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U.S. House Committee on Natural Resources
Subcommittee on Energy & Mineral Resources

"Now Ore Never: The Importance of Domestic Mining for U.S. National Security"

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Good Morning, Chairman Stauber, Ranking Member Ansari and members of the Subcommittee. My name is Jeremy Harrell, and I am the Chief Executive Officer of ClearPath, a 501(c)(3) organization that works to accelerate American innovation to reduce global energy emissions.

Thank you for the opportunity to testify today and for holding this important hearing. It is exciting to see that the Committee prioritizing, in one of its first hearings of the 119th Congress, the urgent need to secure the mineral supply chains for our nation's energy and manufacturing future . Reducing our vulnerabilities are paramount to U.S. competitiveness, and it is essential that our nation makes progress over the next two years.

U.S. energy demand is rapidly increasing, and our nation's current dependence on foreign adversaries to supply these critical materials poses a significant risk to national security and economic growth. Critical materials are used in products like cell phones, computers, appliances, vehicles, and batteries that American families rely on. Strengthening the U.S. domestic supply chain will ensure that the American people have secure access to these essential technologies.

Some estimates show the U.S. will need to double the capacity[1] of its bulk power system over the coming decades to meet expected energy demand. Expanding this capacity requires substantial infrastructure – batteries, transmission systems and more – all of which rely on various materials. Consequently, the International Energy Agency (IEA) predicts that demand for energy-related minerals like lithium, cobalt, graphite and nickel could grow 20 to 40 times by 2040.[2]

As demand for energy and materials increases, the choice for American policymakers is clear: the U.S. will either responsibly develop these resources here at home, or continue to rely on foreign adversaries like China, which pose national security, human rights, and environmental concerns. Our nation needs a comprehensive strategy that synchronizes U.S. R&D capabilities with targeted free market incentives, regulatory modernization, and proactive trade policies to put the U.S. back in a leadership role. In my testimony, I will outline a strategy that expedites American production.

[1] https://liftoff.energy.gov/demandgrowth/
[2] https://www.iea.org/reports/the-role-of-critical-minerals-in-clean-energy-transitions/executive-summary

But first, we need to be clear eyed about U.S. dependence on foreign supply chains.

- In the just released USGS Mineral Commodity Summaries 2025, the U.S. remains 100 percent reliant on imports for 12 of the 50 minerals deemed "critical" by USGS.[3]
- In 2024, the United States was 100 percent net import reliant for 15 minerals, unchanged from 2023, and imports made up more than one-half of the U.S. apparent consumption for 46 nonfuel mineral commodities, down slightly from 49 in 2023.[4]
- Meanwhile, China was the leading country producing 30 of 44 critical minerals.[5]
- Of the 50 mineral commodities identified in the "2022 Final List of Critical Minerals," the United States was 100% net import reliant for 12, unchanged from 2023, and an additional 28 (down from 29 in 2023) had a net import reliance of greater than 50 percent.[6]
- Breaking down the processing even more, China processes 90% of global rare earth element supply and 60-70% of global lithium and cobalt supply.[7]
- In 2023, the United States was ranked 78th among 87 countries in manufacturing cost competitiveness by US News & World Report.[8]

A bold three-step American strategy

Exploration of materials within U.S. borders will form the basis of a secure supply chain. Investment in modern exploration techniques and streamlining accreditation processes can identify viable deposits more quickly and efficiently. However, the U.S. must also prioritize extraction capabilities to convert these identified resources into viable supplies.

Regulatory approvals for mines at home have fallen to the lowest level in decades, coinciding with substantial demand growth for essential raw materials for key grid and transportation infrastructure. Increasing domestic mining and materials capacity is crucial to meeting demand and reducing foreign control over the critical materials supply chain.

Even when the United States makes headway on mining for more domestic materials and minerals, processing remains a major bottleneck because China controls global refining. Establishing U.S.-based processing facilities will reduce raw materials sent abroad, allowing the U.S. to add value domestically and create a resilient supply chain. For example, copper and zinc, essential electric grid components, and nickel and lithium, critical for battery storage technologies, are foundational to energy infrastructure. Dependence on China will become a critical vulnerability when the United States needs to build essential infrastructure and cannot proceed because China refuses to sell us the materials the American people rely on.

