

TO INCREASE THE MAXIMUM ACREAGE OF FEDERAL LEASES FOR SODIUM

NOVEMBER 15, 1999.—Committed to the Committee of the Whole House on the
State of the Union and ordered to be printed

Mr. YOUNG of Alaska, from the Committee on Resources,
submitted the following

REPORT

[To accompany H.R. 3063]

[Including cost estimate of the Congressional Budget Office]

The Committee on Resources, to whom was referred the bill (H.R. 3063) to amend the Mineral Leasing Act to increase the maximum acreage of Federal leases for sodium that may be held by an entity in any one State, and for other purposes, having considered the same, report favorably thereon without amendment and recommend that the bill do pass.

PURPOSE OF THE BILL

The purpose of H.R. 3063 is to amend the Mineral Leasing Act to increase the maximum acreage of Federal leases for sodium that may be held by an entity in any one State.

BACKGROUND AND NEED FOR LEGISLATION

H.R. 3063 solves imminent problems stemming from limitations on the amount of federal acreage a person (or company) may hold on a state-wide basis, for mineral commodities disposed via the Mineral Leasing Act of 1920 (MLA, 30 U.S.C. 181 et seq.). Strong anti-trust concerns held prominence in Congress before and during the time at which the mineral leasing statutes were enacted. Sodium mineral compounds were no different in this respect than oil and gas, potash, oil shale, phosphate, and coal, all likewise leased under the MLA. But today consolidation within the natural soda ash industry (which uses the mineral trona, a sesquicarbonate of sodium, as its feedstock) is a reality of global competition with foreign soda ash producers, including synthetic soda ash.

The Green River basin area of southwest Wyoming is the home to the world's largest trona concentration, the majority of which underlies public land, subject to the federal acreage limits under the MLA. Not since 1948 has Congress revisited the acreage cap with respect to sodium leases, the oldest limitation under the 1920 MLA. The commercial production of natural soda ash effectively requires capital investments of the magnitude of several hundred millions of dollars in both mining equipment and a physical plant to process the trona into soda ash (sodium carbonate, or "washing soda") and/or sodium bicarbonate ("baking soda") which far exceed those contemplated in 1948. Thus, a sufficient tonnage of trona reserves under lease to ensure this investment does not go underutilized is necessary for competitive business practices. Because the federal government is the primary lessor of the available trona, the statutory limitation must be raised or already leased acreage will have to be relinquished. If this occurs, this acreage is insufficient for a competitor company to utilize efficiently in a new operation.

The Committee believes the public interest is served by ensuring that the overage of lease acreage, which will occur through industry consolidation, remain available for mining by the present operator. Furthermore, the Committee emphasizes that it is currently the role of the Secretary of the Interior (as delegated to the Bureau of Land Management) to review bids at sodium (and other minerals) lease sales for adequacy, which generally includes analysis of competition. H.R. 3063 would continue this practice.

COMMITTEE ACTION

H.R. 3063 was introduced on October 13, 1999, by Congresswoman Barbara Cubin (R-WY). The bill was referred to the Committee on Resources, and within the Committee to the Subcommittee on Energy and Mineral Resources. On October 21, 1999, the Subcommittee held a legislative hearing on the bill. On October 27, 1999, the Full Resources Committee met to consider the bill. The Subcommittee on Energy and Mineral Resources was discharged from further consideration of the bill by unanimous consent. No amendments were offered and the bill was ordered favorably reported to the House of Representatives by voice vote.

SECTION-BY-SECTION ANALYSIS

Section 1. Findings

Section 1 lists ten Congressional findings outlining the background and need for the acreage limitation change. Although the findings contain statements about trona, the Committee emphasizes that the limitations upon state-wide lease acreage to which this bill applies includes all sodium-bearing minerals under lease, including dawsonite and nahcolite deposits in Colorado, as well as sodium brines at Searles Lake, California.

Section 2. Amendment of Mineral Leasing Act

Section 2 would double the statutory limit per lessee, from 15,360 to 30,720 acres in any one State. The Committee emphasizes that the Secretary of the Interior would retain his existing

authorities and responsibilities to ensure competition in sodium lease matters after enactment of H.R. 3063.

COMMITTEE OVERSIGHT FINDINGS AND RECOMMENDATIONS

Regarding clause 2(b)(1) of rule X and clause 3(c)(1) of rule XIII of the Rules of the House of Representatives, the Committee on Resources' oversight findings and recommendations are reflected in the body of this report.

