as lead for DOI in the Extractive Industries Technology Initiative (EITI)
-
- MAB presented the BLM's Reclamation and Sustainable Mineral Development Awards and OSM's Excellence in Surface Coal Mining Awards at the National Mining Association's MINExpo in Las Vegas.
-
- AJC conference
- Canadian Institute presentation
- U.S.-Mexico Cross Border Electricity Task Force
- DAS Burma briefing
- Santa Fe on May 16th to speak to the National Association of Counties' (NACO's) Western Interstate Region
- New Mexico Green Chamber of Commerce and Positive Energy Solar
- Hispanic Leaders Summit
- Mtgs with Israeli delegation
- U.S. - Mexico Trans-boundary Reservoir Agreement in Mexico
- DOI/Navy Renewables Joint Action Plan
- DOI/DoD Training exercise in North Carolina
- Ocean Policy Implementation Plan Rollout
- Renewable Energy Partnership Plan
- RRTT?

BLM

- 10,000 MW goal for renewable energy approvals on public land, established in the Energy Policy Act of 2005—enough energy to power 3 million homes. (9/12)

- Chokecherry/Sierra Madre Wind project (9/12)
- First Solar Campo Verde connected action project (9/12)
- Programmatic Environmental Impact Statement for Solar Energy Development (Solar PEIS) (9/12)
- Solar Zone withdrawals
- Hydraulic Fracturing Rule
- Oil Shale PEIS
- Two Oil Shale RD&D leases
- Sunzia transmission line agreement with DoD
- NPR-A Final EIS
- Continental Divide-Creston Natural Gas Project
- BLM-CA Stateline Solar Project draft EIS
- BLM's annual leasing numbers and revenues
- Final EIS for the McCoy Solar Energy Project in California
- Final EIS West Chocolate Planning Area

- BLM-CO White River Field Office Oil and Gas Plan Amendment
- Oil and Gas Leasing Reform
- Management improvements to the Helium Program
- Potash SO
- Searchlight Wind Energy project
- Oil Shale Management Proposed Rule
- BLM is adding capacity within its regulatory staff
- Ocotillo Express Wind Project in California
- ROD for the Greater Natural Buttes Natural Gas Development Project:
- Wyoming Coal lease sales
- GASCO Natural Gas Field Development Project
- Susitna-Watana Hydro Power location
- draft onshore royalty rule
- Resolution Copper (Arizona) testimony
-

BOEM

- Proposed Notice of Sale for Central Gulf Lease Sale 227.
- Proposed Sale Notice (PSN) for RI/MA.
- VA PSN
- RFI for the NY unsolicited request for a commercial lease
- VA offshore Research Lease
- Five Year Offshore Oil and Gas Development Program
- Smart from the Start?
- ME DNCI
- IP Lease for Georgia
- NC Offshore Wind Call and NOI for EA
- MA NOA for EA
- Western Gulf Final Sale Notice 229
- DE Bluewater lease
- BOEM/BSEE travels to Tel Aviv
- Offshore Alaska 2012 season
- Consolidated Central Gulf of Mexico Outer Continental Shelf (OCS) Lease Sale (Sale 216/222)
- Notice of Intent to prepare an EIS package for the Atlantic Wind Connect project
- Programmatic Environmental Impact Statement for Atlantic geological and geophysical activity
- NOI to prepare EA and Call for MA
- Atlantic G&G EIS
- Section 390 Categorical Exclusion (CX) Rescinding IM
- Greater Natural Buttes Natural Gas Field Development Final EIS
- Request for Interest for Sale 244, the Cook Inlet Sale,

BSEE:

- SEMS II
- Marine Well Containment Exercise

- Offshore drilling safety rule
- DOI/DOE MOU on oil spill coordination
- Safety Culture
- Well Stimulation Proposed Rule
- Black Elk investigation
- Hurricane Isaac successful shut ins
- Offshore Alaska 2012 season
- table-top spill drill on the Chukchi
- BSEE's Rule AD – 68/AA-02, Increased Safety Measures for Energy Development on the Outer Continental Shelf

OSM:
- Kentucky 733 Bonding
- Release of West Virginia Slurry Impoundment Breakthrough Study Report
- Four Corners Power Plant and Navajo Mine Energy Project EIS
- Usibelli?
- AML Limited Liability for Hardrock Proposed Rulemaking:

Water Challenges

BLM
- Managed HMAs for drought
- Completed Gather Review Team to reprioritize resources.
- NV Water pipeline

BOEM

BSEE

OSM:
- SPR?
- OSM launched AMDTreat software update

Youth

ASLM :
- MAB visited Fort Ord National Monument and learned about the educational outreach project

BLM

BOEM

BSEE

OSM

Other:

- BLM and OSM on rising to the challenge and exceeding the Department's goals for Small Business Procurement activities in FY 2012. The BLM exceeded the Small Business goal by 21 % and OSM by 12.5 %.

ASLM Weekly Items Due List
January – February – March 2013

Reported in Order Due

ITEM (Name, type of document, e.g. reg, GAO/OIG report, etc.)	DATE(S) DUE (and to whom)	ORIGINATING AGENCY	ASLM LEAD	COMMENTS
Jan. 28 to Feb 1				
Indian Energy and Minerals Steering Committee		BB		
Legislative proposals for renewal of military withdrawals at China Lake, 29 Palms, Chocolate Mountains, and Limestone Hills	TBD OCL sent package to BLM on Friday, 1-4. Due date ?	BLM and DOD	KM/CC/RC/NF	Karen preparing letter with policy views that should be forwarded to OMB.
FOIA on Resolution Copper and Southeastern Arizona Land Exchange.	Jan 28		KM, BB	Almost complete as of 1-28
Final Supplementary Rules, Royal Gorge Field Office, and Final Supplementary Rules, Ukiah Field Office.		BLM	KM/RC/NF/MB	Discussed, holding while we determine if there are similar packages pending in BLM.
Foreign Travel - Guyana	Travel for Jan 21-25	BOEM	JM,RC, NF, MB	Rich returned to BOEM for edit on 1/9. Edit made an Rich's review completed on 1/9.
Scientific Committee travel- May 2013		BOEM	JM,RC, NF, MB	Back with BOEM for edits as of 1/9.
Surname packages for Renewable Energy Projects to be signed by the Secretary	Ongoing –see comments	BLM/ExSec		Target Dates for RODs as of 1/28: Desert Harvest approximately 2/22 (Note: Date may slip); Duke Energy Searchlight wind 2/22; Tule Wind ROD (BIA action) end of Jan; McCoy Solar 2/28; BP Wind Mohave County Wind Farm 3/8; Quartzsite Solar 3/15.

ITEM (Name, type of document, e.g. reg, GAO/OIG report, etc.)	DATE(S) DUE (and to whom)	ORIGINATING AGENCY	ASLM LEAD	COMMENTS
ILUCC meeting and Geothermal Working Group	Targeting Week of Feb. 4 or 11 for work group meeting.			Karen working with DoD on arranging meeting and agenda. Also working on minutes from 12-6 meeting with DoD. Meti on 1/11 with BLM and SOL to determine next steps on the Geothermal Task Force that we committed to at ILUCC meeting on 12/6.
Yuma Proving Ground – Army desire for renewable energy on withdrawn land. (ILUCC and MOU pilot project)	Ongoing. Another conference call in January	BLM and DoD	KM	BLM-AZ office is now primary contact with DoD. This is one of the pilot projects listed in the MOU between DOI and DoD and will be discussed at the ILUCC. Check-in meeting between BLM-AZ and BLM Washington Office (WO) held on Dec. 6. KM listened in.
Congressional Notification for Utah Recreational Lands Act Exchange Proposal, for Uintah, Grand and San Juan counties	BLM will return to ASLM on 1-29 or 1-30 with corrections from MAB and correct congressional committee chairs		KM/RC/NF/ MAB	Delay while figured out who in congress to address the letters to.
Chocolate Mountain Notice of Withdrawal package	BLM should return package soon.	BLM	KM/RC/NF	Returned to BLML on 12/21 to schedule a public meeting. KM has a question. Celeste Mitchell is talking to BLM-CA State Office. Need SOL input.
DOI Invasive Species Task Force	ongoing	PMB	KM	KM to participate in conference calls and editing documents pertaining to the DOI Invasive Species Strategic Plan
Sale 227 (CGOM) FNOS and ROD	ASLM surname by Jan. 22	BOEM	JM, RC, NF,TB	ASLM office has not received package as of 1/9

ITEM (Name, type of document, e.g. reg, GAO/OIG report, etc.)	DATE(S) DUE (and to whom)	ORIGINATING AGENCY	ASLM LEAD	COMMENTS
Feb. 4 to Feb. 8				
Solar competitive leasing regs	BLM will begin surname process in mid-Nov. Anticipate to ASLM this week.	BLM	KM/RC/NF	
Feb. 11 to Feb. 15				
Feb. 18 to Feb. 22				

2012 Completed Projects

ITEM (Name, type of document, e.g. reg, GAO/OIG report, etc.)	DATE(S) DUE (and to whom)	ORIGINATING AGENCY	ASLM LEAD	COMMENTS
Rep. Hinchey response letter on HF		BLM	MB/NF/BB	ASLM signed the response letter on 11/5. The letters were mailed to applicable Representatives on 11/6.
Response to Markey on environmental and safety violations issued to Federal coal companies		OSM	RC, BB, MB	OSM, OCL, and ASLM contacted Markey's office on 12/17 to discuss the type of data his office is requesting in one of the questions asked. ASLM submitted its edits to the response and surname to OSM on 1/4. OSM submitted the response to Exec Sec that same day.
GAO Final Report, Oil and Gas Management: Interior's Reorganization Complete but Challenges Remain in Implementing New Requirements (GAO-12-423)		BOEM/BSEE (BOEM lead)	MKI/NF/JM	ASLM cleared 11/5
Western Gulf Final Sale 229 lease sale package	Publish in FR no later than 10/29	BOEM	JM/RC/NF/ MB	ASLM cleared 10/19
Report on support of national fish habitat action plan		BOEM	JM, MK, NF, MB	ASLM cleared 10/22
NY RFI		BOEM	JM/RC/NF	ASLM cleared 10/23
MA – NOA for EA		BOEM	JM/RC/NF	Published in FR 11/2
OR conference travel package		BOEM	JM/RC/NF	ASLM cleared 11/19
RI/MA PSN – offshore wind		BOEM	JM/RC/NF/ MAB	ASLM cleared 11/19

IG Report on BLM's Helium Program	11/6 to IG	BLM	MB/NF/RC/BB	BLM agreed to implement all recommendations. ASLM submitted response to OIG on 11/6.
Virginia Proposed Sale Notice (PSN) for offshore wind	Week of Sept 10 to clear ASLM and week of Sept 17 to publish in Federal Register	BOEM	JM	Completed. ASLM cleared on 9/12. Awaiting Sec. announcement. No timeframe known as of 9/24. JM – reviewed Comm plan; made edits.
Central Gulf Lease Sale 227	ASLM surname preferred by Sept 12 but not needed until Sept 17	BOEM	JM	Completed. ASLM cleared on 9/18. Expecting announcement week of 9/24.
Alaska Trip- Canadian Institute presentation	Trip is week of Sept. 17. Event is Sept. 18	BLM/BOEM/ BSEE	JM/BB	Competed. Final 9/18 ppt on sharepoint.
Brazil Travel package – Herbst/Morris	Travel starts Sept. 23.	BSEE	JM	Completed. ASLM cleared 9/19.
Extension of bid evaluation for sale 216/222		BOEM	JM	Completed. ASLM cleared 9/20.
Withdrawal in Aid of Legislation, Twenty Nine Palms, CA	Deadline for PMB signature is 9/13/2012	BLM	KM/RC/NF	Received this package on 9-6; to PMB on 9-11.
Western Regional Partnership meeting	Sept. 13-14	BLM	KM	Complete 9-13.
Partial Revocation, Power Site 78, CO	No deadline	BLM	KM/RC/SB	8-22 to RC; to PMB 8-30. PMB signed.
Kirtland Air Force Base withdrawal revocation, NM	No actual deadline.	BLM	KM/RC/SB	KM to RC on 8-21. At PMB
Partial withdrawal revocation Power Site No. 126, WA	No deadline.	BLM	KM/RC/SB	8-21 to RC. Back to Karen for q. Ned signed 9-10.
Southern Nevada Public Lands Management Act – Project Approvals	Due to Sec Office Sept. 17.	BLM	KM/RC/NF/MAB	Complete 9-20.

PLO Extension, Granite Chinese Walls Historic Site, OR	Deadline for PMB signature is 9/28/2012	BLM	KM/RC/NF	NF signed on 9-10, to PMB on 9-10.
GAO Draft report, Oil and Gas: Information on Shale Resources, Development and Environmental and Public Health Risks (GA)-12-7332)	Due to ASLM Aug. 14; due to PFM Aug. 17; due to GAO Aug. 27	BLM	MKI/BB/NF	NF/BB will review while on travel Complete. Submitted to GAO on August 27.
Regulatory Agenda for BLM		BLM	BBB	Complete
GAO Draft report, Unconventional Oil and Gas Development, Key Environmental and Public Health Requirements (GAO-12-874)	Due Aug. 20 to GAO	BLM	MKI/BB/NF/JM	Hydraulic fracturing report; no Dept. recommendations but BLM/ASLM have comments – in Dept. review week of Aug. 13th. Completed. Submitted to GAO on August 20.
GAO Final report, on Payments to Counties under Secure Rural Schools Act (GAO-12-775)	Due to ASLM Aug. 23; due to PFM Aug. 31; due to GAO Sept. 14	BLM	MKI/KM/SB	Issued by GAO July 16, 2012
PLO, Limestone Hills Training Area, MT	**deadline for PMB signature is 9/27/2012**	BLM	KM/RC/NF	**With BLM for correction of transmittal memo.**
Annual Assurance statements		BOEM/BSEE	JM/MK	2 packages – one for each bureau.
BLM and OSM Mining Awards	9-26	BLM and OSM	KM	
Departmental Manual 212 DM 33 and 602 DM 1 re: Office of Valuation Services.	Sept. 21	Exec. Sec.	KM	KM needs to find out if BLM is ok with the changes, then forward to RC and NF
Withdrawal extension, East Fork Elk Winter Range, Wyoming	No date,	BLM	KM	To PMB 9-28
Withdrawal petition / application, Buffalo Bill Dam and Reservoir Recreation site, WY	No date.			To PMB 9-28
Partial revocation, Boise-Payette	No deadline		KM/RC/SB	To PMB 9-28
Wild Horse Eco-sanctuary memo for Dep. Secretary		BLM	KM	KM revising

