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## Hardrock miners get shafted in Obama budget

President Obama has renewed his biennial campaign to impose gross hardrock mining royalties.

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Dorothy Kosich | 3 February 2015 11:04

*Before you get into this I must write a preamble to the FY2016 Federal Budget. Who ever wrote this has never been mining. Has never owned a mine. Does not know the differences between the different types of mining. Has no idea about moving yardage or even what yardage is. Dose not know anything about the 1872 Mining Law as it is misstated. Probably did not read the 1920 Leasing law because it has nothing to do with strategic metal , minerals and rare earths. Besides the guy who wrote this you can see that the Unions are probably paying off Congressman and Senators from the coal states. Don't get me wrong I love mining and the miner and feel for them, but as read on you will see a mine union scenario that happened to our mine.*

*Here are definitions of some acronyms you are going to see herein:  
Minerals and Mining Advisory Council (MMAC)  
United Nations Educational, Scientific and Cultural Organization (UNESCO)  
Environmental Protection Agency (EPA)  
Endangered Species Act (ESA)*

U.S. President Barack Obama's proposed [FY2016 federal budget](http://www.whitehouse.gov/sites/default/files/omb/budget/fy2016/assets/budget.pdf) (<http://www.whitehouse.gov/sites/default/files/omb/budget/fy2016/assets/budget.pdf>) seeks to protect 100,000 coal mining workers whose pension plans aren't adequately funded, as well as those whose health insurance claims have been denied because of bankruptcy in the bituminous coal sector. *The pension plans are not our fault. That is between the unions of coal miners and Obama cutting out coal mining.*

However, Obama's largess did not extend to the hardrock mining industry which would be subjected to a royalty of not less than 5% of gross proceeds, increases for annual claim maintenance fees, and a new mineral leasing process. First off the forefathers knew that would not work in the mining industry. No miner is going to give 5% of gross proceeds og the land the public/miner owns. *The claim maintenance fees are not supposed to go up. There are laws for this under the 1872 Mining Law. And there is no such thing as a leasing process. The miner pays for the land each year under claim fees. No lease fees. This is against 30USC21(a), 30USC22 and 30USC28(f).*

The proposed [Bureau of Land Management budget](http://www.doi.gov/budget/appropriations/2016/highlights/upload/BH007.pdf)

(<http://www.doi.gov/budget/appropriations/2016/highlights/upload/BH007.pdf>) also eliminates the fee exemption for miners holding 10 or fewer mining claims. "These changes will discourage speculators from holding claims that they do not intend to develop," said the BLM. "Holders of existing mining claims for these minerals could voluntarily convert their claims to leases. The Office of Natural Resources Revenue will collect, account for, and disburse the hardrock royalty receipts." *Eliminating the fee exemptions would kill mining and miners. They could impose according to the 1872 Mining Law a work, sell or quit option if someone wants the property or so the government knows that someone is not just sitting on it doing nothing. That would kill mining, manufacturing, wholesale and retail companies of mining equipment. Again Obama killing jobs and not knowing what he is signing.*

Legislation is planned for introduction in Congress to institute a leasing program under the Mineral Leasing Act of 1920 for gold, silver, lead, zinc, copper, uranium, and molybdenum, currently covered by the General Mining Law of 1872. *Under the Mineral Leasing act of 1920 30USC181 it is only for deposits of coal, phosphate, sodium, potassium, oil, oil shale, gilsonite (including all vein-type solid hydrocarbons), or gas, and lands containing such deposits. NOT FOR strategic metals mineral and rare earths.*

However, existing hardrock mining claims will be exempt from the change to a leasing system. Nevertheless, existing mining claim holders could chose to voluntarily convert their claims to leases under the proposed new system. *Placer claims need to be exempt also. And again there is no leasing system for strategic metals, minerals and rare earths. And Mineral and Mining Federal Public Land Stakeholders would never agree to that .*

Half of the receipts from annual rental payments and a 5% royalty on gross proceeds would be distributed to the states where the leases are located, while the remaining portion will be deposited in the U.S. Treasury. *Not a chance. What is a rental payment? And 5% royalty of gross proceed? No miner would ever agree to this except other countries. Maybe that is what the government wants to do is to run out the American Miner and to bring in foreign country miners. Again Obama killing jobs and not knowing what he is signing.*

