

**DIGGING DEEPER:
ENSURING SAFETY AND SECURITY
IN THE CRITICAL MINERAL
SUPPLY CHAIN**

HEARING

BEFORE THE
SUBCOMMITTEE ON ECONOMIC GROWTH, ENERGY
POLICY, AND REGULATORY AFFAIRS
OF THE

COMMITTEE ON OVERSIGHT AND
ACCOUNTABILITY

HOUSE OF REPRESENTATIVES

ONE HUNDRED EIGHTEENTH CONGRESS

FIRST SESSION

NOVEMBER 30, 2023

Serial No. 118-78

Printed for the use of the Committee on Oversight and Accountability



Available on: *govinfo.gov*,
oversight.house.gov or
docs.house.gov

U.S. GOVERNMENT PUBLISHING OFFICE

54-313 PDF

WASHINGTON : 2024

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**DIGGING DEEPER:
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Thursday, November 30, 2023

HOUSE OF REPRESENTATIVES
COMMITTEE ON OVERSIGHT AND ACCOUNTABILITY
SUBCOMMITTEE ON ECONOMIC GROWTH, ENERGY
POLICY, AND REGULATORY AFFAIRS

Washington, D.C.

The Subcommittee met, pursuant to notice, at 2:05 p.m., in room 2154, Rayburn House Office Building, Hon. Pat Fallon [Chairman of the Subcommittee] presiding.

Present: Representatives Fallon, Donalds, Fry, Edwards, Langworthy, Bush, Brown, Stansbury, and Norton.

Also present: Representative Stauber of Minnesota.

Mr. FALLON. This hearing of the Subcommittee on Economic Growth, Energy Policy, and Regulatory Affairs will come to order. Everyone, thank you and welcome.

Without objection, the Chair may declare a recess at any time. I recognize myself for the purpose of making an opening statement.

Today's hearing examines another aspect of American energy independence, access to critical minerals and materials. Critical minerals and materials are the building block of the products we rely on every day. The world is an ever-changing place, and it is dramatically changing. I think 20 years ago nobody could have predicted where we are today and some of the critical materials that are just really essential.

What are critical minerals and materials? There are different definitions. There are minerals that are those that are essential to the economic and national security of the United States.

Our witnesses today are from the Department of the Interior, the Department of Energy, and the Department of Defense, and they all have significant equities in regulatory authorities in this space.

Since this is a cross-agency issue, I believe a cross-agency discussion is a necessary step in resolving our present and potential vulnerabilities regarding our access to these essential materials and minerals. Although other committees have had recent hearings looking into this important topic, here on the Oversight Committee we have a unique opportunity to cut through the jurisdictional lines and look at the entire picture of critical minerals and mate-

rial, the supply chain, including how these elements impact national security with each of the agencies represented at the witness table today.

While the Department of the Interior, the DOE, and the DoD all have slightly differing definitions for these important elements, each of these agencies are crucial players in the U.S.'s ability to procure and utilize critical minerals, from graphite and lithium in the mobile phone batteries to aluminum in wind turbines, cobalt in electric vehicles, nickel in jet engines, and critical minerals that are fundamental to the American economy and, again, national security.

However, the United States only produces 14 of the 50 critical minerals. That means we have to rely on foreign nations to extract, refine, process, and export to us the large majority of these vital materials. Clearly that has national security implications.

Following President Biden's Executive Order 14017, the Administration reviewed the American critical mineral supply chain. It determined that, and I quote, currently the United States has limited raw material production capacity and virtually no processing capacity. Without processing capacity, the United States exports the limited raw materials produced today to foreign markets.

Unfortunately, China dominates the global supply chain. They have been very clever with their approach over the last few decades. They control 60 percent of the production, 90 percent—let me say that again—90 percent of the processing, and over 75 percent of the manufacturing of the critical minerals.

What China cannot extract from within its own borders, it secures access internationally through aggressive investments. I think that is one of the reasons why we see the belt and road initiative and their commitment to that. For example, Chinese companies either own or finance 15 out of the 19 cobalt mines in the Democratic Republic of the Congo. That is a process that largely, unfortunately, exploits child labor.

Further, the renewable energy sector is driving up the demand of these materials dramatically. The International Energy Agency estimates that critical mineral demand from EVs and battery storage necessary for renewable energy could increase 40 times by 2040, 40 times.

Meanwhile, agencies are failing to create policy that is transparent and efficient for private sector industries. In one such instance, the Biden Administration stalled the Twin Metals' project in Minnesota, which would have tapped 95 percent of the domestic nickel and 88 percent of domestic cobalt reserves. That is a decision that is at odds with its aggressive agenda to subsidize renewable energy products dependent on these same materials. Any rational, independent, objective mind would say what I just said.

So, despite the Biden Administration's lofty goals for renewable energy installation and electric vehicle adoption driving critical mineral demand, the domestic mining industry faces extreme hurdles. Again, not consistent.

Biden Administration's red tape causes mining permits to take an average of 7 to 10 years in the United States. Now, that did not mean a lot to me because I did not know if that was—I mean, 7 to 10 years always sounds like a lot. But comparative to what? It

is all relative. OK, well, comparative to, say, you know, developed nations like Canada and Australia, they manage to do those permitting processes in 2 to 3 years with similar environmental standards that we have in the U.S.

Additionally, the various categories of critical minerals and materials, including how they are defined by U.S. agencies affect the speed and quality of domestic production. I would suspect that China does not have a 7 to 10-year waiting period, probably not even 2 to 3.

Increasing domestic mineral mining processing and refinement would fortify our economy and military and ensure these essential minerals are made free of humanitarian abuse and greater environmental risk.

I would like to thank all of our witnesses for coming, sincerely. Thank you for appearing today. I hope that we can have a fruitful discussion on the importance of domestically extracting and processing critical minerals because it is going to benefit and it is going to be involved in good, high-paying American jobs, in securing our supply chain and, in so doing, addressing our national security.

I now yield to Ranking Member Bush for the purpose of making an opening statement.

Ms. BUSH. Thank you, Mr. Chairman.

St. Louis and I are here today because we need to safely develop the materials we need for reliable, renewable, energy. We are here because the best path to achieving that is by enacting a green new deal now. We simply cannot wait.

Last year, St. Louis had two 1-in-1000-year floods over the course of 1 week in July. We are facing record-breaking temperatures, supersized climate disasters, and trillions of dollars in disaster recovery costs. The need to transition to renewable energy should be indisputable because it is essential to protecting both our environment and our health.

We know that the most dire consequences of the climate crisis and environmental degradation fall hardest on Black and Brown and low-income communities. In St. Louis, we feel the brunt of the failure to transition to clean energy every day. Climate change has worsened racial disparities in mortality, respiratory disease, mental health, asthma rates, and heat-related illness.

We must also acknowledge the links between the extraction and sale of these minerals and violence. In March 2022, I attended a congressional delegation to Guatemala and Honduras, and I visited communities directly impacted by mining. I heard directly from them about the devastating effects of irresponsible extractive industries. For example, in Guatemala, Xinca community members and leaders have faced retribution, intimidation, defamation, and even death for defending their land against the Escobal silver mine.

Since 2011, the Xinca people have vocalized their concerns about the mine's impact on water resources, cultural sites, and concerns about the mine's impact on their local self-determination. In 2013, the mining company's security forces opened fire on peaceful Xinca protestors, injuring six people.

We cannot continue to import critical minerals from places like Guatemala in order to make clean energy possible here at the ex-

pense of lives and livelihoods of vulnerable groups elsewhere. That is not the type of sustainable future that I am working toward.

To transition from polluting fossil fuels to clean energy technologies, we must make certain we have enough of the critical minerals and materials needed to get us there, but existing control mechanisms have proven to be inefficient and too heavily rely on corporate goodwill. We must refuse to harm Central America, indigenous and many other communities around the world who live at or near sites of extraction, and we must update and enforce mining laws to ensure development benefits all people.

The global demand for minerals crucial to the development of clean energy technologies will increase at least 400 to 600 percent in the next 20 years, and the demand for cobalt and graphite, two critical materials found in electric vehicle batteries, which we just heard, could increase by nearly 4,000 percent by 2040. Our need to develop domestic supply of these materials, it will only increase in urgency as the demand continues to increase.

We will work with the Biden-Harris Administration to rapidly transition to a renewable energy economy. My colleagues and I, we are leading the way to pave the path for the green new deal. In the process, we will fortify the U.S. supply of critical minerals from corruption and unsafe conditions abroad that could disrupt our economy and put lives in danger. Responsibly strengthening domestic mining infrastructure must also ensure mining is performed in line with rigorous health and safety standards, creating cost-effective domestic production of critical materials.

We are beginning to make the kinds of public investments that we need. Together with congressional Democrats, President Biden signed into law the Infrastructure Investment and Jobs Act, the CHIPS and Science Act, and the Inflation Reduction Act, which have provided a combined \$135 billion toward the electric vehicle sector, including critical minerals and battery manufacturing.

Strengthening domestic production and resilient supply chains can improve economic security by growing the number of good-paying jobs, good-paying union jobs, and supporting the transition away from dangerous fossil fuels. The Environmental Defense Fund found that \$165.1 billion in investments in electric vehicles, their components, and batteries has led to the creation of 179,318 jobs in just the last 8 years.

