

Critical Minerals Policy Act of 2011 **Background and Section-By-Section**

Minerals are the building blocks of our nation's economy. From rare earth elements to molybdenum, we rely on minerals for everything from the smallest computer chips to the tallest skyscrapers. Minerals make it possible for us to innovate and invent – and in the process shape our daily lives, our standard of living, and our ability to prosper.

There is no question that an abundant and affordable supply of domestic minerals is critical to America's future. And yet, despite that, our mineral-related capabilities have been slipping for decades. Rare earth elements garner most of the headlines, but according to the U.S. Geological Survey (USGS), the United States was 100 percent dependent on foreign suppliers for 18 minerals in 2010 – and more than 50 percent dependent on foreign sources for some 25 more.

To revitalize the domestic, critical mineral supply chain, Senator Lisa Murkowski and sixteen of her bipartisan colleagues introduced the “Critical Minerals Policy Act” on May 26, 2011. The bill provides clear programmatic direction to help keep the U.S. competitive and will ensure that the federal government's mineral policies – some of which have not been updated since the 1980s – are brought into the 21st century.

The legislation starts by directing USGS to establish a list of minerals critical to the U.S. economy and, pursuant to those designations, outlines a comprehensive set of policies that will bolster critical mineral production, expand manufacturing, and promote recycling and alternatives – all while maintaining strong environmental protections.

SPONSORS

The Critical Minerals Policy Act is sponsored by Senator Lisa Murkowski (R-AK) and co-sponsored by Senators Ben Nelson (D-NE), Jim Webb (D-VA), James Risch (R-ID), Kay Hagan (D-NC), Roy Blunt (R-MO), John Barrasso (R-WY), Mike Enzi (R-WY), Kent Conrad (D-ND), Thad Cochran (R-MS), Mark Begich (D-AK), Dean Heller (R-NV), Mike Crapo (R-ID), Debbie Stabenow (D-MI), John Hoeven (R-ND), Claire McCaskill (D-MO), and Joe Manchin (D-WV).

SECTION-BY-SECTION

Sec.1. Short Title and Table of Contents – Establishes the bill's official title and lists the provisions included in each of its three titles.

Sec.2. Definitions – Key terms for the bill include critical mineral, critical mineral manufacturing and rare earth element.

TITLE I—DESIGNATIONS AND POLICIES

Sec.101. Designations – Requires USGS to develop a rigorous methodology for determining which minerals are critical, and then to use that methodology to designate critical minerals.

Sec.102. Policy – Establishes that it is the policy of the United States to promote an adequate, reliable, domestic, and stable supply of critical minerals, produced in an environmentally responsible manner, to strengthen and sustain the nation’s economic security. Also requires the President to coordinate federal agencies’ actions in support of this policy.

Sec.103. Resource Assessment – Directs the Secretary of the Interior to complete a comprehensive national resource assessment within four years of the bill’s enactment for each mineral designated as critical under Sec. 101. Authorizes field work for the assessment, as well as technical and financial assistance for States and Indian tribes.

Sec.104. Permitting – Creates a high-level, interagency working group to optimize the efficiency of permitting in order to facilitate increased exploration and production of domestic critical minerals. Requires the working group to review requirements, quantify delays, recommend improvements, and develop a performance metric for evaluating progress.

Sec.105. Manufacturing – Authorizes memoranda of agreement between States and the Federal government to optimize the efficiency of environmental reviews and permit applications for new critical mineral manufacturing facilities. Adds “critical mineral manufacturing related to the deployment of clean energy technologies” as an eligible category for the Department of Energy’s loan guarantee program.

Sec.106. Recycling and Alternatives – Requires the Secretary of Energy to conduct a research and development program to facilitate the more efficient use and recycling of critical minerals, as well as alternatives that can reduce the demand for them.

Sec.107. Analysis and Forecasting – Establishes a collaborative effort between USGS and EIA for annual reviews of domestic mineral trends as well as forward-looking analyses of critical mineral production, consumption, and recycling patterns.

Sec.108. Education and Workforce – Provides for workforce assessments, curriculum development, worker training, and associated grants to academic institutions.

Sec.109. International Cooperation – Directs the Secretary of State and the Secretary of Energy to promote international cooperation on critical mineral supply chain issues and provides an avenue for technology and information transfer via diplomatic channels.

TITLE II—MINERAL-SPECIFIC ACTIONS

Sec.201. Administration – A savings clause to clarify that none of the minerals listed in Title II presuppose which minerals should be designated as critical under Sec. 101 of the Act.

Sec.202. Cobalt – Authorizes basic and applied research focusing on novel uses (including energy technologies and super alloys) for cobalt.

Sec.203. Helium – Adds “helium projects” as an eligible category for the Department of Energy’s loan guarantee program and requires the existing resource information for helium to be updated..

Sec.204. Lead – Directs the Secretary of Energy to support well-coordinated research programs focused on advanced lead manufacturing processes capable of reducing environmental impacts.

Sec.205. Lithium – Directs the Secretary of Energy to provide grants for the research, development, demonstration, and commercial application of advanced lithium battery technologies.

Sec.206. Low-Btu Gas – Directs the Secretary of Energy to support research, development, commercial application, and conservation programs that expand the domestic production of low-Btu gases, including programs related to membrane technology research, helium separation technologies, and industrial helium. Projects promoting low-Btu gas are added as an eligible category for the Department’s loan guarantee program.

Sec.207. Phosphate – Requires the existing resource information for phosphate to be updated.

Sec.208. Potash – Requires the existing resource information for potash to be updated.

Sec.209. Rare Earth Elements – Requires the existing resource information for rare earth elements to be updated.

Sec.210. Thorium – Directs the Secretary of Energy to conduct a study on the technical, economic, and policy issues associated with the establishment of a licensing pathway for the complete thorium nuclear fuel cycle.

Sec.211. Updated Resource Assessments – Requires the Secretary of the Interior to update resource information for helium, phosphate, potash, and rare earth elements.

TITLE III—MISCELLANEOUS

Sec.301. Offsets – To avoid the duplication of authorities related to critical minerals, two previous Acts of Congress are repealed, in whole or in part: the National Critical Minerals Act of 1984 and the National Materials and Minerals Policy, Research, and Development Act of 1980.

Sec.302. Administration – A savings clause to clarify that nothing in this Act displaces the authorizations included under “Geological Survey” of the first section of the Organic Act of March 3, 1879.

Sec.303. Authorization of Appropriations – Authorizes a total of \$106 million for the various activities, programs, authorizations, and requirements of the Act.