

HB 3089 DOGAMI testimony

Chair Witt, Vice Chairs Whitsett and McLain, and Committee members, I'm Richard Riggs, Assistant Director of the Department of Geology and Mineral Industries, and manager of the agency's Mineral Land Regulation and Reclamation program.

Thank you for allowing DOGAMI to comment on HB 3089. HB 3089's intent is to recognize mining as an important natural resource activity in the Eastern Oregon counties of Lake, Harney, Malheur, Baker and Grant, and as a means of diversifying local economies. The Bill requires DOGAMI to conduct a study on increasing local revenues from mining operations and to present the results of the study to the legislature.

DOGAMI is organized into two main programs; the Geologic Survey and Services which collects information on geothermal, metallic and aggregate mineral resources of the State, and the Mineral Land Regulation and Reclamation program, which provides the regulatory framework to ensure beneficial reclamation and restoration of disturbed lands. Neither program has staff qualified or capable of conducting a study as intended by HB 3089. Should this bill pass in its current form, DOGAMI would need to hire one or more consultants to conduct studies of revenue and local economies of the five Eastern Oregon counties, at significant cost to the agency.

DOGAMI agrees that diversified local economies are generally stronger than those based upon a single resource, and that mining would be one way for the eastern Oregon counties of Lake, Harney, Malheur, Baker and Grant to diversify their economies. Our only concern with HB 3089, as drafted, is the significant unfunded mandate it would impose upon the agency.

Thank you again for the opportunity to address this committee. I would be happy to answer any questions you may have.

HB 3090 DOGAMI testimony

Chair Witt, Vice Chairs Whitsett and McLain, and Committee members, I'm Richard Riggs, Assistant Director of the Department of Geology and Mineral Industries, and manager of the agency's Mineral Land Regulation and Reclamation program.

Thank you for allowing DOGAMI to comment on HB 3090. HB 3090's intent is to conduct a study of Oregon's consolidated permitting process for metal mines and to present the results of the study to the legislature.

As an overview, Oregon's consolidated permit mining statutes are found in ORS chapter 517.952 - .989. These statutes were adopted in 1991 and place DOGAMI in a lead role among state agencies to coordinate the consolidated permitting process. Since 1991, the consolidated permitting process has been used only once, right now, by Calico Resources.

The statutes create a Project Coordinating Committee (PCC) led by DOGAMI, which includes representatives from state and federal agencies, local governments, and affected tribal nations. As part of the process, the permittee is required to collect baseline data of the mine site's environmental conditions, soil, local wildlife, wildlife habitat, mineralogy, cultural and historical resources, and many other data sets. Baseline reports are reviewed by a Technical Review Team, which is also led by DOGAMI, and comprised of experts that provide interagency and interdisciplinary review of baseline data and make recommendations to the PCC.

By statute, the permittee must also provide operating, reclamation and closure plans as well as an alternative analysis that identifies and analyzes environmental impacts and alternatives to avoid or minimize those impacts. Once the baseline data and plans are approved by the PCC, the permittee may provide DOGAMI with a consolidated application. If the application is deemed complete, DOGAMI will issue a Notice to Proceed and prepare draft permits. Statutes require the permit process be completed within 12 months of the Notice to Proceed.

Calico Resources is currently collecting baseline data for its proposed site at Grassy Mountain, in Malheur County. It is unlikely that the current consolidated permitting process will be complete prior to September 2016, when HB 3090 requires DOGAMI to submit a study of the process to the legislature.

DOGAMI agrees that a study of the consolidated permitting process would be useful, and the Agency will provide recommendations on future legislation to improve the process. However, any study undertaken before the completion of the process would likely be incomplete and of limited value.

Thank you again for the opportunity to address this committee. I would be happy to answer any questions you may have.

DOGAMI Testimony, HB 3096 and HB 3269

Chair Witt, Vice-chairs Whitsett & McLain, Committee members, I'm Ian Madin, Interim State Geologist and Director of the Department of Geology and Mineral Industries (DOGAMI).

Thank you for allowing DOGAMI to comment on HB 3096 and HB 3269. HB 3096 requires DOGAMI to conduct a study of the mineral resource potential of all areas of Oregon outside of the Willamette Valley, and to publish the results on the Department website. Such studies are to be presented to the Legislature on or before February 1 of each odd-numbered year. HB 3269 requires DOGAMI to conduct a mineral resource assessment of all parts of Oregon and report to the legislature on September 15, 2017.

For much of the seventy-eight years that DOGAMI has been in existence, assessment of the mineral resources of the State has been a primary task. DOGAMI's enabling legislation (ORS 515.0330) says that among other things the Department shall:

- Initiate and conduct studies and surveys of the geological and mineral resources of the state and their commercial utility.
- Serve as a bureau of information concerning Oregon mineral resources, mineral industries and geology, conduct a mineral survey of the state, and catalog each and every mineral occurrence and deposit, metallic and nonmetallic, together with its location, production, method of working, name of owner or agent, and other detailed information capable of being tabulated and published in composite form for the use, guidance and benefit of the mineral industry of the state and of the people in general and deemed necessary in compiling mineral statistics of the state.
- Consider and study kindred scientific and economic questions in the field of geology and mining that are deemed of value to the people of Oregon
- Study minerals and ores, additional uses for the states minerals, and explore the possibilities for using improved treatment, processes, mining methods and reclamation techniques for regulated mines and abandoned mined lands.

Starting in the 1990's, the funding structure of the Department began to shift from General Funds to Federal and Other Funds derived from contracts for service. As a result, the Department has not completed any regional mineral resource assessments since 1989, and the most current assessment of gold and silver resources in the state dates to 1968. Since 1989, large amounts of geologic, geochemical, and geophysical data have become available in digital format and could serve as the basis for a comprehensive mineral resource assessment for Oregon.

The Department has the authority to carry out mineral resource assessments, a history of carrying out mineral resource assessments, the capability of carrying out mineral resource assessments, but no funding to carry out mineral resource assessments. The passage of HB 3096 or HB 3269 will not change that situation.

Thank you again for the opportunity to address this committee. I would be happy to answer any questions you may have.