We need far more investments to take on this climate crisis at scale. This is why I authored the Green New Deal for Cities Act. It will fund state, local, tribal, and territorial governments to do a broad array of climate and environmental justice projects, creating hundreds of thousands of union jobs in the process.

Additionally, my bill includes minimum 50 percent investments in both frontline communities and climate mitigation. These types of investments help move the United States away from its reliance on critical minerals developed in unsafe and unaccountable working conditions that endanger communities.

We will generate hundreds of thousands of good-paying union jobs in places like St. Louis and all around our country.

Thank you. And I yield back.

Mr. FALLON. Thank you.

Without objection, Representative Stauber from Minnesota is waved onto the Subcommittee for the purpose of questioning witnesses at today's Subcommittee hearing.

I am pleased to welcome our witnesses for today. Steve—and help me with your last name. I am a little intimidated.

Mr. FELDGUS. Feldgus.

Mr. FALLON. Oh, OK, it is not bad. Steve Feldgus.

Isabel Munilla. Is that correct? Yes.

And work with me. I want to do it, see. We are going to try it out. Halimah?

Ms. Najieb-Locke. Yes.

Mr. FALLON. Halimah Najieb-Locke.

Ms. NAJIEB-LOCKE. Najieb-Locke.

Mr. FALLON. Najieb-Locke.

Ms. NAJIEB-LOCKE. Very close. Very close, sir.

Mr. FALLON. Thank you for coming today. I appreciate it.

First, we have Dr. Feldgus who is Deputy Assistant Secretary for Land and Minerals Management at the Department of the Interior. Next, we have Ms. Isabel Munilla, Deputy Assistant Secretary for Multilateral Engagement, Climate and Market Development in the Office of International Affairs at the Department of Energy. And last, we have Ms. Najieb-Locke—yes—Deputy Assistant Secretary for Industrial Base Resilience at the Department of Defense. We look forward to hearing what you all have to say on this important topic.

Pursuant to Committee Rule 9(g), the witnesses will please stand and raise their right hands.

Do you solemnly swear or affirm that the testimony you are about to give is the whole truth, the truth, the whole truth, and nothing but the truth, so help you God?

Thank you.

Please let the record show that the witnesses have answered in the affirmative.

Thank you. Please take your seats.

We appreciate, as I said, you being here and welcome you for your testimony. Let me remind the witnesses that we have all read your written statements, and they will appear in full in the hearing record. Please limit your oral testimony to 5 minutes.

As a reminder, please press the button on your microphone in front of you, and you are going to have a little light. It will be green, and then when you have got a minute left, it will be yellow, and then red. If you could, at that point, just kind of wrap it up, that would be much appreciated.

I now recognize Dr. Feldgus for his opening remarks.

**STATEMENT OF STEVE FELDGUS
DEPUTY ASSISTANT SECRETARY
LANDS AND MINERALS MANAGEMENT
U.S. DEPARTMENT OF THE INTERIOR**

Mr. FELDGUS. Thank you.

Chairman Fallon, Ranking Member Bush, Members of the Subcommittee, my name is Steve Feldgus. I am the Deputy Assistant Secretary for Land and Minerals Management at the Department of the Interior. Thank you for the opportunity to provide testimony

on the Biden-Harris Administration's commitment to updating our mining policies, reforming the general Mining Law of 1872, and promoting the sustainable and responsible domestic production of critical minerals.

The Administration recognizes the important role mining plays in the modern economy and the growing need for responsibly sourced critical minerals to meet our climate infrastructure and global competitiveness goals.

Since its enactment in 1872, the Mining Law has shaped domestic mineral production on Federal lands. Initially, the Mining Law allowed for the development of nearly all mineral resources. In 1920, Congress enacted the Mineral Leasing Act, which removed petroleum, natural gas, and other hydrocarbons from the Mining Law and created a leasing-based system for those minerals. In 1947, the Materials Act removed certain common minerals, such as sand and gravel, from the Mining Law and, instead, made them subject to sale or permit.

Today, however, almost all hard rock minerals on Federal land, including precious metals such as silver and gold, remain subject to disposition under the 150-year-old Mining Law. Significantly, the Mining Law also applies to the critical minerals that are needed to support our modern economy and fuel our transition to renewable energy; minerals like graphite, lithium, and cobalt.

As of the end of Fiscal Year 2023, there were over 500 active plans of operation on Federal lands, which reflect the number of commercial mining and large-scale exploration activities, and another more than 800 active mining notices, which reflects smaller scale exploration.

The Biden-Harris Administration has approved over 34 new mining operations since taking office, including a new critical mineral mine for vanadium in Nevada just over 1 month ago. The Mining Law does not require companies to report the type or quantity of minerals produced on Federal lands, so the Department, unfortunately, cannot provide an accurate accounting of total mineral production occurring, including for critical minerals.

While over the past 150 years the overall management of our public lands has evolved considerably to meet the needs of our Nation and more effectively steward public lands and resources, almost all hardrock minerals on Federal lands remain subject to disposition under the outdated Mining Law of 1872. This inadequate structural framework serves as an impediment to a robust and environmentally and socially responsible domestic mining industry.

As I have mentioned, unlike for oil, gas, coal, and certain other minerals, the Mining Law of 1872 allows hardrock minerals to be extracted from public lands royalty free. Furthermore, while coal companies pay a fee for every ton of coal they mine, which goes into the abandoned mine fund to clean up legacy coal mines, there is no equivalent source of funding to address the tremendous need for cleaning up abandoned hardrock mines.

Since taking office, the Biden-Harris Administration has outlined a whole-of-government approach to addressing our need for critical minerals and to ensure that domestic mining activity is carried out in a responsible and efficient manner.

In February 2021, President Biden issued Executive Order 14017, America's Supply Chains, which directed a governmentwide review to assess vulnerabilities and strengthen the resilience of supply chains of various goods, including critical and strategic minerals essential to our economic and national security. Consistent with the outcome of that review, in February 2022, the Department announced the launch of an interagency working group comprised of experts in mine permitting, public engagement, and environmental law from across the Federal Government. The working group was charged with reviewing laws, regulations, policies, and permitting processes for hardrock mineral development.

As part of that review, the Department considered input received during dozens of meetings with the public and stakeholders, multiple government-to-government consultation with tribes, and a review of over 26,000 public comments, including from the mining industry, state governments, tribal nations, labor organizations, and others.

The working group concluded that fundamental reform of the Mining Law of 1872 is necessary to provide an adequate structural framework and remove impediments to the operation of a responsible and sustainable domestic mining industry. The final report from the working group contains more than 60 specific recommendations to improve mining on public lands, including a number of reforms for Congress to consider.

Thank you again for the opportunity to be here today. Recommendations from the working group's report can help ensure a sustainable and responsibly sourced domestic supply of minerals, which are key to advancing the Nation's vital climate infrastructure and global competitiveness goals.

I appreciate the opportunity to testify today and would be happy to answer any questions.

Mr. FALLON. Thank you, Doctor.

The Chair now recognizes Ms. Munilla for her 5 minutes.

**STATEMENT OF ISABEL MUNILLA
DEPUTY ASSISTANT SECRETARY
MULTILATERAL ENGAGEMENT, CLIMATE AND
MARKET DEVELOPMENT
OFFICE OF INTERNATIONAL AFFAIRS
U.S. DEPARTMENT OF ENERGY**

Ms. MUNILLA. Thank you.

Chairman Fallon, Ranking Member Bush, and esteemed Members of the Subcommittee, thank you for the opportunity to testify before you today. My name is Isabel Munilla, and I serve as the Deputy Assistant Secretary for Multilateral Engagement, Climate and Market Development at the Department of Energy's Office of International Affairs.

I appreciate the opportunity to provide an update on DOE's work to advance technologies and approaches to ensure secure domestic critical mineral and material supply chains.

For the 31 of 50 minerals designated by USGS in its critical minerals list, the U.S. relies on other countries for more than 50 percent of our requirements, and we rely entirely on foreign sources

for more than a dozen of these minerals, as we have mentioned earlier.

With expected demand growth for critical minerals and materials, or CMMs, to increase by four to six times over the next three decades, no single country would be able to satisfy global demand. This situation provides both a challenge and an opportunity to grow our domestic industries to help meet the growing global market demand to increase American competitiveness while diversifying supply chains and to improve labor and environmental standards worldwide while creating new technologies that can be deployed domestically.

In response to this challenge, President Biden signed Executive Order 14017 on American's Supply Chains in February 2021, and he directed the Administration to assess the supply chain risks within each agencies' jurisdiction, developing strategies to respond to the risks. Importantly, this executive order expands work previously directed in the September 2020 EO 13953.

In two DOE reports over the past 2 years, we have found that to meet the projective demand for CMMs, the U.S. must develop multiple sources for critical materials. However, that alone will not be sufficient to establish a resilient supply chain. A lack of processing and refining capabilities, as well as manufacturing, often poses a greater risk to supply chain robustness than the resources themselves.

The PRC, as we know, maintains a dominant global position in the processing capabilities for several critical materials, and by intervening in each stage of the supply chain for over three decades, PRC nonmarket policies and practices and resulting market distortions have allowed them to concentrate production and lower their costs to make them highly competitive against other market players.