CONSTITUTIONAL AUTHORITY STATEMENT

Article I, section 8 and Article IV, section 3 of the Constitution of the United States grant Congress the authority to enact this bill.

COMPLIANCE WITH HOUSE RULE XIII

1. Cost of Legislation. Clause 3(d)(2) of rule XIII of the Rules of the House of Representatives requires an estimate and a comparison by the Committee of the costs which would be incurred in carrying out this bill. However, clause 3(d)(3)(B) of that rule provides that this requirement does not apply when the Committee has included in its report a timely submitted cost estimate of the bill prepared by the Director of the Congressional Budget Office under section 402 of the Congressional Budget Act of 1974.

2. Congressional Budget Act. As required by clause 3(c)(2) of rule XIII of the Rules of the House of Representatives and section 308(a) of the Congressional Budget Act of 1974, this bill does not contain any new budget authority, spending authority, credit authority, or an increase or decrease in revenues or tax expenditures.

3. Government Reform Oversight Findings. Under clause 3(c)(4) of rule XIII of the Rules of the House of Representatives, the Committee has received no report of oversight findings and recommendations from the Committee on Government Reform on this bill.

4. Congressional Budget Office Cost Estimate. Under clause 3(c)(3) of rule XIII of the Rules of the House of Representatives and section 403 of the Congressional Budget Act of 1974, the Committee has received the following cost estimate for this bill from the Director of the Congressional Budget Office:

U.S. CONGRESS,
CONGRESSIONAL BUDGET OFFICE,
Washington, DC, October 29, 1999.

Hon. DON YOUNG,
*Chairman, Committee on Resources,
House of Representatives, Washington, DC.*

DEAR MR. CHAIRMAN: The Congressional Budget Office has prepared the enclosed cost estimate for H.R. 3063, a bill to amend the Mineral Leasing Act to increase the maximum acreage of federal leases for sodium that may be held by an entity in any one state, and for other purposes.

If you wish further details on this estimate, we will be pleased to provide them. The CBO staff contact is Victoria Heid Hall.

Sincerely,

Barry B. Anderson
(For Dan L. Crippen, Director).

Enclosure.

H.R. 3063—A bill to amend the Mineral Leasing Act to increase the maximum acreage of federal leases for sodium that may be held by an entity in any one state, and for other purposes

CBO estimates that implementing H.R. 3063 would not affect federal spending. Because H.R. 3063 would not affect direct spending or receipts, pay-as-you-go procedures would not apply. H.R. 3063 contains no intergovernmental or private-sector mandates as defined in the Unfunded Mandates Reform Act and would have no significant impact on the budgets of state, local, or tribal governments.

H.R. 3063 would double, from 15,360 acres to 30,720 acres, the maximum federal acreage of a sodium mining lease that a leaseholder may hold in any one state. According to the Bureau of Land Management, enacting H.R. 3063 would allow individual mining companies more flexibility to merge with other companies holding sodium leases, but is unlikely to affect the overall amount of federal acreage leased for mining. Therefore, CBO estimates that enacting the bill would not affect payments to the governments from sodium leaseholders.

The CBO staff contact is Victoria Heid Hall. This estimate was approved by Peter H. Fontaine, Deputy Assistant Director for Budget Analysis.

COMPLIANCE WITH PUBLIC LAW 104-4

This bill contains no unfunded mandates.

PREEMPTION OF STATE, LOCAL OR TRIBAL LAW

This bill is not intended to preempt any State, local or tribal law.

CHANGES IN EXISTING LAW MADE BY THE BILL, AS REPORTED

In compliance with clause 3(e) of rule XIII of the Rules of the House of Representatives, changes in existing law made by the bill, as reported, are shown as follows (existing law proposed to be omitted is enclosed in black brackets, new matter is printed in italic, existing law in which no change is proposed is shown in roman):

SECTION 23 OF THE MINERAL LEASING ACT

SEC. 27 (a) * * *

(b)(1) * * *

(2) The Secretary may, in his discretion, where the same is necessary in order to secure the economic mining of sodium compounds leasable under this Act, permit a person, association, or corporation to take or hold sodium leases or permits on up to [fif-

teen thousands three hundred and sixty acres] *30,720 acres* in any one State.

* * * * *

