

**Geological Society of Nevada
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Douglas Silver's Crib Notes

Hi everyone! You keep inviting me back. Haven't you learned your lesson yet?

I am going to do things differently tonight because of the nature of the talk. With the world in such a flux, I can't predict the future. Additionally, the left, right and center media are so focused on spinning their distorted narratives that few of them are telling the truth. This forced me to review all 2,496 pages of the One Big Beautiful Bill to make sense of its factual nature and share the fact with you. Turns out that was the House bill. The final act was another 1,018 pages.

I probably missed some important points but am proud to be one of at least two people (Deb Struhsacker being the other) of 342 million people who bothered to read the bill.

There are lots of changes that refer to specific sections or subsections of existing legislation. However, unless you have a PhD in government-speak and review the prior legislative actions, there is no way to fully understand the importance of a proposed change. So, I am only picking those items that do not require this expertise.

I compiled a massive amount of information for this speech, so I encourage you to download a copy of the presentation because I am only going to cover a fraction of its content. It is 56 pages long and will be posted tomorrow.

All of my facts are derived directly from the bill or from credible sources. Some of you may think that I am going to put a bloody liberal overtone to my comments. I will not because the bill is a done deal and I have no idea or way to judge whether the projected outcomes will materialize.

I will cover three topics over the next half hour.

1. Debts and Deficits
2. Natural Resources
3. Senior Citizens

DEBTS and DEFICITS

Federal Deficits

The Federal Deficit measured how much money is coming in and out of the Treasury. In 2025 the Gross Federal Deficit is \$1.9 Trillion and expected to grow to \$2.5 trillion by 2035 (+\$600 billion).

Federal Debt

Our national debt is money that we borrowed from others and now need to repay. The current amount is \$36.2 trillion.

Here's a factoid for you.

Our national debt first broke \$1 trillion under which President?

Answer: Jimmy Carter in 1981.

This debt is principally held by Americans (\$19.9 T / 55%), the U.S. Federal Reserve (\$4.7 T / 13%) and the Social Security Administration (\$2.5 T / 7%). The other 25% is held offshore. Japan (3%), the U.K. (2%) and China (2%) are the next three largest holders of U.S. Debt.

A study on the impact of debt on countries over the past 8 centuries was published in 2011. It found that when Debt to GDP exceeds 90%, financial crisis is pretty much certain. The U.S. broke through 90% in 2010, is currently at 121% and is expected to rise to 135% (\$59.2 T) by 2035. If the U.S. financial system collapses, so does the rest of the world.

Federal Interest Paid

These numbers are important to understand because when we borrow, we must pay it back. We are not Greece or Argentina. The bugaboo is the amount of interest that must be paid.

In 2025, the interest costs are expected to be \$952 billion. This is greater than our military budget (\$850 billion). Over the next ten years, the U.S. government is expected to spend \$13.8 trillion dollars just on interest costs. Large interest costs take funds away from other programs.

Federal Spending Programs

The 2025 Spending budget is expected to be \$7 Trillion and rising to \$10.6 Trillion by 2035. Spending growth as a percentage of GDP will rise from 21.1% to 24.9% (+3.8%).

But revenues as a percentage of GDP is only expected to rise from 17.3% to 18.6% (+1.3%). Federal revenues have been flat for the past 10 years (averaging \$4.5 trillion per year).

This is why the Senate is saying “Excessive spending, not insufficient revenues, explain the surge in annual deficits.” This, of course, is illogical. If revenues were also increased, the deficit and the national debt could be reduced. My question is “if we have such a hot economy, why are government revenues flat?”

BTW, 49% of the Federal revenues are derived from Individual Income taxes. Another 35% of taxes come from Social Security and Medicare Taxes. Corporate income taxes only represent 11%. These three sources represent 95%.

Remember, I said that our national debt first broke \$1 Trillion in 1981? The question to both political parties is “Why have you waited so long to address it?” The answer is probably “Because we would have to cut important programs supported by our constituents.” Then we would lose votes.

Trump, on the other hand, decided to take a crack at it and is hopeful that he can lower the debt by \$2 trillion. His plan takes three approaches:

1. Reduce waste and fraud.
2. Reduce spending.
3. Make it harder for people to get onto Federally sponsored programs.

This is where the One Big Beautiful Bill comes from. I am sure you know this but I thought it would be helpful to set the stage before I jump into the statistics.

