



News from the
Committee on Natural Resources
Rep. Nick J. Rahall, II - Chairman

1324 Longworth House Office Building - Washington DC, 20515 - <http://resourcescommittee.house.gov>

H.R. 2262 – The Hardrock Mining and Reclamation Act of 2007

The Mining Law of 1872 remains as the last vestige of frontier-era legislation on the books. Along with the long repealed Homestead Act, the goal of the Mining Law of 1872 was to develop the West by making land available cheaply. Today, however, the law remains in force allowing multi-national conglomerates to stake mining claims on federal lands in the 11 western States and Alaska and produce valuable 'hardrock' minerals such as gold, silver and copper without paying a royalty to the United States. Further, the law contains no mining and reclamation standards and provides for claimed land to be sold for \$2.50 or \$5.00 an acre.

The "Hardrock Mining and Reclamation Act of 2007" (H.R. 2262) provides a strong, clear framework for sustainable hardrock mining on public lands. The bill was introduced on May 10, 2007, by Committee Chairman Rahall and Subcommittee Chairman Jim Costa. Today, the bill is co-sponsored by an additional 61 Members of the House.

The bill as reported by the Committee on Natural Resources provides a much-needed overhaul of the regrettably outdated Mining Law of 1872.

H.R. 2262 would put an end to the giveaway of public lands and impose a royalty on the production of valuable minerals – just as oil and gas, and coal produced on federal lands pay a royalty for the resources they remove.

The royalty, in turn, would help fund the estimated \$30-\$70 billion in abandoned mine cleanup costs, a cost taxpayers currently foot. H.R. 2262 maintains a high national standard for hardrock mining operations and reclamation, and emphasizes that some places are simply not appropriate for mining.

The bill includes several key changes to make it more workable and effective for industry, land managers, Uncle Sam and local governments alike. These include:

- ***Improvements to sustain a robust mining industry in the United States.*** This bill requires fully operational mines to pay a 4% gross income royalty, recognizing that many companies have already made substantial investments in properties based on economic calculations without a royalty and should not, therefore, be subject to the full 8% royalty new mines will pay. Another provision ensures security of tenure for those who engage in exploration and discover minerals on valid claims.

- **Fostering efficiency:** H.R. 2262 proposes a straightforward application process for exploration permits, in light of the shortcomings of applying a “one-size-fits-all” process to both exploration and operations. In light of the complexities of the permitting process, as amended the bill would extend the term of mine permits to 20 years, with an automatic renewal of 20 additional years.
- **Practical and enforceable environmental standards:** H.R. 2262 gives the Secretary of the Interior the right to say “no” to a proposed mine that would have severe, irreparable impacts on public resources. It establishes a simple but effective standard for mining on public lands; a proposed mine that cannot be carefully controlled to prevent undue degradation of lands and resources would not be permitted. The bill requires regulations to address a comprehensive list of environmental objectives and emphasizes transparency and public participation as critical elements of the mine permitting process.
- **Provisions to help local governments balance competing uses and values of public lands, including mineral development:** H.R. 2262 gives States, their political subdivisions and Tribal governments the ability to petition the Secretary to withdraw federal lands from mining to proactively protect drinking water, wildlife habitat, and other resources they determine are critical to their communities or local economies. The Secretary also would be required to work with State and local governments to address impacts of surface or groundwater withdrawals resulting from mining.

In short, H.R. 2262 responds to 20 years of House deliberations on the matter of comprehensive reform of the Mining Law of 1872, including four hearings and nine months of valuable input from all perspectives this year. The core goals remain the same – to craft a new mining law that reflects modern values and goals with benefits for taxpayers, public lands and the mining industry.