OIG New Horizon recommendation #44- Consider creating a review panel within BOEM to resolve all conflicts regarding info. Requests, mitigation determinations and remediation efforts	Target date Sept. 30 -	BOEM	NF/JM/MKI	Closed 9/27
OIG recommendation 58 and 63 closure request	Mid-sept	BSEE	JM	Closed 9/25
Records production, Uintah lawsuit	Due to DOJ Aug. 31	BLM/SOL	KM	KM has mostly completed.
Rapid Response Transmission Team (RRTT)	?			(meeting Wed Oct. 10 at 9-12 at Rm 5160 to discuss the DOE rule)
VA Beach – PSN/DOD Forum conference travel package	Sept. 27.	BOEM	JM/RC/NF	ASLM cleared 9/26. Neither PSN nor DOD Forum occurred.
Webb letter		BOEM	JM/RC/NF/MB	ASLM cleared 9/25
Reg. Plan		BSEE	JM/MK	ASLM cleared 9/27
Travel package – Denmark - Lusher	Travel starts early Oct.	BSEE	JM/RC	ASLM cleared 9/21
Safety and health assurance statement		BOEM/BSEE	JM	ASLM cleared 10/3
QFRs- Tommy's May 2012 hearing		BOEM	JM/RC/NF	ASLM cleared 10/4
Standards Wkshop –Nov.		BSEE	JM/RC/NF	ASLM cleared 10/10
List of restricted joint bidders		BOEM	JM/RC/NF	ASLM cleared 10/15
Army's Use of Natural gas on military installations.			KM/RC/NF/MB	Met with Army Oct. 4; need to keep following up. Army to reach out next to DOI with questions.
IG Report on Meadowood Farm – Horse Barn	10-22 to PFM	BLM	KM/MK/NF	
IG Report on Mineral Leasing on Indian Lands.	Due to BIA and PFM on 10/16.	BIA	BB/MK/NF/MB	ASLM cleared 10/19. Surnaming package was submitted to BLM on 10/22.
GAO Report on Mineral Revenues (on and off shore)	10/20 to PFM.	BLM	BB/JM/MK/NF	ASLM cleared on 10/22.
QFRs on California Coastal National Monument Expansion, H.R. 4969.	ASAP, received 10-12	BLM	KM/RC/NF	Done
Solar Zone Withdrawal Package		BLM	KM/RC/NF	At PMB

American Jewish Congress – Second Roundtable on Continental Energy Policy, Renewable and Sustainable Energy	Event is Oct 24, 12-3:30 in New York		KM/BB	Completed
Partial revocation, Air Site 189, AK	No actual deadline.	BLM	KM/RC/SB	PMB signed
China Lake Withdrawal extension	No date	BLM	KM /RC	PMB signed, CA withdrew from publication Federal Register notice of application to extend the legislative withdrawal. To RC on 10-11-12
BLM OR/WA State Director Installation Ceremony	11-1	BLM	KM/CC/MB	Talking points and field trip.
IG Report on ROWs – rental collection.	10/14 to PFM	BLM	KM/MK/NF/ MB	Complete. To IG 11-6.
IG Draft Report on Safety of Dams	10-24 to ASLM. 11-5 to PFM (revised date)	BLM	KM/MK/NF	Complete – to IG 11-9
Surnaming Package for the Secretarial Potash Order	Signing is expected in November.	BLM	MB/NF/RC/B B	BLM submitted a final surnaming package, but does not include the final version of the Comments Analysis document. SOL currently negotiating one last comment with BLM. Secretary Salazar plans to announce issuance of the final Order on 11/16.
Secretarial Briefing Paper on BLM's Helium Program	11/16 to Sec's Office	BLM	MB/BB	BLM expects to submit proposed BP on helium program by COB 11/13.
Floras Lake and Lost Lake withdrawal extensions		BLM	KM/RC/NF	Withdrawal extensions. DONE - after discussions, BLM decided to totally redo the packages.
Delegation from Burma – overview of BLM and OSM.		BLM	KM	Done. Revised the talking points from BLM
Proposed Withdrawal, Camp Michael Mansoor Mountain WarfareTraining Facility, California.	No deadline.	BLM	KM/RC/NF	At PMB
NC offshore wind Call and NOI for EA		BOEM	JM,RC, NF, MB	ASLM cleared 11/30; published 12/13

Service awards – Rose and King		BOEM	JM,RC, NF, MB	ASLM cleared 11/30
Request for blanket approval for ESP studies		BOEM	JM, MK, NF, MB	ASLM cleared week of 12/10
Rep. Holt response letter on Arctic		BOEM	JM/RC/NF	ASLM cleared 11/30; MAB signed 12/12
RI/MA wind PSN		BOEM	JM, MK, NF, MB	MAB cleared 11/19; published 12/3
Env. Docs for Gulf		BOEM	JM,RC, NF, MB	ASLM cleared 11/30
IP lease for Georgia		BOEM	JM,RC, NF, MB	ASLM cleared 11/30
ME DNCI		BOEM	JM,RC, NF, MB	ASLM cleared 11/30
BSEE Safety Culture Policy Statement		BSEE	JM,RC, NF,	ASLM cleared 12/10
Letter from Governor of Nevada on grazing during drought.		BLM	KM	COMPLETED DEC 27. KM to input MAB comments today (12-17)
Indian Land Consolidation Buy Back Program – Secretarial Order.	12-17			MAB surnamed the order on 12-14. Need BLM comments on the advisory board today, 12-17. Completed 12-17

Projects Completed in 2013

SEMS II Final Rule		BSEE	JM, RC, NF, MB	MAB surnamed on 1/3. Next step – OMB approval.
Offshore Virginia Research Lease		BOEM	JM,RC, NF, MB	Published 12/21/12

FR for DE commercial lease availability		BOEM	JM,RC, NF,	Ned cleared 1/5
Ohmsett conference travel – mid Jan 2013		BSEE	JM,RC, NF, MB	MAB cleared 1/2
DOI/DOE MOU for oil spill coordination		BSEE	JM,RC, NF, MB	MAB cleared 1/2
AK conference sponsorship and travel for Jan 2013		BOEM	JM,RC, NF,	Ned cleared 1/4
FY12 Ethics Program update		BSEE	JM,RC, NF, MB	Ned cleared 1/9
90-day Reg list		BSEE	JM,RC, NF, MB	Ned cleared 1/8
2013 Goals/2012 Accomplishments summary	Due to Secretary's Office COB 1/11	IOS	NF/CC/RC/ KM/JM/BB	Brownbag scheduled for 1/10.
SNPLMA FY 2011 Annual Report to Congress	ASAP		KM/RC/NF/ MB	Package returned from BLM 11/26; currently under review. Complete on
IG report on Geothermal Energy	ASLM review Jan. 14		CC/KM/RC/N F	Complete on Jan. 28.

Lands

Resolution Copper Proposed Land Exchange (Members: Rep. Grijalva, D-7-AZ; Rep. Gosar, R-1-AZ)

Resolution Copper Mining Company is seeking a legislated land exchange with the Federal Government that would give it ownership of 2,400 acres in the Tonto National Forest in central Arizona with high mineral potential. In return, Resolution Copper would give the Federal Government more than 5,400 acres of land located in Arizona. Resolution Copper intends to develop a very deep copper mine on the acquired parcel. Under the land exchange proposal, the BLM would receive three parcels of private land (totaling 4,150 acres) that contain significant natural resource values. On February 9, 2012, the Department testified before the Senate Energy and Natural Resources Committee, on the Southeast Arizona Land Exchange and Conservation Act. The Department deferred to the Forest Service on most issues. The Department further stated that it could not support the bill as written but supported the transfer of the three parcels to the BLM. The Administration expressed several concerns including: NEPA process and a finding of public interest by the Secretary of Agriculture and tribal consultation; and numerous more technical provisions.

At the recent Senate hearing on Resolution Copper, the Administration testified that the Administration should make the finding of public interest on the land exchange rather than Congress. Do you believe it is inappropriate for Congress to make the public interest finding by directing legislative exchanges, conveyances, and or land allocations?

Answer: Certainly it is within Congress' authority to make whatever decision Congress makes. However, the Administration prefers that we go through full NEPA to allow all interested parties to have full involvement in that decision.

Indian tribes have expressed concern about the proposed exchange since many of the lands included in the proposed Resolution Copper land exchange hold significant cultural value to the tribes. What will the BLM do to ensure these concerns are addressed?

Answer: The Administration is committed to honoring the Federal Government's trust obligations to Indian tribes and to fostering good government-to-government relationships with the tribes. It will be important to engage in the tribal consultation process with the tribes in order to assure tribal concerns about the transfers are heard and addressed.

House Appropriations Committee
Interior Subcommittee

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Grazing

Mr. Secretary, grazing is a large component of what the BLM does and the land it manages. For years, if not decades, this program has been underfunded given all that it must administer. In FY12 we worked very hard to increase this budget, yet your FY13 request would reduce the budget by $15 million (17%) at a time when BLM offices are being bombarded by FOIA requests and litigation in addition to their every-day jobs.

Simpson Q10: How will this reduction help the BLM catch up on permit backlogs, resource management plan revisions, NEPA, trailing, and all the other work necessary to operate the range management program?

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Simpson Q11: To offset some of this reduction, you've recommended a fee of $1 per animal unit month that would generate roughly $6.5 million. The BLM already has the authority to increase the fee on AUM's through a rule making process—why doesn't the BLM start this process rather than proposing a fee in an appropriations bill?

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Simpson Q21: Are we to infer that the other $31 million is off limits to hunting and fishing?

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Simpson Q30: As you know, BLM draft regulations for hydro fracking were leaked early this year. When can we expect the final draft to be released?

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Calvert Q1: Has Interior studied the impacts of its proposed fees to determine what the economic costs of these proposals will be in terms of energy costs, domestic production and jobs? If so, what were the findings? If not, given potential impacts on jobs and prices, do you feel it is appropriate to make these fee proposals without fully understanding their impacts?

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Cole Q1: Hydraulic Fracturing has been used for over half a century. Why do we need a national standard?

(b) (5) [redacted]

Cole Q2: What deficiency in state regulation makes you believe we need a national standard?

Answer: The BLM is establishing regulations for hydraulic fracturing to fulfill the BLM's role in ensuring the safe and effective use of hydraulic fracturing techniques on Federal, Tribal and individual Indian Trust lands. The BLM's proposal seeks to create a consistent oversight and disclosure model that will work in concert with other regulators' requirements while protecting Federal and Tribal interests and resources. The BLM proposal employs best practices that are applicable regardless of geology or location. The proposed rule will not apply ~~but has no authority~~ to ~~regulate~~ state or private lands so BLM regulations would not be a national standard.

Cole Q3: When the Industry has supported the FracFocus reporting system—which is working well—why are you trying to create a new system?

(b) (5) [redacted]

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Cole Q4: It is my understanding that the Department recently conducted a tribal consultation in Salt Lake City regarding the draft Hydraulic Fracturing regulations. I understand that the tribes were not given the draft until they arrived and there was little if any discussion.

Do you plan to discuss this document in greater detail with the tribes? Did you notify the tribes to bring their technical experts on oil and gas drilling to ensure they were best prepared to

provide feedback? What is the deadline for tribes to submit comments? Will their concerns be addressed prior to the rule being placed in the Federal Register?

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Cole Q5: As you know, many tribes rely on revenue from oil and gas for their livelihood. Do you believe Hydraulic Fracturing regulations would reduce revenue to the tribes due to permitting delays? Will there be a cost for the tribes to implement these regulations?

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In his testimony, the Secretary highlighted that the Department "launched significant efforts to protect America's enduring icons" and noted the recent "withdrawal of over one million acres in the vicinity of the Grand Canyon from additional uranium and hardrock mining, to protect and preserve the natural beauty of the Grand Canyon." Originally, it seemed the Department was taking steps to put a halt to new mining claims on federal lands on the Arizona strip because of the potential environmental impacts. Yet, during the impact statement process, many feel the Department was hard pressed to find any environmental downsides. Instead, the Secretary was recently quoted as saying "I do oppose efforts to overturn the decision on the Grand Canyon … Outdoor recreation and tourism are a huge part of our economies."

Flake Q3: Has the Department now shifted to using the economic benefit of tourism, which we would all certainly concede is important to Arizona, as the basis for the controversial withdrawal?

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Flake Q7: How do you reconcile your significant investments in renewable energy on public lands with the failure to address barriers to domestic development of minerals that are the building blocks of wind, solar and other renewable technologies?

Answer: The Administration has an obligation to ensure that the potential impact to water, air, and other natural resources are analyzed and will be properly addressed before a mine plan is approved.

Domestic Minerals Development and Resolution Copper

(b) (5)

[redacted]

Flake Q8: In proposing a new tax applicable to mining operations on private and public lands that goes beyond a tax on the amount of minerals removed from the ground to a tax on dirt, rock and other materials moved during the extraction process, did the Department consider the negative impacts to domestic mineral production from such a disincentive?

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Flake Q10: Was this nearly 75 percent increase in grazing fees carefully contemplated prior to the Fiscal Year 2013 budget submission, or is it merely a spur-of-the-moment plan to backfill the cuts made to BLM's budget for this coming year?

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The issue of recreational shooting on federal lands, notably at National Monuments managed by BLM, is one that impacts many Arizonans. Last November, the Secretary issued a directive that made two things very clear: the Department will support recreational shooting as a safe and legitimate use of public land and that the BLM ought to ensure that it facilitates opportunities for that activity in management of public lands.

Flake Q12: Is this not inconsistent then with the fact that, at this very moment, BLM is taking steps to ban recreational shooting across 600,000 acres in two National Monuments in the state of Arizona?

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Utah R.S. 2477

(b) (5)

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Hinchey Q1: What will you do to ensure that federal public lands are fully protected from this threat?

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Hinchey Q2: How will Interior determine how these R.S. 2477 claims would impact existing and proposed conservation designations? How would they affect your conservation goals and achievements?

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How will you manage designated wilderness areas, places Congress itself has determined to be essentially roadless in the face of R.S. 2477 claims?

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Fees on Domestic Energy Production

As I'm sure you are aware, recently, oil reached a 6-month high and many industry analysts are predicting that this summer will see record-setting gas prices. American consumers are already feeling the hit at the pump.

This year's budget resurrects many proposals from the President's FY12 budget that sought to raise fees on, and increase the operational costs of, domestic oil and gas production – proposals that were rejected by this subcommittee in FY12. You and I both know that fees don't just disappear after they are paid by the producer; they are passed along to the consumer. Both the industry and CRS agree that these increased fees could increase energy prices, decrease American energy production, and decrease federal energy production revenues, increase dependence on foreign oil in the long run, and send American energy sector jobs overseas.

Fluid Minerals

Calvert Q1: Has Interior studied the impacts of its proposed fees to determine what the economic costs of these proposals will be in terms of energy costs, domestic production and jobs? If so, what were the findings? If not, given potential impacts on jobs and prices, do you feel it is appropriate to make these fee proposals without fully understanding their impacts?

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Domestic Minerals Development and Resolution Copper

The Department's proposed Fiscal Year 2013 budget includes $86 million "to maintain capacity to review and permit new renewable energy projects on federal lands and waters, with the goal of permitting 11,000 megawatts of new solar, wind, and geothermal electricity generation capacity on DOI-managed lands by the end of 2013." Yet, the budget does nothing to encourage the domestic production of minerals that are critical to renewable energy technologies. For example, it has been indicated that a single 3MW wind turbine needs nearly five tons of copper.

Flake Q8: In proposing a new tax applicable to mining operations on private and public lands that goes beyond a tax on the amount of minerals removed from the ground to a tax on dirt, rock and other materials moved during the extraction process, did the Department consider the negative impacts to domestic mineral production from such a disincentive?

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The BLM budget would enact a pilot program that would impose a 1 dollar per AUM fee on all permittees starting in 2013.

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Utah R.S. 2477

The state of Utah has been largely unsuccessful to date in its quest for thousands of R.S. 2477 claims, yet it has recently filed a notice of intent to sue the Department to gain title to over 18,000 rights-of-way, and this leads me to look with skepticism on their claims, thousands of which have never been constructed or maintained, just created by random travelers, off-road vehicle users, long-forgotten prospectors and infrequent livestock herders. I hope that you and the Department vigorously defend against this attack on federal public lands in Utah.

Hinchey Q1: What will you do to ensure that federal public lands are fully protected from this threat?

