

A detailed topographic map of Utah, showing various geographical features such as mountains, valleys, and rivers. The map is overlaid with a grid and contains several text elements. The text is centered and reads: "Washington Update", "Allen D. Freemyer", "July 11, 2022", and "Park City, Utah".

Washington Update

Allen D. Freemyer

July 11, 2022

Park City, Utah

Not your average Congress

- Pandemic
- January 6, 2021
- January 6 Committee
- Russia Invasion
- Nation-wide crime
 - Gun legislation
- Abortion
- China
- North Korea
- COVID relief funding
- Emergency Supplemental Funding
- Infrastructure Funding
- Inflation
- Environmental issues and promises
- Energy policy focus

Congressional Focus

- 2022 Elections Driving Agenda
 - Inflation
 - Energy Prices
 - January 6 Committee
 - SCOTUS abortion decision
 - Providing Democrats with smaller issue than expected.
 - Primaries:
 - Democrats—progressives vs. rank-and-file D's
 - Republicans—Trumpers vs. not so much Trumpers
 - President's Approval Ratings impacting all policy discussions.
 - 36% approvals provide no leverage to Pelosi and Schumer
 - *Election prognosis to come....*

Biden Administration Regulatory Agenda

– Oil and Gas

- Oil and gas leasing regulations punted to 2023 due to gas prices.
- Royalty rates, fees, and other Rules delayed—originally scheduled for May of 2022.
- Methane and waste prevention, flaring and venting Rules Notice to be published in June or July.
 - Administration: difficult to walk line between environmental progress and gas prices

– Mining

- Office of Surface Mining Reclamation and Enforcement proposing new 10 day notices Rule to increase coordination with states.
- Forest Service to propose in July amending mine-approval regulation to expedite review and approval and increase consistency with Interior Rules.
- USFWS will determine by 2023 if Tiehm's Buckwheat which is holding up development of Rhyolite Ridge lithium mine.

– US Forest Service

- November timeline for final revisions to roadless protection for Tongass National Forest
- Consider revisions to the Conservation Reserve Program

– Bureau of Land Management

- Grazing Rules—expect higher Federal fees
- Update of Wild Horse and Burro Management Rules

– USFWS

- Listing determination for the Northern long-eared bat—a nation-wide species.
- Dozens of other ESA decisions are on the docket.

Agency Priorities

- Department of Interior
 - America the Beautiful (30 X 30 Plan)—driving decisions
 - Empowering Tribes
 - Co-management opportunities, energy projects, health, land into trust, water settlements, etc
 - Endangered Species Rules
 - Climate Analysis taking center stage for NEPA reviews
 - Renewable Energy
 - Western Drought
- US Forest Service
 - Fire, fire, and more fire...
 - Fire recovery, rehabilitation
 - Expenditure of Infrastructure and Emergency Funding
 - Forest Management: USFS criticized for adding to fire and drought crisis

Pain at the Pump

- President Biden Promised to put oil and gas industry out of business
- Onshore and Offshore Leasing Moratoriums
- Withdrawal of major oil and gas lease sales
- Regulatory Uncertainty—royalty reforms, methane rules, fee increases promised
- Exporter to Importer in 6 months
- Encouragement of OPEC to sell more to US
- Accusations of price gouging
- Demonization of oil & gas industry by capital markets
- Fear of investment in current political and regulatory atmosphere
- Its Russia's fault
- \$5.00 gas and \$5.70 diesel fanning the flames of inflation
- Refining capacity above 96%
 - We haven't built a new refinery in the US since 1977
 - Problem is demand is high post pandemic and constriction point is refining and transportation of refined fuels—not necessarily crude oil supplies
- Fuel tax holiday is “show biz” according to Speaker Pelosi
 - President's call for fuel tax holiday not supported by leading Democrats—a desperate policy reach with little support
 - Policy initiatives of 2021 having lasting impacts and it will take months if not years to reverse

