

Good morning Chair Representative Mr. Witt, members of the committee.

Thank you for this opportunity to be able to talk to you.

I am Don Esch, 1658 Sonya DR SE Salem, OR 97301, an Oregon Constituent, and I represent myself as a private business owner.

I oppose HB 2248 that has been rewritten as a Pre-session filed (at the request of Governor John A. Kitzhaber, M.D., for State Department of Geology and Mineral Industries)

I am a retired firefighter with over 36 years of service of protecting your lives and property, and oppose any legislation that could violate or have an impact upon our rights and to make a living in our great state of Oregon.

My business involves the mining of rocks and minerals that I started over 10 years ago, with the intention of supplementing my income upon retirement.

I am the holder of 5 Federal Mining claims, which includes 2 gold claims, and 3 thunder egg claims.

If you would like to see one of my stones, there is an example of one from a claim I own in the capitol's rock and gem display case located on the 1st floor.

Two of my claims involve placer mining for gold using suction dredges. When dredging, I remove shot, fishing weights, and other derbies such as nails, sharp steel, aluminum cans and pull tables, and other trash along the river and stream banks. My operation helps to clean up the environment, make it safer for others to use, with no cost to our taxpayers.

Replacing the wording "chemical processing" to mining would change the meaning of this bill and include all forms of mining, whether placer or lode deposits.

The wording: 'Gravity separation' means the separation of mineral particles, with the aid of water or air, according to the differences in the specific gravities of the particles' is the principal process by which we use to collect minerals such as gold, silver, platinum, including gemstones such as Oregon's' gemstone, the Sunstone.

The equipment incorporated this principle of specific gravity through the use of sluice boxes, suction dredges, and gold pans.

All parties affected will be the small scale miners such as myself, recreational miners, and even tourist who come here just do a little gold panning, whether on dry land or streams.

From the report of the National Mining Association, the Oregon mining industry generated over 17,000 jobs statewide, a total of \$1.5 billion in output, and from income and payroll taxes totaling nearly \$332 million. This would include data gathered from my own mining operations.

With operations such as mine:

Greater than **\$16 million dollars** will be lost from the Oregon economy if the small-scale gold suction dredging industry is destroyed. If each of the 1200 permitted miners were to collect just 3.4 ounces of gold, it would be a **loss of income to the miners of approximately \$6.9 million dollars** (\$1680/ox X 1200 miners X 3.4 oz/miner) (CADFG 1994 Final Environmental Report ODEQ 2010 Report)

According to the last three years of tax filings, I have spent over \$35 thousand in expenditures on mining supplies, hardware, food, and fuel. These monies were paid directly back into our economy, and support our local businesses. . I am holding off the purchase of additional equipment, of a cost of approximately \$10,000 minimum until I see the outcome of this bill. Monies that would be wasted otherwise that I would probably not be able to recoup later.

An initial permit fee up to \$1,260, an annual fee up to \$2500, possible inspection fees of up to \$1200, and up to fine of \$50,000 per day—for any violation, and possibly receiving Class A Violations, are too extensive, I could not possibly afford to have imposed upon me.

If HB 2248 is adapted as rewritten, it would have an extreme negative impact upon our economy.

This bill would prevent me from continuing mining and more than likely put me out of business. A business that I have been building up for over 10 years, a business I was planning to supplement my retirement income with, a business that helps clean up the environment, and a business that helps other businesses.

I respectfully asked you to take a closer look at this bill, do a closer study of the economic impacts, or reject it completely. Please help me keep Oregon Oregon

Thank you Chair Representative Mr. Witt and members of the committee for this opportunity to testify before you .