



HOUSE COMMITTEE ON
NATURAL RESOURCES
CHAIRMAN BRUCE WESTERMAN

To: House Committee on Natural Resources Republican Members
From: Energy and Mineral Resources Subcommittee, Ashley Nichols – ashley.nichols@mail.house.gov x63044 & Rebecca Konolige – rebecca.konolige@mail.house.gov x61879
Date: May 8, 2023
Subject: Subcommittee Hearing on H. Con. Res. 34 (Stauber) and the Discussion Draft of H.R. ____ (Stauber)

The Subcommittee on Energy and Mineral Resources will hold a legislative hearing on H. Con. Res. 34 (Stauber) and discussion draft of H.R. ____ (Stauber), the Superior National Forest Restoration Act, on **Thursday, May 11, 2023, at 10 a.m.** in 1324 Longworth House Office Building.

Member offices are requested to notify Lonnie Smith (Lonnie.Smith@mail.house.gov) by 4:30 p.m. on Wednesday, May 10, 2023, if their Member intends to participate in the hearing.

I. KEY MESSAGES

- The Duluth Complex in northern Minnesota is a world-class mineral deposit containing nearly 8 billion tons of copper, nickel, cobalt, and platinum group metals.¹ These minerals will soon see huge upswings in demand due to their use in battery storage, electric vehicles (EVs), and other rapidly expanding sectors.
- If developed, the Duluth Complex could constitute 95 percent of U.S. nickel reserves, 88 percent of U.S. cobalt reserves and 75 percent of U.S. platinum-group resources.²
- Despite the potential economic benefit to the region and growing demand for minerals, the Biden administration has taken multiple actions to target a specific project in the region, Twin Metals Minnesota, from going forward, instead of allowing the regular review process to take place.
- On January 26, 2022, the Biden administration cancelled two decades-old mineral leases held by a prospective mine operator in the region, Twin Metals Minnesota.³ A year later, on January 31, 2023, the Biden administration's mineral withdrawal of 225,504 acres in the region went into effect, blocking development of lands in question for 20 years.
- H. Con. Res. 34 conveys the House of Representatives' official disapproval of the recent withdrawal, which was a blatant attempt by the Biden administration to stop the Twin Metals project.

¹ Mining Minnesota, <http://www.miningminnesota.com/duluth-complex/>.

² Twin Metals Minnesota, <https://www.twin-metals.com/modern-mining/>.

³ Decision of Tommy Beaudreau, Deputy Secretary of the Interior, January 26, 2022, https://www.blm.gov/sites/blm.gov/files/docs/2022-01/2022.01.26%20Twin%20Metals%20Lease%20Cancellation%20Decision_0.pdf.

- The Superior National Forest Restoration Act rescinds the withdrawal, requires the timely review of any pending Mine Plans of Operation and the reissuance of any mineral leases or permits cancelled in the region since the beginning of the Biden administration.

II. WITNESSES

- The Honorable Thomas Bakk, Member of Minnesota Senate (retired), Cook, MN
- Mr. David Chura, Board Chair, Jobs for Minnesotans, Duluth, MN
- Dr. Harvey Thorleifson, Professor, Department of Earth and Environmental Sciences, University of Minnesota, MN
- Ms. Becky Rom, National Chair, Campaign to Save the Boundary Waters, Ely, MN
[Minority Witness]

III. BACKGROUND

History of Mining in Northern Minnesota and the Superior National Forest

Northern Minnesota is home to the historic Iron Range, which has been safely mining iron ore, a critical component in steelmaking, for over 130 years. Taconite, the lower-grade iron ore mined in northern Minnesota today, accounts for around 80 percent of America’s steel supply.⁴

The Superior National Forest in northeastern Minnesota contains 3.7 million acres of National Forest System land, including the Boundary Waters Canoe Area Wilderness (BWCAW). The BWCAW encompasses over a million acres, with an additional “buffer zone” of 227,000 acres in the Mining Protection Area, a unique designation created by the Boundary Waters Canoe Area Wilderness Act of 1978.⁵ This region is a part of the Rainy River Watershed. Under the Superior National Forest and throughout the Iron Range lies the Duluth Complex, one of the largest undeveloped mineral reserves in the world.⁶

Vast amounts of copper and nickel, as well as cobalt and platinum metal groups, began to attract interest from developers decades ago. According to the Superior National Forest Plan, mining is a “desired condition.”⁷ Two mining leases were granted to project proponents in 1966 for an initial term of 20 years, with rights to renew for 10 years.⁸ These leases have been renewed multiple times since.⁹ The project has had different operators since its inception and has yet to begin production due to very high capital and exploration costs.

