

Today, the subcommittee meets to discuss the importance of hardrock mining. Hardrock mining on federal land in the United States has a storied past, a challenging present, and multiple needs for reform. This hearing will focus on pressing issues facing the hardrock industry and provide oversight for innovative solutions for the future of hardrock mining.

Back in March, this subcommittee held an oversight hearing highlighting the importance of raw materials in a variety of infrastructure projects. From rocks to roads, rare earths to green technologies, and iron ore to wind farms, all infrastructure projects rely upon a mining operation. The diversity of the nation's mineral endowment allows for the U.S. to be self-sufficient, yet domestic production of solid mineral resources is hindered by an arduous and uncertain regulatory scheme.

Delays in obtaining the various permits required for mine construction and production results in a project's loss in

value. The NEPA process alone averages over four and a half years. This affects the economics of a given deposit and a company's ability to maximize the quantity of the resource they're able to recover. In other words, artificial delays in a mining project results in the squandering of the nation's resources.

Mining begins with exploration. In the early 90s, the U.S. attracted 20 percent of the worldwide exploration budget; today it hovers around 7 percent. Without domestic exploration, significant declines in U.S. mineral production are unavoidable. This has contributed to an increased import dependency for minerals. In the mid-80s, the U.S. was dependent on foreign sources for 30 non-fuel minerals. By 2017, the U.S. import dependence for non-fuel minerals more than doubled to 64 commodities; 20 of which are imported entirely. Maybe it's time to return the USGS to its mission of geological exploration.

Mining operations can have a significant impact on the environment. As such, Federal and state regulations have evolved to respond to past deficiencies and ensure that the highest level of environmental protection is achieved; including significant and sufficient bonding requirements. However, over regulation has a detrimental effect. For instance, the EPA is working on a rule right now that would disregard the comprehensive regulations by states and other federal agencies. The Bureau of Land Management, the U.S. Forest Service, and the majority of western states continue to raise concerns regarding duplication and preemption. These attempts to impose excessive and duplicative requirements on the mining industry will only serve to disincentivize critical investments in US.

Abandoned mine lands are also an issue. There are estimates as to how many sites exist, and while there is no comprehensive inventory of abandoned hardrock mines the problem is known to be extensive. While progress has been made in addressing some of the problem sites, there are

legal barriers to creating a more aggressive and substantial program and Good Samaritan legislation for abandoned hardrock mine site reclamation can be a positive force to resolve this legacy issue.

Additionally, the U.S. no longer has a federal entity promoting mineral development. The U.S. Bureau of Mines (USBM) was a Federal entity in the Department of the Interior that operated from 1910 until 1996. The purpose of the bureau was to promote the health, safety and economic viability of the mining industry. Many from the mining community have pointed to the disbandment of the USBM as the beginning of the decline of mining in the U.S.

Today we will also discuss the topic of royalties on minerals produced on federal land. I encourage us to keep in mind the realities of hardrock mining. These economic and technical variables lead to different return on investments from operation to operation. A one-size-fits-all gross royalty does not take into account the unique features of every mine.

As such, any legislative proposal seeking to impose a royalty rate must appropriately account for the realities of the hardrock mining industry, and be coupled with permitting certainty.

It's true that we are covering a lot today. I look forward to coming up with novel approaches to perceived needed reforms and I hope we can do so in a bipartisan way. For many congresses we have been throwing around the same ideas to no avail. It's time for some new ideas and I hope we can come together to find them.

Lastly, this week is "Made in America" week, and at this timely hearing we will be discussing what's "Mined in America."

I want to thank the witnesses for being here and look forward to hearing from them today.