

TESTIMONY FOR MRS. SHERI EKLUND-BROWN for
FEBRUARY 26, 2009

Thank you for this opportunity to share my thoughts on mining law reform with you and your colleagues. I appreciate your interest in hearing from those like me who live and work in mining communities.

I'm the chair of the county commission and have lived in Elko 46 years – through the booms and the busts. I'm also a businesswoman, a realtor, and have been deeply involved in the youth of our community for many years. I know first-hand how dependent our county is on mining ... and this morning I want to convey to you the implications of that dependency.

Elko is the fourth largest county in the continental United States. About 70 percent of our county consists of public land – land that is especially rich in minerals and metals. In fact, Nevada is the world's fourth largest gold producing region – producing 82 percent of the nation's gold production. And Elko accounts for the great majority of the state's total. The county, as well as the mining companies, has a very close working relationship with federal agencies with oversight responsibilities for public lands. Our economy therefore relies on multiple use of public lands

Elko has historically been a mining center since the first settlers appeared there about the time of the American Civil War. Today we are home to some of the biggest and best mineral mining operations in the country. Gold, silver and copper are among the minerals mined in our

community – with some of the world's most advanced and environmentally friendly mining practices.

Our community cares about clean air and clean water every bit as much as people in San Francisco or Boston do. After all, we raise our children in Elko. We don't just make a living there, we make our life there. In fact, mining companies have voluntarily performed wildlife and wetland conservation work and have adopted higher standards of mercury emission controls than required by state law. If mining companies were not taking care of the environment, they would not have the quality workforce they have today.

Obviously, mining is a sustainable industry. Over the decades, mining has literally put food on the table, clothes on the backs and roofs over the heads of

hundreds of thousands of Nevadans. Mining, like real estate, has its ups and downs as the economy waxes and wanes. But like the homes we sell in real estate, the minerals and metals produced by our mines never go out of style. America's basic industries, its armed forces, its consumer products and all of us in this hearing room use metals and minerals every day.

As America needs the metals that mining produces, communities like Elko need the jobs that mining produces. These are the highest-wage jobs in the state of Nevada. They are jobs with benefits, paying wages that can sustain a family. And today no community can have enough high-wage jobs – jobs that allow hard-working people to pay their mortgage ... pay medical bills ... buy things for the kids ... and keep a car in the garage.

Take away these jobs and you take away far more than income. You weaken the economic stability of our way of life. Suddenly, a lifestyle that one working parent could support now requires two working parents. The loss of these jobs obviously could not be replaced by local businesses in our community. In short, without mining, it would be a short distance between a thriving community and a failing one need of federal support.

For Elko, the good life becomes endangered if mining becomes endangered.

What is true for our families is true for our country. As a county commissioner, I know our schools, roads, community services, health care – all are built and maintained with the help of mining revenue. Considering direct and indirect employment, the livelihoods of 11,000

people plus their families – with a payroll totaling more than \$735 million -- depend on mining. Mining contributes more than \$2.9 billion annually to the local economy.

In Elko, you don't have to be an economist or a county official to know that we need the tax revenue and the community support that mining provides.

I wanted to drive home this point today because I am fearful that our mining industry may no longer be sustainable. Not if we are going to burden it with what experts describe as the highest tax or royalty on minerals found anywhere in the world. Let's not forget our mining companies already operate in the highest cost country of the world. They are attracted to counties like ours because we have the minerals ... we have the skilled

workforce ... and we have laws that make orderly business possible.

But if the cost of conducting this business reduces the earnings from current investments ... and discourages new mining investment ... then we will begin to see the end of an industry and, before long, the end of our community. This is an industry that has sustained itself for more than a century in our community. It's an industry that has even thrived in a competitive global economy.

It would be unforgiveable if – especially now in a time of economic crisis – this industry was damaged or destroyed by well meaning but misguided officials from our own government. At a time when those without jobs despair

of finding them and those with jobs worry about keeping them.

In my community, and maybe in yours, we often hear people wondering: why are Americans losing high-wage jobs? Why are industries that support them moving off shore?

Well, here's one example: thoughtless regulation is driving them offshore. The unintended consequences of this bill will inflict far-reaching harm on communities like mine, sending our jobs overseas. Please keep this in mind as consider the mining industry and its future in this country.

Thank you for allowing me to share my views from Elko County. I will be happy to answer any questions I can.

