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SUPPLEMENT TO THE REPORT BY THE
Comptroller General
OF THE UNITED STATES

Mining On National Park Service Lands--What Is At Stake?

This report supplement contains GAO's analysis and response to the Department of the Interior's delayed comments on the draft of the issued report.

GAO is responding to the comments because Interior failed to address several issues in the report and gave no indication that it would implement or further consider GAO's recommendations. In addition, GAO disagrees with Interior's response regarding the issues it did address.



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REPORT SUPPLEMENT:

THE COMMENTS ON THE DEPARTMENT
OF THE INTERIOR'S REPLY TO THE
JUNE 15, 1981, CONGRESS REPORT
ENTITLED "MINING ON NATIONAL PARK
SERVICE LANDS--WHAT IS AT STAKE?"

This supplement is an integral part of our report entitled, "Mining On National Park Service Lands--What Is At Stake?" (EMD-81-119, September 24, 1981). It contains the Department of the Interior's comments on the draft of that report and our discussion and analysis of those comments. We are addressing the Department's reply in this supplement at the request of the Chairman of the Subcommittee on Mines and Mining of the House Committee on Interior and Insular Affairs. Interior's comments were received too late to be incorporated in the final report and failed to address all the problems we identified.

As is our policy and practice, we asked Interior on June 15, 1981, to furnish us with written comments on a draft of the report within 30 days. On the last day of the 30-day period, Interior officials requested additional time, and we granted a 30-working-day extension. However, despite the extension, Interior failed to get its comments to us within the allowed time and we issued the report.

Furthermore, when the comments were finally received from the Assistant Secretary for Fish and Wildlife and Parks we determined that they did not address many of the problems and issues in our report. Specifically, the Department did not address

- the problems identified with the mining claim validity determination process;
- the weaknesses in the National Park Service's (NPS) environmental analyses of mining in Death Valley and Glacier Bay National Monuments, which were provided to the Congress in 1978 and 1979; and
- the need for the Department to provide the Congress with more accurate and current information regarding the minerals being mined in Death Valley National Monument, especially borates and talc.

The Department limited its response to

- our criticisms of the acquisition cost estimates in support of recommendations that certain mining claims be acquired in Death Valley and Glacier Bay National Monuments, which were submitted to the Congress in 1979;
- our recommendation to amend NPS's regulations to control mining activities on its lands; and
- our recommendation to the Secretary of the Interior to remove the mineral management functions from NPS and consider consolidating them under one Assistant Secretary.

We are responding to the comments, at the request of the Chairman, because the Department gave no indication that it would implement or further consider our recommendations. We hope this analysis will move the Department closer to implementing our recommendations. We are sending copies of this supplement to interested members of the Congress, cognizant committee and subcommittee chairmen, and the Director of the Office of Management and Budget.

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COMPTROLLER GENERAL'S REPORT TO
THE CHAIRMAN, SUBCOMMITTEE ON
MINES AND MINING, COMMITTEE ON
INTERIOR AND INSULAR AFFAIRS
HOUSE OF REPRESENTATIVES

MINING ON NATIONAL PARK SERVICE
LANDS--WHAT IS AT STAKE?

D I G E S T

The 1976 Mining in the Parks Act (Public Law 94-429) prohibited further mineral exploration in six National Park Service (NPS) areas and placed environmental restrictions on development of existing mining claims in these areas--Death Valley, Glacier Bay and Organ Pipe Cactus National Monuments, Crater Lake and Mt. McKinley National Parks, and Coronado National Memorial. The law also required the Secretary of the Interior to submit to the Congress studies of the environmental consequences of mining in these areas accompanied by estimated acquisition costs of mining claims.

Interior submitted three reports to the Congress in 1978 and 1979 regarding Death Valley and Glacier Bay National Monuments and recommended the purchase of certain mining claims in these two areas. At the request of the Chairman of the Subcommittee on Mines and Mining, GAO reviewed the adequacy of the reports submitted. Also, at the Chairman's request, GAO looked at NPS's management of present mining operations in the park areas and the Department's analysis of the mineral policy implications of the Act.

GAO found that Interior's reports do not provide the Congress with the information needed to weigh the environmental effects of mining against the cost of acquiring claims in these NPS areas. The environmental and cost data are misleading and inaccurate because they were developed in a hypothetical and generalized manner. Further, GAO believes that the recommendations based on this data could result in court awards substantially in excess of Interior's acquisition cost estimates. (See p. 7.)

