

**Chairman Manchin's Opening Remarks During a Full  
Committee Hearing to Examine Opportunities to Counter  
the People's Republic of China's Control of Critical Mineral  
Supply Chains**

- The committee will come to order.
- We're here today to continue our committee's work securing our critical mineral supply chains and countering the People's Republic of China's control over so many of the materials which have become essential to our modern lives.
- Just after the passage of the Bipartisan Infrastructure Law and on the heels of Putin's invasion of Ukraine, this Committee held a series of hearings on critical minerals in early 2022.
- We recognized the growing risk of our country's reliance on nations who do not share our values for minerals.
- Just like Putin weaponized Russia's oil and gas resources to try to scare off Europe from supporting Ukraine, Xi Jinping and the Chinese Communist Party are more than willing to use critical minerals as leverage to put Americans and the free world at risk.
- In fact, China is already doing so.
- Just last month, Xi Jinping's government announced export restrictions on gallium and germanium – two critical

minerals that are needed for semiconductor fabrication. This is just a small preview of what could come in the future.

- And some of the decisions that the Administration has been making seem to be increasing our risk, instead of reducing it.
- This is why it's so important that Congress has made progress to strengthen supply chains and onshore vital manufacturing—including through the Inflation Reduction Act, the Bipartisan Infrastructure Law, Chips & Science, and National Defense Authorization Acts.
- However, our work is not done.
- My friend Dan Yergin, who I'm grateful to have testifying before us today, will help us better understand how the global landscape for critical minerals has changed in the wake of those legislative efforts.
- Dr. Yergin and his team have done extensive study of the supply and demand outlook for copper, lithium, cobalt, and nickel – including a focus on opportunities to produce these resources domestically, as well as with our free trade partners.
- It will come as no surprise that I want to discuss our best options to pivot away from China, particularly when it comes to the electric vehicle supply chain.

- Let me be clear, I fully support realistic and responsible approaches to reducing emissions in the transportation sector - and EVs are an important part of that equation.
- But so long as China and other countries who don't share our values control the supply of critical minerals required for EVs, I will strongly oppose moving too quickly toward an EV-dominated future.
- Thanks to innovation and investment in our domestic oil industry over the last two decades, there is no longer a risk that foreign adversaries could force us to ration gasoline like we saw in the 1970s.
- We must deploy that same innovative spirit and entrepreneurship to ensure that no American has to wait in line for their ration of a Chinese battery.
- The chart behind me shows just how dire this threat is.
- When it comes to the EV battery supply chain, depending on the mineral, China processes anywhere from 60 to 100 percent of all the minerals needed for batteries and electric motors.
- And their dominance is not just in minerals, it's also in battery manufacturing. China is responsible for 74% of the world's cathode production, 92% of anode production, and 76% of lithium ion battery cell production. They've cornered the market.

- With numbers like these, it is frustrating that the Administration continues to try to water down the sourcing requirements for EV batteries clearly stated in the IRA.
- Through guidance, the administration is attempting to cut the critical mineral sourcing percentage requirements in the IRA in half, pretending battery component manufacturing is the same as critical minerals processing, and proposing fake “free trade agreements” that circumvent the law.
- And the administration still has not published the “Foreign Entity of Concern” guidance required in the IRA to prevent bad actors from receiving taxpayer dollars.
- The chart behind me shows the stark differences between the strong critical mineral sourcing requirements explicitly spelled out in Section 13401 of the IRA and the lower thresholds unlawfully allowed by Treasury’s guidance.
- This administration appears to care more about getting EVs on the road than our energy security and competition with China.
- With so many of our mineral resources on federal lands, I appreciate Deputy Secretary Beaudreau joining us to discuss the Interior Department’s role as part of the solution.
- While Congress has given the Administration tools to secure our supply chain in recent legislation, I’m incredibly

frustrated that the bipartisan demand for urgency seems to be going unheard.

- Benchmark Mineral Intelligence estimates that at least 336 new mines are needed for graphite, lithium, nickel, and cobalt to meet EV demand prior to 2035.
- However, an insufficient number of new mines are currently in development to meet that demand, while those projects that are under development face long timeframes and considerable risk.
- When we refuse to allow mining and processing here in a timely fashion, we encourage it to occur in countries with lower environmental and labor standards than we would permit at home. No one in the administration or Congress denies this reality.
- But we haven't seen any major projects approved by the US Forest Service or the Department of the Interior at any point during this Administration.
- What we have seen is environmental impact statements for mineral projects rescinded to undergo years of "additional review and consultation" with no end in sight.
- Other projects - including one that has received Defense Production Act funding so that the Department of Defense can manufacture desperately needed ammunition - have seen their schedules slip over and over again.

