To: House Committee on Natural Resources Republican Members

From: Energy and Mineral Resources Subcommittee Staff, Rob MacGregor –

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Date: Tuesday, November 19, 2024

Subject: Legislative Hearing on H.R. 7662, H.R. 7807, H.R. 8952, and H.R. 10005

The Subcommittee on Energy and Mineral Resources will hold a legislative hearing on H.R. 7662 (Rep. Houlahan), "Critical Minerals Security Act of 2024"; H.R. 7807 (Rep. Obernolte), Intergovernmental Critical Minerals Task Force Act"; H.R. 8952 (Rep. Zinke), "Crow Revenue Act"; and H.R. 10005 (Rep. Hageman), "Expedited Appeals Review Act" or the "EARA", on Tuesday, November 19, 2024, at 2:15 p.m. in 1334 Longworth House Office Building.

Member offices are requested to notify Jacob Greenberg (<u>Jacob.Greenberg@mail.house.gov</u>) by 4:30 p.m. on November 18, 2024, if their Member intends to participate in the hearing.

I. KEY MESSAGES

- Adversarial nations like China are increasing their investments mining around the globe.
 H.R. 7662 would require the Department of the Interior (DOI) to provide reports to
 Congress outlining which countries control which minerals and rare earth elements in the global supply chain.
- H.R. 7807 would establish an "Intergovernmental Critical Minerals Task Force" that would facilitate cooperation between Federal, State, and local governments, and industry to develop strategies to combat China's massive influence in the critical minerals supply chain.
- H.R. 8952 is a land transfer that the Crow Tribe of Montana emphatically supports. The Hope Family Tracts on the Crow Reservation would transfer about 4,600 acres of private subsurface inholdings to the Crow Tribe of Montana. In return, the Tribe would transfer 4,530 acres of federal subsurface interests and 940 acres of federal surface interests to the Hope Family.
- DOI's Interior Board of Land Appeals (IBLA) drawn-out appeals process has led to significant backlogs. Additionally, the IBLA is especially deferential to DOI's respective

bureaus. H.R. 10005 would force the IBLA to issue final decisions within six months, cutting red tape and ensuring quicker resolutions to keep projects moving forward.

II. WITNESSES

Panel I (Members of Congress):

• To Be Announced

Panel II:

- **Dr. Colin Williams**, Program Coordinator, Mineral Resources Program, U.S. Geological Survey, U.S. Department of the Interior, Moffett Field, California [All bills]
- **Ms. Cheryl Lombard,** Senior Program Director Power, Infrastructure, and Minerals, ClearPath Action, Washington, D.C. [H.R. 7807]
- Mr. Frank White Clay, Chairman, Crow Tribe of Indians, Montana [H.R. 8952]
- **Mr. Jonathon Travis**, Principal, Severance Tax, Ryan, LLC, Houston, Texas [H.R. 10005]
- **Mr. Derf Johnson**, Deputy Director, Montana Environmental Information Center, Helena, Montana [Minority Witness][H.R. 7807, H.R. 8952, H.R. 7662]

III. BACKGROUND

H.R. 7662 (Rep. Houlahan), "Critical Minerals Security Act of 2024"

H.R. 7662 would require a report from the Secretary of the Interior, in consultation with other relevant agencies, on critical mineral and rare earth element resources around the globe and also establishes a process by which the Secretary of the Interior—in consultation with the Secretary of State—aids U.S. citizens looking to divest stock in international critical mineral investments. It also directs the Secretary of the Interior to develop a strategy to collaborate with allied countries to establish advanced mining, refining, separation, processing technologies and intellectual property sharing methods.

China currently dominates the global critical mineral supply chain. In the Democratic Republic of the Congo (DRC), China controls 72 percent of the country's cobalt and copper mines; just one of these projects, the Tenge Fungurume Mine, contributes 12 percent of the world's cobalt production. Additional knowledge of global mineral resources may provide U.S. companies with the data needed to commence mining activities internationally and, more accurately, tap global reserves.

In 2019, the United States Geological Survey (USGS) created the Critical Minerals Mapping Initiative (CMMI) in collaboration with Geoscience Australia and the Geological Survey of Canada to jointly conduct critical mineral research in all three countries.² USGS currently

¹ Desmond Egyin, *Addressing China's Monopoly over Africa's Renewable Energy Minerals*, Wilson Center (May 2, 2024), https://www.wilsoncenter.org/blog-post/addressing-chinas-monopoly-over-africas-renewable-energy-

minerals#:~:text=In%20the%20DRC%2C%20the%20country,where%20China's%20investments%20have%20underperformed.