In addition, GAO found that Interior has not adequately analyzed the mineral policy implications of the Mining in the Parks Act. (See p. 33.)

INADEQUATE ANALYSIS OF DATA

There were weaknesses with the data developed by Interior. NPS believed they were caused in part by the limited time period--2 years--authorized by the Congress to prepare the necessary studies. In addition, GAO found that the lack of proper planning, review, and coordination by other Interior officials contributed to these weaknesses. NPS was delegated the responsibility of implementing the requirements of the law with little or no link with Interior's Bureau of Mines and U.S. Geological Survey, two agencies with the capability of providing advice and information on mineral related issues. (See p. 8.)

Before determining which mining claims the Federal Government should acquire, Interior should have determined which mining claims were valid. However because of problems and delays in the validity determination process, the status of almost 50 percent of the mining claims is still in doubt almost 5 years after the law was enacted. Realizing that this task would not be completed in time, NPS officials further concluded that they lacked sufficient time to conduct a claim-by-claim assessment of data relating to the environment and cost. NPS officials then proceeded with developing the required data in a hypothetical and generalized manner. (See p. 12.)

The analyses of the environmental consequences of mining in Death Valley and Glacier Bay National Monuments are so vague and generalized that they are of little use for determining the possible environmental impacts of mining in these areas. The analyses contain little or no discussions of the steps that could be taken to minimize adverse impacts and thereby lessen the need to acquire certain mining claims. (See p. 18.)

The cost estimates submitted to the Congress to purchase certain mining claims in Death Valley and Glacier Bay National Monuments were not supported by sufficient documentation and are unreliable and misleading. In addition, much disagreement exists among NPS officials, consultants hired by NPS, and consultants hired by the claim owners as to the worth of the mining claims recommended for acquisition. (See p. 22.)

Because of the hypothetical and generalized manner in which the data were developed, GAO believes that the recommendations are inadequate for determining which mining claims should be acquired.

NPS BELIEVES MINING
MANAGEMENT IS SOUND

Regarding NPS's management of present mining operations in the park areas, NPS officials told GAO that their regulations prevent unnecessary surface disturbance and minimize adverse environmental effects. In fact, in Death Valley National Monument, the area with the most mining activity, very little surface disturbance has occurred since 1976, yet mineral production has increased. Underground mining rather than surface mining has predominated since 1976.

However, representatives of mining companies in Death Valley provided GAO examples in which NPS officials, when implementing the regulations, had not considered less costly means to achieve the same environmental protection results. (See p. 30.)

MINERAL POLICY IMPLICATIONS
OF MINING IN THE PARKS ACT

Closure of the six NPS areas to further mineral exploration means that no additional discoveries of valuable mineral deposits will occur, and the mineral value of the affected lands will remain uncertain. Recent legislation, however, including the National Materials and Minerals Policy, Research and Development Act of 1980 and the Alaska National Interest Lands Conservation Act of 1980, shows the desire of the Congress for better information regarding mineral resources to support land use decisions.

Based on its review, GAO found that Interior has not adequately analyzed the mineral policy implications of Public Law 94-429, especially regarding Death Valley, which contains significant mineral deposits. The analyses performed left many questions unanswered, such as what would be the price of substituting these minerals once current production ends. Therefore, the potential long-term effects on mineral resources of withdrawing the six park units and acquiring valid mineral properties remain essentially

unanswered. These are largely matters of mineral policy that should be addressed by the Congress. (See p. 33.)

MATTERS FOR CONSIDERATION
BY THE CONGRESS

The Congress should consider the need for the Federal Government to acquire additional information about the significant mineral potential of Death Valley National Monument. This information could be used for any future land use decision regarding the monument. (See p. 40.)

RECOMMENDATIONS
TO THE CONGRESS

The recommendations that the Secretary of the Interior submitted to the Congress in 1979 regarding the acquisition of certain mining claims in Death Valley and Glacier Bay National Monuments are based on vague and misleading information. Any action by the Congress to implement these recommendations could result in court awards or settlements which could substantially exceed the Government's acquisition cost estimates. Therefore, GAO recommends that the Congress base no decisions on the Secretary's recommendations submitted in 1979 to acquire mineral properties in Death Valley and Glacier Bay National Monuments. Before taking any action, the Congress should await new recommendations by the Secretary based on more adequate analysis. (See p. 41.)

