

**Testimony of
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**House Natural Resources
Subcommittee on National Parks, Forests and Public Lands**

H.R. 4039, Yerington Land Conveyance and Sustainable Development Act

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Thank you for the opportunity to testify today on H.R. 4039, the Yerington Land Conveyance and Sustainable Development Act, which presents economic and other development opportunities for the small west Nevada city of Yerington. This bill would allow the city to purchase, at fair market value, about 11,500 acres of surface land and the subsurface mineral estate managed by the Bureau of Land Management (BLM) that surround a copper mine development located on approximately 1,500 acres of private land. The BLM has concerns with the legislation and proposes a number of modifications and amendments, including provisions that would ensure that the Federal government receives full value for the lands and associated mineral interests.

Background

Yerington is a city of about 3,000 people located southeast of Carson City in Lyon County, Nevada. Historically, mining and agriculture have been significant contributors to the local economy, but today, Yerington has an unemployment rate of 16 to 17 percent. The BLM manages approximately 850,000 acres of public land in Lyon County. The land in the conveyance area has not been identified for disposal in the BLM's Carson City Resource Management Plan. A revision of the plan is underway.

In February 2012, Nevada Copper Corp. broke ground on an exploratory operation at its Pumpkin Hollow mine site on private lands that are at the center of the proposed conveyance area. The city plans to annex the mine as well as the conveyance area, which will increase the tax base of both the city and Lyon County. Nevada Copper will fund the land acquisition costs for the city as well as land surveys, appraisals and cultural and natural resource evaluations required for the conveyance. In return, the city will either lease or sell certain lands that Nevada Copper requires for the development of its mine complex. Nevada Copper will also work with the city to extend water and sewer services beyond those needed for the Pumpkin Hollow mine. The city's plans envision an area where transportation, power, and water infrastructure installed for the mine will benefit other industrial and commercial users and facilitate the development of cultural and recreational areas for the benefit of Yerington.

H.R. 4039

H.R. 4039 requires the Secretary of the Interior to convey approximately 11,500 acres of BLM land and the underlying mineral estate located southeast of Yerington to the city for fair market value. The Secretary would establish the value of the land and the mineral estate in accordance

with the Federal Land Policy and Management Act and uniform appraisal standards. A map of the transfer area would be made available for public inspection, and the city will be responsible for the costs of the transfer.

The BLM would like to work with the sponsors and the committee on possible changes and amendments to improve the bill. To begin with, the Department of Justice recommends that the bill be revised to make absolutely clear that the city would have to agree to the proposed conveyance, as requiring the city to accept the land without consent might raise constitutional concerns. This change might be accomplished by adding “, subject to the City’s agreement and” after “shall convey to the City” in section 4(a) of the bill.

In addition, the bill’s 90-day time period for conveyance does not allow time to perform complete reviews under the National Environmental Policy Act and the National Historic Preservation Act. These reviews are valuable for many reasons, not the least of which is that the NEPA process allows for public participation and comment. To its credit, the city has moved ahead and already sought and been granted permission to perform cultural survey work on the area. The preliminary findings of this survey indicate that there may be up to 10 sites in the conveyance area that may be eligible for inclusion in the National Register of Historic Properties. These include old mine complexes and sites attributable to the early development of Yerington. Resolution of adverse effects, or an agreement for the resolution or preservation, would need to be addressed before the sites pass from Federal ownership.

Additionally, the bill’s 90-day time period for conveyance does not allow sufficient time to conduct appraisals to establish the fair market value of the surface and mineral estates. A mineral report would need to be completed for the area before an appraisal of the mineral estate could be conducted.

The area’s longstanding relationship to mining poses two other challenges not taken into account in the bill. The area includes numerous other mining claims, besides those of Nevada Copper, and those claims may represent valid existing rights. For this reason, the BLM generally does not convey lands with mining claims. H.R. 4039 leaves open the question of who would administer these other mining claims, which by default leaves the responsibility to the BLM to conduct validity exams and resolve other issues. According to the city, one of the stated goals of this bill is to “expedite near term and long term development of mining facilities.” If the BLM manages these claims but not the surrounding surface rights, conflicts may occur that would hobble this goal of expedited development.

The area’s mining legacy poses a second and potentially dangerous situation. The Nevada Division of Minerals has identified 147 abandoned mine hazards on the public lands to be conveyed. The BLM has concerns about attracting the public to the area with recreational and economic development without these sites being secured. At a minimum, the United States government should be indemnified from any future liabilities arising from these sites. In

addition, there are a few technical changes the BLM suggests for the bill, including changes that would address such matters as boundary irregularities and references to a utility right of way.

Conclusion

Thank you again for the opportunity to testify on H.R. 4039. This legislation holds potential for this area, and the BLM looks forward to working with the bill's sponsor and the committee on the bill. I would be glad to answer your questions.