



The Soledad Canyon Mine Act

H.R. 5887

Fact Sheet

Historical Overview

In 1990, CEMEX USA (“CEMEX”) received contractual rights to mine a site in Soledad Canyon for sand and gravel from the U.S. Bureau of Land Management (“BLM”). Transit Mixed Concrete Corporation (“TMC”) had originally received the rights from the BLM and the mining rights eventually passed to CEMEX. As the successor in interest, CEMEX currently holds the BLM contracts. The contracts permitted CEMEX to extract 56 million tons of sand and gravel from the site over a maximum of 20 years. The City of Santa Clarita objected to CEMEX’s plan to increase the mining of Soledad Canyon beyond 300,000 tons per year. The two have been at odds for more than eight years over the proposed mining project.

In February 2007, the city and CEMEX announced a truce and agreed to work together to find a mutually acceptable solution that would result in a “win-win” for both parties. Santa Clarita City Manager Ken Pulskamp and CEMEX USA President Gilberto Perez signed a four-point agreement formalizing the terms of that truce that included the possibility that they would seek federal legislation.

As a result of that truce, Rep. Howard P. “Buck” McKeon, R-CA 25, introduced H.R. 5887, the Soledad Canyon Mine Act, on April 24, 2008. The legislation would end the dispute and produce the “win-win” solution both parties desire.

The legislation would end the possibility of future mining in Soledad Canyon near Santa Clarita. It also would ensure CEMEX is fairly compensated for having its Soledad Canyon mining contracts cancelled by the federal government. Both CEMEX and the City of Santa Clarita are supporting this important piece of legislation and are working to ensure its passage.

Legislation Overview

- The Soledad Canyon Mine Act would cancel CEMEX’s existing Soledad Canyon mining contracts with the BLM.
- The bill would end the possibility of mining at the Soledad Canyon site.
- The measure would fairly compensate CEMEX for the company’s investment in the Soledad Canyon contracts by providing the company with designated federal land of equal value in the Victorville area. 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.

How the Legislation Would Work

- The Soledad Canyon Mine Act would require the BLM to cancel CEMEX's two Soledad Canyon contracts.
- The legislation does not set the value of the contracts. Instead, it would establish a process to determine the value of the company's investment in the cancelled contracts. This process would be overseen by the United States Secretary of the Interior.
- After this valuation process is completed, the Secretary of the Interior would provide CEMEX with designated BLM land in the Victorville area that would be equal to the value the Secretary has determined CEMEX invested in its proposed Soledad Canyon mining operation.
- If the Secretary determines the value of the cancelled contracts exceeds the value of the designated BLM land near Victorville, the Secretary could provide additional compensation to CEMEX.
- After receiving the land near Victorville, CEMEX has agreed to sell the land to the City of Victorville to help provide for Victorville's future economic development.
- If CEMEX and the Secretary of the Interior fail to reach agreement on the valuation of the investment in the cancelled contracts or the Victorville land, the bill would require the Secretary turn the issue over to the U.S. Court of Federal Claims for resolution.

Conclusion

This legislation represents a cooperative effort to produce a "win-win" solution for all parties involved. The City of Santa Clarita and CEMEX have worked closely with Rep. McKeon to develop legislation that would bring an acceptable conclusion to the dispute over mining in Soledad Canyon. The Soledad Canyon Mine Act is the product of this close cooperation and the desire for a mutually agreeable solution.

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