In the last days of the Obama administration, the U.S. Forest Service filed an application with the Bureau of Land Management to withdraw 234,328 acres in the Superior National Forest from

⁴ Bloomquist, Lee, “Domestic steel production reaches new highs,” June 10, 2021, http://www.businessnorth.com/around_the_region/domestic-steel-production-reaches-new-highs/article_af096364-ca04-11eb-a7af-9ffd24acb7eb.html.

⁵ U.S. Department of Agriculture, U.S. Forest Service, “BWCAW Overview and History,” <https://www.fs.usda.gov/detail/superior/specialplaces/?cid=stelprdb5203434>.

⁶ Mining Minnesota, “Minnesota’s Vast Mineral Resources,” <http://www.miningminnesota.com/duluth-complex/>.

⁷ U.S. Forest Service, Superior National Forest. Forest-wide Management Direction, https://www.fs.usda.gov/Internet/FSE_DOCUMENTS/fsm91_050599.pdf.

⁸ Twin Metals Minnesota, “Fact: Twin Metals Minnesota’s Federal Mineral Preference Right Leases Mines 1352 & 1353,” December 15, 2016, <https://www.twin-metals.com/wp-content/uploads/2016/12/TMM-Lease-Renewal-Facts-12-15-16.pdf>.

⁹ Twin Metals Minnesota, “Fact: Twin Metals Minnesota’s Federal Mineral Preference Right Leases Mines 1352 & 1353,” December 15, 2016, <https://www.twin-metals.com/wp-content/uploads/2016/12/TMM-Lease-Renewal-Facts-12-15-16.pdf>.

mineral development, immediately halting all mining activities pending the results of an environmental review.¹⁰ The Obama administration also declined to renew the two mineral leases held by Twin Metals Minnesota, despite their long tenure and hundreds of millions of dollars spent exploring the prospective mine site.¹¹ Members of both political parties decried this decision. This included Senator Amy Klobuchar, who said in an email to then-Agriculture Secretary Vilsack, “It should have been handled through the normal process. It wasn’t...I just wanted a fair process based on science that told us the truth. That is not how this feels.”¹²

After 15 months of environmental review, the Trump administration cancelled the application for the mineral withdrawal on September 6, 2018,¹³ and reinstated the mineral leases on May 2, 2018.¹⁴ In December 2019, Twin Metals Minnesota formally submitted a Mine Plan of Operation to begin the federal permitting process to develop the Duluth Complex, with the Minnesota Department of Natural Resources conducting its own environmental impact review as well.¹⁵

Actions of the Biden Administration

The Biden administration has only made domestic mineral development more challenging and uncertain, despite its stated goals to increase domestic mining to meet rising demand for renewable energy and other mineral applications. Unfortunately, the administration cancelled¹⁶ the two decades-old mineral leases held by Twin Metals Minnesota on January 26, 2022, and simultaneously began the withdrawal process of over 225,000 acres of mineral-rich land in the same area.¹⁷ These actions were taken despite years of environmental review, a pending Mine Plan of Operations at the Bureau of Land Management,¹⁸ and a myriad of comments and letters from Members of Congress, mineral developers, local residents, union workers, and many other parties stating their support for the project. Unfortunately, the finalized withdrawal went into effect on January 31, 2023.¹⁹ This withdrawal prohibits the new extraction of any mineral – including copper, nickel, cobalt, platinum, and iron ore – in 225,504 acres of the Superior National Forest for 20 years.

These actions interrupted regular regulatory review under the National Environmental Policy Act, including an Environmental Impact Statement to thoroughly analyze Twin Metals’ Mine

¹⁰ 82 FR 6639.

¹¹ “The Latest: Twin Metals: Reinstating leases ‘important step,’” May 2, 2018, Associated Press, <https://apnews.com/7c030dc4e85e4926a2028cb96e32b817>.

¹² Strassel, Kimberley, “A Democrat Deflates a Trump ‘Scandal,’” Wall Street Journal, June 6, 2019, <https://www.wsj.com/articles/a-democrat-deflates-a-trump-scandal-11559862259>.