This has made it difficult for midstream processing capabilities to be built in the United States or other countries, and it is clear that our global dependence on a single source for these materials leaves the U.S. and our allies vulnerable to economic coercion, such as we have seen using export controls earlier this year.

We must ensure a sufficient and diverse worldwide supply of critical materials from responsible sources to protect our national security and industrial competitiveness, and the Department of Energy is committed to tackling this challenge.

Our strategy for enhancing American competitiveness and national security on critical minerals and materials includes five pillars, which you will see in the written testimony. Diversifying and expanding supply chains, developing alternatives, promoting efficient materials and manufacturing, reducing the need for virgin material through enhanced circularity, and furthering enabling activities like strong international environmental and labor standards, lifecycle and technoeconomic analyses, enhancing capabilities for modeling, machine learning, traceability and verification.

For over a decade, DOE has invested in CMM research and development to address scientific and technological challenges underpinning our vulnerabilities. In addition, DOE has over 8 billion in funding dedicated to critical materials and minerals advancement. To date, nearly 2 billion in Federal funding has been awarded to

projects related to CMM crosscutting activities with a match of nearly 4 billion in private sector investment.

Additionally, the IRA provides 48C tax credits to re-equip, expand, or establish industrial facilities for the processing, refining, recycling of critical minerals and materials-related technologies that will expand our domestic manufacturing capacity.

But we cannot meet U.S. demand through domestic production alone. To complement our domestic investments, collaboration with the private sector and other countries is key to expand and diversify the sources and quantities of responsible supplies.

The Department is proactively engaging with our international partners, with our colleagues in the interagency, including the G7 and International Energy Agency where we are working with allies to promote secure and diversified supplies, enhanced market transparency, and responsible practices across the supply chain.

Critical minerals and materials are crucial to the way we live our lives every day. They are required in a wide range of strategic industries, including aerospace, medicine, and defense. They are also indispensable components in clean energy, as we have discussed, such as batteries, EVs, wind turbines, and solar panels.

Our reliance on non-allied foreign sources for these materials is neither sustainable nor secure. That is why the DOE is taking robust and wide-ranging action to address this challenge and secure domestic and allied supply chains for critical minerals and materials.

Thanks for the opportunity to testify, and I look forward to answering any questions.

Mr. FALLON. Thank you.

The Chair now recognizes Ms. Najieb-Locke for her 5 minutes.

**STATEMENT OF HALIMAH NAJIEB-LOCKE
DEPUTY ASSISTANT SECRETARY FOR
INDUSTRIAL BASE RESILIENCE
U.S. DEPARTMENT OF DEFENSE**

Ms. NAJIEB-LOCKE. Thank you.

Good afternoon, Chairman Fallon, Ranking Member Bush, and distinguished Members of the Subcommittee. Thank you for the opportunity to testify on the importance of mitigating critical and strategic material supply chain risk within America's defense industrial base.

My name is Halimah Najieb-Locke, and I am the Deputy Assistant Secretary of Defense for Industrial Base Resilience, and in my role, I work together with colleagues across the Department of Defense, as well as the interagency, to secure key sectors of the industrial base, including, but not limited to, strategic and critical materials, technology, and work force for the benefit of our military and our national security.

We know from history that industrialized nations that do not have secure and reliable access to critical materials during conflicts have suffered performance tradeoffs that contributed to their defeat on the battlefield. We must stay focused on our work to develop robust, resilient, and sustainable, as well as dynamic, defense industrial-based ecosystems that will contribute to the Nation's integrated deterrence.

In recent months, Chinese export restrictions on three key materials, gallium, germanium, and graphite, have demonstrated the PRC's willingness to cause disruption to critical U.S. supply chains and highlighted the urgency of securing U.S. supply chains against such tactics.

The Department needs stable access to arrange these essential materials for everything from large-capacity batteries and microelectronics to conventional munitions and missiles, and new chemistries for next generation weapons and aircraft. We rely on these materials as key components to power computation for DoD weapon systems.

For instance, the Virginia and Columbia-class submarines, as well as DoD aircrafts, such as the F-35, require rare earth magnets. Antimony, magnesium, and other chemical precursors are necessary for our missiles and munitions industrial base, including our propellants.

President Biden's Executive Order 14017, America's Supply Chains, worked to identify our weaknesses and provide recommendations to increase our readiness and strategic and critical materials supply chains. And just this week the President announced the establishment of the Council on Supply Chain Resilience to institutionalize the progress this Administration has made in buying down risk to our national security.

I would like to highlight the Department of Defense's approach to securing strategic and critical materials, which centers on four key solutions: Stockpiling to reduce our vulnerability to sudden disruptions, investments to build long-term capacity through the Defense Production Act Title III, the DPA, and the Industrial Based Analysis and Sustainment program, IBAS.

Three, DoD's acquisition policies that root DoD supply chains in secure sources. And finally, our international partnerships that leverage and strengthen U.S. and allied secure strategic critical minerals. We use security of supply arrangement, or SOSAs, to further this cooperation.

Turning to our first solution, a key pillar of the Department's approach to secure supply chains is strengthening our U.S. stockpile. The National Defense Stockpile, or the NDS, is the Nation's stockpile for strategic and critical materials, serving as an important buffer during emergencies. Stockpile reserves allow us to release materials to keep key production lines operating until long-term supply chains are restored.

We recognize and applaud Congress' appropriation of over 238 million in Fiscal Year 2, for the first time in nearly three decades I might add, to give the NDS the strategic asset that it needs to build our readiness for our complex threat environment. However, material shortfalls remain. To bolster the NDS inventory and hedge against material risk to our defense capabilities, I recommend that Congress fund the President's budget request for the NDS acquisitions.

In addition to stockpiling, we focus on investing in domestic capacities for critical and strategic materials. As of November 16, 2023, my office has awarded \$645 million and committed another \$394 million across 33 strategic and critical material projects in Fiscal Year 2. This funding is comprised of funds from the Ukraine

Supplemental and Inflation Reduction Act, as well as congressional adds to base funding to the accounts.

More investments are planned but, again, because of the volatile threat environment, we recommend that Congress support the full Presidential budget request for DPA and IBAS.

In conclusion, the path forward will rely on international partnerships, our fourth solution, to build upon what we have done to bolster domestic capacity. We ask to strengthen military partnerships, such as AUKUS, by investing in leveraging unique capabilities of our allies through the use of the DPA Title III, which has a legislative proposal in with Congress to invest in projects in Australia and the United Kingdom, to consider them as domestic sources.

So, when we look at international partnerships, revamping the NDS, and investing in our domestic industries, we know that these are the tools that the Department has and a comprehensive approach to secure strategic critical materials, but these actions are a part of a larger framework to be released by the Department known as the National Defense Industrial Strategy.

Recent disruptions and adversarial actions have underscored what we have long recognized. It is more urgent now than ever to build our capability resilience and environmentally friendly supply chains for critical minerals.

Thank you for providing me an opportunity to testify before you today, and I look forward to your questions.

Mr. FALLON. Thank you very much.

The Chair now recognizes my good friend from Florida, Mr. Donalds, for his 5 minutes.

Mr. DONALDS. Thank you, Mr. Chairman. Witnesses, thanks for coming in.

Ms. Munilla—did I say that right?

Ms. MUNILLA. Yes.

Mr. DONALDS. OK. Got it, got it.

True or false? Demand for graphite, copper, nickel, lithium, and cobalt will rise substantially over the next two decades, and these key minerals—these are key minerals of electric vehicles and battery storage technology?

Ms. MUNILLA. True.

Mr. DONALDS. OK. According to the Breakthrough Institute, the Biden Administration's electrification goals require at least a 62 percent increase in cobalt and a 590 percent increase in graphite, there is obviously insufficient production of cobalt and graphite in the United States.

In your view, is it reasonable to impose such an onerous and unrealistic Federal electrification aspiration when there is not enough domestic critical mineral supply and rare earth mineral to accomplish the goal? Is that a wise thing to do?

Ms. MUNILLA. Thank you for that question.

This is a very important tension. I think the market has moved. The demand for these materials, not just for graphite and cobalt but for other materials, is coming to us from the broader market and from industrialization, certainly for clean energy technologies and their deployment, but also for broader industrialization purposes.

And so, I would say that this is something that is needed. The market is moving very quickly, and we are trying to respond, and we are trying to also be competitive in that market. We do not want to leave a vacuum for others to sideline U.S. competitiveness, U.S. jobs, and certainly U.S. industry from getting a piece of that market.

So, the domestic investments are really critical to have us be competitive moving forward.

Mr. DONALDS. In your opinion, what would be the best path forward for domestic mining capacity, mining operations to meet the capacity needs? What would be the policy recommendation from the Department of Energy to make that a reality? Because one thing we find all the time in Congress, especially in these hearings, is that everybody wants to do things, everybody is willing to invest, quote, unquote, in things, but there are no practical regulatory—there is no practical regulatory framework to accomplish the mission except for using massive amounts of subsidization out of the Federal Treasury.

So, what would be the path of least resistance and the most effective path to develop these critical minerals here in the United States?

