

MINUTES

**HOUSE ENVIRONMENT, ENERGY, & TECHNOLOGY COMMITTEE**

**DATE:** Wednesday, February 26, 2014

**TIME:** 1:30 PM or Upon Adjournment

**PLACE:** Room EW41

**MEMBERS:** Chairman Raybould, Vice Chairman Eskridge, Representative(s) Anderson(1), Hartgen, Vander Woude, DeMordaunt, Nielsen, Thompson, Anderson(31), Anderst, Mendive, Monks, Morse, Trujillo, Smith, Rusche, Woodings

**ABSENT/  
EXCUSED:** Vice Chairman Eskridge, Representative(s) Anderson(1), Vander Woude, Nielsen, Rusche

**GUESTS:** None.

**Chairman Raybould** called the meeting to order at 2:38 p.m.

**MOTION:** **Rep. Smith** made a motion to approve the minutes of February 20, 2014. **Motion carried by voice vote.**

**Chairman Raybould** introduced the new page, **Erica Bullock**, to the committee.

**Jack Lyman**, Executive Director of the Idaho Mining Association, gave a presentation on the economic impact of mining in Idaho. He began with an introduction to the various mining operations located in Idaho; including the various facility locations and the resources mined at each of the facilities. During his presentation, Mr. Lyman used information compiled by **Mr. Steven Peterson**, a research economist.

**Mr. Lyman** then discussed overall mineral production in Idaho and the economic impact of that production. He explained this production adds around \$1 billion a year to the Gross State Product. Mr. Lyman then discussed the impact of production on the total compensation that comes as a result of mining production. He stated last year there were over \$278 million paid in direct compensation to mine employees. He stated that number doubles when expanded to include the monies paid out to all jobs created/induced as a result of mining operations. He also explained the impact of those compensation payments on total direct and secondary taxes. He explained that last year alone \$107 million was paid in State income/corporation, royalties/licences, sales and property taxes.

**Mr. Lyman** then detailed the impact of mining jobs. He said mining jobs in 2012 were some of the highest paid jobs in Idaho; when taking into consideration regular and overtime, bonuses and benefits. He explained that 3,206 mine workers necessitates 6,066 additional industry workers. He continued to say that one new mining job can add \$356,000 to the Gross State Product, create an additional 1.83 industry jobs, and has the potential to yield \$33,200 of additional taxes. He further stated creating one new mine, or 500 new mining jobs, could add \$175 million to the Gross State Product, create 946 additional industry jobs, and could potentially yield \$16.6 million in tax revenue.

Throughout his presentation, **Mr. Lyman** gave examples of projects several mines have completed to improve and restore the terrain to its natural state or to manage issues. These examples included the Pedro Creek NTCRA where work was completed to reduce the piling overburden in the disposal area and reduce the amount of erosion. The Georgetown Canyon Fertilizer Facility worked to restore the mountainside through reforestation and removing the railroad tracks to restore the original stream bed at the old mine site. As well as the TCMC Mill Stockpile, where the largest cathedral style wind fence in North America was completed in 2012 to help reduce the harsh effects of wind across the mine complex.

**Mr. Lyman** also discussed the fluctuating prices of silver and gold over the last five years. He explained that these prices peaked in 2011 and have both been in decline since those major peaks. He also discussed the declines in Moly and Fertilizer prices since 2008.

In response to questions regarding the percentage of mine production that leaves Idaho as a finished product versus those sent out as raw material, **Mr. Lyman** explained that approximately 30% of mined products leave Idaho as finished product. These products include fertilizer, feedstock and lubricants. However, most of the products mined in Idaho are sent to be further processed in other states.

In response to questions regarding the current status of the Midas Group, **Mr. Lyman** stated they still continue to develop and are currently in the exploration phase. He explained that it will be approximately five to seven years before full development. However, they are moving forward as planned.

In response to concerns regarding the future of mining, **Mr. Lyman** stated mine products are finite resources but as technology has improved and developed so has the mining process. He stated the resources are contingent on price and there are times when mines will shut down. However, he stated, there is a fifty year stockpile of reserve resources and mines are working on permitting and planning fifteen years out, to be ready for the ups and downs of the industry that follow the ups and downs of the economy. He explained, that as the economy regains strength, and the price of the resources rise, the mining efforts will rise in the state. **Chairman Raybould** added that as technology has improved, recovery and refining processes has also improved. This increases the amount of resource recovered from the work which had not previously yielded such results.

**ADJOURN:** There being no further business to come before the committee, the meeting adjourned at 3:01 p.m.

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Representative Raybould  
Chair

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Kaela Becklund  
Secretary