

Committee on Energy and Commerce

**Opening Statement as Prepared for Delivery
of
Ranking Member Frank Pallone, Jr.**

Hearing on “Securing America’s Critical Materials Supply Chains and Economic Leadership”

June 13, 2024

Today we are discussing an increasingly important topic: securing critical minerals supply chains. Critical minerals are a vital component of many technologies, from our cell phones to solar panels to electric vehicles (EVs). As we continue to transition to a clean energy economy, demand for these minerals will only keep growing.

Currently, we rely on imports for many critical minerals, and China controls around 80 percent of the world’s processing capacity for these minerals. I am confident we can all agree that this poses significant risks to our economic and national security.

These are not insurmountable challenges, but we must face them head-on. There is much work to be done to secure our domestic critical minerals supply chains, help us meet our climate goals, and ensure we out-compete the rest of the world in the clean energy transition.

We must strengthen our domestic capabilities to reduce our reliance on foreign sources like China. We must grow and cement our relationships with allies to develop and access new critical minerals supply chains, also known as “friendshoring.” The United States must invest in scaling up battery recycling and processing of critical minerals in order to mitigate supply chain vulnerabilities and increase our domestic supply of these resources. And we must ensure that we continue to have a strong domestic market for clean energy technologies, so that companies are willing to make long-term investments in this sector. Creating a circular economy for critical minerals is a win for our environment, our economy, and our national security.

The expansion of responsible mining is also part of the equation. However, the global supply of critical minerals is not infinite; we cannot mine forever. Securing our critical minerals supply chains must be a holistic, multi-faceted approach that includes onshoring, friendshoring, and recycling. Mining is just one piece of a very large puzzle.

And I should note that this Committee does not have a role to play in setting or changing domestic mining policy. There are many issues Energy and Commerce should discuss regarding critical mineral supply chains, so I’m a little disappointed the majority chose to focus today’s hearing on issues outside of our jurisdiction.

Securing our critical mineral supply chains is a challenge, but it is also an opportunity to outpace our economic competitors and dominate the next generation’s worth of technology. The United States is in a race to the top in terms of who will have the strongest, most advanced economy moving forward into the 21st century. And we cannot cede our global leadership

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position to China. Thankfully, Democrats are determined to see the United States lead the pack and have been working hard to ensure that outcome.

Together, the Bipartisan Infrastructure Law and the Inflation Reduction Act included billions of dollars in federal investments to strengthen our critical minerals supply chains, create new jobs, and cut costs for hardworking families. The Bipartisan Infrastructure Law, for example, included \$7.9 billion for battery manufacturing, recycling, and critical minerals, and directed EPA to develop best practices for battery collection and voluntary battery labeling guidelines to help grow our circular economy for critical minerals. The Inflation Reduction Act included tax credits for EVs, domestic or ally-sourced critical minerals for batteries, and domestic battery manufacturing, to help grow our domestic capacity and supply chains.

But I have to point out that not a single Republican sitting on this Committee today voted for either of these bills. In fact, they have spent much of this Congress crusading against these successful policies and investments. Now I understand that my GOP colleagues are concerned about the threat from China – I don't doubt that. But their policies won't work to accomplish the goal of effectively competing with China.

Because time and again, Republicans have put the interests of corporate polluters over those of our economy and the American people. But we simply cannot allow our country to be dragged backward. We have to move forward. Laws like the Bipartisan Infrastructure Law and the Inflation Reduction Act were important down payments on our clean energy future, but it's clear that Congress must continue developing solutions to our critical minerals supply chain challenges.

I welcome a productive conversation about strengthening our critical minerals supply chains, growing domestic capacity, and expanding our ties with allies to achieve common climate goals. In my view, these should be bipartisan priorities that we can work on together. I hope my Republican colleagues come to the table to discuss commonsense solutions for comprehensively addressing our supply chain challenges and we can achieve a consensus.

Thank you Mr. Chairman, and with that I yield back the balance of my time.