



The Special Places Giveaway of 2005

Mining Portion of Chairman Pombo's Recommendation for Budget Reconciliation Subtitle B – Miscellaneous Amendments Related to Mining

Special Places at Risk: The Mining subtitle allows mining companies to purchase land with a valuable mineral deposit as well as lands that were once mineralized and have been previously mined – *even if they have been withdrawn by another law* - including, for example National Parks or Wilderness Areas.

An Enormous Corporate Giveaway: The Mining subtitle is a massive giveaway of our public's heritage to corporate interests in the U.S. and overseas.

Defrauding the Public: The Mining subtitle will enable U.S. and foreign companies to buy our American heritage without any proof that the lands can and should be used for mineral development, and without regard for the other uses and needs for these lands, including water quality protection, wildlife habitat and recreation.

A Fire Sale of Treasured Public Lands: Along with other provisions of this bill, Representative Pombo has put a big FOR SALE sign on our American heritage – selling our National lands to mining companies. And by Mr. Pombo's own estimate, the fire sale will raise less revenue in 5 years (\$155 million) than a fair royalty similar to what all other extractive industries pay (an 8% royalty would generate ~\$350 million over 5 years)

Specific provisions in the Pombo Budget Reconciliation –

Section 6201 changes the law to give mining companies the right to mine regardless of whether or not they have a valuable mineral deposit. Under *existing law*, the General Mining Law of 1872, the right to mine valuable mineral deposit before the right to mine is established. This has been established practice for the mining industry in the West for over a century. Pombo's proposal allows mining companies to secure this right to mine by merely filing a claim with the Bureau of Land Management and paying a small fee.

Mining corporations can assert control over our National lands without regard for the value of the land for other uses, simply by claiming that they have an interest in mining the area.

Section 6202 opens up America's heritage for sale to mining corporations. This provision eliminates the current Congressional ban on the outright sale of our public lands to mining companies, known as "patenting" of mining claims.

Under this section, mining claims of up to 20 acres could once again be bought outright by claimants. Pombo's proposal would reinstate patenting, which under the antiquated 1872 Mining Law, enabled mining companies buy public land for \$2.50 or \$5 an acre. Since 1994, Congress has continuously put a stop to this indefensible practice by establishing annual patenting moratoriums.

While the Pombo proposal increases the price for mining corporations to take over ownership of our National heritage lands to \$1,000 an acre, it would still sanction what amounts to a public fire sale and a colossal rip off of American taxpayers. Modern industrialized open pit gold mines, for example, contain deposits worth an estimated **\$4 million an acre at today's gold prices, or 4,000 times the amount that mining companies would pay under the Pombo proposal.**

To make matters worse, this section would severely limit the government's ability to reject these giveaways. In fact, Pombo's proposal weakens the *existing federal* requirements that must be met before a patent is issued, and enshrines a mining company's "right to mine" regardless of whether or not they have a valuable mineral to take out of the ground.

This provision allows companies to patent land without proving they have a valuable mineral deposit as long as a) they already have a permit to mine or b) they have reported to the SEC that there is a "probable" mineral reserve there. If Pombo's proposal passes, mining companies will easily be able to purchase public without having to prove that they can or will construct viable mine on the property.

This section also prohibits any other fees or fair market value assessments to be applied to "prospecting, exploration, development, mining, processing, or reclamation, and uses reasonably incident thereto" – which would prohibit the government from levying any royalty or other fee on mining operations.

Section 6203 throws open whole new areas of the public domain that can be claimed by mining companies without regard to the value of these lands for mining or other uses. The provision allows the Secretary to approve a plan of operations without a "mineral examination report" for mines in withdrawn areas if there are already patented or unpatented claims contiguous to such areas where mining activities have occurred. The main reason our public lands are withdrawn from mining activity is to sustain the outstanding resource values these lands support. This provision allows mining companies to mine in protected area without regard to the public benefit that is served.

Section 6204 is yet another way to sell off our National heritage. This provision allows mining companies to purchase "mineral development lands" - any land with a valuable mineral deposit as well as lands that were once mineralized and have been previously mined – *even if they have been withdrawn by another law* - for the purpose of "sustainable economic development." The price of this land would also be \$1000 an acre. This section also allows anyone who currently

holds mining claims or millsites where mineral development has been performed, as authorized by law or regulation, to purchase those lands. It also absolves the government of any liability concerning lands that are made private by this section and allows the U.S. government to not disclose or investigate the condition of the property before it is conveyed.

Section 6205 changes section 101 of the Mining and Minerals Policy Act of 1970 to promote re-mining where appropriate. This would encourage mining companies to go back into previously mined areas, most of which are already polluted, and mine again, potentially causing damaging water quality even further.

Section 6206 orders the Secretary of the Interior to issue final regulations to implement this subtitle (Subtitle B – Miscellaneous Amendments Related to Mining) within 180 days of the passing of this act.

Section 6518 allows mining operators to leave their mines' environmental impacts unmitigated if they choose to clean up other locations instead.