

Chairman Gary Palmer
Opening Statement - Subcommittee on Oversight and Investigations
“Examining Ways to Enhance our Domestic Critical Mineral Supply
Chains”

May 21, 2025

As prepared for delivery

Good morning, and welcome to today’s hearing entitled “Examining Ways to Enhance Our Domestic Mineral Supply Chains.”

Today’s hearing addresses the crucial challenge that the U.S. is facing—how to decouple and derisk ourselves from China and other foreign adversaries and build critical mineral supply chains within the U.S. Our country has been blessed with abundant natural resources and the world-changing technology needed to harness those resources. Unfortunately, however, we have become over reliant on other nations to supply and process critical minerals. Today’s hearing is an opportunity to examine how to increase capacity and resilience in American critical mineral supply chains again.

Critical minerals are used in items we use every day like smart phones, computer hard drives, televisions, batteries, and lightbulbs. They are also used in elements of our electrical grid and have defense applications.

The U.S. used to be the leading producer and refiner of many critical minerals, including rare earth elements. By the late 1990s, however, most of this industry dissolved and moved overseas. According to a review in the United States Geological Survey Mineral Commodity Summaries 2024, the U.S. was 100 percent import reliant for 12 of the 50 critical minerals on the 2022 critical minerals list and more than 50 percent import reliant for an additional 29.

This predicament we find ourselves in is not a new problem, but a problem that has been many years in the making. So how did we get here? It is a combination of things—including

burdensome permitting and other regulations, uncertainty in commodity pricing, market manipulation, and an increasingly litigious society. This has made our domestic environment unattractive to investors and companies as a result. For example, getting domestic processing and refining facilities up and running is an extremely long process—it can take 10 to 20 years for new processing plants and smelters to become operational. That is in addition to the lengthy mine development process in the U.S., which is the second-longest mine development timeline in the world. Because of this burdensome red tape, companies are not incentivized to invest domestically, so instead they invest abroad.

Moreover, even when U.S. companies operate mines in the U.S., the hesitancy to invest in domestic processing and refining facilities has put us in a position where our foreign adversaries monopolize other parts of the supply chain. For example, in 2019, one rare earth mine in the U.S. sent 98 percent of its raw materials to China because the U.S. lacked the capacity to process those minerals domestically. As a result, we must import our own product back from China after it is processed, but China's recent export bans on several rare earth elements critical to the U.S. make this nearly impossible.

I cannot convey the seriousness of this issue enough. This is an economic issue and an issue of national security. We as a nation must ensure that we have access to these materials and the ability to process them without reliance on foreign adversaries, including China.

I want to applaud President Trump for declaring a national energy emergency on day one of his presidency, emphasizing that the U.S.'s identification, production, and refining of critical minerals are inadequate to meet domestic needs. Since then, President Trump has signed several executive orders related to critical minerals—including ordering immediate measures to increase

American mineral production. We look forward to working with the Trump Administration on the mission to increase the capacity and resilience of domestic critical mineral supply chains.

I also want to thank our witnesses for joining us today to share their expertise and guide our discussion about the challenges in building domestic critical mineral supply chains and the opportunities we have to improve our domestic supply chains moving forward.

I now recognize the Ranking Member of the Subcommittee, Ms. Clarke, for her opening statement.