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Concerning

Proposed Uranium Mining Near the Grand Canyon

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Flagstaff, Arizona

Mr. Chairman and Members of the Subcommittee, thank you for the opportunity to present the Department's views regarding exploration drilling of uranium deposits on the Tusayan Ranger District of the Kaibab National Forest, south of Grand Canyon National Park, Arizona.

For geographic reference, the Tusayan Ranger District of the Kaibab National Forest, in northern Arizona, shares a boundary with the Grand Canyon National Park. The District's northern boundary is the Park's southern boundary. However, the Forest Service mission is different than that of the National Park Service. The District is managed for a variety of uses such as livestock grazing, recreation, minerals and timber harvesting.

Forest Service policy for administering the 1872 Mining Law

The 1872 Mining Law and its amendments confer a statutory right upon the public to enter upon National Forest System lands reserved from the public domain to search for and develop locatable minerals and engage in activities reasonably incident for such uses. However, pursuant to the Organic Administration Act of 1897, the Forest Service can adopt regulations governing those operations providing that the regulations do not prohibit the public from prospecting, developing, or mining valuable deposits of locatable minerals. The Forest Service adopted regulations (36 CFR part 228, subpart A) in 1974 (revised in 1981) which provide permissible rules and procedures for using the surface of National Forest System lands in connection with locatable mineral operations authorized by the 1872 Mining Law.

Operations covered by these regulations include all prospecting, exploration, development, mining or processing of locatable minerals and all uses reasonably incident thereto on National Forest System lands subject to the 1872 Mining Law, regardless of

whether such operations take place within or outside the boundaries of a mining claim. The regulations require that all locatable mineral operations must be conducted to minimize, prevent or mitigate adverse environmental impacts to surface resources. At the earliest practicable time, prospectors and miners also are required to reclaim National Forest System lands on which locatable mineral operations are conducted. All prospectors and miners whose proposed operations might cause significant disturbance of surface resources are required to submit a notice of intent to conduct operations to the Forest Service. All prospectors and miners whose proposed operations will likely cause significant disturbance of surface resources must submit and obtain Forest Service approval of a plan of operations. In evaluating a proposed plan of operation, the Forest Service considers the environmental effects of the mineral operation, including whether the proposed operation represents part of a well-planned, logically sequenced mineral operation. Hardrock mineral exploration and development on NFS Lands authorized by the 1872 Mining Law, as amended, must also comply with applicable federal and state laws, regulations and rules. This includes federal environmental statutes that authorize the use, and protect surface and ground water, air, cultural resources, threatened and endangered wildlife, as well as those which regulate transport, storage, use and disposal of fuel, chemicals and other hazardous materials. Reasonable conditions, which are required to ensure that environmental impacts to surface resources are minimized without materially interfering with the proposed operations, are set forth in the approved plan of operations.

The Forest Service Minerals Program Policy signed by Forest Service Chief Jack Ward Thomas in 1995 states that the Forest Service will "foster and encourage private enterprise in the development of economically sound and stable industries, and in the orderly and economic development of domestic resources to help assure satisfaction of industry, security, and environmental needs." This national policy was affirmed by Chief Dale Bosworth in 2004.

Mining on the Kaibab National Forest

According to historians, mining in the south Kaibab area for mineral resources, particularly copper, became important in the late 1800s. However, transportation and processing costs, due to the low value of the ore and the geographic location of the south Kaibab area, far exceeded the value of the minerals, and most mines closed around the turn of the 20th century. The South Rim of the Grand Canyon, within the current National Park boundaries, was the site of several ore discoveries. Relatively well known is the Orphan Mine, within Grand Canyon National Park, which was originally mined in the early 1900s for copper and other metals. The Anita Mine on the Kaibab National Forest is a historic remnant of a larger copper mining operation in the south Kaibab area. Quarrying for cinders, sandstone, and limestone became prominent after the turn of the 20th century. Both of these mines are eligible for inclusion on the National Register of Historic Places based on their age and historical context.

During the 1950s, uranium deposits were discovered at the Orphan Mine and also on the Tusayan Ranger District. In the 1980s, the U.S. Geological Survey began studying the

uranium deposits of the area and produced maps identifying favorable target locations for uranium deposits. These deposits consist of pipe-shaped breccia bodies generally no more than 300 feet in diameter that can extend 2000 feet below the surface. Uranium mineralization is restricted to the near-vertical breccia pipes. One uranium mine site, Canyon Mine, was developed on the Kaibab National Forest, starting operations in 1986. However, before the mine actually went into operation, the market price of uranium dipped and the company decided to suspend operations.

In the last several years a dramatic increase in the price of uranium has led to renewed interest in exploration for uranium deposits. According to the Bureau of Land Management, there are currently over 2,000 mining claims for a variety of locatable minerals on the Tusayan Ranger District.

Kaibab National Forest Land Management Plan

Current management direction for minerals in the Kaibab National Forest Land

Management Plan (LMP) is to administer the law and regulations to minimize adverse

surface resource impacts and support sound energy and minerals exploration and

development.

The uranium exploratory drilling operations and locations, which were approved on December 20, 2007, are within LMP Management Areas 8, 9 and 10. The Canyon Mine site is within Management Area 10. The management area emphasis for Areas 8 and 9 is for moderate commodity and non-commodity activities with no timber harvesting

activities. The emphasis for management in Area 10 is for high non-commodity activities and low-moderate commodity activities.