(b) (5)

[redacted]

Hinchey Q2: How will Interior determine how these R.S. 2477 claims would impact existing and proposed conservation designations? How would they affect your conservation goals and achievements?

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(b) (5)

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Oil and Gas program and Rights-of-Way program, where the users of the public lands pay a fee for the processing of their permits and related work. The BLM is asking Congress to enact appropriations language that will allow the BLM to collect this fee for a period of three years, during which time the BLM will develop regulations for cost recovery.

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funding stream to support the onshore oil and gas lease inspection program, ensuring high levels of environmental and production verification inspections. Collection of these fees is consistent with the principle that users of the public lands pay for the cost of both authorizing and oversight activities. These fees are similar to fees now charged for offshore inspections, and to numerous cost-recovery fees charged for other uses of Federal lands and resources.

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4.8 million acres of National Monument lands may be closed to this use, 88 percent of those lands ~~are~~ remain open to recreational shooting.

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This year's budget request includes a $45 million interagency R&D initiative for hydraulic fracturing, spread among EPA, DOE, and USGS. The initiative aims to "understand and minimize potential environmental, health, and safety impacts of shale development and production."

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As I'm sure you are aware, recently, oil reached a 6-month high and many industry analysts are predicting that this summer will see record-setting gas prices. American consumers are already feeling the hit at the pump.

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The BLM budget would enact a pilot program that would impose a 1 dollar per AUM fee on all permittees starting in 2013.

Flake Q10: Was this nearly 75 percent increase in grazing fees carefully contemplated prior to the Fiscal Year 2013 budget submission, or is it merely a spur-of-the-moment plan to backfill the cuts made to BLM's budget for this coming year?

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Mr. Secretary, grazing is a large component of what the BLM does and the land it manages. For years, if not decades, this program has been underfunded given all that it must administer. In FY12 we worked very hard to increase this budget, yet your FY13 request would reduce the budget by $15 million (17%) at a time when BLM offices are being bombarded by FOIA requests and litigation in addition to their every-day jobs.

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Simpson Q21: Are we to infer that the other $31 million is off limits to hunting and fishing?

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New Energy Frontier

This year's budget request includes a $45 million interagency R&D initiative for hydraulic fracturing, spread among EPA, DOE, and USGS. The initiative aims to "understand and minimize potential environmental, health, and safety impacts of shale development and production."

Simpson Q30: As you know, BLM draft regulations for hydro fracking were leaked early this year. When can we expect the final draft to be released?

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Fees on Domestic Energy Production

As I'm sure you are aware, recently, oil reached a 6-month high and many industry analysts are predicting that this summer will see record-setting gas prices. American consumers are already feeling the hit at the pump.

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Calvert Q1: Has Interior studied the impacts of its proposed fees to determine what the economic costs of these proposals will be in terms of energy costs, domestic production and jobs? If so, what were the findings? If not, given potential impacts on jobs and prices, do you feel it is appropriate to make these fee proposals without fully understanding their impacts?

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Sandra Eto	"	623-773-6254	seto@lc.usbr.go
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Brad Ross	Resolution	520-689-3312	brad.ross@resolutioncopper.com
Randy Chandler	BOR	623-773-6215	rchandler@lc.usbr.go

* our email addresses will change ~ October 2007

Resolution Copper Company

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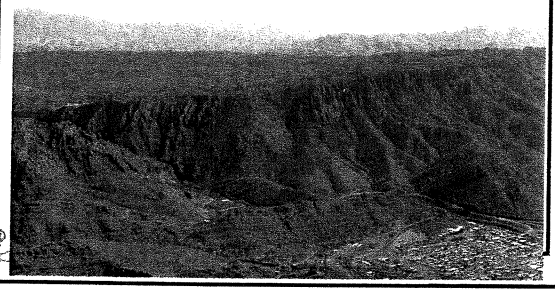
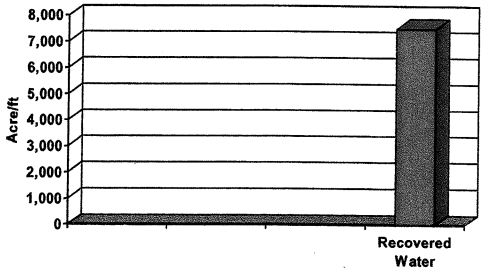
Sandra Eto	"	623-773-6254	seto@lc.usbr.go
PAUL Nelson	"	623-773-6238	pnelson@LC.USBR.G
permits → Casey McKeon	Resolution	520-689-3254	casey.mckeon@resolutioncopper.c
enviro → Bruce Marsh	"	520-689-3314	bruce.marsh@resolutioncopper.c
water quality → JOEL KIMMELSHUE	NEWFIELDS AG+ENVIRN.	916-517-2482	jkimmelshue@newfields.c
Proj Mgr → Brad Ross	Resolution	520-689-3312	brad.ross@resolutioncopper.com
Randy Chandler	BOR	623-773-6215	rchandler@lc.usbr.go

* our email addresses will change ~ October 2007

Resolution Copper Mining

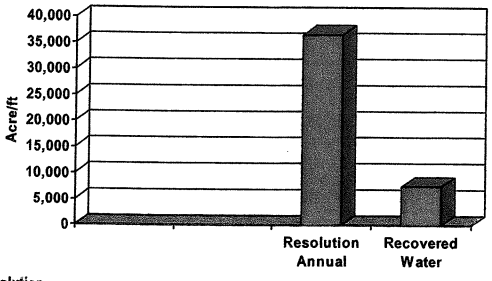


Total Recovered Water



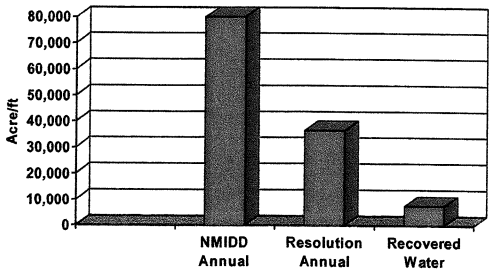
Resolution Copper Mining

Resolution Purchased From CAP Per Year



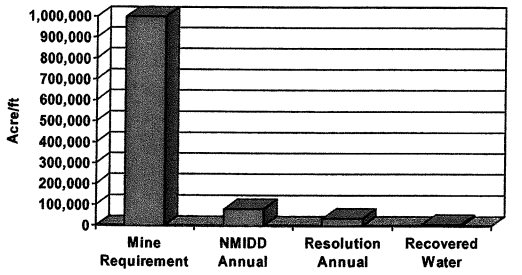
Resolution Copper Mining

Total NMIDD Purchase CAP Water Per Year



Resolution Copper Mining

Total Water Required
Life of Mine



Resolution Copper Mining

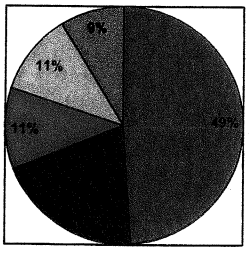
Resolution Copper Mining LLC

RCML Ownership

55%	45%
Resolution Copper Co. (RCC)	BHP-Billiton Copper USA
Rio Tinto	BHP-B

Resolution Copper Mining

Copper – A Critical Metal to US Economy



Annual US Consumption: 2,444,000 Tons

- Construction
- Electric/Electronic
- Transportation
- Consumer Products
- Industrial Machinery

Resolution Copper Mining

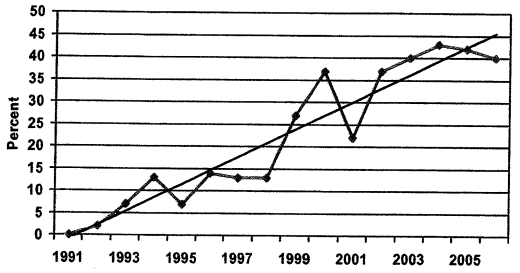
US Copper Imports
Tons X 1000

	2006 Estimate*	2006 with Resolution
US Consumption	2,440	2,440
US Production	1,510	2,110
Net Imports	981	381
% Imports	40%	16%

* source of the estimate is the annual copper report by the USGS

Resolution Copper Mining

Percent Copper Imports

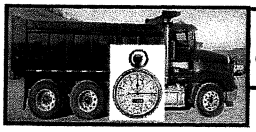


Resolution Copper Mining

Resolution Copper
A World Class Ore Deposit

- 1.5 Billion tons at 1.5% copper
- 110,000 tons of ore per day
- 600,000 tons of copper annually
- 22 million lbs. molybdenum annually
- World Class Challenges
  - 7,000 feet deep
  - 150 to 180 degrees rock temperature

Resolution Project Size



Ore Mined:
110,000 tonnes/day
(one truck load every 15 seconds)

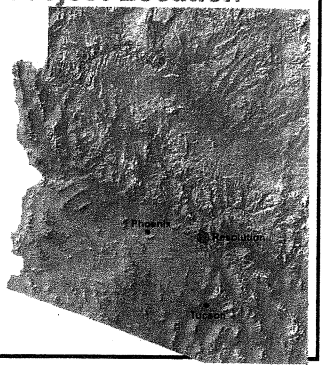
Depth: 7,000 ft.
(5 Empire State Buildings stacked together)

Copper Produced:
1.2 Billion Lbs./year
(#12 wire around world per day, plus extra to North Pole)

Resolution Copper Mining

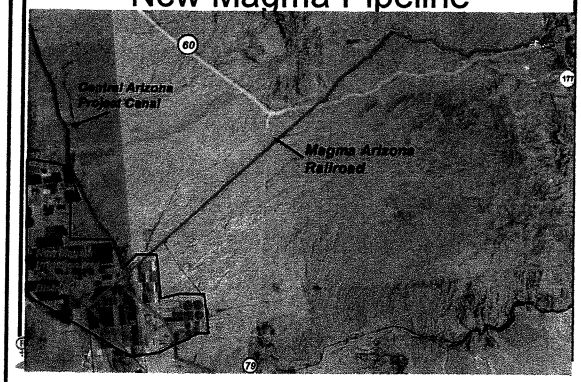
Resolution Project Location

- Approx 60 miles east of Phoenix
- 2 miles east of Superior, Arizona



Resolution Copper Mining

New Magma Pipeline



Mine of the 21st Century

- World Class Ore Deposit
- Safety
- People
- Community
- Environment
- Resource Management

Resolution Copper Mining

Resolution Copper Mining

Water Quality Suitability Assessment

- First step – detailed assessment of water quality based on:
  - crops grown
  - soil conditions
  - climatic conditions
  - irrigation practices
  - water demand
- All stakeholders have compared results and collaborated successfully to arrive at similar conclusions.
- Unanimous consensus by Resolution Copper, NMIDD, and University of Arizona on suitability of water.

Resolution Copper Mining

Water Quality Suitability Conclusions

- Beneficial reuse of a valuable resource in a water scarce, agriculturally productive region.
- Flow will be at 1:10 ratio to ensure acceptable water quality (includes safety factor) for the crops to be grown.
- Sodium hazard is low as is the ability to create sodic soils.
- Chloride levels are well below thresholds for relevant crops.
- Salinity hazard is low especially considering the actual leaching fraction (40%) versus the leaching requirement (24%).
- Short duration of full-scale program (2-3 years).

Resolution Copper Mining

Supporting References/Research/Communications

- Ayers, R.S. and D.W. Westcot, 1985. *Water Quality for Agriculture.* FAO Irrigation and Drainage paper 29 (Rev 1), Food and Agriculture Organization of the United Nations.
- Hansen, B.R., S.R. Grattan, and A. Fulton. 1999. Agricultural Salinity and Drainage. *University of California Irrigation Program.* University of California, Davis. Revised.
- Personal Communications;
  - Dr. Jeffrey Silvertooth – Professor and Chair – University of Arizona – Soil, Water and Environmental Sciences Department Chair
  - Dr. Janick Artiola – University of Arizona, Professor and Laboratory Directory – Soil, Water and Plant Testing Laboratory
  - Mr. Bill VanAllen – General Manager, New Magma Irrigation and Drainage District

Resolution Copper Mining

Comprehensive assessment for multiple crop nutrient and soil characteristics.

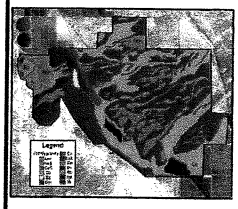


TABLE 2. ESTIMATED WATER QUALITY FOR TREATED RCM, CAP AND 1:10 DILUTION IRRIGATION WATERS
Resolution Copper Mine Water Quality for Irrigation in New Magma Irrigation and Drainage District

Constituent	Treated RCM	CAP	1:10 Dilution	Irrigation Water Quality Ranges or Thresholds[1]
pH (standard units)	<9.0	8.6	8.7	6.5-8.5
Sodium (mg/l)	700	100	184	0-120
Calcium (mg/l)	425	76	110	0-400
Magnesium (mg/l)	616	30	74	0-60
Sodium Adsorption Ratio (unitless)	5.6	2.7	3.0	0-5
Total Dissolved Solids (mg/l)	5,232	370	1,180	450-2000
Sulfate (mg/l)	4,500	207	664	0-960
Chloride (estimated) (mg/l)	20	143	59	100-120
Total Alkalinity (as $CaCO_3$) (mg/l)	33	128	118	0-310
Aluminum (mg/l)	0.100	0.001	0.010	5.00
Arsenic (mg/l)	0.015	0.0024	0.004	0.10
Barium (mg/l)	0.025	0.064	0.060	0.50
Beryllium (mg/l)	0.004	N/A	N/A	0.10
Boron (mg/l)	0.37	N/A	N/A	0.70
Cadmium (mg/l)	0.005	0.005	0.005	0.010
Cobalt (mg/l)	0.050	N/A	N/A	0.050
Chromium (mg/l)	0.010	0.0051	0.005	0.100
Copper (mg/l)	0.010	0.053	0.049	0.200
Iron (mg/l)	0.100	2.8	2.665	5.000
Mercury (mg/l)	0.0001	0.0002	0.000	N/A
Nickel (mg/l)	0.020	0.02	0.020	0.200
Lead (mg/l)	0.005	0.00058	0.001	5.000
Antimony (mg/l)	0.005	N/A	0.005	0.020
Selenium (mg/l)	0.020	0.005	0.005	0.020
Thallium (mg/l)	0.050	N/A	N/A	N/A
Vanadium (mg/l)	0.025	0.002	0.025	0.100
Zinc (mg/l)				

[1] Adapted from Ayers and Wescot, 1985 and Hansen, et al. 1999 – revised.

