

Nevada Association of Counties

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December 5, 2016

Mark A. Mackiewicz, PMP National Project Manager Bureau of Land Management E-mail: mmackiew@blm.gov

Phone: (435) 636-3616

Re: Administrative Draft Environmental Impact Statement (ADEIS) Review

On behalf of Nye and Lander Counties, the Nevada Association of Counties (NACO), submits the following comments. The time Cooperators have been given to review this highly technical 613-page Administrative Draft Environmental Impact Statement (ADEIS) is too short. This severely undermines the ability of Cooperating Agencies like NACO to be true partners in this process and is only compounded by similar concerns about the Withdrawal, which appeared only in the FEIS of the Greater Sage Grouse Land Use Plan Amendments, and the Reasonable and Foreseeable Development Report. Cooperators have barely been given time to find, let alone to correct the mistakes made in this document. During the Webinar on November 7, 2016, Cooperators raised concerns about the time provided to review the ADEIS. The response provided was that the BLM's internal deadline to complete changes is December 28, 2016. This deadline seems arbitrary and counter to the purpose of the EIS process, which is to assure that the BLM give proper consideration to the environment prior to undertaking any major federal action that significantly affects the environment. 42 U.S.C. §4321 et seq.

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¹ Please see the attached supplemental notes from the November 7, 2016 Webinar that were not reflected in the notes provided by the BLM. The ADEIS was released to Cooperators on August 11, 2016 (Veterans Day) and asked to respond by November 28, 2016. This means Cooperators were to begin review of this document on a holiday, through two other Nevada State holidays (Thanksgiving and Family Day). Including weekends and holidays, assuming nobody takes off time to spend with their families or celebrate these holidays, this leaves nine days total, including the date of submittal. NACO staff also hosted its annual conference from November 14-18, 2016 in Pahrump, NV. NACO staff initially had only 2 days to review this document and provide feedback to the BLM on what the BLM has calculated to be a highly impactful action. Even the additional 5 working days only provided 7 total days, assuming NACO Staff did not also need to work on several other projects, which they did. The additional five days to review the ADEIS has proven helpful, but is still inadequate for the purpose of this review.

The following list summarizes NACO's requests and changes that must be reflected in the DEIS.

- 1. The Executive Summary can be greatly improved. The DEIS needs to clearly summarize that there is an anticipated \$694,000,000 economic impact on the affected area compared to the .01% anticipated benefit to the Greater Sage-Grouse and its habitat, as reflected by the COT Report, the March 2010 listing decision, and the October 2014 USFWS memorandum. The Executive Summary includes several pre-decisional statements and conclusions, and does not accurately summarize the contents of each of the chapters or analysis. Many readers only have time to review the Executive Summary. Because of this, the Executive Summary must highlight the most important findings and summarize key analysis. For example, the Executive Summary does not include the anticipated economic impact between alternatives, especially the Nevada Alternative. This comparison is key to the entire SFA Withdrawal analysis. This section should also provide references to key tables and findings.
- 2. The Purpose and Need, page vi, lines 22-32, contains the same flaws noted in NACO's Scoping Comments. The BLM does not cite to any new science as requested to support its conclusion that the withdrawals are necessary. The science cited by the BLM does not support the SFAs. The COT Report shows that threats from mining within the ARMPA's SFA areas are only localized and not widespread, as the FWS was only aware "of approximately 63,000 acres of existing mining related disturbance within the range of sage-grouse." Of this 63,000 acres, only 9,000 are within the SFA boundaries. The October 2014 USFWS Memorandum cites only to "unpublished opinions" of strongholds. Finally, on October 2, 2015, the FWS issued its finding stating that "Consistent with our 2010 finding, we do not have a comprehensive dataset about existing and proposed mining activity to do a quantitative analysis of potential impacts to sage grouse." 80 F.R. 59858, 59915. The ADEIS does not show that the RFD Report has found anything different.
- 3. Prior to publication of the DEIS, the BLM must re-calculate or justify the economic impacts stated for the Nevada Alternative. Page 4-1, Table 4-5 reflects more mines and exploration projects in the Reasonably Foreseeable Development than in the Proposed Action. This does not logically follow, as the purpose of the Nevada State Alternative is to reduce the economic impacts and simultaneously increase the benefits to wildlife. The State of Nevada specifically excluded areas of high mineral potential and development, which is where most economic activity occurs, and as a tradeoff added areas with slight to no mineral potential but high habitat value to the Greater Sage-Grouse. The idea is to prevent unnecessary exploration where it does not already occur, and which would impact the species the withdrawal is meant to protect. The DEIS must provide a new analysis for the State of Nevada Alternative, or substantial justification for the conclusion that the Nevada Alternative would create a greater economic impact.

