Remarks of Gregory Conrad
Executive Director
Interstate Mining Compact Commission to the
Environment Committee of the National Mining Association
October 10, 2014
Hyatt Regency – Capitol Hill

Good afternoon everyone. It's great to see so many friends from over the years and to meet others for the first time. Thanks for the opportunity to visit with you today and to provide a state perspective on some of the issues you've been discussing over the past couple of days. As you know, my organization represents 26 mineral producing states from across the country and I suspect most of your companies have at least one operation in one or more of those states. I plan to touch on several regulatory and legislative developments that either directly impact the states or have implications for how we interact with your industry and the federal government.

In this month's "Governing" magazine, an article begins as follows: "Outcries against federal overreach and job-killing regulations. Lawsuits aimed at preventing a bold domestic initiative from ever taking shape. Bills in legislatures asserting state supremacy over federal law. Refusal by some to participate altogether. It sounds like the campaign against the Affordable Care Act. But it's a different Obama policy – the one demanding substantial nationwide reductions in the level of carbon dioxide emissions." In his article entitled "The Carbon Rebellion", author Chris Kardish goes on to note that, given the significant economic disruption EPA's new CO2 rules could cause, "legislatures are passing bills and resolutions announcing their opposition to the rules. Some states are setting guidelines that undermine reduction targets in an effort to mitigate economic pain. And other states are suing the EPA even before the rules become final next summer. In some cases, state environmental regulators will be crafting reduction proposals while that state's attorney general sues to stop the provisions."

EPA's carbon reduction rule isn't the only Administration initiative eliciting this type of reaction from the states. We're seeing it across the board in the environmental arena, including rules on financial assurance for the hardrock mining industry, stream protection rules for the coal mining industry, and challenges to federal overreach where state primacy programs are on the line.

Interestingly, in a larger sense, some believe that the courts have become one of the key protections of federalism in our system – the U.S. Supreme Court in particular. Former U.S. Solicitor General Paul Clement has said that "it has come to pass that federalism has become something that gets enforced, at least in part, by the Supreme Court of the United States." Pointing specifically to the challenge of the Affordable Care Act, Mr. Clement said "the health care decision really does underscore that this is a court that cares about federalism principles." Referring to the section of the Act that required states to expand Medicaid programs or be subject to the loss of all Medicaid funding, Mr. Clement noted that in striking down this part of the Act, the Court for the

first time ruled a law was unconstitutional on the ground of coercive use of a federal spending program. Such reasoning could prove useful in other contexts, such as a recent Interior Department Inspector General report that recommended withholding grant funding for the state of Oklahoma unless it complied with an OSM mandate to amend or interpret its state program to align with OSM's view of the world concerning approximate original contour.

With respect to these types of legal challenges, IMCC has been active on behalf of its member states, particularly with respect to preserving state primacy under national environmental laws. Most recently, IMCC submitted an amicus curiae brief in the appeal of a federal district court decision in Montana which upheld the state's administration of its regulatory program with respect to cumulative hydrologic impact assessments. In its brief before the U.S. Court of Appeals for the Ninth Circuit, IMCC asserted that the district court's decision promotes consistency and predictability concerning the exclusive jurisdiction of primacy states to regulate coal mining within their borders. The decision also respects the sovereignty of the primacy states by requiring legal challenges to their mining programs to be brought in state courts under state law, and encourages affected parties to use available state administrative channels and appeals to pursue challenges to purely state agency actions. A similar decision was reached by a federal district court in Alaska within the past year upholding the state's actions concerning permit extension decisions. IMCC made similar arguments in an amicus brief filed with the Tenth Circuit Court of Appeals challenging a permitting action in Oklahoma where OSM utilized its Ten-Day Notice authority to second-guess a state permitting decision regarding approximate original contour.

Given the seeming antipathy of the present Administration with regard to state sovereignty and its preference for a larger role for the federal government, especially in the area of environmental protection, the states have been increasingly dependent on the courts to preserve state primacy. This may become even more important as we see heightened activity by environmental groups challenging state primacy programs through the use of petitions and notices of intent to sue.

Let me now move more directly to some of the key issues that we are either actively engaged on or are closely monitoring to forecast where I believe things are trending in advance of us having to resort to the courts.