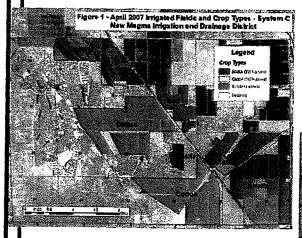
Resolution Copper Mining

Sampling and Analysis Plan Purposes and Goals

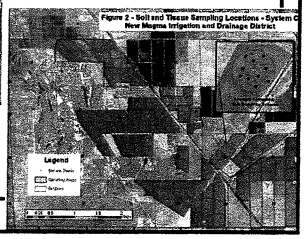
- Ensure no adverse impacts to crops or soils.
- Monitor RCM, CAP and blended water supplies daily.
- Includes continuous measurement of TDS, pH and temperature.
- Monitor a comprehensive suite of soil and crop parameters before, during and after the application time frame.
- Ensure a successful addition of water for a beneficial end use
- Defined responsibilities and cooperation by all stakeholders

Resolution Copper Mining

Sampling and Analysis Plan



Crop type and land use documentation inventories



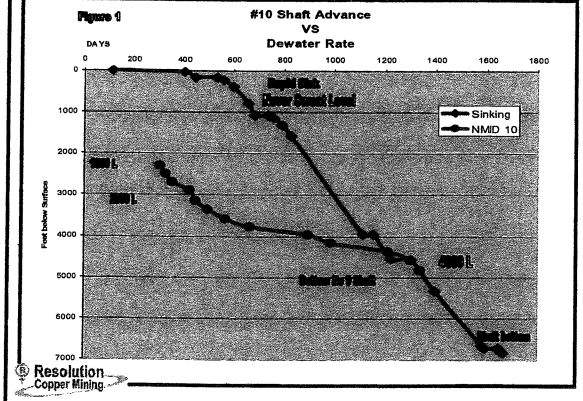
Water, Soil and Tissue sampling locations and methodologies

Resolution Copper Mining

Project Schedule

ID	Task Name	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
1	Land Exchange & Exploration in Campground												
2	Pre-Feasibility and Feasibility Studies												
3	10 Shaft & 9 Shaft deepening												
4	Off Shaft Development												
5	Mill and Infrastructure Development												
6	EIA Baseline												
7	Public Review/Comment												

Resolution Copper Mining



Resolution Copper Mining

What Has Happened

- Irrigation study
- Agreement with NMIDD
- All permits reviewed
- Agreement with U of A
- Agreement with State Land Department
- Pipe purchase on hold
- Construction on hold
- Shaft sinking delay imminent

Resolution Copper Mining

What Do We Need?

- Elimination or change of paragraph 6.6 and other contract provisions or
- Grandfather in existing agreement
- AND timely determination

Resolution Copper Mining

Department of Soil, Water and
Environmental Science
College of Agriculture and Life Sciences

THE UNIVERSITY OF
ARIZONA
TUCSON ARIZONA

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20 July 2007

Bureau of Reclamation

Commissioner of Reclamation:

I am writing with respect to a project that I have been working on with the New Magma Irrigation and Drainage District (NMIDD) in central Arizona and Resolution Copper Mining. The project involves the potential transfer of water from a mine near Superior, AZ that has been treated following extraction and could be used to supplement the irrigation water in the NMIDD that is on the Central Arizona Project (CAP) system. Thus, we are considering in this case a blended water situation.

I am a soil scientist and agronomist and I also serve as the Head of the Soil, Water and Environmental Science (SWES) Department in the College of Agriculture and Life Sciences at the University of Arizona. I am working on this project with my colleague Dr. Janick F. Artiola who is a chemist and Water Quality Specialist with the SWES Department. We have studied the data and the proposal to transfer this water from Resolution Mine to the NMIDD and we have been party to some of the joint discussions regarding this water transfer. We have analyzed the potential impact to the crops that are grown in the district. If the water transfer takes place we will be involved in the review of the water discharge data and we will monitor the impact on the soils and crops grown in the NMIDD.

Crops that are grown in the area that will receive the water include cotton, alfalfa, Bermuda grass and rye grass. We have also considered the irrigation systems in the NMIDD, delivery capacities, and general irrigation efficiencies. We feel that this is a feasible plan for water transfer and the good soil quality and crop productivity can be maintained. A critical component will of course be leaching fraction (LF) management and monitoring.

The Resolution water is higher in total dissolved solids and sulfates than the CAP water but levels of metals or other toxins are low. The current plan that has been developed and is under consideration is to limit the discharge to a 10 to 1 ratio of CAP water to Resolution water. This ratio is conservative and we feel that it is within safe limits to ensure no short- or long-term damage to the plants and/or soil.

We have worked in cooperation with CH2M Hill and Resolution to develop a monitoring system for the water, soil and plants during and immediately following the delivery of the water to the NMIDD to ensure that the Resolution water has no negative impact.

I am supportive of this water transfer project. An additional aspect that I think is important to consider is the progressive nature of the project. As you well know, we live in a very water limited region and we are experiencing increasing demands on our water resources every year. To compound this situation we are experiencing a long-term drought in this region (over a decade). Accordingly, we need to think and prepare to develop and implement water management programs that optimize the use of our water. This project is a good example of the type cooperative venture that is needed to best manage our water resources more efficiently. This agreement is a great example where industry and agriculture can work together to find a beneficial use of water that would normally be wasted.

If you have any questions relative to this please feel free to call upon me.

Sincerely,

Jeffrey C. Silvertooth
Professor and Head of Department

Resolution Copper Mine – Blended Water Quality Suitability for Irrigation at New Magma Irrigation and Drainage District – Draft

TO: New Magma Irrigation and Drainage District

FROM: Brad Ross/Resolution Copper Company
Bruce Marsh/Resolution Copper Company
Casey Mckeon/Resolution Copper Company
Joel Kimmelshue/NewFields Agricultural and Environmental Resources

REVIEWED BY: Jeff Silvertooth/University of Arizona
Janick Artiola/University of Arizona

DATE: March 6, 2007

Summary

The estimated 1:10 Resolution Copper Mine (RCM) to Central Arizona Project (CAP) blended water quality is suitable for irrigation of alfalfa, cotton, rye grass and Bermuda grass grown within New Magma Irrigation and Drainage District (NMIDD). The acceptability of this water is based on published threshold values for a variety of constituents common in irrigation water, the short duration of the intended program (2 years) and the inherently large leaching fraction associated with the surface irrigation methods. At this ratio, the concentration of constituents of concern is below the level that could potentially decrease crop growth and soil quality, or is manageable for the duration of the application. The leaching fraction provided by the type of irrigation used in NMIDD is high enough (approximately 40 percent) to ensure that over the period of two years, no significant accumulation of salts will occur. Other constituents in the expected blended water quality are generally within the normal range expected in irrigation water.

This water provides approximately a 10% additional water supply to the normal NMIDD diversion from the CAP canal for Systems B and C within the District. This will allow for additional flexibility and number of acres to be irrigated in this part of the District. This additional water supply is of key importance because precipitation has been below normal in 2007, and is expected to continue that way.

Introduction

Background

The Resolution Copper Mine (RCM) in Superior, Arizona will have excess water from the dewatering of an existing mine for a period of two years. After the initial two years a smaller maintenance flow of water will be consistently removed from the mine. The

feasibility of using this water for irrigation is dependent on the water quality that will result from blending this water with Central Arizona Project (CAP) irrigation water. New Magma Irrigation and Drainage District (NMIDD) can use the RCM water, once blended with CAP water, for irrigation if the concentration of constituents of concern is suitable for crops that are grown in the area of proposed RCM water distribution within NMIDD. These crops include alfalfa, cotton, Bermuda grass, and ryegrass.

Purpose

The purpose of this memorandum is to provide an analysis of water quantity and quality and to determine if RCM water blended with CAP irrigation water is suitable for irrigation of crops within NMIDD, and what the benefits are for using this blended water. The analysis includes:

- An initial determination of the expected flow from the mine and how that flow would blend with the normal diversions from CAP turnouts to a portion of NMIDD.
- An analysis of the tolerance levels of relevant crops to water salinity and other constituents of concern.
- A determination of the leaching fraction required to avoid deleterious long term effects on soil quality
- An evaluation of soil physical and chemical properties that may or may not be influenced by the resultant water quality.

The report concludes with a brief analysis of the benefits of using this blended water.

Conclusions

The soils in the proposed use area of NMID and the irrigation supply that would result from blending RCM water with CAP water at a ratio of 1:10 appear to be suitable for alfalfa, Bermuda grass, cotton and rye grass, for the following reasons:

- The quantity of water delivered needs to mirror (at a 1:10 ratio) the diversion of water from the CAP canal in response to crop demand.
- The sodium hazard is relatively low, indicating that the potential of creating sodic soils is very low. The ratio of calcium to magnesium and of calcium and magnesium to sodium would be suitable for irrigation.
- Chloride would be well below the thresholds of the relevant crops.
- The salinity hazard is low, especially considering that current irrigation practices result in approximately a 40 percent leaching fraction, which is nearly double the 24 percent leaching requirement that would be required for alfalfa, the most salt-sensitive crop grown.
- The relatively short duration of application proposed for this water (2 years) indicates that salinization is very unlikely. Any use of this water beyond two years will be

additionally monitored by University of Arizona and CH2M HILL to ensure no influence on crop growth or soil quality.

- Sulfate would be within the normal range expected in irrigation water. Though no boron data is available from RCM water to date, boron in RCM water is expected to be low because of the geology of the mine.
- Soils in the proposed use area in NMIDD appear to be suitable as can be determined from general soil descriptions and current cropping and irrigation practices.
- RCM water would benefit the NMIDD by creating a free supply of additional water to fulfill farmer's water consumption needs. This steady supply of water will be especially helpful during periods where there is a rainfall deficit.

Water Supply

Water is currently diverted from the CAP canal in response to crop demand at NMIDD. Figure 1 provides the relative monthly demand for the past five years from 2002 through 2006) for the entire diversion from the CAP canal to NMIDD. This water distribution indicates the bulk of the water is being diverted from March through August, and is an example of the needed flexibility of the RCM supply line to maintain a 1:10 blending ratio. Some variability in the 1:10 blending ratio is expected, however, this ratio should be approached on monthly and potentially even weekly time periods. This will ensure that sensitive crop development periods (e.g. germination in the spring of the year) will not be influenced by marginal water quality of a higher ratio.

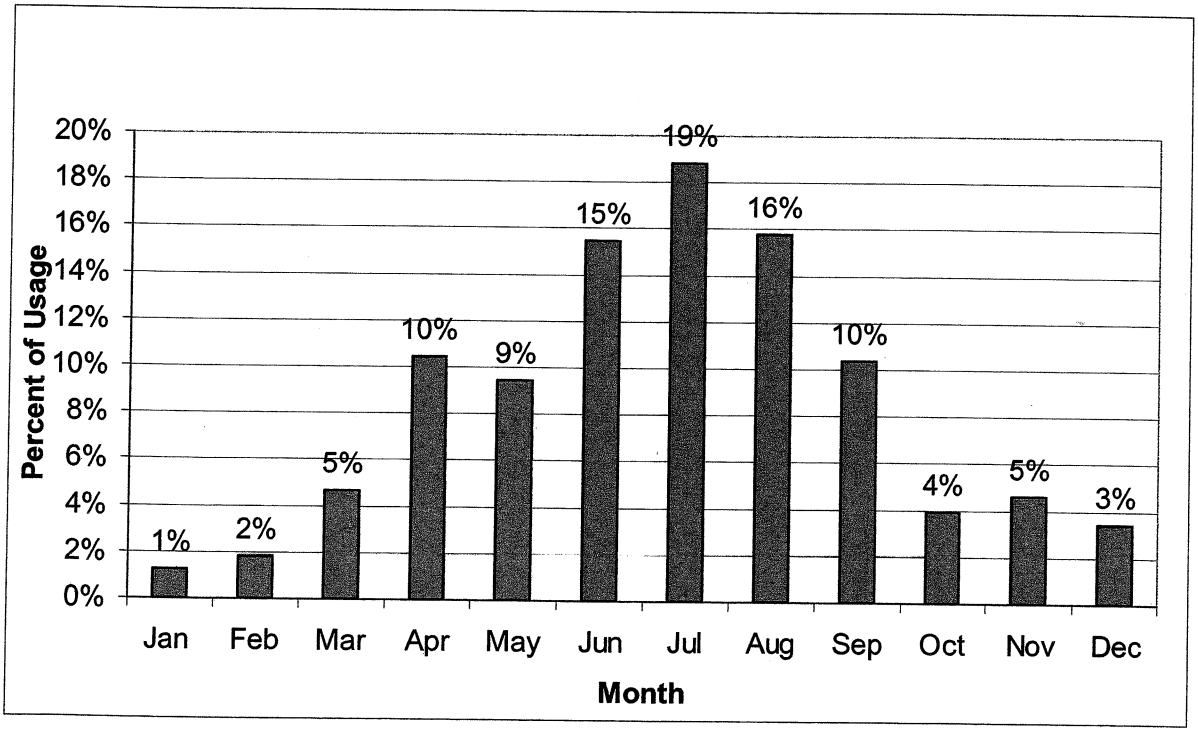

FIGURE 1. FIVE-YEAR AVERAGE (2002-2006) OF RELATIVE AGRICULTURAL WATER DIVERSION BY MONTH FOR C-SYSTEM (WWW.CAP-AZ.COM)

Two of seven NMIDD turnouts from the CAP canal were visited and discussed for the potential of blending RCM water with CAP water. The quantity and flow of diversion of these turnouts were discussed (Table 1) (Van Allen, B., Personal Communication, 2007). One of these turnouts (C-system) is directly adjacent to the expected path of the pipeline delivering water from RCM to NMIDD along a railroad right-of-way. If possible, this is the preferred blending point for all of the water delivered from RCM to NMIDD. The C-system delivers approximately 25,000 ac-ft/yr at a maximum flow of approximately 100 cfs. The maximum capacity of the RCM supply pipeline is not expected to exceed 6 cfs (2,500 gpm). Therefore, it will likely be necessary to design and manage the pipeline for varying flows to maintain a fairly consistent 1:10 blending ratio.

TABLE 1. NMIDD AVERAGE ANNUAL DIVERSION AND FLOW FOR B- AND C-SYSTEMS [1].
Resolution Copper Mine Water Quality for Irrigation in New Magma Irrigation and Drainage District

System	Average Annual Diversion (ac-ft/yr)	Normal Winter Flow Range (cfs)	Normal Summer Flow Range (cfs)
B-System	8,000 (+/- 1,500)	0-10	15-30
C-System	25,000 (+/- 3,000)	5-20	50-100
Total	33,000 (+/- 4,500)	5-30	65-130

[1] Personal Communication. Bill Van Allen, NMIDD General Manager.

Anecdotal evidence suggests that the precipitation of a white substance has occurred in the past when blending two water sources within 100 ft of the blending point. This has been noticed regionally in places where water from two sources comes together. Resolution Copper will monitor the blending area to see if this phenomenon does in fact occur, and if so, will work to remove any possible precipitate or provide a mechanism for the precipitate to enter back into solution.

Constituents of Concern

Water quality refers to the properties of the water supply that influence its suitability for irrigation. Water quality can influence crop growth and soil quality over a period of time. Important constituents of concern in irrigation water include, but are not limited to, the following:

- pH
- relative proportions of sodium, calcium and magnesium
- salinity and chloride
- sulfate and boron

These constituents occur in relatively high concentrations in treated RCM water that would result from mine dewatering. However, if RCM water is blended with CAP irrigation water, the concentrations of constituents of concern decrease significantly. Table 2 summarizes the water quality of treated RCM water, CAP water and water resulting from blending RCM and CAP water at a 1:10 ratio following the addition of soda ash for the purposes of avoiding scaling in the pipeline.