Ms. MUNILLA. The Energy Act of 2020 gave the Department the mandate to begin to diversify those supplies to invest in the domestic manufacturing technology innovation baseline. It gave us the direction to move forward very quickly to invest—

Mr. DONALDS. So, I am going to hold you right there because the word “invest” came out three times. And one of the issues we do have is a regulatory burden that stops the ability for companies to mine for these critical minerals in the United States.

Do we need a regulatory overhaul to help accomplish the critical minerals needs for the electrification desires or dreams, I would say, of the President of the United States?

Ms. MUNILLA. The President of the United States and the Congress have given us significant amount of resources to move forward within the BIL, the IRA, and those regulations to implement those and the funding is moving forward.

Mr. DONALDS. Give me one example. Give me an example of one.

Ms. MUNILLA. The 30D tax credit is moving forward. The Treasury Department is moving forward with implementing the guidance and executing on that guidance. There is movement on the 48C tax credit, and we certainly have a lot of regulatory guidance that has been issued to the market. We see forthcoming guidance coming on a range of issues, including the hydrogen tax credit, et cetera, so—

Mr. DONALDS. So, you have mentioned now three tax credits. These are all funding apparatuses. These are funding mechanisms.

Ms. MUNILLA. Yes.

Mr. DONALDS. But we have not touched on anything with respect to regulatory burdens.

Is the EPA going to play ball and allow us to actually do the work that needs to be done in the United States to accomplish these goals?

Is the Bureau of Land Management, Dr. Feldgus, is BLM going to allow us the ability to have the flexibility to do the mining nec-

essary to accomplish these critical goals? That is a regulatory situation. That is not a funding situation.

What is the answer to that?

Mr. FELDGUS. Yes. In our mining report, we have 65 recommendations on legislation, regulatory, and policy efforts that can move mining in the United States forward.

Mr. DONALDS. Ms. Munilla, do you concur with that?

Ms. MUNILLA. We would concur. We have been working in the interagency on this report. Also, we are absolutely supportive of streamlining the permitting process, and certainly we are—

Mr. DONALDS. Oh, that is music to my ears. Streamlining permitting processes so we can actually get the critical minerals that our Nation sorely needs. Because I will add—and I will yield back, Chairman—the Chinese are not playing the regulatory rubric game that we have done to ourselves here in the United States. They are going to get the minerals. They are going to dominate the globe. And no matter what the energy electrification goals are, we are going to have to pay treasure to our greatest adversary across the globe, and that, frankly, makes no sense at all.

I yield.

Mr. FALLON. Thank you.

The Chair now recognizes the gentlelady from Missouri, Ms. Bush, for her 5 minutes.

Ms. BUSH. The United States must become a global leader in the renewable energy transition. We must immediately invest public dollars in long-lasting improvements to prevent and remediate climate change and protect public health. The United States and other countries most responsible for the climate crisis must play a leadership role in investing in the future we need as we make investments toward a green new deal.

For example, wind turbines, solar panels, electric vehicles, and lithium batteries all rely heavily on cobalt, on graphite, lithium, rare earth elements, and other critical minerals, demand for essential products and components of clean energy technologies are expected to increase 400 to 600 percent in the next several decades, which I spoke about.

The production of critical minerals catalyzes our transition away from fossil fuels and the harmful effects that they have on our environment and on our public health.

Ms. Munilla, I know throughout your career you have led research initiatives on mining, on oil and gas projects around the world, as well as focusing on transparency in extractive industries. As I spoke about in my opening remarks, we know that communities that live at or near sites of extraction often suffer destruction of the land, of their livelihoods, and health, as well as direct violence in connection with the companies mining these critical minerals.

Ms. Munilla, how can we best end these harmful practices and balance our need to transition to clean energy with our imperative to protect human rights?

Ms. MUNILLA. Absolutely. That is a tension that we are working on right now, and it is absolutely fundamental. And I think the great news is that we have a lot of work in train. So, our supply

chain EO directed us to work with the EPA on precisely these issues and that work is moving forward.

The objective of the work is to try to identify which standards we need to strengthen and how to ensure those standards apply across the globe and to make sure that we are identifying critical minerals standards, traceability standards, verification standards that can be integrated into the work of companies around the world.

And we have a lot of support for those to make sure that the signals that we are sending from our market about the types of minerals that we would like to buy, sustainable minerals, high quality minerals that respect community rights, that there is a premium for that type of performance. And we are seeing there being an openness from the market for that, and the great news is that we are working very closely with our G7 partners and other partners, and there is agreement at a global level from large markets that we need to make this green premium, this social premium really work for companies.

So, we are seeing a lot of openness there. And so, the work continues, and we are happy to talk more with you about it offline.

Ms. BUSH. All right. No, I would like that.

And so, as we move away from importing the bulk of these critical minerals and the United States does bolster its domestic mining infrastructure, mining projects, we know, should follow rigorous health and safety standards. So domestic production of these critical materials must be both safe and cost-effective.

And I will first start with safe and then cost-effective. So, Ms. Munilla, how can the Federal Government best balance the need to quickly expand domestic mining and refinery projects of critical minerals while meeting the robust environmental labor and sustainability standards?

And before you answer that, also making sure that we do not inflict on folks locally in our country what has happened to those in other countries.

Ms. MUNILLA. Absolutely. That is a fundamental question.

So, one example is that for any bill or IRA-funded work, a community benefit plan is required to be submitted by the applicant that lays out the efforts the applicant has taken and will take to ensure that members of the community have been consulted about the proposed project and that their views are taken into account. That is a global norm that exists in the rest of the world, and we are happy to see that roll out here in the U.S.

Communities have to be a part of any project every step of the way, not only for their benefit but also to ensure that project risks are managed and that the project is carried out with as few roadblocks as possible, and I believe that that was fundamental to our work looking at streamlining domestic permitting.

And last, employing environmental social and governing standards are really, really vital, as we mentioned earlier, to improving our U.S. critical minerals security and competitiveness while upholding our Administration's commitment to a laser focus on environmental protection, environmental justice, and tribal consultation.

Ms. BUSH. Thank you. And I yield back.

Mr. FALLON. Thank you.

The Chair now recognizes—I recognize myself for my 5 minutes. So, Mr. Feldgus, I know—thank you for coming. I am glad you are here. But I do not know if you were aware, we actually had requested another witness to come and testify today.

Do you, offhand, do you know how many employees you have at the Department of the Interior.

Mr. FELDGUS. I believe it is around 70,000.

Mr. FALLON. Yes, that is what I said, 70,000.

So, my concern is that Congress provides oversight for your agency and so many others, and we as—I think we need bipartisan pushback because legislatively our authority and really our oversight ability and responsibility is eroding every day at the expense—you know, at the legislative expense, and the executive branch continues to grow because I am sure that the other 69,999 could have held the fort down if the other person came and testified.

But having said that, I just wanted to get that on the record.

So, we know that China has a strangle hold on global critical minerals supply chains and is responsible, as we mentioned before, for 60 percent of the production, 90 percent of the processing, and 75 percent of the manufacturing. The U.S. is currently dependent on these supply chains. We just are.

So, Ms. Najieb-Locke, should the United States become involved in a conflict with China, and we are no longer able to access these supply chains, how do you think the U.S. would respond?

Ms. NAJIEB-LOCKE. Thank you, sir.

So, Congressman, I think that the National Defense Stockpile is exactly set up for that reason, to make sure that we can respond by, one, releasing materials from our NDS to make sure that the current manufacturing for our weapons systems that are needed in the conflict are—continue to be accessible, but that is also where our international partners come into play.

And so, because of geographic reasons, the materials are global and, therefore, our policies must be interconnected, and so what we are doing today to buy down risk is, given the fact that mining, processing, and, ultimately, market activity in the buying is volatile, we must stabilize that market.

And what we are doing across the interagency is using all of our authorities in a nested approach to make sure that we are diversifying and making redundant access points—

Mr. FALLON. Thank you. And I apologize. It is only because I only have 5 minutes, and I have loads of questions.

So, you know, we both recognize, though, that the stockpiles are finite.

Ms. NAJIEB-LOCKE. Yes.

Mr. FALLON. And they have a timeframe.

What weapons do you think, or military assets would be most affected, if you could real quickly off the top of your head?

Ms. NAJIEB-LOCKE. Military assets that would be impacted?

Mr. FALLON. Most affected if—yes, most impacted if we got into a conflict with China.

Ms. NAJIEB-LOCKE. So, of course, our missiles and munitions supply chain would be impacted because there is diversification in the critical precursors for our propellants. So, when you think of

our aircrafts, our unmanned vehicles, when you are looking at the specialty metals for our naval suite, there would be implications as we continue to build that out that we would have to change.

One, the stocks, drawdown stocks of our weapons, as we see from the invasion of Ukraine what we have done, but we also would have to—

Mr. FALLON. Thank you.

Ms. NAJIEB-LOCKE. [continuing] Rely upon other sources.

Mr. FALLON. Mr. Feldgus, do you believe China upholds the same environmental and labor standards for mining as we do here in the United States?

Mr. FELDGUS. I am not familiar with China's environmental and labor standards. I will just say that the U.S. has among the highest environmental and labor standards in the world.

Mr. FALLON. So, you do not think—you think China is up to par with us?

Mr. FELDGUS. I would not expect that they are up to par.