2 USGS, Critical Mineral Mapping Initiative (August 2023), https://www.usgs.gov/centers/gggsc/science/critical-minerals-mapping-initiative-cmmi.

provides global mapping data and reports regarding global critical mineral availability.³ This hearing will provide a forum to discuss USGS's current mapping initiatives, DOI's ability to provide divestment strategies to investors, and international intellectual property sharing.

Figure 1⁴ - Global distribution of selected mines, deposits, and districts of critical minerals

H.R. 7807 (Rep. Obernolte), "Intergovernmental Critical Minerals Task Force Act"

H.R. 7807 would establish an "Intergovernmental Critical Minerals Task Force" to facilitate cooperation between Federal, State, and local governments and industry representatives to decrease the U.S.'s reliance on adversarial nations for critical minerals.

In 2023, of the 50 minerals on USGS's Critical Mineral List (CML), the U.S. was 100 percent net import reliant on 12 minerals and more than 50 percent net import reliant on another 29.⁵ China led global production for 29 critical minerals for which accurate data was available, while only 13 were produced primarily in the U.S.⁶ Despite recent efforts to revitalize the domestic critical mineral supply chain, ⁷ U.S. critical mineral production decreased by 24 percent from 2022 to 2023, partially due to subpar global commodity pricing and delays in bringing new mines online.⁸

H.R. 7807 would direct the President to appoint a Chair of the Intergovernmental Critical Minerals Task Force, who would appoint additional task force representatives with expertise in the critical mineral supply chain, including those from industry and Federal, State, and local governments. The task force would then provide recommendations, strategies, and a report to the President and Congress on ways to secure and foster the U.S.'s mineral supply chain and

³ USGS, Global distribution of selected mines, deposits, and districts of critical minerals, Interactive Map (last visited Nov. 11, 2024), https://mrdata.usgs.gov/pp1802/.

⁴ Id

 $^{^5\,}USGS,\,Mineral\,\,Commodity\,\,Summaries\,\,2024,\,\underline{https://pubs.usgs.gov/periodicals/mcs2024/mcs2024.pdf}.$

[°] Id.

⁷ Id.

⁸ *Id*.

decrease reliance on adversarial nations. Contents of this report would include findings, guidelines, and recommendations created in the Task Force's performance of the duties mandated under this bill.

Notably, in February 2022, the Department of the Interior announced that it would launch a "new interagency working group on reforming hardrock mining laws, regulations and permitting policies in the United States," which issued a report in September 2022 with recommendations for improvements in the sector. While several of their suggestions were reasonable, some—like their supposition to impose a royalty on production and another to shift the current claims system to a leasing system would decimate mining on federal land. If enacted, H.R. 7807 could provide an opportunity to synthesize input from a broader range of entities to offer solutions that genuinely cultivate the U.S. critical mineral supply chain.

The bill also directs the Comptroller General to conduct a study and issue a report on the regulatory landscape related to improving domestic supply chains for critical minerals.

H.R. 8952 (Rep. Zinke), "Crow Revenue Act"

H.R. 8952 would transfer about 4,600 acres of private subsurface inholdings from the Hope Family Tracts on the Crow Reservation to the Crow Tribe of Montana. In exchange, the Hope Family Trust would receive 4,530 acres of federal subsurface and 940 acres of federal surface interest. The bill also provides for a Revenue Sharing Agreement for the development of the transferred federal tracts, which will be determined by the Tribe and the Hope Family Trust should the minerals be developed at a later date.

The Crow Tribe of Montana's reservation covers approximately 1.5 million checkerboarded acres in south-central Montana. The tribe owns approximately 550,000 acres of the reservation. The tribe's economy is largely supported by revenues from the mining industry. Crow Reservation lands are rich in coal, gas, and oil, and the tribe benefits from leasing these lands for development. 12

The tribe has mineral interests in the Absaloka Mine, located in Hardin, Montana. Since the early 1970s, the Crow collected revenue from Absaloka Mine. However, changes in coal demand have reduced coal mining activity at Absaloka. In April 2024, Westmoreland Mining LLC, which mined Absaloka, announced it had shipped its last railcar of coal from Absaloka because the Sherburne County Generating Station in Becker, Minnesota, was shutting down as a generating unit in January and no longer needed coal from the mine. ¹⁴

⁹ DOI, Press Release, *Interior Department Launches Interagency Working Group on Mining Reform*, Feb. 22, 2022, https://www.doi.gov/pressreleases/interior-department-launches-interagency-working-group-mining-reform.

