Oral Testimony Before the House Committee on Natural Resources
Subcommittee on Energy & Mineral Resources Hearing on "*Deep Dive: Examining the Regulatory and Statutory Barriers to Deep Seabed Mining*"

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1. Introduction

Chairman Stauber, Ranking Member Ansari, and distinguished Members of the Subcommittee, thank you for the opportunity to testify today on regulatory and statutory barriers to deep seabed mining (DSM), an emerging industry that has the potential to transform America's critical mineral dependence into dominance that can last for centuries.

On land, China has established control over the global strategic minerals supply chain for its geopolitical and commercial advantage. Offshore, however, the United States has two advantages over its adversaries:

(1) an established regulatory regime to govern the industry, and
(2) an American DSM industry including companies like TMC USA that are ready to start commercial production during this Administration.

This lead should be cemented and accelerated through increased regulatory certainty and U.S. government support. China is not standing still—it has identified deep seabed minerals as a strategic priority and is pouring resources into dominating this new industry.

I would like to begin by commending the current Administration for its clear-eyed recognition that establishing a domestic supply chain of critical minerals is a matter of national security and that offshore minerals hold the potential to be a big part of the solution. Prior to this Administration, the American development of offshore minerals in the high seas under U.S. law was frozen in time for almost half a century. While Lockheed Martin continues to hold two exploration licenses, no at-sea activity has taken place in decades. The Administration's decisive action to unleash offshore minerals through **the April 24, 2025 Executive Order (EO) 14285** and the subsequent engagement by all agencies tasked in the EO, have provided a clear and much needed signal. The response from the industry has been remarkable. We estimate that in the nine months following the EO, the National Oceanic and Atmospheric Administration (NOAA) has received over a dozen applications for exploration licenses and one application for a commercial recovery permit. We believe that the total area now under U.S. exploration licenses and license applications supersedes the total exploration area held by China and may exceed the total exploration contract area under the International Seabed Authority (ISA).

Following the EO, The Metals Company USA submitted two exploration license applications and the first ever commercial recovery permit application to NOAA. In my role as CEO, I have closely monitored the permitting process over the last nine months, and I would like to commend NOAA for its ability to mobilize resources and expertise to deal with an unprecedented volume of applications and recognizing early on that delivering on the EO directive to accelerate permitting required changes in existing regulations. Within two months, NOAA developed a new consolidated application process and proposed a rule amendment titled "**Deep Seabed: Revisions to Regulations for Exploration License and Commercial Recovery Permit Applications**" published as a proposed rule in the Federal Register on July 7, 2025. As stated by NOAA, 'this approach is consistent with DSHMRA [The Deep Seabed Hard Mineral Resources Act], which does not require sequential licensing and permitting, and is in keeping with the Act's finding that "the present and future national interest of the United States requires the availability of hard mineral resources which is independent of the export policies of foreign nations."

Once the final rule is adopted, TMC believes the amendment will address the single most urgent regulatory barrier to DSM in the U.S.—accelerating permitting timelines for qualified applicants who have conducted the required exploration, environmental data gathering and technology development to proceed to commercial recovery. The amendment by NOAA will not allow every applicant to proceed immediately to recovery, preserving the need for applicants to conduct comprehensive exploration work programs. We have completed the required work and TMC USA will apply under this new consolidated process. While DSHMRA envisioned the possibility of a consolidated process, its implementing regulations focused on the sequential process where an exploration license application would first need to be secured before applying for a commercial recovery permit. In cases where exploration work has already been completed and an applicant has already acquired all information required for a commercial recovery permit, a sequential process would lead to a situation where NOAA would be duplicating many of the application review steps and prolonging the permitting timeline. The consolidated application process solves these issues.

With this new rule in place and permitting timelines addressed, please allow me to look ahead and focus my testimony entirely on the next set of statutory and regulatory changes that could address remaining uncertainties, further increase investor confidence and accelerate the development of this new industry.