- 4. The DEIS must analyze the impacts to the State of Nevada if lithium cannot be mined given the new Tesla factory in Nevada and the State's Economic Development goals. The discussion within the ADEIS acknowledges that the IMPLAN model does not capture any impacts that would result if the lithium cannot be mined but labeled the impact as "significant". The BLM cannot comply with NEPA by saying they simply did not do the analysis because the one model they used does not analyze those admittedly significant impacts. This impact must be quantified for adequate public review. Table 4-25, Pages 1-22, 2-14, 2-36, 2-54, 3-7, 3-8, 3-62, 3-77, 4-11, 4-13, 4-22, 4-39, 4-40, 4-42, 4-44, 4-46, 4-67, 4-70, B-3, B-4, B-10, B-13, B-19, B-28, B-29, B-31, B-32.
- 5. To justify the State's Alternative, the BLM must begin the process again. NACO remains concerned that the BLM did not provide a preliminary identification of the mineral resources in the area. 43 C.F.R. 2310.1-3(3). The timing concerns regarding the RFD are only compounded by the order in which it was developed and the short time in which it was produced. The BLM is supposed to analyze the potential development prior to recommending withdrawal boundaries. An RFD processed after the boundaries are set makes the Withdrawal pre-decisional. Another great concern is that the Nevada Alternative would change the land affected by the petition, which violates the requirement that the BLM provide a legal description of the entire land area that falls within the exterior boundaries affected by the petition, together with the total acreage of such lands, and a map of the area. 43 C.F.R. 2310.1-3(5). NACO greatly appreciates the inclusion of the Nevada alternative, and is concerned that this could be a fatal flaw upon public review and as the process continues.

NACO has attached the comments made by Tom Harris from the University of Nevada, Reno, and James W. Richardson from Texas A&M Agricultural and Food Policy Center. NACO similarly adopts any comments provided by the Nevada Department of Minerals and the State of Nevada.

Thank you for your time and consideration of Nye and Lander Counties' comments via NACO. We look forward to working with you further.

Respectfully,

7ori N. Sundheim

Tori Sundheim Public Lands and Natural Resources Coordinator Cc: file

Submit comments to mmackiew@blm.gov, grace.ellis@galileoaz.com; peter.rocco@galileoaz.com; peter.rocco@galileoaz.com; peter.rocco

Please enter comments in the table below. Use numbers in the Page, Section, and Line columns *for every comment*, this will allow for combining and sorting of comments from all reviewers. Please avoid putting comments such as "see above". All reviewers' comments are combined into a single table and sorted by section, so your "see above" reference will be lost. Also, please put your name on every comment line to facilitate follow up and tracking. You can add rows if necessary, but do not merge cells or otherwise change the format of the table.

Comment Review starts November 11, 2016 and ends November 28, 2016.

All comments due by end of the day, November 28, 2016

BLM has limited time to consolidate comments, if your comments are submitted in a reformatted table, or in a separate document, they may not be included in the compiled comment document.