TABLE 2. ESTIMATED WATER QUALITY FOR TREATED RCM, CAP AND 1:10 DILUTION IRRIGATION WATERS
Resolution Copper Mine Water Quality for Irrigation in New Magma Irrigation and Drainage District

Constituent	Treated RCM	CAP	1:10 Dilution	Irrigation Water Quality Ranges or Thresholds [1]
pH (standard units)	<9.0	8.6	8.7	6.5-8.5
Sodium (mg/l)	700	100	164	0-120
Calcium (mg/l)	425	78	110	0-400
Magnesium (mg/l)	515	30	74	0-60
Sodium Adsorption Ratio (unitless)	5.6	2.7	3.0	0-8
Total Dissolved Solids (mg/l)	6,222	676	1,180	450-2000
Sulfate (mg/l)	4,500	207	664	0-960
Chloride (estimated) (mg/l)	20	143	89	100-120
Total Alkalinity (as $CaCO_3$) (mg/l)	33	126	118	0-310
Aluminum (mg/l)	0.100	0.001	0.010	5.00
Arsenic (mg/l)	0.015	0.0024	0.004	0.10
Barium (mg/l)	0.025	0.094	0.088	0.50
Beryllium (mg/l)	0.004	N/A	N/A	0.10
Boron (mg/l)	0.27	N/A	N/A	0.70
Cadmium (mg/l)	0.005	0.005	0.005	0.010
Cobalt (mg/l)	0.060	N/A	N/A	0.050
Chromium (mg/l)	0.010	0.0061	0.006	0.100
Copper (mg/l)	0.010	0.053	0.049	0.200
Iron (mg/l)	0.100	2.8	2.555	5.000
Mercury (mg/l)	0.0001	0.0002	0.000	N/A
Nickel (mg/l)	0.020	0.02	0.020	0.200
Lead (mg/l)	0.005	0.00058	0.001	5.000
Antimony (mg/l)	0.005	N/A	0.005	0.020
Selenium (mg/l)	0.020	0.005	0.006	0.020
Thallium (mg/l)	0.050	N/A	N/A	N/A
Vanadium (mg/l)	0.025	0.002	0.025	0.100
Zinc (mg/l)	0.020	0.002	0.020	2.000

[1] Adapted from Ayers and Westcot, 1985 and Hansen, et al. 1999 – revised.

pH

The normal pH range for irrigation water is 6.5 to 8.5 (Ayers and Westcot, 1985). Irrigation water pH far outside this range is not problematic in itself; rather it indicates that there may be an imbalance of nutrients or toxic ions. As Table 1 indicates, the pH of the 1:10 dilution is above this range, however only one tenth above CAP water that has been used successfully for decades. This minor increase in pH is not expected to have an influence on crop growth or soil quality.

Sodium, Calcium and Magnesium

The cations of sodium, calcium and magnesium are interrelated in terms of irrigation water quality and must be considered in context of one another.

Sodium is an important water quality constituent for the following reasons.

- It can contribute to water quality problems such as salinity and/or sodicity, water infiltration rate and toxicity.
- Sodium combines with other elements in irrigation water or in the soil solution to form salts and salts decrease water availability to plants. Measuring and evaluating salinity is discussed further in the following section on salinity and chloride.
- Water infiltration rate is reduced in the presence of high sodium (or low calcium) because of the effect that it has on soil physical properties. Sodium-affected soils are called sodic soils and have poor water infiltration and percolation. Sodium can also be directly toxic to plants in high concentrations.

The concentration of sodium can only be evaluated for irrigation suitability in the context of calcium and magnesium, within both the irrigation water and the soil. Relative sodium content, or the sodium hazard, is often evaluated using the Sodium Adsorption Ratio (SAR), a measure of sodium relative to calcium and magnesium. A SAR of 0 to 6 is generally considered a low water quality hazard (Ayers and Westcot, 1985). The SAR of the 1:10 blended water (3.0), as shown in Table 1, is within this range.

Calcium, as described above, is important relative to potential problems that sodium can cause. As calcium increases, the potential for sodium to be toxic or problematic to soils decreases. Similarly, increasing magnesium content decreases the potential of sodium related water quality problems. The normal range of magnesium in irrigation water is 0 to 62.5 mg/L (Ayers and Westcot, 1985), which is lower than the magnesium projected for the blended water. However, a magnesium to calcium ratio of less than 1 is desirable (Ayers and Westcot, 1985), and is projected in for the 1:1 blended water (Table 2).

Salinity and Chloride

Salinity is evaluated by measuring TDS and/or EC. The usual range of TDS in irrigation water is 0 to 2000 mg/l (Ayers and Westcot, 1985). The TDS shown in Table 1 for the 1:10 ratio blended water is 1,204 mg/l. In general, irrigation water with a TDS of 450 to 2000 mg/l has a slight to moderate degree of restriction on use depending on the crop type the water is being applied to. Of the four crops grown in this area (alfalfa, cotton, Bermuda

grass and rye grass), alfalfa is the most susceptible to salinity. With appropriate leaching fractions (inherent in the current irrigation methods), however, growers should not experience a yield decline due to salinity.

The salinity of irrigation water is measured by EC, which usually ranges from 0 to 4 dS/m in irrigation water (Ayers and Westcot, 1985). The EC of the 1:10 ratio blended water shown in Table 1 is expected to approximate 1.9 dS/m. This level also falls within the general guideline range for slight to moderate degree of restriction on use. These general guidelines are applicable under the following assumptions:

- Leaching fraction is greater than 15 percent. Leaching fraction is the fraction of applied water that passes through the root zone and percolates below the depth of roots
- Soil texture ranges from sandy-loam to clay-loam with good internal drainage
- Climate is semi-arid to arid
- Method of irrigation is sprinkler or surface and irrigations are infrequent (compared to, say, daily drip irrigation)

Most water quality constituents of concern have ranges of values that are suitable for irrigation of agricultural crops in general. However, salinity and chloride threshold guidelines exist for specific crops. These guidelines indicate that above the threshold, a decrease in yield is likely to occur relative to optimum conditions.

Chloride contributes to salinity by forming salts with cations. The chloride ion can also be directly toxic to plants. Separating the salinity and specific ion toxicity effects of chloride is difficult; however, crop chloride thresholds typically mirror salinity thresholds. Table 3 summarizes the salinity and chloride tolerance levels of the crops grown in NMIDD that would be irrigated with blended RCM and CAP water.

TABLE 3. SALINITY AND CHLORIDE THRESHOLDS FOR NMIDD CROPS
Resolution Copper Mine Water Quality for Irrigation in New Magma Irrigation and Drainage District

Crop	Salinity - ECe (dS/m)	Salinity – ECw (dS/m)	Root zone chloride (mg/l)	Irrigation water chloride (mg/l)
Alfalfa	2.0	0.7	700	233
Bermuda Grass	2.8	1.0	2,450	817
Cotton	7.7	2.6	2,630	877
Rye Grass	2.4	0.8	1,930	643

Note:

ECe = electrical conductivity of the soil solution

Root zone salinity chloride is typically concentrated by three times from irrigation water.

Source: Maas, 1990.

The chloride concentration in the 1:10 blended water is below the chloride thresholds for all crops in Table 3.

Table 3 indicates that alfalfa has the lowest tolerance of chloride and salinity. High salinity causes alfalfa yield to decrease while the leaf-to-stem ratio increases, influencing forage quality (Kotuby-Amacher et al., 1997).

Salinity is managed by leaching. Salts are leached by applying more water than what is needed by the crop. When water passes through the root zone instead of being taken up by crops, salts move with it. This leaching fraction is inherent in all irrigation methods.

The current CAP ECw is approximately 1.1 dS/m and exceeds the recommended levels for all crops grown in this area with the exception of cotton. In reality, the growers are likely experiencing somewhat lower yields relative to those that could be experienced with optimum water quality conditions. The growers, however, are able to maintain sufficient yields due to the fact that the irrigation methods used promote leaching of salts below the root zone, thereby establishing a long-term salt equilibrium within the root zone.

To determine how much irrigation water should be applied to achieve enough leaching to facilitate salt removal, the leaching requirement must be calculated. This can be calculated when the salinity of the irrigation water and the crop threshold are known. For example, the value for alfalfa, using the salinity of the 1:10 blended water and the maximum salinity threshold of alfalfa, is 24 percent. This means that at a minimum, 24 percent more water should be applied than the crop uses to ensure that salts are leached below the root zone. Almost entirely all of the crops grown in this area are irrigated with either furrow or surface flood (border check) methods. These irrigation methods are inherently inefficient relative to sprinkler or drip methods. The irrigation efficiency of furrow and surface flood methods in this area approximate 60 percent (Silvertooth, J. Personal Communication, 2007), thereby allowing essentially a 40 percent leaching fraction. This actual leaching fraction (40 percent) significantly exceeds the leaching requirement (24 percent) and will result in removal of excess salts from the root zone.

The actual leaching fraction coupled with the short duration (2 years) of irrigation of blended water will likely not influence yields in this area. To ensure no influence on yields, a monitoring program focusing on scheduled sampling and interpretation of irrigation water, soil and plant tissue characteristics should be considered during the 2 growing seasons of blended water application. Although very unlikely, if increasing soil salinity levels (outside of any normal increases during the growing season) are detected through monitoring, a leaching event can be conducted with only CAP water to bring soil salinity levels back to levels consistent with these soil types.

Sulfur and Boron

Sulfur is an essential nutrient for plants; however, sulfate can contribute to salinity in irrigation water. The normal range for sulfate in irrigation water is 0 to 960 mg/l (Ayers and Westcot, 1985). The 1:10 ratio blended water indicates that sulfate concentration would be in the middle of this range and likely would not contribute to increasing salinity.

At very high concentrations, sulfate can also interfere with uptake of other nutrients. Sulfate, however, moves with water and passes through the root zone when leaching occurs. It is therefore, unlikely that sulfate toxicity would occur.

Boron is an essential plant nutrient in small amounts; however, it is toxic to plants at high concentrations. The mine shaft water has not been tested for boron because the mine consists of igneous rocks which usually do not contain boron (Ross, B., Pers. Comm. 2007). It is expected that boron concentrations in the blended irrigation water are low; however testing will take place to validate this assumption.

Soil Types and Suitability in Proposed Area of in NMIDD

Soil Descriptions

Understanding the native soil types and associated physical and chemical characteristics is imperative to predicting the success of any irrigation program and associated irrigation water quality.

The area proposed for the application of the blended water within NMIDD and the soil map units within that area are shown in Figure 1.

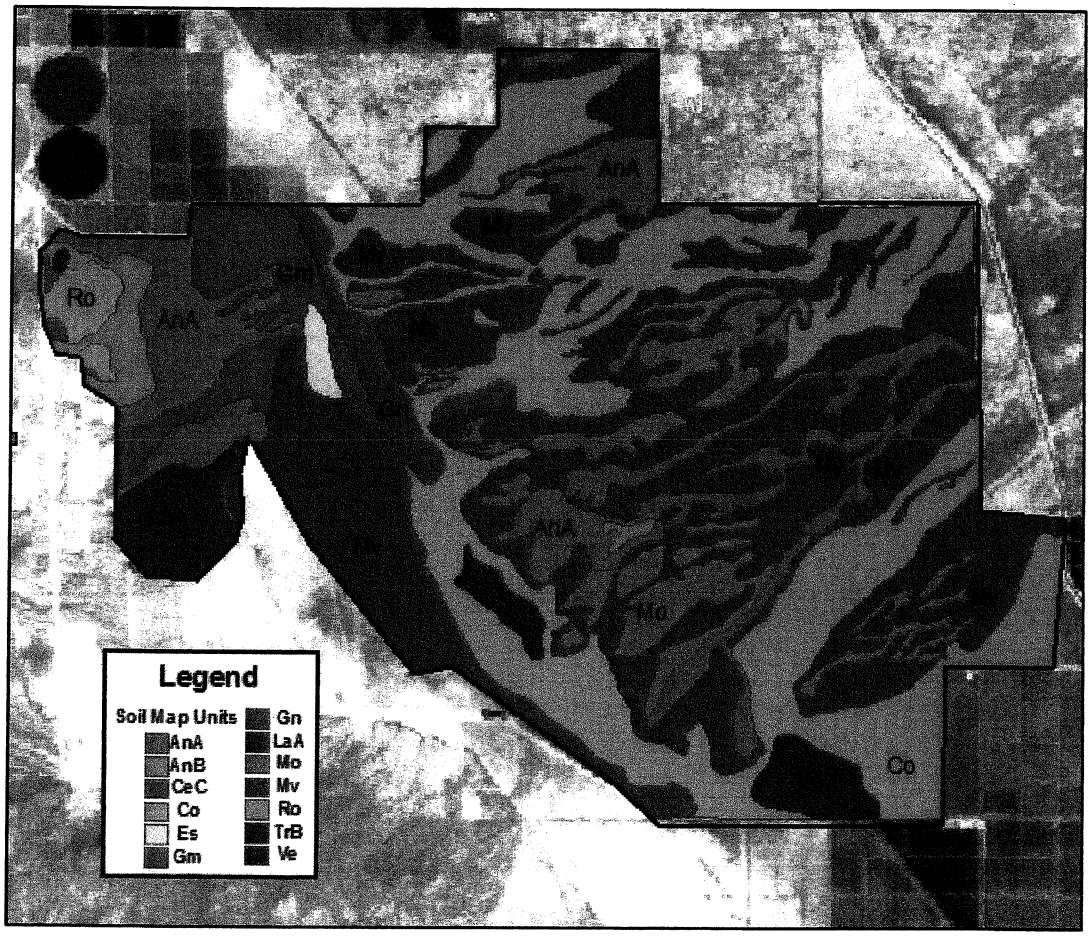

FIGURE 1. SOILS OF PROPOSED REUSE AREA (DIGITAL SOIL SURVEY FROM USDA-NRCS, 2006; IMAGERY FROM USDI-USGS, 2003)

The soils of NMIDD are summarized in Table 4. These soil types fall into two soil orders: Aridisols and Entisols. Aridisols make up approximately 80% of the site, and are dry soils

that typically contain a calcic horizon rich in secondary calcium carbonates. Some of these soils also contain an argillic horizon, which is a layer of increased clay relative to the overlying horizon. Entisols make up approximately 20% of the site. These soils have no diagnostic horizons, and tend to be younger soils found on alluvial fans and flood plains. Most of the soils in the use area have a typical salinity of < 2 dS/m, but can range up to 15 dS/m in some areas (Soil Survey Staff, 2007a). All of the soils are very deep, with bedrock deeper than 60 inches.

In the NRCS Soil Survey, approximately 90% of the proposed area consists of three soil series, the Mohall, the Contine, and the Antho series (Soil Survey Staff, 2006). The following information comes from the official series descriptions for these series (Soil Survey Staff, 2007a). Both the Mohall and Contine soils are Aridisols. They have a moderately slow to slow permeability, an accumulation of clay in the subsoil (argillic horizon), and have a calcic horizon within 20-40 inches of the soil surface. Mohall soils have a coarse sandy loam surface texture, loam to sandy clay loam argillic horizon, and loam to sandy loam subsoil textures. Contine soils have a clay loam surface texture with sandy clay loam to clay textures in the subsurface horizons. The Antho series is an Entisol, and is somewhat excessively drained with no distinct accumulations in the subsoil. Antho soils can have a range of textures in the surface horizon (ranging from loamy fine sand to clay loam), and typically have stratified sandy loam in the subsurface horizons.