There are several rulemakings pending at the Office of Surface Mining which you have likely heard about already. They include stream protection (or buffer zones), mine placement of coal combustion residues, temporary cessation and dam safety. Much of the work on these rules has been hampered due to delays in the DOI Solicitors Office, which must review each rule for legal and statutory consistency. Given reductions in personnel and competing priorities, the Solicitors Office has been unable to complete these reviews, without which the rules cannot move forward. With respect to the stream protection and mine placement rules, work on the accompanying EIS and EA has also delayed publication, with the stream protection rule now anticipated in April of next year and the mine placement rule next summer. All other rules are even further back in the

pack. Several states have been participating as cooperating agencies in the development of the EIS for the stream protection rule, but their involvement has been severely constrained by the current delays. They have not seen any new draft documents for over two years and our understanding is that opportunities for further input will be non-existent or merely updates. Several of the states are therefore considering withdrawing from the process as a result so as not to leave the impression that they support the findings and recommendations in the draft EIS.

Another area we have been following with interest is cost recovery, where OSM is contemplating upwards of three separate rulemakings that would provide for increases in fees to mine operators to allow state and federal regulatory authorities to recoup some of the costs associated with program implementation, particularly related to permitting. One rule would apply to federal programs administered by OSM (for instance in Tennessee); the second would apply to federal lands where states operate programs pursuant to cooperative agreements with OSM (mostly in the West); and the third would apply to state regulatory programs. The first of the rules is expected to be published as final this winter and will be watched closely because of its potential to serve as a template for those that follow. The largest concern for the states is with respect to our ability to secure support for permit increases in state legislatures which are by and large suspect of any type of tax or fee increase given today's economic climate.

Where the rubber really meets the road is the potential connection between permit fees and funding for state programs. OSM continues to remind us that there is great potential for significant reductions in federal discretionary spending which could directly impact regulatory grants to states. As a result, increases in permit fees may be the only tonic for the preservation of state programs, according to OSM. To date, the states have been successful in making the case before Congress for federal funding that meets the states' program implementation needs under SMCRA, even in the face of proposed cuts by OSM. In rejecting these cuts and restoring state grant funding to the level requested by the states, the House Interior Appropriations Committee recently directed OSM and the Administration to discontinue efforts to push States to raise fees on industry as the bill provides the funds necessary for States to run their regulatory programs. In its report on the FY 2015 budget, the Committee stated that "since fiscal year 2011, the Administration has proposed to reduce grants for State programs in order to pressure States into raising fees on industry. Each year the Committee has summarily rejected this proposal and the Committee does so again in fiscal year 2015."

The Committee's recommendations and findings are critical for state primacy under SMCRA, as they reflect the most recent iteration of congressional intent regarding the role of the states under the Act. The Committee also went on to address the topic of federal oversight of states under SMCRA, stating that it "similarly rejects the proposal to increase inspections and enhanced Federal oversight of State regulatory programs. Delegation of the authority to the States is the cornerstone of the surface mining regulatory program, and State regulatory programs do not require enhanced Federal oversight to ensure continued implementation of a protective regulatory

framework." Based on this conclusion, the Committee refused to provide additional money or FTE's for oversight activities in OSM's budget. This is some of the strongest language supporting state primacy that I have seen in my 27 years of representing the states in DC and it reflects the confidence that both the appropriating and authorizing committees have in the states. While this is an encouraging development for the states, what the future holds for federal budgets remains to be seen. It's not particularly bright.

Let me touch further on federal oversight of state programs. One of OSM's primary oversight tools for following up on its own independent inspections or on complaints that it receives from citizen and environmental groups, is the issuance of a Ten-Day Notice, or TDN. Pursuant to these notices, states have ten days within which to take appropriate action (generally the issuance of notice of violation) or explain why they chose not to act. Over the course of the past couple of years, we have seen a notable increase in the use of TDNs across the country, presumably as part of OSM's enhanced oversight initiative, as originally articulated in a June 2009 Memorandum of Understanding that included EPA and other federal agencies. In every case, however, the immediate impact has been on state resources that are being invested to respond to the TDNs, and to the Notices of Intent to Sue that often follow on from them. The states have maintained that many of these issues would be better resolved if complainants utilized the administrative and judicial procedures that are a required part of approved state programs. In the past, under OSM's Directive on TDNs (INE-35), OSM actually used a Ten-Day Letter mechanism to transmit citizen complaints to the states for resolution under their programs. This not only respected the role of the states and the integrity of their programs, but it better focused the review of TDNs and attendant resources where it belonged – at the state level. Instead of jumping through the additional hoops created by the federal TDN process, and setting up a potential adversarial environment, the states were given the first opportunity to handle the citizen complaints.