RECOMMENDATIONS TO THE
SECRETARY OF THE INTERIOR

GAO recommends that the Secretary:

- Notify the Congress that the Department no longer supports its recommendations made in 1979 to acquire certain valid unpatented and patented mining claims in Death Valley and Glacier Bay National Monuments.

- Reexamine the need to acquire any mining claims in Death Valley and Glacier Bay National Monuments based on the progress to date in regulating mining activities to prevent adverse environmental effects and submit new recommendations to the Congress.

--Insure that any future recommendations to the Congress to acquire mineral properties on NPS lands be made only after determining what is at stake for all aspects of the public interest.

Because of the problems identified in this review resulting from the lack of effective coordination among the various agencies within Interior and the lack of concern for the management of Federal mineral resources expressed by NPS officials, GAO recommends that the Secretary:

--Remove the mineral management functions, including the mineral examination function, from NPS.

--Consider the need to consolidate all of the Department's mineral management functions under a single Assistant Secretary.
(See p. 42.)

AGENCY COMMENTS

Though the Department of the Interior was requested to review and comment on the draft of this report, comments were received too late to be incorporated in this report. The comments do not change GAO's conclusions or recommendations and GAO will respond to them in a separate report.

CHAPTER 2

GAO'S ANALYSIS AND RESPONSE

TO INTERIOR'S COMMENTS

This chapter presents our analysis and response to the Department of the Interior's comments. We also discuss the problems identified in our report which Interior failed to address because we believe there is a risk that Interior may continue to ignore these matters. We hope this analysis will move the Department closer to implementing our recommendations.

Discussion of mining claim validity determination process-- no Interior response

The Department failed to address the problems we identified with the mining claim validity determination process. It did not discuss why the status of almost 50 percent of the 1,310 mining claims recorded in the six park areas is still in doubt five years after the enactment of Public Law 94-429, which mandated that the determinations be made. The Department did not indicate what, if any, actions it could or would take to speed up the validity determination process, such as increasing the number of administrative law judges assigned to the mining claim validity hearings for the affected areas. The time involved in the validity determination process is significant because, until a mining claim is determined to be valid, 1/ NPS will not approve a mining plan of operation or permit claim holders to work claims. The chart on page 13 of the report shows the number and status of the mining claims in the six park areas.

Chapter 3 of our report points out specific problems with Interior's process for determining the validity of the mining claims in the affected areas. As stated on page 15 of the report, there was concern among Members of Congress and some Interior officials as to the wisdom of allowing NPS to perform the mineral examination function, a key element of the process. These individuals feared that the findings of NPS mineral examiners would not appear objective because of NPS's single-use mandate--park preservation. In fact, all of the claim holders we spoke with, including the representatives of each of the major companies in Death Valley National Monument, told us that they believe they were treated unfairly, even to the point of viewing the system as deliberately biased against them.

1/For the purpose of this report, a valid mining claim is any mining claim that has met the requirements set forth by the U.S. General Mining Laws and the Department of the Interior.

Although we are not suggesting that there were problems with all the mineral examinations conducted by NPS, we question whether the delegation of this function to NPS made good management sense, since the validity determination process should be free of even the appearance of unintended bias. In fact, our report did identify problems which may have contributed to the feelings of the claim holders that the system was prejudicial. For example, one NPS mineral examiner recommended that all 50 mining claims located by one claim holder be declared invalid. Thirty-two of the claims have since been found valid, 1/ and it was discovered during the administrative hearings that nine of these claims had been contested before NPS's mineral examiner completed his analysis of the available information regarding the claims. Further, NPS's mineral examiner conceded during cross examination in the hearings that one of the claims he contested was, in fact, valid.

Discussion of NPS's environmental analyses for Death Valley and Glacier Bay--no Interior response

As stated in chapter 4 of our report, NPS analyses submitted to the Congress on the environmental consequences of mining in Death Valley and Glacier Bay National Monuments are so vague that they are of little use for decision-making. The Department failed to address this problem in its response to us.

The environmental analyses are important to Congress, because the selection of mining claims for acquisition is supposed to be based on them. However, because the analyses are vague and incomplete, Interior has failed to provide the Congress the information necessary to make a balanced decision between environmental and economic concerns. As a result, Interior's recommendations based on this data should not be used by the Congress for making a decision on purchasing mining claims in these NPS areas. The report contains a detailed discussion of the weaknesses of the environmental analyses on pages 18 through 21.