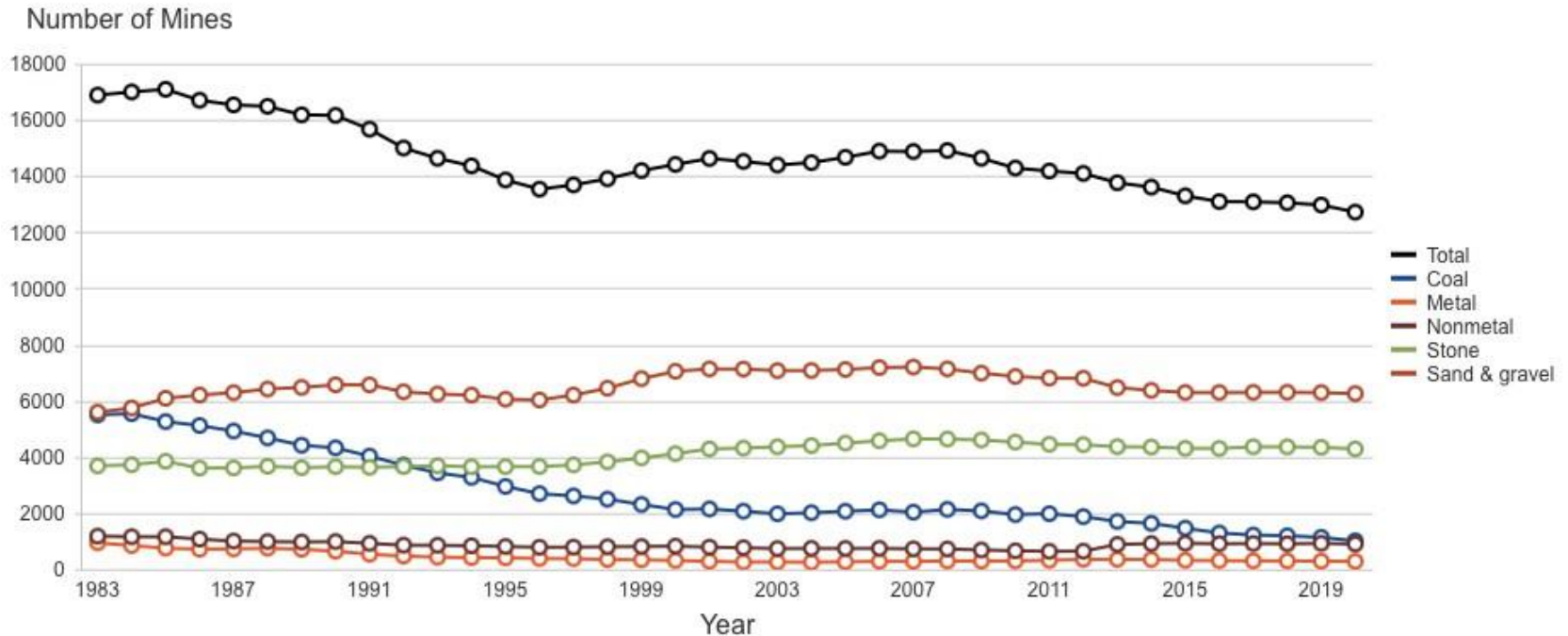
Minerals Policy

- Demand for metals and minerals growing rapidly due to renewable energy and battery demands, technology, defense, medical, and well Apple and the others....
 - Graphite, lithium, and cobalt demands expected to grow by over 450% by 2050 over 2018 pre-pandemic levels. Vanadium demands will rise by 200%, nickel demands will double, and silver demands will grow by 60% in less than 23 years.
- Critical and rare earth minerals focus by Congress—supply chains,
 - Senate Energy Committee has conducted two hearings on minerals policy—House held one hearing on Mining Law reform.
 - Grijalva attempting to drive hardrock mining off of public lands
 - Manchin—measured approach—focus on AML Fund.
- 1872 Mining Law—continues to be under attack
- Environmental Regulation of Mining
- Mining Footprint on Federal Lands:
 - Approximately 11.5 million federal mineral acres are held by approximately 390,595 active mining claims on Federal lands encumbering approximately 1.6% of the entire federal mineral estate
 - lands actually subject to a mining plan of operations with authorized surface disturbance and the ability to restrict other uses of the land reveals that the footprint is even smaller only impacting 0.06% of the Federal mineral estate

