



## Quinn: Minerals Legislation Would Give a Leg Up to Manufacturing

By Hal Quinn  
Special to Roll Call  
July 25, 2012, 12:47 p.m.

The House voted on legislation this month that would cut bureaucratic red tape that has for decades constrained a vital sector of the American economy: minerals mining.

Despite opposition from the White House — whose approach to minerals issues has lacked clarity and urgency — lawmakers passed the National Strategic and Critical Minerals Production Act, H.R. 4402, taking a major step toward implementing much-needed changes to the outdated U.S. mining permitting process, fueling domestic manufacturing and bolstering the nation's global competitiveness.

The National Strategic and Critical Minerals Production Act, introduced by Rep. Mark Amodei (R-Nev.), would alleviate hardships facing manufacturers who transform mineral inputs into automobiles, electronics, construction materials, defense technologies and countless end-products that affect almost every aspect of our lives. The legislation would better coordinate mining permitting, clarify regulatory responsibilities and avoid duplication of efforts between the state and federal governments. Establishing a more efficient and predictable mining regulatory process will attract investment in U.S. mining and see more domestic minerals put to use in vital U.S. industries.

For decades, domestic minerals have remained locked behind an unpredictable regulatory framework and an inefficient mining permitting process. It can take a staggering 10 years to acquire one mine permit in the United States, while the average approval time in Australia, Peru, Chile and China is less than two years. The delays faced by U.S. miners are on par with those faced by miners in Papua New Guinea — a country with an economy .01 percent our size.

As a result, investors, who regularly spend tens of millions of dollars on a project before mining even begins, bypass the United States, instead favoring opportunities to mine in countries where regulations and return on investment are more predictable. Our nation's unwelcoming business environment has brought the U.S. share of global mining investment to an all-time low, dropping from about 21 percent in the early 1990s to about 8 percent today.

The negative effects of inefficient permitting extend throughout the supply chain. For the past 30 years, manufacturers have been forced to import minerals to meet their raw material needs. Despite the more than \$6.2 trillion worth of mineral resources within U.S. borders, domestic companies last

year imported about \$6.9 billion worth of minerals, more than half of their total consumption. In recent years, many companies have had to choose between closing their doors or relocating their operations to countries where key minerals can be readily obtained — benefitting foreign economies and foreign workers instead of American jobs and our nation's economic growth.

The president is well aware of the price manufacturers pay when they're unable to secure minerals. In March, he announced that the United States would take action through the World Trade Organization against China, a key source of mineral imports for U.S. manufacturers, for the country's export restrictions on key minerals. This month, the U.S. upped the ante, requesting a dispute settlement panel at the WTO over the issue.

But if successful, these actions would only be a short-term fix for a long-term problem. Our nation's reliance on imports for critical minerals leaves us vulnerable to the posturing of any country — not just China — that has established mineral procurement as a policy goal. And if the WTO case is successful, we'll be right back where we started: dependent on a foreign producer, supporting foreign mining jobs.

If giving a leg up to U.S. industry is truly a White House priority, the administration would support policies that lead to increased domestic mining.

The National Strategic and Critical Minerals Production Act seeks to lend a hand to struggling manufacturers by enabling the United States to compete for international mining dollars. Not only will countless downstream sectors benefit from better access to raw materials, but increased mine activity will add to the more than 1.1 million high-paying jobs U.S. mining already supports — jobs that have for too long been going overseas.

To realize the full potential of minerals mining and support growth in industries across the economy, it is essential that unnecessary barriers to permitting are removed. Our nation needs a 21st-century permitting system to address 21st-century challenges. Through legislation such as the National Strategic and Critical Minerals Production Act, the United States can create a welcoming business environment that will attract investment, strengthen domestic manufacturing and drive our economy forward.

*Hal Quinn is president and CEO of the National Mining Association.*