

Statement of  
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**Presented to the  
Energy and Mineral Resources Subcommittee  
of the U. S. House of Representatives Natural Resources Committee**

on

**H. R. 2262: The Hard Rock Mining and Reclamation Act of 2007**

July 26, 2007

Mr. Chairman and Members of the Committee –

I would like to express my appreciation to the Committee for the invitation to speak before you today. My name is Ted Wilton, and I am from Spring Creek, Nevada; I am a minerals geologist, and I have been one for more than 39 years. I am a member of the Board of Trustees of the Northwest Mining Association, one of the nation's largest organizations representing the interests of the mining industry. I have previously served on the Nevada State Board for Multiple Use of the Public Lands under then-Governor Bob Miller, and as a member of the US Bureau of Land Management's Northwest Great Basin Resource Advisory Council. Today I would like to take this opportunity to convey my views and the thoughts of many of thousands of men and women who work at mines in such diverse localities as Pilot Knob and Ste. Genevieve, Missouri; Fairbanks, Alaska; Republic and Kettle Falls, Washington; Douglas, Wyoming; Naturita, Colorado; Challis and Kellogg, Idaho; Grants and Silver City, New Mexico; Superior, Arizona; and my friends and neighbors throughout rural Nevada. Together, we are the ones who produce the minerals that are the raw materials for many of America's products and the nation's energy requirements. We work and live in the areas that mining is undertaken, and together we will bear the consequences of HR 2262 more so than any other group in the United States.

HR 2262 would, if enacted dictate profound changes in the conduct of mineral exploration, mining and processing of "locatable minerals" on the Public's lands, as well as upon State and privately-owned properties under certain circumstances. Together, the provisions of HR 2262 represent profound and sweeping changes to one of the most fundamental components of the American economy.

The inclusion of an 8 percent royalty, on top of a multitude of existing State and Federal fees and taxes adds yet another substantial cost for doing business to the domestic mining industry. As we all know, mining and mineral producers do not set the prices for their commodities. Commodity prices, which are highly volatile at the best of times, are not set or driven by the American miner who produces them; instead they are driven by global forces well beyond the control of individual companies. This considerable additional cost to the producers of just this royalty will result in closure of mines, and many other mines will never open at all. Those few mining operations that will have the ability to absorb this additional burden, and remain competitive with cheaper foreign minerals producers, will have to raise their cut-off grades to

maintain a semblance of economic viability with the result being that many valuable mineral resources, some of which are critical and strategic, will never be mined from a secure domestic source. And yet, even if these mines remain competitive in the marketplace, the economic and operational lives of these mines will be shortened significantly.

Provisions of the bill requiring periodic review and renewal of operating permits (over three to ten year periods), even when the mines are complying with, or exceeding the requirements of their approved plans of operation, will create a high degree of uncertainty as to the sustainability of these operations. For an industry that requires significant levels of capital investment from third-parties for construction and equipment purchases, these levels of uncertainty created by this provision of HR 2262 will have a chilling effect within the investment community, and this bill will weaken the industry's ability to finance project expansions or development of new domestic sources of minerals and metals.

America's mining industry has developed, in concert with State and Federal personnel, the most consistently effective environmental programs of any country in the world. Together we have developed techniques to mitigate the effects mining and mineral processing activities have upon surface and groundwater resources, and we continue to refine and advance these mitigation methods and reclamation procedures. The domestic mining industry has achieved a higher level of environmental performance than at any time in our nation's history, and the environment is the better for this progress. Successful mine reclamation is practiced on a daily basis on a large scale, restoring previously mined lands to other productive uses. The United States mining industry presently operates within a complex web of State and Federal environmental laws, rules, and regulations that set the framework for the protection of air, surface and groundwater resources, provides for the protection of cultural and historical resources, and gives the American public a significant opportunity to work with regulators and the mining companies to develop measures to minimize and mitigate the impacts of mining activities. Provisions of HR 2262 will add an additional unnecessary and costly level of complexity to a system of rules and regulations that already works very well.

The bill includes sweeping provisions for placing large blocks of the Public's lands "off-limits" to mineral exploration and mining activities. This method of creating de-facto wilderness is particularly troubling, and substantially changes the current procedures for Public Land management and access. These provisions eliminate the public's rights for input into the decision-making process, a key component of our participatory democracy, and the bill places into the hands of a select few the decisions that affect many – a concept that violates one of America's basic foundations.

The enforcement provisions of HR 2262 are extremely troubling to me – collectively, the various elements of the bill that deal with record keeping, the ability of the Federal government to examine the records of law-abiding companies without formal notice, the presumption of guilt of the mining companies until they prove themselves innocent, "stop and search" powers to determine if locatable minerals are contrary to the free society that our nation is.

**Summary:**

It is my opinion, and that of all of us who work in the domestic mining industry, that HR 2262 would have a profoundly detrimental and lasting effect upon the American mining industry. Provisions of this bill are so onerous that not only the vitality, but the very existence of the American metals mining industry will be in considerable jeopardy if the bill is enacted:

It will force the closure of many, if not most of the mines that produce a broad range of mineral commodities necessary to provide the goods and services that American society requires;

America will be placed into a position of nearly 100 percent reliance upon foreign sources of minerals, from such distant and insecure places as the Democratic Republic of the Congo, Mongolia, Bolivia, Zimbabwe, Kazakhstan, Namibia, Peru, and South Africa;

Domestic sources for the fuel that produces 20 percent of our base-load electrical power – uranium for nuclear energy – will be further reduced, resulting in an even greater reliance on foreign energy sources than before;

This bill will result in a nearly total closure of metal mines in the United States. It will result in the loss of many thousands of high paying jobs: jobs that provide far more than a “living wage”, jobs that provide health and hospitalization insurance for not only employees, but all members of their families. These jobs provide access to financial support for education of our children, and these jobs provide participation in retirement plans, which include financial contributions by our employers;

The many small businesses that have grown up in our towns where mining is the cornerstone of the local economies – businesses that embody the dreams and investments of many Americans who are not directly employed by mining companies, will also bear the consequences of HR 2262, and the likely shut-downs of the mines;

Our prosperous and friendly towns, most of which are situated in rural America, will suffer greatly. Local economies will be significantly impacted, and our nation will be worse off for this loss.

While I do not dispute the notion that some refinement and reform of the General Mining Law might be needed, HR 2262 does not achieve this goal. It is a bill that punishes not only mining companies, it punishes the investors in these companies and the communities that depend on mineral production for their very existence. It jeopardizes national security by creating an otherwise unnecessary and dangerous reliance upon foreign sources of metals and minerals.

The unintended consequences of HR 2262 are profound, and they are far-reaching. The impacts upon the economy, the nearly total reliance on foreign sources for raw materials, the loss of jobs – each is significant in its own right, and together these consequences outline a situation that is highly unfavorable for America. At the same time, HR 2262 fails to meet its stated goal – to reform and modernize the American mining industry.