[3] https://pubs.usgs.gov/periodicals/mcs2025/mcs2025.pdf
[4] *Ibid.*
[5] *Ibid.*
[6] *Ibid.*
[7] https://www.iea.org/reports/energy-technology-perspectives-2023/clean-energy-supply-chains-vulnerabilities
[8] U.S. News & World Report. 2023. "These Countries Have the Cheapest Manufacturing Costs."

President Trump's Executive Order "Unleashing American Energy"[9] takes initial steps to address this issue by revising or rescinding regulatory barriers that hinder domestic mining and production. Failure to scale up domestic production of minerals and materials undercuts our nation's ability to compete globally. While recycling plays a role in supplementing raw material supply, it cannot meet the scale of surging demand caused by manufacturing, data centers, and artificial intelligence (AI) infrastructure growth.

Without robust domestic production and processing capabilities, the U.S. remains exposed to potential export restrictions or geopolitical leverage. Investing in the domestic critical materials supply chain—exploration, extraction, and refining—will ensure that the United States can meet future infrastructure demands without being at the mercy of foreign adversaries. Building this capacity now is essential to safeguarding America's energy independence.

To fix this urgent problem, policymakers could focus on three key objectives:

- One, restore predictability to the permitting process;
- Two, streamline judicial review; and
- Three, derisk private investment in domestic mining and processing with targeted incentives and public-private partnerships.

First, restoring regulatory predictability is essential. Never has the phrase "time is money" been more appropriate. Regulatory delays greatly increase project costs. For example, Nevada contains the largest proven lithium reserve in the United States. The Thacker Pass lithium mine in Humboldt County will produce an initial 40,000 metric tons of battery-grade lithium carbonate per year for use in lithium-ion batteries for vehicle, electronics and energy storage. However, lawsuits and delays have plagued the construction for years. Initial exploration of the mine began in 2007, and the Bureau of Land Management issued a Record of Decision approving the project in 2021. The mine was initially planned for production by 2026, but several permitting issues and litigation delayed the project. The mine is now expected to be at full capacity by 2028. The projects most likely to be held up in the permitting purgatory are those that offer the greatest benefits to our nation.

Overall, a typical mining project loses more than one-third of its value, as a result of bureaucratic delays in receiving the numerous permits needed to begin production.[10] The higher costs and increased risk that often arise from a prolonged permitting process can cut the expected value of a mine in half before production even begins. The combined impact of open-ended delays can lead to mining projects becoming altogether financially unviable.

The United States must eliminate unnecessary bureaucracy in areas where the economic and environmental benefits outweigh opportunity costs. The National Environmental Policy Act (NEPA) is a procedural law that requires federal agencies to assess the environmental impact of their actions.

[9] https://www.whitehouse.gov/presidential-actions/2025/01/unleashing-american-energy/
[10] https://nma.org/wp-content/uploads/2021/05/Infographic_SNL_minerals_permitting_5.7_updated.pdf

Furthermore, NEPA is just the start of the process of building major infrastructure projects, including mines. Federal agencies will also most likely need to issue permits under several other relevant statutes, including, among many others, the Endangered Species Act, the Clean Air Act, the Clean Water Act, the Migratory Bird Treaty Act, the Resource Conservation and Recovery Act, the National Forest Management Act, the Solid Waste Disposal Act, and the National Historic Preservation Act.

It is essential to understand what NEPA really is. NEPA imposes no substantive requirements to help protect the environment, such as emissions standards or new technology requirements. NEPA requires that federal agencies provide the public with what the law describes as a "detailed statement" on the potential environmental impacts of actions such as distributing grants and issuing permits.

Reforms should change the paradigm to expedite the approval process for projects that bring net benefits and comply with laws meant to ensure clean water and clean air.

Federal action can also no longer vacillate according to political whims. Developers must be able to rely on decisions from one Administration to the next. The last time I testified before you at a field hearing in July 2023 I talked about two critical mines in Arizona and Minnesota, and both are still stuck in the wheel of litigation and administrative actions, despite Congress taking specific legislative action to drive them forward. U.S. policy must provide certainty for projects such as these with Congressional action to stop reliance on materials sourced from overseas.