Management Areas 8 and 9 have moderate to high potential for uranium. Direction for mineral management in Areas 8 and 9 is to protect surface resources and other environmental values through intensive management of prospecting, exploration and development of mineral resources; protect habitat of threatened and endangered and sensitive plant and animal species, important recreation sites and facilities, and heritage resources nominated or posted to the National Register; and protect visually sensitive road corridors and important wildlife habitat.

Management Area 10 has moderate potential for uranium. Copper and other minerals may be found in association with uranium deposits. Specific guidelines developed for this area include: (1) evaluating transportation for mineral development; (2) imposing timing, visual, and heritage constraints to maintain wildlife habitat components and visual and special resource objectives; and (3) incorporating mitigation to limit surface use in locatable mineral plans of operations for exploration.

VANE Minerals Uranium Exploration Drilling Project

VANE Minerals, LLC, submitted a proposal for exploratory drilling in 2006. No actual mining was proposed. Discussions then began with the company concerning the environmental analysis, under the National Environmental Policy Act and other applicable laws, which would be required before approval for exploratory drilling could

be given. VANE Minerals, LLC, chose to contract the specialist reports (i.e., archaeology, wildlife, plants, soil and water) needed for the environmental analysis. Forest Service specialists then reviewed and approved these reports. Approval of the specialist reports was based on meeting applicable laws, Forest Service manual and handbook direction, following Kaibab LMP direction and using the best available science.

The Forest Supervisor initiated government-to-government consultation in January of 2007 with the Hopi Tribe, the Navajo Nation, the Havasupai Tribe, the Hualapai Tribe and the Yavapai-Prescott Indian Tribe. Several follow-up government-to-government consultation meetings were conducted to discuss tribal concerns. Due to these tribal concerns, VANE Minerals made the decision to drop three proposed drilling locations from their original proposal.

In March 2007, a public scoping letter was sent to 30 affected and interested individuals, agencies, and interest groups. A legal notice was published in the local newspaper (Arizona Daily Sun), and a news release was sent to over 300 local and regional media outlets at approximately the same time that the scoping letter was sent out. The Kaibab National Forest webpage also contained information concerning this proposal.

Sixteen comments were received during a 30-day scoping period. Six of those were requests for additional information. Many of the other comments did not support uranium exploration on National Forest Lands, or did not support the exploration activity

because it could lead to the mining of uranium. Based on review and analysis of the project file, including a finding that no extraordinary circumstances existed, the Tusayan District Ranger determined that the analysis could be categorically excluded from documentation in an Environmental Assessment or Environmental Impact Statement. A Categorical Exclusion is defined by the Council on Environmental Quality regulations as "... a category of actions which do not individually or cumulatively have a significant effect on the human environment and which have been found to have no such effect in procedures adopted by a Federal agency . . . and for which, therefore, neither an environmental assessment nor an environmental impact statement is required." (40 CFR 1508.4). The District Ranger determined that the proposed action qualified under Forest Service Handbook 1909.15, section 31.2, category 8, which states, "Short-term (one year or less) mineral, energy, or geophysical investigations and their incidental support activities that may require cross-country travel by vehicles and equipment, construction of less than one mile of low standard road (Service Level D, FSH 7709.56), or use and minor repair of existing roads."

The analysis of the exploratory drilling proposal included consideration of effects on:

- federally listed threatened and endangered species and their critical habitat,
 management indicator species, migratory birds, and Forest Service sensitive
 species;
- floodplains, wetlands, and municipal watersheds;
- native American religious or cultural sites, archaeological sites, and historic properties and areas and;

specially designated areas including wilderness areas, wilderness study areas,
 national recreation areas, inventoried roadless areas, and research natural areas.

At the time this proposal was being analyzed, there were no other proposals for exploratory drilling on the Kaibab National Forest.

On December 20, 2007, the Tusayan District Ranger signed a Decision Memo authorizing exploratory drilling at seven sites on the District. Final plans of operation were signed in March, 2008, subject to twenty-one mitigation measures designed to minimize or eliminate potential impacts.

VANE Minerals will use existing roads to access claim sites. The drilling equipment will be composed of one 10-wheel truck-mounted drill rig, one 10-wheel pipe truck, one 10-wheel air compressor or booster, one backhoe, one 10-wheel water truck, and one or more 3/4 ton light trucks to move personnel. A supply trailer and travel trailer may also be required on the site.

Boreholes will be six inches in diameter with an eight-inch collar diameter for surface casing. The drilling medium will be air or water. Reclamation will consist of returning the drill cuttings to the open borehole, with holes being plugged at the surface with concrete. Disturbed areas will be revegetated. Mud pits will be covered with a minimum of three feet of topsoil to ensure radioactivity levels are returned to pre-drilling (background) levels. A number of other mitigation measures will also be in effect to

minimize potential negative impacts to wildlife, prevent the spread of noxious weeds, minimize risk of wildfire, and avoid cultural resource sites.

On March 12, 2008, a lawsuit was filed by the Center for Biological Diversity, the Grand Canyon Trust and the Sierra Club, challenging the District's authorization of Vane Minerals exploratory drilling. The lawsuit alleges the authorization did not comply with the National Environmental Policy Act and the Appeals Reform Act. I am not free to discuss the specifics of that litigation.

Five additional proposals for exploratory drilling have recently been submitted to the Kaibab National Forest. None of these proposals are for actual mining operations.

Thank you for this opportunity to address the Subcommittee. I will be pleased to answer any questions that you may have.