

Chairman Senator Joe Manchin's Opening Statement

Tuesday, October 5, 2021

Mining Law of 1872 Hearing

- The Committee will come to order.
- We are here today to begin discussing the Mining Law of 1872, which governs hardrock mining on public lands, and consider ways to bring this outdated law into the 21st century.
- To put things in perspective, back in 1872, Ulysses S. Grant was President and signed legislation from this Committee establishing what is now Yellowstone National Park.
- National Parks are often called “America’s Best Idea”; but at this point I don’t think anyone would say the same about the Mining Law of 1872.
- It’s been more than 13 years since this Committee last held hearings on mining reform and it’s time for us to look at sensible updates.
- I know we can pursue mining reform responsibly, bearing in mind mining’s importance to our national defense and economic security.
- That includes making sure that taxpayers are getting a fair return on these federal resources, that we maintain American competitiveness and that we encourage the development of secure critical mineral supply chains.
- Debates surrounding our public lands and natural resources are incredibly complicated, so I’m very glad we have this panel of experts before us for this discussion.
- I want to thank my friend and colleague, Senator Cortez Masto, for requesting this hearing and helping to bring everyone to the table.
- I believe that it’s important that taxpayers don’t get shortchanged on revenue when it comes to resources on our federal lands, especially when compared to going rates on state and private lands.

- I also believe it is crucial for the United States to continue to be viewed as an attractive jurisdiction for mining investments.
- Now, more than ever, developing new sources of critical minerals is vital to our energy independence and national security.
- It's true that we don't have significant deposits of every critical mineral here in the United States.
- But, for the elements we do have, like rare earths or lithium, we need to responsibly develop these domestic sources – and many of those minerals are on federal lands in the West.
- It makes no sense at all to put our lithium-ion battery supply chain in the hands of foreign actors like China when we have lithium here that can provide a reliable source for domestic manufacturing.
- To that end, the Energy Act that we got enacted almost a year ago and the bipartisan infrastructure bill pending in the House would make significant investments in the domestic critical mineral supply chain.
- Reduced investment in mining on federal lands would counteract those efforts.
- However, I believe that this new “critical mineral gold rush” actually means that Mining Reform is more timely than ever.
- For the American public to support the necessary investments in domestic mining, we need to make sure we have mining laws in place that help to address abandoned mine lands, provide for reasonable land management, and ensure a fair return to the taxpayer.
- In 1872, in the aftermath of the California gold rush, the Mining Law arguably made sense as Congress tried to encourage the development of the West.
- Today, one of the most obvious problems is that the Mining Law fails to require a royalty for hardrock mining on Federal lands and continues to mandate the existing claim and patent system.

- These are resources owned by every single American.
- The fact that over \$5 billion in minerals can be mined each year, taken off Federal land, and sold without a single penny in royalties is crazy.
- It makes no sense at all.
- Also, rather than permanently repealing patents, Congress has to pass a temporary fix each year to prohibit lands from being patented and being taken into private ownership for as little as \$2.50 an acre.
- Further, modern mining works at an enormous scale using modern technology that would have been inconceivable back in 1872.
- Unfortunately, this scale has contributed to some enormous abandoned mine problems and the public is often stuck with the bill.
- Unlike the coal industry, where every coal company pays into an abandoned mine land reclamation fund, there is no revenue stream to address the enormous legacy of environmental degradation from hardrock mining in the western United States.
- It strikes me as fair that taxpayers get a share of the profits and a means to address abandoned mines in exchange for the privilege of conducting mining operations on public lands.
- While we may disagree on the precise path reform should take, I hope we can all agree that the Mining Law is outdated for the current needs of society and industry and that we should carefully consider updates to address these shortfalls.
- I look forward to the discussion this morning on how to strike the right balance with updates to this antiquated law.
- With that, I turn to Senator Barrasso, for his opening remarks.