Instead, the system should create jobs here, promote American innovation, and foster better global environmental outcomes.

Second, the judicial review of agency actions must be reformed. The current system is overwhelmingly tilted toward those who seek to delay or block projects. Once a project is approved, further legal challenges should be addressed expeditiously, yet nearly every major mining project faces litigation that often drags on for years.

These legal challenges rarely contest the decision to allow a project to proceed but instead target the tens of thousands of pages of analysis that accompany the approval. Judges, often without subject matter expertise, focus on minor details, suggesting that if only the agency had done slightly more – maybe 11,000 pages of review instead of 10,000 – the project might proceed. This results in years of additional analysis that often changes little to nothing about the project. Meanwhile, injunctions halt progress, paralyzing the project and jeopardizing investments.

Litigants exploit these delays, knowing that time is money. By repeatedly filing lawsuits, they aim to stretch the process until developers run out of funding and abandon their projects. These issues affect all energy projects but are especially troubling for mining projects, where development costs often reach billions, and the design and construction process takes years, even under ideal circumstances.

Last Congress, this body passed H.R.1, the Lower Energy Costs Act - important legislation with a number of key provisions, including one to require legal disputes be resolved in less than one

year. Other major House and Senate permitting proposals include injunctive relief, standing clarifications, and deadlines on the statute of limitations. These reforms represent progress, but judicial unpredictability is among the biggest wildcards in the current permitting system.

Congress should limit legal challenges to plain and obvious errors related to the natural resources laws, narrow the scope, and adhere to a strict review timeline. Without these changes, billions in investment and years of progress will continue to be wasted, undermining the nation's ability to build critical infrastructure and secure a reliable supply chain for essential minerals.

Lastly, the U.S. must allow mining and refining entities equal access to certain financial incentives to compete globally. Chinese state-owned enterprises use heavy subsidies to undercut American companies,[11] distort prices, and dominate markets. These actions have led to shortages of critical minerals and increased prices, disrupting supply chains and exposing the U.S. economy to risk. The U.S. defense industrial base,[12] for example, faces potential delays in manufacturing munitions and weapons systems due to Chinese export bans on gallium, germanium, antimony, and superhard materials.

"Out subsidizing" foreign state-owned enterprises is not an effective strategy, but tax incentives, like the 45X advancing manufacturing production tax credit, can help foster additional private sector investment in responsible U.S. mining and refining while protecting our nation's industries from unfair competition. However, 45X, as interpreted by the Biden Administration, fell short in two key areas. First, it fails to provide meaningful incentives for domestic mines that send mineral concentrates to U.S. or allied refineries, a step necessary to achieve economies of scale and competitive costs. Second, it allows domestic refiners to claim the credit even when sourcing feedstock from foreign entities of concern, effectively feeding our nation's vulnerability.

These adjustments to 45X could strengthen its impact to better support domestic production. This tool, if updated, can help America build the mines and processing facilities needed to compete with China and Russia and reclaim control of U.S. resources. Other targeted public-private partnerships, for example at the Department of Energy, can also help derisk private investment in nationally significant projects. New mines and facilities succeed by embedding their supply chains, ensuring buyers are in place before production begins.

As global demand for critical minerals and materials increases, the U.S. will either responsibly develop these resources here at home or continue to rely on foreign sources that, in many cases, pose human rights challenges, present national security risks, and result in increased environmental impacts.

In conclusion, reliance on foreign minerals supply chains threatens U.S. national security, the American people, and their economic future. Congress can implement a national strategy to maximize public and private sector investments in critical minerals supply chains.

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[11] https://naturalresources.house.gov/news/documentsingle.aspx?DocumentID=416731&utm_

[12] https://thediplomat.com/2024/12/chinas-mineral-export-ban-strikes-at-the-us-defense-industrial-base/?utm_source=chatgpt.com

ClearPath looks forward to working with this Subcommittee to further American minerals independence, and I look forward to today's discussion.