Mr. FALLON. Yes, I would not expect that. I mean, it is obvious. It is almost rhetorical.

Most of the world's cobalt comes from the Democratic Republic of Congo, as I mentioned in my opening statement. A large majority of those mines are controlled by China in projects run on child labor.

Mr. Feldgus, do you believe that creating good-paying jobs here in the United States, potentially mostly probably union jobs by encouraging domestic mining would be preferable than our dependency on child labor?

Mr. FELDGUS. Yes. Certainly, we find, you know, child labor is abhorrent, and we oppose that everywhere in the world. And in the U.S. obviously, you know, we are seeking ways to improve our domestic production of critical minerals while upholding the highest environmental, labor, and public engagement standards.

Mr. FALLON. You know, and I agree. I think that is a critical thing to do. It is just, unfortunately, some actions contradict that when you have like the Twin Metals' project of Minnesota did not really match that rhetoric.

Ms. Munilla, does the DOE conduct oversight and accountability of human rights abuses in labor procuring the critical minerals and materials essential for the Biden Administration's clean energy infrastructure plan?

Ms. MUNILLA. Thank you, Chairman.

Yes, we do. We have a program that looks at—oversees the funding that goes out and provides very critical monitoring of those funds.

Mr. FALLON. So, do we still—we still purchase from the Democratic Republic of Congo, though, do we not?

Ms. MUNILLA. The Department of Energy?

Mr. FALLON. Well, the United States does.

Ms. MUNILLA. That does not fall into my purview, those purchases, so I cannot comment.

Mr. FALLON. So, you recommend that maybe some folks that are purchasing from the Congo may look elsewhere considering the means in which those materials are extracted?

Ms. MUNILLA. I would absolutely agree that at the Department, we find child labor also abhorrent anywhere in the world, and we certainly think that the energy market opportunity we have right now gives us an opportunity to address that issue globally.

Mr. FALLON. Well, my time is up, but I would say that I was encouraged because from my Ranking Member's opening statement, there was actually some common ground. So that is also always promising, particularly in the Oversight Committee.

Now the Chair now recognizes Ms. Norton from Washington, DC, for her 5 minutes.

Ms. NORTON. Thank you, Mr. Chairman.

The Biden-Harris Administration recognizes the need to bolster our domestic supply chains, especially for critical minerals. Just this week, President Biden announced 30 new actions to strengthen America's supply chains, including the creation of the White House Council on Supply Chain Resilience.

I would like to direct two questions to all of our witnesses. I recognize that this is a brand-new council, so you may not have too much information about it, but can any of you comment on how a cabinet-level enterprise-wide council focused on supply chain resilience could help to shore up domestic supply chains for critical materials? Can any of you?

Mr. FELDGUS. Sure. I will just say that the council is really part of the Administration's all-of-government approach to addressing our critical mineral and other mineral issues. There is no one single solution, and certainly there is no one department that is going to have all the answers. Every department has different amounts of expertise and abilities to bring to bear to this problem.

So, this new council is really going to help improve information sharing across the government and help us make our supply chains more resilient.

Ms. MUNILLA. I would add that, yes, I think that it is absolutely complimentary and additive to the coordination process we have in place, for example, from under the Energy Act of 2020. And our Secretary, Granholm, will serve on the council. We think that it will certainly help to advance long-term governmentwide strategies to build our supply chain resilience, not just for critical minerals but more broadly.

Thanks.

Ms. NAJIEB-LOCKE. Yes, Congresswoman, I absolutely agree that this whole-of-government approach is the way forward because it allows us to use our authorities complimentary. So, in the DoD, we are able to use the DPA for the mining and extraction of projects that will bolster domestic access but partnering with our inter-agency colleagues.

Department of Commerce's supply chain center is going to help us understand the materials that the U.S. needs for energy resilience from a commercial perspective since the defense marketplace is a part of the commercial marketplace.

Department of Transportation's logistics and optimization works program is going to ensure critical minerals and materials are not subject to disruption. And the Department of Energy's advance manufacturing recycling grant program is going to help develop se-

cure domestic supplies of critical materials at the processing downstream end to partner with the DoD's upstream authorities.

And, of course, the Department of Labor's supply chain comply chain guidance will ensure that ethical and sustainable practices to procure critical minerals are adhered to without the use of child or forced labor.

Ms. NORTON. In addition, can any of you comment on actions specific to your agencies that the President also announced?

Ms. NAJIEB-LOCKE. We will go in reverse order this time, ma'am. Yes, so thank you, Congresswoman.

So, the White House fact sheet did announce at the council that the DoD is building on our \$714 million DPA investments to ensure the defense critical supply chains, and we are publishing our first every national defense industrial strategy. That is going to guide engagement and policy development to use our broad acquisition authorities to the betterment of the national security and the whole-of-government approach of finding multiple layers of suppliers and sub tier suppliers that make up these critical supply chains.

Mr. FELDGUS. Sure. I will just mention that actually this is a well-aligned panel for this because the U.S. geological survey is going to be partnering with DARPA and ARPA-E on a series of hack-a-thons that will begin next year. And the purpose of that is to develop artificial intelligence methods to assessing our domestic critical mineral resources.

Ms. MUNILLA. And last, we launched the Department of Energy's Office of Energy Efficiency and Renewable Energy, ERE, we issued a \$10 million funding opportunity announcement for a critical materials accelerator. And so, projects funded under this FOA will be led by the Advance Materials and Manufacturing Technologies Office and will validate prototype technologies and processes that address critical materials challenges by developing alternatives, diversifying and expanding supply, and increasing manufacturing material efficiency to establish a circular economy.

Ms. NORTON. Mr. Chairman, President Biden previously convened the interagency working group on mining regulations, laws, and permitting, which released its final report in September. I ask unanimous consent to enter the interagency working group's report into the record.

Mr. FALLON. Without objection, so ordered.

The gentlelady's time has expired.

The Chair now recognizes Mr. Fry from South Carolina.

Mr. FRY. Thank you, Mr. Chairman, for having this hearing, and I appreciate your commentary earlier and that of Mr. Donalds'.

I think where we are, guys, is that at the end of the day, we have these new standards that have come out from this Administration, and we could disagree about those or not, but it creates a certain demand in the marketplace for electric vehicles and solar panels and all the like. But we are so woefully unprepared for the domestic production of those minerals.

And in my experience, at least in the state legislature, there might be some health and environmental concerns that arise when these challenges are—when they occur, but a lot of times it is just classic nimbyism.

And so, you know, looking at the stats, and the stats do not lie, I mean, China is eating our lunch right now, and they have, goodness gracious, they have 60 percent of the global production. They have 90 percent of processing and 75 percent of manufacturing of critical minerals. I mean, that is just astronomical.

And to Chairman Fallon's point earlier, if there is a problem with China in the future, and we hope that there is not, but if there is, how prepared are we to address that today?

I understand that we are trying to stockpile certain materials, but why would we not boost our own production? It should not take 7 to 10 years to get a permit, quite frankly. I think that is just ridiculous.

So, anyway, I want to ask something. Ms. Najieb-Locke, my understanding is that DoD began issuing grants in 2022 to source materials domestically. Can you tell me a little bit more about the rollout of that grant program? Who has shown interest? Is there enough outreach from DoD to get applicants? What is the status of that?

Ms. NAJIEB-LOCKE. Yes, sir, Congressman. So, thank you very much for that question.

This rollout is building upon, I think, years of research that we do have a shortfall, as shown by the National Defense Stockpile's congressional report to you all that we know we have a shortfall. And so, we are focusing on the critical supply chain nodes specific right now to the rare earth permanent magnet supply chain, and so we have looked across that value chain, and what we have done is executed our authorities in a manner that, one, serves as patient capital because this is something that was generations in the making. It is going to take years to get out of it.

So, working with established mines, such as MP materials, and establishing new sources domestically, such as Lynas, expanding upon some of the work on the processing side, the separation technology, Noveon Magnetics, TDA Magnetics. And so, what we have done is used the DPA and IBAS to do open funding announcements, FOA, and that BAA allows one papers to be submitted.

And we know right now there is about \$1.2 billion of projects that there is a need from the Defense Department and interest, but we do not have the funding to resource, but we are getting after those areas that are joint needs from the Defense Department and commercial industry because what we need for Columbia-class submarines, those permanent magnets, are also in aerospace, both on the F-35 and general side, as well as electric vehicles.

Mr. FRY. Thank you for that.

And deposits of minerals on the sea floor known as polymetallic nodules have been identified as a potential game changer in the industry. Currently a lot of companies and universities are engaged in that deep sea minerals research.

Does the Administration plan to further support this effort, and do they consider that deep sea mineral strategic?

Ms. NAJIEB-LOCKE. The Administration is absolutely in consultation with the universities and with our national labs, as well as what the potential here is. I do know that there have been a number of interagency conversations to understand more, down to the purity level of what is there, doing feasibility studies, testing it,

and seeing what the processing would need to be and if we have access to those processing facilities.

And so, we are supportive of understanding more because this will, of course, create redundancy and increase our access to critical minerals.

Mr. FRY. Thank you for that.

