

111TH CONGRESS
1ST SESSION

H. R. 3201

To amend the General Mining Law to provide for a fair return to the public, security of tenure to holders of mining claims and mill sites, and cleanup of abandoned mine lands, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

JULY 14, 2009

Mr. LAMBORN (for himself and Mr. BISHOP of Utah) introduced the following bill; which was referred to the Committee on Natural Resources

A BILL

To amend the General Mining Law to provide for a fair return to the public, security of tenure to holders of mining claims and mill sites, and cleanup of abandoned mine lands, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Locatable Mineral
5 Royalty and Reclamation Act of 2009”.

6 **SEC. 2. FINDINGS AND PURPOSE.**

7 The Congress finds the following:

1 (1) It is in the national interest to ensure that
2 mining of locatable minerals on Federal lands occurs
3 in a fair, predictable, and efficient legal and regu-
4 latory climate to ensure a secure and reliable domes-
5 tic supply of minerals.

6 (2) The domestic mining industry provides hun-
7 dreds of thousands of high-wage jobs directly and in-
8 directly to the domestic economy and those jobs, the
9 majority of which are in rural parts of our Nation,
10 must be preserved and encouraged by a sound Fed-
11 eral policy regarding mining on Federal lands.

12 (3) Mining of locatable minerals on Federal
13 lands should provide a fair return to the government
14 in the form of a net royalty on minerals produced
15 from new mining claims on Federal lands.

16 (4) Royalty funds collected from the mining of
17 locatable minerals on Federal lands should be used
18 to fund the cleanup of hardrock abandoned mine
19 lands.

20 (5) The certainty needed to attract investment
21 in mining activities on Federal lands must be pro-
22 vided for by ensuring security of land tenure to pur-
23 sue mineral activities from the time of location
24 through mine reclamation and closure.

1 (6) A United States citizen has the right to
2 enter upon Federal lands open to location under the
3 general mining laws and to use and occupy those
4 lands for the purpose of making a discovery and de-
5 veloping a mineral deposit.

6 (7) There are extensive Federal and State envi-
7 ronmental standards that apply to mining operations
8 and these standards have been found by the Na-
9 tional Academy of Sciences to be generally effective
10 in protecting the environment.

11 **SEC. 3. DEFINITIONS.**

12 In this Act:

13 (1) CLAIM.—The term “claim” means an
14 unpatented mining claim, mill site, or tunnel site.

15 (2) CLAIM HOLDER AND CLAIMANT.—The
16 terms “claim holder” and “claimant” means the
17 owner or holder of a claim.

18 (3) FEDERAL LANDS.—The term “Federal
19 lands” means lands and interests in lands owned by
20 the United States that are open to mineral entry
21 and location, or that were open to mineral entry and
22 location at the time of entry or location.

23 (4) GENERAL MINING LAWS.—The term “gen-
24 eral mining laws” means those Acts that generally
25 comprise chapters 2, 11, 12, 12A, 15, and 16, and

1 sections 161 and 162, of title 30, United States
2 Code, all Acts that are amendatory of or supple-
3 mentary to any of the foregoing Acts, and the judi-
4 cial and administrative decisions interpreting such
5 Acts.

6 (5) LOCATABLE MINERALS.—The term
7 “locatable minerals” means those minerals owned by
8 the United States and not subject to disposition
9 under—

10 (A) the Mineral Leasing Act (30 U.S.C.
11 181 et seq.);

12 (B) the Geothermal Steam Act of 1970
13 (30 U.S.C. 1001 et seq.);

14 (C) the Materials Act of 1947 (30 U.S.C.
15 601 et seq.); or

16 (D) the Mineral Leasing Act for Acquired
17 Lands (30 U.S.C. 351 et seq.).

18 (6) MINERAL ACTIVITIES.—The term “mineral
19 activities” means any activity on Federal lands on
20 claims with or without a discovery, or off of claims,
21 for mineral prospecting, exploration, development,
22 mining, extraction, milling, beneficiation, processing,
23 storage of mined or processed materials, or reclama-
24 tion activities for any locatable mineral and uses
25 reasonably incident thereto, including the construc-

1 tion and use of roads, transmission lines, water
2 wells, pipelines, utility corridors, and other means of
3 access across Federal lands for ancillary facilities
4 used in conjunction with such activity.

5 (7) MINING CLAIM OR SITE.—The term “min-
6 ing claim or site” means an unpatented lode claim,
7 placer claim, mill site, or tunnel site located under
8 the general mining laws.

9 (8) PERSON.—The term “person” means an in-
10 dividual, Indian tribe, partnership, association, soci-
11 ety, joint venture, joint stock company, firm, com-
12 pany, limited liability company, corporation, coopera-
13 tive, or other organization, and any instrumentality
14 of State or local government, including any publicly
15 owned utility or publicly owned corporation of State
16 or local government.

17 (9) SECRETARY.—The term “Secretary” means
18 the Secretary of the Interior, unless otherwise speci-
19 fied.

20 **SEC. 4. LIMITATION ON PATENTS.**

21 (a) MINING CLAIMS.—

22 (1) DETERMINATIONS REQUIRED.—After the
23 date of enactment of this Act, no patent shall be
24 issued by the United States for any mining claim lo-

1 cated under the general mining laws unless the Sec-
2 retary determines that, for the claim concerned—

3 (A) a patent application was filed with the
4 Secretary on or before September 30, 1994;
5 and

6 (B) all requirements established under sec-
7 tions 2325 and 2326 of the Revised Statutes
8 (30 U.S.C. 29 and 30) for vein or lode claims
9 and sections 2329, 2330, 2331, and 2333 of
10 the Revised Statutes (30 U.S.C. 35, 36, and
11 37) for placer claims were fully complied with
12 by that date.

13 (2) RIGHT TO PATENT.—If the Secretary makes
14 the determinations referred to in subparagraphs (A)
15 and (B) of paragraph (1) for any mining claim, the
16 holder of the claim shall be entitled to the issuance
17 of a patent in the same manner and degree to which
18 such claim holder would have been entitled prior to
19 the date of enactment of this Act, unless and until
20 such determinations are withdrawn or invalidated by
21 the Secretary or by a court of the United States.

