

TECHNOLOGICAL ASSESSMENT, INVENTORY, AND STUDY  
OF SHALLOW AND DEEP SEABED MINERALS

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DECEMBER 1, 2011.—Committed to the Committee of the Whole House on the State  
of the Union and ordered to be printed

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Mr. HASTINGS of Washington, from the Committee on Natural  
Resources, submitted the following

R E P O R T

[To accompany H.R. 2803]

[Including cost estimate of the Congressional Budget Office]

The Committee on Natural Resources, to whom was referred the bill (H.R. 2803) to direct the Secretary of the Interior, acting through the Bureau of Ocean Energy Management, Regulation and Enforcement, to conduct a technological capability assessment, survey, and economic feasibility study regarding recovery of minerals, other than oil and natural gas, from the shallow and deep seabed of the United States, having considered the same, report favorably thereon with amendments and recommend that the bill as amended do pass.

The amendments are as follows:

Strike all after the enacting clause and insert the following:

**SECTION 1. TECHNOLOGICAL ASSESSMENT, INVENTORY, AND STUDY OF SHALLOW AND DEEP SEABED MINERALS.**

(a) AUTHORIZATION.—The Secretary of the Interior, acting through the Bureau of Ocean Energy Management, Regulation and Enforcement and the United States Geological Survey and in consultation with the heads of other appropriate Federal agencies, shall conduct—

- (1) an inventory of existing data on offshore mineral resources, other than oil and natural gas, and an analysis of existing samples of such offshore minerals, to identify and quantify known resources;
- (2) an assessment of all available domestic technological capabilities required for the location and the efficient and environmentally sound recovery of such minerals from the shallow and deep seabed of the United States;
- (3) an economic feasibility study on the recovery of such minerals; and
- (4) an assessment of the environmental and safety risks associated with shallow and deep sea mineral production, other than oil and natural gas.

(b) REPORT.—No later than 2 years after the date of enactment of this Act, the Secretary shall submit a report to Congress containing the findings and recommendations of the inventory, assessment, and study under this section.

(c) DEFINITION.—In this section the term “shallow and deep seabed of the United States”—

(1) means areas of the seabed that are contiguous to and within 200 miles of the territorial sea of the United States and the resources of which are subject to its jurisdiction or control; and

(2) includes such areas that are contiguous to and within 200 miles of the territorial sea around any inhabited and uninhabited territory or possession of the United States including American Samoa, the Commonwealth of the Northern Mariana Islands, Guam, Puerto Rico, the Virgin Islands, Midway Islands, the Federated States of Micronesia, Palau, Marshall Islands, Wake Island, Johnston Atoll, Baker, Howland, and Jarvis Islands, Kingman Reef, Navassa Island, Serranilla Bank, Bajo Nuevo Bank, and Palmyra Atoll.

(d) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated to the Secretary to carry out this Act \$500,000 for each of fiscal years 2012 and 2013.

#### Amend the title so as to read:

A bill to direct the Secretary of the Interior to conduct a technological capability assessment, inventory, and economic feasibility study regarding the recovery of minerals, other than oil and natural gas, from the shallow and deep seabed of the United States.

#### PURPOSE OF THE BILL

The purpose of H.R. 2803, as ordered reported, is to direct the Secretary of the Interior to conduct a technological capability assessment, inventory, and economic feasibility study regarding the recovery of minerals, other than oil and natural gas, from the shallow and deep seabed of the United States.

#### BACKGROUND AND NEED FOR LEGISLATION

Manganese or polymetallic nodules, containing manganese, nickel, copper, cobalt, and other mineral commodities, were first discovered in the Kara Sea in the Siberian Arctic in 1868. During the 1870s, scientific expeditions of the HMS Challenger found manganese nodules throughout the world’s oceans. The highest concentrations are found on the abysmal plains of the deep ocean between 13,000 and 20,000 feet below sea level. Three areas are thought to contain nodules with economically recoverable concentrations of metals: the North Central Pacific Ocean, the Peru Basin, and the North Central Indian Ocean.