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2. Modernizing DSHMRA

The Deep Seabed Hard Mineral Resources Act was adopted by Congress in 1980 and NOAA published final implementing regulations for exploration licenses in 1981 and for commercial recovery permits in 1989. DSHMRA was enacted after years of bipartisan work and extensive consultation with scientists, industry, and environmental experts. It predates the international regime and, in fact, served as the basis for national seabed mining legislation put in place by the UK, Germany, France, Belgium, Japan and others in the 1980s as well as the exploration regulations put in place by the International Seabed Authority. Importantly, it was designed to be

fully consistent with U.S. environmental law, including NEPA, the Endangered Species Act, and the Marine Mammal Protection Act.

DSHMRA provides U.S. companies with a clear legal basis to explore and recover deep sea minerals in the high seas. Under authority granted by DSHMRA, NOAA issued four exploration licenses to U.S.-based consortia (two have since been relinquished); under its Deep Ocean Mining Environmental Studies (DOMES) program running from 1975 to 1981, in partnership with various agencies, NOAA developed a Programmatic Environmental Impact Statement (PEIS) for the DOMES area that included the Clarion-Clipperton Fracture Zone (CCZ), issued Technical Guidance on environmental data collection and went on to develop the total of five site specific EISs as part of its process to grant exploration licenses.

Based on a detailed audit of DSHRMA, its associated regulations and regulatory history we conducted in 2024, TMC concluded that it provides a comprehensive regulatory framework that offers regulatory certainty for this emerging industry. The current regulatory regime, particularly with the recent addition of the consolidated permitting process, contains no showstoppers or insurmountable barriers for American DSM industry.

At the same time, both the Unites States and the industry have evolved since the 1980s and DSHMRA could benefit from modernization and updates to better reflect the current state of affairs.

2.1. Consolidated Application Process

While DSHMRA does not exclude the possibility of the NOAA Administrator running a consolidated process, explicit statutory language about this process would further reinforce NOAA's amended regulations on the consolidated application process. Since DSHMRA was adopted, significant technological progress has been made and a significant amount of research on the deep-seabed ecosystem and impacts of nodule mining have taken place.

Over the past fifteen years, TMC has invested over $750M into resource estimation, dozens of environmental cruises, honed mining technology culminating in a 2022 test mining program that demonstrated readiness to advance to commercial operations, and processed nodules into high-grade critical minerals. As a result, the industry is at a critical transition point. Deep seabed mining is now positioned to move from exploration to responsible commercial operations.

Codifying the consolidated permitting will enable TMC USA and other advanced American companies who have done the necessary exploration to more efficiently move to commercial operations. This expedited permitting pathway will encourage further investment and support America's goal to develop a more robust domestic critical minerals supply. While the International Seabed Authority remains gridlocked, the United States has a window of opportunity to attract companies who have already completed valuable exploration work and provide them an expedited pathway to commercial recovery, bringing more critical minerals to the United States.

2.2. Statutory Time Caps on Administrative Process

Exploration license, commercial recovery permit and consolidated applications are expected to go through a sequence of administrative steps. Establishing statutory time limits for each step — and clear recourse for applicants if the Administrator fails to deliver an outcome within prescribed timeframes —would further improve process predictability.

2.3. Environmental Provisions

When DSHMRA was adopted, only a few years of mining tests and environmental research cruises had been conducted and NEPA was a relatively new statute with less than a decade of implementation practice. As a result, DSHMRA was prescriptive in several areas, for example, requiring an environmental impact statement (EIS) not just for commercial recovery but for all exploration work plans, even if they involved no at-sea activity. Over the last forty years, deep seabed mineral exploration work and NEPA implementation practice have evolved in leaps and bounds.

At the time DSHMRA was adopted, only a dozen environmental and resource-definition research cruises had been conducted in the CCZ. Since that time, hundreds of environmental research cruises have been completed in the high seas alongside the development of standardized operating procedures for a wide range of baseline and impact monitoring activities. Most of these activities are now routine and do not require NEPA EIS in the U.S. EEZ or in the high seas. We believe DSHMRA needs to be amended to refer to NEPA standards and processes for all matters related to environmental impact assessments, instead of maintaining now outdated and inflexible industry-specific requirements. Similarly, DSHMRA could benefit from removing a requirement that in addition to a comprehensive NEPA EIS, a separate permit for vessel discharges should be sought from the EPA under the Clean Water Act—a single NEPA EIS process under NOAA would be a welcomed simplification of the process without compromising on the scope and depth of the impact assessment.

