AMENDMENT TO H.R. 687, AS REPORTED
OFFERED BY MR. DEFAZIO OF OREGON

Page 19, beginning line 8, strike section 6 (value adjustment payment to United States) and insert the following new section:

SEC. 6. ROYALTY PAYMENT TO UNITED STATES FOR MINERALS PRODUCED FROM CONVEYED FEDERAL LAND.

(a) ROYALTY PAYMENT REQUIRED.—As a condition of the land exchange under this Act, Resolution Copper shall pay to the United States, by not later than March 15 of each calendar year, a royalty payment in an amount equal to 8 percent of the net smelter return earned on the total quantity of locatable minerals produced during the preceding calendar year from the Federal land conveyed to Resolution Copper under section 4, as reported under subsection (b).

(b) ANNUAL PRODUCTION AND COSTS REPORTING TO DETERMINE ROYALTY PAYMENT.—

(1) REPORT REQUIRED.—To permit accurate calculation of the royalty payment required under subsection (a) for a calendar year, Resolution Cop-
per shall submit to the Secretary of the Interior an
annual report indicating—

(A) the quantity of locatable minerals pro-
duced in commercial quantities from the Fed-
eral land conveyed to Resolution Copper under
section 4; and

(B) the smelter costs incurred and net
smelter return earned on the smelting of such
produced minerals.

(2) Submission Deadline.—The first report
under paragraph (1) shall be submitted not later
than February 15 of the first calendar year begin-
ing after the date of commencement of production
of valuable locatable minerals in commercial quan-
tities from the Federal land conveyed to Resolution
Copper under section 4 and cover the preceding cal-
endar year. Subsequent reports shall be submitted
each February 15 thereafter and cover the preceding
calendar year.

(3) Sharing Reports with State.—The Sec-
retary shall make each report received under para-
graph (1) available to the State.

(4) Report Contents.—The reports under
paragraph (1) shall comply with any recordkeeping
and reporting requirements prescribed by the Sec-
retary or required by applicable Federal laws in effect at the time of production.

(c) DEPOSIT OF FUNDS.—All funds paid to the United States under this section shall be deposited in the general fund of the Treasury.

(d) STATE LAW UNAFFECTED.—Nothing in this section modifies, expands, diminishes, amends, or otherwise affects any State law relating to the imposition, application, timing, or collection of a State excise or severance tax.