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May 24, 2012

The Honorable Bob Abbey
Director
Bureau of Land Management
1849 C Street NW, Rm. 5665
Washington, DC 20240

Dear Director Abbey:

The Government Accountability Office (GAO) today released a report that found weaknesses in how the Bureau of Land Management (BLM) and other responsible agencies oversee uranium mining on federal land. Because of these weaknesses, operators of uranium mines may not set aside sufficient funds, or "financial assurances," to pay for eventual cleanup costs, and some abandoned uranium mines may not be cleaned up.

Fixing these weaknesses is especially urgent because of the increasing number of uranium mines using in-situ recovery (ISR), which can contaminate groundwater with toxic chemicals and requires more money to clean up. There are now three operations on BLM land that use ISR, which dissolves and removes uranium "by injecting oxygenated water and carbon dioxide or sodium bicarbonate hundreds of feet underground." The two largest—Smith Ranch and Highland in Wyoming—have financial assurances totaling \$213 million, or 86 percent of all financial assurances for uranium operations on BLM land.

Seven more ISR operations are now approved by BLM or are awaiting approval. Their current financial assurances range from \$180,000 to \$6.8 million, but these amounts could be too small if the Smith Ranch and Highland operations provide any guidance. Required financial assurances have jumped significantly at both operations, from a combined \$160 million in June 2011 to about \$213 million in December 2011, even though the operations have not significantly expanded.

"Both BLM and the [Nuclear Regulatory Commission] have specific expertise in assessing certain aspects of the reclamation activities that are required at ISR sites, but have no process in place to share this information and leverage their expertise," GAO concludes.

“Without such coordination, the agencies cannot be confident that the assurances they establish for ISR operations will be adequate to cover the costs of reclamation.”¹

To address this problem and other weaknesses in federal oversight, GAO recommends that BLM (1) develop a memorandum of understanding with the Nuclear Regulatory Commission (NRC) on financial assurances for ISR operations; (2) ensure complete, accurate and timely data for its oversight of financial assurances; and (3) work with other responsible agencies to develop a consistent definition of abandoned mine sites for use in data-gathering efforts.

As you know, the federal government spent billions over the last 15 years cleaning up abandoned hardrock mines, which include uranium mines. As Ranking Member of the Natural Resources Committee and sponsor of GAO’s new report, I want to make sure that taxpayers do not have to pay for cleanups, and that we are taking the steps necessary to protect the environment and human health and safety from the threats posed by uranium mines.

I am pleased that the Department of Interior concurs with GAO’s recommendations, and I ask that you please answer the following questions about your plans and actions for implementation:

1. What actions have you taken and what actions will you take to implement GAO’s recommendation to improve coordination with the NRC?
2. What actions have you taken and what actions will you take to implement GAO’s recommendation to improve data collection and reporting for oversight of financial assurances, including actions to address the inaccurate or missing data in the LR2000 database?
3. What actions have you taken and what actions will you take to implement GAO’s recommendation to work with other responsible agencies to harmonize data collection and management related to abandoned mines?
4. What actions have you taken and what actions will you take to improve LR2000 data to keep track of who is responsible for various stages of the mine permitting process?
5. What actions have you taken and what actions will you take to provide guidance on a consistent definition of an abandoned mine site that can be used by BLM field staff when entering information in the abandoned mine database?
6. What is the current status of the seven ISR operations mentioned in the GAO report that are awaiting authorization to operate? Please describe how and when you plan to coordinate with NRC to make sure the financial assurance amounts for these seven operations are accurate.
7. In its report, GAO notes that BLM has been working since 2001 on a draft handbook to guide its state and local offices on reviewing notices and plans of operations. In the

¹ GAO, *Uranium Mining: Opportunities Exist to Improve Oversight of Financial Assurances*, GAO-12-544 (May 2012), available at <http://www.gao.gov/products/GAO-12-544>.

interim, BLM has issued a series of Instruction Memoranda to its field staff as guidance. When was the last Instruction Memoranda issued? Why has it taken so long to finalize the handbook? When will the new handbook be available for BLM staff? Will the new handbook also include instructions on data entry for the LR2000 database?

8. Have you conducted a study or are you conducting a study on the cost of cleaning up abandoned uranium mines that require environmental remediation work? If you have such a study, please provide it. If you are doing such a study, when will it be completed?
9. In its report, GAO found 22 uranium mining operations that are on standby, which GAO defined as mines that are not actively exploring or extracting uranium. However, GAO also found that BLM requires the operator to start reclamation at the earliest feasible time following the end of operations. There is concern that some operators are just keeping very small levels of operations to avoid a costly cleanup. What process does BLM use to make sure the operator does not keep these operations in standby just to avoid cleanup? How many hardrock minerals operations are in standby at the moment?

Thank you for your assistance in responding to this inquiry. I ask that you please respond by June 4, 2012. Should you have any questions, please contact Reece Rushing of the House Natural Resources Committee Democratic staff at 202-226-4627.

Sincerely,



Edward J. Markey
Ranking Member
Committee on Natural Resources