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Fixing a hole?

Reform of U.S. Mining Law will cut dependence on imported minerals

By Stuart Sanderson

For years, environmentalists have loudly proclaimed that the U.S. Mining Law is in need of reform. Yet each time Congress has come close to enacting reasonable compromise legislation, these same special interests have done all that they could to obstruct its passage. In 1995, Congress passed comprehensive reforms as part of the budget reconciliation bill, yet President Clinton vetoed the measure in response to pressure from environmentalists.

Now Congress, thanks to Rep. Richard Pombo, chairman of the House Resources Committee, has amended the law to respond to the critics' clamor for reform. The House just passed a budget reconciliation bill that modernizes the Mining Law. Notwithstanding this his-

toric action, these same anti-mining constituencies are once again obstructing the first meaningful effort at reform in the last decade.

The House bill accomplishes long overdue and much needed changes to the Mining Law, which governs the development of many minerals other than coal, oil, and gas on federal lands. It ensures that the public receives a fair return from lands transferred to private ownership through the mineral patent process, more than \$158 million in up-front payments. The legislation accomplishes this by raising the mineral patent fee from \$2.50 per acre to \$1,000 per acre or to fair market value, whichever is higher. In return, the House has lifted the 11-year-old ban on obtaining mineral patents authorizing the development of such claims.

Finally, the bill allows mining companies to privatize their claims so that valu-

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Point: Provision designed to promote development

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able infrastructure (roads, power lines and pipelines, for example) can remain on the land after mining and be reused for other purposes. This provision is designed to promote sustainable development of rural mining communities throughout the West that hope to diversify their economies after mining is completed by redeveloping mining infrastructure to attract other businesses.

Contrary to the critics' claims, the bill does not create a new way for real estate developers to buy public land. The bill is intended solely for miners. To prevent speculation, it establishes stringent mineral development work requirements to qualify the land for purchase. Unless real estate developers want to become miners and develop mines before they build subdivisions and ski resorts, they will not be able to use this bill to purchase land.

Also, the bill will not result in the sale and development of mining claims in National Parks. The bill specifically prohibits the sale of lands in the National

Park System and other protected lands that are off-limits to mining in the first place.

Each day that the patent moratorium remains in effect is yet another delay in the process which further discourages new mineral investment in the United States and even here in Colorado.

Colorado's mining industry employs 5,000 workers who are among the highest paid industrial workers in the state, earning more than \$70,000 annually in average wages and benefits. The industry produces more than \$1.7 billion in direct sales and accounts for more than \$8 billion in total economic value for Colorado. The two most productive mines in Colorado are metals mining operations, which account for nearly one-third of all mineral value in the state. Yet there is no comparable new exploration and development under way because of the uncertainty that companies face in obtaining mineral patents. The future of this industry and the people it employs depends upon a

successful resolution and reform of the Mining Law.

Meanwhile, the public's appetite for computers, cell phones, electronic equipment and automobiles, just to name a few examples, will continue to grow. A reliable domestic supply of minerals is essential to the nation's economic and national security, and to our quality of life. Since 1993 alone, however, U.S. reliance on imported sources of minerals has increased by 700 percent. Although the U.S. has extensive mineral reserves, it attracts only 7 percent of worldwide exploration dollars.

The choice is clear. Reforming the Mining Law will help this nation develop a coherent minerals policy that ensures our economic security. Failure to resolve the issue increases the risk that the U.S. will become dependent on foreign sources of minerals, just as it has become on oil. Now that the House has taken action, the Senate should move swiftly to approve this bill.

Stuart Sanderson is the president of the Colorado Mining Association.