

The vitality of the modern American economy is firmly rooted in the ready availability of metals and minerals that are essential to our way of life and our economic security. The United States ranks among the world's largest producers and consumers of minerals and metals, which provide key components to consumer and industrial technologies and play a critical role in shaping America's national security through their use in the manufacture of military equipment.

Public lands in the Western states account for 75 percent of America's domestic metals production. The Mining Law established the framework for obtaining mineral rights on public lands for hardrock mineral deposits, which are difficult to find and expensive to develop. The Mining Law needs to be updated to provide a predictable legal and regulatory framework for developing America's mineral potential on public lands. This framework is essential for the domestic mining community to meet the nation's mineral needs.

Legislation

The National Mining Association supports targeted changes to the Mining Law to ensure a fair, predictable and efficient legal and regulatory framework that fosters the exploration for and development of hardrock minerals. Specifically, we support:

- Payment of a fair return to the public through a net income production payment or royalty for minerals produced from new mining claims;
- Creation of an Abandoned Mined Land fund financed by the revenue generated from a net income production payment or royalty to help reclaim abandoned mines;
- Preservation of self-initiated rights and ensuring the security of tenure necessary to attract investment by clarifying and linking rights to existing claims maintenance fees;
- Assurance that public lands shall remain open and available for the mineral exploration and development vital to our nation's well being;
- Recognition of the existing comprehensive framework of federal and state environmental laws that regulate all aspects of mining from exploration through mine reclamation and closure.

The "Hardrock Mining and Reclamation Act of 2009" (H.R. 699), does not meet our objectives and would seriously jeopardize the viability of domestic mining, increase the nation's dependence on foreign sources of minerals and export high-paying jobs by:

- Imposing a royalty on the gross revenues generated (rather than profits), without deductions for the costs of mining, processing or refining, thereby removing incentives for investment in mineral development and discouraging maximum recovery of mineral resources;
- Removing vast areas of the public lands from mineral exploration;
- Establishing a duplicative environmental regulatory framework that conflicts with existing programs administered by the Bureau of Land Management and the Forest Service and regulations imposed under a wide range of state and federal environmental laws including the Clean Water Act, Resource Conservation and Recovery Act and the National Environmental Policy Act.

Background

America's mining community currently provides nearly 50 percent of the metals our nation's manufacturers need to operate, including copper, gold, iron ore, phosphate, zinc, silver and molybdenum. Most of these metals come from public lands. However, America is ceding control of its future by increasing its reliance on foreign sources for minerals that our nation has in abundance. Congress should not ignore the impact of our growing import dependency in an era of global resource nationalism.

In today's global economy, capital investments crucial for successful mineral development go to countries that offer stable public policy climates. For this reason, the World Bank has advised nations that to attract the necessary investment to sustain viable mining industries, governments must adopt the fundamental principle of "no surprises" in the enactment and administration of laws and policies.

For more information about the Mining Law visit www.nma.org.