

STATEMENT OF U.S. SENATOR HARRY REID  
TO  
HOUSE COMMITTEE ON NATURAL RESOURCES  
SUBCOMMITTEE ON ENERGY AND MINERAL RESOURCES  
FIELD HEARING: H.R. 2262, HARDROCK MINING AND RECLAMATION ACT  
ELKO, NEVADA  
AUGUST 21, 2007

**Mr. Chairman, I would like to first thank you for taking the time to come to Elko.**

**This beautiful corner of Nevada has an incredible history. The California Trail passes just a few blocks from here, early cattle barons built fortunes in this town, Chinese laborers came through and left behind the transcontinental railroad, and over time Elko has become famous as a cultural hub for western and cowboy culture.**

**Today, northeastern Nevada also ranks among the richest gold regions in the world. In fact, nearly a hundred million ounces of gold has been found and processed in this area. An equal or greater amount is thought to still be in the ground.**

**And this is why we are here: to talk about those ounces of gold that are still in the ground, to talk about the future of mining.**

**Since the introduction of your mining law reform legislation in May, I have been asked repeatedly which parts of yours and Mr. Rahall's that legislation I agree with, and which I oppose.**

**My reply is that we agree on the single most important issue. We agree that reform is needed and that now is the right time to develop a reasonable and balanced national minerals policy.**

**As you know, the last serious attempts to update the 1872 Mining Law were made in the early 1990s. The mining industry was very different then. At that time there were more than twenty mid-sized and large companies. Today, the majority of the industry's production comes from only a handful of operators.**

**During the intervening years there has also been a significant change in the environmental community. Some years spent in the political wilderness has, I think, made them more pragmatic. And I believe that the increased involvement of sportsmen's groups in debates like this will help us find the path forward.**

**It is my hope, Mr. Chairman, that these changes on both sides of the reform effort will make it possible to build a sturdy compromise for a much improved mining law. And let me say a few words about why I believe that finding a good compromise is so important.**

**Mining has a unique legislative history among our nation's extractive resource industries. While coal, oil, timber and others have all seen major rewrites to the federal laws under which they operate, the General Mining Law has remained largely intact since it was crafted by Nevada's first U.S. Senator, William Stewart, and signed by this country's eighteenth president, Ulysses S. Grant.**

**What this has meant in practical terms is that as the industry has evolved and changed, Congress has not responded. We have, instead, allowed each passing Administration to develop the rules and regulations they saw fit to guide the industry.**

**We saw the harmful consequences of this situation quite recently. After mining law reform efforts failed in 1994, the Administration simply found other ways to put restrictions on mining. Many in this room will remember the Millsite Opinion of 1997 and the revisions to the 3809 regulations that were propounded in January 2001.**

**So, while I recognize that many people may see mining law reform as a threat to the industry and their livelihoods, I offer an alternate view. Nevada, and all states that depend on mining, will be better served by having a full and open public debate in Congress about how to change the General Mining Law than if we shy away from these topics.**

**By working together we can fashion a mining law that provides real certainty to Elko's mining families, that keeps high paying jobs here in Nevada, and that provides real environmental improvements like improved bonding and a fair return for the use of public lands.**

**If we fail in finding a steady compromise on these and other key issues, we leave the fate of the industry in the hands of each proceeding Administration.**

**So, rather than crossing our fingers every four years and hoping that the newly elected president understands the West and understands the importance of mining, let us work together to guarantee a bright future for Elko's mining families and for all of our country's mining communities.**

**Mr. Chairman, I greatly appreciate your efforts related to mining law reform. There is a strong bipartisan group of senators that are eager to work on this issue and we will be watching your efforts in the House with great interest.**

**It is my genuine hope that at the end of this Congress that we can both be proud to have delivered real and reasonable reform for one of our nation's vital industries.**

**Thank you for the opportunity to appear here today.**