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Thousands of Jobs Put at Risk by House Mining Proposal

World's highest royalty on metals mining would make U.S. operations noncompetitive; threaten mining-dependent communities throughout the West

Spokane, Washington – Thousands of high-paying mining jobs will be lost and mining-dependent communities throughout the West put at risk under the proposed “Hardrock Mining and Reclamation Act of 2009” (H.R. 699), which was introduced by House Natural Resources Committee Chairman Nick J. Rahall (D-WV) and others. These are jobs and operations that play an indispensable role in rebuilding America, but they cannot shoulder the world’s highest royalty and remain competitive in the international marketplace.

NWMA Executive Director Laura Skaer stated, “It is ironic that H.R. 699 is introduced as Congress debates spending close to a trillion dollars on an economic stimulus package. Unlike the stimulus package proposed by President Obama and passed by the House of Representatives, mining projects provide an economic stimulus that won’t require deficit spending or cost taxpayers a dime.”

It is inconceivable that, as our nation faces extraordinarily tough economic conditions, Chairman Rahall and others in Congress would propose legislation that would result in job losses and economic devastation of rural communities. Mining creates new wealth and the high-paying jobs our country desperately needs. Moreover, the indirect employment multiplier for the mining industry is nearly twice the national average.

More than 50,000 Americans are employed at U.S. metals mines. They meet half of this country’s manufacturing needs and can do more. Another 200,000 jobs are created because of U.S. metals mines – generating \$12.5 billion in payroll and \$4.2 billion in personal income and payroll taxes. Historically, the mining industry leads the nation out of recession; and is poised to do it again. Certain provisions in H.R. 699 are counterproductive to a healthy and vibrant domestic mining industry and will not only frustrate job creation but eliminate current high-paying jobs, often to foreign countries.

An 8 percent royalty on metals produced on federal lands would be the world’s highest. This royalty, provisions that are duplicative of other U.S. environmental laws and regulations and the elimination of security of tenure needed to attract investment capital would needlessly jeopardize U.S. metals mining – further increasing our dependence on foreign sources of the metals we need to rebuild America and ensure our national, economic and energy security. NWMA supports responsible updates to the General Mining Law to keep U.S. mining strong, including a fair return to the American public. However, H.R. 699 is the wrong medicine for our economy and crushing news for thousands of families in America’s mining community and rural communities throughout the West.

The Northwest Mining Association is a 114 year-old, 1,600 member non-profit, non-partisan trade association based in Spokane, WA. NWMA’s purpose is to support and advance the mineral resource and related industries, represent and inform its members on technical, legislative and regulatory issues, provide for the dissemination of educational materials relating to mining, and foster and promote economic opportunity and environmentally responsible mining.