

From: Lewis Gustafson <lewgustafson@charter.net>
To: jgeddes@sbcglobal.net
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Subject: NBMG

Lewis B. Gustafson
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Dear Dr. Geddes

As a member of the Advisory Committee of the Nevada Bureau of Mines and Geology, and with 40 plus years of experience working in the minerals industry in and outside of Nevada, I am very concerned about the drastic proposed cuts to the budget of NBMG.

NBMG, like other state geological surveys, provides essential services to the minerals and energy industries, including geologic mapping, data preservation, database development, statewide mineral and geothermal resource assessment, and analytical services. The public and local governments also rely on the Bureau for saving lives and protecting property through information on earthquake and flood hazards. Education is a secondary function. The Nevada Bureau is the most well managed and effective of several state geological surveys I have worked with over the years.

The University's plans for cutting \$1.1 million from the \$2.1 million annual budget would not only cripple the Bureau in providing essential services in support of industries vital to Nevada's economy and growth, but would result in the loss to the University of about \$2 million from the roughly \$4 million in external grants to Bureau researchers. While the proposed transfer of NBMG to the Department of Geological Science & Engineering could result in an increase in teaching capacity, it is not really needed by the small student numbers in DGSE and would come at a very large cost to both UNR and to Nevada's minerals and energy industries.. While it has operated effectively within UNR, the Bureau might in the long run be much better located within the Desert Research Institute, with it's research focus and culture, or set up as an independent organization. There may also be a possible arrangement whereby existing mining and geothermal industry organizations could be induced to help with more direct support to NBMG. However, these long term solutions require much more study than is possible under the current short term crisis.

In this critical time, every organization must take their share of cuts, but I urge you to find ways to solve the University's and the State's financial crisis without gutting one of the organizations most vital to attracting new energy and minerals companies to Nevada

Sincerely,

Lewis B. Gustafson, PhD