



DEPARTMENT OF THE INTERIOR

Solid Minerals: Opportunities for Indian Country

Intertribal Transportation Association
Las Vegas, NV
December 2018
Division of Energy and Minerals Development



Assistant Secretary – Indian Affairs
Office of Indian Energy and Economic Development
DIVISION OF ENERGY & MINERAL DEVELOPMENT



The most abundant- and
profitable- solid mineral
resource for most tribes is???



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Aggregate!

- Sand
- Gravel
- Crushed Rock



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How does aggregate present an opportunity?

Aggregate is used for everything!

- Construction and maintenance of roads.
- Construction projects.
- Emergency preparedness.
- Economic development.



Road Construction and Maintenance

- 80% of reservation roads are unpaved gravel roads.
 - 83% of these roads are classified as “not acceptable.”
- Maintenance of the existing roads is vital.
- New road construction provides a safe reliable mode of travel.
- Native Americans have the highest per capita number of road deaths of any demographic group in the USA.



Infrastructure Projects



Residential Development



Casinos



Septic Systems



Roads, barriers,
buildings, breakwaters



Hospitals



Office Parks



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Construction Aggregate's role in Emergency Preparedness

- The development and availability of the primary raw material required to mitigate, prepare, respond, and recover buildings, infrastructure, roads, bridges, and homes.
- That raw material is **Construction Aggregate**



Bad River Flooding 2016



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Economic Development



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Economic Reality on Reservations

- Most construction projects on or near reservations rely on supplies of aggregate resources from non-Indian sources.
- This represents lost economic opportunities.



Cost Savings on Reservations

- Can be costly to import aggregate.
- Typical sales radius: 30 miles.
- Remote reservations have paid up to THREE times as much for materials than consumers in metropolitan areas.



How can these opportunities be accomplished?

- Assistance from the Division of Energy and Mineral Development (DEMD!)



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Division of Energy and Mineral Development

DEMD can assist with the following:

- perform initial exploration;
- define potential targets for development;
- perform market analyses to establish production/demand for a given commodity;
- provide outreach and education to tribes concerning energy or mineral development issues;
- perform economic evaluation and analyses of the resource; and
- promote completed projects at industry conferences and to prospective partners or investors.



Provide an option for economic diversity: Be proactive!

- Assess your Tribal aggregate resource(s).
 - Certification of the aggregate resource by testing its quality/quantity at a state certified laboratory.
 - Comprehensive testing of the aggregate at a state certified laboratory to determine its suitability for various uses (e.g. Asphalt/Concrete.)
- Obtain a permit to mine.
- Inherent economic advantage for tribes to develop and market aggregate.



Why should a Tribe obtain a permit?

- A permit allows for the immediate development of your resource.
- A permit provides assurances to the Tribe that the resource will be accounted for, and, that a proper mining and reclamation plan will be followed.
- A permit will allow for production verification and/or resource accountability.
- A permit will prevent future environmental issues.



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Results

- With a certified aggregate resource and a permit to mine the Tribe is open and ready for business.



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Summary of Opportunities

- Construction and maintenance of roads.
- Construction projects.
- Emergency preparedness.
- Economic development.



Reclaimed Gravel Pits



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Competitive Sand and Gravel Operation - Price Analysis - Idaho State
100,000 Ton per Year

	Used Equipment Lease 5-Year Term	Used Equipment Purchase 7 Year Loan
Scenario	\$/T	\$/T
Case 2: Tribe Hires Contract Miner	\$8.97	\$10.31
	8.0 % *	8.0 % *
Case 3: 100% Tribally Owned and Operated	\$8.05	\$9.40
	8.0 % *	8.0 % *
Case 4: 100% Company Owned and Operated	\$10.40	\$11.97
	8.0 % *	8.0 % *
Margin: Case 4: 100% Company Owned minus Case 2: Tribe Hires Contract Miner	\$1.43	\$1.66
Margin: Case 4: 100% Company Owned minus Case 3: 100% Tribally Owned	\$2.35	\$2.58

* Company Owned - Profit/Total Cost

Idaho Taxes:

1. INCOME TAX - 6.925%
2. SALES TAX: STATE 6.0%
3. PROPERTY TAX CALCULATION - NET VALUE OF SALES OF OPERATION TIMES 1.298%
4. NO SALES TAX ON MINING EQUIPMENT



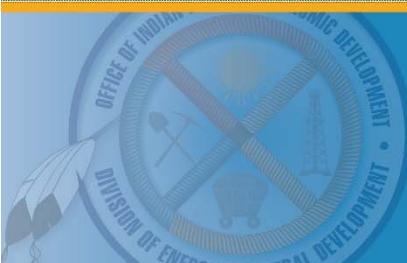


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DEMID Grant Programs



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DEMD Grant Programs

- Energy and Mineral Development Program (EMDP)
- Tribal Energy Development Capacity (TEDC)



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Energy and Mineral Development Program (EMDP)

DEMD's annual, competitively judged grant program

- Available to Tribes and Tribal Corporations
- Information, application, guidelines, etc. are at: *grants.gov*
- **Tribes have until January 25, 2019 to apply.**
- Funding is for resource assessment, marketing studies, laboratory testing, etc., but not for salaries or equipment.
- Funding has consistently increased as a result of Tribal project success.



EMDP Project funding: 2018

- October 15, 2018: Grant solicitation will be advertised on Grants.gov.
- 90-time period to apply.
- DEMD can provide basic assistance via review of the basic aspects of the grant application (if provided to us in advance for review.)
- Note: EMDP funding is subject to annual appropriations based on approval from congress and is discretionary.