Discussion of NPS's mineral analyses--no Interior response

Chapter 6 of the report notes that Interior has not fully analyzed the mineral supply implications of its recommendations to the Congress. Specifically, Interior failed to assess adequately the effects of acquiring the mining claims on the U.S. need for the minerals and the cost to replace them from other sources. NPS did perform some mineral analyses regarding the talc and borate deposits in Death Valley, but as explained in chapter 6, they contained certain weaknesses.

Chapter 6 discusses the weaknesses of the mineral analyses Interior provided the Congress. Interior did not comment on our

1/ An additional 16 claims have been found valid since our report was issued.

criticism of its mineral analyses or on the need for updated and accurate information regarding the areas in question. We believe that the Congress needs this information in order to make a decision that would be in the best public interest.

Evaluation of Interior's response
on acquisition cost estimates

In defending its acquisition cost estimates Interior stated that the estimates furnished the Congress in support of recommendations were estimates of value and cannot be compared to the detailed, site-specific appraisal reports that serve as the basis for the Government's offer of just compensation when it seeks to acquire a particular property. It also stated that cost estimates must rely on data that is readily at hand and that these limiting conditions are implicit in any cost estimate. Further, it said that these limitations are well known to the members of the congressional committees who would act on the Department's recommendations.

As explained in chapter 5 of the report, we understand that the acquisition cost estimates were by necessity professional opinions based on the experience, knowledge, and training of NPS appraisers making the estimates. However, our review of the methodology for developing the cost estimates indicates that they are not supported by sufficient documentation to justify them. In particular, we found a lack of documentation describing the process and assumptions applied by NPS in developing the estimates. On pages 22 through 29 of the report, we present our detailed analysis of the cost estimates, explaining their weaknesses and why the estimates should not be used for decision-making purposes.

We strongly disagree with the Department's statement that the limitations of the cost estimates are well known to members of Congress who would be acting upon the Department's recommendations. The recommendations submitted by the Department in 1979 specified that the mining claims in Death Valley National Monument could be acquired for a minimum of \$650,000 and the mining claims in Glacier Bay National Monument for a minimum of \$100,000. There was no explanation that the cost estimates were gross rather than site-specific estimates, nor was there any warning as to the possible inaccuracy of the estimates.

Interior stated that the wide differences of opinion among NPS, Bureau of Mines, and other Interior officials, consultants hired by NPS, and private claim holders and consultants hired by the claim holders was to be expected. It also contended that these differences neither refute nor support the validity of the estimates by any of the parties. It further stated that the estimates by the private claim holders are no better substantiated than NPS's estimates. Interior believes that its acquisition cost estimates are the best that could be prepared under the circumstances.

Unfortunately, the Secretary of the Interior submitted the acquisition cost estimates to the Congress without even attempting to reach agreement within the Department as to the potential costs. Lacking consensus, a range of estimates could have been submitted. At a minimum, we believe that the Department should have submitted, along with its recommendations, an explanation that the estimates were based on little supporting data and were essentially the opinion of one NPS official, the now retired Chief of the Mining and Minerals Division. In fact, other NPS officials could not explain how the cost estimates were developed.

The Department's statement that its estimates are no better or worse than those of other Interior officials or claim holders mentioned in our report evades recognition of the extreme variation in the cost estimates. We pointed out in the chart on page 27 of the report that the range of estimates for Death Valley National Monument varies greatly. Even more extreme, the NPS estimate to buy out the mining claims in Glacier Bay National Monument is \$100,000, but a former Director of the Bureau of Mines estimated that the mining claims could be worth as much as \$300 million. The Director also suggested that a court could compensate the claim holders for the cost incurred in discovering, exploring, and perfecting the claims, which could total anywhere from \$10 million to \$30 million. Further, the Director estimated the value of the ore deposits of the claims at around \$3.5 billion at 1979 market prices.

Although we do not endorse any of the estimates, Interior's admission that its cost estimates are no better supported than the estimates of industry and other Government officials further supports our recommendation that no decisions should be based on them. Interior's estimates should be reliable and adequately supported. At present, no one can be sure of what the potential cost of acquiring the mining claims could be.

