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House Committee on Natural Resources Subcommittee on Energy and Mineral Resources Oversight Hearing on "Mining in America: The Administration's Use of Claim Maintenance Fees and Cleanup of Abandoned Mine Lands"

Witnesses (with links to opening statements):

PANEL I

Jamie Connell

Acting Deputy Director, Bureau of Land Management

PANEL II

Kris Hefton

Chief Operating Officer, Director, Vane Minerals (US) LLC

Harold Roberts

Executive VP and Chief Operating Officer, Energy Fuels Resources Corp.

Steve Moyer

Vice President, Government Affairs, Trout Unlimited

Lauren Pagel

Policy Director, Earthworks

Committee Members Present (with links to opening statements):

Doug Lamborn (R-CO), Subcommittee Chairman

Peter DeFazio (D-OR)

Jeff Duncan (R-SC)

Raúl Grijalva (D-AZ)

Dan Benishek (R-MI)

Kevin Cramer (R-ND)

Tony Cárdenas (D-CA)

On June 13, 2013, the House Natural Resources Subcommittee on Energy and Mineral Resources held an oversight hearing on mining in America. The hearing focused on mining fees and royalties, the withdrawal of certain lands from new mining claims, and Good Samaritan legislation for the cleanup of abandoned mine lands (AMLs).

In their opening remarks, Doug Lamborn (R-CO), Chair of the Subcommittee on Energy and Mineral Resources, and Peter DeFazio (D-OR) expressed interest in reforming the 1872 Mining Law. Lamborn was concerned primarily with the withdrawal of federal lands from new mining claims, the impact of cost recovery regulations for industry, and the slow pace of permitting. He stated that the Behre Dolbear report, which provides information on whether countries' policies and business conditions are favorable to mining sector growth, has consistently ranked the United States as one of the countries with the most numerous permitting delays. In his opening remarks, DeFazio highlighted the importance of ensuring sufficient funding for the cleanup of AMLs. He noted that 12 western states require mining companies to pay royalties for mining on state lands and suggested that the federal government follow the states' lead and charge royalties that could then be used to clean up abandoned mine lands.

Witnesses for the hearing were broken into two panels. On the first panel, BLM Acting Deputy Director Jamie Connell gave an overview of the BLM's work to oversee mining on federal lands and to remediate abandoned mines. She highlighted legislative proposals in the President's FY 2014 budget that would institute royalties for mining on federal lands and levy a fee on current mining operations to pay for the cleanup of AMLs.

Questions for Connell centered on the BLM's Abandoned Mine Lands program, the length of the permitting process, and the withdrawal of some federal lands from new mining claims. DeFazio and Dan Benishek (R-MI) emphasized the need for a reliable bonding program to ensure that funds are available for the restoration of current mine sites.

Lamborn requested an explanation of the lengthy 7-10 year timespan required to permit a mine, and Connell responded that mining operations are complex and require public participation and environmental analysis. DeFazio added that permit processing times have decreased in recent years and indicated that the Behre Dolbear report ranks the US as the 6th most attractive country for

mining investment overall, despite the country's low ranking on permitting delays.

Representatives also raised questions about the withdrawal of public lands near the Grand Canyon from new mining claims. Raúl Grijalva (D-AZ) emphasized the importance of the withdrawal in protecting a water supply needed by 25 million Americans. However, Kevin Cramer (R-ND) responded that there is no evidence that water contamination due to mining has occurred in the withdrawal area. He further opined that mining companies in the area whose claims are found invalid should be compensated. Witness testimony on the second panel focused on mining fees and royalties as well as the need for Good Samaritan legislation for abandoned mine cleanup.

Questions centered on royalties and Good Samaritan legislation, and returned to the topic of withdrawn lands. Grijalva and Tony Cárdenas (D-CA) raised the question of whether it was fair to U.S. taxpayers for hardrock mining companies to mine public land "for free" without paying royalties, and Lauren Pagel, Policy Director of Earthworks, indicated that getting tax breaks without paying royalties is akin to a "double dip." In response, Harold Roberts, Chief Operating Officer of Energy Fuels Resources Corp., asserted that mining companies pay taxes and create jobs, putting money into the local economy.

The area of greatest consensus was the need for improved Good Samaritan legislation, for which many of the representatives and witnesses voiced their support. Although Steve Moyer, Vice President of Government Affairs for Trout Unlimited, indicated his organization's preference for the Good Samaritan bill introduced in 2009 by Senator Mark Udall (S. 1777, 111th Congress) over the bill introduced by Lamborn (H.R. 3203, 111th Congress), Moyer, Roberts, and Pagel showed an openness to working with legislators to craft effective legislation.

Opening statements and witness testimony, as well as a video archive of the entire hearing, is available from the committee website.

-BLH
