

PERSONAL EXPLANATION

HON. SAM GRAVES

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Tuesday, January 27, 2009

Mr. GRAVES. Madam Speaker, due to personal reasons, on Monday, January 26, 2009 I missed rollcall votes 30 and 31. Had I been present, I would have voted "aye" on those rollcall votes.

Thank you.

HARDROCK MINING AND
RECLAMATION ACT OF 2009**HON. NICK J. RAHALL II**

OF WEST VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, January 27, 2009

Mr. RAHALL. Madam Speaker, last Friday, January 23, marks the passing of 137 years predecessors in the U.S. House of Representatives began to debate a bill to promote the development of mineral resources in the United States. One described the legislation as "an experiment."

On that day in January 1872, Representative Sargent from the State of California noted prior fierce debate in the House over a core element of the proposed mining law—that the Federal Government would be selling off the mineral rights of the United States rather than holding onto Federal ownership and imposing a royalty on future production. Representative Maynard from the State of Tennessee questioned whether the law might encourage speculation.

During an April 1872 debate in the U.S. Senate, Senator Cole from the State of California cautioned that the proposed mining law would allow a person to acquire large tracts of land "which might be worth thousands of dollars per acre, perhaps millions . . ." Senator Alcorn from the State of Mississippi acknowledged that he had never seen a gold mine in his life, while Senator Casserly, also from the State of California, warned of men who could not imagine the mineral deposits that "lie to a fabulous extent in value between the Mississippi River and the Sierra Nevada."

Ultimately, however, our predecessors believed the bill would "meet with universal favor" and would prevent litigation among mining claimants. They liked the idea that the bill might, as Representative Sargent hoped, "bring large amounts of money into the Treasury of the United States, causing the miners to settle themselves permanently, and improve and establish homes, to go deeper in the earth, to dig further into the Hills . . . and build up their communities and States."

And so, on May 10, 1872, Congress passed a law that encouraged people to go West, locate hardrock minerals and stake mining claims on Federal lands, and remove treasure troves of gold, silver, copper, and platinum from the public domain—for free.

The General Mining Law of 1872, or the "experiment," as some of our predecessors named it, has endured for more than one and a third centuries—a total of 137 years.

Today, we can resoundingly assert that the experiment has lasted long enough.

Consider some of the impacts of the 1872 Mining Law:

According to the Congressional Budget Office, it allows the hardrock mining industry to remove \$1 billion in precious metals every year from America's public lands, with no royalty payment or production fee to the Federal Government. By comparison, the coal, gas, and oil industries pay royalties of 8 percent to 18.75 percent.

According to the Department of the Interior, it has allowed mining claimants to buy American public's lands for \$2.50–\$5 an acre—lands that could easily be worth thousands or tens of thousands of dollars an acre today. Between 1994 and 2006, the U.S. government was forced to sell off more than 27,000 acres of public land holding valuable minerals for a pittance: \$112,000.

Finally, as detailed in several Government Accountability Office reports, there have been instances where American taxpayers have paid a fortune to buy back the very lands we once gave away. From Central Idaho's Thunder Mountain, to Telluride, CO, to land outside Yellowstone National Park, millions of public and private dollars have been spent to reacquire thousands of acres of mining claims to protect public access for hunting, fishing, and other recreational opportunities.

Given our current economic crisis and the empty state of our national Treasury, it is ludicrous to be allowing this outmoded law to continue to exempt these lucrative mining activities from paying a fair return to the American people.

Beyond that, the 1872 Mining Law has allowed unscrupulous owners of hardrock mines to abandon hundreds of thousands of mines—and to require American taxpayers to foot the bill because there is no "polluter-pays" funding source, that is, a dedicated source of cleanup funding.

In 2007, the U.S. Forest Service estimated that, with its current annual abandoned mine cleanup budget of \$15 million, it would take 370 years to complete its \$5.5 billion in abandoned mine cleanup and safety mitigation work. In 2008, the inspector general of the Department of the Interior concluded that the public's health and safety is jeopardized by the unaddressed hazards posed by abandoned mines on Federal lands, including lands in the national parks. These old mines are not just eyesores, they are killers.

Today, I, along with Representatives MILLER, WAXMAN, MARKEY, BERMAN, GRIJALVA, HOLT, COSTA, CHRISTENSEN, STARK, KILDEE, HINCHEY, ESHOO, BLUMENAUER, KENNEDY, KIND, CAPPS, SCHIFF, HONDA, SALAZAR, TSONGAS, and CONNOLLY, introduce the Hardrock Mining and Reclamation Act of 2009. This legislation would end the financial and environmental abuses permitted by the 1872 Mining Law—archaic provisions that fly in the face of logic, and are not what taxpayers, sportsmen, conservationists, and western communities want or need.

This is the same bill that the House of Representatives passed by a bipartisan vote of 244–166 in 2007. It contains the same critical requirements, including:

An 8 percent royalty on production from future hardrock mines on public lands, and a 4 percent royalty from current mines.

A permanent end to the sell-off of public lands holding mineral resources.

The establishment of a clean-up fund for abandoned hardrock mine sites, prioritizing the riskiest ones.

Stronger review requirements, specifically for mines proposed near national parks, to help protect nationally significant areas such as Grand Canyon National Park, where miners had filed more than 1,100 claims within five miles of the park as of October 2008.

A threshold environmental standard for mining. This standard would not preclude mining, but it would make it possible to protect public lands if a mining proposal would irrevocably destroy other equally valuable resources.

Every year, the mining industry's fear of losing the sweet deal they currently enjoy on U.S. public lands leads, predictably, to baseless arguments that reform will cause a large scale departure of mining from American soil.

But we know there are many reasons companies will still want to mine for hardrock minerals in the United States. In an annual survey of metal mining and exploration companies published by the independent, Canadian-based Fraser Institute in 2008, Nevada ranked second out of 68 jurisdictions worldwide for overall policy attractiveness. Utah and Wyoming also made the top 10, and Arizona the top 20. The survey highlighted why the U.S. has appeal. Relative to many other countries the U.S. offers good enforcement, good infrastructure, a stable political system, minimal risk of terrorism or guerrilla groups ruining a mining investment—and a predictable regulatory system. Imposition of a Federal royalty—or fee—on production—will not change those powerful advantages.

We also know that the mining industry is clinging to an outdated boondoggle. Nearly every country in the world imposes a royalty—except the United States.

Industry might also trot out the argument that this bill undermines our Nation's secure access to the minerals we use in everyday products. Yet, import reliance alone is not a problem, as the National Research Council of the National Academies asserted in a recent study of critical minerals. Some minerals we have always imported in significant quantities, simply because the ones we need do not exist in mineable quantities here.

Furthermore, a 2008 Congressional Research Service report concluded that Mining Law reform legislation would not likely have much impact on domestic mining capacity or the import reliance of minerals like copper, uranium, platinum, and molybdenum, in large part because the vast majority of mining on federal lands is for gold—about 88 percent.

Today, our goals for mining policy are no longer what they were in 1872, when Representative Sargent hoped the mining law would encourage miners to "dig deeper into the earth" and "further into the Hills." We can aspire to a law that does not merely promote mining, but one that also protects the other values of the hills themselves: clean water, wildlife, recreation, open space, and tourism. We should aim for a law that encourages mining but also encourages responsible corporate citizenship. And, a law that brings a fair return to the taxpayer. That would be a Mining Law worthy of the 21st—rather than the 19th—century.