22 (b) MILL SITES.—

23 (1) DETERMINATIONS REQUIRED.—After the
24 date of enactment of this Act, no patent shall be
25 issued by the United States for any mill site located

1 under the general mining laws unless the Secretary
2 determines that for the mill site concerned—

3 (A) a patent application for such mill site
4 was filed with the Secretary on or before Sep-
5 tember 30, 1994; and

6 (B) all requirements applicable to the pat-
7 ent application were fully complied with by Sep-
8 tember 30, 1994.

9 (2) RIGHT TO PATENT.—If the Secretary makes
10 the determinations referred to in subparagraphs (A)
11 and (B) of paragraph (1) for any mill site, the hold-
12 er of the mill site shall be entitled to the issuance
13 of a patent in the same manner and degree to which
14 such person would have been entitled prior to the
15 enactment of this Act, unless and until such deter-
16 minations are withdrawn or invalidated by the Sec-
17 retary or by a court of the United States.

18 **SEC. 5. LOCATION, ABANDONED LOCATABLE MINE LAND**

19 **AND MAINTENANCE REQUIREMENTS.**

20 (a) LOCATION FEE.—For each claim located after
21 the date of enactment of this Act, a claimant shall pay
22 the Secretary a location fee of \$35 not later than 90 days
23 after the date of location.

24 (b) ABANDONED LOCATABLE MINE LAND FEE.—
25 Commencing the first calendar year after the date of en-

1 actment of this Act, a claimant shall pay the Secretary
2 on or before August 31 of each year, an abandoned
3 locatable mine land fee of \$25 per claim.

4 (c) ANNUAL MAINTENANCE FEE.—Commencing the
5 first calendar year after the date of enactment of this Act,
6 a claimant shall pay the Secretary on or before August
7 31 of each year, a maintenance fee of \$125 per claim to
8 maintain the claim for the following assessment year be-
9 ginning at noon on September 1. Payment of such claim
10 maintenance fee shall be in lieu of the assessment work
11 requirement contained in the general mining laws and the
12 related filing requirements contained in section 314 (a)
13 and (c) of the Federal Land Policy and Management Act
14 of 1976 (43 U.S.C. 1744 (a) and (c)).

15 (d) FAILURE TO PAY FEE.—

16 (1) IN GENERAL.—Failure to timely pay the lo-
17 cation fee or maintenance fee required by this sec-
18 tion shall subject a claim to forfeiture by the claim
19 holder as provided in this subsection.

20 (2) NOTICE AND OPPORTUNITY TO CURE.—The
21 Secretary shall provide the claim holder with notice
22 of the failure and the opportunity to cure within 45
23 calendar days after the claim holder's receipt of the
24 notice.

1 (3) FORFEITURE.—Failure by the claim holder
2 to make a timely and proper payment in the amount
3 specified in the notice by the Secretary, within 45
4 days after the claim holder’s receipt of the notice,
5 shall constitute a forfeiture of the mining claim, mill
6 site, or tunnel site by the claim holder by operation
7 of law.

8 (e) EXCEPTION FOR HOLDERS OF FEWER THAN 50
9 CLAIMS.—

10 (1) IN GENERAL.—The claim maintenance fees
11 required under this section shall be waived or re-
12 duced in accordance with paragraph (3) for a claim-
13 ant who certifies in writing to the Secretary that on
14 the date the payment was due the claimant—

15 (A) was the holder of not more than 50
16 claims on Federal lands; and

17 (B) has performed assessment work suffi-
18 cient to maintain the claims held by the claim-
19 ant for the assessment year ending on noon of
20 September 1 of the calendar year in which the
21 maintenance fee payment was due.

22 (2) HOLDER.—As used in paragraph (1), the
23 term “holder” includes—

24 (A) the claimant;

1 (B) the spouse and dependent children (as
2 defined in section 152 of the Internal Revenue
3 Code of 1986), of the claimant; and

4 (C) a person affiliated with the claimant,
5 including—

6 (i) a person controlled by, controlling,
7 or under common control with the claim-
8 ant; and

9 (ii) a subsidiary or parent company or
10 corporation of the claimant.

11 (3) WAIVED OR REDUCED MAINTENANCE
12 FEES.—

13 (A) 10 OR FEWER CLAIMS.—The mainte-
14 nance fee shall be waived in its entirety for 10
15 or fewer claims held by a claimant eligible for
16 a waiver under paragraph (1).

17 (B) 11 OR MORE CLAIMS.—

18 (i) IN GENERAL.—Subject to clause
19 (ii), the maintenance fee shall be reduced
20 to \$25 per claim for each claim in excess
21 of 10.

22 (ii) LIMITATIONS.—The reduction in
23 this subparagraph shall be available for no
24 more than 50 claims held by a claimant

1 who is eligible for a waiver under para-
2 graph (1).

3 (4) WAIVED OR REDUCED ABANDONED
4 LOCATABLE MINE LAND FEES.—

5 (A) 10 OR FEWER CLAIMS.—The aban-
6 doned locatable mine land fee shall be waived in
7 its entirety for 10 or fewer claims held by a
8 claimant eligible for a waiver under paragraph
9 (1).

10 (B) 11 OR MORE CLAIMS.—

11 (i) IN GENERAL.—Subject to clause
12 (ii), the abandoned locatable mine land fee
13 shall be reduced to \$5 per claim for each
14 claim in excess of 10.

15 (ii) LIMITATIONS.—The reduction in
16 this subparagraph shall be available for no
17 more than 50 claims held by a claimant
18 who is eligible for a waiver under para-
19 graph (1).

20 (f) EXISTING REQUIREMENTS.—

21 (1) PAYMENT IN LIEU OF ANNUAL LABOR RE-
22 QUIREMENTS.—The third sentence of section 2324
23 of the Revised Statutes (30 U.S.C. 28) is amended
24 by inserting “or section 5(g) of the Locatable Min-

1 eral Royalty and Reclamation Act of 2009” after
2 “Act of 1993”.

