

**STATEMENT OF KEN SALAZAR
SECRETARY OF THE INTERIOR
BEFORE THE SENATE COMMITTEE ON ENERGY
AND NATURAL RESOURCES ON
S. 796, THE HARDROCK MINING AND RECLAMATION ACT OF 2009
AND S. 140, THE ABANDONED MINE RECLAMATION ACT OF 2009**

July 14, 2009

Introduction

Thank you, Chairman Bingaman, Senator Murkowski, and Members of the Committee. I am here today to discuss with you reform of the General Mining Law of 1872, a complex matter and one that engenders passionate views. Along with most of you, I have spent much time working on various aspects of such reform. I am committed to working with you to develop legislation that will accomplish the following: provide industry with the regulatory certainty needed to make the investments that produce mineral resources vital to our economy; provide a fair return to the public for mining activities that occur on public lands; protect the environment; and result in the cleanup of abandoned mines.

Balance - Energy Development

Before I turn to Mining Law reform, I want to thank the Committee for its work in reporting bipartisan energy legislation. I look forward to working with the Members of the Committee in the days ahead to address the challenges of energy and climate change.

The last time I appeared before the Committee, I spoke about President Obama's agenda for energy development on the public lands and the Outer Continental Shelf. While we have a lot of work ahead of us on that front, we have made great strides at the Department under our existing authorities as key steps on a comprehensive energy plan for the Nation. We are balancing the responsible development of conventional energy sources, while protecting our treasured landscapes, wildlife, and cultural resources, with the accelerated development of clean energy from renewable domestic sources.

With regard to conventional resources, since January the Department has offered more than 2.3 million acres on our public lands for oil and gas development in 17 lease sales, with over 780,000 of those acres going under lease and attracting more than \$60 million in bonus bids and fees. We have plans for another 20 sales in the next six months, onshore.

Concerning the Outer Continental Shelf, during the third week in March, I traveled to New Orleans with the Minerals Management Service to attend the Central Gulf of Mexico Oil and Gas Lease Sale 208, which attracted over \$700 million in high bids, with 70 companies submitting 476 bids on 348 tracts comprising over 1.9 million acres offshore the States of Alabama, Louisiana, and Mississippi.

On the matter relating to oil shale, we will announce a second round of research, development, and demonstration leases in Colorado and Utah in the near future.

We continue working on a plan for the Outer Continental Shelf. I extended the public comment period on the Draft Proposed 5-year Plan produced by the previous Administration until September 21, 2009. At that time I also requested from Departmental scientists a report that detailed conventional and renewable offshore energy resources and identified where information gaps exist. I held regional meetings with interested stakeholders to review the findings of that report and gather input on where and how we should proceed with offshore energy development. I also crafted an agreement with Federal Energy Regulatory Commission Chairman Wellinghoff clarifying jurisdictional responsibilities for our respective agencies for leasing and licensing renewable energy projects on the OCS, which will help facilitate the development of wind, solar, wave, tidal and ocean current energy sources. Several weeks ago I announced the issuance of five exploratory leases for renewable energy production offshore of New Jersey and Delaware.

We are also moving rapidly to implement the President's renewable energy strategy onshore. During the last week in June the Senate Majority Leader Reid and I announced a plan to expedite development of solar energy projects on BLM lands in six western states. The two dozen Solar Energy Study Areas will be evaluated for their environmental and resource suitability for large-scale solar energy production, providing a more efficient process for permitting and siting, and could ultimately generate nearly 100,000 megawatts of solar electricity.

Balance - Mining Reform

Balance is also an important concept as we discuss reform of the Mining Law of 1872. While the responsible development of our mineral resources is critical to both our economy and our environment, this statute has not been updated in 137 years. In those years, much has changed. As I previously noted, it is time to ensure a fair return to the public for mining activities that occur on public lands and to address the cleanup of abandoned mines. We must find an approach to modernize this law and ensure that development occurs in a manner consistent with the needs of mining and the protection of the public, our public lands, and water resources. It is time to make reform of the Mining Law part of our agenda of responsible resource development.

Much has been said about the role the General Mining Law of 1872 played in settling the western United States, how it provided an opportunity for any citizen of the country to explore public domain lands for valuable minerals, to stake a claim if the mineral could be extracted at a profit, and to patent the claim. Numerous commodities are mined, under the authority of the General Mining Law, to provide the raw materials essential for the manufacturing and building industries. According to the BLM, the 5-year average for new mining claims staked annually under the law is approximately 76,000, with a current total number of claims at nearly 400,000. These claims generated almost \$60 million in federal revenue-- mostly from the fees collected by BLM -- in fiscal year 2008.

Our domestic gold mining industry alone directly or indirectly creates more than 66,000 jobs and nearly \$2 billion in earnings annually. The United States is the second largest producer of gold and copper in the world, and the leading producer of beryllium, gypsum, and molybdenum. In my view, our own security depends on maintaining a viable domestic mining industry. Metals and minerals are also needed to support development of renewable energy.

As the United States Senate undertakes reform of the 1872 Mining Law, patent reform, and the environmental consequences of modern mining practices must be addressed in meaningful and substantive ways. In addition, the American taxpayer should receive a fair return for the extraction of these valuable resources and should expect the federal government to develop a reliable process providing for the cleanup and restoration of lands where the responsible party is unable or unavailable to do so, including a Good Samaritan provision.

Conclusion

Thank you again, Mr. Chairman, for giving me the opportunity to present you the Administration's thoughts on this important topic. We look forward to working with the Committee and all interested parties as this process moves forward.