The President's budget again called for proposals to address abandoned hardrock mines through a new AML fee on mining production. The legislative proposal will levy an AML fee on uranium and metal mines on both public and private lands. The fee on the production of hardrock minerals will be charged on the volume of material displaced after January 1, 2016. The receipts would be split between federal and non-federal lands. *There are no abandoned mines. That is what they call it to get funding and take back land. Mines that are not working are because the price of precious metal was to low to operate, or in most cases miners are waiting for investors to come in which investors want to come in, but the government, agencies, conservationists, UNESCO, states and counties do not allow it because of to much confusing uncertainty, red tape and block walls stop the investors from coming in. Most historic mines can get back into operation if the conservationists and agencies would get out of the way. Now here is how stupid the person is that wrote this. The person that wrote this has NO CLUE about mining has never mined and does not know what it takes to mine. Putting a fee on material displacement. I would like to go eye to eye with this person and say you are stupid, ignorant and just and idiot. In a good production situation you have to move 100 yards to get one ounce of gold. Most of the time it is a lot less than that. If you have to displace overburden to get to the pay streak sometimes you are displacing hundreds of thousand of yards. So you are supposed to pay for receiving nothing. No miner in his right mind would mine in the United States nor would any other country want to mine in the United States. Whoever wrote this is a moron. Whoever is signing this is also incompetent. Who is signing this and not knowing what he is signing? Obama?*

"The proposed hardrock AML fee and reclamation program will operate in parallel with the coal AML reclamation program as part of a larger effort to ensure the nation's most dangerous abandoned coal and hardrock AML sites are addressed by the industries that created the problem," said the BLM. *First off coal and hardrock are 2 different types of mining and should never and have never been grouped together in any agency. Also there is already money for this that the miner must put up called a reclamation bond not including the superfund for this exact need.*

## Hardrock miners get shafted in Obama budget - Mineweb

The proposed 2016 BLM budget also includes a \$45 million increase to support the workload and commitments required as implementation of the Greater Sage Grouse Conservation plans ramp up. The BLM has been focusing primarily on riving or amending 68 resources plans across 11 states to incorporate measures “to ameliorate the effects of development and other disturbances to greater sage grouse habitat as well as the threat posed by invasive species and more frequent fire cycles,” said the agency. *The sage grouse only has one problem. Conservationist and the government wanting to get monies! They do not need to go on any endangered species list. If they do not get the money \$45 million from the miners the sage grouse either lives or goes extinct if Mother Nature chooses so. Mother Nature is very smart.*

Of the \$45 million total increase, \$37 million is requested in the wildlife management sub-activity and \$8 million in the newly renamed Resource Management Planning Assessment, and Monitoring sub-activity. *By making MMAC a Federal Agency. MMAC monitors itself along with BLM cutting out billions of dollars and lowering the deficit. Cut federal spending, state spending and county spending with a by-product High-Paying Long-Term Brand New Jobs. We don't need the government. We can do it ourselves. The public that does not want to follow blindly or create a socialist environment.*

The potential listing of the Greater Sage Grouse as a species to be protected under the Endangered Species Act may wipe out multiple use in a hefty portion of public lands in western states including the gold mines of Nevada. *So don't do it. Let Mother Nature take care of it.*

However, many miners fear the BLM's plan revisions and amendments to promote sage grouse habitat may be just as devastating to mining as an ESA listing. True

Coal jobs, health and pensions

As part of the President's POWER+ Plan, Obama hopes to strengthen the health and retirement security of coal miners and their families whose employers no longer contribute to their plans, according to the Department of Interior's proposed budget. *That is because Obama killed the jobs. Don't forget they have miners unions for coal.*

