TESTIMONY ON RESOURCE MANAGEMENT ACTIVITIES ON THE

RUBY/JARBIDGE AND MOUNTAIN CITY RANGER DISTRICTS HUMBOLDT-TOIYABE NATIONAL FOREST FOR THE LEGISLATIVE COMMITTEE ON PUBLIC LANDS

June 6, 2008 Elko, Nevada

Tom Montoya - Mountain City District Ranger Terry Chute - Ruby/Jarbidge District Ranger Susan Elliott - Acting Forest Geologist Humboldt-Toiyabe National Forest

INTRODUCTION

Chairman Rhodes and members of the committee, thank you for providing this opportunity to address National Forest activities in Northeast Nevada. My name is Tom Montoya, and I am the new District Ranger for the Mountain City District on the Humboldt-Toiyabe National Forest. As a native Nevadan with family roots here in Elko County, I'm excited to be here and have the opportunity to manage the outstanding resources on the Mountain City Ranger District.

Since my first day on the job was last week, I do not yet have a detailed knowledge of the programs and projects on the Ranger District. I will respectfully defer to Terry Chute, the Ruby Mountains and Jarbidge District Ranger, who was Acting Ranger for the Mountain City District for the last nine months.

Chairman Rhodes and members of the committee, my name is Terry Chute and I am the District Ranger for Ruby Mountains and Jarbidge Ranger Districts headquartered in Wells. I appreciate the opportunity to speak with you today.

EXHIBIT D - LANDS
Document consists of 9 pages.
Entire Exhibit Provided
Meeting Date: 06-06-08

TESTIMONY OVERVIEW

My testimony will address the following six projects, programs, and issues on both the Mountain City and Ruby Mountains/Jarbidge Ranger Districts:

- 1) Jarbidge Litigation Update
- 2) Rangeland Management Analyses
- 3) Interagency Fire Suppression Cooperation
- 4) Restoration and Fuels Reduction Program
- 5) Federal Highway Administration Road Projects
- 6) Mining and Minerals Program

DISTRICT DESCRIPTIONS

First, I would like to provide a brief description of the Ranger Districts.

Mountain City Ranger District. The Mountain City District is located north of Elko in Elko County. The District is about 455,000 acres in size, and includes developed campground at Big Bend, Wildhorse Crossing, and Jack Creek. The Mountain City District has one of the largest and most complex mining and minerals programs in the National Forest System, which is primarily focused on mining and exploring for gold. The District currently permits livestock grazing on 51 allotments with 26 permittees.

Jarbidge Ranger District. The Jarbidge Ranger District is located in northern Elko County east of and adjacent to the Mountain City District, and bordering Idaho to the north. It is just under 244,000 acres, with elevations ranging from 6,000 to nearly 11,000 feet. The District includes the 160,000-acre Jarbidge Wilderness, which was the first wilderness area designated in Nevada. The town of Jarbidge and historic Pole Creek Ranger Station are also within the District boundary. The Jarbidge District has 24 grazing allotments with 12 permittees. Many recreation opportunities occur on the District, including developed campgrounds at Pine Creek and Slide Creek, numerous dispersed camping opportunities, and over 170 miles of hiking and stock trails.

Ruby Mountains Ranger District. The Ruby Mountains Ranger District is made up of the East Humboldt and Ruby Mountain Ranges south of Wells. Most of the District lies in Elko County, with the southern end of the Rubies extending into White Pine County. The District covers about 450,000 acres with elevations ranging from 6,000 feet to over 11,000 feet. The District contains the 37,000-acre East Humboldt Wilderness and the 93,000-acre Ruby Mountain Wilderness Areas. The Ruby Mountains District has 55 grazing allotments with 38 permittees.

Points of interest include Lamoille Canyon, Angel Lake, and the Ruby Crest National Recreation Trail. The District provides a diversity of recreational experiences, with developed campgrounds at Angel Lake, Angel Creek, Thomas Canyon, and South Ruby. Nearly 300 miles of hiking and pack trails exist within the East Humboldt and Ruby Mountains Wilderness Areas.

JARBIDGE LITIGATION UPDATE

There are two ongoing lawsuits related to the South Canyon Road in Jarbidge Canyon. The first was originally filed by the Forest Service against Elko County in 1999, following the County's actions to reopen the South Canyon Road. Elko County then countersued, claiming a quiet title easement on the South Canyon Road. The Forest Service and Elko County came to a Settlement Agreement in which Elko County agreed not to conduct any work on the road without Forest Service authorization, and the Forest Service agreed that it would not contest that Elko County had an RS2477 right-of-way.

Intervenors, the Wilderness Society and Great Old Broads for Wilderness, appealed the District Court's approval of the Settlement Agreement to the Ninth Circuit Court of Appeals claiming that the District Court should have permitted the appellants to intervene in the Settlement Agreement process. In a decision signed May 20, 2008, the Appeal Court vacated the Settlement Agreement and remanded the District Court's decision stating that the District Court must permit the interveners to participate as parties in advocating their position in the Settlement Agreement.

