



RICH NOLAN
President & CEO

May 12, 2022

The Honorable Raúl Grijalva
Chairman
House Natural Resources Committee
1324 Longworth House Office Building
Washington, DC 20515

The Honorable Bruce Westerman
Ranking Member
House Natural Resources Committee
1329 Longworth House Office Building
Washington, DC 20515

The Honorable Alan Lowenthal
Chairman
House Natural Resources
Subcommittee on
Energy and Mineral Resources
1324 Longworth House Office Building
Washington, DC 20515

The Honorable Pete Stauber
Ranking Member
House Natural Resources
Subcommittee on
Energy and Mineral Resources
1329 Longworth House Office Building
Washington, DC 20515

Dear Chairman Grijalva, Ranking Member Westerman, Chairman Lowenthal and Ranking Member Stauber:

The National Mining Association's (NMA) mineral producers strongly oppose H.R. 7580, the "Clean Energy Minerals Reform Act of 2022." If enacted, this legislation will jeopardize the viability of the U.S. mining industry at a time when the metals and minerals we produce domestically are, according to the White House, "essential to our national security and economic prosperity."¹ This bill is in direct conflict with President Biden's call for a reliable domestic mineral supply chain. It is more apparent than ever that the growth of our economy is contingent on increased and reliable access to the metals and minerals necessary for manufacturing, advanced energy technologies, defense readiness and technological innovation.

Whether you consider rising inflation, increasing energy costs, Russia's invasion of Ukraine, COVID-19 supply chain issues or trade tensions with China, it is clear that America's growing reliance on foreign sources of metals and minerals is unsustainable and puts our nation at a strategic disadvantage, further jeopardizing our post-pandemic recovery and global competitiveness.

Voters are increasingly concerned about these alarming trends. A recent poll conducted by Morning Consult showed that 74 percent of Americans support U.S. action to

¹ <https://www.whitehouse.gov/briefing-room/statements-releases/2022/02/22/fact-sheet-securing-a-made-in-america-supply-chain-for-critical-minerals/>

encourage the use of domestically-mined minerals to decrease reliance on imported minerals. Rather than promoting policies to reduce our mineral import reliance, this bill's punitive and unrealistic measures create barriers to domestic mining.

Even the Biden administration's supply chain assessment, found that "the United States must secure reliable and sustainable supplies of critical minerals and metals to ensure resilience across U.S. manufacturing and defense needs..."² Unfortunately, less than half of the mineral needs of U.S. manufacturing are currently met by domestically mined minerals.

According to the U.S. Geological Survey's 2022 Mineral Commodity Summaries, imports made up more than one-half of the U.S. consumption for 47 nonfuel mineral commodities – up from 46 last year – and the U.S. was 100 percent net import reliant for 17 of those, and that China was a primary source of imports for 25 minerals.

The harmful provisions found in H.R. 7580 – including new, punitive royalties and fees, duplicative environmental regulations, a wholesale conversion from a locatable to a leasing system, and limitations on land access – represent not only a dangerous threat the U.S. mining industry but threatens U.S. competitiveness with the rest of the world to meet the ever-increasing demand for minerals.

Like its predecessors, H.R. 7580 continues to embrace anti-mining rhetoric based on false assumptions of how modern mining is regulated and the economic benefits it provides. Currently, domestic mining operations pay nearly half of their earnings in federal, state and local royalties, taxes and other fees to benefit the communities in which it works and the U.S. federal government. In 2018, domestic mining activity generated an estimated \$18 billion in federal, state and local taxes that supported direct, indirect and induced taxes of \$41 billion. Punitive federal royalties that have been discussed would push the U.S. beyond the upper limit of the range in effect in other countries, significantly impairing our global competitiveness and making investments in the U.S. far less attractive.

Additionally, U.S. mining is one of the most heavily regulated industries in the world. This bill's duplicative environmental provisions ignore the more than three dozen comprehensive federal and state environmental, ecological, and reclamation laws and regulations applicable to the industry that have been continually amended to keep pace with modern mining practices.

² <https://www.whitehouse.gov/wp-content/uploads/2021/06/100-day-supply-chain-review-report.pdf>

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The mining industry has repeatedly indicated a willingness – to this committee and others – to engage in conversations about reasonable amendments to the General Mining Law, and it continues to be our guiding principle to work with the committee and the Biden administration to find a compromise that supports and maintains the competitiveness of the domestic mining industry.

Any changes, however, must promote a viable domestic mining industry, support investment in domestic mineral projects, address the nation's reliance on foreign minerals, and provide a fair return to the American public. In contrast, H.R. 7580 represents a deliberate intent to make hardrock mining uneconomic in the U.S.

We urge you to oppose the Clean Energy Minerals Reform Act, and instead prioritize policies, including modernization of the minerals permitting process, to enable development of the metals and minerals that will allow our nation to achieve greater innovation, supply chain security and economic growth.

Sincerely,

A handwritten signature in black ink, appearing to read 'Rich Nolan', with a long horizontal line extending to the right.

Rich Nolan