

1997-98 SESSION  
COMMITTEE HEARING  
RECORDS

Committee Name:

Senate Committee on  
Agriculture and  
Environmental  
Resources  
(SC-AER)

Sample:

- Record of Comm. Proceedings
- 97hrAC-EdR\_RCP\_pt01a
- 97hrAC-EdR\_RCP\_pt01b
- 97hrAC-EdR\_RCP\_pt02

➤ Appointments ... Appt

➤

➤ Clearinghouse Rules ... CRule

➤

➤ Committee Hearings ... CH

➤

➤ Committee Reports ... CR

➤

➤ Executive Sessions ... ES

➤

➤ Hearing Records ... HR

➤ 97hr\_ab0586

➤ Miscellaneous ... Misc

➤

➤ Record of Comm. Proceedings ... RCP

➤



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## WISCONSIN LEGISLATIVE COUNCIL STAFF MEMORANDUM

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DATE: January 21, 1998  
TO: REPRESENTATIVE LORRAINE M. SERATTI  
FROM: William Ford, Senior Staff Attorney  
SUBJECT: Assembly Substitute Amendment 1 to 1997 Assembly Bill 586

### **INTRODUCTION**

This memorandum describes Assembly Substitute Amendment 1 to 1997 Assembly Bill 586 (the "Substitute Amendment"), relating to requirements concerning metallic mining. The Substitute Amendment was recommended for passage by the Assembly Committee on Environment on November 11, 1997. The Substitute Amendment would make six separate changes in the laws relating to metallic mining. These are described below:

#### **1. "Net Worth" Method of Maintaining Proof of Financial Responsibility Prohibited for Mine Waste Facilities**

Under current law, the owner of a solid or hazardous waste disposal facility is required to maintain proof of financial responsibility for the costs of closure of the facility and for care of the facility after it closes. [subch. IV of ch. 289, Stats.] The law authorizes several methods of maintaining proof of financial responsibility, including providing a bond, a deposit, an escrow account, an irrevocable letter of credit or a financial commitment satisfactory to the Department of Natural Resources (DNR). [s. 289.41 (3), Stats.] The law also provides that proof of financial responsibility may be established by the "net worth method." Under this method, the department may determine that proof of financial responsibility is met if the owner or operator of the solid or hazardous waste disposal facility meets certain financial criteria. These criteria include a requirement that the net worth of the company must equal or exceed six times the estimated total costs of compliance with the closure and long-term requirements for the waste facility, that the net worth of the company must equal or exceed \$10 million and certain other criteria designed to measure the financial health of the company.

The Substitute Amendment *prohibits* the use of the net worth method of proof of financial responsibility for "an approved mining facility." An approved mining facility is a facility

**6. Qualifications Established for Certain Persons Involved in Constructing the Mining and Tailings Site**

The Substitute Amendment would require a mining operator to contract with a quality assurance contractor to monitor the initial construction on a mining site and the installation of any liner and vinyl cover for the tailings disposal area. In addition, the Substitute Amendment would require that all individuals who install a liner or vinyl cover for a tailings disposal area must be certified by the National Institute for Certification of Engineering Technicians or another entity specified by the DNR by rule.

Please contact me at the Legislative Council Staff offices if I can be of further assistance.

WF:wu:kjf;lah



Memo

**TO:** Senate Committee on Agriculture and Environmental Resources  
**FROM:** Joan Hansen, Director Tax & Corporate Policy  
**DATE:** March 18, 1998  
**RE:** 1997 Assembly Bill 586 - Inspection of Metallic Mining Sites

Wisconsin Manufacturers & Commerce (WMC) opposes Assembly Bill 586 because it imposes duplicative regulatory oversight to the metallic mining industry, arguably the most regulated industry in the state.

Under current law, the Department of Natural Resources already has the authority to address most of the issues raised in the legislation. Furthermore, the bill is redundant and moves in the opposite direction of current environmental policy-making.

More specifically:

*Financial Responsibility:*

AB 586 repeals (for only the metallic mining industry) one of the standard methods of providing proof of financial responsibility. Under current law, any solid/hazardous waste facility has the option to use a parent company as proof of financial guarantee. AB 586 takes this option away from mining operations and requires a bond be posted instead.