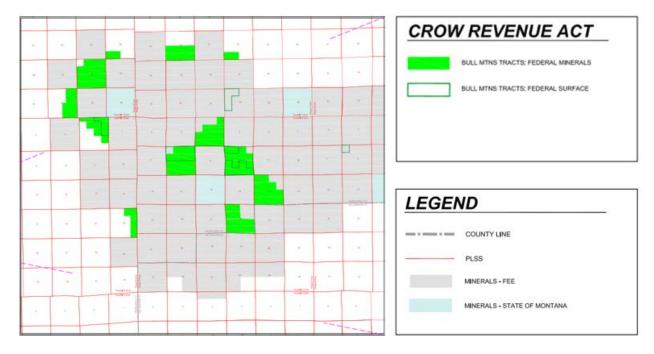
¹⁰ DOI, Final Report, *Recommendations to Improve Mining on Public Lands*, Sept. 2023, https://www.doi.gov/sites/default/files/mriwg-report-final-508.pdf.

¹¹ Id.

 $^{^{\}rm 12}$ Veronica E. Velarde Tiller, Tiller's Guide to Indian Country, 3rd ed., 2015, p. 477.

¹³ Toim Lutey, "Daines pursues Crow coal deal benefiting tribe, Signal Peak mine," Billings Gazette, May 30, 2024, https://billingsgazette.com/news/state-regional/government-politics/crow-indians-signal-peak-coal-mine-daines-hope-ranch/article_bd9e0ffa-le17-11ef-a141-9f9bb77f0374.html.

¹⁴ *Id*.



Signal Peak Energy is currently operating the only underground coal mine in Montana: the Bull Mountain Mine. Despite reserves that can last over 50 years, the mine will soon run out of recoverable reserves due to federal coal tracts that run in a checkerboard pattern across the area. Despite repeated efforts and years of litigation to lease the federal coal, the Office of Surface Mining, Reclamation, and Enforcement (OSMRE) has failed to complete an environmental assessment. H.R. 8952 would place the indicated tracts into private hands, allowing the mine and its 300 workers to continue operations.

The Crow Tribe of Montana supports H.R. 8952,²⁰ which will replace some of the revenues that the tribe lost with the Absaloka Mine closure. The revenues will allow the Crow Tribe to provide resources to tribal members and supplement federal resources the tribe receives under the United States' trust responsibility towards all federally recognized tribes.

H.R. 10005 (Rep. Hageman), "Expedited Appeals Review Act" or the "EARA"

The Interior Board of Land Appeals (IBLA) is an appellate review board within DOI that is responsible for resolving disputes involving public lands and natural resources under DOI's jurisdiction. The IBLA has authority delegated by the Secretary of the Interior to issue final determinations on decisions made by the different bureaus within DOI. Appeals involving the

 $^{^{15}}$ Signal Peak Energy, $Reimagining\ Underground\ Coal\ Mining,$ (last visited Nov. 13, 2024), $\frac{15}{1000} = \frac{15}{1000} = \frac{1000}{1000} = \frac{1000}{1$

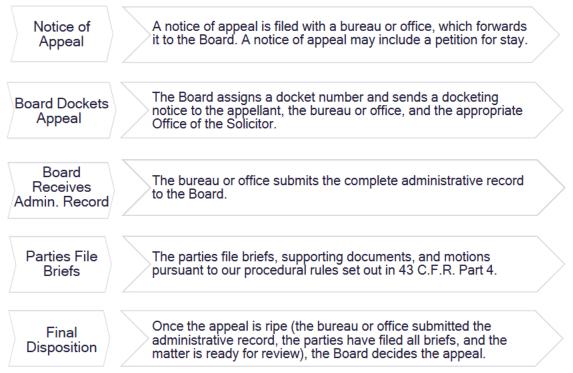
¹⁷ Darrell Ehrlick, Signal Peak sues Department of the Interior for stalling on coal lease, says mine may have to close, Daily Montanan (Apr. 25, 2024), https://dailymontanan.com/2024/04/25/signal-peak-sues-blm-for-stalling-on-coal-lease-says-mine-may-have-to-close/.

¹⁸ Id.

 ¹⁹ Id.
 ²⁰ Hearing, Committee on Indian Affairs: "Legislative Hearing to receive testimony on S. 4444, S. 4633, S. 4643, S. 4705, S. 4998 and Business Meeting to consider S. 465, S. 2908, S. 4370" (Sept. 25, 2024) (testimony of Chairman Frank White Clay), available at https://www.indian.senate.gov/wp-content/uploads/09-25-2024-White-Clay-Testimony.pdf

following actions are decided by the IBLA: grazing, mining, energy development, royalty disbursement and management, timber harvesting, wildfire management, land exchanges, rights of way, and trespass. ²¹ The IBLA was created through regulation and is comprised of administrative judges who report to a Chief Administrative Judge. The current IBLA Chief Administrative Judge is Silvia Riechel Idziorek. ²²

The appeal process is governed by the regulations set forth in 43 C.F.R. Part 4.



