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

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America needs to secure supplies of critical materials that support our way of life and at the same time protect the environment. Although “critical materials” are sometimes associated exclusively with the “clean energy revolution”—including electric vehicles, batteries, wind turbines, and solar panels—they’re currently essential for things we use on a daily basis, such as computers, cell phones, hospital equipment, airplanes, internet cabling, and cars. That’s why they’re “critical” and why having a steady supply chain is essential to economic growth as well as the nation’s strategic position in the world.

There are often no substitutes for these materials. They are the result of hundreds of millions of years of geologic events and can only be mined where they are found. If they’re not mined where they exist in the United States, there are two options—we can source them from other countries or prepare for an inevitable return to the days of horse and buggy.

Sourcing the vast majority of critical materials from other countries, including countries that lack environmental and worker health and safety laws, is not sustainable if the U.S. wants to continue to lead the innovation economy. We have the ability to responsibly mine and process domestic critical materials in the U.S., and federal policy should promote these activities given the many benefits to the nation. Some objections to embracing more domestic mining and processing are that it will change the landscape and will sometimes result in air emissions and the production of waste. But the U.S. has the world’s strictest laws and regulatory programs that require post-mining reclamation and the mitigation of environmental impacts.

The good news is that we’re not starting from square one; longstanding federal laws expressly recognize the importance of mineral resources, including critical materials. These laws are intended to foster the

development of these resources for the benefit of all Americans. But there are also challenges that hinder the ability to responsibly develop these resources.

To begin, it can be difficult to obtain permits within a reasonable timeframe, including permits for routine drilling to find and determine the extent of mineral resources, often due to lengthy, uncertain environmental reviews. Timely permitting is important because critical materials, like other commodities, are dependent on economic cycles that come and go. If a cycle is missed, it can be difficult to obtain the financing necessary for mineral exploration or development. One important reform to address this issue is to match the scope of environmental review with the scope of the proposed action.

Although page and time limits for environmental reviews are helpful, part of the issue is that the clock doesn't start until an application is deemed "complete." Often, applicants find themselves mired in continuous requests for additional information before their application is deemed complete. It would be more efficient if such requests were provided all at once, or at least in no more than two or three exchanges, rather than in a continuous manner that can drag on for months or years.

Another permitting-related challenge is the apparent lack of experienced mining and mineral development professionals available to review and process applications. It could be helpful for the federal government to increase training for regulatory specialists tasked with overseeing mineral resources development.

There are also new and proposed laws and regulations that are in tension with longstanding natural resource laws that recognize the importance of mineral resource development. And sometimes permits that have been lawfully issued are later retracted. In addition, there are national monuments and land use plans and policies being advanced without due consideration of the effects these actions may have on the development of mineral resources subject thereto.

Further, active domestic litigation campaigns opposing mining projects overlook the importance of producing critical materials in the U.S. National policy should balance these interests so that supporters

of the clean energy revolution can move forward with building a full renewable energy supply chain right here at home. This requires mineral resource development, including the mining of critical materials. If the resources aren't mined and processed here, other countries will step in to fill the void, including countries that lack environmental and worker health and safety laws.

These challenges have a chilling effect on the domestic production of critical materials—and the investment of capital needed to support mineral exploration and development—and cause significant implications from a supply chain perspective. In short, it means there is currently no domestic supply chain for many critical materials, and there won't be one until more domestic materials are permitted for extraction. Until such supply chains are established, certain materials must be sourced from other countries.

Importantly, even if more critical materials were mined in the U.S., many of them would still have to be exported for processing, including to countries that are hostile to the U.S. Our national industrial base has been considerably diminished, to the point where some of the facilities necessary to process critical materials, like smelters, are not available in the U.S. in sufficient numbers. As a result, other countries now have primary control over the processing of some critical materials, meaning they can influence supply and pricing, and choose the countries to which they are willing to sell.

Policymakers in the U.S. are at a critical juncture. Do we prefer to mine and process our own materials, or do we prefer the materials be mined outside of our borders, often times in countries that are hostile to the U.S., by workers (sometimes children) who are not protected by health and safety laws, and at facilities operating without environmental controls or regulation?

For our strategic and economic security, "critical materials" must be developed here in the U.S. to ensure that America flourishes for centuries to come.