Committee on Energy and Commerce

Opening Statement as Prepared for Delivery
of
Subcommittee on Environment, Manufacturing, and Critical Materials Ranking Member
Paul D. Tonko

Hearing on "Securing America's Critical Materials Supply Chains and Economic Leadership"

June 13, 2024

Thank you, Mr. Chair. Critical minerals are essential building blocks for the clean energy economy, but we need to approach their production, processing, and use in a responsible and sustainable way. And I am hopeful we will be able to find some bipartisan common ground this morning. No one here wants to be reliant on foreign adversaries or unreliable supply chains. And no one wants to allow supply chains that utilize unsustainable or unethical practices, including environmental, labor, and human rights abuses.

But from there I suspect we will have some disagreements on how to best fulfill our nation's critical mineral demands by addressing supply constraints, foreign entities of concerns, and price volatility. I fully acknowledge that China currently controls significant critical mineral processing and clean energy technology manufacturing capacity. China is clearly committed to manufacturing clean energy technologies, and we should be clear-eyed that the rest of the world is committed to buying these technologies, regardless of which nation produces them. These are very real trends in the global clean energy system, and China is not going to stop whether or not we embrace clean energy as a domestic priority.

I for one am not prepared to cede our global leadership of these strategic industries without a fight. And that was a major impetus for the Infrastructure Investment and Jobs Act and Inflation Reduction Act, which not only incentivize the deployment of clean energy projects, but also the manufacturing investments needed to ensure these products are made in America. IIJA invested $3 billion for battery materials processing, $3 billion for battery manufacturing and recycling, and $35 million for EPA to develop battery collection best practices and voluntary labeling guidelines. IRA doubled down on domestic supply chains by reforming the EV tax credit to support domestic production of EVs, their batteries, and their critical mineral components. And new authority and funding for DOE's Loan Programs Office has been used to support several supply chain projects.

These efforts to onshore domestic industry are already creating tremendous job opportunities and economic growth across the country. Supporting domestic production, processing, and manufacturing is certainly one part of the solution, but there is so much more we can do. Innovations in new battery chemistries can reduce the need for some of the most challenging minerals. And we must also embrace recycling as an underutilized domestic source of these materials.

While recycling might not meet all of our projected needs, it can certainly help relieve pressure on primary supply, provided we make investments today to be prepared for the rapid growth of batteries coming to the end of their operational lives. So, while we may not agree on the best methods to compete with China and strengthen our domestic supply chains, I hope we can focus on where we do agree.

And one important way to protect human rights and uphold high labor and environmental standards is through improved transparency. We must be able to see where the minerals in our clean energy technologies are coming from. That is why Congressman Garrett Graves and I have introduced the Critical Materials TRACE Act. This bill proposes to improve transparency through digital identification systems, also known as battery passports. This is essentially a QR code that contains data and descriptions of a product, including each of its components' origins, manufacturing history, and information on end-of-life management. Improving transparency will require companies to be responsible for their supply chains and allow us to bring accountability to bad actors.

Companies that are found to have suppliers that use child and forced labor would have to answer for those practices. And companies that source and manufacture products domestically or with recycled minerals could be recognized for their leadership. Transparency will foster innovation and competition, reduce environmental, labor, and human rights abuses, and result in better products. The private sector and several European countries are already working to develop digital identifiers, and I would suggest we empower the DOE to help shape these tools to ensure they work for American companies.

Mr. Chairman, thank you again for holding this hearing. I hope we can work together on policies to secure and improve our supply chains, and it seems that starting by bringing much-needed transparency to properly assess the sourcing and processing of critical materials is a good place to begin. With that, I yield back.