

To: Sweeney, Katie[KSweeney@nma.org]
Cc: Dravis, Samantha[dravis.samantha@epa.gov]; Brown, Byron[brown.byron@epa.gov]; Davis, Patrick[davis.patrick@epa.gov]
From: Bangerter, Layne
Sent: Fri 4/28/2017 7:32:23 PM
Subject: RE: Meeting at NMA offices on Monday

Thank you Katie: Yes, we are hearing of this from you and other mining companies. This is potentially a big problem as you say, so we understand the magnitude of the concern. I am including Samantha Dravis and Byron Brown (Office of Policy) and Patrick Davis (Office of Land and Emergency Management). Thank you and keep in touch.

Sincerely,

Layne R. Bangerter

Deputy Associate Administrator-Office of Congressional and Intergovernmental Relations
Environmental Protection Agency

From: Sweeney, Katie [mailto:KSweeney@nma.org]
Sent: Friday, April 28, 2017 1:47 PM
To: Bangerter, Layne <bangerter.layne@epa.gov>
Subject: RE: Meeting at NMA offices on Monday

Hey Layne,

Wanted to make you aware of an issue of significant importance to the hardrock mining industry. Looks like OMB is poised to include a punitive Obama-era budget policy proposal in the fiscal year 2018 budget for the Department of the Interior. This proposal was initially included in President Obama's budget at the behest of nongovernmental organizations that were more interested in ending hardrock mining in the U.S. than raising funds for government coffers. Analogous proposals have been introduced in Congress by various members with a similar goal, including Senator Ed Markey (D-Mass.) and Representative Raul Grijalva (D-Ariz.).

Our understanding is OMB is urging the following new taxes and fees for hardrock mining: (1) an eight percent gross royalty on new mining operations on federal lands; (2)

a four percent royalty on existing gross operations; and (3) an AML fee be based on the tons of material (crude ore, waste, dirt) displaced at mining operations (the "dirt tax"). The dirt tax would be applicable to operations on federal, state or private lands. If consistent with previous proposals, the dirt tax rate would be 7.8 cents per ton of material displaced. The dirt tax alone would result in excess of \$2.35 billion of increased taxes on domestic miners over the next ten years. These added fees will deter investments in new and existing mineral and metal mining projects by robbing them of the revenue needed to justify and sustain those investments.

Being from Idaho, I know that you are well aware of the importance of metals and minerals to our economy and as the front end of the manufacturing supply chain. And of the risks of increasing reliance on foreign sources of minerals. Any assistance you could provide in letting others in the administration, especially the White House, know of this development that threatens our high-wage mining jobs would be helpful. Please let me know if you have questions, or want any additional information.

Katie