

Testimony
House Subcommittee on National Parks, Forests and Public Lands
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United Steelworkers of America

I am here this morning representing the 850,000 members of the United Steelworkers in the United States and Canada. Many are involved in America's mining industry.

Today, Arizona provides 65 percent of the country's copper supply on *one percent* of state land and from about a dozen mines. About 34 percent of the country's copper comes from outside the United States.

I am testifying before you on HR 2944, which proposes the withdrawal of federal lands in Pima and Santa Cruz counties in southern Arizona from mining and mineral leasing. The United Steelworkers strongly oppose adoption of HR 2944 and I appreciate the opportunity to provide you with the reasons we urge the committee to stop this bill in order to deliver job opportunities for generations of workers seeking good pay and quality benefits in Pima and Santa Cruz counties and the State of Arizona.

HR 2944 is bad public policy. The bill would completely bypass the federal EIS process put in place under the National Environmental Policy Act for consideration of proposed mining and minerals operations that involve public lands. The EIS process involves state and local agencies on a collaborating basis and works well to thoroughly examine proposed projects. Congressional intervention to enact land use and resources development policy on a county-by-county basis is a bad idea.

In addition, job creation would be sacrificed in this bill. Mining plays a strong economic role and has done so for more than a century in Arizona. The second largest private employer in Southern Arizona is Wal-Mart. Contrast the pay for a typical retail store clerk with the living wage that copper industry workers are paid and you will understand

why so many of my fellow mine workers seek copper industry jobs. In Arizona, the average mining job pays \$60,000, which is 44% higher than the average pay in the state. Tourism and retail jobs on the other hand pay, on average, about half this amount or just over \$29,000.

In addition, for every new mining job, another 4 indirect jobs are created. Arizona is home to 411 mining operations that provide direct employment to about 18,480 people and another 34,360 people indirectly from mining activity occurring both in and outside the state for a total of 52,840 jobs statewide.

Congressman Grijalva and Congresswoman Giffords have openly opposed and targeted Rosemont Copper and other mining operations in this bill. Rosemont Copper is a 21st century copper project located about 30 miles southeast of Tucson, Arizona on a site comprised largely of patented mining claims.

The \$897 million Rosemont Project is designed to include a solar power component and water conservation measures that result in less than half the water use of a traditional mine. Reclamation and revegetation will begin the first year of operation and will include permanent land conservation for thousands of acres as ranch and wildlife open space.

Importantly, the Rosemont Copper Project is moving through the federal EIS process under the direction of the U.S. Forest Service. A multitude of state and local cooperating agencies are involved in the Rosemont Copper EIS, which involves numerous public hearings. A draft EIS is due out this spring.

In this instance, timing is critical. Rosemont Copper is on track to begin providing substantial jobs to Arizona in 2011 and Arizona is one of the hardest hit states in the country in terms of economic activity. Unemployment is near 9% and the State of Arizona is working desperately to close one of the worst funding gaps in the country. The current state budget shortfall is about \$2 billion and is projected to grow to more than \$3 billion next year.

Rosemont will create solid, living wage jobs and help to close the local and state government funding gaps in both the short and long term. In an economic study conducted by Arizona State University for the Arizona Department of Mines and Minerals, the report states that Rosemont will create 3,600 full time equivalent jobs during the four-year construction phase starting in 2011.

Engineering and construction of Rosemont Copper will contribute \$385 million to Pima, Cochise and Santa Cruz counties for suppliers of goods and services and contributing nearly \$18 million to local governments.

When the project begins copper production, Rosemont will contribute \$32 million *per year* to the State of Arizona or \$681 million in government revenues to the State over 20 years. It will generate \$128 million in revenues for the Federal Government *per year* and \$3 billion in revenues over 20 years.

Rosemont will generate an estimated 2,100 direct and indirect jobs (400+ direct and 1700 indirect) for *local* residents, providing an average of \$140 million *per year* in additional income to area residents and another \$19 million *per year* in revenues for Pima, Santa Cruz and Cochise Counties.

An undeveloped, commercially viable mineral deposit is a rare occurrence. Fortunately for our workers and our economy, Rosemont can provide more than 10 percent of the country's copper supply while requiring less than half the land area of other Southern Arizona mines. At the same time, Rosemont will help lift the region out of the recession while working with federal and state agencies to set and meet new environmental standards for resource protection, water conservation and land reclamation.

In December, approximately 2,000 people attended a rally at the Pima Air and Space Museum to show their support for the Rosemont Copper Project. These people had a bottom line: "We want the jobs for our community."

I urge you to oppose HR 2944 and preserve our ability to develop responsible, sound mining operations in Arizona and across the country that support our growing need for copper and provide jobs and economic stability for generations of workers.

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