The Expedited Appeals Review Act (EARA) addresses long-standing inefficiencies in the IBLA's appeals process. The sheer volume of cases—combined with a process structured to favor agency deference—often leads to prolonged delays and rulings favoring the respective bureaus. The result is that many stakeholders, from energy developers to land users, find themselves entangled in a years-long appeals process that lacks timely resolution and clarity.

Current IBLA procedures have proven slow due to several factors. As the board oversees a diverse array of complex land, environmental, and resource-related cases, decisions are frequently subjected to rigorous, multi-layered review. This lengthy examination process often includes consultation with subject-matter experts and iterative exchanges between the board and the bureau issuing the original decision. While these safeguards are intended to uphold a high standard of review, they also create bottlenecks that can drag cases out for extended periods, particularly in situations requiring substantial technical assessments or those impacted by

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²¹ U.S. Department of the Interior, *About the Interior Board of Land Appeals*, https://www.doi.gov/oha/about-interior-board-land-appeals.

²³ U.S. Department of the Interior, *IBLA Annual Report Fiscal Year 2023*, https://www.doi.gov/media/document/ibla-annual-report-fiscal-year-2023.

evolving regulations. Consequently, the IBLA has over 650 pending appeals dating back to 2014.²⁴

The IBLA's deference to the original bureau decision is significant. The board upholds agency determinations in a vast majority of cases, reflecting a deeply ingrained institutional bias toward the initial judgment. According to the IBLA Annual Report for Fiscal Year 2023, 25 the IBLA ruled in favor of the respective bureaus roughly 90% of the time. Moreover, the IBLA's decisions are based upon bureau-curated administrative records with limited opportunities for appellants to supplement or challenge the record. Much of the record is withheld from the appellant for "deliberative process" purposes, thereby shielding the agency's decision-making process from attack. These process realities can disincentivize stakeholders from pursuing appeals, as the outcome is often predictably aligned with the agency's stance.

The EARA seeks to mitigate these issues by creating an alternative path for appellants seeking expedited reviews. The bill allows stakeholders to request an accelerated decision on their appeal and forces the IBLA to issue a decision within six months of such a request. If this deadline is not met, the agency decision will automatically become eligible for de novo judicial review outside of DOI. This new pathway aims to alleviate the backlog in administrative court by providing a more efficient and predictable recourse for those facing extended delays on appeals.

IV. MAJOR PROVISIONS & ANALYSIS

H.R. 7662 (Rep. Houlahan), "Critical Minerals Security Act of 2024"

- Requires a report on critical mineral and rare earth element resources around the globe.
- Establishes a process by which the Secretary of the Interior aids U.S. citizens looking to divest stock in international critical mineral investments.
- Directs the Secretary of the Interior, in consultation with the heads of other relevant Federal agencies, to develop a strategy to collaborate with allied countries to develop advanced mining, refining, separation, and processing technologies and intellectual property sharing methods.

H.R. 7807 (Rep. Obernolte), "Intergovernmental Critical Minerals Task Force Act"

- Includes findings enumerating the importance of critical minerals.
- Amends Section 5 of the National Materials and Minerals Policy, Research and Development Act of 1980 to create an "Intergovernmental Critical Minerals Task Force" to assess the reliance of the U.S. on China and other adversarial countries for critical minerals.
- Requires the Task Force to report its findings and brief relevant Congressional committees.

 $^{^{24}\} U.S.\ Department\ of\ the\ Interior,\ IBLA\ 2024\ Pending\ Appeals,\ https://www.doi.gov/sites/default/files/documents/2024-11/october-2024-pending-appeals.pdf$

²² U.S. Department of the Interior, *IBLA Annual Report Fiscal Year 2023*, https://www.doi.gov/media/document/ibla-annual-report-fiscal-year-2023

• Directs the Comptroller General to issue a report examining the Federal and State regulatory landscape for improving domestic critical mineral supply chains.

H.R. 8952 (Rep. Zinke), "Crow Revenue Act"

- Transfers about 4,600 acres of private subsurface inholdings from the Hope Family Tracts on the Crow Reservation to the Crow Tribe of Montana; the Hope Family Trust would then receive 4,530 acres of federal subsurface and 940 acres of federal surface interests in Montana.
- The bill also provides for a Revenue Sharing Agreement to develop these tracts.

H.R. 10005 (Rep. Hageman), "Expedited Appeals Review Act" or the "EARA"

- Establishes an expedited review process within the Interior Board of Land Appeals to address delays and agency deference; mandating decisions within six months or allowing de novo judicial review.
- Reduces the backlog of over 650 pending cases and enhances fairness and transparency in public land and resource dispute appeals.

V. COST

The Congressional Budget Office has yet to score any of these bills.

VI. ADMINISTRATIVE POSITION

Unknown.

VII. EFFECT ON CURRENT LAW (RAMSEYER)

H.R. 7807