

ARIZONA STATE LEGISLATURE

AD HOC COMMITTEE ON MINING REGULATIONS

Minutes of the Meeting
Thursday, July 8, 2010
10:00 a.m., House Hearing Room 1

Members Present:

Senator John Nelson
Maria Baier
Herb Guenther
Kris Hefton

Representative Russ Jones, CoChair
Representative Barbara McGuire
Representative Franklin Pratt
Tom Lowry
Dr. Madan Singh
Bill Staudenmaier

Members Absent:

Senator Sylvia Allen, CoChair
Senator Amanda Aguirre
Chad Fretz
Ben Grumbles
Joe Hart

Yates Hudson
Will Humble

Staff:

Tony DeMarco, Senate Natural Resources, Infrastructure and Public Debt Committee Analyst

Thomas Adkins, House Natural Resources and Rural Affairs Committee Analyst

Chairman Jones called the meeting to order at 10:15 a.m. and attendance was noted.

Representative Jones announced the format of the meeting and recommendations.

DISCUSSION AND REVIEW OF FINAL RECOMMENDATIONS

Thomas Adkins, House Natural Resources and Rural Affairs Committee Analyst, distributed "Joint Ad Hoc Committee on Mining Regulations Finalized Recommendations (Applicable Enacted HB or SB)" (Attachment A), explained each recommendation and the points that have been addressed through legislation. The committee discussed each recommendation making revisions when agreed upon.

Federal Issues

Kris Hefton, Chief Operations Officer, Vane Minerals Group, recommended that public awareness of the need for domestic supplies of uranium located in Arizona be specified.

State Issues

Tony DeMarco, Senate Natural Resources, Infrastructure and Public Debt Committee Analyst, explained HB 2133 (Laws 2010, Chapter 315) which addressed communication protocols relating to changes in federal air quality standards. The committee agreed to remove this recommendation from the final recommendations.

AMA Recommendations

The committee agreed that the AMA recommendation was addressed in HB 2617 (Laws 2010, Chapter 309) and would be removed from the final recommendations.

Time Frames, Licensing and Bidding Process

The committee agreed that time frames, licensing and bidding were addressed in HB 2617 and the recommendation would be removed from the final recommendations.

Agency Funding

The committee agreed that agency funding issues were addressed in SB 1195 (Laws 2010, Chapter 243), HB 2767 (Laws 2010, Chapter 265) and HB 2617 and the recommendation would be removed from the final recommendations.

Governor's Regulatory Review Council (GRRC)

The committee noted that the first two issues under the GRRC section were covered in HB 2617. The third recommendation was addressed in HB 2617, but it only impacted Arizona Department of Environmental Quality (ADEQ). The committee agreed the third GRRC recommendation was adequately addressed and it would be removed from the final recommendation.

City / County Planning

Tom Lowry, CalPortland, Member, Arizona Rock Products Association (ARPA), updated the committee on discussions between Environmental Protection Agency (EPA), Arizona Department of Environmental Quality (ADEQ), the Governor's Office and regulated stakeholders relating to aggregate mining operations.

Representative Jones recommended that an Ad Hoc Committee be created to address issues between the aggregate mining industry and impacted municipalities. The committee agreed to add that to the final recommendations.

State Trust Lands

Maria Baier, Commissioner, Arizona State Land Department, read from a letter to the Committee Chairman from the Arizona State Land Department (Attachment B) and explained to the committee the losses to the State and the State Land Trust due to restrictions on bordering Federal land.

Senator Nelson noted that some of the issues may be addressed if Proposition 110 passes on the November ballot.

Mr. Herb Guenther, Director, Arizona Department of Water Resources, recommended requesting that Arizona's Congressional Delegation change federal law to prevent future negative impact on Arizona.

The committee agreed on three bullet points under State Trust Lands in Attachment A to be part of the final recommendations.

Lawsuits

Representative Jones suggested keeping the recommendation for legislation to give Arizona relief from lawsuits in the interest of private sector stakeholders. The committee agreed.

Regulatory Issues

Ms. Baier recommended removing leases from the definition of "license" in the first bullet point under Regulatory Issues/Recommendations in Attachment A. She also recommended an additional bullet point to further discuss how leases on state trust land can be processed more expeditiously.

Mr. Adkins explained that duplicative requirements were covered by HB 2617.

Senator Nelson suggested a solution be found to keep leases from being delayed due to political agendas.

Joe Dixon, Minerals Division, Arizona State Land Department, explained the current situation with lease renewals that have been put on hold and how they are being resolved. He stated that if there was a situation in particular, he would address it immediately.

Mr. Hefton recommended that permits be added to the discussion of leases.

The committee agreed to leave permits and leases in the recommendations and that performance standards should be set by state agencies working with stakeholders.

Mr. Adkins read the finalized recommendations (Attachment C):

- Federal Issues
- City / County Planning
- State Economic Interests
- Lawsuits
- Regulatory Issues

Public Testimony

David Kimball, Chairman, Environment Committee, Arizona Mining Association, explained that in statute there is a regulatory bill of rights that not only applies to state agencies but also to portions of counties. He requested that the scope of the proposed Ad Hoc Committee be expanded to consider regulatory as well as planning and to include hard rock as well as aggregate mining. He also requested that municipalities be included.

The committee agreed to include municipalities, aggregate mining and regulations.

Norris Nordvold, Intergovernmental Programs Director, Inter Tribal Council of Arizona, read from a letter from the Governor to the Secretary of State (Attachment D) in regards to HB 2617 and stressed that the issues and protections listed in the letter be addressed for the Inter Tribal Council to be in agreement. In addition, Mr. Nordvold said that the Tribal Council is against issuing permits.

Representative Jones recommended that the Tribal representative and the cities be included in the Ad Hoc Committee. He also recommended that the Ad Hoc Committee have a broad scope so as not to restrict discussions.

Sandy Bahr, Conservation Director, Sierra Club – Grand Canyon Chapter, recommended the Sierra Club be part of the stakeholders group at the Ad Hoc Committee meetings and that permits and companies be scrutinized and more public involvement be arranged. She stated that the State should not leave a legacy of pollution.

Jason Baran, Policy & Intergovernmental Relations Manager, Arizona Municipal Water Users Association (AMWUA), stated that the AMWUA is concerned with the Office of Administrative Hearings and recommended more stakeholder attention be given to lawsuits.

Adoption of Final Recommendations

Representative Jones moved the adoption of the Final Recommendations of the Ad Hoc Committee on Mining Regulations (Attachment C). The motion CARRIED with a voice vote.

Attached is a list noting the individuals who registered their position on the agenda issues (Attachment E).

There being no further business, the meeting was adjourned at 12:15 p.m.

Respectfully submitted,

Shelley Ponce
Committee Secretary

(Audio recordings and attachments are on file in the Secretary of the Senate's Office/Resource Center, Room 115. Audio archives are available at <http://www.azleg.gov>)