Page #	Line, section (or	Commentator (name and office)	Comment	Response
	table #)	(name and onles)		
1-35	Table 1-11	Thomas Harris University of Nevada, Reno Department of Economics	The estimation of future value of mining operations may need to be expanded. This would mean stochastic gold price estimates should be employed because of the variation of gold prices. A memorandum by Dr. James Richardson from Texas A&M addresses the stochastic gold price issue is appended.	
1-35	Table 1-11	Thomas Harris University of Nevada, Reno Department of Economics	Economic impacts of only mineral related industries. When using input-output model those sectors that are non-related to mining will be impacted also.	
1-35	Table 1-11	Thomas Harris University of Nevada, Reno Department of Economics	Many of the mining companies have their administrative offices in Washoe County or the city of Reno. Therefore impacts from sage grouse habitat designation will impact Washoe County.	
1-35	Table 1-11	Thomas Harris University of Nevada, Reno Department of Economics	For recreation impacts, the location of expenditures are important. The estimation of recreation impacts should be only expenditures by visitors outside the study area and their expenditures in the analysis are only expenditures made in the study area. If expenditures are with retail sectors only the mark up is part of the impact analysis.	

Page	Line,	Commentator	Comment	Response
#	section (or	(name and office)		
	table #)			
2-2	16	Thomas Harris	Future estimation of value of development projects should be	
		University of	made with stochastic prices. Average price is only true 50% of	
		Nevada, Reno	the time. I refer to Dr. James Richardson's memo on this issue.	
		Department of		
		Economics		
3-9	14-15	Thomas Harris	In the text it states that the economic impacts include changes	
		University of	in population, income, housing, poverty, employment,	
		Nevada, Reno	demographics, and recent cultural and social events.	
		Department of	Employment changes are good but for truer employment	
		Economics	impacts the results should show occupational impacts. Not all	
			employment losses are the same. Occupations may not transfer	
			to other sectors like the mining sector to a casino sector so this	
			would show not only loss in employment but also talent pool in	
			the study areas. Use on industry by occupation matrix would	
			show impacts to occupations and the Bureau of Labor Statistics	
			O*NET data would show loss of labor skills.	
3-59	14-15	Thomas Harris	In the text it is stated that "The state of Nevada is the seventh	
		University of	largest state in the United States and covers a land area of	
		Nevada, Reno	15 approximately 110,622 square miles." However looking at	
		Department of	only Nevada's private acreage, Nevada would be the nation's	
		Economics	tenth smallest state. In addition because of the checkerboard	
			land distribution along Interstate 80 Highway corridor, private	
			land in Nevada is not contiguous which limits economic	
			development opportunities. Also in many of Nevada's counties,	
			public lands make up 90% or more of the acreage which impacts	
			local economic development.	
3-72	2	Thomas Harris	The page gives an impression that because Elko County's	
		University of	unemployment rate has declined that this county is	
		Nevada, Reno	experiencing economic growth. For many Mountain Counties in	
		Department of	the West this is not true. A better indicator is the	
		Economics	unemployment rate as referenced by Feser (1999) that is	
			referenced in an appended memo to this review.	
4-72	24	Thomas Harris	The text never indicates if the IMPLAN model used for the	
		University of	analysis if the data was verified and validated. This should be	
		Nevada, Reno	done because data errors can occur. The procedures to verify	
		Department of	and validated the IMPLAN data are shown in the below	
		Economics	referenced text:	

Page #	Line, section (or table #)	Commentator (name and office)	Comment	Response
			Holland, David, Hans Geier, and Ervin Schuster. May 1999. Using IMPLAN to Identify Rural Development Opportunities". U.S. Department of Agriculture, Forest Service, Intermountain Research Station, General Technical Report INT-GTR-350. The text is in subsection titled "Building an Accurate IMPLAN Models on page 3.5 to 3.8.	
4-22	10	Thomas Harris University of Nevada, Reno Department of Economics	It is state that exploration impacts were not estimated because they were small. What is the necessary output level to be relevant?	
4-22	12	Thomas Harris University of Nevada, Reno Department of Economics	Why wasn't a computable general equilibrium model co	

