

Committee on Natural Resources U.S. House of Representatives

Chairman Doc Hastings

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Witnesses Agree on the Importance of Mineral Mining Reforms in America

WASHINGTON, D.C. – Today, the House Natural Resources Energy and Mineral Resources Subcommittee held an <u>oversight hearing</u> on *"Mining in America: The Administration's Use of Claim Maintenance Fees and Cleanup of Abandoned Mine Lands."* This hearing examined mining claim maintenance fees and what can be done to make sure there is a strong "Good Samaritan" program in place to clean up abandoned mine lands.

Right now, mine claim maintenance fees, assessed by the Bureau of Land Management (BLM), generate about \$60 million annually while only \$39 million is used for BLM's Mining Law Administration program.

"The question is what is America getting for the \$39 million dollars funded by the claim fees and what does the cost recovery rule cover? Furthermore if there are two sources of funding for these components of the 'Mining Law Administration Program' why has permitting become so cumbersome in the U.S.? With all these funds available and cost recovery regulations, mining permits should be able to be processed in record time. According to the Behre Dolbear reports on 'Where Not to Invest in Mining' out of 25 major mining countries the U.S. has ranked last in permitting with various third world Nations since 2005 and our permitting process was not stellar prior to that," said Subcommittee Chairman Doug Lamborn (CO-05).

Witnesses at today's hearing highlighted the need for reforms of the BLM's claim maintenance fees as well as effective "Good Samaritan" abandoned mine land (AML) programs that limit the liability of governments, non-governmental organizations, individuals, and businesses that voluntarily clean up abandoned hard rock mines.

Kris Hefton, Chief Operating Officer and Director at Vane Minerals (US) LLC,

underscored the importance for reform in the BLM's claim maintenance fees. Currently, mining companies, like his, are required to pay claim maintenance fees every year on areas of land even if those areas have been withdrawn from mining activity by the BLM. *"If we hold on to our claims through the entire 20 year withdrawal period plus the earlier period here described, VANE and other companies will have been required to pay \$8.3 million even though we will have been prohibited from mining these claims and deposits. To understate what seems obvious, this seems inequitable to us," Hefton told the Subcommittee. <i>"One way*

to repair this inequity would be to suspend all mining claim holding fees within withdrawn areas as well as cost-recovery fees such as validity exams connected with mining claims."

Harold Roberts, Executive Vice President and Chief Operating Officer at Energy Fuels Resources (USA) Inc, spoke in strong support of "Good Samaritan" programs to clean up abandoned mine lands. "Industry wants to see abandoned mines cleaned up and has been straight forward about its desire to deal with abandoned mine lands... Energy Fuels Resources, and the rest of the industry, continue to strongly support the enactment of Good Samaritan legislation that would allow mining companies to voluntarily reclaim abandoned mine land sites without incurring liability under federal and state environmental laws. Thoughtful legislation is a winning proposition for the environment, the communities and for our Nation."

<u>Steve Moyer</u>, Vice President for Government Affairs at Trout Unlimited, agreed with the need for "Good Samaritan" abandoned mine land programs. "There are numerous citizen groups that have formed in this country for the purpose of protecting, conserving, and enhancing the natural resources of their local communities. They work collaboratively with government agencies to develop solutions to complex environmental problems. These 'Good Samaritans' need liability protection to voluntarily clean up the abandoned mine sites that directly affect the quality of water that serves their communities."

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