

Statement of
Congressman Jody Hice
Wednesday, November 4, 2015, at 10:30 a.m.
1334 Longworth House Office Building
Before the Energy and Mineral Resources Subcommittee
Legislative Hearing on:

H.R. 3844 (Rep. Jody Hice), “*Energy and Minerals Reclamation Foundation Establishment Act.*”

I would like to thank Chairman Lamborn for holding this hearing today on my bill, H.R. 3844, the “*Energy and Minerals Reclamation Foundation Establishment Act,*” that I introduced last Wednesday.

EPA’s Gold King and Standard Mine spills that occurred in Colorado, during August and September of this year helped shine a national spotlight on the range of complex technical, legal, educational and funding related challenges that must be addressed in order to move forward with success in addressing abandoned mine lands (AML) and orphaned oil and gas sites across the country.

My legislation seeks to address part of the funding related challenge in addressing the AML and orphaned oil and gas well site issues facing the Nation by creating a Foundation with the purpose of soliciting contributions from the private sector to help address the

remediation of these sites that were abandoned prior to the passage of the Surface Mine Control and Reclamation Act of 1977 (SMCRA) and the implementation of BLM's 3809 regulations on January 1, 1981.

Many AML and orphaned oil and gas sites are from the late 1800s and early to mid-1900s and the efforts to win World War I and II. All of this activity occurred prior to the development of environmental laws and reclamation requirements. For these sites there is no responsible party to address the cleanup.

Mineral production from the mines and the oil and gas production contributed to the Nation's successful war effort and the wellbeing of society.

The Administration and others have advocated for an AML fee on the hardrock mining industry similar to the fees paid by the coal industry. However, the proposals seek a fee on each ton of material moved – even if there is no mineral value - whereas the coal fees are paid on each ton of coal mined and vary depending on the type of mine and quality of the coal, and the fees are in many instances passed onto the consumer.

We can look at what happened when the claim location and maintenance fees were adjusted per law according to the Consumer Price Index for the assessment year beginning September 1, 2014, from \$34 - \$37 (location) and \$140 - \$155 (maintenance) per claim as an example of fees potentially being too high.

This adjustment led to the relinquishing of 48,867 claims, at a cost to the federal government of more than \$8.5 million in revenue.¹

We can't charge enough fees or taxes on the mining industry to address the scope of the problem in a timely manner. For example, two weeks ago at the T&I oversight hearing titled "abandoned Mines in the United States and Opportunities for good Samaritan Cleanup" – a witness for Earthworks testified that EPA's estimated cleanup costs for hard rock AML sites would be around \$50 billion dollars and advocated for a reclamation fee that would raise \$180 million dollars a year.

At that rate it would take 277 years to address just the hardrock AML problem.

I decided to try a different approach that coupled with the Good Samaritan provisions in H.R. 3843, Mr. Lamborn's bill, provides an

¹ U.S. Bureau of Land Management, FY2016 Budget Justification, at VII-196

opportunity to address the AML and orphaned well site issue in a more robust fashion with the help of the mining industry, nonprofit organizations such as Trout Unlimited, and the American people interested in improving the quality of the environment for the betterment of Society.

Congress has previously established foundations to support various missions at the Department of the Interior. Examples include the National Parks Foundation and the National Fish and Wildlife Foundation.

The restoration of the Statue of Liberty, Part of the National Parks System, was paid for through the ‘Statue of Liberty - Ellis Island Foundation’ that was established in 1982 to lead a private sector effort to raise the funds for the renovation prior to its centennial celebration in 1986.

The Foundation will have the ability to solicit contributions from the general public and the private sector whereas the federal government cannot.

The foundation will have a managing board of 15 people, initially nominated by the Secretary of the Interior in consultation with the Interstate Mining Compact Commission and the Interstate Oil and Gas Compact Commission.

Startup money (\$2 million in 2016 & 2017) for the Foundation will ultimately come from the claim location and maintenance fees.

I want to thank all the witnesses for being here and look forward to hearing from them today.