3 (2) FEDERAL FILING REQUIREMENTS.—Section
4 314 of the Federal Land Policy and Management
5 Act of 1976 (43 U.S.C. 1744) is amended—

6 (A) by striking subsection (a);

7 (B) by redesignating subsections (b), (c),
8 and (d) as subsections (a), (b), and (c), respec-
9 tively; and

10 (C) in subsection (b) (as so redesignated)
11 by striking “subsections (a) and (b)” and in-
12 serting “subsection (a)”.

13 (3) CONFORMING AMENDMENT.—Section
14 2511(e) of the Energy Policy Act of 1992 (30
15 U.S.C. 242(e)) is amended by striking the second
16 sentence.

17 (g) EFFECTS OF PAYMENT.—

18 (1) IN GENERAL.—Timely payment of the loca-
19 tion and claim maintenance fees secures the rights
20 of the holder of a mining claim, mill site, or tunnel
21 site, both prior to and after discovery of valuable
22 mineral deposits, to use and occupy Federal lands
23 under the provisions of the general mining laws for
24 all mineral activities.

1 (2) WAIVER OF CLAIM MAINTENANCE FEE.—In
2 the case of claim holders who qualify for a waiver
3 of payment of the claim maintenance fee, timely
4 payment of the location fee and compliance with the
5 assessment work required under the general mining
6 laws (30 U.S.C. 28–28e) secures the rights of the
7 holder of a mining claim, mill site, or tunnel site,
8 both prior to and after discovery of valuable mineral
9 deposits, to use and occupy Federal lands under the
10 provisions of the general mining laws for all mineral
11 activities.

12 (h) RELATIONSHIP TO OTHER LAW.—Section
13 102(a)(9) of Federal Land Policy and Management Act
14 of 1976 (43 U.S.C. 1701(a)(9)) is inapplicable to mineral
15 activities.

16 **SEC. 6. ROYALTY.**

17 (a) IN GENERAL.—

18 (1) IMPOSITION OF ROYALTY.—The production
19 of locatable minerals from any mining claim located
20 on Federal lands after the date of enactment of this
21 Act shall be subject to a royalty of two percent of
22 the net proceeds from such production.

23 (2) NO DUTY TO PRODUCE.—The imposition of
24 a royalty under this section shall not create any duty
25 to produce locatable minerals from any mining

1 claim. In no event shall the value of locatable min-
2 erals not extracted from a claim or lost in processing
3 be included in “gross yield”, as that term is defined
4 in subsection (c)(2).

5 (3) STOCKPILING.—The stockpiling of locatable
6 minerals or mineral products for future processing
7 shall not constitute a sale or use of such locatable
8 minerals for determining net proceeds.

9 (b) ROYALTY EXCLUSION.—

10 (1) WAIVER FOR LIMITED PRODUCTION.—The
11 royalty payable under this section shall be waived for
12 any person with annual net proceeds from mineral
13 production subject to subsection (a) of less than
14 \$100,000. The Secretary shall adjust the \$100,000
15 limitation annually to reflect changes in the Con-
16 sumer Price Index published by the Bureau of Labor
17 Statistics of the Department of Labor.

18 (2) OPERATIONS IN TWO OR MORE PLACES.—
19 Where mining operations subject to this section are
20 conducted in two or more places by the same person,
21 the operations shall be considered a single operation
22 the aggregate net proceeds from which shall be sub-
23 ject to the limitation set forth in paragraph (1).

24 (3) ENCOURAGEMENT OF RECOVERY AND IN-
25 TEREST IN CONSERVATION.—The Secretary, for the

1 purpose of encouraging the greatest ultimate recovery of minerals and in the interest of conservation
2 of natural resources, may waive, suspend, or reduce
3 the royalty established in subsection (a) on any mining claim or group of mining claims, whenever in the
4 Secretary's judgment it is necessary to do so in
5 order to promote development, or whenever in the
6 Secretary's judgment the claim or claims and other
7 lands comprising a single operation cannot be successfully operated under the royalty established in
8 subsection (a).

9 (c) DEFINITIONS.—For the purposes of this section:

10 (1) NET PROCEEDS.—The term “net proceeds”
11 means gross yield less the sum of all deductions, determined without duplication in accordance with
12 generally accepted accounting principles in the
13 United States, for the following:

14 (A) Extracting the locatable mineral.

15 (B) Transporting the locatable mineral
16 from the claim to the place or places of reduction, beneficiation, refining, and sale.

17 (C) Reduction, beneficiation, refining, and
18 sale of the locatable mineral, including expenses
19 of replacing, expanding, modifying, or changing
20 from time to time the machinery, equipment,
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1 apparatus, works, plants, and facilities used for
2 reduction, beneficiation, refining, and sale of
3 the locatable mineral.

4 (D) Marketing and delivering the locatable
5 mineral, including an allowance for commissions
6 at rates that are normal and customary in the
7 industry.

8 (E) Maintenance and repairs of all ma-
9 chinery, equipment, apparatus, works, plants,
10 and facilities used in extraction, reduction,
11 beneficiation, refining, transportation, and sale.

12 (F) Support personnel and support serv-
13 ices used in extraction, reduction, beneficiation,
14 refining, transportation, and sale, including
15 without limitation, accounting, assaying, draft-
16 ing and mapping, computer services, surveying,
17 housing, camp, and head office expenses, safety,
18 and security.

19 (G) Engineering, sampling, and assaying
20 pertaining to development and production.

21 (H) Permitting, reclamation, environ-
22 mental compliance, and monitoring.

23 (I) Fire and other insurance on the ma-
24 chinery, equipment, apparatus, works, plants,
25 and facilities described in subparagraph (E).

1 (J) Depreciation of the original capitalized
2 cost of the machinery, equipment, apparatus,
3 works, plants, and facilities described in sub-
4 paragraph (E), except that—

5 (i) the annual depreciation charge
6 shall consist of amortization of the original
7 cost in the manner consistent with the In-
8 ternal Revenue Code of 1986, as amended
9 from time to time; and

10 (ii) the probable life of the property
11 represented by the original cost must be
12 considered in computing the depreciation
13 charge.