TABLE 4. SOIL SERIES OF THE PROPOSED IRRIGATED AREA
Resolution Copper Mine Water Quality for Irrigation in New Magma Irrigation and Drainage District

Map Unit Symbol	Map Unit Name	Acres	Percent of area	Soil Order	Drainage	Permeability
Mv	Mohall loam	5,276	41	Aridisols	well	moderately slow
Co	Contine clay loam	3,604	27	Aridisols	well	slow
AnA	Antho sandy loam (0-1% slopes)	1,512	11	Entisols	somewhat excessive	moderately rapid
Mo	Mohall sandy loam	715	6	Aridisols	well	moderately slow
Gm	Gilman loam	614	5	Entisols	well	moderate
LaA	Laveen loam (0-1% slopes)	315	2	Aridisols	well	moderate
Ve	Vecont clay	293	2	Aridisols	well	slow
Gn	Glenbar clay loam	229	2	Entisols	well	moderately slow
AnB	Antho sandy loam (1-3% slopes)	214	1	Entisols	somewhat excessive	moderately rapid
Ro	Rock land	143	1	-	-	-
Es	Estrella loam	58	1	Entisols	well	moderate to moderately slow
CeC	Cavelt gravelly loam (1-5% slopes)	23	>1	Aridisols	somewhat excessive	moderate
TrB	Tremant gravelly loam (1-3% slopes)	9	>1	Aridisols	well	moderately slow

TABLE 4. SOIL SERIES OF THE PROPOSED IRRIGATED AREA
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Totals		**13010**	**100**			

Soil Suitability

The soils in the intended irrigation area are suited for irrigation, including irrigation with the 1:10 blended water. The soil descriptions indicate that all soils in the area are generally well drained, which is important to successful leaching. Both of the main soil series have calcic horizons, or layers that are high in calcium. Calcic soils are desirable in preventing the development of sodic conditions. Two of the main soil series also have clay horizons that contribute to buffering capacity and therefore, generally resist significant changes in soil chemical characteristics. It should be noted that only generalities can be determined from soil descriptions if no site-specific soil samples or profile descriptions have been investigated. The currently published information provides adequate initial indicators of the suitability of a soil type for irrigation.

Long Term Effects

The 1:10 blended water differs considerably from the CAP water already in use in some important characteristics:

- Sodium is higher
- Calcium is higher
- Magnesium is higher
- Sulfate is higher
- TDS is higher

The relative proportion of calcium and magnesium is more important than their absolute values. Though magnesium is higher in the blended water than in current irrigation water, calcium is also higher and therefore no adverse effects should result. These elevated concentrations of calcium and magnesium offer a balance to the increased sodium due to the addition of soda ash as part of the treatment process. Sulfate is higher as well; however, it is still well within the normal range expected in irrigation water.

Though salinity values for the irrigation water would increase with the use of the blended water, the relatively short duration of the proposed 2-year period of irrigation from blended CAP and RCM water will likely not affect soil salinity and therefore will likely not harm crop growth. To accumulate salts in the root zone to a concentration that reduces yield, irrigation with relatively good quality water would have to occur for at least two years with

no (0%) leaching (Ayers and Westcot, 1985). The estimated leaching fraction associated with furrow and surface flood irrigation in this area is approximately 40%. This more than satisfies the leaching requirement of 24%.

Conclusions

The soils in the proposed use area of NMID and the irrigation supply that would result from blending RCM water with CAP water at a ratio of 1:10 appear to be suitable for alfalfa, Bermuda grass, cotton and rye grass, for the following reasons:

- The quantity of water delivered needs to mirror (at a 1:10 ratio) the diversion of water from the CAP canal in response to crop demand.
- The sodium hazard is relatively low, indicating that the potential of creating sodic soils is very low. The ratio of calcium to magnesium and of calcium and magnesium to sodium would be suitable for irrigation.
- Chloride would be well below the thresholds of the relevant crops.
- The salinity hazard is low, especially considering that current irrigation practices result in approximately a 40 percent leaching fraction, which is nearly double the 24 percent leaching requirement that would be required for alfalfa, the most salt-sensitive crop grown.
- The relatively short duration of application proposed for this water (2 years) indicates that salinization is very unlikely. Any use of this water beyond two years will be additionally monitored by University of Arizona and CH2M HILL to ensure no influence on crop growth or soil quality.
- Sulfate would be within the normal range expected in irrigation water. Though no boron data is available from RCM water to date, boron in RCM water is expected to be low because of the geology of the mine.
- Soils in the proposed use area in NMIDD appear to be suitable as can be determined from general soil descriptions and current cropping and irrigation practices.
- RCM water would benefit the NMIDD by creating a free supply of additional water to fulfill farmer's water consumption needs. This steady supply of water will be especially helpful during periods where there is a rainfall deficit.

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RIO TINTO

The way we work

September 2005
www.riotinto.com

Our statement of business practice

Rio Tinto

Rio Tinto

Rio Tinto is a leader in finding, mining and processing the earth's mineral resources. The Group's worldwide operations supply essential minerals and metals that help to meet global needs and contribute to improvements in living standards.

In order to deliver superior returns to shareholders over time, Rio Tinto takes a long term and responsible approach to the Group's business. We concentrate on the development of first class orebodies into large, long life and efficient operations, capable of sustaining competitive advantage through business cycles.

Major products include aluminium, copper, diamonds, energy products (coal and uranium), gold, industrial minerals (borates, titanium dioxide, salt and talc), and iron ore. The Group's activities span the world but are strongly represented in Australia and North America with significant businesses in South America, Asia, Europe and southern Africa.

Wherever Rio Tinto operates, the health and safety of our employees is our first priority. We seek to contribute to sustainable development. We work as closely as possible with our host countries and communities, respecting their laws and customs. We minimise adverse effects and strive to improve every aspect of our performance. We employ local people at all levels and ensure fair and equitable transfer of benefits and enhancement of opportunities.

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About *The way we work*

***The way we work*, Rio Tinto's statement of business practice, summarises the Group's principles and policies for all employees. It is designed to ensure that we all reflect in our daily work the high standards and values we share, key among which are accountability, fairness, integrity and openness.**

The policies in *The way we work* have been adopted by the Rio Tinto board after wide internal and external consultation. They are communicated to the Group's businesses, together with any guidance and support that may be necessary. Group businesses then put them into practice through local codes of conduct and report on their implementation.

Since the first edition of *The way we work* in 1997, expectations of corporate responsibilities have increased. Although our values and objectives are unchanged, our responses have evolved and been further developed and are reflected in this revised 2003 edition.

In preparing it, we have again received considerable internal input and helpful external comment for which we are grateful. We will continue to address issues as they emerge to ensure *The way we work* remains relevant.

The way we work applies to all Rio Tinto managed businesses and is supported by specific guidance documents, including on assurance mechanisms and compliance verification.

The Group businesses' codes of conduct are not comprehensive lists of "do's and don'ts", but set standards of good behaviour and procedures for breaches, with added responsibilities and incentives for managers who have a higher duty of care.

Rio Tinto expects business partners, such as associate companies or joint ventures where we do not have operating responsibility, as well as principal contractors, suppliers and others with whom we have a substantial involvement, to maintain high standards themselves. We inform them of Rio Tinto's principles and policies and work with them where appropriate to support their adoption of policies consistent with our own. Rio Tinto is prepared to withdraw from business relationships if any partners do not live up to our values.

Good business sense

Rio Tinto is in business to create value by finding and developing new, world class deposits and operating and eventually closing the Group's operations, safely, responsibly and efficiently. To do so, we take a disciplined and integrated approach to the economic, social and environmental aspects of all our activities.

We rigorously analyse investment opportunities and put sound management strategies in place to deliver lasting benefits and deal with any adverse effects. We find ways to lift all aspects of the Group's performance so that it stands out by setting or reflecting best practice and by contributing to the global transition to sustainable development.

We recognise and accommodate evolving expectations of international companies within the bounds of our values and business role. Rio Tinto's policies and practices are designed to recognise risks, avoid harm or damage to people or the natural environment and to develop effective relationships both within and outside the workplace.

Through them, the Group contributes to the well being of communities around our operations and provides the resources that society needs. This approach underpins the Group's business success.

Rio Tinto supports and develops Group wide standards. We adopt appropriate internal and independent reporting, verification and assurance mechanisms, in keeping with both global and local responsibilities. We welcome dialogue and engagement with those who share an interest in continually improving our performance through understanding and learning from each other.

We anticipate, participate in developing, and invest in innovative business approaches to align business behaviour with generally accepted principles of best international practice, including corporate governance.

Openness and accountability

We conduct the Group's affairs in an accountable and transparent manner, reflecting the interests of Rio Tinto shareholders, employees, host communities and customers as well as others affected by the Group's activities.

Transparency
Our commitment, both in principle and practice, is to maximum transparency consistent with good governance and commercial confidentiality.

Rio Tinto disseminates understandable information in a timely way on the Group's operational performance and financial condition. We verify its accuracy, internally and, as appropriate, independently. We avoid selective disclosure.

We give required information to relevant agencies in the jurisdictions where Group businesses operate and widely disseminate it where Rio Tinto shares are traded, through the media as well as directly, including on our own websites. We voluntarily give detailed social and environmental performance data in separate annual reviews. These cover the Group and each Group business, extending further the quality and quantity of publicly available data.

Published material can be accessed through Rio Tinto's external website, www.riotinto.com. Both this and the Group's intranet are linked to other websites maintained by Group businesses, offering easy access to a wealth of additional, detailed information on local operations. Significant events, including financial results presentations and seminars on strategy and corporate social responsibility, are also available on Rio Tinto's internet website, as they happen and as an archive.

Rio Tinto seeks and welcomes constructive criticism. We use face to face and written communication and formal grievance procedures within our workplaces. We also have an additional independent and confidential means of communication and feedback for ideas or concerns about any aspect of Rio Tinto or about the behaviour of individuals, without fear of recrimination, through the Group's *Speak-OUT* system.

Business integrity
We undertake Rio Tinto's business with integrity, honesty and fairness at all times, building from a foundation of compliance with relevant local laws and regulations and international standards.

We support free and fair competition. We promote the rule of law and the Group's high standards wherever we are in the world. We have introduced a compliance programme that all Group businesses are required to put in place. This is based on a continuously developing system of training, monitoring and procedural checks and balances.

Bribery, in all its forms, is prohibited. We neither promise, offer nor accept bribes or anything which could be taken for one, either directly or indirectly.

We only make payments for legitimate business services and at a rate that reflects their market value. We work with business partners, representative agents and intermediaries after making them aware of Rio Tinto's policy and being satisfied that they will not make unauthorised payments indirectly on the Group's behalf.

We disclose any material transaction or relationship that could reasonably be expected to give rise to a conflict of interest but strive to avoid them. Gifts and entertainment are only offered or accepted for conventional social and business purposes and then only at a level appropriate to local circumstances.

Corporate governance
Rio Tinto is committed to high standards of corporate governance, accountability and responsibility.

All shareholders in Rio Tinto Limited and Rio Tinto plc are in the same economic position as if they held shares in Rio Tinto as a single enterprise. They take decisions on matters affecting them all through a joint electoral procedure.

Rio Tinto's directors are common to both Rio Tinto companies. In accordance with best practice, the board comprises a mix of executives and non executives, providing a balance of innovative thinking with business knowledge and experience.

All directors have full and timely access to information they require to discharge their duties and responsibilities fully and effectively. The directors have established board committees which are fundamental to good corporate governance, best practice and control: they are the *Nominations committee*, the *Audit committee*, the *Remuneration committee* and the *Committee on social and environmental accountability*.

Directors' interests in Rio Tinto are fully disclosed. Directors and designated employees are prohibited from short term speculative dealing in Rio Tinto shares and any dealing during 'close periods'. No one may disclose price sensitive information to others or deal in Rio Tinto shares themselves when in possession of it.

Internal controls and reporting procedures
We prepare reports and financial statements giving a true and fair view of our affairs.

Substance rather than form is a fundamental principle of Rio Tinto's reporting. We approach financial and non financial matters with similar rigour.

Our internal control system reviews financial, operational and compliance controls as well as risk management procedures. This is consistent with a responsible assessment and mitigation of risks to provide reasonable assurance

against material misstatement or loss.

Each year, the leaders of Group businesses complete a detailed questionnaire to confirm that Rio Tinto's internal controls are operating effectively throughout the Group.

We use the most appropriate accounting and reporting policies, consistently applied and supported by reasonable and prudent judgements. We prepare financial statements in accordance with generally accepted accounting principles.

Rio Tinto requires directors, senior management, financial managers and other staff who exercise judgement in preparing financial statements to conduct themselves with integrity and honesty and in accordance with the ethical standards of their profession or business.

Anyone who becomes aware of or suspects any violation of our obligations should, and is encouraged to, report the facts or their suspicions to senior management or to Rio Tinto's *Audit committee* as appropriate, directly or through Rio Tinto's *Speak-OUT* programme.

Corporate policies

The growing world population needs minerals and metals for sustainable development. We do our best to extract and supply them in ways that bring benefits to this and succeeding generations. We apply common values and standards wherever the Group operates, always seeking to respect the different laws, cultures, traditions, customs and employment practices in place.

We recognise that excellence in managing Rio Tinto's health, safety, environment and community responsibilities is essential. We also know that good working relations, internally and externally, are fundamental to the Group's continuing success. We strive to understand and interact constructively with local communities, governments and others in the public and private sectors, including non government organisations.

Rio Tinto's policies, which set the standards underlying our approach, follow in alphabetical order.

Communities

We set out to build enduring relationships with our neighbours that are characterised by mutual respect, active partnership, and long term commitment.

Good management of community relationships is as necessary to our business success as the management of our operations. Good performance requires all of us to accept responsibility for community relationships. We detail local arrangements in rolling *Five year communities plans* which all operations submit and update annually. The plans are set within the context of this policy and apply throughout the life cycles of the Group's activities.

Mutual respect depends on our understanding the issues that are important to our neighbours and on our neighbours understanding what is important to us. Wherever we operate, we do our best to accommodate the different cultures, lifestyles, heritage and preferences of our neighbours, particularly in areas where industrial development is little known. Our communities and environment work is closely coordinated and takes account of peoples' perceptions of the effects and consequences of our activities.

We promote active partnerships at international, national, regional, and local levels. They are based on mutual commitment, trust, and openness. Our relationships with communities involve

consultation to open new facilities, to run existing ones and to close them at the end of their productive lives. In doing so, we support community based projects that can make a difference in a sustainable way without creating dependency. We also assist regional development and training, employment and small business opportunities. In developing countries, we are often asked to support health, education, and agricultural programmes and, in collaboration with others, we help where practical.

Employment

We require safe and effective working relationships at all levels around the Group. Whilst respecting different cultures, traditions and employment practices, we share common goals, in particular the elimination of workplace injuries, and are committed to good corporate values and ethical behaviour.

Rio Tinto employs on the basis of job requirements and does not discriminate on grounds of age, ethnic or social origin, gender, sexual orientation, politics or religion. We may make exceptions to favour local employment where local laws provide. The Group does not employ forced, bonded or child labour.

Being trained to work, and then working, in safe, healthy and environmentally responsible ways comes first and foremost. Beyond that, Rio Tinto believes in enabling employees to develop to the extent of their abilities. We improve our skills and competencies by regular performance reviews, recognising potential, undertaking education, training and coaching as appropriate, and offering professional development opportunities within the Group.

Rio Tinto expects managers to be models of the highest standards of behaviour. We treat each other and those we deal with externally with dignity, fairness and respect. We guard against harassment in the workplace and neither abuse nor mis-use our positions or facilities for personal purposes. We respect our obligations to our colleagues and employer. We work together within and across businesses, cultures and countries to raise performance.

Group businesses' codes of conduct establish sound conditions of work and disciplinary procedures. The Group implements equitable and transparent remuneration and incentive systems. Rio Tinto recognises everyone's right to choose whether or not they wish to be represented collectively.

We live up to the letter and spirit of *The way we work* and our code of conduct.

Environment

Wherever possible we prevent, or otherwise minimise, mitigate and remediate, harmful effects of the Group's operations on the environment.

Excellence in environmental performance is essential to our business success. Compliance with all environmental laws and regulations is the foundation on which we build our environmental performance. We support and encourage further action by helping to develop and implement internationally recognised management systems and voluntary commitments.

We similarly approach a comprehensive understanding of the full life cycle and safe use of our products to ensure all their benefits are delivered.

