



## Mine US minerals — don't undermine them

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Over the past 50 years, the United States has ignored and even shunned the importance of its mineral wealth like no other country in the industrial world.

Australia, Canada, Sweden, Russia, China and most other industrialized economies value their mineral resources and use them to their defense and economic benefit, and even for geopolitical advantage. Not so the United States. Indeed, our nation “boasts” a growing list of groups that are openly hostile to extractive industries, especially mining.

Yet, the one economic sector that meets the American appetite for raw materials, gadgets, high-tech equipment, cars, jetliners and “renewable” energy technologies that we take for granted — all of which are made from minerals and metals — is mining.

The most recent example of the total disconnect between the anti-mining agenda of some in Congress and the importance of American mineral wealth to our economy and national defense is the proposed Mining Law Reform legislation recently introduced in the Democrat-led House. The substance and timing of this proposed bill to “reform” (that is, tax, restrict, over-regulate and ultimately shut down) hardrock mining could not be worse.

On substance, the proposed reform legislation is loaded with painful and unnecessary elements. Two in particular need to be called out.

First, the proposed legislation would impose a whopping 12.5 percent royalty on new production from federal lands. That’s extremely punitive for an industry that already exists on the margins of profitability and pays over 45 percent of its earnings to federal, state and local governments, in the form of taxes, fees, royalties and other assessments.

Second, the bill includes language allowing mining claims to be abruptly cancelled after a 20-year period. That’s a disincentive on steroids.

Mining is a long-term investment process and, although two decades is a long time, some hardrock mines now take 10 years or more just to get approved. What company would be willing to invest hundreds of millions of dollars in a new mine only to see its mining claims suddenly revoked?

Remarkably, the timing of this “reform” is just as bad as the substance. U.S. demand for minerals is climbing steadily: for hundreds of defense, aerospace, electronic, energy, medical, computing, transportation and other applications. Yet, our dependence on China for minerals is at an all-time high and growing, despite increasingly tense diplomatic relations.

Moreover, Chinese owned and controlled mining companies — in China, Africa and elsewhere — operate under virtually no environmental, worker safety, fair wage, child labor or human rights regulations.

With China trade talks ongoing and uncertain, this is precisely the wrong time to be “reforming” what is left of the U.S. hardrock mining industry. However, the authors and backers of this legislation are clearly not concerned about our dangerous over-reliance on imported critical minerals, the leverage China is amassing, or its horrendous environmental, human rights or corporate social responsibility record.

The goal of this legislation is not to reform U.S. mining. It appears to be to cripple or even exterminate it.

Instead of trying to bury the domestic hardrock mining industry under punitive royalties and a tangle of unworkable provisions, we should be trying to incentivize exploration and production — and attract, not repel, mining investment.

We need to increase access to mineralized lands, especially in our western states and Alaska, and streamline our duplicative mine permitting process to reverse the 20-year slump in hardrock mining. That is especially true for the rare and exotic metals that are essential for modern technologies — but have never been hunted for on federally managed lands, mostly because almost no one has been permitted to do so.

Decreasing America’s critical mineral import vulnerability and rebuilding its industrial base should be national priorities.

The economic health and national security of our nation now depend in large part on increasing hardrock mining, to increase our domestic critical minerals supplies — to reduce our troubling and growing reliance on China, Russia and third world dictatorships, many of which are allied with or dependent on China and Russia.

Simply stated, we need to use the Mining Law as it is now written to reduce burgeoning imports and restart a program of strong domestic exploration and mining. Opponents of mining might chafe at the old saying “if it can’t be grown it has to be mined.” But it is absolutely true.

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