14 (K) Premiums for industrial insurance,
15 and the owner-paid cost of hospital and medical
16 attention and accident benefits and group in-
17 surance for all employees engaged in the pro-
18 duction or processing of the locatable mineral.

19 (L) Contributions or payments under State
20 unemployment compensation law; contributions
21 under the Federal Social Security Act; State
22 and local real property taxes, personal property
23 taxes, and other taxes, other than income taxes,
24 applicable to mining operations; severance, ad
25 valorem, or other taxes measured or levied on

1 production; and Federal excise taxes, mainte-
2 nance fees, and other charges for use of the
3 Federal lands from which the locatable mineral
4 is produced.

5 (M) Developmental work upon a claim or
6 group of claims and other lands when operated
7 as a unit.

8 (N) All royalties, overriding royalties, pro-
9 duction payments, or similar payments meas-
10 ured by production (other than the royalty
11 under this section) of the locatable mineral paid
12 to any person.

13 (O) Any other deduction permitted by the
14 Secretary.

15 (2) GROSS YIELD.—The term “gross yield”
16 means the following, determined without duplication:

17 (A) In the case of sales of the locatable
18 mineral ore by the owner or co-owners, the ac-
19 tual proceeds of sale of such ore.

20 (B) In the case of sales by the owner or
21 co-owners of concentrates, bullion, or other
22 beneficiated products from the locatable mineral
23 (including cathode, anode or copper rod or wire,
24 or other products fabricated from the locatable
25 minerals), the gross income from mining de-

1 rived from the first commercially marketable
2 product, determined in the same manner as
3 “gross income from the property” is determined
4 under section 613(c) of the Internal Revenue
5 Code of 1986.

6 (C) If the locatable mineral or ore, con-
7 centrates, bullion, or other beneficiated or fab-
8 ricated products containing the locatable min-
9 eral are actually recovered by the owner or co-
10 owners, but are used or consumed by the owner
11 or co-owners or are not sold in an arms-length
12 sale, the term “gross yield” means the reason-
13 able fair market value of the locatable mineral
14 contained therein at the mine or wellhead, de-
15 termined from the first applicable of the fol-
16 lowing:

17 (i) Published or other competitive sell-
18 ing prices of the locatable mineral of like
19 kind and grade.

20 (ii) Any proceeds of sale.

21 (iii) Value received in exchange for
22 any thing or service.

23 (iv) The value of any locatable min-
24 eral in kind or used or consumed in a man-

1 ufacturing process or in providing a serv-
2 ice.

3 (v) In such other manner determined
4 by the Secretary that arrives at a reason-
5 able value for the locatable mineral con-
6 tained therein at the mine or wellhead.

7 Any profits or losses incurred in connection
8 with forward sales, futures or commodity op-
9 tions trading, metal loans, or any other price
10 hedging or speculative activity or arrangement
11 shall not be included in gross yield.

12 (3) EXTRACTING AND EXTRACTION.—The
13 terms “extracting” and “extraction” includes all
14 mining and extraction methods for removing the
15 locatable mineral from the ground, including placer
16 mining, open pit mining, underground mining, leach-
17 ing, and solution mining.

18 (4) REDUCTION, BENEFICATION, AND REFIN-
19 ING.—The terms “reduction”, “beneficiation”, and
20 “refining” include all treatment processes necessary
21 or incidental to the mining of the locatable mineral
22 and the preparation of a commercially marketable
23 product, including crushing, milling, flotation, leach-
24 ing, smelting, reduction, agglomeration, refining,

1 electro-winning, and other beneficiation of the
2 locatable mineral ore or the products thereof.

3 (5) INTENT OF DEDUCTIONS.—The deductions
4 set forth in paragraph (1) are intended to allow,
5 without duplication, a reasonable allowance for over-
6 head associated with the mining operations and
7 other activities described in paragraph (1), including
8 administrative supervision, accounting, data proc-
9 essing, personnel administration, billing and record-
10 keeping, tax administration, legal services, rentals
11 and other charges for office and records storage
12 space, telecommunications service, office equipment
13 and supplies.

14 (d) ALLOCATIONS OF NET PROCEEDS, GROSS YIELD
15 AND ALLOWABLE DEDUCTIONS.—Ores or solutions of
16 locatable minerals subject to a royalty under this section
17 may be extracted from mines that include mining claims
18 and lands that are not subject to a royalty under this sec-
19 tion. The locatable minerals from mining claims subject
20 to a royalty under this section, and the ores and solutions
21 thereof, may be commingled with locatable minerals, ores,
22 or solutions from mining on such other mining claims and
23 lands. In any such case, for purposes of determining the
24 amount of a royalty payable under this section—

1 (1) prior to commingling, the operator shall
2 first sample, weigh or measure, and assay the same
3 in accordance with accepted industry standards; and

4 (2) gross yield, allowable deductions, and net
5 proceeds for royalty purposes shall be allocated in
6 proportion to the quantity of locatable minerals pro-
7 duced from the mining claims subject to a royalty
8 under this section compared to the mining claims
9 and other lands not subject to a royalty under this
10 section, in accordance with accepted industry stand-
11 ards.

12 (e) LIABILITY FOR ROYALTY PAYMENTS.—The
13 owner or co-owners of a mining claim subject to a royalty
14 under this section shall be liable for such royalty to the
15 extent of the interest in such claim owned. No person (in-
16 cluding any contract miner) who makes any royalty pay-
17 ment under this section attributable to the interest of any
18 owner or co-owner liable therefore shall become liable to
19 the United States for such royalty payment as a result
20 of making such payment to the United States on behalf
21 of such owner or co-owner.

22 (f) TIME AND MANNER OF PAYMENT.—

23 (1) IN GENERAL.—

24 (A) TIME OF PAYMENT.—Royalty pay-
25 ments for production from any mining claim

1 subject to a royalty payable under this section
2 shall be due to the United States at the end of
3 the month following the end of the calendar
4 quarter in which the net proceeds from the sale
5 of such production are determined in respect of
6 the owner or co-owners thereof under sub-
7 section (c)(1).

