



President Obama, Actions Speak Louder than Words

by David F. Briggs

The other night I took an opportunity to watch President Obama's State of the Union Address. Although it covered a wide range of issues, there were several statements about our nation's economy that caught my attention. They included:

"So no one knows for certain which industries will generate the jobs of the future. But we do know we want them here in America. That's why the third part of middle-class economics is about building the most competitive economy anywhere, the place where businesses want to locate and hire.

Twenty-first century businesses need twenty-first century infrastructure - modern ports, stronger bridges, faster trains and the fastest internet. Democrats and Republicans used to agree on this. So let's set our sights higher than a single oil pipeline. Let's pass a bipartisan infrastructure plan that could create more than thirty times as many jobs per year, and make this country stronger for decades to come."

As someone, who has worked in the mining industry for most of my career, I agree. If one is going to be successful in business, one has to provide goods and/or services to the consumer that are competitive in the world marketplace. However, this can't be done by the private sector alone. The federal government also plays an important role in this process by administering the rules and regulations under which business activities are conducted.

Numerous federal laws allow and encourage the responsible development and extraction of mineral resources from public lands throughout the west. However, the process the federal government employs to administer those laws with regard to permitting natural resource projects on public lands leaves

our nation at a competitive disadvantage in the world marketplace. This process currently averages seven to ten years and costs tens of millions of dollars to complete. And in some cases it takes much longer, as at the Kensington mine in Alaska, where it took nearly twenty years to complete.

The federal government's inability to administer our nation's laws in a timely manner significantly increases the costs and risks of doing business in America. A recent report published by Behre Dolbear Group, Inc., titled "[2014 Ranking of Countries for Mining Investment: Where Not to Invest](#)," cited delays associated with permitting as the most significant risk to investing in mining opportunities in the United States.

Even small exploration projects that once took a couple of months to permit, now take more than a year. A local example that was recently reported in the [Arizona Daily Star](#) was the Sunnyside project, located in the Patagonia mountains of southeastern Arizona. Regal Resources has been trying to obtain a permit to drill five or six drill holes at this site since April 2010. After nearly five years, they are still waiting for permission from the Coronado National Forest to commence an exploration program, which is designed to collect data that will help them assess the economic potential of this property. Unfortunately, this is not an isolated occurrence. Other exploration projects have experienced similar lengthy delays despite fully complying with requirements set forth by the government agencies, who administer the permitting process.

Such delays have discouraged investment in our nation's economic future and ultimately encouraged businesses to relocate their operations and jobs overseas. This has ultimately transferred technological know-how further reducing our ability to compete in the world marketplace.

It has also reduced America's ability to produce the goods we require to maintain our standard of living and ensure our national security. Today, less than half of the minerals used by the U. S. manufacturing sector are derived from domestic sources. This has increased our dependence on foreign imports, producing the unsustainable trade deficits that have annually transferred billions of dollars overseas, which could have been otherwise invested in our nation's economic future. Our increased dependence on foreign imports has also made America more vulnerable to decisions made by foreign governments.

Any plan to invest in America's twenty-first century infrastructure is going to require raw materials to build that infrastructure. Why shouldn't we produce those materials here in America? The mining industry and companies that supply goods and services to our nation's mines provide good, well paying jobs for middle class Americans. These are not the pick and shovel jobs that characterized mining operations of the late 1800s. They are high-tech jobs that require a skilled and educated workforce with expertise in a wide variety of trades and professions.

President Obama, if you are truly committed to "building the most competitive economy anywhere, the place where businesses want to locate and hire," the federal government needs to do a better job in administering the rules and regulations under which business activities are conducted. The public and private sectors need to work in partnership to ensure America maintains its competitive edge in the world marketplace. Reducing the risks of doing business in America is one of the ways we can accomplish this goal.

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