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112TH CONGRESS
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HOUSE OF REPRESENTATIVES

REPORT
112–258

PROVIDING FOR CONSIDERATION OF THE BILL (H.R. 1904) TO FACILITATE THE EFFICIENT EXTRACTION OF MINERAL RESOURCES IN SOUTHEAST ARIZONA BY AUTHORIZING AND DIRECTING AN EXCHANGE OF FEDERAL AND NON-FEDERAL LAND, AND FOR OTHER PURPOSES

OCTOBER 24, 2011.—Referred to the House Calendar and ordered to be printed

Mr. BISHOP of Utah, from the Committee on Rules, submitted the following

R E P O R T

[To accompany H. Res. 444]

The Committee on Rules, having had under consideration House Resolution 444, by a nonrecord vote, report the same to the House with the recommendation that the resolution be adopted.

SUMMARY OF PROVISIONS OF THE RESOLUTION

The resolution provides for consideration of H.R. 1904, the Southeast Arizona Land Exchange and Conservation Act of 2011, under a structured rule. The resolution provides one hour of general debate equally divided and controlled by the chair and ranking minority member of the Committee on Natural Resources. The resolution waives all points of order against consideration of the bill. The resolution provides that the amendment in the nature of a substitute recommended by the Committee on Natural Resources now printed in the bill, modified by the amendment printed in part A of this report, shall be considered as an original bill for the purpose of amendment and shall be considered as read. The resolution waives all points of order against the committee amendment in the nature of a substitute, as modified. The resolution makes in order only those further amendments printed in part B of this report. Each such amendment may be offered only in the order printed in this report, may be offered only by a Member designated in this report, shall be considered as read, shall be debatable for the time specified in this report equally divided and controlled by the proponent and an opponent, shall not be subject to amendment, and shall not be subject to a demand for division of the question. The resolution waives all points of order against the amendments printed in part B of this report. Finally, the resolution provides one motion to recommit with or without instructions.

19–008

EXPLANATION OF WAIVERS

The waiver of all points of order against consideration of H.R. 1904 includes a waiver of clause 3(c)(4) of rule XIII, which requires a statement of general performance goals and objectives, including outcome-related goals and objectives, for which the measure authorizes funding.

Although the resolution waives all points of order against the committee amendment in the nature of a substitute to H.R. 1904, as modified, the Committee is not aware of any points of order against the committee amendment in the nature of a substitute, as modified. The waiver is prophylactic in nature.

Although the resolution waives all points of order against the amendments printed in part B of this report, the Committee is not aware of any points of order against the amendments. The waiver is prophylactic in nature.

COMMITTEE VOTES

The results of each record vote on an amendment or motion to report, together with the names of those voting for and against, are printed below:

Rules Committee record vote No. 141

Motion by Mr. McGovern to report an open rule. Defeated: 2–6

Majority Members	Vote	Minority Members	Vote
Ms. Foxx	Nay	Ms. Slaughter	Yea
Mr. Bishop of Utah	Nay	Mr. McGovern	Yea
Mr. Nugent	Nay		
Mr. Scott of South Carolina	Nay		
Mr. Webster	Nay		
Mr. Dreier, Chairman	Nay		

SUMMARY OF AMENDMENT IN PART A CONSIDERED AS ADOPTED

Hastings, Doc (WA): Would make technical corrections to the bill to bring it into compliance with clause 4 of rule XXI.

SUMMARY OF AMENDMENTS IN PART B MADE IN ORDER

1. Luján (NM): Would exempt all Native American sacred and cultural sites from the land conveyance. (10 minutes)

2. Markey, Edward (MA): Would require, as a condition of the land exchange authorized by the bill, that Resolution Copper pay an 8% royalty to the United States on all locatable minerals produced in commercial quantities from the Federal land the company receives in the exchange. The Mining Law of 1872 does not require any royalty payment. Resolution Copper estimates the value of the copper ore at several billion dollars. (10 minutes)

3. Grijalva, Raúl (AZ), Garamendi (CA): Would require that the remote operations center for the proposed mine be located in the local community, that the company actively recruit and hire local employees, that all ore produced from the mine be processed in the United States and that all equipment used at the mine be made in the United States. (10 minutes)

PART A—TEXT OF AMENDMENT CONSIDERED AS ADOPTED

Page 11, line 1, insert ", in such amounts as are provided in advance in appropriation Acts," after "be made available".