8 (B) PAYMENT BASED ON ESTIMATES.—

9 Royalty payments under this section may be
10 made based upon good faith estimates of the
11 gross yield, net proceeds, and the quantity of
12 ore, concentrates, or other beneficiated or fab-
13 ricated products of locatable minerals, subject
14 to adjustment when the actual annual gross
15 yield, net proceeds, and quantity are determined
16 by the owner or co-owners of the mining claim
17 under subsection (h)(3).

18 (2) REQUIRED STATEMENT.—Each royalty pay-
19 ment or adjustment shall be accompanied by a state-
20 ment containing each of the following:

21 (A) The name and Bureau of Land Man-
22 agement serial number of the mining claim or
23 claims from which ores, concentrates, solutions,
24 or beneficiated products of locatable minerals
25 subject to a royalty under this section were cal-

1 culated for the period covered by such payment
2 or adjustment.

3 (B) The estimated (or actual, if deter-
4 mined) quantity of such ore, concentrates, solu-
5 tions, or beneficiated or fabricated products for
6 which net proceeds were calculated for such pe-
7 riod.

8 (C) The estimated (or actual, if deter-
9 mined) gross yield from such ore, concentrates,
10 solutions, or beneficiated products for such pe-
11 riod.

12 (D) The estimated (or actual, if deter-
13 mined) net proceeds from such ores, con-
14 centrates, solutions, or beneficiated products for
15 such period, including an itemization of the ap-
16 plicable deductions described in subsection
17 (e)(1).

18 (E) The estimated (or actual, if deter-
19 mined) royalty due to the United States, or ad-
20 justment due to the United States, for such pe-
21 riod.

22 (F) The amount of any royalty collected
23 and paid to the United States on behalf of any
24 co-owner liable therefore under subsection (e).

1 (3) ADJUSTMENT IN LIEU OF REFUND.—In lieu
2 of receiving a refund under subsection (h), the
3 owner or co-owners may elect to apply any adjust-
4 ment due to such owner or co-owners as an offset
5 against royalties due from such owner or co-owners
6 to the United States under this section, regardless
7 of whether such royalties are due for production and
8 sale from the same mining claim or claims.

9 (g) RECORDKEEPING AND REPORTING REQUIRE-
10 MENTS.—

11 (1) IN GENERAL.—An owner or co-owner sub-
12 ject to a royalty under this section shall establish
13 and maintain any records, make any reports, and
14 provide any information that the Secretary may rea-
15 sonably require for the purposes of implementing
16 this section or determining compliance with regula-
17 tions or orders under this section. Upon the request
18 of the Secretary when conducting an audit or inves-
19 tigation pursuant to subsection (i), the appropriate
20 records, reports, or information required by this sub-
21 section shall be made available for inspection and
22 duplication by the Secretary.

23 (2) MAINTENANCE.—Records required by the
24 Secretary under this section shall be maintained for
25 3 years after the date the royalty to which such

1 records relate was due, unless the Secretary notifies
2 the record holder that the Secretary has initiated an
3 audit or investigation specifically identifying and in-
4 volving such records and that such records must be
5 maintained for a longer period. When an audit or in-
6 vestigation is under way, such records shall be main-
7 tained until the earlier of the date that the Secretary
8 releases the record holder of the obligation to main-
9 tain such records or the date that the limitations pe-
10 riod applicable to such audit or investigation under
11 subsection (i) expires.

12 (h) INTEREST ASSESSMENTS.—

13 (1) IN GENERAL.—

14 (A) AUTHORITY TO CHARGE INTEREST.—

15 If royalty payments under this section are not
16 received by the Secretary on the date that such
17 payments are due, or if such payments are less
18 than the amount due, the Secretary shall
19 charge interest on such unpaid amount.

20 (B) COMPUTATION.—Interest under this
21 subsection shall be computed at the rate pub-
22 lished by the Department of the Treasury as
23 the “Treasury Current Value of Funds Rate”.

24 (C) UNDERPAYMENT OR PARTIAL PAY-
25 MENT.—In the case of an underpayment or

1 partial payment, interest shall be computed and
2 charged only on the amount of the deficiency
3 and not on the total amount, and only for the
4 number of days such payment is late.

5 (D) OTHER CHARGE OR PENALTY PROHIB-
6 ITED.—No other late payment or underpayment
7 charge or penalty shall be charged with respect
8 to royalties under this section.

9 (2) REFUND OF OVERPAYMENT.—In any case
10 in which royalty payments under this section are
11 made in excess of the amount due, or amounts are
12 held by the Secretary pending the outcome of any
13 appeal in which the Secretary does not prevail, the
14 Secretary shall promptly refund such overpayments
15 or pay such amounts to the person or persons enti-
16 tled thereto, together with interest thereon for the
17 number of days such overpayment or amounts were
18 held by the Secretary, with the addition of interest
19 charged against the United States computed at the
20 rate published by the Department of the Treasury as
21 the “Treasury Current Value of Funds Rate”.

22 (3) RECONCILIATION.—

23 (A) IN GENERAL.—Within 90 days after
24 the end of each calendar year, the owner or co-
25 owner shall provide an annual reconciliation of

1 the quarterly payments of royalty under this
2 section made during the preceding calendar
3 year.

4 (B) OVERPAYMENTS AND UNDERPAY-
5 MENTS.—At the time of the annual reconcili-
6 ation, any overpayments shall be credited to the
7 next quarterly payments and any underpay-
8 ments shall be paid.

9 (i) AUDITS, PAYMENT DEMANDS, AND LIMITA-
10 TIONS.—

11 (1) IN GENERAL.—The Secretary may conduct,
12 after notice, any audit reasonably necessary and ap-
13 propriate to verify the payments required under this
14 section.

