

MINING LAW REFORM UPDATE

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Uranium Boom Fueling Reform Initiatives

- Increase in uranium claims on public lands
- Uranium claims near Grand Canyon
- Uranium unique among hardrock minerals
- DOE Uranium Leasing Program

NMA Objectives

Targeted amendments to the Mining Law that provide:

- Security of Tenure
- Fair Return to Public
- Abandoned Mined Land Fund
- No Unsuitability, Mine Veto or Environmental Provisions -- these issues are adequately addressed by current laws and regulations

House Action

- Nick J. Rahall (D-W.V.), chair of the House Natural Resources Committee, introduced HR 2262 in May 2007
- The House passed H.R. 2262 on November 1, 2007
- Uranium is not singled out for special treatment

Onerous Provisions of HR 2262

■ Gross Royalty

- Existing claims: 4 % gross income from mining
- New claims: 8 % gross income from mining
- Only claims with an operations permit (similar to plan of operations) and producing valuable locatable minerals in commercial quantities on the date of enactment will be considered existing claims subject to a 4 percent gross royalty

Onerous Provisions of HR 2262

- Mine Veto – Denial of Permit Allowed for a Variety of Reasons Even if Operations Would Meet Environmental Standards
 - past/existing violations of an affiliate of the applicant (affiliate is broadly defined -- could be board member, officer etc.)
 - need for water treatment longer than 10 years following mine closure

Onerous Provisions of HR 2262

- Unsuitability Provisions
 - Places WSAs, ACECs, designated Wild and Scenic River areas, and Clinton roadless areas off limits to mining
 - Allows states and tribes to petition for withdrawals and presumes such petitions will be granted

NMA Position on HR 2262

- NMA secured a strong VETO recommendation
- NMA mobilized grassroots assets in key states and enlisted business allies to oppose the legislation including the Chamber of Commerce and the National Association of Manufacturers

These efforts resulted in a vote margin that is sufficient to sustain the threatened presidential veto, should one become necessary.

Senate Consideration

- Key Senate Leaders have expressed a desire to pass a narrow bill that would address:
 - Security of tenure
 - Royalty
 - AML fund
- Others are interested in a comprehensive bill that would also address unsuitability, mine veto and environmental standards

Senate Consideration

- Despite efforts by Bingaman and Domenici, no bipartisan legislation has been introduced in the Senate
- NMA testified at several Senate Mining Law oversight hearing over the past six months
 - One hearing focused on uranium mining

Senate Status

- Bingaman staff acted as the primary drafters of what was intended to be bi-partisan consensus bill
- Current staff draft goes far beyond industry's objectives
- Comprehensive bill with controversial provisions is unlikely to be allocated floor time during the remainder of this session

Possible Senate Bill Treatment of Uranium

- May be more of a push on Senate side to single uranium out for special treatment
 - Leasing?
 - Moratorium?
 - NAS Study?
- Domenici (and others) unwilling to accept removing uranium mining from operation of the Mining Law

Conclusion

- Narrow window of time available to achieve reasonable reform this Congress
- New challenges next Congress – new faces in Congress, retirement of Domenici
- Uranium mining likely to continue to be focal point for reform