



# Financing Mechanisms for Abandoned Mine Lands:

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## The Search for Solutions

Peter G. Scott



# Scope of the Problem with Abandoned Mine Lands

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- 100-500,000 abandoned hardrock mine sites nationwide
- Perhaps 25% pose a physical or environmental hazard
- Only a small percentage (est. 3-5%) may cause environmental degradation
- There are about 60 mining related sites on the National Priorities List (CERCLA)
- Cleanup cost estimated at billions to tens of billions of dollars



# Sources of Money

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- **The Public**
- **Industry**

# Public Funding

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## ■ Taxes

- CERCLA
- Direct Funding

## ■ Voluntary Contributions

# Industry Funding

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## ■ Revenue

- Fees
- Voluntary
- Bonding

## ■ Insurance

- CERCLA
- Bonding



# Existing Approaches

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- 1977 - Surface Mining Control and Reclamation Act (SMCRA); states and tribes
  - The Office of Surface Mining Reclamation and Enforcement
  - The National Association of AML Programs
- 1994 - Clean Water Initiative; EPA through Departments of Interior and Agriculture
  - Interdepartmental AML Watershed Cleanup Initiative
- 1997 - Abandoned Mine Land Initiative; Western Governors Association and National Mining Association and Dept. of Energy
- 1997 - Clean Water Action Plan (CWAP); funded on an agency-by-agency basis in cooperation with the state



# Federal Programs

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- **Bureau of Land Management - \$34 million between 1997 and 2001**
- **US Army Corps – Restoration of Abandoned Mine Sites (RAMS), WRDA, Section 560**
- **US Forest Service – Professional Service Contracts (ID/IQ)**

# CERCLA

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- **About 60 sites**
- **Eventual cost estimated as high as \$20 billion**
- **Some is private and some is public**



# Bonding

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- **Required under federal and state laws**
- **Provides reclamation funding in event of default**
- **Problems include sufficiency and availability**



# Where We Are Going?

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- **The partnering model works**
- **Adjustments are needed to involve industry**
  - Incentives
  - Limits on liability

# Political vs. Judicial

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- **Demonstrate broad based support**
- **Engage in a consensus driven effort to amend existing laws**



# Opportunity

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- **EPA Upper Columbia Preliminary Investigation and Assessment**
- **Washington's Watershed Planning Act (2514) – Phase 4 Implementation**

# Bibliography

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