- And we've heard troubling reports that Department of Energy grant funding is being withheld for mineral processing that would enable new mining, while recycling projects already have their cash in hand.
- Not only has the administration delayed the minerals projects we need, they appear to be taking the position that we don't have a permitting problem at all for critical minerals.
- The Bipartisan Infrastructure Law directed the Department of Interior to make critical mineral permitting improvements and then report back to Congress within one year on progress and additional recommendations.
- But instead of getting the report the law requires, the report we received earlier this month - 10 months late - does not describe any concrete actions that have been taken to speed up permitting or establish timelines as required by the Bipartisan Infrastructure Law.
- While I do support the intent of some of the administration's non-permitting recommendations – like reasonable reforms to the Mining Law of 1872 to ensure a fair return for taxpayers and addressing abandoned hardrock mines – none of that does anything to secure the supply chain for minerals or for the EV batteries this administration so desperately wants.

- It's seeming more and more like this administration's strategy is focused on TALKING about new mining, but doing very little to actually permit and use resources we have beneath our feet.
- I'm committed to keep working on a bipartisan basis on our committee to correct this course.
- We must also acknowledge that while we can provide much of the minerals we need domestically, we can't produce or process every mineral in the quantities we need here in the United States, or even just in North America.
- So, we need to ensure that we are working with trusted and reliable partners when it comes to overseas mineral sourcing.
- That means looking to friends like Canada, Australia, free trade partners, and our NATO allies to help us secure our mineral supply chains.
- But it does not mean ignoring our democratic values, labor standards, or environmental priorities to buy from anyone willing to sell us minerals or batteries.
- In closing, if we don't address our dependence problem and look for innovative ways to onshore the critical minerals supply chain, it will compromise our energy security and handicap us in the global marketplace.

- We cannot let that happen – and with that in mind, I cannot help but take this opportunity with the Deputy Secretary here to bring up the Inflation Reduction Act’s oil and gas leasing provisions.
- I have been concerned about efforts by the Administration to throttle back oil and gas leasing and production.
- So, I made sure that the IRA tied Interior’s ability to issue wind and solar leases to whether the Department is holding significant oil and gas lease sales, both on- and offshore. The bill also mandated offshore sales that had been canceled.
- As we all know, not only are we nearing the end of the Fiscal Year on September 30, we are coming up on two major oil and gas deadlines – the release of the long-delayed 5 year offshore leasing program and the Inflation Reduction Act’s final mandated Gulf of Mexico Lease Sale 261.
- Unfortunately, as a result of the Administration’s own actions, they’ve managed to delay Lease Sale 261 until no later than November 8, according to a recent 5th Circuit court order.
- Let me review just how ridiculous this is. First, the Administration allowed environmental groups to hijack the leasing process by agreeing to a voluntary settlement

related to the Rice's whale that bypassed Interior's normal procedures and set them up to lose in court.

- The settlement imposed new restrictions on oil & gas in the Gulf and would have removed 6 million acres from the lease sale.
- Then, when a Federal Judge determined Interior's changes to the lease sale were likely unlawful and ordered the sale to proceed as originally proposed, Interior said they did not have enough time to course correct and meet the September 30 deadline set by Congress.
- Why not? Because, according to Interior, they need more time to follow normal procedures—the same procedures that the administration was willing to bypass to appease environmental activists in the settlement agreement. You can't make this stuff up.
- This is just the latest example that this administration hasn't gotten the message—trying to re-write an energy security law passed by Congress through administrative action is not a winning strategy.
- I want everyone to know that I will support anyone who suffers damages as a result of this administration failing to implement the IRA in alignment with the intent and the letter of the law.

- Because the reality is, we will get closer to achieving our shared goals— not just Republican goals and Democratic goals, but American goals, for oil and gas, for critical minerals, and for many other energy sources—if we embrace the balanced approach in the IRA.
- As ten of my Republican colleagues stated in their Amicus Brief related to Lease Sale 261: “The IRA was the result of considerable deliberation concerning the economic, energy, environmental, and strategic interests of the United States,” and “the IRA balances diverse, complex, and overlapping considerations including growth and conservation, domestic needs and global positioning, and security and diplomacy.”
- I couldn’t agree more with my Republican friends on this, and I will continue to do everything in my power to ensure the law is implemented in that manner.
- I look forward to hearing from our witnesses today to understand how we can find a realistic path forward without sacrificing our energy and national security.
- And with that I’ll turn it over to Ranking Member Barrasso for his opening remarks.
- Thank you, Senator Barrasso.
- I’d like to turn to our panel of witnesses. We have:
  - The Honorable Tommy Beaudreau, Deputy Secretary of the Department of the Interior, and Chair of the

Interagency Working Group on Mining Laws,  
Regulations, and Permitting.

- Dr. Daniel Yergin, Vice Chairman, S&P Global
  - Mr. Mark Compton, Executive Director, the American Exploration & Mining Association.
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- Now to witness opening remarks.
  - Deputy Secretary Beaudreau, we'll begin with you.
  - Thank you. Next, we'll hear from Dr. Yergin.
  - Thank you. Now we'll go to Mr. Compton.
  - Thank you all again for being here with us and for your testimony. We will now begin with questions.