

**Statement of
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Land and Minerals Management
Department of the Interior
Senate Energy and Natural Resources
Subcommittee on Public Lands, Forests, and Mining
S. 343, Three Kids Mine Remediation and Reclamation Act
July 30, 2013**

Thank you for the opportunity to testify on S. 343, the Three Kids Mine Remediation and Reclamation Act. Over the past several years, the Bureau of Land Management (BLM) has worked with the City of Henderson, Nevada, and other Nevada governmental entities in search of administrative remedies to redevelopment challenges at the abandoned Three Kids Mine. The Department of the Interior (Department) supports the goals of S. 343, which aims to provide legislated solutions to the issues surrounding the Three Kids Mine area and clears the way for its eventual redevelopment. However, the BLM would prefer that the Committee consider H.R. 697 as introduced, which the Department supported in testimony on March 21, 2013.

Background

The Three Kids Mine is an abandoned manganese mine and mill site on 314 acres of private land 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, 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. Approximately five years ago, the City of Henderson and Lakemoor Canyon, LLC, approached the BLM with a plan for redevelopment of the area if the site could be remediated.

S. 343 directs that 948 acres of public lands adjacent to the private site be conveyed to the Henderson Redevelopment Agency, bringing the total size of the redevelopment 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 risks to public safety and to human health 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 to find solutions to the complex challenges of remediating this site.

S. 343

S. 343 designates the combined 314 acres of private land and 948 acres of public land as the 1,262-acre “Three Kids Mine Project Site” and provides for the conveyance of the public lands to the Henderson Redevelopment Agency. The legislation provides that fair market value for the Federal lands to be conveyed should be determined through standard appraisal practices, and that, subsequent to the determination, the Secretary of the Interior (Secretary) should determine the “reasonable approximate estimation of the costs to assess, remediate, and reclaim the Three Kids Mine Project Site.” The fair market value would be adjusted by deducting the cost estimate prepared by the Secretary. The Henderson Redevelopment Agency would pay the adjusted fair market value of the conveyed land to the United States, if any.

The bill makes the conveyance of the land conditional upon the State of Nevada executing a mine remediation and reclamation agreement that obligates a party to perform the cleanup and which must be backed up by financial assurances. While the BLM has not established a range for the cost of cleanup, a proponent of the transaction estimated 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 be known only after the Secretary completes the appraisal and remediation cost estimate process as outlined in the legislation.

The Department supports innovative proposals to address the cleanup of the Three Kids Mine. We support the goals of S. 343, and prefer that the Committee consider H.R. 697 as introduced, which the Department supported in testimony on March 21, 2013.

Conclusion

Thank you for the opportunity to present testimony on S. 343.