Currently, the U.S. Department of Agriculture Office of General Counsel and U.S. Department of Justice attorneys are discussing what this decision means and how the government will respond. The Forest Service and Elko County continue to work

cooperatively on management of the South Canyon Road, and road improvements are essentially complete. The latest action by the Court does not change our positive working relationship.

In the second lawsuit, the Wilderness Society and the Great Old Broads for Wilderness filed suit in the U.S. District Court of Nevada on April 5, 2007, challenging the Forest Service's 2005 decision to open a portion of the South Canyon road to vehicle traffic. The plaintiffs' complaint asserts that the decision violated numerous federal laws and regulations, and asked the Court to overturn the decision and order the Forest Service to manage the road as a non-motorized trail.

The Forest Service and Department of Justice continue to respond to motions by the plaintiffs to amend their original complaint. On May 5, 2008, the District Court denied the plaintiffs' preliminary motions. The next step is for the parties to file summary judgment briefs on the merits of plaintiffs' claims. Plaintiffs' opening brief is due by July 7; the Forest Service's opening brief is due 60 days later. Plaintiffs may also file a separate lawsuit to proceed with a Freedom of Information Act claim.

RANGELAND MANAGEMENT ANALYSES

On March 7, 2008, Ely District Ranger Pat Irwin briefed this committee regarding the 1995 Rescission Act, which required the Forest Service to complete environmental analyses on all livestock grazing permits by 2010.

On the Humboldt-Toiyabe National Forest, decisions have been signed on two Rangeland Management Environmental Impact Statements - the Martin Basin Rangeland Project on the Santa Rosa Ranger District, and the Great Basin South Rangeland Management Project on the Bridgeport Ranger District. Both were appealed by Western Watersheds Project, and both decisions were remanded back to the Districts due to problems with technical process and analysis discrepancies.

Based on the appeal reviews and remands, the Forest recently undertook a review of all ongoing range rescission analyses. The review found that the Jarbidge Rangeland

Management Draft Environmental Impact Statement could be improved by additional field surveys of existing condition and trend. We will be conducting field surveys on each grazing allotment on the Jarbidge Ranger District in the 2008 field season. We anticipate issuing a Final Environmental Impact Statement and Record of Decision in late 2008 or early 2009.

Preparation of an Environmental Impact Statement for the Ruby Mountains District is scheduled for 2010. The Mountain City Rangeland Management Environmental Impact Statement was underway when the Murphy Fire burned over 90,000 acres of rangeland on the District. We are currently evaluating changed conditions and cumulative effects of the fire, and plan to reinitiate the range analysis in 2010.

INTERAGENCY FIRE SUPPRESSION COOPERATION

As the Committee members know, Elko County has had significant wildfire activity for the past two years. Wildland fire fighting is coordinated through the Elko Interagency Dispatch Center, which is an interagency partnership between the Bureau of Land Management, Nevada Division of Forestry, US Forest Service, Bureau of Indian Affairs, Sho-Pai Firefighters and U.S. Fish and Wildlife Service. Elko County is also a critical partner and close collaborator with the agencies mentioned. The Dispatch Center provides All Risk Emergency service to Elko, Eureka and White Pine Counties, and wildland fire protection for all of Elko County.

In Northeast Nevada, nearly all wildland firefighting resources are provided by the Bureau of Land Management and Nevada Division of Forestry. By agreement, the Bureau of Land Management provides primary fire suppression services for National Forest lands on the Mountain City Ranger District, while the Nevada Division of Forestry provides fire suppression for the Ruby Mountains and Jarbidge Districts.

The Humboldt-Toiyabe National Forest and Elko Bureau of Land Management recently signed a Service First Agreement to formalize cooperation and integration of fire suppression personnel and activities. The net result is a reduction in overhead personnel with more funding going towards on-the-ground fire fighting resources. This agreement has resulted in the addition of approximately 8-10 additional firefighters in the Elko area.

Some of these firefighters are members of the Ruby Mountain Interagency Hotshot Crew, one of three Hotshot Crews nationally that have been designated for initial attack. This designation means that their priority is initial attack of new fires rather than existing "campaign" fires, and these Initial Attack Hotshot Crews will be pre-positioned in areas expecting lightning or with increased fire potential. The rest of these additional firefighters are members of local engine and helicopter crews. These staffing changes mean that the Elko area has fully-staffed initial attack crews for the first time in a number of years.

RESTORATION AND FUELS REDUCTION PROGRAM

In December, 2007 the Ninth Circuit Court of Appeals issued a decision striking down Forest Service regulations allowing fuels reduction projects to be categorically excluded from documentation in an Environmental Analysis or Environmental Impact Statement. One categorical exclusion decision for aspen restoration on the Mountain City District was affected, along with a similar decision on the Jarbidge District and a pinyon-juniper fuels reduction decision on the south end of the Ruby Mountain District.

The Districts prepared a streamlined Environmental Assessment for the South Ruby Pinyon-Juniper Project, which I approved last week. This is a 4,500-acre prescribed burn designed to reduce pinyon and juniper trees that are encroaching into a sagebrush ecosystem. The project also includes a research project to better predict environmental effects of prescribed burning in similar situations. We hope to have suitable conditions to implement this project during late summer or early fall of 2008.