We develop Group wide standards and build systems to identify, assess and manage environmental risk. These apply at each stage of exploration, development, operation and closure, as well as in acquisition and divestment evaluations, to achieve continuous improvement in environmental performance. We also engage with host communities, governments, customers, suppliers and others to the same end.

We obtain assurance on the implementation of our environmental policy, both internally and externally, by regular audits, reviews and reports. Each Group business produces a separate social and environmental report for its local communities.

Human rights

We support human rights consistent with the Universal Declaration of Human Rights and Rio Tinto respects those rights in conducting the Group's operations throughout the world.

We seek to ensure that Rio Tinto's presence fosters sound relationships and avoids civil conflict wherever we are. Rio Tinto respects and supports the dignity, well being and rights of Group employees, our families and the communities in which we live, as well as others affected by the Group's operations.

Where those rights are threatened, we seek to have international standards upheld and to avoid situations that could be interpreted as condoning human rights abuses. We ensure that our equipment and facilities are not mis-used in violation of them.

The Group's procedures for using security personnel are based on human rights principles and include guidelines and restrictions on the use of force. These procedures are reinforced by training and applied to contract security personnel as well as to Group employees.

We look for opportunities to support positive efforts to promote broader understanding of human rights values, especially where they assist the Group's local communities. We seek dialogue with others aimed at a practical common effort to promote respect for human rights consistent with the role of business.

Land access
We seek to secure the widest possible support for our proposals throughout the life cycle of the Group's activities by coordinating economic, technical, environmental and social factors in an integrated process.

We access and use land, rehabilitate unavoidable impacts and work with local communities to help with their needs in the most efficient and effective manner we can. In all cases, this involves ongoing consultation with local people, public authorities and others affected. We accept that this may sometimes result in our not exploring land or developing operations, even if legally permitted to do so.

We are particularly rigorous in assessing the effects of our activities in advance in areas of high conservation or heritage value. We work with others to design appropriate mitigation and management methods, and then monitor them to ensure best practice is followed.

Claims to land can be based on traditional tenure as well as statutory law. Local and national land use policies may also differ. Our objective is to bridge significant gaps between legislated and customary arrangements through the fullest possible understanding of the issues involved.

Where property is affected, its value is assessed and appropriate compensation mutually agreed. We work with others where frameworks do not exist to encourage and help governments put appropriate consultation processes in place.

During mining operations, we may use land that is surplus to operational requirements for a variety of purposes. These include housing, educational, health and recreational facilities as well as for food production, forestry, habitat protection and biodiversity conservation.

When operations are closed, we complete the rehabilitation of land we have disturbed in consultation with our neighbours and in accordance with best environmental practice, relevant laws and regulations.

Occupational health
We strive to protect our physical health and well being in the workplace.

A healthy workforce contributes to business success. We are committed to preventing new cases of occupational disease and have a target of achieving a significant reduction in these cases year on year through the continual identification, evaluation and control of workplace exposures.

We have developed a set of core occupational health standards. We implement these standards in conjunction with education, training, and the incorporation of systems and procedures.

An assurance process entailing regular audits, reviews and reports measures compliance with our occupational health policy and standards.

Political involvement
Rio Tinto does not directly or indirectly participate in party politics nor make payments to political parties or individual politicians.

Rio Tinto represents views to government and others on matters affecting its business interests and those of shareholders, employees and others involved in our activities. By fostering such public dialogue, we contribute to the development of sound legislation and regulation that is relevant and appropriate to our business interests.

Nothing in Rio Tinto's policy seeks to restrict individuals acting in their personal capacity as citizens from participating in the political process.

Safety
Safety is a core value and a major priority; our goal is zero injuries.

Everyone's behaviour contributes to an injury free workplace; full and consistent implementation of and accountability for Rio Tinto's comprehensive standards, guidelines, systems and procedures is required across the world.

Alongside this, we are building a supportive safety culture that requires visible leadership, ongoing education and training and a high level of participation by everyone in the workplace.

We place an uncompromising emphasis on hazard identification, risk assessment and risk management. We measure assurance through operational, corporate and external auditing and reporting processes.

Sustainable development
Rio Tinto businesses, projects, operations and products should contribute constructively to the global transition to sustainable development.

We contribute to sustainable development by helping to satisfy global and community needs and aspirations, whether economic, social or environmental. This means making sustainable development considerations an integral part of our business plans and decision making processes.

By focussing on people, the environment, resource stewardship and management systems, we can better manage risk, create business options, reduce costs, attract the best employees, gain access to new markets and resources and deliver a better product to our customers.

In practice, this depends on the active awareness of and support for Rio Tinto's principles and policies by each of us as individuals.

Appendix

Some international accords supported by Rio Tinto

- **Australian Minerals Industry Code for Environmental Management**
  www.minerals.org.au/downloads/pdf/Code2000.pdf
- **Global Sullivan Principles of Social Responsibility**
  www.globalsullivanprinciples.org/principles.htm
- **International Chamber of Commerce Business Charter for Sustainable Development**
  www.iccwbo.org/home/environment/charter.asp
- **International Council on Metals and Minerals Sustainable Development Framework**
  www.icmm.com
- **International Labour Organisation Convention 169: Concerning Indigenous and Tribal Peoples in Independent Countries**
  www.unhchr.ch/html/menu3/b/62.htm
- **International Labour Organisation Declaration on Fundamental Principles and Rights at Work**
  www.ilo.org/public/english/standards/decl/declaration/text/tindex.htm
- **Organisation for Economic Cooperation and Development Convention on Bribery and Corruption**
  www.oecd.org/pdf/M00007000/M00007323.pdf
- **Organisation for Economic Cooperation and Development Guidelines for Multinational Enterprises**
  www.oecd.org/pdf/M00021000/M00021070.pdf
- **United Nations Universal Declaration of Human Rights**
  www.un.org/Overview/rights.html
- **United Nations Global Compact**
  www.unglobalcompact.org/
- **US/UK Voluntary Principles on Security and Human Rights**
  www.state.gov/www/global/human_rights/001220_fsdrl_principles.html
- **World Economic Forum Global Corporate Citizenship Statement**
  www.weforum.org/pdf/GCCI/GCC_CEOstatement.pdf

Rio Tinto's own supplementary guidance documents

- **Business integrity guidance**
- **Compliance guidelines**
- **Corporate governance guidelines**
- **Environment standards**
- **Financial disclosure guidelines**
- **Human rights guidance**
- **Occupational health standards**
- **Rules for dealing in Rio Tinto securities**
- **Safety standards**

These documents provide additional guidance in specific policy areas and further resources are also available on Rio Tinto's intranet and internet websites.

For convenience, we use "Rio Tinto" to describe Rio Tinto Limited and Rio Tinto plc and their affiliated companies, although all of these are independently managed, separate and distinct entities. Rio Tinto plc and Rio Tinto Limited are combined in a dual listed companies structure as a single economic entity.

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Design consultants Tor Pettersen & Partners.
Printed in England by The Beacon Press using their *pure*print technology.

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09/2005 RP

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Impreso en Inglaterra por The Beacon Press utilizando su tecnología *pure*print

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09/2005 RP

Lower San Pedro River Meeting
September 23, 2009
Resolution Copper Company Superior, AZ

Introductions and Safety Share – David Salisbury

Attendance: TNC: Ken Wiley
Audubon Arizona: Tice Supplee, Roger Ferland, Sarah Porter, Sam Campana
BHP-Billiton-Linda Broughton
SRP: Ruth Valencia, Dave Roberts
RCC: Jennifer Russo, David Salisbury, Adam Hawkins
AGFD: Gene Sturla, John Windes, Mike Demlong
BLM: Tom Dabbs
USFWS: Sherry Barrett, Tom Harvey, Bill Radke, Kerry Marr
ASARCO: Jack Garrety, Tom Aldrich
BofR : Henry Messing

Summary Updates:

Brief background was provided to the newer participants about the lower San Pedro River working group provided by Ken Wiley. Last meeting of the group was over one year ago. A vision statement was developed by this group after extensive discussions over two years. Shared vision has 3 basic parts, there is a certain advantage of looking at the diversified lands and ownerships as one unit without relinquishing any property authorities; consensus that a management partnership of the properties required adequate funding; protection of the water in the river was a number one authority and that unplanned development was a major threat. Copies of the vision statement were available at the meeting.

RCC Land Exchange update: presentation by David Salisbury. 1.5 billion tons of ore at the site 7,000 feet below surface. Explained need for exchange because part of ore body of unknown extent is within a portion of the Oak Flat mineral withdrawal. Mine production life including exploration, construction, operation, and reclamation/closure is projected to be 55-66 years. A full NEPA will be completed before the mine is built because operation will require transport/infrastructure (roads, power, etc) across USFS lands. Plan to reclaim Pinto Valley open pit with tailings from this mine. Two bills in Congress- Senate version calls for NEPA after the exchange; House side has a two stages NEPA; a. land analysis (the exchange) and b. post-exchange for the mine. Senate hearing held June 17 and working through Senate sponsors with senate Energy and Natural Resources committee for a mark-up at the earliest possible date. A number of public meetings recently with assist from Secretary of Interior Salazar. Addressing Native American concerns through the US Department of Interior. A cultural resources inventory completed with USFS. 80% of offered lands will convey to the BLM. Outstanding concern is post-exchange management of San Pedro lands (7B). Spoke about Rio Tinto biodiversity program to yield a net positive environmental impact both on offset lands and at mine site.

A provision is currently in the land exchange bill that would allow excess funds be used for management of the 7B parcel or additional acquisitions-this provision will likely be rejected by Congress. Proper management will require a firm and fixed management plan, ideally in context with the other conservation properties. Purpose of this group is to achieve that outcome. Form of this strategy can take different forms including endowment fund or annual contributions. A management plan needs to be consistent with needs of the partner property owners.

BHP Billiton summary was provided by Linda Broughton. Over past ten years involved with decommissioning and closure of the San Manuel site. Riparian corridor never had mining facilities. There were wells that contributed to site dewatering. Currently identifying ecological values and developing strategies for conservation, including identified enhancements. Gerry Brunskill is the site manager. AGFD surveys for flycatcher, Audubon all bird surveys, ASU vegetation study, Open Space habitat management plan being developed over past 5 or so years. Supports vision of this group and need for an over-arching management plan to accomplish objectives for joint beneficial use. Q. Ever considered as a mitigation bank? A. not at this point. Q.What are the future plans for ownership of the river property and plans of development. A. development idea was to help community exist after the mine closure. Does not make sense in the current economy. No development plans at this time. Want to complete conservation plan for the river first. Looking at a land use designation for the tailings. Solar has been discussed. No plans to sell, willing to discuss membership in a conservation trust or consortium. Major management objectives and actions are control of cattle grazing. There is a possibility of geomorphologic management of the stream to benefit fish and wildlife. Cooperating with ASU – Dr. Stromberg lab. Artesian wells on BHP and 7B properties are flowing at historic rates.

SRP – Ruth Valencia and Dave Roberts. SRP is working with TNC to start on the concept of cooperative management. Have a contract with TNC for an on site management person who is living at Black Farm on Aravaipa. Efficiency, scale, safety are all optimized with this partnership. Very interested in understanding the regional hydrology of the area and conducting historical hydrological research. Meet with BHP hydrologists in 2007-2008. Developing the framework for a hydrological management plan and will require a long term hydrological monitoring program.

TNC-Ken Wiley. Just hired a new program manager who is a hydrologist most recently employed by the USFS-Molly Hansen. TNC just closed on 1600 acres of conservation easement from Hot Springs Canyon to Muleshoe Ranch boundary. TNC is starting a major reclamation and restoration project to restore the major wash corridors and vegetation. at the H&E property.

AGFD ASARCO lands about 1000 acres and there is some capital funding for O&M. USFWS is partnered with AGFD for this project. Property still in bankruptcy hearings, so land transfer projected for end of the year. Must go through NEPA via USFWS that will be a co-trustee. ASARCO has first right of refusal for mitigation for these properties.

Includes water rights. Official AGFD representatives will be John Windes (Tucson Habitat Program Manager) and Jorge Canaca from Habitat Branch.

Bureau of Reclamation-Henry Messing gave an update. Reclamation has interests in four properties along the San Pedro River. (1) A Conservation Easement was purchased on 1420 acres of 3 Links Farm, located south of Cascabel, to offset impacts to riparian habitat from construction of 12 fish barriers. The Conservation Easement is managed by TNC. An application for Severance and Transfer of the water rights for instream flow purposes was submitted to the Arizona Department of Water Resources (ADWR) on April 30, 2007. To date, no action on the application has been taken by ADWR. SWIFL (19 territories), yellow-billed cuckoo and fish surveys are conducted on the Conservation Easement. (2) Spirit Hollow site is managed by TNC via SRP and working on a fire management plan through the BLM. (3) Cooks Lake, approximately 150 acres, was acquired as mitigation for wetland impacts from the construction of New Waddell and Camp Dyer Dams. Fifteen SWIFL territories were recorded this past year. (4) Lower San Pedro River Preserve owned and managed by TNC purchased with funds for mitigation of Roosevelt Lake. The pond has been renovated for native fishes. Small mammal surveys are in progress.

USFWS has a long interest in the San Pedro River corridor. Interested in being a contributing partner to the conservation strategy. Very interested in the concept of an umbrella agreement with land partners that is public and private in nature. Refuge program to take on direct management of lands would require congressional or administrative authorizations. Hopeful that refuges acquisitions program will pick up again. Ecological Services will be re-examining critical habitat for spike dace and loach minnow. Working with Pima County at regional scale under the Sonoran Desert Conservation Plan. USFWS is in preliminary discussions with Pinal County in partnership with the AGFD. Also conversing with ASLD. Mentioned the USFWS Partners for Wildlife program. Kris Randall (602-242-0210 ext 250) is the Arizona coordinator for this program.

BLM co-manages extensive conservation lands with TNC. Land exchange designates the 7B to convey as a BLM National Conservation Area. Jim Kenna, the new state Director is interested in the San Pedro River. Interested in actions for short term management.

ASARCO appreciated being invited to attend and are interested and have a large land interest on the San Pedro River. Hayden remedial clean-ups for residential is nearly complete. Next stage is on the smelter grounds. PZ1 and PZ2 are under an Army Corp of Engineers conservation easement and mitigation plan. Should have a sign off from Army Corp of Engineers shortly for this project.

Resolution Copper water impacts: Hydrology studies and water strategies for the Resolution Copper project. Greg Ghidotti presenter and referred to Rio Tinto Water Strategy global document. PowerPoint presentation. Projected process demand is 20,000 acre feet for the mine and processing at Pinto Valley. Currently in process of acquiring

and banking water for the mine. Plan to buy 90,000 acre feet this year. Long term objectives are two-fold; joint project with UA studying use of effluent water for processing. If this process is successfully developed would exchange banked water for effluent water sources and would require ADEQ permitting.. Possible water supply would possibly be from Hohokam New Magma water district. Eighty percent of the mine's surface impact is within the Queen Creek drainage. The 20 % within the Devil's Canyon drainage amounts to a very small percentage of the recharge budget. At present the company feels with reasonable certainty that the Devils Canyon riparian and aquatic resources can be protected and or mitigated.

Comment [djs1]: Greg, Can you review and edit as you see fit? David

Open Discussion about developing a consensus partnership management approach/strategy.

Last August a sub-group met to look at all of the existing management plans and came up with a preliminary draft. During the elapsed time the landscape changed for the partners. Recognized the commonality and that understanding the water is a component for an effective managing document in order to advance our understanding of the river and its resources. Agreed that moving forward on developing a document is a priority and that additional work will follow in the areas of hydrology, public use, archeological investigations, etc. etc.

