



Testimony of
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*Oversight Hearing on “Examining Consequences of America’s Growing
Dependence on Foreign Minerals.”*

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Good morning. My name is Katie Sweeney and I am Senior Vice President and General Counsel of the National Mining Association (NMA). NMA is the national trade association representing the producers of most of the nation's coal, metals, industrial and agricultural minerals; manufacturers of mining and mineral processing machinery, equipment and supplies; and engineering and consulting firms, financial institutions, and other firms serving the mining industry. I appreciate the opportunity to testify today about the impacts of mineral withdrawals on our nation's economic and national security.

To begin, I do acknowledge there are federal lands that are appropriately off limits to mining. This nation has many unique and special areas that deserve protection. But given the importance of secure mineral supply chains to every aspect of society--from manufacturing to infrastructure, defense to technology--such decisions must be informed by appropriate analyses, including an assessment of mineral potential, an evaluation of alternatives and an analysis showing that the use or special features of an area cannot be adequately preserved or protected through other means. Federal lands account for as much as 86 percent of the land area in certain Western states and these same states account for 75 percent of our nation's metals production. Given the importance of minerals to this nation, we cannot afford to make decisions that impact their availability in a vacuum.

Such an approach is consistent with the objectives of Federal Land Policy and Management Act (FLPMA). FLPMA's goals are many, including protecting the environmental and other key values of the public land, but the underpinning of the statute is that management of the public land should be on the basis of multiple use and sustained yield unless otherwise specified by law. A component of such multiple use includes the requirement that public land be managed in a manner that "recognizes the Nation's need for domestic sources of minerals." 43 USC 1701. The Bureau of Land Management (BLM) has in the past translated that mandate in the context of mining in its 2006 Minerals Policy Statement, which indicates that with few exceptions, mineral exploration and development can occur concurrently or sequentially with other resource uses.

Currently, new mining operations are already either restricted or banned on more than half of all federally owned public lands. Given the vast amount of federal lands already closed to mining operations, caution should be exercised when determining whether additional lands should be placed off limits. Unfortunately, we do not get to choose exactly where these minerals are located or in what amounts. Mineral deposits are elusive, and discoveries cannot occur without widespread exploration. Such extensive exploration activities are required because concentrations of useful minerals rich enough to form ore deposits are rare phenomena. Commercially extractable concentrations form only where special physical and chemical conditions have favored their accumulation. Exploration geologists frequently cite the metric that at best approximately 1 out of 10,000 deposits has the chance to be transformed into an operating mine. The difficulty in finding commercial mineral deposits underlies the mining industry concerns about large scale mineral withdrawals, as crucial future resources may be put off limits. Furthermore, finding new resources and delineating their economic potential is critical to keeping the commodity pipeline flowing.

The most recent USGS *Mineral Commodity Summaries* published earlier this year indicates that the United States is now import-dependent for 50 different metals and minerals – and 100 percent import-dependent for 20. That’s half of the naturally-occurring elements on the Periodic Table. Today, less than half of the minerals American manufacturers need are sourced domestically. Our growing dependence on imports leaves many key domestic industries unnecessarily vulnerable to disruptions from extended, complex and fragile supply chains. In NMA’s view, minerals that are unavailable when need them should be considered “critical” – we do not need to create a complex, multi-step methodology to determine “criticality.” Such methodologies fail to provide the needed flexibility for the U.S. to respond nimbly to supply constraints. Additionally, given the number of factors and criteria included in such methodologies, updates take a long time and may be dated before being published.

Example 1: 10 Million Acre Withdrawal of Sagebrush Focal Areas

Based on recommendations by BLM and Forest Service in the final sage grouse conservation land use plans, the Department of the Interior (DOI) two years ago proposed to withdrawal 10 million acres of sage grouse habitat from new mining operations, which would have been the largest land withdrawal in the history of the Federal Land Policy and Management Act (FLPMA).

Ultimately, the withdrawal was cancelled as DOI determined that mining activities are not a major threat to sage grouse or its habitat. As the department rightly found, wildfires and invasive species are the greatest threats to sage grouse throughout its range. In fact, within the proposed withdrawal area, 1.55 million acres (or nearly 16 percent) of vegetation has burned in the last 15 years. As stated in the draft EIS for the withdrawal, the footprint of mining in the withdrawal area barely registers compared to the impact of a large wildfire. The draft EIS concluded that “the reasonably foreseeable acreage disturbance associated with mining activities is estimated to be less than 10,000 acres (0.1 %).”

The draft EIS also provided detailed information about the significant economic impacts of the withdrawal. It concluded that:

- The withdrawal reduces projected total employment from approximately 2,031 jobs to 326 jobs. Draft EIS at p. 4-59.
- The withdrawal reduces projected tax revenues from \$27 million to less than \$5 million. Draft EIS at p. 2-55.
- The withdrawal reduces projected total annual economic output from potential mines from nearly \$845 million to approximately \$151 million.
- “Restrictions or closures individually and cumulatively may decrease development of mineral resources, and substantial mineral resources may be unavailable to the public if the proposed withdrawal is approved. There are areas of high, moderate, and low mineral resource potential in the proposed withdrawal area that the public, industries, and communities depend on and that may be unavailable if these areas are withdrawn from location and entry under the Mining Law.” Draft EIS at p. 4-5.