15 (2) PAYMENT DEMANDS.—The Secretary shall
16 send or issue any billing or demand letter for royalty
17 due on locatable minerals calculated with respect to
18 any mining claim subject to a royalty required by
19 this section not later than 3 years after the date
20 such royalty was due and must specifically identify
21 the production involved, the royalty allegedly due,
22 and the basis for the claim.

23 (3) LIMITATION ON ACTIONS, PROCEEDINGS,
24 AND CLAIMS.—No action, proceeding, or claim for
25 royalty due on locatable minerals produced and sold,

1 or relating to such production, may be brought by
2 the United States, including but not limited to any
3 claim for additional royalties or claim of the right to
4 offset the amount of such additional royalties
5 against amounts owed to any person by the United
6 States, unless judicial suit or administrative pro-
7 ceedings are commenced to recover specific amounts
8 claimed to be due prior to the expiration of 3 years
9 from the date such royalty is alleged to have been
10 due.

11 (j) OWNER AND CO-OWNER DEFINED.—As used in
12 this section, the terms “owner” and “co-owner” mean the
13 person or persons owning the right to mine locatable min-
14 erals from such claim and receiving the net proceeds of
15 production from the claim, but shall not include a person
16 that is engaged in contract mining for such owner or co-
17 owners or a person that owns only a royalty, overriding
18 royalty, production payment, or similar interest or pay-
19 ment measured by production from such claim.

20 **SEC. 7. ABANDONED LOCATABLE MINE RECLAMATION**
21 **FUNDS.**

22 (a) ESTABLISHMENT; ADMINISTRATION; STATE
23 FUNDS.—There is created on the books of the Treasury
24 of the United States a separate account to be known as
25 the Abandoned Locatable Mine Reclamation Fund (here-

1 in after in this section referred to as the “fund”) which
2 shall be administered by the Secretary of the Interior to
3 provide funds for the Abandoned Locatable Mine Rec-
4 lamation Program established by this Act. A State or trib-
5 al abandoned mine reclamation fund (in this section re-
6 ferred to as a “State fund”) shall be established pursuant
7 to a State or Indian tribe program approved under section
8 8(e) by each State and each Indian tribe that receives a
9 grant under this Act, and shall be comprised of the funds
10 provided as such grant.

11 (b) SOURCES OF DEPOSITS TO FUND.—There shall
12 be deposited into the fund amounts derived from—

13 (1) the abandoned locatable mine land fee levied
14 under section 5;

15 (2) location and claim maintenance fees in ex-
16 cess of that amount appropriated annually for min-
17 ing law administration;

18 (3) royalties required under section 6, and any
19 interest due to late payment or underpayment of
20 royalties and any earnings on such royalties; and

21 (4) donations by persons, corporations, associa-
22 tions, and foundations for the purposes of this Act.

23 (c) DISTRIBUTION OF FUNDS.—One hundred percent
24 of the abandoned locatable mine land fees deposited in the
25 fund shall be available for grants under section 8. All

1 other deposits into the fund shall be available subject to
2 appropriations as authorized in section 8(f).

3 **SEC. 8. ABANDONED LOCATABLE MINERALS MINE REC-**
4 **LAMATION PROGRAM.**

5 (a) ESTABLISHMENT.—There is established a pro-
6 gram to be known as the Abandoned Locatable Minerals
7 Mine Reclamation Program (referred to in this section as
8 the “Program”). The Program shall be administered by
9 the Secretary acting through the Director of the Office
10 of Surface Mining.

11 (b) DESCRIPTION OF PROGRAM.—

12 (1) IN GENERAL.—The Secretary may under
13 the Program make grants for the reclamation of
14 land and water resources adversely affected by past
15 hardrock mining to—

16 (A) eligible States and Indian tribes; and

17 (B) Federal agencies.

18 (2) USE.—A grant under this subsection may
19 be used for—

20 (A) the reclamation of abandoned hardrock
21 surface mined areas and associated adversely
22 affected water resources;

23 (B) the reclamation of abandoned hardrock
24 milling and processing areas and associated ad-
25 versely affected water resources;

1 (C) the sealing, filling, and grading of
2 abandoned locatable deep mine entries;

3 (D) the planting of land adversely affected
4 by past locatable mining to prevent erosion and
5 sedimentation;

6 (E) the prevention, abatement, treatment,
7 and control of water pollution created by aban-
8 doned locatable mine drainage;

9 (F) the control of surface subsidence due
10 to abandoned locatable deep mines; and

11 (G) such other projects as may be nec-
12 essary to carry out this Act.

13 (3) PRIORITIES.—In making grants under this
14 section, the Secretary shall give priority (in order of
15 priority stated) to—

16 (A) the protection of public health, safety,
17 and general welfare from the adverse effects of
18 past locatable mineral mining practices; and

19 (B) the reclamation of land and water re-
20 sources previously degraded by the adverse ef-
21 fects of past locatable minerals and mineral ma-
22 terials mining practices.

23 (c) ELIGIBLE AREAS.—

24 (1) ELIGIBILITY IN GENERAL.—Subject to
25 paragraph (2), grants under this section may be

1 used to carry out reclamation activities only on land
2 and water in a State or on Indian tribal land—

3 (A) that was mined or processed for
4 locatable minerals and mineral materials, and
5 was abandoned or left in an inadequate rec-
6 lamation status prior to the date of enactment
7 of this section;

8 (B) for which the Secretary, a State, or an
9 Indian tribe makes a determination that there
10 is no continuing reclamation responsibility
11 under Federal or State law; and

12 (C) for which it can be established that the
13 land or water does not contain minerals that
14 could economically be extracted through reproc-
15 essing or reining, unless this subparagraph
16 conflicts with the priorities set forth under sub-
17 section (b)(2).

18 (2) SPECIFIC SITES AND AREAS NOT ELIGI-
19 BLE.—Areas designated for remedial action pursu-
20 ant to the Uranium Mill Tailing Radiation Control
21 Act of 1978 (42 U.S.C. 7901 et seq.) or that have
22 been listed for remedial action pursuant to the Com-
23 prehensive Environmental Response, Compensation,
24 and Liability Act of 1980 (42 U.S.C. 9601 et seq.)