ONE BIG BEAUTIFUL BILL (OBBBA)

The final bill is broken into 11 sections and several parts and it should be noted that not all Federal Agencies are included. The total page count is 1,018 pages.

Be aware that as painful it is to read this bill, it goes fairly quickly. There will be a header such as “Resume offshore oil leasing.” This will then be followed by a block of pages explaining how this will be done. There is then a section where dissenting opinions are offered and finally pages of how each member voted. Because I only care about the header and its economic impact, I was able to breeze through most of the document.

In the Appendix of my presentation, I have summarized the anticipating revenues, cost savings and impact on each of the eleven sections. This is why the presentation is so thick.

I am going to now focus only on two sections that directly impact Mining and Senior Citizens (of which I see plenty in the audience.)

NATURAL RESOURCES

The bill is focused on three aspects.

1. Opening up Federal lands to exploration for Nature’s products.
2. Increasing fees.
3. Removing the ability for opposition groups to block a project.

For instance, in the case of oil and gas:

1. Resumption of onshore and offshore sales and leases.
2. Reopen Alaska for oil and gas exploration.
3. Increase offshore lease sales in the Gulf of Mexico and Cook Inlet, Alaska.
4. At least 80,000,000 acres for each lease.
5. Adherence to the Endangered Species Act and Maritime Mammal Protection Act.
6. Allow Offshore comingling.
7. Less government oversight.

NEPA Reviews

1. Sponsor submits application (EIS, EA)
2. 15 days later Lead agency assigned and fees determined.
3. Environmental Assessment must be completed within 6 months.
4. Environmental Impact Statement must be completed within 12 months.

5. Fees of 125% of lead agency's anticipated cost.
6. No administrative or judicial review of the EIS.
7. Rescission of data collection for environmental and climate change studies.

Protest Fees

1. \$150 per submission: Such submission has to be less than 10 pages.
2. \$5 per page for submissions longer than 10 pages.
3. \$10 per submission if it involves more than one property.
4. Annual adjustment of fees based on the Producer Price Index (PPI).

Renewable Energy

1. New acreage rental fees (done with a formula)
2. Plus, a capacity fee of 4.58% of gross production
3. Late payment fees implemented.
4. Fees go to the General Fund of the Treasury.
 - a. 25% goes to the State where production occurs.
 - b. 25% goes to the County where production occurs.
5. Rescind Collecting Environmental and Climate data.

Water, Wildlife and Fisheries

1. Rescission of the Coastal Communities and Climate Funding
2. Rescission of NOAA facilities and Marine Sanctuaries.
3. Funding for new reservoirs.

Restart Exploration and Mining in the Superior National Forests (Minnesota)

1. New Leases
 - a. 20-year lease
 - b. Onetime fee of \$100 per acre
 - c. Plus \$100 per acre rental fee from year 6
 - d. Renewal fee of \$100 per acre for a 10-year extension
2. Existing Leases
 - a. 20-year term
 - b. Onetime fee of \$250 per acre
 - c. Annual rental fee of \$1.00 per acre
 - d. Undefined production royalty
 - e. \$10 per acre renewal fee with time conditions
 - f. Must be in production with 5 years of obtaining approval.

Ambler Road in Alaska

1. Agencies to approve the road and issue permits, rights of way, etc.

2. Agree to Alternative A road.
3. Includes language that once the road is approved, no more judicial reviews allowed.
4. \$500,000 per year in road fees from 2025 to 2034.

Coal Mining

1. Mandatory leasing of coal lands on Federal lands.
2. Environmental reviews must be published in 90 days.
3. FMV calculation for each tract
4. Lease sale follows.
5. 7% royalty until September 30, 2034, then 12.5%.
6. Credit given for past advanced royalty payments.
7. 4,000,000 acres of Federal lands.