In response to assertions by coal-state lawmakers that he has declared a “war on coal,” President Obama is seeking \$55 million in federal assistance for job training, job creation, economic diversification, and other programs in communities that have experience layoffs due to declining coal markets. *Let the coal-state lawmakers be responsible for this not the new taxes on other miners. When I started underground mining in the late 70's a union came to our mine and asked us to become unionized. We were smart enough to say NO and we have never regretted that decision. Coal miners chose unions to protect them and that is why they have been putting money in to their pensions and retirement and for education incase something happens.*

These investments include \$20 million in job transition services and programs for coal miners or coal plant workers who have lost their jobs in recent years. Another \$25 million will go toward the Appalachian Regional Commission, which seeks to improve economic development in Appalachia. *Again go back to the Unions to train them and do not use our money.*

It also provides \$5 million to the Environmental Protection Agency's Brownfields Program. *EPA and ESA is on their way out in everyone's mind. A new HR761 Bill should take care of that along with an EPA and ESA reform Bill. They have already been turned in to certain Congressman and to the House Resource Committee by MMAC.*

In a statement issued Monday, Senate Majority Leader Mitch McConnell, R-Kentucky, declared, “It is cold comfort for the Obama Administration to suddenly propose easing the pain they've helped inflict on so many Kentucky coal families, but anything aimed at aiding these communities should be seriously considered. Meanwhile, I will continue to offer ways to help Kentucky's struggling communities under the Obama economy, particularly those in coal country. The best way to help these Kentuckians is to prevent anti-coal efforts in the first place, which is one reason I've joined the Senate subcommittee charged with overseeing spending at the anti-coal EPA.”

The Chairman of the House Appropriations Committee, Rep. Hal Rogers, R-Kentucky, said, “...One year of action cannot be substituted for years of inaction in which we saw mine after mine shuttered and more than 8,000 hard-working men and women lose their jobs.”

However, Kentucky's Gov. Steve Beshear, a Democrat, praised the President's emphasis on work force

More money, more money

The President called for more than \$1 trillion in new tax measures over the coming decade.

The budget calls for \$3.99 trillion in spending for the fiscal year which begins on October 1<sup>st</sup>, a 6.4% increase from the current year.

It would pour billions of dollars into climate-change and renewable-energy technologies, and repeal nearly \$50 billion in tax breaks from the coal and oil and natural industries. The President's proposals would provide \$7.4 billion for clean-energy programs within the Energy and Defense departments, a 13.8% increase.

Obama also proposed a 12.8% increase for the Interior Department to \$13.2 billion including eliminating \$3.1 billion in payments to coal and other mineral development, and oil and natural gas on public lands and in federal waters over the next decade. Again if Minerals and Mining MMAC became a federal agency and took care along with BLM the public land mining, that would lower all the budgets and needs for so much money.

ALL COMMENTS (4)

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## Comments on this article are closed.

jeff 6 February 2015

this whole plan is crazy,this country is so being held hostage from growth. they keep saying clean energy like solar or wind.then they say wind kills birds so no .the solar which so many can and have gone to,like me and i have plenty of room for far more pannels then need but why should l the power companies are not made to buy back all the extra,this must change.stop wasting our park land with solar plants when there are more then plenty of roof space for the same amout of solar.

/ Report

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David J. Ingraham 4 February 2015

i hope congress will appose this budget and all added restrictions included in it.

/ Report

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James A Briscoe 4 February 2015

This will kill mining exploration and then mining, standard of living in the USA and the world and China will gain supremacy in the world. This may be irreversible. Today the USA can supply its self with iron, coal,perhaps uranium and about 65% of its copper and a few percent of its aluminum. With this bill all of that will go away. Other countries will vie for all those products, the prices will sky rocket and the USA will be unable to compete. The door is closing on us. Obama does not understand that 5% of the gross may, in tough times be more than 100% of the profit. In hard times we will have rolling mine closures, job losses and have to borrow money from China? to buy basics, and metals prices will skyrocket.

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2 votes / Report


Small Miner 3 February 2015

This is absolute tyranny. Obama proposing this crap is tantamount to taxation without representation. I have 9 claims and file my small miner waiver every year. It costs me \$90.00. Now, with this proposal, because I own 1260 acres of claims, I will have to pay \$25,200. How much more of this BS are we going to take? Man this makes me mad.

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/ Report



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