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Office of the Governor

August 17, 2016

The Honorable Gina McCarthy
Administrator
U.S. Environmental Protection Agency
1200 Pennsylvania Avenue, N.W.
Mail Code 1101A
Washington, DC 20460

Transmitted Electronically

Dear Administrator McCarthy:

I am writing to express serious concerns with a proposal by the Environmental Protection Agency (EPA) to establish financial assurance requirements for the hard rock mining industry under authority of CERCLA Section 108(b). Nevada is home to significant mineral resources and mining has always been a highly regulated and important industry in this State as it employs thousands of highly paid and skilled people.

We take great pride in our State mining regulatory program implemented by the Nevada Division of Environmental Protection (NDEP). This program has been refined over several decades and is both comprehensive and fully protective of the environment. We are often visited by other states and countries looking to emulate our program. A keystone of this program is the financial assurance requirement for mine reclamation costs. **Currently, more than \$2.6 billion in sureties are held for mine sites in Nevada.**

As you are well aware, the EPA is in the process of developing a new and separate bonding requirement for hard rock mines by December 1, 2016. Based on the concepts I have seen from the EPA related to this rulemaking, I am deeply concerned that the proposed regulations will duplicate successful and protective State regulations and that our regulations may even be pre-empted. There would be no environmental benefit gained by such a duplication or pre-emption and yet the consequences would be dire for the industry and Nevada.

Because of the complexity of this undertaking, it is essential that the EPA learns all it can about hard rock mining and the extensive bonding requirements already in place by the federal government and the State of Nevada, in particular. I would also encourage the EPA to travel to Nevada and tour mine sites and learn firsthand how this industry protects the environment and implements mine reclamation.

I urge you to carefully consider the comments provided by NDEP and the Interstate Mining Compact Commission, which are attached for your convenience.

Thank you for your consideration of this matter.

Sincere regards,

A handwritten signature in blue ink, appearing to read "Brian Sandoval".

BRIAN SANDOVAL
Governor