

MINUTES
REGULATORY POLICY SUBCOMMITTEE
COMMITTEE ON MICHIGAN'S MINING FUTURE

Virtual Teams Meeting

October 1, 2020 – 1:00 pm to 3:00 pm

Roll Call

Sean Hammond – present
Jim Kochevar – present
Jerry Maynard – absent
Sharon Schafer – present
Adam Wygant – present
Hal Fitch – present
Kirk Lapham – present
Anna Edigar – present
Mike Sweat – present
Mark Snow – present

List of Regulatory Policy Subcommittee Topics will be discussed and reviewed for clarity.

We have different mines. The Back 40 has knowledge of underground potential. It's still hard to permit it though.

There is a proposal to allow township taxation of reserves even if they are not developed. This falls under the General Property Tax Act. There are large land holding companies that have minerals. Mining is imminent; metals and minerals don't mean the property will be mined or taxed. If you look closer at the tax assessment, it goes toward businesses. Part 632 has provisions to assess reserves.

Going after some reserves is more economical. You can revitalize something old, but you would need to know what the reserves are. A reserve is defined as something that has been deemed recoverable. It can be economically feasible. A lot of material can be pulled together. The challenges are with the wetlands or waterbodies. Part 632 allows you to have access alternatives if you have a potential greenfield site.

Senator McBroom's Senate Bill 1121, sections 1 and 6 will upgrade requirements for a mine inspector. We need to identify MSHA's role and county mine inspector roll. Sometimes the owner is responsible for fencing. Counties without inspectors need to be educated. Section 8 of this bill discusses liability. Counties are struggling to find

inspectors due to liabilities. What do we want people to be responsible for? The public might want assurance for regulatory policy.

Is ownership a service or mineral right? Legally speaking, it is an unanswered question.

If you put rock from a site in a waste rock pile, then it's recoverable and someone wants to remine it, is the mineral owner out of the picture?

Items 9 (tax assessment on mineral reserves) and 11 should be referred to the Social, Economic, and Labor Subcommittee.

A motion was made by Hal Fitch to move item 9 and 11 to the Social, Economic, and Labor Subcommittee. Sean Hammond seconded this motion, and it passed.

The report structure was discussed, and this will be brought up at the Committee on Michigan's Mining Future meeting on October 13, 2020, to discuss these concerns. This can be discussed with the committee as a whole.

Aggregates are part of regulated mines in Michigan. Industrial minerals don't have regulations but there is a concern. We need to identify the concern as it is a part of mining in Michigan right now. Some issues need a broader sampling of concerns from input and information from the community.

We, as member should draft our concerns and have the other subcommittees put a list of their concerns together. We have three months until the next meeting in January to get information and invite people to this meting to answer questions we have. Minnesota sent questions to industry, but we could expand to interest groups as well.

Hal will consolidate topics to make them more concise and send to the subcommittee members for comments. Member scan identify what they foresee coming out of this report to discuss at the main committee.

Upcoming meeting dates: November 12 from 1:00-4:00 pm
December 10 from 1:00-4:00 pm

Sean Hammond and Jim Kochevar will look for interest groups to invite to upcoming meetings.

Meeting adjourned at 2:21 p.m.

Regulatory Policy Subcommittee Topics

1. Review current regulations and economic/environmental requirements for mineral extraction and exploration - especially as they compare to those in other states.
2. Evaluate and recommend policy regarding cultural resources at proposed mining sites (consider sites eligible for listing as well as those listed). **Combine with #1**
3. Discourage frivolous lawsuits. Protect taxpayers and the company's investment. **Combine with #1**
4. Evaluation of current Mine Inspector Law and potential changes to reflect current regulation, activity, and beneficial reuses of old mine workings. **Combine with #5**
5. Update the State statute related to County Mine Inspector. Act 163 of 1911 to my understanding, has pretty much been unchanged for the past 40 years. It is also my understanding that Marquette County Commissioners are looking at reducing the Salary and eliminating the benefit package of our Marquette County Mine Inspector. Maybe it's time that this statute is updated.
6. Preserve the current reasonable, fair, and effective business and regulatory environment (tax policy, general health and economy of the state, that currently exists in Michigan so that Michigan-based mining remains competitive if future market conditions warrant idling or retirement of excess U.S. iron ore pellet production capacity. In doing so, Michigan will keep the Tilden Mine, with its supportive contributions to the economy of the State (employment, spending, tax contributions, etc.), viable among its peers in the industry. **Combine with #1**
7. How can we balance environmental protection with encouragement of mining activity, without either making the regulations so onerous that industry is driven out, or having to give the industry massive tax breaks or other benefits to convince them to stay? **Combine with #1**
8. Rulemaking authority for Part 632, one current need is to eliminate any conflict between recent statute language and original rule language. **Combine with #1**
9. Permitting the correct Reserves (Explanation Greenfield). **Move to Social, Economic, and Labor Subcommittee.**
10. Modernize Statutes to address mining in places like tailings basins, waste rock piles, and areas for remediation (stamp sands). **Leave it by itself**
11. Sensitivities from regulators, elected officials, and community towards mining. Consequences are delay in regulatory decision making. How do we move away from being treated differently than other industries? **Move to Social, Economic and Labor Subcommittee.**