1 shall not be eligible for expenditure under this sec-
2 tion.

3 (d) ALLOCATIONS AND EXPENDITURES.—

4 (1) ALLOCATIONS.—

5 (A) IN GENERAL.—The Secretary shall al-
6 locate funds under this section for each fiscal
7 year in the form of—

8 (i) grants to eligible States or Indian
9 tribes in accordance with this section
10 (other than paragraph (2));

11 (ii) grants to other States and Indian
12 tribes in accordance with paragraph (2);
13 and

14 (iii) grants to Federal agencies with
15 abandoned mine lands programs for
16 hardrock mines (locatable minerals) and
17 mineral materials.

18 (B) STATES AND INDIAN TRIBES WITHOUT
19 A STATE FUND.—States and Indian tribes that
20 have not established or maintained a State fund
21 shall be eligible for grants from the Federal
22 fund under paragraph (2).

23 (C) DISTRIBUTION.—The Secretary shall
24 distribute the funds to eligible States, other
25 States, Indian tribes, and Federal agencies giv-

1 ing due consideration to the priorities stated in
2 subsection (b)(2) according to the following
3 schedule:

4 (i) 60 percent to States and Indian
5 tribes that are eligible States or Indian
6 tribes under subsection (e).

7 (ii) 15 percent to other States and In-
8 dian tribes in accordance with paragraph
9 (2).

10 (iii) 25 percent to Federal agencies
11 with abandoned mine lands programs for
12 hardrock mines (locatable minerals) and
13 mineral materials.

14 (2) DIRECT FEDERAL EXPENDITURES FROM
15 FEDERAL FUND.—The Secretary shall make grants
16 to States and Indian tribes that are not eligible
17 States or Indian tribes under subsection (e) based
18 on the greatest need for the funds pursuant to the
19 priorities stated in subsection (b)(2).

20 (e) STATE AND TRIBAL RECLAMATION PROGRAMS.—

21 (1) ELIGIBLE STATE OR INDIAN TRIBE DE-
22 FINED.—For the purpose of this section, the term
23 “eligible State or Indian tribe” means a State or In-
24 dian tribe that the Secretary determines meets each
25 of the following requirements:

1 (A) Within the State or Indian tribal lands
2 there are mined lands, waters, and facilities eli-
3 gible for reclamation under subsection (c).

4 (B) The State or Indian tribe has devel-
5 oped an inventory of affected areas following
6 the priorities established under subsection
7 (b)(2).

8 (C) The State or Indian tribe has estab-
9 lished, and the Secretary has approved, a State
10 or Indian tribe abandoned locatable minerals
11 and mineral materials mine reclamation pro-
12 gram for the purpose of receiving and admin-
13 istering grants under this section, including by
14 establishing and maintaining a State fund in
15 accordance with section 7(a).

16 (2) MONITORING.—The Secretary shall monitor
17 the expenditure of State and Indian tribe grants to
18 ensure that the grants are being utilized to carry out
19 this Act.

20 (3) STATE AND INDIAN TRIBE PROGRAMS.—
21 The Secretary shall approve any State or Indian
22 tribe abandoned locatable minerals mine reclamation
23 program submitted to the Secretary by a State or
24 Indian tribe under this section if the Secretary finds
25 that the State or Indian tribe has the means and

1 necessary State or tribal legislation to implement the
2 program and that the program complies with this
3 section.

4 (4) APPROVAL OF EXISTING PROGRAMS.—Any
5 State program for reclamation of abandoned mines
6 approved under title IV of the Surface Mining Con-
7 trol and Reclamation Act of 1977 (30 U.S.C. 1231
8 et seq.) before the date of enactment of this Act and
9 in good standing with the Secretary as of that date
10 shall be considered approved under this title.

11 (f) AUTHORIZATION OF APPROPRIATIONS.—

12 (1) IN GENERAL.—Subject to paragraph (2),
13 there are authorized to be appropriated such sums
14 as are necessary to carry out this section.

15 (2) LIMITATION.—The amount annually au-
16 thorized to be appropriated under this subsection
17 shall not exceed the sums paid into the Treasury of
18 the United States, pursuant to section 7 for the fis-
19 cal year preceding the authorization.

20 **SEC. 9. ESTABLISHMENT OF OFFICE OF ECONOMIC GEOL-**
21 **OGY.**

22 (a) IN GENERAL.—From the existing staff and budg-
23 et assets of the Department of the Interior and the United
24 States Geological Survey, the Secretary shall within 90
25 days after the date of enactment of this Act establish the

1 Office of Economic Geology, which shall be directly super-
2 vised by the Director of the United States Geological Sur-
3 vey.

4 (b) FUNCTIONS.—

5 (1) IN GENERAL.—The Office of Economic Ge-
6 ology shall have responsibility for all policy, plan-
7 ning, and program direction for all of the activities
8 of the energy and mineral resource programs, in-
9 cluding research, within the United States Geologi-
10 cal Survey. The Office and shall have direct respon-
11 sibility for—

12 (A) the National Mineral Resource Inven-
13 tory required by section 10; and

14 (B) all energy resource surveys, studies, in-
15 vestigations or inventories assigned to the
16 United States Geological Survey by legislation.

17 (2) IN GENERAL.—The Director of the United
18 States Geological Survey, through the Office of Eco-
19 nomic Geology, shall annually prepare, publish, and
20 submit to the Congress a report on the state of the
21 domestic exploration, mining, minerals, and mineral
22 reclamation industries, including—

23 (A) a statement of the trend in utilization
24 and depletion of the domestic supplies of min-
25 eral commodities;

1 (B) a description of ongoing research,
2 studies, investigations, and inventories being
3 carried out under the direction of the Office;
4 and

5 (C) a detailed report on the status of the
6 National Minerals Inventory and Assessment
7 Program established by section 10.