US Minerals and Processing Reliance

- World events magnified Congressional focus on USA reliance on China and Russia for critical and rare earth minerals.
- 100% reliant on foreign nations for 17 mineral commodities and at least 50% import-reliant for an additional 30 mineral commodities
- US imports 80% of silver, 50% nickel, 50% gold, 37% copper
- China possesses ownership of 80% of rare earth minerals needed for U.S. military weapons systems and produces 75 percent of the worlds permanent magnets that are manufactured with rare earth minerals.
- President Biden Executive Order 14017 (Feb. 2021) ordered review of mineral vulnerabilities.
 - Review recommended establishing responsible and sustainable domestic production and processing capabilities for critical materials to support a fully domestic end-to-end battery supply chain
- March of 2022, President Biden issued a Presidential Determination to deploy the Defense Production Act to reduce US reliance on foreign sources of these important minerals.
 - Twin Metals, PolyMet, Resolution Copper, Pebble Mine, Rhyolite Ridge, Thacker Pass
- Congress has appropriated funding and implemented nation-wide mapping and geologic efforts to better understand and determine US supplies and vulnerabilities.

Number of active mines by sector and year, 1983 - 2020



Note: Active mines are those mines that reported any employee hours during the year. Data Source: MSHA

Mining is not a growing industry in the US

Sage Grouse

- Here we go again...
- 2015 Obama plans—10-million-acre withdrawal with stringent management controls
- 2019 Trump plans—deferential to state management plans in effect today
- Biden planning—EIS process ongoing to abide by court decisions and update 70 management plans.
 - Expect a Draft EIS by the end of 2022.
- Reversal of 10-million-acre withdrawal by Secretary Bernhardt did not comply with NEPA—BLM undergoing additional NEPA process regarding withdrawal of lands from leasing and mineral entry.
- Gunnison Sage Grouse—Notice of Intent to amend plans published on July 6, 2022
 - Affects western Colorado and eastern Utah

Waters of the United States

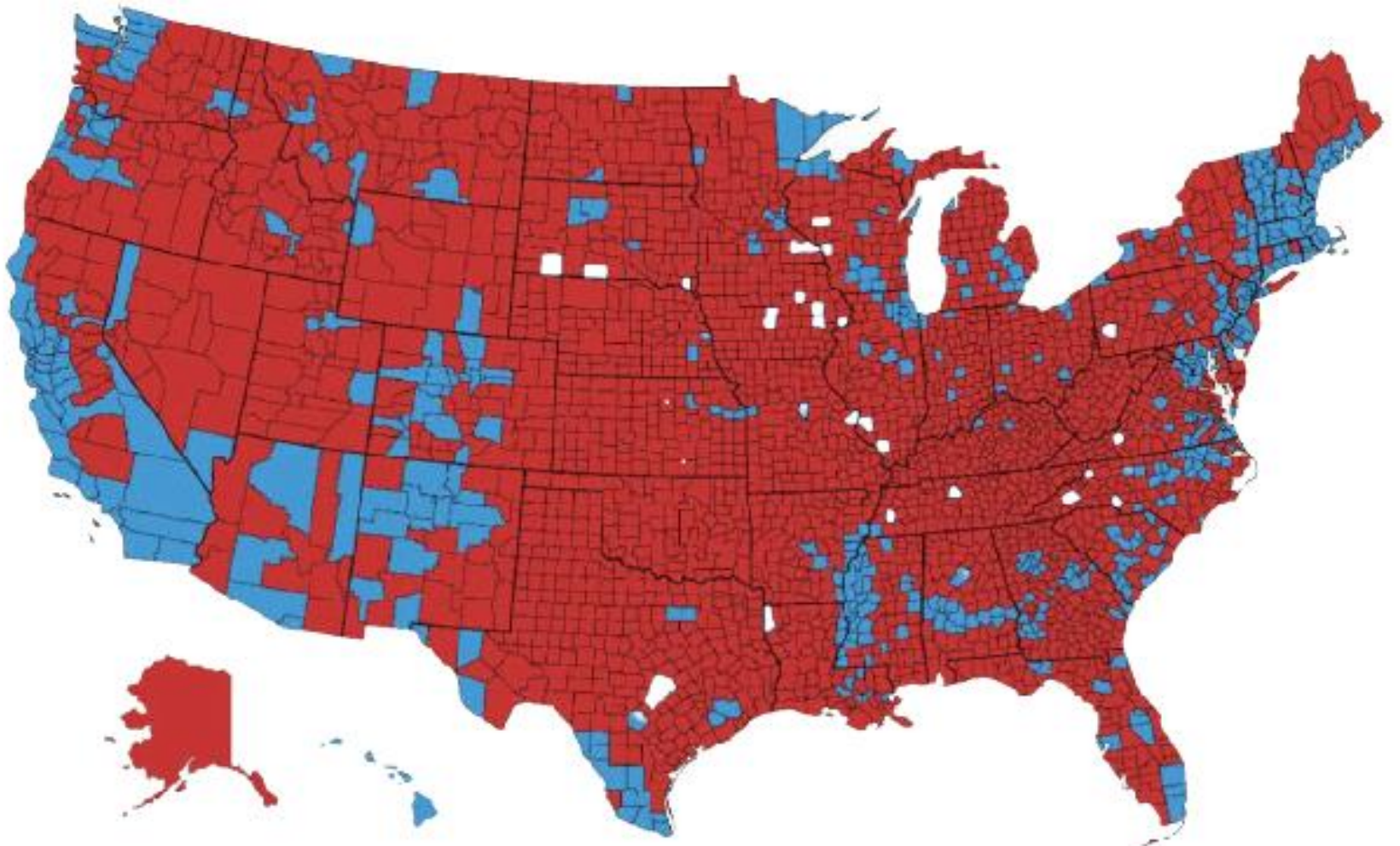
- December, 2021—EPA and Army Corps published a proposed Rule to reinstate pre-2015 definition of “waters of the US”
- Agencies conducting roundtable discussions with industry and advocacy groups
- Myriad of legal challenges continuing to percolate up
- Given the Supreme Court ruling in *West Virginia v. EPA*, it is clear that Congress will ultimately need to Act to define the term it created. If not, issue will remain in limbo