Dogs	Administrative Draft Environmental Impact Statement				
Page	Line,	Commentator	Comment	Response	
#	section (or	(name and office)			
	table #)				
			Feel free to add rows for additional comments.		
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PROBLEMS WITH ONLY UNEMPLOYMENT DATA

This memorandum addresses issues of only looking at unemployment rates to gauge strength in a Mountain State county. The text and tables are on pages 3-71. As Feser (1999) has pointed out, looking at only unemployment rates for Western mining communities may give an incorrect impression of a localities economic health. Below in Table 1shows average annual figures for number of employed, unemployed, civilian labor force, and unemployment rates for Elko County, Nevada from 2006 to 2015.

Table 1. Number of Employed, Unemployed, Civilian Labor Force and Unemployment Rates for Elko County from 2006 to 2015.

YEAR	Number Employed	Number Unemployed	Civilian Labor Force	Unemployment Rate
	(number)	(number)	(number)	(%)
2006	23,840	846	24,686	3.4
2007	25,555	865	26,420	3.3
2008	25,605	1,137	26,742	4.3
2009	25,679	1,717	27,396	6.3
2010	24,828	2,070	26,898	7.7
2011	26,136	2,038	28,174	7.2
2012	27,390	1,852	29,242	6.3
2013	27,179	1,779	28,958	6.1
2014	26,786	1,576	28,362	5.6
2015	25,763	1,413	27,176	5.2

By examining the unemployment rates, it looks like Elko County economy has improved from 2013 to 2015. Unemployment rates in 2013 was 6.1% which has dropped to 5.2% in 2015. Also the number of unemployed from 2013 to 2015 in Elko County has decreased from 28,958 in 2013 to 27,176. However during the same period, the number employed in Elko County has decreased from 27,179 in 2013 to 25,763 in 2015 or a 5% decrease in number employed in Elko County over two years. Also the Civilian Labor Force has declined from 28,958 in 2013 to 27,176 in 2015 or a 6% decline in the labor force of Elko County. These last two indicators of local labor force does not signify a robust local economy.

Feser (1999) pointed out that for the Mountain States when a mine closes workers do not hang around they leave hoping to find employment elsewhere. Therefore a more indicator of county viability may be the labor force value not the unemployment rate.





COLLEGE OF AGRICULTURE
AND LIFE SCIENCES

DEPARTMENT OF AGRICULTURAL ECONOMICS

AGRICULTURAL

FOOD POLICY CENTER

November 21, 2016

Dr. Thomas Harris
Department of Economics
University of Nevada-Reno
Reno, Nevada

Dear Tom:

I analyzed monthly gold prices from 1986/04/01 to 2016/10/01 at your request. The price series I used comes from the ICE Benchmark Administration Limited (IBA) and are U.S. dollars per Troy ounces (see that attached sheet for more details). I tested the data for stationarity prior to estimating a time series model to forecast prices. The data are stationary with one difference based on the Dickie-Fuller test and the optimal number of lags is one, based on the ARLAG test. The results of the time series model are provided in an attachment. The model is a good forecaster of past process as the mean absolute percent error (MAPE) is very small, at 2.69%. The chart on the attacked model estimation sheet shows the historical prices from 1986 to the present and the deterministic forecast for 10 years. The price series has a slight positive slope (0.186) and projects deterministic prices to increase from their present level to \$1,551/ounce over the next 10 years. The problem with this forecast is that it does not consider the risk associated with gold price.

To address the risk associated with gold prices I used the time series model and the residuals from the model to develop a dynamic stochastic forecast of gold prices for 120 months. The results of the simulation are summarized in the Fan Graph. When risk is incorporated into the analysis the mean price 10 years out is \$1,349/ounce and the price that year could range between \$419 and \$2,339/ounce with a 95% confidence. The Fan Graph shows two confidence intervals about the mean forecast (black line). The maroon and red lines indicate the 90% confidence interval – there is a 5% chance price could be lower than the values on the red line and there is a 5% chance price could exceed the maroon line. The second confidence interval is – there is a 25% chance prices can fall below the blue line and there is a 25% chance prices will exceed the green line. The 50% confidence interval shows prices between \$973 and \$1,732/ounce.