Dr. Feldgus, real quick in my remaining time, I talked about earlier that it takes 7 to 10 years on average to permit a mine in the United States, but in Canada and Australia it is about 2 years. So, what is the Department of the Interior doing to streamline that process? And what are you all doing, working with DoD, to ensure that the agency is doing everything in its power to onshore the production and the mining of these materials in the name of national security?

Mr. FELDGUS. Thank you for that question.

As part of our review in the interagency working group, we looked very closely into that data, how long it takes to permit mines in the U.S. and also internationally, and we found that the data does not support the 7 to 10-year timeline. In fact, we found that with the Bureau of Land Management for environmental impact statements for major mines it takes just a little over 3 years.

And also, in Canada, the Canadian mining—or sorry, The Mining Association of Canada also complains that it takes 10 to 15 years in Canada to permit a mine.

So, in fact, I think this reflects just the long-timeframes everywhere in the world. S&P Global recently came out and said internationally the average time to develop a mine is roughly 15 years. So, we certainly think we can do better on the NEPA front. We can bring that time down from 3 years. We have the requirements under the Fiscal Responsibility Act that we are going to try to meet.

But, you know, I think people should be aware that it does take a rather long time to permit complex mines.

Mr. FRY. Well, but to answer the question—and I know I am out of time—but what are you doing to streamline it? I mean, I know that is the objective. And, again, it is a mandate from the FRA. But what are you doing to streamline that process?

Mr. FELDGUS. So, we have a very effective process right now at work in Nevada. Our BLM Nevada office came up with this multistep way of permitting mines that puts a lot of the work before NEPA starts and involves a lot of coordination both among Federal agencies but also between Federal agencies and the state and tribal governments, and brings the applicants in early so that they know what is going to be expected of them and they know what permits they are going to need and how long things might take. And this has been extremely successful in Nevada. So as part of the report, we have recommended that we move that nationwide.

Mr. FRY. Thank you for that.

Mr. Chairman, I yield back.

Mr. FALLON. Thank you.

The Chair now recognizes Ms. Stansbury of New Mexico for 5 minutes.

Ms. STANSBURY. Thank you, Mr. Chairman.

And good afternoon. Thank you so much to all of our witnesses for being here today.

This topic, critical minerals, is actually something that is near and dear to my heart and something that I have worked on across my career. And I always find these kind of technical hearings in this political context interesting because I am a science professional, and I have worked on natural resources for much of my career, including on this topic. In fact, during the Obama Administration, I was the OMB examiner for the USGS which does the critical minerals assessment. And I worked on the Obama Administration's Critical Minerals Strategy, which is the precursor to the Biden strategy. So, I have a very strong understanding of what you all are trying to accomplish.

I also was the minerals lead in the Senate Energy Committee, where I was the staffer who wrote and negotiated bipartisan critical minerals legislation with Dr. Feldgus when he was the minerals lead for the House Natural Resources Committee. So, we welcome you back to this body on the other side of the dais.

But I think it is important, you know, to talk a little bit more about the science, the global aspects of why sourcing is so difficult right now and what the implications and solutions are. But I do want to just take a couple of moments to say, you know, for me, this is not only a personal issue because of my professional background but because I represent frontline communities.

So, the congressional district that I represent is New Mexico's First congressional District. It is a vast rural district in central New Mexico. It includes a lot of BLM land, and it includes a lot of tribal land. And when we talk about mining, permitting reform, and all of these things, I think that sometimes it is hard for folks who do not represent frontline communities to understand the history and legacy of mining in the United States and why there is a community-based NEPA process to ensure that we are not doing mining activities that ultimately will harm our frontline communities and the environment.

So, for example, in New Mexico, in western New Mexico at the height of the cold war, we were mining vast quantities of uranium, and the legacy of that is that our tribal and our Chicano communities in those areas are living from the multigenerational impacts of the pollution that came from that uranium mining.

The other aspect is it takes a long time to permit these mines and not just for financial and investment reasons and planning reasons, but because some places just are not suitable for mining. There are places, for example, in Alaska that have large deposits of critical minerals, but the reason we do not want to mine them is because they are the headwaters of the largest salmon fisheries in the Pacific Ocean. So, there is a reason why we do not want to mine there because we do not want to cause the collapse of a major ecosystem, including in Minnesota where the Department of Interior chose not to because it was the headwaters of the Boundary Waters.

So, it is not really a streamlining problem, though certainly we all want to see red tape cut in our bureaucracy. Sometimes we do not want to mine in places because it will hurt our communities and hurt the environment, and we value that.

It is also important to recognize that—and I think, Ms. Najieb-Locke, you said this yourself—this was years in the making. In fact, the U.S. was the largest exporter of critical minerals up until the 1990's when international markets shifted. And that was actually a global market phenomenon. It had to do with the international value of these minerals and the fact that other countries were outcompeting the United States, and so domestic mines shut down. You cannot just flip a switch and turn domestic mining back on.

So, we can do responsible sourcing in the United States in places that are suitable that are not in frontline communities, and that is exactly what the Department of Interior is proposing to do, and the Biden Administration is proposing to do.

I also find it deeply problematic that we hear these political arguments over and over again about certain mines in certain places and certain places in the world where there is substandard labor and environmental practices. Yes, absolutely. And the United States has a fundamental responsibility in the international community to address and push for international standards in labor and the environment. However, critical minerals are not just one mineral. We are talking about dozens of different minerals. And for anyone that understands anything about geology, you cannot just open a mine in the United States and mine every single critical mineral. We are going to have to source these minerals from all over the planet because that is where the geology is, folks. So, you have got to follow the science here.

But what I really enjoyed in your guys' testimony this afternoon is the solutions that you brought to the table. And I know, Mr. Chairman, I am out of time for myself, but I wonder if we could just take a couple of minutes here and go back to some of the solutions that were put on the table here.

We are talking about, for DoD, stockpiling, investments, acquisition. For DOE, they are talking about diversifying and expanding the supply chain, developing new materials so we do not have to use these materials that we are having trouble sourcing, designing new and efficient ways of manufacturing, reusing and recycling, developing and pushing for better labor and environmental standards.

And I think in the context of the places where we do identify appropriate mining activities in the United States, ensuring that we do consultation with our communities, that we ensure that those frontline communities are not left at risk or that we are violating cultural resources or historic places and that we are not siting them in environmentally sensitive—

Mr. FALLON. The gentlelady has 30 more seconds because we went over about 120. So, 30 more seconds.

Go ahead.

Ms. STANSBURY. So, you know, I would love, Mr. Chairman, if we could just hear from our panel of witnesses, rapid fire, maybe 10 seconds each. What do you think is the most impactful thing that Congress can do to help support the strategy and help get the United States in a place where we are in a good position on critical minerals?

We will start with Dr. Feldgus and go down as quick as you can.

Mr. FELDGUS. I would say reform the Mining Law of 1872 and create a funding source to address abandoned hard rock mines.

Ms. STANSBURY. Excellent.

Ms. MUNILLA. Provide more support and resourcing for innovation and, in particular, our development of brownfield sites, unconventional resources, tailings. There is a lot of minerals to be mined out of what is already there; at the same time, remediating sites that need to be remediated. There is a lot there.

Ms. STANSBURY. Excellent.

Ms. NAJIEB-LOCKE. Fully supporting the President's budget request for the National Defense Stockpile, as well as the Defense Production Act and IBAs accounts, so that we are able to execute our 5-year investment strategy to comprehensively secure mine-to-magnet rare earth supply chains in the United States.

Mr. FALLON. Thank you very much.

The gentlelady's time has expired.

The Chair now recognizes our friend from New York, Mr. Langworthy.

Mr. LANGWORTHY. Thank you very much, Mr. Chairman.

And I have the honor of representing New York's 23rd congressional District not only on the Oversight Committee but also on the House Agriculture Committee. And as a member of the House Agriculture Committee, I am proud to be a cosponsor of H.R. 4059 that would add two of the main elements in fertilizer, phosphate and potash, to the U.S. Geological Survey's critical minerals list to secure our domestic supply of fertilizer.

Dr. Feldgus, I understand that the Interior Department relies on a three-part test to determine whether to designate a critical mineral. That test is basically composed of national security, supply chain vulnerability, and essential function criteria. Is that correct?

Mr. FELDGUS. That is my understanding, yes.

Mr. LANGWORTHY. OK. Now, looking at phosphate and potash, they seem to fit these criteria. And I think all of our Members and witnesses would agree both minerals are vital for America's food security, both serve as an essential function in manufacturing fertilizer and, if disrupted, would have significant consequences on America's food supply. Yet our agriculture producers live in a world where we are almost 50 percent of the global potash supply has been disrupted by war in Russia and Israel and almost one-third of the global phosphate supply is controlled by the Chinese.

Dr. Feldgus, would you agree that both phosphate and potash fall under the definition of a critical mineral and agree to work with Members of Congress to support our farmers and food security?

Mr. FELDGUS. I certainly think those minerals are essential, very important. When we talk about the definition of critical, we are really talking about meeting a certain threshold established by the U.S. Geological Survey according to their methodology that you described.

So, using that methodology, those do not currently qualify as so-called critical, but that is not to diminish the importance of those minerals for, as you said, food security and economic security.

Mr. LANGWORTHY. Very well. Thank you.

