

covery of additional domestic mineral reserves, to establish and maintain a program for exploration by private industry within the United States, its Territories and possessions for such minerals, excluding organic fuels, as he shall from time to time designate, and to provide Federal financial assistance on a participating basis for that purpose.

(Pub. L. 85-701, §1, Aug. 21, 1958, 72 Stat. 700.)

CONGRESSIONAL DECLARATION OF POLICY

The recital clause of Pub. L. 85-701, which preceded section 1, provided: "That it is declared to be the policy of the Congress to stimulate exploration for minerals within the United States, its Territories and possessions."

§ 642. Exploration contracts

(a) Terms and conditions; interest rates

In order to carry out the purposes of this chapter, and subject to the provisions of this section, the Secretary is authorized to enter into exploration contracts with individuals, partnerships, corporations, or other legal entities which shall provide for such Federal financial participation as he deems in the national interest. Such contracts shall contain terms and conditions as the Secretary deems necessary and appropriate, including terms and conditions for the repayment of the Federal funds made available under any contract together with interest thereon, as a royalty on the value of the production from the area described in the contract. Interest shall be calculated from the date of the loan. Such interest shall be at rates which (1) are not less than the rates of interest which the Secretary of the Treasury shall determine the Department of the Interior would have to pay if it borrowed such funds from the Treasury of the United States, taking into consideration current average yields on outstanding marketable obligations of the United States with maturities comparable to the terms of the particular contracts involved and (2) plus 2 per centum per annum in lieu of recovering the cost of administering the particular contracts.

(b) Deposit of royalty payments

Royalty payments received under subsection (a) of this section shall be covered into the miscellaneous receipts of the Treasury.

(c) Certification of exploration projects; payment of royalties; time limitation on payment; royalty agreements

When in the opinion of the Secretary an analysis and evaluation of the results of the exploration project disclose that mineral production from the area covered by the contract may be possible he shall so certify within the time specified in the contract. Upon certification, payment of royalties shall be a charge against production for the full period specified in the contract or until the obligation has been discharged, but in no event shall such royalty payments continue for a period of more than twenty-five years from the date of contract. When the Secretary determines not to certify he shall promptly notify the contractor. When the Secretary deems it necessary and in the public interest, he may enter into royalty agreements to

provide for royalty payments in the same manner as though the project had been certified.

(d) Production

No provision of this chapter, nor any rule or regulation which may be issued by the Secretary shall be construed to require any production from the area described in the contract.

(e) Rules and regulations; adjustment of contracts

The Secretary shall establish and promulgate such rules and regulations as may be necessary to carry out the purposes of this chapter: *Provided, however,* That he may modify and adjust the terms and conditions of any contract to reduce the amount and term of any royalty payment when he shall determine that such action is necessary and in the public interest: *Provided further,* That no such single contract shall authorize Government participation in excess of \$250,000.

(f) Availability of funds

No funds shall be made available under this chapter unless the applicant shall furnish evidence that funds from commercial sources are unavailable on reasonable terms.

(Pub. L. 85-701, §2, Aug. 21, 1958, 72 Stat. 700.)

§ 643. "Exploration" defined

As used in this chapter, the term "exploration" means the search for new or unexplored deposits of minerals, including related development work, within the United States, its Territories and possessions, whether conducted from the surface or underground, using recognized and sound procedures including standard geophysical and geochemical methods for obtaining mineralogical and geological information.

(Pub. L. 85-701, §3, Aug. 21, 1958, 72 Stat. 701.)

§ 644. Advice and assistance by Government departments and agencies; expenditure of funds

Departments and agencies of the Government are authorized to advise and assist the Secretary of the Interior, upon his request, in carrying out the provisions of this chapter and may expend their funds for such purposes, with or without reimbursement, in accordance with such agreements as may be necessary.

(Pub. L. 85-701, §4, Aug. 21, 1958, 72 Stat. 701.)

§ 645. Repealed. Pub. L. 93-608, §1(13), Jan. 2, 1975, 88 Stat. 1969

Section, Pub. L. 85-701, §5, Aug. 21, 1958, 72 Stat. 701; Pub. L. 89-348, §2(5), Nov. 8, 1965, 79 Stat. 1312, required Secretary of the Interior to report to Congress on operations of programs authorized pursuant to this chapter.

§ 646. Authorization of appropriations

There are hereby authorized to be appropriated, from any funds in the Treasury not otherwise appropriated, such sums as may be necessary to carry out the provisions of this chapter.

(Pub. L. 85-701, §6, Aug. 21, 1958, 72 Stat. 701.)