OSM's reflexive use of TDNs can be particularly problematic where the issues underlying the TDN are in dispute between OSM and the state because they involve either an unresolved policy interpretation (as we have seen in Alaska and West Virginia regarding permit extensions) or technical issues (as we have seen in Oklahoma with respect to approximate original contour and in Colorado regarding prime farmland and prime soils replacement). In addition, the number of NOIs and attendant complaints being filed in federal courts challenging various aspects of state SMCRA programs, often as they relate to the Clean Water Act, has increased dramatically, which is no surprise given the influx of money available to certain environmental groups to initiate these actions. The challenge for the states is that all of these actions require an enormous amount of staff time to respond to the allegations. This in turn often requires that states defer action on other priorities under their programs, such as permit reviews, enforcement actions and program amendments. In the final analysis, a state may find itself being assailed for its failure to perform mandatory duties under its program, thereby subjecting itself to an action under Part 733 of OSM's rules regarding takeover of all or parts of a state program. In fact, we have seen exactly this type of remedy being sought in some of the NOIs and petitions from environmental groups.

We believe it is critical that state and federal governments, as partners under SMCRA, learn how to work smarter and find ways of supporting one another instead of undermining our working relationship. Granted, OSM has its role to play as overseer of state program implementation, but there are ways of accomplishing this objective that are less confrontational and more productive than others. OSM has demonstrated this on numerous occasions in the past with respect to technical support, training, joint development of initiatives that enhance state program effectiveness, and consensus driven policy and rule design. Where we work in a complimentary fashion, both of us win. More importantly, a culture of trust and shared commitment is nurtured that pays significant dividends.

Over the years, IMCC has had great success in working with various federal agencies in working toward common solutions where our respective roles and authorities can be understood, respected and resolved. Among the more notable examples are the development of performance measures related to federal oversight of state program implementation under SMCRA; development of remining incentives for the coal industry, including the adjustment of applicable NPDES permitting requirements and water quality standards; review of potential approaches for the regulation of coal combustion wastes by EPA and OSM; reforestation best practices; design of a geospatial, geo-referenced data base that captures permitting information for all coal mines in Appalachia; and most recently, a state/federal effort to identify budget and funding priorities for state and federal programs under SMCRA. In each of these cases, IMCC has helped to facilitate the identification and participation of key member states to represent our interests and provide our input, and many of the results have been noteworthy and meaningful.

The most recent of these is the Government Efficiencies Initiative which is focused on addressing funding shortfalls and challenges for both OSM and the states given deficit reduction, sequestration and the like. In response to a request from the states, OSM established three work groups in the areas of financial stability, training and technical support and program efficiencies which looked at the full complement of our respective responsibilities under SMCRA to determine where new funding opportunities exist and where efficiencies can be gained to conserve limited resources. The three OSM/State Work Groups recently submitted their findings and recommendations to the Director and we are eagerly awaiting his reaction to them along with potential next steps, some of which involve engaging with industry and other stakeholders to gather additional input and advice about some of the suggested approaches.

There are two other trending areas of interest under SMCRA that I would like to briefly address. One involves bonding; the other concerns the abandoned mine land program under SMCRA. With respect to bonding, one of the particular areas we have recently focused on involves the use of self-bonds. For those states who currently accept self-bonds or corporate guarantees, there are increasing concerns about some of the larger companies being unable to continue meeting their financial solvency tests

given recent corporate restructuring and/or the downturn in the coal markets, which, as you know, are in turn often due to fuel switching or expanded regulatory requirements related to the burning of coal. This concern has been exacerbated by the fact that a few larger mining companies that self-bond have commercial interests in several states and agency decisions about accepting a self-bond are generally focused intra-state, not nationwide. Without a full disclosure of the full scope of a company's operations and self-bonds or corporate guarantees nationwide, a state may be obtaining a limited picture of the company's bonded capacity and potential impacts on its overall financial health, to the detriment of the state should a series of defaults occur.

As a result, several states are reconsidering whether to accept self-bonds or corporate guarantees in the future and are considering restructuring their existing regulations to either limit or completely eliminate this bonding mechanism. Where these bonds or guarantees will continue to be accepted, expanded financial tests and oversight reviews are pretty much a certainty. In this regard, one state has developed a series of financial requirements that can be checked periodically for purposes of tracking the health of the self-bonded companies. Some states report having success requiring a third party guarantee with the key requirement that the guarantee not come from a company within the same corporate family tree as the permittee. Another new option being discussed is the use of a sight draft, which is a bill of exchange that is payable at sight so the money may be immediately collected upon presentment of the draft to the drawee named in the instrument.

