

March 31, 2011

The Honorable Mike Simpson  
Chairman  
House Interior and Environment  
Appropriations Subcommittee  
Washington, DC 20515

The Honorable James Moran  
Ranking Member  
House Interior and Environment  
Appropriations Subcommittee  
Washington, DC 20515

Dear Chairman Simpson and Ranking Member Moran:

The administration has targeted the U.S. Geological Survey's (USGS) Mineral Resources Program (MRP), which includes the National Minerals Information Center (NMIC), for a substantial funding cut in the FY 2012 USGS budget request. As you are aware, the mission of the NMIC, formerly the Minerals Information Team, is to collect, report and analyze national and international data on the supply of nonfuel minerals critical to the U.S. economy and national security. President Obama's proposed cut to NMIC of \$2.7 million, or 17 percent, would severely limit the NMIC's ability to produce accurate and timely data by eliminating the international data collection and analyses component. We urge you to restore the \$2.7 million to NMIC's budget and increase by \$6.6 million the full authorized funding for this important program in the upcoming FY 12 interior and environment appropriations bill.

Since Congress transferred the NMIC from the former U.S. Bureau of Mines to the USGS in FY 1996, it has suffered a continually shrinking budget, yet its mandate and importance has not changed. It is the only organization tasked with providing a comprehensive source of nonfuel mineral analyses to all levels of domestic government, including the Department of Defense to help manage the National Defense Stockpile. The United States is the world's largest user of mineral commodities, with processed materials of mineral origin accounting for more than \$578 billion in the U.S. economy in 2010. The NMIC found in 2010 that U.S. import reliance was more than 50 percent for 43 minerals critical to national security and the economy and 100 percent reliant for 18 other minerals.

The NMIC should be better supported and fully funded. NMIC's budget has been arbitrarily maintained at roughly 30 percent of the USGS MRP budget ever since its transfer to the USGS. This is despite increasing requests for further collaboration by the NMIC customers (including the mining industry, Congress, other federal agencies and the White House) and recommendations by the National Research Council in its 2008 report, "Minerals, Critical Minerals, and the U.S. Economy," as well as the 2011 report by the American Physical Society and Materials Research Society titled, "Energy Critical Elements: Securing Materials for Emerging Technologies."

Both the public and private sectors use the information in the reports issued by the NMIC to better understand supply, demand and the end use of minerals, including rare earth elements and other critical energy elements essential for defense systems, wind turbines, computer hard drives, precision-guided munitions and hybrid-electric batteries. These data are essential for the effective use of our natural resources and for accurate forecasting. Considering there is no other unbiased source for these

comprehensive data, the loss of this information will place domestic users and manufacturers at a severe disadvantage. Reduced funding for the USGS and its minerals information center is counterproductive to the administration's stated goal of energy independence for the U.S.

We greatly appreciate your past support for the program and urge you to again support full funding of the NMIC, so it may continue to produce the reports that are so vital to the economy and national security of the U.S.

For additional information, please contact Kris Ballweg at [kballweg@nma.org](mailto:kballweg@nma.org) or 202 463-2622.

Sincerely,

Aluminum Association  
American Association of Petroleum Geologists  
American Association of State Geologists  
American Geological Institute  
Industrial Minerals Association – North America  
International Association of Machinists and Aerospace Workers  
National Federation of Federal Employees  
National Lime Association  
National Mining Association  
National Stone, Sand and Gravel Association  
Northwest Mining Association  
Portland Cement Association  
Society for Mining, Metallurgy and Exploration  
Steel Manufacturers Association  
U.S. Magnetic Materials Association