

February 26, 2008

The Honorable Nick Rahall
Chairman
Natural Resources Committee
1324 Longworth House Office Bldg.
Washington, DC 20515

The Honorable Don Young
Ranking Member
Natural Resources Committee
H2-186 Ford House Office Bldg.
Washington, DC 20515

Dear Chairman Rahall and Ranking Member Young:

The Administration has again targeted the U.S. Geological Survey's (USGS) Minerals Information Team (MIT) for a substantial funding cut in the FY '09 USGS budget request. As you are aware, the mission of the MIT is to collect, analyze, and disseminate information on the domestic and international supply of, and demand for, minerals and mineral materials essential to the U.S economy and national security.

Despite the fact that the United States is the world's largest user of mineral commodities, with processed materials of mineral origin accounting for over \$575 billion in the U.S. economy in 2007 (an increase of 6 percent over 2006), the Administration has repeatedly sought to decrease reporting on domestic and foreign minerals. In the FY '09 budget request, the Administration has called for a \$25.5 million cut to the USGS Mineral Resource Program, of which the MIT is a part, including elimination of 210 of the 334 occupied scientific and technical positions in the program. A cut of such magnitude will compromise the MIT's ability to produce accurate and timely data.

The list of public and private sector groups that use MIT data is impressive in its breadth. Information and analyses produced by the MIT are widely used and relied upon by the 50 States and federal government. The Departments of Commerce, Interior, Defense, and State, the CIA, and Federal Reserve among others use this information for a wide variety of reasons. Notably, the Federal Reserve Board uses MIT data to calculate the indexes of industrial production, capacity, and capacity utilization, which are among the most widely followed monthly indicators of the U.S. economy. Importantly, the Department of Defense uses the information to help manage the National Defense Stockpile.

Both the public and private sectors use the information in the reports issued by the MIT to better understand supply, demand and end use of these 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 provided free of charge by the private sector precisely because the government is a trusted third party. This information is extremely important for both policy makers and the private sector and is a service only the government can provide. Considering there is no other source for this comprehensive data, the loss of this information will place domestic users and manufacturers at a severe disadvantage and is inadvisable.

We greatly appreciate your past support for this program and urge you to again call for full funding of the Minerals Information Team, so it may continue to produce the reports that are so vital the economy and security of the nation.

Sincerely,

American Association of Petroleum Geologists
Industrial Minerals Association – North America
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.

Cc: Subcommittee Chairman Jim Costa
Ranking Member Steve Pearce
Subcommittee members