

**H.R. 699:**  
**An Act to Increase the Nation's Reliance on Foreign Sources of  
Strategic, Infrastructure and Energy Minerals  
And Hurt Rural Mining Communities**

**The regulatory barriers and economic disincentives in H.R. 699 create such uncertainties in the business investment climate that hardrock mining in the U.S. will significantly decline.**

- This will guarantee that America will become even more dependent than we are now for the minerals that are critical to national security and our way of life.
- As shown on the attached graph from the U.S. Geological Survey's 2007 Mineral Commodities Survey, this Nation is already too reliant on foreign minerals.
- H.R. 699 will make a bad situation even worse as U.S. mineral exploration, development, and production drop in response to this punitive bill.

**H.R. 699 will create great economic and social hardships for rural mining communities as the mainstay of their local and regional economies diminishes.**

- Mining is vital to the economy in many rural western communities.
- A decline in these rural economies will produce adverse economic ripple effects throughout western states.
- Without mining as an economic engine, urban counties in western states will have to subsidize rural areas.

**The Title I royalty provisions are counterproductive because they are so burdensome they will stifle production resulting in paltry royalty revenues for the government.**

- For over a decade, the hardrock mining industry has advocated a Nevada-style net proceeds payment to provide the American public with a fair return from mining on public lands.
- This tax structure has a proven track record of generating significant revenue for state and local governments while minimizing administrative costs. For example, in 2006, Nevada gold and silver mines paid more than \$32.3 million in Nevada Net Proceeds of Minerals Tax.
- Congress should enact a royalty structure that puts miners and the government on the same side of the economic equation so that higher royalties are paid when metal prices are high and royalty payments decline when metal prices are low.
  - The royalty scheme in H.R. 699 does not achieve this objective.

**Title II puts millions of acres off limits to mining with no consideration of how this will increase the Nation's future foreign mineral reliance.**

- Locking up vast areas of potentially mineralized ground is not good public policy because it will reduce the Nation's abilities to produce important mineral resources.

**The Title III environmental provisions wreck havoc with the existing comprehensive, stringent, and effective federal and state environmental and reclamation regulations that already govern mining.**

- Title III creates a complex and unworkable scheme that will discourage exploration and development.
- Many Title III provisions duplicate studies and environmental analyses that are already required under the National Environmental Policy Act (NEPA) and federal environmental protections laws.
- By eliminating life-of-mine permits, Title III introduces so much uncertainty that the financial community will be reluctant to provide investment capital because project permits may not be renewed after the first 10 years (or less) of operation.
- The complete overhaul of the existing regulatory framework for mining proposed in H.R. 699 flies in the face of the findings from the congressionally mandated 1999 National Research Council study entitled “*Hardrock Mining on Federal Lands.*”
  - This NRC study found that the then existing regulatory framework for mining on federal land was complex but effective with a few specific gaps.
  - In 2001, BLM promulgated updated regulations which closed all of the gaps identified in the NRC study that could be addressed by administrative remedies.

**The Title IV Abandoned Mine Reclamation Fund will not be adequately funded because H.R. 699 will discourage mining investment resulting in minimal payment of the royalties and fees needed to create the Fund.**

- Industry supports creating a fund to reclaim old, abandoned mine sites but the fund created by H.R. 699 will fall far short of the desired objectives.
- The best way to create an Abandoned Mine Reclamation Fund is to encourage mining so that fees and royalties can create a robust Fund.
- Industry also supports a Good Samaritan law to encourage third parties to invest in reclaiming abandoned mines without being exposed to liability for pre-existing environmental conditions and safety hazards.

**Title V incorrectly and inappropriately assumes all miners are scofflaws that need draconian and punitive enforcement measures**

- Today’s mining industry has an excellent track record of environmental stewardship and regulatory compliance. Title V is a solution looking for a problem.
- In 2001, then Secretary of the Interior Gale Norton asked Congress to amend the Mining Law to clarify the Secretary’s administrative penalty authority.
- Congress should focus on this request and not the excessive and unnecessary measures proposed in Title V.

*For more information contact:*

*Laura Skaer, Executive Director, Northwest Mining Association  
(509)624-1158 [lskaer@nwma.org](mailto:lskaer@nwma.org)*