

March 16, 2007

The Honorable Diane Feinstein  
U.S. Senate  
Chairman  
Interior, Environment & Related Agencies  
Appropriations Subcommittee  
131 Dirksen Senate Bldg.  
Washington, DC 20510

The Honorable Larry Craig  
U.S. Senate  
Ranking Member  
Interior, Environment & Related Agencies  
Appropriations Subcommittee  
123 Hart Senate Bldg.  
Washington, DC 20510

Dear Chairwoman Feinstein and Ranking Member Craig:

As your Subcommittee assembles the fiscal year 2008 spending bill, we want to take this opportunity to urge you to reject the administration's proposal to cut \$5.1 million from the U.S. Geological Survey's Mineral Information Team (MIT). Over the past few years both House and Senate subcommittees have rebuffed calls from the administration to cut or privatize this important function. We applauded past efforts rejecting such funding cuts and call on you to once again reject proposals to dramatically reduce MIT funding.

The Administration's proposal to cut \$5.1 million from the MIT will result in a reduction of 42 FTEs and the number of mineral commodities reported on to between 70 and 80. Reductions of this size would be so drastic, we are afraid, that they would jeopardize the future of the program. MIT's mission is to collect, analyze, and disseminate information on the domestic and international supply of, and demand for, minerals and mineral materials essential to America's economy and national security. This information is critically important to the public and private sectors and is a function only the federal government can fulfill. Prior personnel and budget cuts have already caused MIT to reduce the number of reports it produces, thus endangering the longest running data sets compiled by the federal government.

The United States is the world's largest user of mineral commodities, with processed materials of mineral origin accounting for over \$542 billion in the U.S. economy in 2006. American manufacturers and consumers of mineral products were 100 percent import dependant for 17 mineral commodities and had to import more than 50 percent of 45 mineral commodities critical to the U.S. economy.

Considering businesses operate in a global economy, and imported raw and processed mineral materials increased in value by more than 28 percent in 2006 to \$138 billion, the loss of the information gathered by MIT will place domestic users at a severe disadvantage. Additionally, over 15 federal agencies or programs, including the Department of Defense and Federal Reserve, use MIT information to complete their missions.

In short, both the public and private sectors rely on the information in the reports issued by MIT to better understand supply, demand and end use of mineral materials. This data is essential for effective use of our natural resources and for accurate forecasting. The information for a number of the reports is derived from proprietary information given by our members precisely because the government is a trusted third party.

For these reasons we urge you to reject the Administration's proposed \$5.1 million cut and fully fund MIT, so it may continue to produce the reports that are so vital to the economy and security of the nation.

Sincerely,

Industrial Minerals Association – North America  
International Association of Machinists and Aerospace Workers  
National Federation of Federal Employees  
National Industrial Sand Association  
National Lime Association  
National Mining Association  
National Stone, Sand & Gravel Association  
Northwest Mining Association  
Portland Cement Association  
Society for Mining, Metallurgy and Exploration, Inc.