Funding & Rehabilitation of Abandoned Mines

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Introduction

‘Abandoned mine’ is a term used to describe sites with vestiges of former mining activity. Includes underground or surface workings, mining related surface structures and equipment, and mining waste materials. These sites may be owned by Crown, private individuals, companies, or a combination of these.
1) Government Initiated Programs

- Most jurisdictions rely on direct government funding to rehabilitate abandoned mine lands.
- Projects are typically undertaken on a priority basis with site-specific consideration.
- The Ontario government has funded two programs within the past ten years: $10 million (1991-1994) and $27 million (1999-2003).
- The Quebec government has allocated a $2 million per annum ongoing budget towards abandoned mine rehabilitation.
Government Initiated Programs

**Pros:**
- Significant amounts of money can be spent on rehabilitation in a relatively short period of time.
- Allows priority sites to be addressed as either part of ongoing or short-term programs with sudden infusions of capital.

**Cons:**
- There is no guarantee that these funds will remain part of the budget. Programs may be cut if funding is reduced due to a shift in government priorities.
Funding Options

2) Production Levys

- Ontario aggregate producers pay a licensing fee according to production levels. 1/2 a cent of the 6-cent per tonne fee funds the Management of Abandoned Aggregate Properties (MAAP) program.

- The Surface Mining Control and Reclamation Act (SMCRA) in the U.S. imposes a levy on the coal mining industry according to production levels.
Production Levys

**Pros:**
- Production levys generate an ongoing contribution to a fund for rehabilitation of abandoned sites.

**Cons:**
- Requires present-day mining operations to take responsibility for past operations.
- Dependent upon production levels. If production is down, so is the amount of money going into the fund.
Funding Options

3) United States Superfund

Also known as the Comprehensive Environmental Response, Compensation and Liability Act (CERCLA), the Superfund generates money by imposing a tax on chemical and petroleum industries. This tax goes into a trust, or “superfund”, for cleaning up uncontrolled waste sites for which no responsible party can be identified.
United States Superfund

**Pros:**
- Contributes some to the rehabilitation of abandoned mines.

**Cons:**
- A significant percentage of money often goes towards expensive legal proceedings rather than towards rehabilitation costs.
- Discourages voluntary cleanups due to the joint and several liability clause of CERCLA.
- Requires present-day industry to pay for past operations.
Funding Options

4) Government-Industry Partnership

- A partnership between the provincial government, former owners and the current owners, has recently been established to clean up the old Britannia mine in British Columbia.

- The South Dakota Department of Environment and Natural Resources (DENR) developed a program that works directly with industry to provide some CERCLA relief and streamline regulatory and administrative processes.
Government-Industry Partnership

**Pros:**
- More money can be generated the greater the number of contributors.
- Promotes a sense of partnership between industry and the region in addressing a common concern.
- By providing some liability relief, companies will be more likely to get involved.

**Cons:**
- Joint and several liability, which can hold even a minor contributor accountable for the entire cleanup cost if other responsible parties cannot be found or lack funds to pay their share.
Funding Options

5) Private Sector Adoption Programs

- Private corporations, especially within the United States, have adopted specific abandoned sites and rehabilitated them.
Private Sector Adoption Programs

**Pros:**
- Leads to a more positive image of the mining industry.
- Potentially aids in cleaning up lower-priority sites, which may only require relatively minor rehabilitation efforts.

**Cons:**
- Not feasible to expect the private sector to take on many or all sites to bring them up to current rehabilitation standards.
- Joint and several liability, which can hold the company accountable for more than they would like to contribute.
Funding Options

6) Polluter-Pays

The party responsible for the pollution should pay to clean it up. However, in the case of abandoned mines where no responsible party can be identified, it is suggested that the mining industry, as a whole, be held responsible.
Polluter-Pays

**Pros:**
- Helps to alleviate the negative image associated with the mining industry.
- Contributes to rehabilitating abandoned mine sites.

**Cons:**
- Requires present-day mining companies to pay for past operations.
- Does not take into consideration one of the main beneficiaries, government.
- Retroactive liability, which implies that remediation costs could be imposed on a party that at the time was in full compliance with the law.
- Discourages exploration by new companies that may lead to remining.
Summary

- Most mines were shut down according to the requirements and regulations of that time. It is unfair to impose retroactive costs on companies that were in compliance at the time of decommissioning.
- It is unfair to impose cleanup costs on present-day mining companies that did not create the problem.
- Both government and society have benefited from the products and economic activity resulting from mining activity.
- The mining industry alone is not profitable enough to fund cleanup costs for abandoned mines. Government needs to partner with the mining industry to undertake rehabilitation efforts.
- Remining incentives are one way to encourage mine land reclamation.
- An Environmental Good Samaritan Act should be employed to remove disincentives resulting from joint and several liability.
- There is no easy solution and likely no one model will suit every situation.