¹³ U.S. Department of Agriculture, “USDA Removes Roadblock to Mineral Exploration in Rainy River Watershed,” Press Release, September 6, 2018, <https://www.usda.gov/media/press-releases/2018/09/06/usda-removes-roadblock-mineral-exploration-rainy-river-watershed>.

¹⁴ U.S. Department of the Interior, “Rescission of December 15, 2016, Lease Renewal Application Rejection. Reinstatement of Mineral Leases MNES 01352 & MNES 01353 as Issued in 2004. Reinstatement of Twin Metal’s 2012 Lease Renewal Application,” May 2, 2018, <https://www.twin-metals.com/wp-content/uploads/2018/05/2018.05.02-Twin-Metals-Lease-Reinstatement-Decision-002.pdf>.

¹⁵ Karnowski, Steve, “Twin Metals Minnesota files formal mine plan with regulators,” Associated Press, December 18, 2019, <https://apnews.com/3cb7d821267e8ada06e1817b5c380eef>.

¹⁶ Decision of Tommy Beaudreau, Deputy Secretary of the Interior, January 26, 2022, https://www.blm.gov/sites/blm.gov/files/docs/2022-01/2022.01.26%20Twin%20Metals%20Lease%20Cancellation%20Decision_0.pdf.

¹⁷ U.S. Department of the Interior, “Biden Administration Takes Action to Complete Study of Boundary Waters Area Watershed,” Press Release, October 20, 2021, <https://www.doi.gov/pressreleases/biden-administration-takes-action-complete-study-boundary-waters-area-watershed>.

¹⁸ Bureau of Land Management, NEPA number: DOI-BLM-Eastern States-0030-2020-0006-EIS, <https://eplanning.blm.gov/eplanning-ui/project/1503233/510>.

¹⁹ 88 FR 6308

Plan of Operations.²⁰ Mines in the United States cannot be permitted without extensive safety, environmental mitigation, and water treatment plans. Unfortunately, none of these factors can be properly analyzed if the administration refuses to review the project.

Global Demand and the Role of the Duluth Complex

Hardrock minerals are necessary to modern life and are used in a variety of high-tech applications including smartphones, defense systems, and renewable energy technologies.²¹ Despite substantial U.S. reserves, most hardrock mineral resources utilized in the United States are sourced abroad, and China is unquestionably dominant in the global marketplace. Our major import reliance on foreign nations poses clear national and economic security concerns.

In the coming decades, the world will experience surges in demand for minerals due to growth in renewable energy technologies and policies incentivizing carbon-free energy sources. For instance, achieving a global net-zero emissions economy would require six times more mining by 2040 than what occurs today.²² Attempting to meet the goals of the Paris Agreement would increase demand for copper and rare earth elements by over 40 percent, demand for nickel and cobalt by 60 to 70 percent, and demand for lithium by nearly 90 percent.²³ The Duluth Complex could be a crucial supplier of copper, nickel, and cobalt, all of which are vital for EVs and other renewable technologies.²⁴ ²⁵ The Duluth Complex is one of the richest mineral deposits in the world, containing an estimated 7.7 billion short tons of ore in total.²⁶ Twin Metals Minnesota could mine 180 million short tons over 25 years.²⁷

President Biden has issued multiple Executive Orders to rapidly increase renewable energy deployment, thus increasing demand for minerals. For instance, by 2030, the President aims to have 50 percent of new cars and light trucks sold in the United States be zero-emission vehicles,²⁸ but EVs require six times the mineral input as a conventional car.²⁹ The ongoing attempts to block mining in northern Minnesota are in direct conflict with the administration's purported goals of increased domestic mineral production, and will increase the vulnerability of our mineral supply chains in the process.

Local Impacts

²⁰ Bureau of Land Management, NEPA number: DOI-BLM-Eastern States-0030-2020-0006-EIS, <https://eplanning.blm.gov/eplanning-ui/project/1503233/510>.

²¹ David Iaconangelo, "Rare earth 'critical' for U.S. offshore projects — study," E&E News, April 5, 2019, <https://www.eenews.net/energywire/2019/04/05/stories/1060143799>.

²² International Energy Agency, "The Role of Critical Minerals in the Clean Energy Transition," Executive Summary, <https://www.iea.org/reports/the-role-of-critical-minerals-in-clean-energy-transitions/executive-summary>.