I would like to use the rest of my time to address the issue of slow permitting. And it is no secret that China currently dominates the global critical mineral market, leading production in 30 of the 50 minerals on our critical minerals list. China is aggressively seeking upstream reserves in foreign countries like Indonesia, the Democratic Republic of the Congo, while we are wasting serious opportunities to take advantage of our own domestic mineral reserves. Yet the Administration, beholden to radical environmental groups, they have stifled any chance at overcoming these permitting delays. And Democrats in Congress have stood in the way of the House Republicans' serious attempts to make long overdue reforms to the permitting system.

This obstruction and the kowtowing to the radical groups has threatened not just America's energy security but our food security as well, as we have seen in delays in permitting for mines to extract domestic components of America's fertilizer.

Dr. Feldgus, the bottom line is this: Permitting mineral mining currently takes an average of 7 to 10 years in the United States. What is your agency doing to speed up this process?

Mr. FELDGUS. Well, thank you for the question. The first thing I will say is, according to the data that we have from the Bureau of Land Management, it takes considerably less than 7 to 10 years. The average time to do an environmental impact statement for a major mine in the U.S. is approximately 3 years. Now, that is not all of the permits that a mine might need. Certainly, for the Department of the Interior's component, it is approximately 3 years, and we are working to bring that down.

We are trying to take the process that our office in Nevada uses and move that nationwide. They have a very good step-by-step process that has been proven very effective. We recently just permitted a vanadium mine, which is a critical mineral, and there is a mine in Nevada that went from the notice of intent to record of decision in roughly 3 years.

So, again, we think that in Nevada we have shown that, you know, we can do things very efficiently, very effectively, and we are hoping to do that in other places as well.

Mr. LANGWORTHY. Very well. Would you agree that increasing domestic mineral production would strengthen national security, create good-paying jobs, and decrease mineral costs for various technology and projects?

Mr. FELDGUS. Absolutely.

Mr. LANGWORTHY. Now, I will believe it when I see it. The actions of this Administration speak louder than the words of the reassurance that you have given.

Reports from the National Mining Association show that mining projects for these critical minerals lose over one-third of their value because of the significant delays during the permitting process. Meanwhile, in Canada and Australia, both countries, they have similar levels of environmental protections as the United States. I do not think either country could be accused of being, you know, on the big polluters list. It only takes an average of 2 to 3 years and very little investment, if any, is lost.

Could decreasing the permitting timeline even further help make U.S. production more attractive to investors, in your opinion?

Mr. FELDGUS. Well, I will just say, first of all, that according to the Mining Association of Canada, it takes 10 to 15 years to permit a mine in Canada. So, the 2-to-3-year statistic, I am not sure how accurate that is. But certainly, we are looking for ways to make mining more attractive in the United States to investors.

Mr. LANGWORTHY. Well, this is not a matter of ensuring our environment is protected. This is a matter of an Administration and regulatory apparatus that is entirely beholden to the whims of radical environmental groups that they do not have the best interests in the American people in mind.

I remain deeply concerned with the inertia and the permitting process and the impact that we will continue to have on our national security, including our food security. And I am disturbed by the lack of concern that I see from this Administration.

And I yield back.

Mr. FALLON. Thank you.

The Chair now recognizes Ms. Brown from Ohio.

Ms. BROWN. Thank you, Mr. Chairman.

Strengthening every aspect of our supply chain, from critical minerals and defense materials to pharmaceuticals, is a top priority to me, my district in northeast Ohio, and the Biden-Harris Administration.

We all saw how the COVID-19 pandemic revealed weaknesses and blind spots in our domestic and global supply chains, leading to shortages of goods like medical supplies, empty shelves at grocery stores, and extended wait times for online shipments.

In addition to higher prices for families at the checkout counter, in my district, a hub of innovation and manufacturing, many businesses face rising input costs as a result of supply chain disruption, resulting in inflation. Although inflation has steadily receded, it is more important than ever to secure, strengthen, and supercharge our supply chain capabilities to grow the economy and reduce reliance on foreign suppliers.

In the 117th Congress, congressional Democrats and the Biden-Harris Administration made tremendous strides to address vulnerabilities in our supply chains, including the critical minerals supply chain. The Bipartisan Infrastructure Law, Inflation Reduction Act, and CHIPS and Science Act all made unprecedented investments in the infrastructure and technology necessary to expand resilience in our domestic mineral supply chains and support American production, which is why earlier this year I introduced legislation to establish a nonpartisan commission to study critical supply chains and provide vital recommendations on ways we can improve even further upon these achievements and prepare for inevitable disruptions.

And I would be remiss if I did not note how pleased I am to see the Biden-Harris Administration establish the White House Council on Supply Chain Resilience this week. This council's expert review of supply chains will be instrumental in reinforcing the President's modern effective strategy to mitigate the impacts of supply chain disruptions on the American people, our businesses, and the economy.

I applaud President Biden for taking this comprehensive action which will help lower prices, boost our national security, and keep key goods on the shelves and in our medicine cabinets.

Ms. Najieb-Locke, how would the efforts of this Biden-Harris Supply Chain Council and other efforts like the defense supply chain management and risk management lead to a secure and resilient critical mineral supply chain?

Ms. NAJIEB-LOCKE. Thank you, Congresswoman. I truly appreciate the Council because what it will allow us to do is to continue the work identified in, for the Defense Department, the critical supply chains that are most at risk and vulnerable to disruption. Those supply chains include energy storage and batteries, microelectronics, kinetic capabilities, castings and forgings, and rare earth critical minerals.

And as an underpinning of that, I have what is not to be confused with, of course, our DLA list for the Defense Department for the NDS; that is, the authoritative list. But we have overlaid the periodic table and color-coded it by these five areas of strategic risk so you can see the raw material that is necessary for all of these sectors. The Supply Chain Council will allow us to continue the work in buying down the risk in each of these five sectors and starting with the critical minerals and strategic materials supply chain to ensure that we are able to defend the Nation if called upon.

Ms. BROWN. Excellent. Thank you.

To reiterate, strengthening the U.S. mineral supply chain through domestic production will improve economic security, create jobs, and lower costs for families. In fact, the Environmental Defense Fund found the investments in electric vehicles, their components, and lithium-ion batteries led to the creation of 180,000 U.S. jobs in the last 8 years.

So, Ms. Munilla, how will this sort of supply chain investment we are seeing from Democrats in Congress and the Biden-Harris Administration continue to grow our economy?

Ms. MUNILLA. Well, certainly as we have discussed, you know, critical minerals and materials are crucial to the way Americans live their daily lives. They are obviously critical for our energy applications, and we need them for our strategy to meet our global climate goals and our national climate goals, but we also use them in our phones, our TVs, headsets, anything that has a magnet in it, and we must remain competitive, including, in particular, in strategic industries like aerospace, medicine, and defense.

And as you have mentioned, we have seen over the pandemic the risks that these supply chain chokepoints can create for our economy, and the market has already moved in response to that, and demand for the minerals will only grow.

And the side benefit of us stepping into this space is that it creates jobs. Companies are on the sidelines waiting for us to send the public investment signals that they can match with private investment and create American jobs.

Mr. FALLON. The gentlelady's time has expired.

Ms. BROWN. You—

Mr. FALLON. Well, you have got 20 more seconds, because one of our—

Ms. BROWN. Thank you very much.

Mr. FALLON. Twenty seconds.

Ms. BROWN. Congressional Democrats and the Biden-Harris Administration remain committed to improving national security and boosting economic prosperity through enhanced supply chains for critical minerals.

And with that, Mr. Chairman, I yield back.

Mr. FALLON. That was like 18 seconds. Well done.

All right. The Chair now recognizes the Chair of the Subcommittee on Energy and Mineral Resources of the House Committee on Natural Resources, our good friend from Minnesota, Mr. Stauber.

Mr. STAUBER. Thank you, Chairman Fallon. I appreciate this opportunity to be waived on the Subcommittee.

It is abundantly clear that critical minerals will be the most important global commodity of the 21st century. Just like we saw with oil during the 20th century, the countries who control global supply chains for critical minerals will have incredible leverage over the rest of the world.

Today, China has that control and, thus, the leverage and power that comes with it. Without action from the United States, China is set to have the same leverage and power over us that OPEC nations had during the height of the oil crisis in the 1970's. But it does not have to be this way.

The United States is blessed with incredible natural resources, including incredible mineral wealth. The United States has the opportunity to not only be critical mineral independent but critical mineral dominant as well. We just need the political will to do so.

Dr. Feldgus, it is great to see you twice in 2 days, and I appreciate you showing up today.

Dr. FELDGUS, where is the largest copper-nickel find located in the world today?

Mr. FELDGUS. I do not know if I have that statistic at my fingertips.

Mr. STAUBER. It is the Duluth Complex located in northeastern Minnesota. It is the biggest copper-nickel find in the world. Ninety-five percent of the nickel is there on reserve, 88 percent of the cobalt, over a third of the copper and other platinum group metals that your Administration removed the leases from. Your Administration took leases that were held for almost 60 years, pulled it for political purposes. Would not even let an EIS go forward, Dr. Feldgus, which is the highest scrutiny the Federal Government gives any project. Would not even let an EIS go forward. The biggest copper-nickel find in the world is the Duluth Complex located in northeastern Minnesota.

