WHAT YOU NEED TO KNOW

- A bill from Rep. Raul Grijalva (D-Ariz.) could increase our reliance on foreign minerals, hurting our economy and threatening our national defense supply chain.
- The U.S. mining industry pays between 40 to 50 percent of earnings in federal, state and local taxes and other fees to benefit the communities in which it works and the federal government.
- Mining plays a huge role in our economy, with the USGS finding that domestic industries that consume minerals as raw materials contributed $3.02 trillion to the U.S. GDP in 2018.

LETTER FROM THE PRESIDENT AND CEO  
OCTOBER 22, 2019

Dear Joe,

I am honored to be writing you for the first time in my new role as President and CEO of the National Mining Association, taking the helm of the association following Hal Quinn’s planned retirement, which he announced earlier this year.

This is a pivotal point in time for our industry. From electric vehicles and lithium-ion batteries to advanced computing and defense technologies, demand for minerals is soaring. Yet, even as those demands grow, so does our reliance on foreign imports to meet them.

Unfortunately, instead of taking concrete steps to encourage mining in the U.S. – where mining is heavily-regulated and environmental standards are rigorous – some in Congress are taking steps to discourage mining, further exacerbating the problem of our import reliance. A bill introduced by Rep. Raul Grijalva (D-Ariz.), titled the “Hardrock Leasing and Reclamation Act of 2019,”
and set to move in Congress would add a punitive tax on the industry, place even more minerals-rich lands off-limits to mining, and further disadvantage the U.S. economy.

U.S. mining companies reinvest back into the economy through extensive local, state and federal taxes. In fact, the industry pays between 40 to 50 percent of earnings in federal, state and local taxes and other fees to benefit the communities in which it works. Furthermore, industries that use minerals and metals as raw materials contributed $3.02 trillion to the U.S. GDP in 2018 – underscoring the importance of mining to our economic stability.

If Congress moves forward with this anti-mining bill, new mines for minerals and metals would be hit with an additional 12 percent tax. The added cost of establishing a mine in the U.S. – coupled with a burdensome permitting process that can exceed a decade – could push even more essential mineral production outside of the United States. The repercussions could be disastrous for our economy, risking job losses and deepening our already troublesome import-reliance for minerals.

The truth is our outdated and duplicative mine permitting process already impairs and discourages investments in U.S. mining projects. The result is less than half of the mineral needs of U.S. manufacturing are met from domestically-mined minerals today. Instead U.S. manufacturers rely on nations like China and Russia for minerals – putting our supply chains at risk.
Additional regulations and red tape combined with added fees and taxes will only make these issues worse. We need to encourage our policymakers to support U.S. mining – not destroy the sector’s competitiveness.

To learn more about the need for increased U.S. mineral production, read our latest blog post.

Thank you,

Rich Nolan
NMA President and CEO

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**OP-ED**
**Reliance on Foreign Mines an Environmental and National Security Risk**

The U.S. is falling behind in the production of minerals that are critical to domestic manufacturing and our national defense. That’s why Congress must support increased mineral production.
The U.S. Department of Commerce (DOC) released a report recommending immediate action to ensure a reliable supply of minerals in the U.S. The report underscores the risk factors associated with our mineral import reliance.