²³ International Energy Agency, "The Role of Critical Minerals in the Clean Energy Transition," Executive Summary, <https://www.iea.org/reports/the-role-of-critical-minerals-in-clean-energy-transitions/executive-summary>.

²⁴ Thompson, Anne and Douglas, David, "Mining the gap: Companies push to find raw materials for electric vehicle boom," NBC News, November 12, 2021, <https://www.nbcnews.com/science/environment/mining-gap-companies-push-find-raw-materials-electric-vehicle-boom-rcna5077>.

²⁵ Scheyder, Ernest, "Exclusive: Tesla expects global shortage of electric vehicle battery minerals -sources," Reuters, May 2, 2019, <https://www.reuters.com/article/usa-lithium-electric-tesla-exclusive-int/exclusive-tesla-expects-global-shortage-of-electric-vehicle-battery-minerals-sources-idUSKCNIS81QI>.

²⁶ Twin Metals Minnesota. Staff briefing. February 3, 2020.

²⁷ Twin Metals Minnesota. Staff briefing. February 3, 2020.

²⁸ Exec. Order 14037, 86 Fed. Reg. 43583 (Aug. 10, 2021).

²⁹ International Energy Agency, "The Role of Critical Minerals in Clean Energy Transitions," May 2021, <https://iea.blob.core.windows.net/assets/278ae0c8-28b8-402b-b9ab-6e45463c273f/TheRoleofCriticalMineralsinCleanEnergyTransitions.pdf>.

The national importance of the Duluth Complex is matched by its significance to the local community. Twin Metals signed a project-labor agreement with the local Iron Range Building Trades Association, guaranteeing local jobs during the mine's construction.³⁰ Construction alone will create about 700 direct and 1,400 indirect jobs.³¹ Additionally, mining jobs offer comparatively high wages, with an average mine worker in Minnesota earning close to \$90,000 compared to around \$21,000 average annual earnings for those in the tourism industry.³² The economic benefits would be felt throughout the state, as mineral development provides funding to every school district in Minnesota through the Permanent School Fund.³³ This Fund has contributed around \$260 million to 337 public school districts over the past decade.³⁴ Numerous Minnesota stakeholders including labor unions, builders, miners, schools, local officials, and others have stated their strong support for the Twin Metals project and have voiced their opposition to the withdrawal.

IV. MAJOR PROVISIONS

H. Con. Res. 34 (Stauber):

- Per the authorities under the Federal Land Management Policy Act of 1976 (FLPMA), this bill conveys the disapproval of the House of Representatives regarding the mineral withdrawal of approximately 225,504 acres of National Forest System lands in Cook, Lake, and Saint Louis Counties, Minnesota.

H.R. _____ (Stauber):

- Rescinds Public Land Order 7917, which withdraws 225,504 acres of the Superior National Forest for 20 years.
- Requires review within 18 months of enactment of any Mine Plans of Operations currently pending at BLM; any Mine Plans of Operations submitted or resubmitted within 7 years of enactment must also be reviewed within 18 months.
- Requires reissuance of every mineral lease, preference right lease, and prospecting permit that has been cancelled since January 31, 2021. The reissuance of such leases or permits is not subject to judicial review.

V. COST

The Congressional Budget Office has not scored the legislation.

VI. ADMINISTRATIVE POSITION

Unknown.

³⁰ Vandervort, Keith. "Twin Metals inks project labor agreement with trades," The Timberjay, August 21, 2019, <http://timberjay.com/stories/twin-metals-inks-project-labor-agreement-with-trades.15357>.

³¹ Twin Metals Minnesota. Staff briefing presentation. September 2019.

³² Twin Metals Minnesota. Staff briefing presentation. September 2019.

³³ Bloomquist, Lee. "Mining Funds All Minnesota Schools," Mesabi Daily News, June 27, 2018, https://www.virginiamn.com/mine/mining-funds-all-minnesota-schools/article_e0220246-7979-11e8-b515-635cdec50b2c.html.

³⁴ Bloomquist, Lee. "Mining Funds All Minnesota Schools," Mesabi Daily News, June 27, 2018, https://www.virginiamn.com/mine/mining-funds-all-minnesota-schools/article_e0220246-7979-11e8-b515-635cdec50b2c.html.