The Mining Law governs how U.S. citizens can locate mining claims for hardrock minerals like copper, gold, silver, lead, zinc, etc. on certain western federal lands
- Bureau of Land Management (BLM) and U.S. Forest Service administer these lands
- The Mining Law does not apply to coal, oil, or gas
- House Natural Resources Chairman, Raúl Grijalva, is proposing very unfavorable changes to the Mining Law
  - Will introduce bill May 10, the anniversary date of the law’s enactment in 1872.
- 2019 Fly-In will focus on the many problems with Grijalva’s bill
- This law has been amended and updated many times, it works well, and doesn’t need to be overhauled
- WMC has expertise with the Mining Law debate – been involved since 1993
Grijalva’s Mining Law Bill is Designed to Reduce Mining on Federal Lands

- Eliminates security of land tenure by ending the current claim location system and substituting a leasing system
- Current law creates a right to use mining claims for mineral purposes through annual payment of Claims Maintenance Fees
  - Claims do not expire so long as the fee is paid on time
  - Claimants must obtain permits from BLM or USFS to protect the environment and provide a reclamation bond before they can disturb their claims
- Leases don’t have the same level of land tenure certainty as mining claims under the current law
  - Leases are discretionary, expire in 2 to 20 years, and have acreage limitations
  - 10-year deadline to convert mining claims into short-term leases
Suitability Determinations will Put Lands Off-Limits to Mining

- Lands with “Special Characteristics” deemed unsuitable for mining:
  - Significant water resources including aquifers or aquifer recharge areas
  - Cultural resources
  - Lands with or adjacent to critical habitat areas
  - Class I areas under the Clean Air Act
  - Other resource values based on field testing
  - Lands deemed sacred by an Indian tribe
- The public review process for suitability determinations creates opportunities to declare mineral lands unsuitable
- Requires agencies to amend land use plans to put unsuitable lands off-limits to mineral activities
Bill Will Shrink Mineral Investment and Reduce New Mineral Discoveries

- Limits prospecting leases to 6 years/2,560 acres and production leases to 20 years/20,480 acres per state
  - Unrealistic timeframes and acreage constraints will severely limit investment and likelihood of new mineral discoveries
- Establishes a 12.5% gross royalty
  - Illusory revenue projections given lease uncertainties, suitability determination, and duplicative rules that will chill investment
  - Charging a royalty on existing claims will expose the federal government to takings litigation
- 7 cents per ton mined materials disposal fee will further chill investment

Grijalva’s Bill will Substantially Reduce Exploration and Mining and Increase U.S. Reliance on Foreign Minerals
Environmental Provisions Ignore Existing Environmental Protection Rules

- Bill creates new duplicative and cumbersome environmental permitting process
  - BLM and USFS have existing regulations to protect the environment, require reclamation, and include substantial reclamation bonds
  - Many other federal environmental protection laws already apply to mining
- Exploration permits limited to 10 years, which is too short
- Operating permits prohibit long-term water treatment, which is unrealistic
  - Must meet water quality standards without treatment 10 years after mine closure
- Mandatory 10-year public review of operating permits adds further uncertainty that permit will change or bond will be increased
- Disturbs existing agreements between state regulators, BLM, and USFS
Abandoned Mine Lands – the Issue Driving the Mining Law Debate

- Mining critics use AMLs to justify radical changes to the Mining Law
- Grijalva’s royalties and disposal tax revenues used to create an AML Reclamation Fund
  - Bill’s onerous provisions will reduce mineral production and thus generate limited royalties for the fund
- The mining industry has long supported a better approach to the AML problem: Good Samaritan AML Legislation
  - Senator Gardner (R-CO) and Congressman Tipton (R-CO) will introduce a Good Sam AML bill
  - Creates a pilot program to reclaim AML sites
  - Provides Good Samaritans with Clean Water Act and Superfund liability protection
Mining is Essential to Renewable Energy

- Renewable energy requires many hardrock minerals
  - Solar panels – silver, tin, lead, copper, lead
  - Wind turbines – rare earths, copper, aluminum, zinc
  - Electric vehicles – copper, aluminum, iron, molybdenum
  - Storage batteries – lithium, nickel, cobalt, manganese,
- All renewable energy sources require coal
  - Metallurgical coal needed to build steel for all types of renewable energy installations and transmission facilities
- U.S. currently relies on foreign imports for many minerals - even though we have domestic mineral deposits
  - We import 100% of 18 minerals/50% of 30 minerals