Lands excluded:

1. Within a National Monument.
2. a component of the National Wilderness Preservation System.
3. a component of the National Wild and Scenic Rivers System.
4. a component of the National Trails System.
5. a National Conservation Area.
6. a unit of the National Wildlife Refuge System.
7. a unit of the National Fish Hatchery System.
8. a unit of the National Park System.
9. a National Preserve.
10. a National Seashore or National Lake shore.
11. a National Historic Site.
12. a National Memorial.
13. a National Battlefield, National Battlefield Park, National Battlefield Site, or National Military Park; or
14. a National Historical Park.

Federal Lands

1. Terminate six Resource Management Plants – Wyoming, Colorado, North Dakota.
2. Return unused Forest Service funds to the U.S. Treasury.
3. Return unused BLM and National Park Service funds to the U.S. Treasury.
4. Allocate \$190 million for the USA 250 anniversary.
5. Forest Service to enter into at least one long-term management plan each year with private or public entities.

6. BLM to enter into at least one long-term management plan each year with private or public entities.
7. Forest Service and BLM to each enter agreements to increase timber production by 25% per year.

Other Facts and Factoids

Section 45X (Advanced Manufacturing Production Credit.) provided 10% tax incentive for domestic extraction, processing and recycling of key battery and industrial minerals. This is being phased out by December 31, 2031. Termination of Wind Energy credits by December 31, 2027.

The primary focus is the acknowledgment that the Wind Energy industry is mature and no longer requires subsidies.

The bill is also focused on preventing foreign entities from benefitting from tax credits, thereby giving US. companies a competitive advantage.

\$2.5 billion has been allocated for developing and stockpiling rare earths and critical minerals under the National Defense Stockpile. This includes providing loans and loan guarantees for critical mineral projects.

SENIOR CITIZENS

Medicare

Medicare is health insurance for people 65 and older.

The proposed changes focus on better enforcement of Medicare spending.

Suspend streamlining enrollment.

Suspend setting minimum staffing limited at long-term care facilities.

Only available to:

U.S. citizens,

Permanent resident aliens

Special language for Cubans.

Setting up Artificial Intelligence programs to search for fraud and recouping improper payments.

Establish national average pharmacy prices through surveys.

Establish a Medicare Payment Advisory Committee to oversee prices and trends.

Federal government going after pharmacies and physicians getting rebates for promoting certain drugs.

Requiring more transparency on costs.

Prevent Medicaid funds going to gender transition surgery.

Enforcing Medicare eligibility. Program only for those that have paid into it.

State will only get reimbursed for 100% of the “Medicare Payment Rate”.

Medicaid

Medicaid is a joint federal and state program that helps cover medical costs for some people with limited resources and income.

Tightening up the rules.

- Prohibited from streamlining Medicaid.
- Verifying proof of citizenship.
- Stricter enforcement of eligibility.
- Prevention of enrolling in multiple states.
- Reverify eligibility every 6 months.
- Stricter rules on removing dead people.
- No funding permitting for Planned Parenthood.
- 13.7 million people expected to be removed from Medicaid.

- Designed to make it more difficult to enroll in ACA.
- Medical premiums expected to rise \$3 billion over four years.
- New fees are being added to enrollees.
- Fraud to date is related to insurance agents not enrollees.
- Reports of \$880 billion in cuts to Medicaid programs.
- 2.3 million people will be kicked off (why?)
- 600,000 people will be totally uninsured.

Impact on Seniors

Up to 85% of Social Security benefits may be taxable.

New \$4,000 deduction for taxpayers over 65. (Designed to offset taxable benefits).

Reduced by 4% for people with income of more than \$75,000 (\$150,000 for couples)

Average total tax bracket to reduce from 39.6% to 37%.

Estate and Gift Tax increased from \$10 to \$15 million. Inflation indexed after 2026.

No tax on car loan interest. Not to exceed \$10,000 in interest payments.

Reductions based on income level.

Paid Family and Medical leave credit. Employers decide to take the employees proportional wages as a deduction or the premium paid to insurance company to provide coverage for family and medical leave.

In theory, the total tax bracket should drop from 39.6% to 37%.

CBO Impact Calculation

Source of Coverage Loss	Number of People
Medicaid changes in the law	7.8 million
ACA marketplace changes	3.1 million
Program integrity rule	0.9 million
Expiration of enhanced ACA tax credits	4.2 million
Total newly uninsured	16.0 million

Questions?

Thank you!