The states are certainly aware of the fact that there are significant benefits for financially stable companies to utilize self-bonds, not the least of which is that it allows a company to avoid tying up capital in the form of collateral and paying premiums under traditional surety or letter of credit relationships. Allowing a company to self-bond also reduces the aggregate cost of bonding and reduces administrative difficulties associated with using a third party bonding company. And as larger, better leveraged companies who qualify for self-bonds utilize this mechanism, as opposed to using surety bonds, it helps to maintain the capacity for available surety bonds for the balance of the mining industry. Given that there are limits on this capacity, there has been some concern about what the impacts for the mining industry would be if companies who are currently self-bonded are required to obtain sizeable surety bonds as replacement for their reclamation obligations.

Bond pools, an alternative bonding mechanism that gained popularity in the 1990's, are seeing considerable attention today given recent court decisions and overall experience with these bond pools. At present, about six states utilize some form of bond pool, often as a backstop or safety net for those situations where there are differences between the estimated cost of reclamation and actual costs. Several states are in the process of restructuring their bond pools and how the pool will be funded utilizing a combination of severance tax money and contributions from participants in the pool. This move has been motivated by the same concern that caused Pennsylvania to move completely away from its bond pool and to turn instead to either full cost bonding or the use of trust funds, and that is a court decision that required the

entire bond pool to be liable for the full obligations of any one mining company.[1] In situations where a single company experiences unanticipated acid mine drainage requiring long-term treatment and is unable to meet this obligation, the bond pool has been required to pay for these costs, often depleting the entire pool. With the additional concern raised by the Fourth Circuit decision[2] that some reclamation work undertaken by a state pursuant to a bond forfeiture may require the issuance of an NPDES permit, there is great reluctance to place much confidence in bond pools.

With the financial assurance numbers increasing and the companies finding fewer mechanisms to meet their entire need, agencies and companies have looked at "packages" of financial assurance instruments. Techniques include not just a variety of instruments but also providing some funding over time and matching specific instruments to particular phases of the reclamation obligation.

By using several mechanisms, agencies and operators can more appropriately allocate risk. For larger mines or mines with known environmental risks, the financial assurance can be roughly divided between short-term (e.g. earthwork, revegetation, demolition) and long-term (e.g., long-term monitoring and maintenance, water treatment) obligations. Agencies and operators can then match these obligations with an appropriate financial assurance mechanism. For instance, a guarantee, if available, and surety bonds are relatively low risk mechanisms in the short-term but much higher risk in the long-term, and therefore should be matched with short-term reclamation obligations. A trust fund provides opportunity for appreciation and, therefore, is better matched with long-term obligations.

There are a variety of other issues that the states are currently working through in the bonding arena including bond forfeitures, especially those associated with bankruptcies and the potential for alternative enforcement; tracking letters of credit as a result of bank mergers and closures; difficulties associated with updating and increasing bond amounts; the expense associated with full cost bonding; insufficient funds following bond forfeitures; and the increasing complexity of administering a bonding program, especially with regard to risk analysis.

On the hardrock side, the states have been closely monitoring a potential rulemaking regarding financial assurance requirements for the hardrock mining industry, which could undermine existing state regulatory programs. IMCC and the Western Governors' Association have adopted resolutions that urge EPA to defer to the states on this matter and avoid potential federal preemption in this critical area of state regulation. The EPA's attempts to displace successful state bonding programs for the hard-rock mining sector pursuant to its authorities under the Comprehensive Environmental Response, Compensation and Liability Act (CERCLA) is an example of federal overreach. Despite the extensive expertise that state agencies have developed in the areas of bonding and

---

[1] *Pennsylvania Federation of Sportsmen's Clubs, et al. v. Hess*, 297 F. 3d 310 (3d Cir. 2002).

[2] *West Virginia Highlands Conservancy, Inc. et. al v. Huffman*, Appeal No. 09-1474, Before the United States Court of Appeals For the Fourth Circuit (Decided 11/08/2010).

reclamation, it is unclear how an EPA-administered hardrock bonding program would incorporate this expertise or how it could affect these successful state programs. This is an example of the need for federal agencies to respect and proactively consult with states on regulatory issues, rather than making us fight to provide information about the success of the programs we already have in place.

