

Congressman Dean Heller
Statement for Energy and Minerals Subcommittee Hearing on H.R. 699
Hardrock Mining and Reclamation Act

Mr. Chairman, thank you for giving me the opportunity to testify today. As you know, H.R. 699, the Hardrock Mining and Reclamation Act will have a direct and substantial impact on Nevada and my constituents if it becomes law.

In fact, one of my constituents, Commissioner Sheri Eklund-Brown, is here from Elko, Nevada to testify about the importance of the mining industry in our most vibrant mining community. I would like to thank her for being here today.

Mr. Chairman, you were kind enough to come to Elko to hold a field hearing and witness firsthand the importance of hardrock mining industry to my district. You were also able to see the effective stewardship and strong sense of community responsibility of the operators in my district.

I know that because of your visit, you are familiar with the provisions of H.R. 699 that I believe jeopardize the livelihood of my rural constituents.

Let me be clear, the onerous mining law reform proposed by my colleague will not only threaten the domestic viability of large mining companies, it will also hurt the small, independent businessmen and women in Nevada that support the mining industry.

And we can ill afford to lose any jobs in Nevada, or anywhere else for that matter.

Nevada has had the highest foreclosure rate in the nation for 23 straight months. 7.3 percent of all housing in Nevada has received at least one foreclosure notice. Clark County, taking in Las Vegas, has had almost 9% of its properties affected. Washoe County, which is the largest county in my district, has seen a 153% increase in foreclosures since 2007. In fact, local industry experts estimate that Clark County, Nevada has a 25,000 home inventory -- an estimated 4 year supply.

However, there are bright spots in Nevada's economy that are still thriving, and those are the areas where mining activity is taking place.

To put it into context, Nevada has a statewide unemployment rate of 9.1%, while the Elko Micropolitan area's rate is 4.9%.

The most recent statistics show that in Nevada, mining directly employs 11,690 people at an average wage of over \$63,000 per year. An additional 51,000 jobs are made possible by activities related to the mining industry, largely in rural communities.

Mining is also an important contributor of local and state tax revenue. In 2007 the mining industry in Nevada paid \$200 million in taxes. That is enough to pay for more than 4700 teachers annual salaries in Nevada.

As we have this debate, it is important to remember that unlike other businesses, mineral prices are set on the commodities market, so they are forced to absorb all of the costs imposed by this legislation. My fear, after consulting with my constituents, is that the costs imposed by this legislation will put them out of business, which will consequently increase economic problems in my state.

We all acknowledge that there have been irresponsible practices in the past, but those days are long gone in Nevada. The companies—both large and small—in my district have made great progress and are committed to good stewardship and community responsibility.

The minerals mined in Nevada are an important part of our daily lives. We need gold for computers and electronics, barite to make rubber, tungsten for heavy equipment, lithium for advanced battery technology, silica for glass, and molybdenum to make steel alloys.

Without minerals mined in Nevada, our military won't be as strong, our economy will be compromised, and we will have to rely on foreign countries for the minerals that power our economy, just as we are reliant on them for fuel.

While I applaud my colleague's efforts to modernize mining law, I am concerned about the consequences of his bill as written.

It would be a shame if we made changes to the mining law that favored importing mineral resources from foreign countries while exporting the benefits. I hope we can work together to improve opportunities for domestic mining while addressing some of the outstanding issues associated with the historic mining activities conducted prior to the creation of the strict environmental laws and regulations that govern mining activities today.

My primary concern is that changes made to the mining law should not serve to increase our dependence on foreign sources of mineral resources that our nation needs and certainly should not increase unemployment in my state. We have to get our mineral resources from somewhere and I believe we should get them in a responsible manner from domestic resources mined by American workers.