Since the Court did not enjoin existing categorical exclusion decisions, we plan on moving forward with the other projects mentioned. Perhaps the biggest effect of this court decision will be the requirement that we prepare Environmental Assessments or Environmental Impact Statements for future fuels reduction projects. This will increase both the time it takes and the funding needed to complete the planning process.

FEDERAL HIGHWAY ADMINISTRATION ROAD PROJECTS

The Federal Highway Administration is working with the Forest Service and Elko County on two road projects on the Ruby Mountain District. The first is repairing 6.5 miles on the west side of Harrison Pass Road, which is one of only 3 roads over the Ruby Mountains. Federal

Highways has pledged \$2.4 million for this project, and Elko County has agreed to assume jurisdiction for the road once paving is completed to standard. Work is expected to begin in July, with completion anticipated in October.

The other is the Lamoille Canyon Road, which provides public access to the many recreation sites and recreational residences in Lamoille Canyon. The Lamoille Canyon Road has been in need of reconstruction for some time. The District completed an Environmental Assessment to reconstruct the road about three years ago. The Forest Service is in the final stages of negotiations with Federal Highways to designate the road as a Forest Highway, which could open the door to \$5 million of federal funding. I am optimistic that we will come to an agreement early this summer and begin reconstruction of about six miles of road in 2009.

INTRODUCTION OF MINERALS PROGRAM TESTIMONY

That concludes my portion of the testimony. I would like to introduce the Acting Forest Geologist, Susan Elliott, who will provide information regarding the mining and minerals program on the Ranger Districts. Following her statement, Susan, Tom and I are available to answer any questions you may have. Thank you once again for this opportunity to speak to you today.

MINING AND MINERALS PROGRAM

Chairman Rhodes and members of the committee, my name is Susan Elliott and I am the Acting Forest Geologist for the Humboldt-Toiyabe National Forest. I appreciate this opportunity to speak to you today about the mining and minerals program on the Mountain City, Ruby Mountains and Jarbidge Ranger Districts. For those of you interested in mining and minerals, this is a great week to be in Elko with the Mining Expo in town. The Forest Service has a booth at the Expo staffed with local minerals specialists, so we hope you'll have a chance to stop by and visit with us.

As you may know, Northeast Nevada hosts some of the largest producing gold mines in the world. Currently, with gold prices hovering close to \$900 an ounce, there has been a significant increase in the number of plans of operation for exploration of precious metals,

primarily gold, submitted to the Ruby/Jarbidge and Mountain City Districts. Depending on the complexities of the proposed projects, these plans can require significant staffing commitments outside of our planned program of work. The minerals staff and associated specialists are processing plans as expeditiously as possible in accordance with Forest Service minerals regulations. To date, the Mountain City, Ruby and Jarbidge Districts are processing close to 20 plans of operation.

Jerritt Canyon Mine, located about 50 miles north of Elko and covering over 100-square miles, is the largest gold mine on National Forest System lands. Jerritt has about 4,500 acres of existing disturbance, with total approved disturbance of over 6,000 acres. The mine has been producing gold since 1980 and employs approximately 400 people. Earlier ore production at the mine was from open pit mining, but current operations are entirely underground. The mine, which is operated by Queenstake Resources, has been conducting considerable exploration drilling over the past few years resulting in new gold reserves.

Queenstake recently developed a new underground portal that expanded operations at the south end of the project area. Along with mining and exploration activities, concurrent reclamation of waste rock disposal areas, exploration roads and haul roads has occurred over the past several years. Recently, the mine had a brief mill shutdown due to ongoing air emissions concerns that coincided with a planned housekeeping and maintenance shutdown. Personnel worked diligently for several months to improve safety and environmental performance, resulting in overall improvement in operations. The mine is back in production and operating within state and federal requirements.

With the increasing demand for development of alternative energy sources in response to the President's National Energy Policy, there's been greater interest in leasable minerals on the Humboldt-Toiyabe National Forest. Overall, the Forest has seen an increase in geothermal and oil and gas lease applications. Specifically, the Ruby Mountain District has had several recent applications submitted for geothermal, oil, and gas leasing. The minerals staff works jointly with the Bureau of Land Management to process these applications in a timely manner. In addition, we are currently awaiting the draft Environmental Impact Statement for a nationwide programmatic geothermal analysis conducted jointly between the

Forest Service and Bureau of Land Management. The analysis will help to identify lands available for geothermal leasing.

The Ruby/Jarbidge and Mountain City Districts continue to make progress on reclaiming abandoned mines and have secured several dangerous shafts. Recently, in cooperation with the operator, an inactive mine on the Jarbidge District was successfully reclaimed by removing structures and rubbish, followed by recontouring and reseeding. This year, on the Mountain City District, we hope to accomplish the removal of old mine waste piles from a stream course.

CONCLUSION

That concludes my testimony. Mr. Chairman and members of the committee, thank you once again. We would be happy to answer any questions that you may have.

-END OF TESTIMONY-