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Uranium mining Not fair, they say

An attempt to make miners pay

Feb 10th 2011 | BOULDER, COLORADO | from the print edition

ONE might not have too much sympathy for fossil fuel companies, currently enjoying all the benefits of high coal and oil prices. But they are crying foul in their competition with an (admittedly undersized) non-hydrocarbon fuel—uranium. According to America's mining act of 1872, framed at a time when spurring development of the wide-open West was all the rage, no government agency can refuse a mining permit on federal land, or charge a royalty. And uranium is treated just like other hardrock minerals such as gold and copper. Oil, gas, coal and timber companies, by contrast, all have to pay substantial royalties, of up to 12.5% of gross income, when they extract from federal lands.

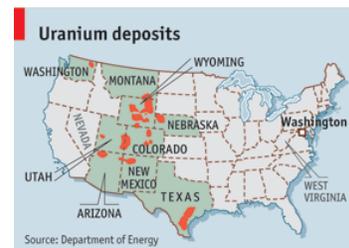
The most ardent critic in Washington, DC, of the relic that favours the uranium business has been Nick Rahall. A Democrat from West Virginia, a big coal state, Mr Rahall was chairman of the House Natural Resources Committee until the Democrats lost the House at the mid-term election. His bill removing the anomaly passed the House last year, but has been blocked in the Senate, thanks in part to the opposition of the Senate majority leader, Harry Reid of Nevada, the son of a goldminer and a man in no hurry to slap the hand that feeds his state.

"The overall public policy debate is why should hardrock mining get this exalted position?" says Roger Flynn, a mining lawyer and founding director of the Western Mining Action Project in Lyons, Colorado. "The big issue is to make mining (companies) equal players on public land." Mr Rahall's measure would have required hardrock mining companies of all varieties to pay the federal government royalties of 8% of gross income on new claims and 4% on existing claims.

The uranium industry argues (of course) that charging its members royalties could discourage activity and so jeopardise national security. But even if the new Congress, or for that matter the Obama administration itself, show little inclination to shake up the 1872 mining law, a lawsuit filed by several environmental and Native American organisations against several federal agencies may. The case, filed in a federal court in Washington, DC, challenges the government to have hardrock mining companies pay "fair market value" for use of federal lands for operations proposed on lands not covered by valid mining claims.

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