Wild Horses

- Congress has provided dramatic increases in funding over past 3 years.
- Congress provided clear instruction to BLM:
 - Dramatically reduce populations in Herd Management Areas with greatest overpopulation issues through gathers and removal of horses.
 - Implement large scale off-range pasture and corral facilities
 - Increase use of birth control to maintain reduced population levels
 - Increase adoptions
 - BLM gathered 16,000 horses last year
 - BLM failing to increase large scale off-range storage facilities
 - BLM failing to increase fertility control
- Drought is responsible for thousands of horse deaths last year and this year we can expect more.

Midterms

- Biden is killing Democrats
- Biden Approval Ratings:
 - RealClearPolitics—38.2%
 - Reuters—36%
 - Monmouth University—36%
 - New York Times/Siena College—33%
 - Only 26% of Democrats want Biden to run in 2024
 - Trump at same point in term was 43.2%--lowest was 33%
 - During this midterm Republicans lost 41 House Seats
- Issues that matter: Its all about the economy
 - Economy 33%--inflation, gas prices
 - Crime 11%--mass shootings
 - Environment 6%--Democrats over promising
 - Immigration 5%--no plan by Administration
 - Energy Issues 2%--price of gas seen as an economy issue not an energy policy issue
- 88% of Americans believe the US is headed in the wrong direction
- Americans evenly divided 47%--47% on whether Republicans or Democrats should control Congress



2020 Election Map

US House

- **Current Makeup: 220 Democrats/210 Republicans and 5 vacancies**
- **Democrat Seats:**
 - 162 Solid Democrat
 - 25 Lean Democrat
 - Total 187 Seats
- **Republican Seats:**
 - 192 Solid Republican
 - 23 Lean Republican
 - Total 215 Seats
 - Republicans only need 3 of the “toss up” seats to win majority.
- **33 Seats Toss Up**

US Senate

- Currently 50-50 split in Senate
- 2022 Elections:
- 47-48 Solid Democrat Seats
- 50 Solid Republican Seats
- 2-3 Toss up seats: Kelly-AZ, Cortez Masto-NV, Warnock-Georgia

A detailed topographic map of the Southwestern United States, showing terrain, rivers, and major cities. The map is overlaid with a grid. The text is centered on the map.

Questions and Discussion

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