The simulation procedure I employed used the residuals from the model as percentage deviations from the y-hat forecasted values and were simulated assuming an empirical distribution to avoid biasing the data by forcing a parametric distribution on the residuals. The residuals represent the risk that was not explained by the time series model and exists in the price series. The time series model coefficients were used to dynamically simulate the monthly prices in a recursive manner which replicates the random walk nature of commodity prices. We have used this type of stochastic forecasting methodology for simulating prices in thousands of policy analyses for Congress.

Sincerely,

James W. Richardson Regents Professor

Texas A&M AgriLife Research Senior Faculty Fellow and

Co-Director, Agricultural & Food Policy Center

Agricultural and Food Policy Center 2124 TAMU College Station, TX 77843-2124





GOLDPMGBD228NLBM Series ID:

LBMA Gold Price: Daily Prices (Not a Press Release) ICE Benchmark Administration Limited (IBA) Release: Source:

Not Seasonally Adjusted Seasonal Adjustment:

Frequency:

Monthly Aggregation Method:

J.S. Dollars per Troy Ounce Average Units:

1986-04-01 to 2016-11-16 Last Updated: Date Range:

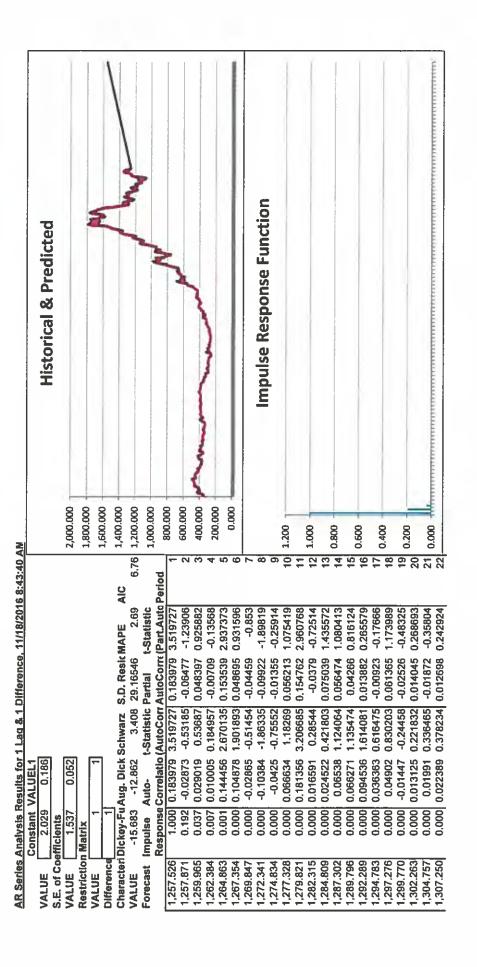
2016-11-16 11:21 AM CST

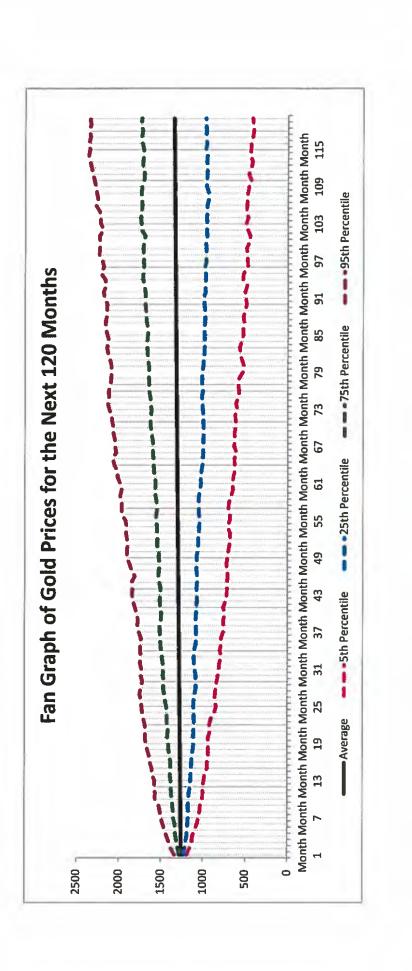
The London Bullion Market Association (LBMA) Gold Price was launched on the 20th March 2015 to replace the historic London Gold Fix. ICE Benchmark Administration (IBA) provides the auction platform,