8 **SEC. 10. MANDATORY NATIONAL COOPERATIVE MINERAL**
9 **RESOURCE INVENTORY AND ASSESSMENT**
10 **PROGRAM.**

11 (a) IN GENERAL.—The Secretary shall conduct quan-
12 titative national minerals assessments of the mineral re-
13 sources in the United States and insular areas on a recur-
14 ring basis to ensure adequate knowledge of all potential
15 and actual domestic mineral supplies and to provide for
16 effective stewardship of the Nation’s resources. All such
17 assessments shall be cooperative activities that provide
18 funding to non-Federal participants, including State gov-
19 ernments, academic institutions, and private persons, at
20 a rate of not less than \$2 in Federal funds for each dollar
21 of non-Federal funds expended to carry out the assess-
22 ments.

23 (b) PREPARATION FOR ASSESSMENTS.—Not later
24 than 90 days after the date of enactment of this Act, the
25 Secretary, in advance of the national assessments, shall

1 direct appropriate personnel of the Department of the In-
2 terior—

3 (1) to identify all critical commodities to be as-
4 sessed on a priority basis, using the process identi-
5 fied by the National Academy report entitled “Min-
6 erals, Critical Minerals, and the U.S. Economy”;

7 (2) update all existing mineral deposit models
8 and develop such new ones found, after public com-
9 ment;

10 (3) conduct historical analyses pertaining to ex-
11 ploration and discovery of the mineral deposits de-
12 scribed in the existing mineral deposit models and
13 any newly developed, paying particular attention to
14 those containing critical commodities identified
15 under paragraph (1), including making of estimates
16 of exploration expenditures; and

17 (4) update, maintain, supplement, and expand
18 on a continuing basis, the information contained in
19 USGS Professional Paper 820, entitled “United
20 States Mineral Resources”.

21 (c) UPDATE OF METHODOLOGY AND SOFTWARE.—

22 The Secretary shall ensure that the analytical method-
23 ology and software critical to conducting the assessment
24 is updated, and shall develop economic sensitivity meas-

1 ures to filter and refine numerical assessment data and
2 develop measures of assessment uncertainty.

3 (d) DIGITIZATION; GLOBAL MINERAL RESOURCE
4 CONTEXT.—The Secretary shall digitally systemize na-
5 tional-scale earth science data and develop a conceptual
6 framework for placing the updated national mineral re-
7 source assessment in the context of a global mineral re-
8 source assessment.

9 (e) PUBLIC INPUT.—The Secretary shall engage the
10 general public and users of the resource assessment and
11 solicit input concerning how best to develop, conduct, and
12 communicate the results of the assessment.

13 **SEC. 11. URANIUM POLICY SUMMIT.**

14 (a) SHORT TITLE.—This section may be cited as the
15 “National Uranium Summit Act”.

16 (b) FINDINGS.—The Congress finds the following:

17 (1) It is necessary to preserve access to domes-
18 tic uranium reserves and resources in order to meet
19 the United States’ demand for clean noncarbon
20 emitting energy. Doing so will contribute to the Na-
21 tion’s effort to seek energy independence and en-
22 hance our national and economic security.

23 (2) United States utilities currently use ap-
24 proximately 56,000,000 pounds of uranium each
25 year. Meanwhile, total United States uranium pro-

1 duction is only approximately 3,000,000 to
2 4,000,000 pounds each year, or less than 10 percent
3 of the Nation's annual need.

4 (3) To meet the United States demand for ura-
5 nium, the United States imports uranium from Rus-
6 sia, Canada, Australia, and Kazakhstan. In 2004,
7 nearly 50 percent of imported uranium came from
8 Russia.

9 (4) If climate change legislation results in a
10 doubling of our domestic nuclear energy production,
11 we would need to increase our domestic production
12 by a factor of 10 simply to supply one third of our
13 demand.

14 (5) American industry can easily produce
15 20,000,000 to 30,000,000 pounds of uranium each
16 year from domestic resources.

17 (6) To produce those resources we must pre-
18 serve access to the Nation's uranium reserves and
19 resources found within the northern Arizona strip,
20 northwestern New Mexico, Wyoming, Virginia, and
21 other parts of the United States.

22 (7) The Arizona strip region, located in the
23 Utah-Arizona border region, is estimated to contain
24 a resource endowment of 375,000,000 pounds of
25 uranium oxide (United States Geological Survey Cir-

1 cular 1051), making it the second most important
2 uranium region in the United States after to Wyo-
3 ming. The energy potential of this quantity of ura-
4 nium rivals the energy equivalence of the total recov-
5 erable oil discovered at Prudhoe Bay Alaska, the
6 largest oil field in North America. This quantity of
7 uranium comprises over 40 percent of the Nation's
8 estimated uranium resource endowment, and Ari-
9 zona Strip area uranium is by far the highest grade
10 uranium nationally. Development of these resources
11 would promote energy independence and protect our
12 national security.

13 (8) Development of these resources would pre-
14 vent the United States from being over reliant on
15 less stable foreign sources of uranium.

16 (9) The importance of developing these re-
17 sources is crucial as the rest of the world is embrac-
18 ing nuclear power, including China, India, Russia,
19 Europe, the Middle East, Japan, and Korea, result-
20 ing in a exponential demand for known and undis-
21 covered uranium resources.

22 (c) CONVENING OF URANIUM POLICY SUMMIT.—

23 (1) IN GENERAL.—The Secretary of the Inte-
24 rior, working with the Secretary of Energy, shall
25 convene a national summit on uranium by no later

1 than 180 days after the date of the enactment of
2 this Act, to produce a report for Congress by no
3 later than 1 year after the date of the enactment of
4 this Act that includes an assessment of the Nation's
5 uranium resources and provides policy recommenda-
6 tions to ensure access to these resources for private
7 sector development in an environmentally responsible
8 manner. A principal policy objective of the summit
9 and report shall be to domestically produce enough
10 uranium to meet 30 percent of our national uranium
11 demand by 2030.

12 (2) PARTICIPANTS.—The national summit on
13 uranium shall include—

14 (A) representatives from mining, enrich-
15 ment, utility, and disposal sectors of the ura-
16 nium industry; and

17 (B) experts in hydrology, geology, mine
18 reclamation, and safety.

○