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Grant Programs: TEDC

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Tribal Energy Development Capacity Program (TEDC)

- a Grant program to develop tribal managerial, organizational and technical capacity to maximize the economic impact of energy resource development on Indian land
 - Establish business entity structures and/or organizational structures related to energy resource development Business development capacity
 - Develop or enhance key regulatory activities

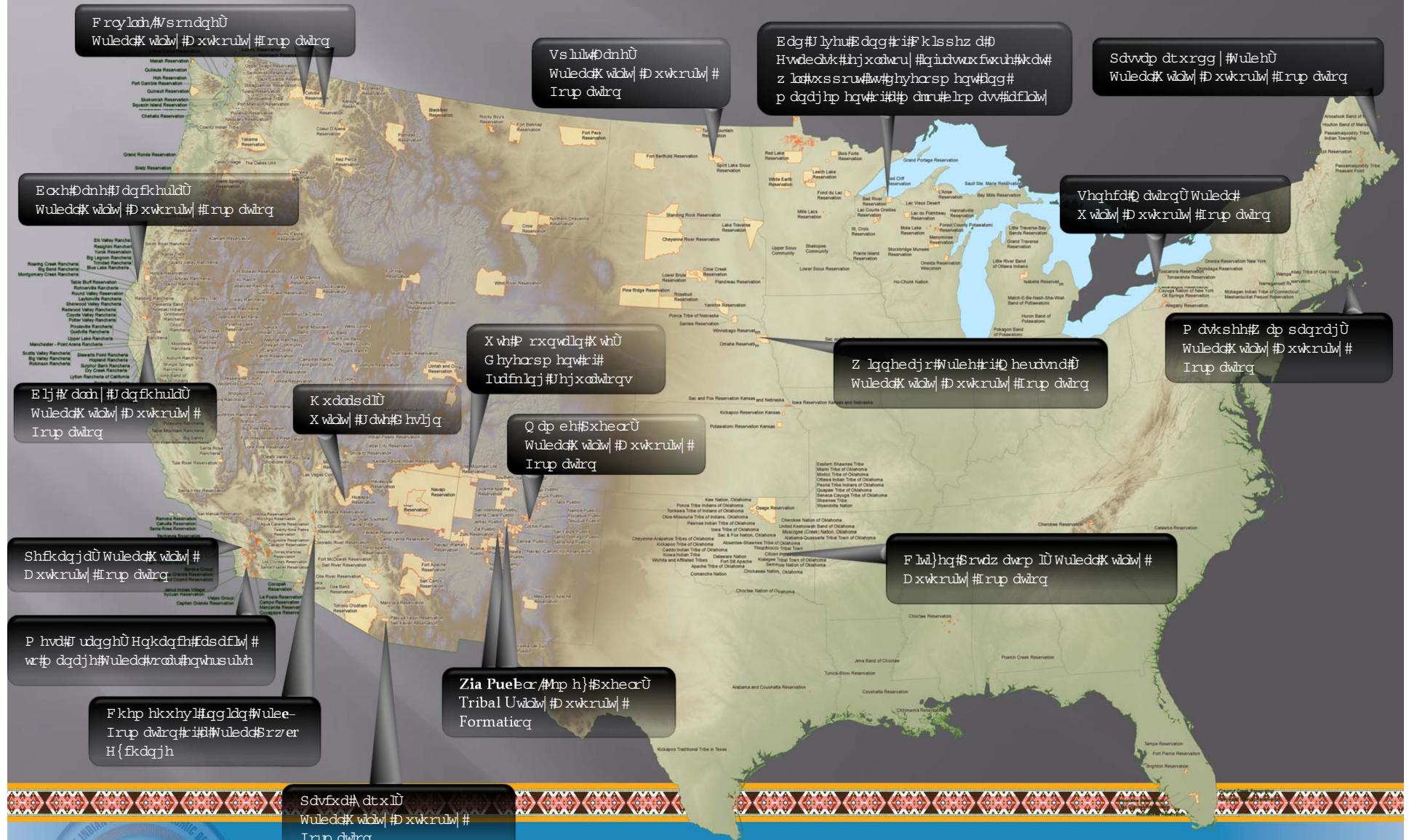
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Division of Energy and Mineral Development

Tribal Energy Development Capacity (TEDC) Projects



2015 Project Locations

DIVISION OF ENERGY & MINERAL DEVELOPMENT



Business entity formation activities (TEDC)

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Regulatory Activities (TEDC)

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Ineligible Activities

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Summary

- DEMD's annual grant program can provide the necessary funding to assist Tribes in reaching their goals.
- <https://www.bia.gov/WhoWeAre/AS-IA/IEED/DEMD/TT/TF/index.htm>
- DEMD's staff can provide technical assistance to help create opportunities throughout Indian Country.





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Contact Us!	
Dennis Bodenchuk Branch Chief	720-407-0603 dennis.bodenchuk@bia.gov
Tammy Jacobs Geologist	720-407-0658 tammy.jacobs@bia.gov
Amanda Ayala Geological Engineer	720-407-0620 amanda.ayala@bia.gov
Duane Matt Geologist	720-407-0605 duane.matt@bia.gov
David Hummer Mining Engineer	720-407-0664 david.hummer@bia.gov
Christopher Benson Geologist	720-407-0600 chris.benson@bia.gov

Assistant Secretary – Indian Affairs
Division of Energy and Mineral Development

Website:

<http://www.bia.gov/WhoWeAre/AS-IA/IEED/DEMD/>