Stay away from site details and stay at a higher level and use Conservation Management Planning tools as developed by the conservation community. Technical committee developed a compendium of site detail. Next stage is use the technical committee effort as the foundation to develop a unified, singular, over-arching conservation strategy for the river. Statement of what we want to accomplish and who is going to do it. How do we pay? Develop a scope of work as the next task and share work to date with the new participants. Include package of deliverables. Look at existing documents such as Bill Williams, Dolores River, and elsewhere.
Henry Messing, Jorge Canaca , Adam Hawkins, Ken Wiley, SRP, Tice Supplee

ID potential list of who and funding. Needs to be the right person or entity that everyone agrees to working with them. Sources must have product quality and familiarity with process. Group needs to think of funding sources. Product needs to be succinct, clear, actionable with clear goals, objectives, action strategies and research needs, and to the point.

Suggested informing the Winkleman NRCD of what is progressing. A part of the strategy is the socio-economic component. Ballpark would be $50-100,000 to fund this.

Adjourned at 1:30 PM

Make the change to Hyde

LOWER SAN PEDRO RIVER PARTNERSHIP MEETING

29 APRIL, 2008

Attendees:

Ben Wichers, BHPB
Jennifer Russo, Resolution
Linda Broughton, BHPB
Raga Elim, Resolution
David Salisbury, Resolution
Adam Hawkins, Resolution
Rob Burton, TNC
David Harris, TNC
Ruth Valencia, SRP
Ron Barber, Congressman Giffords
Ken Pickering, BHPB
Bill Roe
Jeff Ehlers, SRP
Tice Supplee, Audubon Arizona
Henry Messing, Reclamation
Ken Wiley, TNC

The meeting was hosted by The Nature Conservancy at the Lower San Pedro River Preserve and was facilitated by Ken Wiley.

REVIEW OF PREVIOUS MEETING MINUTES

Bill Roe clarified that the House Bill on the 7B Ranch land exchange has not been "marked up" as stated in the minutes dated 25 February, 2008. Minutes will be corrected.

INTRODUCTION OF NEW RESOLUTION COPPER COMPANY PRESIDENT

Mr. David Salisbury was introduced as the new president of the Resolution Copper Company. He is newly arrived from Utah and is looking forward to working with the Lower San Pedro River Partnership (Partnership).

BHPB STAFFING CHANGES

Linda Broughton has been appointed as the general manager of closed sites of which BHPB manages about 30 worldwide. She has a good handle on what works and what doesn't and is looking forward to working closely with the Partnership.

SAN MANUEL DEVELOPMENT PLANS

Ben Wichers stated that the development plans for San Manuel have not been submitted to Pinal County. The company has had discussions with solar energy interests as well as looking into other potential uses for their real estate. Linda Broughton also expressed BHPB's commitment to the residents of San Manuel. BHPB will solicit their input as to what their vision is for future development.

Resolution Copper Mining

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Superior, AZ 85273
Tel.: (520) 689-9374 - Fax: (520) 689-9304

APR 26 '10
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21 April 2010

Mr. Henry Messing
Bureau of Reclamation
6150 W. Thunderbird Road
Glendale, AZ 85306-4001

Dear Henry,

At Resolution Copper Mining, we believe the most successful companies look beyond their current bottom line and toward the value they can create -- not just today, but for years and generations to come.

That concept of sustainable development guides everything we do at Resolution Copper. We know the investments we make today will impact our business and our community well beyond the life of the mine we are working to build and operate.

We've just released details of our work in our most recent Sustainable Development Report, which is now available at http://resolutioncopper.com/sdr/2009/p1.php.

The report is an annual update on our progress and the challenges we face in economic development, environmental stewardship and social well-being. It provides us with an opportunity to step back and evaluate our work in these critical areas. It is also an important part of our commitment to provide you with clear and complete information about our project and its impact on the surrounding area.

By clicking on links to the topics that interest you, you can find details about the project's significant economic impact on Arizona, including the thousands of jobs it will create without a single government subsidy or incentive. You can learn more about our work to develop and maintain strong environmental management systems, reclaim land impacted by historic mining operations in the area and design plans to operate and ultimately remediate in an environmentally responsible way. You can review how we're keeping employees and contractors safe, investing in building a strong community and partnering with our stakeholders to create a project that creates economic and environmental benefits for decades to come.

I invite you to access Resolution Copper's Sustainable Development report today, and to share it with anyone who has an interest in our project and in sustainable development. As always, we want your feedback and suggestions to improve the report, as well as our work on the project. Simply call or email me at 520.689.3341 or david.salisbury@riotinto.com to let us know what you think.

Sincerely

David Salisbury
President and CEO

Lower San Pedro River Partnership
Friday, August 1, 2008
Noon-3:00PM
Resolution Copper Company Conference Room, Superior, Arizona
Minutes

Present: Diane Laush, U.S. Bureau of Reclamation; Sam Campana and Tice Supplee, Audubon Arizona; Ken Wiley, Cheryl Lombard, and Dave Harris, The Nature Conservancy; Jeff Parker and Linda Broughton, BHPB; David Salisbury and Jennifer Russo, Resolution Copper Company; Ruth Valencia, Dave Roberts and Jeff Ehlers, SRP; Benjamin Tuggle, USFWS-ABQ; Sherry Barrett, FWS-Tucson; and Bill Roe.

Absent: Ron Berber of Rep. Giffords office.

Action:

- RCC will contact AZGFD. TNC will contact BLM. Invite those agencies to the next meeting.
- Ken W. will send out email to get things started for writing a conservation plan.

David Salisbury-RCC: Introductions

Minutes of previous meeting
The minutes look more general – Minutes should be corrected to follow "Dave Harris suggested model". Look at ecological sustainable flow models. Discussion ensued and agreement was reached that ecosystem analysis in the context of these discussions was not meant to be exhaustive but rather was meant to capture that analysis was more extensive than hydrology and geo-morphology of the lower San Pedro River.

Ecosystem modeling – hydro component – questions from Linda (BHP) as to how the meetings were proceeding and she hoped that discussions among the partners would be broader than hydrologic topics. What are sustainability drivers: Flora, fauna, biological environment components, markers, where can we improve?

Ruth (SRP): there has been so much research on the river already. The driver is hydrology. The reason for the hydrology focus is knowledge that a lot of the hydrology information needed to be compiled and shared. David and Linda want to clarify that the broader ecosystem focus is of State Lands Prop 103. More than 335,000 signatures. Constitutional measure and formal campaign roll-out once affirmed that on the ballot. Has support of Gov. Anticipating Aug. 18th as roll-out date. Have bi-partisan support and have haired campaign consultants. CAHB and SAHBH are neutral. Chambers of commerce are neutral. Don Diamond supporting have a broad base coalition supporting this initiative.

Dave Harris will report on results of the hydrologic and geomorphology elements after more dialogue with BHP.

State Trust Lands Initiative-update by Cheryl Lombard-TNC
The initiative includes 26,000 acres of State lands in lower San Pedro corridor and 35,000 further south on San Pedro Watershed.

RCC Land exchange David S. (RCC)

Senate hearing was held in July. Bob Simon, staff head for Sen. Bingham has had a personal tragedy and offshore drilling is currently a priority for this committee and congress. RCC is currently providing responses to questions from the hearing and the written letters of comments. Planning stakeholder meetings in Aug. – Sept. Senate bill addresses some of the issues that came up in the earlier house hearings, NEPA for mine and valuation adjustments being two.

1st USFS/Tribal meeting held four weeks ago. To date, no invitations have been extended to RCC to meet with the tribes. Next step on Senate side will determine that answer after a planned August meeting with Sen. Kyl.

Dr. Benjamin Tuggle, USFWS, Southwest Regional Director was introduced by Ken Wiley, TNC. Dr. Tuggle recapped history of earlier conversations about long-term conservation of resources on the San Pedro River and role USFWS played in these efforts. USFWS has a long time interest in the San Pedro River in terms of acquisition and protection. The Service has definitively declined to be the lead entity and is looking for others to step forward to conserve pristine and wildlife value areas. Spoke with state director of BLM about the RCC exchange and how Service could assist. He is very cognizant of BLM being the lead Interior agency for the exchange. He has read the most recent bill and sees opportunities for Service to help solidify conservation measures for the river. He views the lower San Pedro River as an opportunity for a collaborative conservation approach using a business orientation to spearhead the opportunity. What it would take for the Service to be a definitive landowner-it must come with operational funds.

Dr. Tuggle is intrigued by issues with San Carlos. Service currently engaged in Bald Eagle with the tribe. Dr. Tuggle is personally willing to assist in better understanding in tribal issues concerning the land exchange to facilitate a government to government dialogue. He sees no other conservation opportunities of this magnitude in Arizona and he is interested in participating in a conservation plan for the entire river area. Dr. Tuggle is offering necessary resources from the Service. Current exchange bill language would be better if explicitly allowed for a refuge designation. The bill will also need to have provisions for funding the refuge. Language for a potential refuge boundary – he would be amenable to that being in the exchange bill.

Examples of similar magnitude projects: *RI – Chaffee Wildlife Refuge and land trusts and put lands that surround the refuge in conservation management. *Partners in Fish and Wildlife Program, Blackfoot challenge in Montana used the refuge as a core and anchor

for a landscape approach with private land trusts and private land owners. *Nachez NWR in Texas is core of bottomland hardwood forest conservation effort.

ASARCO settlement- AZGFD will be the managing agency rather than USFWS under the proposed strategy. ASARCO is still in bankruptcy courts. Grupo de Mexico is ASARCO parent company and they may contest lands going to AGFD. Water rights are associated with this land.

Ruth Valencia – SRP : If an endowment or management fund is set up – is it separate or can it be diverted for other purposes?

Dr. BT – Would limit to given years and outline eligible uses and over time revert to refuge budget line item.

DH – TNC – How would an endowment concept be managed? National Fish and Wildlife Foundation (NFWF) would be an excellent orchestrator. TNC could be a partner. Overall it is best to have such an endowment outside the scope of government.

Bill Roe: Has USFWS drafted refuge plans for San Pedro River: Service focus is waterfowl and other types of acquisitions have a higher hurdle for the USFWS to aggressively pursue a refuge designation. It is much easier if already a partnership of landowners.

Linda B – BHP appreciates background and it is important to hear concept of Service being a lynch-pin to a broad based partnership for achieving conservation benefits. Appreciate perspective that Dr. Tuggle shared with group.

Dr. Tuggle willing to work out a collaborative conservation strategy for the San Pedro River with out service needing to be a lead – willing to support a BLM designated area. Major hurdle will be Apache concerns. Would be beneficial to understand what the concerns are. Dr. Tuggle is offering flexible and creative advice on this topic. The Apache are tremendously patient. Dr. Tuggle is willing to speak with San Carlos Chairman via his personal relationship with him. Any help to open dialogue with San Carlos Apache would be greatly appreciated by the partnership and RCC.

D.S – RCC – Please provide examples of funding mechanisms that work in collaborative partnerships.

Dr. BT – It is important to articulate exactly what was expected for the refuge to be and to outline operational capital needs in a conservation management plan and also identify additional acquisitions. Dr. BT willing to contact Jeff at NFWF and use them as the "broker" for any funds. Also speak about agreement of LSPR outside of refuge and serves as foundation for expanded conversation for conservation strategy. Completing a conservation strategy document gives legitimacy to private and NGO partners. Put into legislation San Carlos issues, suggest local field hearings for proposed legislations –

perhaps joint with Kyl and Grialva and give opportunity for tribal participation. Most push back will be local – not from outside.

End product will not look like a typical refuge proposal as it includes exchange. Believe Interior and private interests will be supportive. Unclear of USFS position.
San Carlos has waivered all water claims in San Pedro River.

Bill Roe: San Carlos Apache interests and presence in the lower San Pedro River area include the Camp Grant site on Aravaipa Creek and Cooks Lake and the surrender site on San Pedro. He further asked how would USFW refuge designation be handled with the existing BLM lands? Dr. BT answered that as a partner in the conservation strategy probably through a MOU.

Issues of disjunct properties would require a summit of all the partners and a document everyone would sign.

Dr. Tuggle and Larry Voyles, Arizona Game and Fish Department Director, have discussed this concept and they are excited about the opportunity. What is the vision for State Land parcels if Initiative is successful? Recognize conservation values of the lands. AZ State Land Department is now querying USFWS about writing Habitat Conservation Plan (HCP) for eastern Pinal County lands and is considering seeking an ESA Section 6 grant..

RuthV – SRP: People want access to the river and this desire also needs to be addressed.

Dr. BT: refuge status would help facilitate appropriate access.

Vision Statement 2012 – led by Ken Wiley –TNC referred to written draft developed by the group.

Tice (AAz) suggests moving forward from this document to develop a conservation plan that addresses all components of the ecosystem and a conservation strategy that protects the corridor.

Ruth (SRP)– Sees Conservation Plan as more specific than an Eco-Flows process workshop that looks at inventories and strategies for ecosystem study and defining sustainable community strategy.

Ken W. TNC – What is unique, special and extraordinary about Lower San Pedro is that it is surrounded almost entirely by Public Lands. First action is to protect the corridor.

Need to understand systems and processes that are there and have an agile strategy through time. Include specifics about overall ecological values over time. Have ecological evaluations inform the conservation plan over time. If there is a large protected area, the presence of the site creates an interactive feedback on many interrelated fronts

such as land planning and water uses. Important to stress ecological values in a management strategy and include the public and appropriate public users.

Diane L -BOR has a Cook's Lake Management Plan and detailed inventory. Disjunct parcels will require fencing and collaborating would require fewer fences.

Ken W. – Next step perhaps focus the vision document to specifics:
Needs funding –
Threats –
What would a protected area look like?
How managed administratively – NOT an exhaustive management plan.

Jeff Parker – BHP-what are the goals specifically? What are the real criteria to measure success, such as defining strategies and MOS targets.

David H. – Existing plans – A group needs to sit with all these documents and merger common goals and strategies. Bring it all together and begin to get a sense.

Timeline to implement – can begin quickly – may take undetermined time to develop – but could get a product completed by next congressional session. Narrative should include definition of area, conservation goals, specific objectives, funding needs and MOS.

Cheryl L. -TNC– what opportunity to adjust the current exchange bill? There is still some opportunity. USFWS resources are offered for this next step process. TNC and SRP have a lot of information, Audubon avian information, BHP inventories, BOR plans. Need an independent facilitator. Dr. Tuggle has someone in mind, the USFWS public affairs director in Albuquerque.

ID primary goals and specific objectives. Look at MOS in each plan and how data is collected. Critical Elements and Critical Approaches ID Impediments and strategies to overcome. Wish list of other elements. Strategy for local engagement.

Timeline. Ken W. will send out email to get things started.

Time to include:
BLM and AzGFD into this process. RCC will contact AZGFD. TNC will contact BLM.

Questions:

What is progress on BHP-B development plans?

Linda B.-BHP-Meeting with hydrologists was not as technically deep as was hoped. Only have local data. There is a lack of broader geographic data on the hydrology. It was suggested that we might want to consider Riparian Ecological Conditions Analysis being done by Dr. Stromberg.

BHP is going forward with more studies. SRP would like to have further conservation with BHP hydrologists. BHP is shutting down two large production wells and drilled two smaller wells. Hydrologists will monitor system response. BHP is still looking at solar project potential on rehabilitated mind lands.

Meeting adjourned and RCC gave a site tour to those who were interested

Next meeting date:

Prepared by Tice Supplee-Audubon Arizona