

Statement for the Record
U.S. Department of the Interior
House Natural Resources Committee
Subcommittee on Energy and Mineral Resources
H.R. 2011, National Strategic and Critical Minerals Act of 2011
June 3, 2011

Thank you for inviting the Department of the Interior to testify on HR 2011, the National Strategic and Critical Minerals Act of 2011. The Department recognizes the need for a coherent policy concerning minerals essential to manufacturing, economic well-being and security, and economic competitiveness. Because HR 2011 was just introduced on May 26, 2011, the Department has not had time to conduct an in-depth analysis of the proposal, but we appreciate the opportunity to provide testimony at this time. Consequently, we offer a more general discussion of this important issue at this time and look forward to working further with the Committee on H.R. 2011.

Background

The Department of the Interior is our nation's largest landowner with jurisdiction over 20 percent of the land mass of the United States and 1.75 billion acres of the Outer Continental Shelf. The BLM administers over 245 million surface acres of public land—more than any other Federal agency in the United States. Most of this land is located in the 12 Western states, including Alaska. The BLM also manages 700 million acres of sub-surface mineral estate throughout the nation. The public lands produce commodities that are key to the Nation's economy, and can help provide economic stability and growth for local and regional communities.

The development of energy and mineral resources are among the multiple uses for which the BLM manages lands and resources for the benefit of the public. The BLM manages mineral development under a number of different authorities including the Federal Land Policy and Management Act, the Mineral Leasing Act, the Materials Act of 1947, and the General Mining Act of 1872. Each of these authorities along with BLM regulations and guidance provide a legal framework for the development of minerals.

The Administration supports the development of federally owned natural resources in an environmentally protective manner that ensures a fair return to the taxpayer. Therefore, the 2012 Budget includes a proposal to improve the return to taxpayers by instituting a leasing process under the Mineral Leasing Act of 1920 for new leases on certain minerals (gold, silver, lead, zinc, copper, uranium, and molybdenum) currently covered by the General Mining Law of 1872. The Budget also includes a proposal to reduce the environmental impacts of coal and hardrock mining by dedicating and prioritizing funds to reclaim abandoned mines on Federal and non-Federal lands.

The USGS is responsible for conducting research and collecting data on a wide variety of nonfuel mineral resources, including rare earths (RE). Research is conducted to understand the geologic processes that concentrated known mineral resources at specific localities in the Earth's

crust and to estimate (or assess) quantities, qualities, and areas of undiscovered mineral resources, or potential future supply. USGS scientists also conduct research on the interactions of mineral resources with the environment, both natural and as a result of resource extraction, to better predict the degree of impact that resource development may have on human and ecosystem health. USGS mineral commodity specialists collect, analyze, and disseminate data and information that document current production and consumption for about 100 mineral commodities, both domestically and internationally for 180 countries. This full spectrum of mineral resource science allows for a comprehensive understanding of the complete life cycle of mineral resources and materials – resource formation, discovery, production, consumption, use, recycling, and reuse – and allows for an understanding of environmental issues of concern throughout the life cycle.

HR 2011

HR 2011 requires the Secretary of the Interior—through the BLM and the USGS—to assess the capability of the United States to meet the demands for minerals essential to manufacturing competitiveness and economic and national security. It requires the Secretary to produce a report to Congress that includes an assessment of the non-fossil-fuel mineral potential of lands under the jurisdiction of the BLM and the U.S. Forest Service within 180 days of enactment. The report also must identify anticipated mineral requirements, current sources of these minerals, implications of shortages, timelines for mineral development projects on public lands, and the cost of litigation. In addition, the report must include an assessment of the Federal workforce and its ability to meet the challenges of the critical minerals issue.

H.R. 2011 requires far-reaching analysis of data spanning the jurisdictions of the Departments of the Interior, Agriculture, Defense, Commerce, and Justice as well as the Office of Personnel Management. As introduced, H.R. 2011 would entail much more than the development of a report, likely requiring the development and implementation of data tracking systems and a commitment of staff resources to gather, input, analyze, and update the data. The administrative time and cost of this work would likely exceed the 180 days and \$1 million authorized by the legislation. H.R. 2011 identifies some important goals, and we appreciate the opportunity to work with the Committee and the other affected agencies to take into account these resource considerations. We also would like to work with the Committee on language clarifying the minerals under consideration.

Conclusion

Thank you for the opportunity to testify here today and I would be glad to take your questions.