HON. JOSEPH M. HOEFFEL
OF PENNSYLVANIA
IN THE HOUSE OF REPRESENTATIVES
Tuesday, June 13, 2000

Mr. HOEFFEL. Mr. Speaker, last week the Budget Committee held a hearing on my legislation, H.R. 3221, the Corporate Welfare Committee. The Committee heard testimony from several witnesses including members of Congress about the most egregious examples of unnecessary and wasteful subsidies to industry. While members of Congress have mixed feelings about many of the items other members consider corporate welfare, there is virtual unanimity in the belief that the 1872 Mining Law needs reform.

The 1872 Mining Law was enacted to promote mineral exploration and development on federal lands in the western United States and to encourage settlers to move west. This law granted free access to individuals and corporations to prospect for minerals on public lands. Once a discovery was made, they were allowed to stake a claim on the deposit.

EXTENSIONS OF REMARKS

The law works this way:

Once the prospector does some exploration work on public land, he may stake a claim on an area that he believes contains a valuable mineral. The price of holding such a claim is $100 per claim per year.

If the prospector spends at least $500 on development work on the parcel and the claimed mineral deposit is determined to be economically recoverable, the claim holder may file a patent application for the title to surface and mineral rights.

If the application is approved, the claimant may purchase surface and mineral rights for between $2.50 and $5.00 an acre. These amounts have not been adjusted since 1872.

There is no limit on the number of claims a person can locate, nor is there a requirement that mineral production ever commence.

And as if this policy were not bad enough, the 1872 Mining Law lets mining companies extract the minerals without paying a royalty. This is unlike all other resources taken from public lands. For example, oil, gas and coal industries operating on the public lands pay a 12.5 percent royalty on gross income of the operation. On tribal lands, the average royalty paid for copper was 13 percent. In the private sector, gold royalties range from 5 to 10 percent.

As an unnecessary subsidy, this policy should have been reformed long ago. But the harm of this policy does not end with wasteful government support for the mining industry.

Once the land has been exploited, the environmental damage is the additional price that taxpayers are forced to pay. Over the past century, irresponsible mining operators have devastated over half a million acres of land through carelessness and abandoned mines. According to the EPA, waste from mining operations has polluted more than 12,000 miles of our nation’s waterways and 180,000 acres of lakes and reservoirs.

My amendment to the FY 2001 Interior Appropriations Bill, which was rejected by the Rules Committee, would impose a 5 percent royalty on all hard rock minerals mined from public lands. The funds generated from the royalty would be devoted entirely to environmental cleanup of these mining sites. This amendment would also make the current one year moratorium on the issuance of mining patents permanent (the current moratorium has been extended each year over the past five years).

Mr. Speaker, this policy is in need of repair and reform. I am disappointed that the Rules Committee did not allow for House consideration of my amendment. I will continue to work with my colleagues to reform this outdated and wasteful policy.

HONORING MS. VALERIE BEASCOCHEA
HON. SCOTT McINNIS
OF COLORADO
IN THE HOUSE OF REPRESENTATIVES
Tuesday, June 13, 2000

Mr. McINNIS. Mr. Speaker, I would like to take a moment to recognize the accomplishments of an outstanding student, Valerie Beascochea. Her sharp mind and strong work ethic recently won her the high distinction of being named the United States National Collegiate Award winner in Nursing. In addition, Valerie will appear in the United States Achievement Academy Official Collegiate Yearbook in recognition of her academic performance, interest and aptitude, leadership qualities, responsibilities, enthusiasm, citizenship, attitude, motivation to learn and dependability.

What makes these accomplishments even more remarkable is that Valerie is a wife and a mother of two. Her ability to successfully juggle the rigors of school, work and family underscores the significance of these outstanding achievements. She is a model that other students should follow and one that will be sure to achieve great things for the good of our community. She has proven to be an asset to her school, community, state and nation.

It is with this, Mr. Speaker, that I say congratulations to Valerie Beascochea on a truly exceptional accomplishment. Due to her dedicated service and integrity, it is clear that Colorado is a better place. We are all proud of Valerie.