*Data Collection:*

Other sections of the bill require the mining operation to collect baseline data on a number of items, all of which the DNR can already require. For example, in the Environmental Impact Statement, the Nicolet Mining Company has already been required to submit information regarding the natural conditions in the environment including weather and catastrophic geological events. Again, this is a redundant requirement.

*Identifying Mine Sites:*

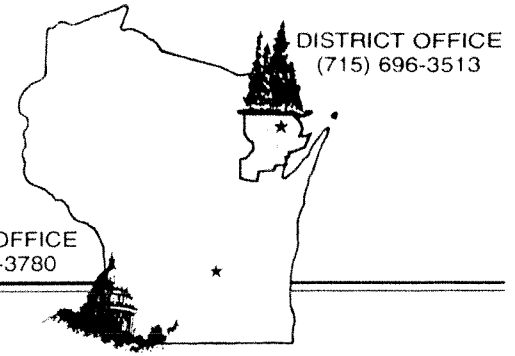
Another area of concern, is contained in section 6. Section 6 requires the DNR to identify mining operations in North America that, within twenty years before a notice of intent is filed, have caused significant environmental harm that is similar to the environmental harm that could result from the proposed mining operation.

It further states that the applicant must as part of the permitting process 1) identify the construction techniques, mining technologies, operational procedures and other factors that resulted in environmental harm; 2) evaluate how this harm will be avoided or mitigated in connection with the proposed operation; and 3) develop a contingency plan to mitigate the effects of environmental harm identified by the department. This is so incredibly broad that one could argue this will extend the already long permitting process for months or even years.

LORRAINE M.  
**SERATTI**

STATE REPRESENTATIVE  
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**REPRESENTATIVE LORRAINE M. SERATTI**  
**ANALYSIS OF AB 586**  
**Mining Environmental Protection Act**  
**(MEPA)**

- Requires DNR to identify mining operations that have caused environmental harm in other states and countries.
- Requires mining applicant to : 1) identify the construction techniques, mining technologies and operational procedures that resulted in the environmental harm identified by the DNR; 2) evaluate how the proposed mine and reclamation plan will ensure that such environmental harm will be avoided or mitigated; and 3) develop a contingency plan to mitigate the effects of the environmental harms identified by the DNR.
- Requires mining permit applicant to collect baseline data regarding natural conditions likely to be affected by the proposed mine.
- Requires mining applicant to include a comprehensive study of weather conditions and geological conditions at the proposed mining site

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**Chair:** Small Business and Economic Development Committee • **Vice Chair:** Mandates Committee

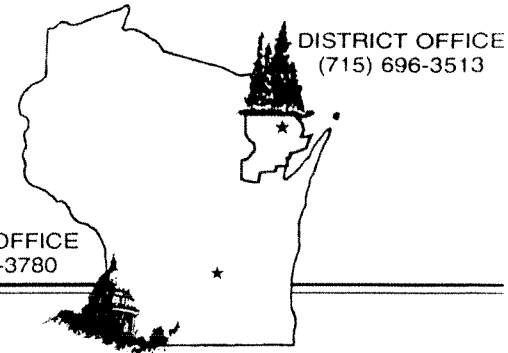
**Member:** Ways and Means Committee • Children and Families Committee • Rural Affairs Committee  
Special Committee on State and Federal Relations • Legislative Council • Governor's Council on Forestry  
Council of State Government's, Midwest and Canada Relations Committee

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Rep. Seratti

AB 586

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- Requires DNR or its agents to inspect all phases of construction and operation at a mine.
- Require mine operator to pay fee to cover costs of inspections of mine construction and operation.
- Requires DNR to inspect installation of any liner for a tailings disposal area.
- Requires individuals installing liners for tailings disposal area to be trained and certified by the manufacturer of the materials used for liner.
- Bill prohibits the use of the net worth method of proof of financial responsibility for a solid or hazardous waste disposal facility that accepts primarily mining waste.

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Photo's taken by  
State Representative  
Lorraine M. Seratti  
enroute to the  
Summitville Mine  
area. (Spring 1997)

This distribution has been  
authorized by

*Lorraine M. Seratti*  
Signature