We continue to believe that the Department erred in submitting the hastily prepared recommendations and reports to the Congress in 1979. The acquisition cost estimates were to be used as a basis for congressional action if the Congress decides acquisition of the mineral properties is in the public interest. If the Congress attempts to acquire the mining claims without agreement from the claim holders, the final selling price will be determined by the courts. Therefore, we believe it is imperative that the Congress have reliable estimates or ranges of estimates of the potential cost of acquiring mineral properties. By the Department's own admission, this information has not been provided.

We strongly believe that the Department should do as we recommended--notify the Congress that it no longer supports its 1979 recommendations and reexamine the need to acquire any mining claims in the affected areas. Failure to do so could lead the Congress to act on faulty data and result in court awards or settlements which could substantially exceed the Department's

cost estimates. The Congress, by acting on this information, could then be faced with very large, unexpected obligations.

Evaluation of Interior's response
on NPS's mining regulations

Interior stated that there is considerable discussion in the report indicating that the NPS's regulations are burdensome and that reviews of mining plans of operations are excessively time-consuming. It stated that the regulations developed by NPS are based on the premise that preservation is paramount to economic uses in the National Park System. Finally, Interior points out that there has not been a single claim for loss filed under Public Law 94-429 or a single offer to sell resulting from undue hardship of continued ownership. The Department concludes that this record does not substantiate GAO's contention that the review process is excessively time-consuming.

As stated in chapter 6 of the report, the regulation of mining to ensure environmental protection apparently has thus far been successful--mining has occurred with acceptable surface disturbance and limited environmental damage. However, we point out that in some cases NPS had not considered less costly means of achieving the same results. On pages 32 and 33, we cited examples of seemingly arbitrary actions on the part of NPS officials in implementing the regulations. In one case, we had a BOM official review the technical support of a regulatory action. This official agreed that NPS was not acting on the best information in requiring changes to a mining plan of operation. These required changes resulted in uneconomic mining practices. Although this action did not lead the affected company to the drastic measure of filing for a loss or offering to sell, it may have been unnecessarily costly.

We agree that environmental protection is of prime concern when implementing mining regulations in the protected areas. However, in achieving the level of desired protection, an economic evaluation of the mining operation should be performed. We believe that NPS officials should be required to justify and support their modifications to mining plans which impose significant cost increases. Required changes to mining plans should be made only after a careful consideration of all the costs and benefits of the proposed major changes. As noted in the report, such a procedure by NPS would be consistent with the surface protection procedures of the Department of Agriculture's National Forest Service, which require an economic evaluation during the mining plan approval process.

The Interior Department, in citing the fact that no claim holder has filed a claim for loss under the pertinent sections of the Mining in the Parks Act as proof that NPS is implementing the regulations properly, ignores the claim holders viewpoint. The claim holders we spoke with said that disagreements settled through negotiations take less time and cost less than legal suits. These

companies, therefore, have not filed a loss under the act, they say, to avoid the legal expenses and time it would involve.

The Department also stated that approval for the 30 approved mining plans of operations in Death Valley National Monument was given within the 60 days prescribed in the regulations, with one exception where an additional 30 days was required. The Department failed to note that NPS's official review period for approval does not begin until the plan has met all NPS requirements. NPS officials told us that they will not accept a plan for review until all NPS changes to the plan have been incorporated. The plan is then officially submitted, and NPS then has 60 days to formally approve it. Mining operations cannot begin until the plan is formally approved. As discussed on page 33 of the report, we reviewed the time it actually took for approval of the 11 original mining plans and the 9 revisions and supplements to the plans submitted at the time of our review and found that approval time ranged from 1 month to 16 months.

Evaluation of Interior's response on its minerals management structure

In response to our recommendation regarding the consolidation of Interior's mineral management functions, Interior stated that such a move would have far-reaching implications and require careful study. It stated that mineral management functions are found under the Assistant Secretary for Fish and Wildlife and Parks, the Assistant Secretary for Land and Water Resources, and the Assistant Secretary for Energy and Minerals. It contends that the division of responsibility works effectively, and to place all the responsibility for minerals management under one Assistant Secretary could result in conflicting demands between preservation and multiple uses.

The findings of this review and other previous and ongoing GAO work disputes the Department's belief that the division of responsibility for the mineral management functions works effectively. The lack of coordination and review between NPS and other Interior agencies was the cause of some of the problems identified with the validity determinations, environmental analyses, the acquisition cost estimates, and the resulting recommendations to the Congress. Thus we continue to believe that consolidation of Interior's minerals management functions under one Assistant Secretary may be necessary.