If this rulemaking goes forward, the EPA should commit to deferring to state bonding programs and honoring their primary role of managing mining programs within their respective jurisdictions. Importantly, any rulemaking should be thoroughly vetted with state experts before its release so that EPA can benefit from their expertise regarding the content and implementation of the rule and EPA should structure the rule to avoid any federal preemption impacts.

So far, in developing the rules, EPA has been seeking the advice of the commercial insurance industry. It is anticipated that financial responsibility can be established by any one, or any combination of, insurance, guarantees, surety bond, letter of credit, or qualification as a self-insurer. Decisions about exactly what forms will be satisfactory are still very much unresolved, as is the mechanism by which degree and duration of risk will be determined for purposes of setting the amount of financial assurance. As part of its data gathering process, EPA has prepared 20 reports on existing state financial assurance requirements for the hardrock mining industry. The states, through IMCC and the Western Governors Association, have had several opportunities to provide comments on these reports and on the overall approach for the anticipated rule. While we still do not have a clear idea of where EPA may be headed with the rule, the one predominant concern for the states will continue to be the potential for preemption of state programs.

Shifting gears a bit, IMCC has also been actively engaged on a variety of abandoned mine land (AML) issues under SMCRA and as part of a potential hardrock AML program, including Good Samaritan protections. On the coal side, IMCC has worked collaboratively with the National Association of Abandoned Mine Land Programs (NAAMLP) to insure adequate funding for state programs that have responsibility for reclaiming these legacy sites. The Administration has proposed to eliminate funding for certain states and tribes and to restructure the AML program in ways that would unduly impact and inhibit AML cleanups. To date, Congress has been unwilling to entertain these debilitating changes to Title IV of SMCRA and for that we are grateful. However, it will not be long before we begin to explore the need for reauthorization of the AML program as we approach the current end date for fee collection in 2021. Already, several interested parties and congressmen have inquired about the necessity of extending the program and IMCC has been working to provide data and information that will be needed in advance of any such legislative initiative. We have also been engaged with the Administration to secure an exemption from sequestration for the mandatory funding that supports the AML program. As it stands, the program stands to lose upwards of $150 million if sequestration prevails. Finally, we have been working with our allies on Capitol Hill to include workable and meaningful Good Samaritan protections for those undertaking AML work at both coal and hardrock sites where water

quality is involved. At present, potential liability under the Clean Water Act for this type of work is inhibiting these types of cleanup efforts and without legislative relief will continue to go unaddressed.

Another initiative we've been following concerns a draft document prepared by EPA for its Science Advisory Board informally titled "the connectivity study" which addresses the interconnection of most waters in the entire U.S. and will likely serve as part of the basis for EPA's rulemaking on waters of the U.S. that would dramatically increase EPA's Clean Water Act jurisdiction. Unfortunately, the states have been provided the same opportunity to comment on the connectivity study as the average member of the public. This disregards the clear direction of the CWA to consult with, and retain the primary role of, state governments in managing land and water use. For example, the State of Alaska – representing almost 20% of the land mass of the United States – is not even featured in the maps in the connectivity study. There are no sections addressing its unique arctic environment or the complexities of permafrost. These kinds of omissions starkly illustrate the need to involve state regulators who know the specifics of their respective regions from the very beginning of these processes. The scope of CWA jurisdiction is absolutely critical to the management of land and water in every state throughout the country. It has been disputed for decades, including in multiple cases before the Supreme Court that have restricted EPA's prior interpretations of its authority. It is therefore absolutely critical that the states be extensively consulted during this rulemaking.

Our concerns about EPA's intrusions into state authority have been bolstered by a recent report from the American Legislative Exchange Council entitled "EPA's Assault on State Sovereignty" which found evidence that the "unprecedented regulatory encroachment" on behalf of EPA has produced significant negative effects to the economy. The report argues that since 2009, EPA has largely abandoned its cooperative federalism approach to its administration of such legislation as the Clean Water Act and the Clean Air Act, replacing the congressionally intended system with one in which state participation is effectively replaced by "friendly lawsuits" from environmental groups. The report also cites the fact that the EPA has raised the percentage of its regulatory disapprovals by 190 percent over the average during the last three presidential administrations, and has increased its takeover of state programs by 2,750 percent over the same period. ALEC's report argues that these developments are contrary to congressional intent in laws like the Clean Air Act, which specifically mandates that state and local governments should hold primary responsibility.

