

Congress of the United States
U.S. House of Representatives
Committee on Small Business
2361 Rayburn House Office Building
Washington, DC 20515-6515

MEMORANDUM

TO: Members of the Committee on Small Business

FROM: Committee Majority Staff

DATE: June 20, 2025

RE: Full Committee Hearing Titled: “Securing America’s Mineral Future: Unlocking the Economic Value Beneath Our Feet”

On **Tuesday, June 24, 2025, at 10:00 AM ET** the Committee on Small Business will hold a hearing titled “**Securing America’s Mineral Future: Unlocking the Economic Value Beneath Our Feet.**” The meeting will convene in room 2360 of the Rayburn House Office Building. The purpose of this hearing is to highlight the role that American small businesses play in the rare earth minerals (REMs) and critical minerals industry. Additionally, this hearing aims to identify ways to enhance access to REMs.

I. Witnesses

- **Mr. Aaron Dowd**, CEO, Rare Earth Salts
- **Mr. Harvey Kaye**, Executive Director, U.S. Critical Materials
- **Mr. Ken Mushinski**, President and CEO, Rare Element Resources
- **Dr. Laura Stoy**, Founder and CEO, Rivalia Chemical Co.

II. Background

REMs are a vital component of the global economy. They can be found in the development of various technologies and defense production.¹ REMs are “rare” because they are more widely scattered across the earth’s surface than most minerals, making them more difficult to find, mine, and refine.² REMs are part of a larger category of minerals referred to as critical minerals. The U.S. holds only roughly 1.5 percent of the world’s REM reserves, yet it currently extracts around

¹ For the purposes of this document, the term “rare earth minerals (REMs)” includes both true rare earth elements, as well as critical minerals.

² KAREN M. SUTTER, CONG. RESEARCH SERV., IF11259, TRADE DISPUTE WITH CHINA AND RARE EARTH MINERALS (Jun. 28, 2019).

10 percent of the global REMs.³ REMs play a critical role in our national security, energy independence, and economic growth. Without access to REMs for batteries, motors, and sensors, both the military industrial base and the broader technological base will suffer greatly.

Small businesses are the lifeblood of emerging technologies. Businesses with only five to nine employees generate more patents per employee than large businesses, receiving over 50 percent more patents per employee. The role of American small businesses as an essential driver of technological development makes securing REM supplies crucial for growing the U.S. economy and ensuring the health of small businesses.

The primary barriers to growth in the American REM industry are the permitting process, burdensome state and federal regulations, and the People's Republic of China (PRC) dominance in the REM market.⁴ The permitting process, on both the state and federal level, is long, cumbersome, and expensive. One-size-fits-all government regulations have resulted in a system that adds additional barriers to America's REM efforts. These barriers, along with the PRC's market manipulation of REMs, have resulted in a global reliance on the PRC to provide REMs. Ensuring an environment where American small businesses can mine and refine REMs is critical to national security, innovation, and the economy.

Since January 2025, the Trump Administration has been working to develop and expand domestic access to energy and mineral resources. American small businesses serve as an essential driver of technological development in REM mining and refining, and are helping to secure critical REM supplies. These resources are essential in the manufacturing of batteries, motors, and sensors, in both the military industrial base and the broader industrial base.

III. Conclusion

Small businesses are at the cutting edge of innovation. They are producing more patents than their larger competitors, and these innovations often require REMs.⁵ Improving access to REM production ensures that American firms have the necessary means to innovate and grow, and the power to do so is being created by other small businesses.

³ Mikayla Easley, *U.S. Begins Forging Rare Earth Supply Chain*, NAT'L DEFENSE (Feb. 10, 2023).

⁴ Rich Nolan, *Breaking China's Grip: U.S. Strategies to Counter Mineral Export Controls*, Nat'l Mining Assoc. (Jun. 9, 2025).

⁵ U.S. SMALL BUS. ADMIN., OFF. OF ADVOCACY, SMALL BUSINESS INNOVATION MEASURED BY PATENTING ACTIVITY (Sept. 2022).