

America's Minerals



Building a strategy for our nation's economic and national security

The vitality of the modern American economy is, and must be, firmly rooted in the ready availability of minerals that are essential to our way of life and our national security. However, America is ceding control of its future by relying on outside sources for minerals that are abundant domestically. Ensuring the future health of the American economy demands immediate attention to the development of an effective strategy to address America's 21st century mineral needs.

The contributions made by minerals and the mining industry to the well-being of the United States are unprecedented. Not only is the United States the world's largest minerals user, but it also ranks as one of the world's largest producers. Minerals are key components in American homes, offices, cars, communication systems and beyond; and play a critically important role in shaping America's national security through their use in the manufacture of military equipment and aircraft.

Mineral Facts:

- **USES.** Every American uses an average of 48,000 pounds of newly mined materials each year.
- **METALS.** The domestic mining industry provides nearly 50 percent of the metals American manufacturers need to operate, including iron ore, copper, gold, phosphate, zinc, silver and molybdenum.
- **JOBS.** Nearly 270,000 people work directly in mining throughout the United States. Employment in industries that support mining accounts for nearly 3 million additional jobs.
- **WAGES.** The average yearly salary for miners is the highest wage of any industry segment of American workers.
- **VALUE.** In 2005, the total value of mined U.S. raw materials was \$51.6 billion and the estimated value of all minerals processed domestically stood at nearly \$80 billion.
- **GOVERNMENT REVENUE.** It is estimated that a total of \$57 billion in combined and indirect revenues are received by federal, state and local governments each year as a result of income streams generated by mining.

However, despite the undeniable benefits provided by minerals, existing government policies discourage domestic mineral exploration and development.

Currently the United States accounts for a meager 8 percent of worldwide mineral exploration budgets, due in large part to complexities, uncertainties and delays caused by a host of onerous mine permitting requirements. As a result, America has witnessed a prolonged period of underinvestment in exploration. In turn, this has caused

America to become far too dependent on foreign sources for minerals vital to America's economic and national security.

Consider:

- America now depends on imports from other countries for 100 percent of 17 mineral commodities and for more than 50 percent of 42 mineral commodities.
- America is completely import dependent on a host of minerals despite their existence domestically. Among these are: yttrium, essential to the manufacture of microwave communications equipment; and vanadium, essential to the manufacture of superconductors.
- America possesses vast undeveloped mineral wealth that far exceeds that of its major industrial competitors. For example, a recent assessment of domestic copper resources indicates that the U.S. possesses 550 million tons in identified and undiscovered reserves. Yet, America produces only half the copper it consumes despite the fact that the price of copper is at record levels.
- The domestic resource base should be fully utilized to promote America's economic vitality and to capitalize on the advantages of America's stable government, strong economy, educated workforce and technologically advanced and environmentally aware mining industry.

What Must be Done:

- Establish and maintain regulatory certainty and predictability.
- Reduce excessive, duplicative and expensive permitting delays.
- Ensure adequate supplies of low cost energy.

A Strategy for Meeting America's Demand for Minerals:

America must fully embrace the following policies to sustain and improve our nation's standard of living and bolster our national security.

- I. Place a higher priority on the nation's need for, and utilization of, domestic minerals by:
 - Establishing an appointment-level position at the Department of the Interior to ensure America's mineral needs are appropriately considered on a national level and to support programs and initiatives that result in greater domestic mineral exploration and development.
 - Adopting national policies that expedite domestic minerals projects.
- II. Develop a more efficient regulatory process that:

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- Eliminates duplicative review processes both among federal agencies and between federal and state regulatory authorities.
 - Establishes permitting timeframes that have firm deadlines.
 - Ensures sufficient agency personnel and resources are available to provide timely review and approval of permit applications.
 - Ensure user fees, if imposed, are fair and reflect the quality and level of service provided.
- III. Establish efficient and fair public policies that reflect technically and economically feasible goals designed to protect the environment while providing the long term certainty and stability needed for major investment:
- Promote a risk-based priority setting strategy utilizing environmental objectives based on sound science and risk-reduction principles that include the appropriate use of cost-benefit analyses that consider both quantifiable and qualitative measures.
 - Avoid “one-size-fits-all” standards to maximize limited resources, provide flexibility to prioritize environmental issues and develop site-specific appropriate solutions.
 - Increase the use of non-regulatory approaches, coupled with the appropriate use of tools such as environmental management systems, that have the potential to provide better environmental protection, promote business efficiency and encourage cooperation.
 - Provide public-private partnerships creating more opportunities to prevent pollution.
 - Promote policies that incorporate sufficient flexibility to facilitate timely responses to science and technology innovations.
 - Promote reasonable and achievable land reclamation, closure and financial assurance requirements.
- IV. Establish policies for minerals located on public lands that:
- Allow access to mineral reserves on federally owned lands, while recognizing appropriate restrictions on lands within the National Park System and the National Wilderness System.
 - Provide for the security of tenure needed to attract the risk capital necessary to develop resources located on public lands.
 - Recognize the right to explore for and develop minerals on public lands open to location under the Mining Law.
- V. Fully fund research and development partnerships between government and industry that:
- Reduce U.S. dependency on foreign sources for strategic minerals.
 - Encourage research and development on demonstration and deployment programs that explore how to reduce the costs of conventional and alternative fuels used by industry.
 - Expand research on advanced pollution control technologies.
- VI. Invest in the industry's human resource requirements by:
- Continuing to advance the industry's safety and health successes through the use of available technologies; the development of new technologies as needed; and continued miner education.
 - Developing effective training tools for the new generation of miners that will join the industry over the coming years.
 - Promoting aggressive employee recruitment and training programs to meet the demand for 55,000 new miners needed to replace employees expected to retire in the next five to 10 years.
 - Promoting university-level mining engineering programs, as at least 300 new mining engineering graduates are needed annually to keep pace with projected retirements and industry growth.
- VII. Maintain tax policies that not only encourage, but ensure, timely and adequate investment in minerals. These policies should:
- Provide incentives to promote the exploration and development of domestic minerals.
 - Retain the percentage depletion allowance.
 - Reject taxing explosives.
 - Provide fair capital gains treatment for precious metals.
- VIII. Embrace responsible stewardship by:
- Enacting “Good Samaritan” mine cleanup legislation that promotes voluntary efforts to remediate pollution issues at abandoned hardrock mines.
 - Promoting responsible mining practices and sustainable development.
 - Promoting educational opportunities regarding the critical needs for, and uses of, minerals.
 - Promoting participation in corporate social responsibility and environmental initiatives.
- The National Mining Association (NMA) commits itself to achieving these policy objectives in order to encourage the development of mineral resources essential to a vibrant American economy and our national security. For more information, please contact NMA at (202) 463-2600 or visit our web site at www.nma.org.