As Ed Fogels of Alaska noted in testimony he presented before the House Energy and Mineral Resources Subcommittee last year at an oversight hearing concerning "EPA v. American Mining Jobs: The Obama Administration's Regulatory Assault on the Economy", a healthy mining industry and environmentally sound natural resource development are important to Alaska and the member states of the IMCC, and are in the best interests of the United States. Responsibly developing our mineral resources benefits our citizens and the country as a whole. However, to make this happen, we need cooperation rather than frustration from federal agencies. The states have

developed effective and robust regulatory programs that should be relied on by federal agencies, not overridden by them.

When federal agencies, such as the EPA, seek to expand regulations that impact mining, they are often duplicating existing, well-functioning programs. This duplication is not only inefficient, but it has real costs to the states and their residents who work to responsibly develop and protect natural resources. The states' familiarity with the specifics of their respective local mining industries is irreplaceable, and federal agencies must recognize the states' role in representing their citizens' economic and environmental interests. As Mr. Fogels noted in his testimony, they can do this in the following ways:

First, respect the primary role and responsibility of the states in managing, administering, and protecting their lands and waters. This role is grounded in the states' position as sovereign entities in the system of federalism recognized in the U.S. Constitution, and has been unequivocally acknowledged many times by Congress and the courts.

Second, respect the experience and expertise of state agencies who are often much more familiar than federal regulators with the particular circumstances and needs in their communities. States may be able to craft more practical solutions to challenges if their roles are not displaced by rigid federal processes that do not take into account state experience and expertise. In short, states are more likely to be problem solvers, looking for and finding solutions that work well for their environment and their economy. That's why they are often referred to as "laboratories of democracy".

Lastly, defer to, and build on, the successful programs that are already in place. New programs do not need to be built from the ground up at the federal level, as this will duplicate many of the well-functioning processes that are established and well-managed by the states. This will ensure that the expertise of both the states and of other federal agencies can be used efficiently. Collaboration with and support for state programs should be the focus of any new federal initiatives.

Local effects, both positive and negative, are central reasons why mining regulation must preserve a strong role for the states. Federal resources and expertise should not be disregarded, but these complex regulatory activities must primarily rest with state regulators who are on the ground and who understand the full range of their respective states' interests. We need to reverse the tendency seen in the last several years to centralize agency decision making in Washington D.C. In this regard, IMCC adopted a resolution last year concerning the states' federalism concerns that was sent to Congress and which further expands on our concerns and recommendations regarding state and federal relations.

The issues I have discussed here today are admittedly difficult to solve. They will require a change in approach by federal regulators to increase rather than decrease consultation with states when dealing with mining regulation. Unfortunately, strong

expressions of Congressional intent regarding this type of approach, such as that found in the Regulatory Overreach Protection Act (H.R. 5078) recently passed by the House, are not always enough to stem federal overreach. There must also be continued oversight and leadership from Congress and the courts to ensure that states are treated as partners in the critical process of environmental protection. The benefits of a stronger state and federal partnership will accrue to the whole nation. Increased federal efficiency will reduce both government expense and delays that affect projects. State primacy will ensure that all of the state's interests are represented in regulatory decision making. Environmental protection can continue to be strengthened by federal and state experts complimenting rather than duplicating each other's work.]

Just a word about the organizational health of IMCC before I conclude: We have recently seen an uptick in interest by several states to either join the organization as associate member states or to move from associate status to full member status, which involves the enactment of legislation to bring a state formally into the compact. Nevada and Mississippi recently joined the compact, with Mississippi moving with lightning speed from associate to full member within nine months. Utah and Alaska both went through the state legislative process to enact measures to bring them into the compact as full members this past year. And Wyoming, Colorado and New Mexico are currently pursuing the legislative process, with bills having been drafted in each state as we await the appropriate time to advance the legislation in upcoming state legislative sessions. We hope to see action in Wyoming in 2015. Finally, IMCC has been approached by several northern tier states to investigate compact membership, including Montana, Minnesota, Wisconsin and Michigan. To the extent that you have operations in these states and believe that their participation in the compact would have merit from your perspective, we would greatly appreciate your support for them to join. And to end on a very positive, upbeat note, after 27 years, IMCC has hired a third full-time employee to assist with our work. Let me introduced Ryan Ellis, Legislative and Regulatory Affairs Specialist for IMCC. We have also promoted our long-time employee, Beth Botsis (whom many of you know) to Deputy Executive Director. Together, we seek serve the interests of our 26 member states here in Washington, DC.

Thanks again for the opportunity to speak with you today. I would be happy to answer any questions you may have.