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MEMORANDUM

To: Sean T. McCullough, Regulatory Policy Advocate
Lt. Governor's Office

From: Lanny Erdos, Chief *LE*
ODNR, Division of Mineral Resources Management

Date: February 18, 2015

Subject: CSI Review – 2014 Industrial Minerals rules package

Thank you for your thorough review and analysis of DMRM's IM five-year-review rules. The CSI review memorandum states that the rules have been sufficiently justified and, as CSI has no recommendations regarding this rule package, ODNR may proceed with the formal filing of these rules.

There are three comments contained in the CSI review that need to be clarified.

- Fee levels for industrial minerals permits and minimum requirements for bond amounts are established in statute rather than in rule, in ORC sections 1514.02 and 1514.04. The only bond amount established in rule is the provision in rule 1501:14-1-09(A)(1) that "grandfathers in" small operators that were in existence at the time of the enactment of SB 83 in 2002, a variance that is allowed under the law in section ORC 1514.04(A).
- It is Ohio law, ORC section 1514.02(B), rather than the IM rules, that requires fee and bond minimums to be met before the Chief of DMRM can issue or renew an industrial minerals permit.
- Ohio's industrial minerals surface mining program is not governed by a federal regulatory program, although the IM rules sometimes do refer to federal laws and regulations and incorporate by reference some federal analytical methodologies.

At this time, it is DMRM's plan to move forward with the original filing of this rule package with the Joint Committee on Agency Rule Review. If you have any questions, please contact Ann Laubach at 614-265-1092.

cc: Erik Mikkelsen, Legislative Liaison - ODNR
Brock Miskimen, Deputy Legal Counsel - ODNR
Bob Boyles, Deputy Director - ODNR
Dave Crow, Deputy Chief - ODNR, DMRM
Sue Grant, Administrative Officer - ODNR, DMRM