

**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:

1 **SEC. 6. ROYALTY PAYMENT TO UNITED STATES FOR MIN-**
2 **ERALS PRODUCED FROM CONVEYED FED-**
3 **ERAL LAND.**

4 (a) ROYALTY PAYMENT REQUIRED.—As a condition
5 of the land exchange under this Act, Resolution Copper
6 shall pay to the United States, by not later than March
7 15 of each calendar year, a royalty payment in an amount
8 equal to 8 percent of the net smelter return earned on
9 the total quantity of locatable minerals produced during
10 the preceding calendar year from the Federal land con-
11 veyed to Resolution Copper under section 4, as reported
12 under subsection (b).

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

15 (1) REPORT REQUIRED.—To permit accurate
16 calculation of the royalty payment required under
17 subsection (a) for a calendar year, Resolution Cop-

1 per shall submit to the Secretary of the Interior an
2 annual report indicating—

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

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

10 (2) SUBMISSION DEADLINE.—The first report
11 under paragraph (1) shall be submitted not later
12 than February 15 of the first calendar year begin-
13 ning after the date of commencement of production
14 of valuable locatable minerals in commercial quan-
15 tities from the Federal land conveyed to Resolution
16 Copper under section 4 and cover the preceding cal-
17 endar year. Subsequent reports shall be submitted
18 each February 15 thereafter and cover the preceding
19 calendar year.

20 (3) SHARING REPORTS WITH STATE.—The Sec-
21 retary shall make each report received under para-
22 graph (1) available to the State.

23 (4) REPORT CONTENTS.—The reports under
24 paragraph (1) shall comply with any recordkeeping
25 and reporting requirements prescribed by the Sec-

1 retary or required by applicable Federal laws in ef-
2 fect at the time of production.

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

6 (d) STATE LAW UNAFFECTED.—Nothing in this sec-
7 tion modifies, expands, diminishes, amends, or otherwise
8 affects any State law relating to the imposition, applica-
9 tion, timing, or collection of a State excise or severance
10 tax.