Page 21, line 1, insert ", in such amounts as are provided in advance in appropriation Acts," after "be available".

Page 24, line 16, insert ", in such amounts as are provided in advance in appropriation Acts," after "be made available".

PART B—TEXT OF AMENDMENTS MADE IN ORDER

1. AN AMENDMENT TO BE OFFERED BY REPRESENTATIVE LUJÁN OF NEW MEXICO OR HIS DESIGNEE, DEBATABLE FOR 10 MINUTES

Page 14, after line 12, insert the following new subsection:

(k) EXCLUSION OF NATIVE AMERICAN SACRED AND CULTURAL SITES.—The Federal land to be conveyed under this section may not include any Native American sacred or cultural site, whether surface or subsurface, and the Secretary shall modify the map referred to in section 3(2) to exclude all such sacred and cultural sites, as identified by the Secretary in consultation with Resolution Copper and affected Indian tribes.

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2. AN AMENDMENT TO BE OFFERED BY REPRESENTATIVE MARKEY OF MASSACHUSETTS OR HIS DESIGNEE, DEBATABLE FOR 10 MINUTES

Page 19, beginning line 8, strike section 6 (value adjustment payment to United States) and insert the following new section:

SEC. 6. ROYALTY PAYMENT TO UNITED STATES FOR MINERALS PRODUCED FROM CONVEYED FEDERAL LAND.

(a) ROYALTY PAYMENT REQUIRED.—As a condition of the land exchange under this Act, Resolution Copper shall pay to the United States, by not later than March 15 of each calendar year, a royalty payment in an amount equal to 8 percent of the value of the quantity of locatable minerals produced during the preceding calendar year from the Federal land conveyed to Resolution Copper under section 4, as reported under subsection (b).

(b) ANNUAL PRODUCTION REPORTING TO DETERMINE ROYALTY PAYMENT.—

(1) REPORT REQUIRED.—Resolution Copper shall submit to the Secretary of the Interior an annual report indicating the quantity of locatable minerals produced in commercial quantities from the Federal land conveyed to Resolution Copper under section 4.

(2) SUBMISSION DEADLINE.—The first report under paragraph (1) shall be submitted not later than February 15 of the first calendar year beginning after the date of commencement of production of valuable locatable minerals in commercial quantities from the Federal land conveyed to Resolution Copper under section 4 and cover the preceding calendar year. Subsequent reports shall be submitted each February 15 thereafter and cover the preceding calendar year.

(3) SHARING REPORTS WITH STATE.—The Secretary shall make each report received under paragraph (1) available to the State.

(4) REPORT CONTENTS.—The reports under paragraph (1) shall comply with any recordkeeping and reporting requirements prescribed by the Secretary or required by applicable Federal laws in effect at the time of production.

(c) DEPOSIT OF FUNDS.—All funds paid to the United States under this section shall be deposited in the general fund of the Treasury.

(d) STATE LAW UNAFFECTED.—Nothing in this section modifies, expands, diminishes, amends, or otherwise affects any State law relating to the imposition, application, timing, or collection of a State excise or severance tax.

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3. AN AMENDMENT TO BE OFFERED BY REPRESENTATIVE GRIJALVA OF ARIZONA OR HIS DESIGNEE, DEBATABLE FOR 10 MINUTES

Page 21, after line 8, insert the following:

(e) ADDITIONAL CONDITIONS RELATED TO MINING OPERATIONS ON CONVEYED FEDERAL LAND.—As additional conditions of the land exchange under this Act, Resolution Copper shall agree to the following:

(1) To locate and maintain the remote operation center for mining operations on the conveyed Federal land in the town of Superior, Arizona, for the duration of such operations.

(2) To actively recruit and provide an employment preference for qualified applicants who reside in the State as of date of the consummation of the land exchange for employment positions related to mining operations on the conveyed Federal land.

(3) To ensure that all locatable minerals produced in commercial quantities from the conveyed Federal land remain in the United States for processing and use.

(4) To ensure that all equipment used to mine or support mining activities on the conveyed Federal Land is made in the United States.

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