During the 1960s and 1970s, numerous private sector and government led consortiums conducted extensive research to try and identify and harvest these resources. At the time, metal prices and technology were not sufficient to warrant further development.

In addition to manganese nodules, massive sulfide deposits form around hydrothermal vents such as black smokers in certain tectonically active areas on the sea floor. These deposits may contain economic concentrations of copper, gold, silver, zinc, and rare earth minerals.

Today, with access to new technology developed to support deep-water and ultra deepwater oil and gas development, increased demand for mineral resources, and the subsequent increase in commodity prices, there has been a renewed interest in deep seabed mining, and in particular, for the massive sulfide deposits described above.

H.R. 2803 directs the Bureau of Ocean Energy Management, Regulation and Enforcement to assess the non-fuel mineral resources within the United States' Exclusive Economic Zone, including the territories and affiliated states; the technological capability of the U.S. to explore for and harvest these mineral resources; and the economic feasibility of deep seabed mining. The agency is to report its findings back to Congress within two years.

If these mineral resources occur within the U.S. Exclusive Economic Zone and can be harvested economically, they would provide opportunities for private sector job growth and a revenue stream for government entities.

#### COMMITTEE ACTION

H.R. 2803 was introduced on August 5, 2011, by Delegate Eni Faleomavaega (D-AS). The bill was referred to the Committee on Natural Resources, and within the Committee to the Subcommittee on Energy and Mineral Resources. On September 13, 2011, the Subcommittee on Energy and Mineral Resources held a hearing on the bill. On October 5, 2011, the Full Natural Resources Committee met to consider the bill. The Subcommittee on Energy and Mineral Resources was discharged by unanimous consent. Congressman Doug Lamborn (R-CO) offered an amendment to the bill; the amendment was adopted by unanimous consent. The bill was then ordered favorably reported to the House of Representatives by unanimous consent.

#### 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 Natural Resources' oversight findings and recommendations are reflected in the body of this report.

#### COMPLIANCE WITH HOUSE RULE XIII

1. Cost of Legislation. Clause 3(d)(1) 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)(2)(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. 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:

*H.R. 2803—A bill to direct the Secretary of the Interior to conduct a technological capability assessment, inventory, and economic feasibility study regarding the recovery of minerals, other than oil and natural gas, from the shallow and deep seabed of the United States*

H.R. 2803 would authorize the appropriation of \$500,000 a year over the 2012–2013 period for the Department of the Interior to study the recovery of offshore minerals other than oil and gas. The

bill would require the Bureau of Ocean Energy Management, Regulation, and Enforcement and the United States Geological Survey to conduct an inventory of offshore minerals and to assess the technical and economic feasibility of offshore mineral development.

Assuming appropriation of the authorized amounts, CBO estimates that implementing the legislation would cost \$1 million over the 2012–2013 period. Enacting H.R. 2803 would not affect direct spending or revenues; therefore, pay-as-you-go procedures do not apply.

H.R. 2803 contains no intergovernmental or private-sector mandates as defined in the Unfunded Mandates Reform Act and would not affect the budgets of state, local, or tribal governments.

The CBO staff contact for this estimate is Jeff LaFave. The estimate was approved by Theresa Gullo, Deputy Assistant Director for Budget Analysis.

2. Section 308(a) of 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 spending authority, credit authority, or an increase or decrease in revenues or tax expenditures. Assuming appropriation of the authorized amounts, CBO estimates that implementing the legislation would cost \$1 million over the 2012–2013 period.

3. General Performance Goals and Objectives. As required by clause 3(c)(4) of rule XIII, the general performance goal or objective of this bill, as ordered reported, is to direct the Secretary of the Interior to conduct a technological capability assessment, inventory, and economic feasibility study regarding the recovery of minerals, other than oil and natural gas, from the shallow and deep seabed of the United States.

#### EARMARK STATEMENT

This bill does not contain any Congressional earmarks, limited tax benefits, or limited tariff benefits as defined under clause 9(e), 9(f), and 9(g) of rule XXI of the Rules of the House of Representatives.

#### 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

If enacted, this bill would make no changes in existing law.