2.4. Regulatory Stability

Capital-intensive offshore industries require confidence that permits will endure across administrations. Recent experiences in other offshore industries have created considerable uncertainty and tangible investor concern. As we get closer to commercial production, the question we get from our investors more and more often is, “How can you guarantee that a permit given by one administration through due process won’t just be stopped or revoked by the next administration that does not support your industry?” Stabilization clauses either in the statute or in the Terms, Conditions & Restrictions of licenses and permits would be one way to address this concern.

2.5. Tariff treatment

Specifying clearly in DSHMRA (or amendments to the Harmonized Tariff Schedule of the United States and U.S. Customs regulations) that deep seabed minerals recovered in the high-seas by American companies under U.S.-issued permits are “domestic materials” for the purpose of tariff treatment would remove a further uncertainty. The best analog is the fishing industry: fish caught in the high seas by American companies operating under U.S. permits are deemed a

"product of American fisheries" and are not subject to import tariffs or duties. A clear statutory and regulatory confirmation for deep seabed minerals would be very helpful.

2.6. Disruptions of Licensed and Permitted At-Sea Activities

In addition to the civil penalties considered in DSHMRA today, criminal penalties should be put in place to deter bad actors. As evidenced by the illegal boarding of a TMC USA affiliate's vessel by Greenpeace in December 2023, activist groups must be deterred from endangering American vessels, crews and operations. Any amendments to DSHMRA should serve to encourage long-term private investment while preserving agency discretion, environmental safeguards, security and safety at sea.

2.7. Revenue from Commercial Recovery

Any financial obligations of American companies to the federal government need to be in line with the maturity of the industry. As with other extractive industries, differentiation between early-stage and mature commercial operations is essential. Consideration should also be given to corporate structure, vertical integration, and the point at which marketable products are realized when assessing any relevant fees. All the interest and progress over the last nine months could be undone by imposing unreasonable fees before the industry is up and running.

2.8. Manipulation by adversarial nations

DSHMRA and other statutory, regulatory and executive actions need to protect the American deep seabed mineral industry from market manipulation by adversarial nations. As China has demonstrated with land-based critical minerals and processing, they can manipulate markets to make ex-China investment next to impossible on commercial grounds. Given increasing export and technology sharing restrictions imposed upon the United States by China in recent years, it should be assumed that China will use the same tactics against the emerging American DSM industry. China could use its considerable influence and capabilities in shipbuilding, off- and onshore equipment, and their significant market share in deep seabed mineral-derived metal products to block American companies from accessing relevant supply chains and markets in an attempt to slow America's lead and preserve its dominance over critical mineral supply chains.

3. Conclusion

The scale of the opportunity cannot be overstated. Polymetallic nodules found on the abyssal seafloor contain nickel, cobalt, manganese, and copper in concentrations that can rival China's dominance in critical mineral mining and processing, while re-industrializing America. Even a fraction of known deep seabed resources could supply the United States with hundreds of years of these critical minerals.

The same leadership that built America's offshore energy sector, its oceanographic institutions, and its maritime industries is now being applied to deep seabed minerals. By providing

regulatory clarity and predictable permitting pathways, the United States can secure a first mover's advantage in anchoring deep seabed mineral production, transport, international trade, and value-added processing here at home.

The United States stands at a rare convergence of offshore mineral resource availability, technological readiness, and regulatory capability. With a proven statutory framework in DSHMRA and its implementing regulations, an Administrator acting on the designation of deep seabed minerals as a matter of national priority working to streamline and improve the permitting process, and clear leadership from the Administration, America is well positioned to lead the world in deep seabed mining.

I thank the Subcommittee for its time, its attention to this important issue, and its continued commitment to policies that strengthen American industry, security, and leadership offshore.