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U.S. House of Representatives
Committee on Natural Resources
Washington, DC 20515

Opening Statement of
Chairman Doug Lamborn

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.”

On Thursday, June 13, 2013, at 10:00 a.m.

1334 Longworth House Office Building

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We are here today to discuss two different aspects of hardrock mining on federal lands: the Administration’s use of the claim maintenance fees for the Administration of the Mining Law Program; and the status of BLM’s cleanup of abandoned hardrock mine lands. Before we get too far along I’d like to highlight that this isn’t a discussion of the broader 1872 Mining Law, while many of us support reforming the 1872 law the question of how and what is subject to great debate and is an area where members aren’t nearly as far apart as the special interests would make it appear. The mining law is a land tenure law, and was written to provide security of title to miners so that investors would have confidence in providing capital needed to develop the mine projects and minerals our economy depends on. It has served America well in the past, and can and should serve us well in the future if Congress could agree on reforms, something that has been incredibly elusive in the past.

Now for the subject of today’s hearing on claim maintenance fees and dealing with hard rock abandoned mined lands.

The claim maintenance fees were first proposed GAO and DOI for different reasons. DOI proposed the fees to help cover the cost of administering the mining law. The proposal was offered in several Presidential Budget Proposals and was finally instituted in the FY 1993 Interior and Related Agencies Appropriations Act. The fees have never been authorized into law beyond the Appropriations process.

The fees generate approximately \$60 million annually and BLM is appropriated approximately \$39 million annually for the Mining Law Administration Program. In 2005, BLM issued an additional Cost Recovery rule that covers the solid and liquid minerals programs, rights-of-way and other activities permissible on public lands. As part of the cost recovery rule BLM can charge companies for preparation of environmental impact statements and environmental assessments required for plans of operation for mineral exploration, development and reclamation. In addition, BLM can also charge companies for conducting validity exams for claims in areas withdrawn from mineral entry.

A review of the "Mining Law Administration Program" posted on BLM's website indicates that permitting, inspections, and validity exams are a part of the '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.

I'm also concerned with those claimants that have claims in areas that were subsequently withdrawn from mineral entry. In order to maintain their rights these individuals have to pay the claim maintenance fees, but can't further develop their claims if they didn't have a discovery prior to the withdrawal. In addition, under the cost recovery regulations they will have to pay the BLM to conduct a validity exam if they want to try and keep their claims. There is something patently unfair about both of these cases.

Finally, I look forward to BLM's update on their hard rock abandoned mine lands program and to see what kind of success they had with their outreach program to claim holders to assist in securing physical hazards from hardrock AML features located within their claim boundaries.

And proposals from both industry and non-profit conservation organization on the merits of Good Samaritan proposals to address both hardrock and coal abandoned mined lands and streams impacted by historic mining practices.

I look forward to hearing from our witnesses today.