As noted on page 9 of the report, in 1976, the Acting Director of the Bureau of Mines informed the Assistant Secretary for Energy and Minerals that the Department's expertise for carrying out the mineral responsibility of Public Law 94-429 rested in agencies other than NPS. He recommended that a division of labor be established among all the concerned agencies to insure that the Secretary of the Interior carried out all his responsibilities. The responsibilities arose under the mining and leasing laws,

the Mining and Minerals Policy Act of 1970, the Defense Production Act of 1950, and the Strategic and Critical Materials Stock Piling Act of 1939. Requirements of all these laws would have to be considered to assure that mineral potential was adequately assessed in Departmental actions affecting individual Federal land use decisions. However, despite the Director's concern, we found that NPS was almost solely responsible for implementing Public Law 94-429. Other Interior agencies had little or no input into the development of the information required by Public Law 94-429, even though they had strong and well-reasoned opinions.

We agree with Interior that consolidation of the minerals management functions would have far-reaching implications and require careful study. We recommended the consideration of the consolidation of these functions because we believe that such a reorganization would help Interior prevent the kinds of mistakes from occurring that we found during this review and would improve the reliability of information supporting congressional and administrative decisions.

Our concern for the need to consolidate the minerals management functions is supported by the Bureau of Mines. In a July 10, 1981, memorandum, (see appendix II) the Director of the Bureau of Mines notified the Director of NPS that the Bureau concurred with all the conclusions and recommendations of the draft report and strongly supported them. However, Interior's formal comments to GAO made no mention of this and seem to represent only the opinions of NPS officials.

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In summary, we believe that our report objectively points out problems with the information Interior provided the Congress in 1979 and a continuing lack of consistent minerals management policymaking within the Department. We believe implementation of our recommendations is necessary to prevent repetition of the same mistakes.

Section 236 of the Legislative Reorganization Act of 1970 requires the head of a Federal agency to notify the Congress about actions taken on GAO recommendations not later than 60 days after the date of the report. We will continue to monitor and follow up on Interior's actions regarding this matter.



United States Department of the Interior

OFFICE OF THE SECRETARY
WASHINGTON, D.C. 20240

SEP 2 1981

Mr. J. Dexter Peach
Director
Energy and Minerals Division
U.S. General Accounting Office
441 G Street, N.W.
Washington, D.C. 20548

Dear Mr. Peach:

This is in response to your recent letter requesting comments on a draft report by the General Accounting Office (GAO) entitled, "MINING OF NATIONAL PARK SERVICE LANDS - WHAT IS AT STAKE?".

A number of technical discrepancies appeared in the draft report, and we believe these have been resolved on an informal basis between GAO's examiners and staff of the National Park Service. Accordingly, we will limit our discussion to the three main subjects covered in the report: 1) acquisition cost estimates, 2) mineral production under regulation, and 3) the recommendations that mineral management functions be removed from the National Park Service and that all such functions be consolidated under a single Assistant Secretary. Our comments on each of those subjects follow:

Acquisition cost estimates

GAO is particularly critical of the cost estimates furnished Congress in support of recommendations that certain mining claims be acquired. Cost estimates are gross estimates of value and cannot be compared to the detailed, site-specific appraisal reports that serve as the basis for the Government's offer of just compensation when it seeks to acquire a particular property. Cost estimates must rely on data that is readily at hand; neither time nor funds for a concerted research effort to develop new data is available for the preparation of an estimate. These limiting conditions are implicit in any cost estimate, and we believe these limitations are well known to the members of the committees who will act on the Department of the Interior's recommendations.

GAO noted that there are wide differences of opinion as to value of various mineral properties among the National Park Service, consultants, and claimholders. Such differences are to be expected and they neither refute nor support the validity of the value estimate by any of the parties. The claims of much higher mineral values by industry representatives and others quoted in the draft report are

no better substantiated than the National Park Service estimates. The fact of the matter is that no one can be certain of mineral values until the minerals have been mined and marketed. Of course, where the objective is to preserve an area in its natural, undisturbed state, such means of ascertaining value are not possible. We believe that the estimates furnished by the Service are the best that could be prepared under the circumstances.

