



## EARTHWORKS

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Chairman, Members of the Committee,

I'm here on behalf of SB 218. This bill is very simple. It's about who should pay to clean up after mining – the mining company or the public?

1) Montanans are already paying millions for existing modern mines that failed to provide adequate bonds to cover clean-up costs, particularly the cost of treating water.

At the Beal Mine near Anaconda, roughly \$12.8 million in public funds has already been spent,<sup>1</sup> and another \$22.5 million in public funds has been spent at the Zortman Landusky mine in north Central Montana.<sup>2</sup>

Over the last five years, an average of \$1.5 million in annual water treatment costs at Zortman Landusky has been paid for with public funds<sup>3</sup> - the cost of paying the salaries of 33 teachers. And, there's no end in sight to these costs, because water treatment will be required for the foreseeable future at these sites.

2) Some may claim that inadequate bonding is a thing of the past, but that isn't the case. Modern mines in Montana continue to be under-bonded, putting the State and public at an unacceptable level of financial liability. The Troy and the Montana Tunnels mines are two examples:

- The existing bond at the Troy mine is \$12 million, yet the liability for cleanup is estimated at \$29 million – a shortfall of \$17 million.<sup>4</sup>
- The existing bond at the Montana Tunnels mine is \$18.6 million, although the estimated clean-up liability is \$33.6 million – a shortfall of \$15 million.<sup>5</sup>

3) This bill is important because it focuses on mines with sulfide mineralization. These are the mines most at risk for long-term water quality problems – particularly acid mine drainage. Acid

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<sup>1</sup> U.S. Forest Service, Annual Beal Mountain Reclamation Update by Bob Wintergrerst, July 2014.

<sup>2</sup> MTDEQ, Funding summary of Zortman Landusky expenses from 1999-August 2014, provided by Tom Livers, DEQ Director.

<sup>3</sup> Spectrum Engineering, Zortman and Landusky Reclamation Project, Monthly Summary for Invoice 2014108, March 2014.

<sup>4</sup> U.S. Forest Service, Memorandum from Bobbie Lacklen USFS to Herb Rolfes MTDEQ, Troy Mine Bond Line Items, April 10 2013.

<sup>5</sup> MTDEQ, Copy of 2015 Legislative Request – Operating Reclamation Bonds, February 2016.

mine drainage is difficult to predict during mine permitting. A 2006 study by a Butte mining engineer reviewed hardrock mines throughout the west to see what water quality problems were predicted during the permitting process, and what water quality impacts actually occurred during operations. It found that 100% of the mines were predicted during the permitting process to experience no water quality impacts, and yet 76% of those mines resulted in water quality impacts.<sup>6</sup> The numbers become even more significant with mines at risk of acid mine drainage and near water. In those cases, 92% resulted in impacts to water. Mines with as little as .2% sulfide can result in acid mine drainage.<sup>7</sup>

This bill will protect the state and taxpayers from considerable financial liability.

We urge support for SB 218.

Sincerely,  
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<sup>6</sup> Kuipers, J.R., Maest, A.S., MacHardy, K.A., and Lawson, G. 2006. Comparison of Predicted and Actual Water Quality at Hardrock Mines: The reliability of predictions in Environmental Impact Statements.

<sup>7</sup> White III, Lapakko and Trujillo, "Progress of BLM-funded acid mine drainage research, September 2002.