Dr. Feldgus, what actions has the Biden Administration taken to promote mining and develop critical mineral supply chains in northern Minnesota?

Mr. FELDGUS. Well, we recently completed a report from our interagency working group on mining reform, although that was mainly—

Mr. STAUBER. I am going to cut you off. The answer is zero.

What actions has the Biden Administration taken to promote mining and develop critical mineral supply chains in northern Minnesota? The answer is zero.

And, Dr. Feldgus, I just want you to know that we mine the taconite that makes over 82 percent of America's domestic steel. We helped win World War II. And the cleanest water in Minnesota is in the heart of mining country.

Quite frankly, this Administration has done nothing to promote domestic mining and has actually taken action to shut down our domestic mining industry and increase our reliance on China. In fact, the Department of the Interior, the department you are here to represent, instituted a mineral withdrawal in the Superior National Forest and canceled the leases for Twin Metals project, a project that would have supplied copper, nickel, cobalt, and other important platinum group metals that had a project labor agreement in place. And political appointees at the White House earlier this year strong-armed career officials at the EPA and Army Corps of Engineers to throw out a Clean Water Act permit for the NewRange Copper Nickel project also in northern Minnesota. These actions indicate to me this Administration would rather rely on China for these minerals.

Ms. Najieb-Locke, what would happen to U.S. military readiness if China were to cutoff access to critical minerals tomorrow?

Ms. NAJIEB-LOCKE. Readiness would be endangered, but we would nonetheless be able to respond from our stockpiles.

Mr. STAUBER. What was the first part of your answer?

Ms. NAJIEB-LOCKE. Readiness would be endangered if we lose access to supplies.

Mr. STAUBER. Did everybody hear that? Readiness from the United States would be in danger. And this Administration still wants to allow China and the Congo to develop these, where they use child slave labor. They have no environmental or labor regulations.

It is unbelievable that this Administration would allow China to control our critical minerals and our destiny when I have workers in northeastern Minnesota ready, able, and willing to mine these critical minerals.

Ten years ago, when I toured the Lockheed plant in—or a couple—years ago when I toured Lockheed in Fort Worth, Texas, I asked the same question: If China stops selling you the minerals, what would happen? That F-35, F-16 line would stop.

This Administration is going in the wrong direction. We must domestically mine these minerals, otherwise we are going to be in trouble. COVID has taught us so much. We cannot be reliant on foreign adversarial nations, and this Biden Administration is derelict in allowing domestic mining to happen.

And you talk about EVs. In northern Minnesota, shelf life on a battery is 50 percent when it is cold.

I yield back.

Mr. FALLON. The Chair now recognizes Ms. Bush, the Ranking Member, for her closing statement.

Ms. BUSH. Thank you, Mr. Chairman.

St. Louis and I are here today because the climate crisis is urgent, and the time to transition to clean energy, that time is now.

Yes, of course, in order to catalyze the U.S. transition to clean energy, we must bolster our domestic supply chains, so they remain secure, so that they remain resilient, but not at the expense of our most vulnerable communities and not without safeguards that protect people from the human rights abuses perpetuated by extractive industries abroad. We cannot simply transfer extraction from abroad to the U.S. without holding those responsible for abuse and violence against frontline communities to account. Our miners and other workers at risk deserve to work with safety regulations and labor protections in place. Respect for human rights must come first before our need for these minerals.

As we transition to clean energy, my priority will always be people-centered.

I agree with what Ms. Munilla said, communities must be a part of any project that is rolled out. They must be consulted and must benefit most from our green—new green energy economy.

What we need most in this country is a Green New Deal. Again, my Green New Deal for Cities Act will fund local, state, tribal, and territorial governments to do a broad array of climate and environmental justice projects, creating hundreds of thousands of union jobs in the process. And my bill includes a minimum 50 percent investments in both frontline communities and climate mitigation.

Mr. Chairman, I also want to thank you and say that I appreciate your comments on building common ground, and I look forward to building a bipartisan approach going forward.

And I would also like to remind you of my request for a field hearing in St. Louis on the devastating legacy of the Manhattan project in my community.

Thank you. And I yield back.

Mr. FALLON. Thank you.

In closing, we have heard that critical minerals provide the United States with economic and national security, which we would all agree are two essential pillars of our sovereignty. As I stated in my opening testimony, these minerals are the building blocks for our society moving forward.

The DoD witness stated in her written testimony that, quote, “Recent disruptions and adversarial actions have underscored what we have long recognized: That it is more urgent than ever to build capability and resilience in the supply chains for critical minerals and other key sectors of our national defense base. The United States does not get dissuaded by the complex challenges we face. As we have throughout our history, we will rise to meet any and all threats to the Nation.”

And we have to do that. And it has to be bipartisan, or we are not going to be here, we are not going to have a thriving republic.

The ability—the availability, rather, of these minerals is a threat compounded by the control our adversaries exert over their supply chains. Now, editorial note: China is very clever. It is an authoritarian regime that lacks legitimacy that their people have not given them. They rule by the barrel of a gun, but they do have some rather clever/sinister plans where they knew they were not going to be able to compete with the Americans in the West vis-à-vis combustion engine vehicles. So, what was the future? OK. EVs. And what drives them? Well, these critical and rare minerals.

And that is why I think that they have—and they have done one hell of a job when you consider that 60, 90, and 75 percent, that is dominance right now. And so, with the United States, you know, when we export control of our critical mineral supply chain, we are exporting control of our economic and our national security.

As one witness, Julie Lucas from Mining Minnesota, said in a September hearing before the full Oversight Committee—I want to quote her—quote, “Too often we watch in frustration as our Nation looks overseas for minerals Minnesota could provide. If our Nation is going to drive the unprecedented demand for these minerals, we must be responsible for our own consumption.”

I think you just heard a rather impassioned—and from someone that knows this material very well, our colleague from Minnesota, that we heard a lot of things from our witnesses today that we would agree with. But is it actually happening? Is this just theory or is this practice? Because we found there with the Twin Metals project and others it did not seem like the rhetoric was matching the actions.

So, it cannot be solved through governmental mandates alone. I will always be someone that trusts the free markets far more than I will ever trust the Federal Government. And market-based solutions work for a variety of reasons.

I agree with the Ranking Member that we do need to do all we can to strengthen our domestic mining industry, and we do have common ground on that because I think that when you look at it objectively, it makes perfect sense moving forward.

We need an all-of-the-above approach in the economy of the future. And, you know, one of my colleagues did make mention of the—this is the small font—the U.S.-based mining where projects lose one-third of their value as a result of delays during the permitting process. So that does not make a lot of sense. I do not think that is a good use of taxpayer money if we are going to subsidize this, and we have to get down to brass tacks and understand that.

Now, we did hear the President of the United States say in his State of the Union Address that we, quote, “may need fossil fuels for another 10 years.” That was—I took a note of that, and my eyes were a little bit widened when he said that. We will see where we are in 2033. I do not foresee a technology that is going to replace combustion engines anytime soon. Would welcome it, though. You know, if it is going to be greener, that is great.

We consume a hundred million barrels of oil a day in the world. And when the Department of Energy—the Secretary of Energy was asked that question, she did not know the answer to that. I think that is Basic 101. The all-above approach is more reasonable.

I will give you another example. Talking to stakeholders, Toyota. They were saying that they could build 90 hybrid cars using critical materials that it would take to build one EV. I think that is a realistic solution for right now, not just EVs, but hybrids, market-driven solutions, not something that is regulated and bureaucratically mandated.

Also, when you talk to a lot of folks that are subject matter experts on energy needs, nuclear energy, even folks that are from the left and that have been really honest about where we are and where we are going, nuclear needs to be an option moving forward,

smarter and cleaner uses of the fossil fuels that we use. And then looking at the impact of some of these rather, I think, aggressive and unrealistic mandates from, let us say, the state of California, where I believe in 2035, all new cars needs to be EVs. They cannot be combustion engines anymore. I think that that is not going to really happen. But, again, we will see.

Because what impact is that going to have on the grid? And these materials, are we going to be able to grow our manufacturing base? Because we are talking about dramatic changes here. Let us be really honest here, when we are talking about 40—I said 40 times, you said 4,000, same thing, right. That is a dramatic increase. And, wow, we have got to have kind of an all hands on deck on that stuff.

So really—and then, of course, mining, refining, processing, and manufacturing, China is doing one heck of a job right now and for, I think, nefarious intent. And so, we really need to get focused, and we need to get unified moving forward.

So again, I want to thank the witnesses. I would really appreciate it if Department of Interior could have, while you did a great job and we love you being here, the witness that we actually request. Because we need to stand firm as a legislative branch because this is going to happen—you know, depending on who—regardless of who is in—if we have divided government, this could happen to a Democratic majority with a Republican President. We should not see that. We should see when Congress requests a witness, they should show up, particularly when you have 69,990 other people that can hold down the fort.

So, anyway, thank you very much. I appreciate it.

In closing, again, I want to thank the witnesses. I know—let us see here. Oh, right here.

With that and without objection, all Members have 5 legislative days within which to submit materials and additional written questions for the witnesses which will be forwarded to them.

If there is no further business and, without objection, the Subcommittee stands adjourned.

[Whereupon, at 3:37 p.m., the Subcommittee was adjourned.]

