



## The Soledad Canyon Mine Act

H.R. 5887

### Frequently Asked Questions

**Q. What is the Soledad Canyon Mine Act?**

**A.** The Soledad Canyon Mine Act is legislation introduced by Rep. Howard P. “Buck” McKeon, R-CA 25, which would end a dispute of more than eight years between the City of Santa Clarita and CEMEX USA (“CEMEX”) over a mine the company proposed to operate in Soledad Canyon. Santa Clarita and CEMEX declared a truce in February 2007 and announced they would seek a legislative solution that would be a “win-win” for all parties. This legislation is the result of that agreement.

**Q: What is the Transit Mix Concrete Corporation identified in the text of H.R. 5887?**

**A:** Transit Mixed Concrete Corporation (“TMC”) is the company that originally received the mining contracts from the U.S. Bureau of Land Management (“BLM”). As the successor in interest, CEMEX currently holds the contracts.

**Q. What would the legislation do?**

**A.** The legislation would cancel CEMEX’s right to operate a quarry near Santa Clarita, while ensuring CEMEX is fairly compensated for its investment in its proposed mining operation. In 1990, CEMEX leased the rights to extract 56 million tons of sand and gravel from the Soledad Canyon site over a maximum of 20 years. CEMEX would have its two Soledad Canyon mining contracts cancelled, and the legislation would assure Santa Clarita and neighboring landowners that the potential for future mining in Soledad Canyon would be prohibited. In exchange for returning its Soledad Canyon contracts, CEMEX would receive designated federal lands of equal value in the Victorville area from the BLM.

**Q. What will the BLM do with the existing Soledad Canyon minerals now that the mining contracts have been cancelled?**

**A.** The legislation will end the possibility of mining at Soledad Canyon site.

**Q. What does CEMEX intend to do with the land in the Victorville area?**

**A.** H.R. 5887 will not trade one mine for another. CEMEX has no plans to mine the property near Victorville, but has an agreement with the City of Victorville to sell these lands in accordance with local land use and economic development goals.

**Q. How would CEMEX's shareholders be protected?**

**A.** The measure would allow CEMEX to be fairly compensated for having its Soledad Canyon contracts cancelled. The legislation would provide the company with designated federal lands near the City of Victorville that would be equal in value to CEMEX's investment in the cancelled Soledad Canyon contracts. CEMEX does not plan to mine the Victorville area property, but plans to sell it so that the land can become part of the Victorville area's future economic development plan.

**Q. How would the Soledad Canyon mineral contracts be valued?**

**A.** The legislation doesn't set the value of the contracts. Instead, it establishes a process to determine the value of the investment in the contracts that would be overseen by the United States Secretary of the Interior.

**Q. How would the transaction process work?**

**A.** Within six months after the valuation process regarding the cancelled contracts is completed, the Secretary of the Interior would provide CEMEX with designated BLM land near the City of Victorville that would be equal in value to the cancelled Soledad Canyon contracts.

**Q. How does City of Victorville view this transaction?**

**A.** The City of Victorville is an active supporter of the Soledad Canyon Mine Act. Victorville representatives have met with Rep. McKeon, CEMEX officials and City of Santa Clarita representatives and have carefully reviewed the proposed legislation. Victorville views this effort as a very positive step forward for its plans for economic development in the area.

**Q. How do CEMEX and the City of Santa Clarita view this legislation?**

**A.** CEMEX and the City of Santa Clarita welcome this important legislation as a "win-win" resolution of a dispute of more than eight years. Both would benefit from the legislation. Santa Clarita would no longer face the prospect of mining operations just one mile from its residents, and CEMEX would recover the appropriate value of its investment in the Soledad Canyon contracts.

**Q. Who is supporting the legislation?**

**A.** So far, the City of Santa Clarita, CEMEX and the City of Victorville support H.R. 5887.

**Q. Now the legislation has been introduced. What are the next steps?**

**A.** The bill has been referred to the House Natural Resources Subcommittee on Energy and Mineral Resources.