- Impacts to access and availability of mineral resources “could range from moderate to major. . . and may reduce the estimated number of future mines and exploration projects by more than 20% and in many cases, by over 50%.” Draft EIS at pp. x-xi

Example 2: The Million Acre Withdrawal in the Arizona Strip

The 2012 withdrawal was purportedly intended to protect the Grand Canyon National Park (GCNP), obviously a national treasure that merits protection. However, the 1.2 million acres of federal land included in the GCNP were already protected from the impacts of mining as those lands were withdrawn from the operation of the Mining Law when the park was created. The park as created additionally included a built-in buffer zone to protect park resources from activities taking place outside the park boundaries.

The 2012 withdrawal created an additional one-million-acre buffer zone around the park and was carried out despite the lack of evidence in the NEPA analyses that the GCNP was at risk from mining given existing protections. For example, for many categories of potential impacts, the Department’s draft Environmental Impact Statement (EIS) noted that allowing mining in the withdrawal area would only have minor or temporary impacts or that actions would be taken to minimize impacts. It also indicated that the impacts to key resources could frequently be characterized as “not significant” and that compliance with environmental regulations and permits can be effective methods to minimize or mitigate such impacts.

The Arizona Strip is acknowledged as “having the potential of becoming the second most important uranium-producing region in the United States.” The type of uranium mining done in this area involves breccia pipe formations, which historically have caused remarkably small surface disturbances because of the high-grade, compact nature of the mineralization and use of underground waste rock back-fill procedures during development work. Such higher-grade deposits, therefore, produce more uranium with less environmental footprint. According to the DEIS, the undiscovered uranium endowment in the proposed withdrawal area is approximately 326 million pounds, of which about 33,155 tons (or more than enough to fuel all 104 US reactors for over a year) would be economically viable. Yet, last year, only six percent of the fuel used to generate 20 percent of our electricity was produced domestically and over 40 percent came from Russia, Kazakhstan, Uzbekistan and Niger.

The withdrawal also ignores the success of mine reclamation in the withdrawn area. According to the Final EIS associated with the Arizona Strip Resource Management Plan (RMP), on BLM lands adjacent to the GCNP, 18 uranium deposits were discovered, and nine mines constructed in the 1980s. From its experience in the 1980s until mining ceased in 1990, BLM reached several conclusions about the low impact nature of breccia pipe uranium mining in the area near the Grand Canyon including (1) uranium mines, from initial development to reclamation, last approximately 10 years; (2) disturbances at each mine site generally result in approximately 20 acres of surface

area impacted; and (3) the reclaimed mines have responded very well to reclamation efforts.

The Arizona Strip RMP was intended to guide the management of the lands included in the withdrawal but was superseded by the withdrawal itself. The RMP process was a five-year public process with input from tens of thousands of interested stakeholders. Through the RMP process, BLM reviewed the involved lands to determine which lands were suitable for mining activity. The RMP concluded that most of the area should remain open to location under the Mining Law. The RMP applied the following designations for locatable minerals within the Arizona Strip:

- 1,534,396 acres: Open to the operation of mining laws
- 145,226 acres: Open with restrictions
- 182,699 acres: Open only with a plan of operations
- 118,743 acres: Withdrawn to mining location subject to valid existing rights

Using the planning process discussed above, BLM provided additional protections for special resources as needed. For example, the RMP required new reclamation stipulations for exploration and development plans directed toward maintaining naturalness and unique features and/or remoteness on the Arizona Strip. In addition, the RMP required special mitigation in mining plans of operation to avoid impacts to cultural resources, special status species, and/or other sensitive resources. In this instance, the RMP process worked exactly as it was designed and adhered to the multiple use mandate of FLPMA. Given the existing protections provided by the RMP and the built-in GCNP buffer, the scale of potential impacts, the demonstrated reclamation activities, the Arizona Strip withdrawal was not justified by the evidence.

Conclusion

Unwise and unwarranted mineral withdrawals are bad public policy that ignore the vast sectors of our economy that depend upon a reliable and secure supply chain of minerals and metals. Our domestic mining industry serves as the front-end of the supply chain for the minerals and materials vital to the success of countless other industries. Today, mining provides for nearly two million jobs with above-average wages and benefits, generates \$46 billion annually in federal, state and local taxes, and provides key minerals to industries that make up 14 percent of our GDP. The materials produced by U.S. mining support our manufacturing, healthcare, transportation, communication, energy and national defense sectors, and many others. They are the integral building blocks of everyday items like cell phones, laptops and cars, as well as infrastructure and lifesaving medical devices.

I appreciate the opportunity to testify before the subcommittee.