



WHAT YOU NEED TO KNOW

- Proposals for a range of new royalties, taxes and fees on the hardrock mining industry as part of the partisan reconciliation bill are counterproductive to reshoring essential supply chains, will increase our alarming mineral [import reliance](#), and will prohibit our ability to build the materials industrial base needed to underpin the [energy transition](#) and the EV revolution.
- A recent [Morning Consult poll](#) shows nearly 9 in 10 Americans feel it's important that the raw materials used for bridges, roads and other projects be sourced domestically.
- The mining industry has been working towards bipartisan compromise with reasonable leaders in Congress who understand our growing minerals needs. Using a deeply partisan process with no opportunity for debate is counterproductive.

LETTER FROM THE PRESIDENT AND CEO

SEPTEMBER 1, 2021

Dear Joe,

In recent weeks, it has become clear that some House leaders are seeking to use the reconciliation bill to drive through long-sought new taxes and fees on the mining industry that have repeatedly failed in every Congress.

The House Natural Resources Budget Reconciliation Act proposes an 8 percent gross royalty on new mining operations and a 4 percent gross royalty on existing operations on [federal lands](#). It would also establish a 7 cent per ton tax on dirt, rock and other materials moved during the extraction process. By establishing a tax and fee burden on U.S. mining that would be one of the highest in the world, domestic mining projects would immediately become far less attractive, inevitably deepening our already alarming [import reliance](#) when every effort should be made to reverse it.

The fact that Congress would consider an action that counters valuable job creation – mining jobs are among the highest paying jobs in America at more than \$80K a year – during post-pandemic [economic recovery](#) is alarming enough. But in the context of the expected growth in minerals demand of up to 1,000 percent in the near term to feed the global energy, electric vehicle and infrastructure boom, this proposal could be destructive for our economy and President Biden’s very own Build Back Better agenda. The opposite of what Americans want.

According to [recent polling](#) conducted by Morning Consult, 84 percent of Americans feel it’s important that the raw materials required for infrastructure projects be sourced from U.S. mines. The poll also found that the same amount of Americans believed any “Made in America” agenda, such as the administration’s effort to win the EV revolution, should also use domestically-sourced minerals. Raising the combined tax and fee burden the mining industry pays well beyond the upper limit of competitor nations will make this nearly impossible. The opportunity to reshore the front end of the nation’s industrial base and build the secure, responsible supply chains the energy transition and [infrastructure reinvestment](#) demand, will slip right through our fingers.

Simply put, this is the wrong path. The mining industry has long said it is open to royalty proposals that aren’t punitive. Compromise is possible with a package that recognizes the unique nature of and costs associated with hardrock mining exploration and production, and we hope to continue to work with leaders from both sides of the aisle, in both chambers, on a bipartisan solution.

We must recognize that domestic mining is foundational to our infrastructure, energy and climate policy, and advance thoughtful legislation that will help create jobs, secure our domestic supply chains and protect the environment. Every effort should be made to reduce the barriers to responsible mining by American miners under world leading environmental and labor standards. This proposal does just the opposite.

[Click here](#) to take action now.

Thank you,

Rich Nolan

NMA President and CEO

BLOG

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In just a few weeks, the industry will come together to showcase how mining innovation can meet the growing global demand for minerals.

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[The U.S. Needs a Comprehensive Minerals Strategy](#)



Relying solely on imported minerals isn't sustainable. Domestic mining is essential for keeping American industries competitive, reshoring our supply chains and providing economic stability.

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