Mineral production under regulation

The National Park Service has a dual mission of preserving natural, cultural, and recreational resources while at the same time providing for their enjoyment by this and future generations. The Mining in the Parks Act sought to place the exploration for and extraction of minerals at a level consistent with that dual mission. Accordingly, regulations issued by the National Park Service for implementation of the Act are founded on the premise that preservation is paramount to economic uses in the National Park System. There is considerable discussion in the draft report indicating that the Service's regulations are burdensome and that reviews of plans of operation are excessively time-consuming. The fact is that since development of the regulations 4 1/2 years ago, 30 plans of operation involving 16 mines have been approved. Approvals of five plans were pending at the time of issuance of the draft report, and two plans have been denied pending a decision on validity of the mining claims involved. For the 30 approved plans, once submissions were complete, approval was given within the 60 days prescribed in the regulations with a single exception where an additional 30-day period was required. This record does not substantiate the contention that the review process is excessively time-consuming. Moreover, there has not been a single claim for loss filed under Section 11 or a single offer to sell, because of undue hardship of continued ownership, under Section 12 of the Act. Both sections would have provided direct relief had the operators thought the regulations too burdensome, but they have apparently not felt the need to avail themselves of it.

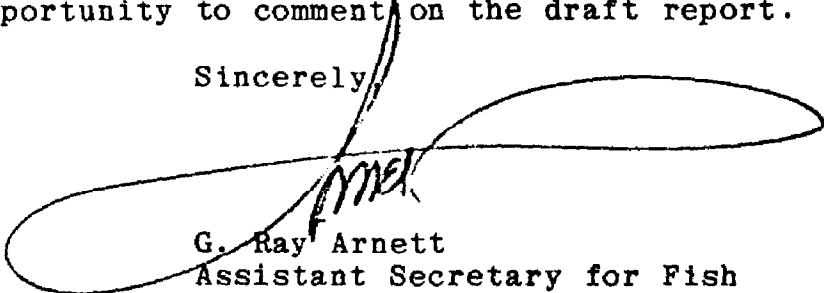
Recommendations that mineral management functions be removed from the National Park Service and consolidated under a single Assistant Secretary

At the present time mineral management functions in the Department of the Interior are found under the Assistant Secretary for Fish and Wildlife and Parks, the Assistant Secretary - Land and Water Resources, and the Assistant Secretary - Energy and Minerals. The division of responsibilities has evolved over an extended period and reflects the diversity of missions found in this Department. Some agencies, especially the National Park Service, have as a primary responsibility the preservation of certain natural values. Other agencies, notably the Bureau of Land Management, have the

responsibility for assuring the multiple uses of various resources. Where sister agencies have overlapping responsibilities, they must reach agreement on how to work cooperatively to reach their respective goals. In many instances they have developed memorandums of understanding to govern their actions. Thus the investigations preceding a hearing on the validity of a mining claim in a unit of the National Park System are made by the National Park Service, but the hearing itself is conducted by the Bureau of Land Management, which has experience in that aspect of the process. The division of labor works effectively; to vest all responsibility in one agency or under one Assistant Secretary could result in conflicting demands between preservation and multiple uses. Therefore, if the final GAO report retains these recommendations, there could be far-reaching implications for the organizational structure of this Department. Careful study would be required before the Department could submit its proposed actions on such recommendations to the appropriate Congressional committees.

We appreciate the opportunity to comment on the draft report.

Sincerely,



G. Ray Arnett
Assistant Secretary for Fish
and Wildlife and Parks

July 10, 1981

Memorandum

To: Director, National Park Service

From: Director, Bureau of Mines

Subject: GAO Draft Report, "Mining of National Park Service Lands—
What is at Stake?"

At the request of the Director of Budget, memorandum dated June 17, 1981, we are forwarding our comments on this draft report to you.

The Bureau of Mines concurs with all the conclusions and recommendations of this GAO draft report. In particular, we strongly support the following recommendations: 1) the rescission of the Department of Interior's recommendation made in 1979 that Congress acquire mining claims in Death Valley and Glacier Bay National Monuments; 2) re-examination of the need to acquire any mining claims in the two National Monuments; and 3) the consolidation of all Department minerals management functions under the Assistant Secretary--Energy and Minerals.

In addition, some textual comments are offered for clarity.

