

**Statement of
Jamie E. Connell
Acting Deputy Director
U.S. Department of the Interior
Bureau of Land Management**

**Before the
U.S. House of Representatives
Committee on Natural Resources
Subcommittee on Energy and Mineral Resources**

**Legislative Hearing on
H.R. 697, Three Kids Mine Remediation and Reclamation Act**

March 21, 2013

Introduction

Thank you for the opportunity to testify on H.R. 697, the Three Kids Mine Remediation and Reclamation Act. During the past five years, the Bureau of Land Management (BLM) has worked with Nevada governmental entities in search of administrative remedies to the problems posed by the abandoned Three Kids Mine, in Henderson, Nevada. The BLM supports H.R. 697, which provides legislative solutions to the issues surrounding the Three Kids Mine area and clears the way for its eventual development.

Background

The Three Kids Mine is an abandoned manganese mine and mill site located along the south side of Lake Mead Drive, across the highway from Lake Las Vegas, in Henderson, Nevada. The mine and mill operated from 1917 through 1961 on 314 acres of private land, in part providing steel-strengthening manganese to the defense industry and contributing to the United States' efforts in World War I and II. Federal manganese reserves were stored in the area from the late 1950s through 2003.

H.R. 697 would direct that 948 acres of the public lands adjacent to the private site be conveyed to the Henderson Redevelopment Agency, bringing the total size of the project area to 1,262 acres. Of the 948 acres of public lands, 146 acres are contaminated and will require mine reclamation and environmental remediation. The most severe contamination appears to be on the 314 private acres where the mine and mill were located. No viable former operator or responsible party has been identified to remediate and reclaim the abandoned mine and mill site. Today, the site's deep open pits, large volumes of mine overburden and tailings, mill facility ruins, and solid waste disposal areas pose significant risks to public health, safety and the environment. The Nevada Division of Environmental Protection (NDEP) identified the Three Kids Mine site as a high priority for the implementation of a comprehensive environmental investigation, remediation, and reclamation program.

Representatives of the BLM, the Bureau of Reclamation, and the Department of the Interior Solicitor's Office have worked with the City of Henderson and representatives of developer Lakemoor Canyon, LLC, to find solutions to the complex challenges this site presents. Discussions have focused on overlapping Federal agency jurisdictions, land management designations and other resource issues, Resource Management Plan amendments, future liability, and an important utility corridor that traverses the site.

H.R. 697

H.R. 697 would designate the combined 314 acres of private land and 948 acres of public land as the 1,262-acre "Three Kids Mine Project Site" and provide for the conveyance of the public lands to the Henderson Redevelopment Agency. The legislation also provides that fair market value for the Federal lands to be conveyed should be determined through standard appraisal practices, and that, subsequent to that determination, the Secretary should determine the "reasonable approximate estimation of the costs to assess, remediate, and reclaim the Three Kids Mine Project Site." That cost would then be deducted from the fair market value of the public land to be conveyed. The Henderson Redevelopment Agency would pay the adjusted fair market value of the conveyed land, if any, and the Federal government would be released from "any and all liabilities or claims of any kind arising from the presence, release, or threat of release of any hazardous substance, pollutant, contaminant, petroleum product (or derivative of a petroleum product of any kind), solid waste, mine materials or mining related features" at the site in existence on or before the date of the conveyance.

While the BLM has not established a range for the cost of cleanup, a proponent of the transaction, Lakemoor Canyon, LLC, estimates the cost of remediating the public and private lands at between \$300 million and \$1.3 billion. While it is possible that the cost of remediating and reclaiming the entire project area might exceed the fair market value of the Federal land to be conveyed, the cost of the transaction will only be known after the Secretary completes the appraisal and remediation cost estimate process as outlined in the legislation.

The BLM supports innovative proposals to address the cleanup of the Three Kids Mine, and we support this proposal to transfer the entire 948 acres of public land to the Henderson Redevelopment Agency at fair market value, subject to valid existing rights. However, the BLM recognizes that the transfer would include a small portion of the River Mountains ACEC, and we would like to discuss with the committee opportunities to mitigate that loss.

Conclusion

Thank you for inviting the Administration to testify on H.R. 697. The Three Kids Mine problem needs to be resolved, and we look forward to working toward a solution that protects the environment and serves the public interest. I would be happy to answer your questions.