UNITED STATES SENATE COMMITTEE ON
ENERGY AND NATURAL RESOURCES
SENATOR LISA MURKOWSKI, *Chairman*

Opening Statement
ENR Hearing on U.S. Mineral Security
Chairman Lisa Murkowski
July 17, 2018

Good morning, everyone. The committee will come to order.

We're here today to discuss our nation's mineral security – or, as I note, the continued lack of mineral security in this country.

This is not a new issue for us. In fact, this is actually the fifth hearing we've held on this subject in almost as many years, I think Senator Wyden you will recall we've been talking about this for a while. And while we continue to discuss it, the United States' dependence on foreign minerals has continued to increase.

Last year, our nation imported 100 percent of our supply of 21 minerals and at least 50 percent of 50 minerals. To put that in perspective, in 1997 we imported 100 percent of 11 minerals and at least 50 percent of 26 minerals. So, we are just about doubled in our dependence in the past two decades alone.

These trends were ignored for a long time, but I think we're finally starting to see some positive efforts to reverse the tide. Last December, the President took a significant step by issuing an executive order that directed multiple departments to develop a strategy to reduce our foreign dependence. And the first piece of that order directed the DOI to develop a list of "critical minerals."

Secretary Zinke published the first annual list back in May. It includes 35 minerals deemed to be critical because of their economic importance, but vulnerable to potential supply disruptions. I'm pleased that the Secretary and his team at the USGS put that work out for us.

As members of Congress, we also have an opportunity to pass legislation to address this growing vulnerability. I thank the Senators who cosponsored and supported my recent amendment to the NDAA. We weren't able to add it to the bill on a unanimous basis, but I'm certainly continuing to encourage the NDAA conferees to retain language to boost our mineral security.

This hearing and our opportunity with NDAA are particularly timely based on what is happening with international trade. A few years ago, China chose to cut off Japan's supply of rare earth elements. At that time, the U.S. had a small supply from the Mountain Pass Mine in California, but it only produced certain rare earths, and it has since closed – so we don't even have that safety net anymore.

My concern, among many concerns, is if China ultimately responds to tariffs by restricting our supply of rare earths, or any number of other minerals, the U.S. could be in serious trouble. We've heard testimony in the past about the dangers of the concentration of supply from a handful of countries that control the supply chain. I'm hopeful that we aren't about to experience those dangers firsthand, and will continue to urge action to reduce this significant vulnerability.

And that's really what this is all about – a serious, but needless, vulnerability. Our mineral security doesn't have to be at rock bottoms. Many parts of our country, including Alaska, are rich in mineral resources. What we lack is a sense of urgency to ensure that our policies promote their responsible production. We have to get away from this "immaculate conception" theory of your iPhone, fighter jets, solar panels, all these things just happen, they just appear out of thin air. We have to acknowledge the fact that many of the materials that are used to make them actually come from the ground. We have to dig them up, and that is an inconvenient truth for some.

I recognize that some are reluctant to address the main driver of this problem, and I look to our broken federal permitting system. But I believe that we can make some improvements, that we have to make improvements, and we must do this all while we are protecting the environment. The U.S. has the highest safety standards for mining anywhere in the world. We have the experience and expertise needed to do it right. We need to work on our workforce. We also live in a world where permitting delays and litigation deter investment in our country, so we want to speak to that.

We have a distinguished panel with us this morning to help us understand the latest trends and what we can do about them. We'll hear from technical experts from USGS and the Critical Materials Institute who are following markets and working to develop alternatives to many minerals – and this is an important part of the conversation, what else is out there. We'll also hear from companies who want to produce minerals, in states that strongly support their efforts. And we'll hear from material manufacturers who take minerals and turn them into alloys for medical imaging equipment, defense applications, and more.

So I thank you all for being here. Some days, I feel like this is Groundhog's Day all over again, we're back again, we're talking about the same thing. Well, perhaps that's just the roll of this committee, we will continue to push on it because it is an issue that deserves and demands the focus that this committee is giving. With that, I turn to my friend from Oregon, Senator Wyden good to have you back here

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