- 1) ulexite and probertite are two separate minerals, therefore wherever ulexite probertite appears in the text, it would be more appropriate to say ulexite and probertite or ulexite/probertite; and
- 2) it seems important to note that on page 6-10 the "31,000,000 tons of borate reserves" in Death Valley National Monument constitute approximately 80 percent of identified U.S. reserves. Furthermore, in relation to the statement that major U.S. consumers of borate minerals "would be totally dependent on foreign sources for certain borate minerals if the mines in Death Valley ceased production" it is relevant that the U.S. already imports 80 percent of the colemanite needed to satisfy domestic demand.

Please contact us in case of questions or if additional comment is needed.

HERMANN ENZER

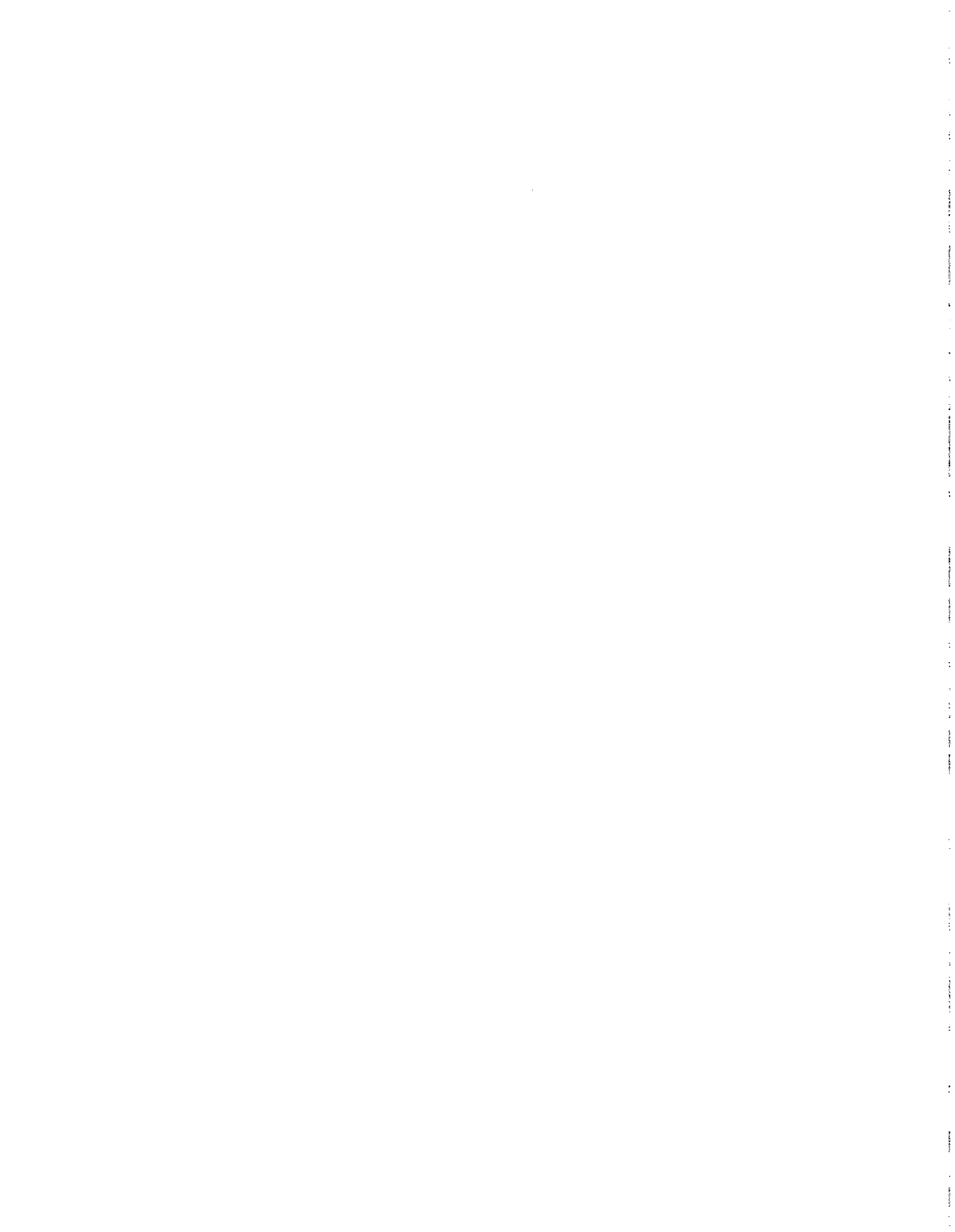
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