daily (at 10:30 and 15:00 London GMT) in US dollars. Sterling and Euro governance for the LBMA Gold Price, with the LBMA holding the methodology as well as overall independent administration and intellectual property rights. The price continues to be set twice

prices are available but they are indicative prices for settlement only. For further information contact the LBMA at

Au.Consult@lbma.org.uk or the IBA at iba@theice.com.





Administrative Draft Environmental Impact Statement Introduction Date/Time: Monday, November 7, 2016 @ 12:30pm-2pm (Pacific/AZ)/1:30-2pm

(MT)/2:30pm-4pm (Central)/3:30-5pm (Eastern)

GoTo: https://global.gotomeeting.com/join/316952061

Conference Call: (866) 906-9888, 2469795#

	BLM
	Federal Cooperators
	Idaho Cooperators
	Montana Cooperators
Invitees	Nevada Cooperators
IIIVITEES	Utah Cooperators
	Oregon Cooperators
	Wyoming Cooperators
	Office of the Solicitor
	BLM's Contractors

Objectives

- ✓ Overview major components of the analysis
- ✓ Summarize the analysis planning process
- ✓ Summarize major findings
- ✓ Discuss comment submission protocols
- ✓ Present next steps

I. Roll Call

II. Environmental Impact Statement Development

a. EIS Format

- i. As cooperators, this first go-around we don't expect you to necessarily be reading every single page of every chapter but we do want you to focus on those areas of concern and of interest to you. Chapter 1 discusses the purpose and need and reg environment which then flows into chapter 2, which then flows into what that environment is. The information is presented sequentially. You are likely going to need to look at chapters 1 and 2 and portions of 3 to understand the analysis in chapter 4. By all means, during your review if questions arise or you need help with certain information you can pose questions to us about that.
- ii. RFD Report: Serves as the source data for our RFD Report- the USGS. The purpose is to help provide an estimate of the amount and types of reasonable development that could occur. BLM Solicited cooperating

agencies on the RFD report in September and we want to thank everyone who provided input on this document. These are not meant to predict exact numbers or locations of the mines but are meant to provide a set of reasonable assumptions... the no action alternative would be the highest number of estimated future projects where the proposed action and other alternatives would have different numbers. The anticipation is under each alternative that there would be future activity than under no action.

- iii. Please note that valid and existing claims would not be affected and that is true of all the alternatives throughout the EIS.
- iv. The RFD will be an Appendix of the ADEIS.
- v. Will Chapter 2 include a preferred alternative?
- vi. At this point we have a placeholder but we have not defined a preferred alternative.
- vii. Tori Sundheim- RFD at the heart of the analysis
 - 1. BLM (Andrea?): A gold mine was added to the State of Nevada, a large gold mine.
 - 2. BLM (Andrea?): There is a long discussion of exploration and future projects.
 - 3. Please take a look at the socioeconomic documents in the analysisthat is an issue
 - 4. Tom Harris- will corporate headquarters, like those in Reno, are they being included?
 - 5. BLM (Mark?)- cant get to the specifics at this time, if one of the socioeconomics
 - 6. BLM Julie Pearson: All of the counties that were included in each analysis
- viii. Julie- can assure that we are including commuter counties as well as headquarters.
- ix. They would reiterate that we raise these concerns in the ADEIS
- x. BLM- there is an extensive socioeconomic impacts section.
- b. Other Supporting Information:

- i. USGS Sagebrush Mineral Resource Assessment
 - 1. Prepared by USGS
 - 2. USGS is not accepting comments
 - 3. Informs the RFD
 - 4. What is in the report is in the report, USGS is not accepting comments. If you find an issue involving some misinformation from the USGS report that has an impact on the analysis then please let us know that in your comments. They are not taking comments.
 - 5. Scott is going chapter by chapter additional information on the document itself.
- c. Analysis Plan
- d. Attachments and Other Supporting Documentation
- III. Environmental Impact Statement Chapter 1: Project Introduction
- IV. Environmental Impact Statement Chapter 2: Alternatives Development
 - a. Cooperator involvement (highlights)
 - i. April/May in person workshops
 - ii. May 25th alternatives feedback solicited
 - iii. July 6th alternatives review and feedback
 - iv. Sept 20 suite of alternatives presented
 - b. Alternatives
 - i. NACO (Tori Sundheim): If there is no preferred alternative, that will make it very difficult to provide feedback as to what makes the most sense.
 - ii. BLM: At this point all alternatives are equal in terms of what would be preferred because what we want is the feedback on the alternatives and the analysis. Because this is a secretarial decision. We have to have the analysis completed first to determine whether or not one alternative has greater impacts than another analysis. That's one big factor of the administrative review that we want to hear back from you as our cooperators. Like I said, this is a secretarial decision so it is really at that level as to whether or not

- iii. If there is a preferred alternative by the DEIS then it will be included
- iv. Under the CEQ Regulations we will choose a preferred alternative when we have to
- v. By final, we have to identify a preferred alternative.
- c. Resources Dismissed from Detailed Analysis
- V. Environmental Impact Statement Chapter 3: Existing Conditions
 - a. Analysis Area & Resource Impact Indicators
 - b. Resources
- VI. Environmental Impact Statement Chapter 4: Summary of Impacts
- VII. Environmental Impact Statement Chapter 5: Consultation and Coordination
- VIII. Comment Submissions
 - a. Substantive Comments
 - b. Supporting Documentation
 - c. Comment Submissions
- IX. Next Steps
 - a. Public Involvement Planning
 - b. Native American Consultation
 - c. Administrative Draft Final EIS
- X. Other Topics
- XI. BLM: At this point the alternatives are what they are. We are working with Nevada, so if we've mischaracterized or you can add to that. We have a comment table that will be attached to the e-mail I sent out on Friday where we want to see you put your comments.
- XII. Comments are due November 28th.
- XIII. Question about those deadlines: Friday is a holiday, ...
- XIV. Chris: It's a holiday for me too but if we can get them out earlier than that.
- XV. Mark from Sweetwater County Wyoming: Some consideration to extend that deadline, for veterans day and thanksgiving for many of us that's three holidays. Making Dec. 1 a deadline would be more reasonable.
- XVI. BLM: You will have time to provide comments on the draft comments too. Currently we are working with the Tribes for the consultation process. As soon as the DEIS is out we

will work with the tribes and provide them more information about the document as it comes out.

- XVII. Tori: How do you expect us, as partners, to work with you and provide real feedback when our deadline is November 28th. I know for myself ...
- XVIII. Mark: at this point all I can say is do your best and if a process post-deadline we can entertain any comments that come in late we will certainly do this but at this point unless we have a major break we will have to stay within the December 28 date. Maybe there's something in this document, like affected environment, just focus on the State of Nevada.
 - XIX. Rich Perry: How many pages is the document now?
 - XX. Mark: Chase is on the call, what are we talking about?
 - XXI. Kelly: Way less than 1,000 pages. Probably less than 500 pages.
- XXII. Paul from Lakeview: I notice this is a decision being made to the Secretary of Interior, is there an appeal associated with that?
- XXIII. No
- XXIV. Paul: So the only way to challenge this is litigation.
- XXV. Yes