

## **Senate Energy and Natural Resources Committee**

Full Committee Hearing on H.R. 1904, the Southeast Arizona Land Exchange and Conservation Act of 2011

Thursday, February 9, 2012 - 09:30 AM

### **Testimony Submitted by Congressman Paul Gosar (AZ-01)**

First, I would like to thank Chairman Bingaman and Ranking Member Murkowski for scheduling today's legislative hearing on H.R. 1904, the Southeast Arizona Land Exchange and Conservation Act. The need for this land exchange legislation and ensuing copper mine was one of the very first initiatives brought to my attention by the people of my district. Today's Senate hearing on my House-passed legislation gives our state hope that this year, this initiative will finally get across the finish line.

H.R. 1904 may be new legislation, but this initiative is not. Over the past six years, this land exchange has been subject to intensive review, public consideration, and modification. It has been introduced in four separate Congresses by four different members of the Arizona House Congressional Delegation: twice by Democrats and twice by Republicans. This proposal truly has bipartisan support among the people in our state and across the country. The Mayor of the Town of Superior, an elected Democrat, testified in support H.R. 1904. Democrat and Republican county supervisors in each of the affected-counties have endorsed my bill. Arizona Governor Jan Brewer supports my bill.

I have received an overwhelming amount of support throughout Arizona since H.R. 1904 passed—in a bipartisan fashion—through the U.S. House of Representatives last October. Those folks are excited for the economic development and sustainable growth that this project will bring to Arizona. Arizona was built on the back of a thriving mining industry and its people recognize the dire need to boost domestic production of a strategic mineral. And they are sick of waiting for Congress to act.

H.R. 1904 facilitates a land exchange that will bring into federal stewardship 5,500 acres of high-priority conservation lands that contain endangered species, sensitive ecosystems, recreational sites, and historic landmarks, in exchange for 2,600 acres of federal land containing the third-largest undeveloped copper resource in the world. It removes impediments to private sector job creation, facilitates the development of an underground copper mine that will create new American jobs, reduces our dependence on foreign sources of energy and minerals, and generates revenue for federal and state treasuries.

Upon passage of the critical legislation, the private company will be able to employ 3,000 workers during six-year construction period. Ultimately the project will support over 3,700 jobs providing for \$220 million in annual wages over the life of the project. These are good paying



jobs in an area that is currently experiencing unemployment rates well above the national average—exceeding 10 percent.

The total economic impact of the project is estimated to be over \$61.4 billion, which is over \$1 billion per year and another \$19 billion in federal, state, county, and local tax revenue. \$14 billion out of that \$19 billion will be in federal tax revenue—in these tough fiscal times I think we can all agree the U.S. Treasury could use the help.

Additionally, this project will significantly reduce our country's dependence on foreign sources of energy and minerals. The U.S. currently imports 30 percent of our copper and demand is skyrocketing. This critical mineral is used in virtually all modern day technology ranging from renewable energy production and hybrid cars, to your everyday electronic like cell phones, iPods, and radios. The U.S. must use domestic resources to meet this growing demand; this project could yield enough copper to meet 25 percent of current demand.

Let me be clear: this bill does not facilitate the construction of a new mine. The deposit is located in the middle of Arizona's copper triangle, surrounded by other mining operations. The majority of the infrastructure needed to mine the resource is already in place. Resolution Copper has invested over \$750 million in the mine site and other economic development projects within the community. Today, more than 500 employees and contractors are at work in Arizona on this project as they prepare for us in Congress to take action on this bill. If Congress fails to act again this year, it would not only squander the vast economic benefits that would result from the project, but those 500 employees could lose their jobs and the millions of dollars in investment in that community could dry up.

In October, *The Arizona Republic*, the largest newspaper in the State of Arizona, issued an editorial in support of H.R. 1904. In that article, the editorial board highlights the big benefits of my legislation: jobs, tax revenue, and conservation. In the article, they state "The bill, with its combination of benefits, has every reason to get bipartisan support."

They continue to say -- "In today's economy, it's hard to imagine that members of Congress would fail to give this bill a resounding approval in the House." And indeed, H.R. 1904 was passed with bipartisan support in October and now needs your swift action today.

People in Arizona understand the importance of this bill. Congress has the rare opportunity to preserve lands that advance the important public objectives of protecting wildlife habitat as well as cultural and historic resources, while enabling an economic development project to go forward that will generate employment opportunities for residents of my state.

Mr. Chairman, I urge this committee to favorably report my legislation, the House-passed H.R. 1904, and swiftly bring it to the Senate floor for a vote. Arizona cannot wait.

Thank you for the opportunity to submit testimony.