## U.S. HOUSE OF REPRESENTATIVES

## NATURAL RESOURCES COMMITTEE

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## Experts Agree: United States' Dependence on Foreign Strategic and Critical Minerals Costs Jobs, Threatens National Security

**WASHINGTON, D.C.** – Today, the House Subcommittee on Energy and Mineral Resources held a hearing titled "Strategic and Critical Minerals Policy: Domestic Minerals Supplies and Demands in a time of Foreign Supply Disruptions."

Mineral production is a key economic activity that creates jobs and improves our national security. Strategic and critical metals and minerals are essential for agriculture, renewable energy, communication, construction, health care, manufacturing, transportation, and new technologies. At today's hearing, Members heard from witnesses regarding America's vast amount of untapped mineral resources, federal policies that are restricting production of these resources, and the negative consequences of American reliance on foreign countries for our strategic and critical mineral supplies.

"Without increased domestic exploration, significant declines in U.S. mineral production are unavoidable as present reserves are exhausted. We will continue to ship American jobs overseas and forfeit our economic competitiveness unless we take steps to develop our own mineral resources ... Developing our Nation's mineral resources is not only an integral part of an all-of-the-above energy plan but it will create long-term family wage jobs, stimulate our economy and reduce our foreign dependence on mineral resources," said Subcommittee on Energy and Mineral Resources Chairman Doug Lamborn (CO-05).

The U.S. Geological Survey's (USGS) Mineral Commodity Summaries, 2011, reports the U.S. is 100% dependent on foreign sources for rare earth elements (REE), 97% of which are provided by China. However, in November 2010, the USGS released a report revealing 13 million metric tons of REEs exist within known deposits in 14 U.S. states. The Obama Administration's reluctance to produce our domestic mineral resources raises serious issues of supply security, costs jobs and stifles economic expansion.

Hal Quinn, President and CEO of the National Mining Association, testified at the hearing that "the United States' import dependence for key mineral commodities has doubled in the span of two decades." According to Quinn, over half of the mineral needs of United States manufacturing are imported from foreign countries.

Roderick G. Eggert, Professor at the Colorado School of Mines, shared his concern over American dependence on foreign mineral imports and emphasized the need for a comprehensive U.S. minerals policy that improves the regulatory approval processes for domestic resources development. "A common conclusion of almost all recent studies on

strategic and critical minerals is to urge governments to improve and expand activities related to information and analysis, education, and research," said Edwards.

**Dr. Robert Jaffe, Professor of Theoretical Physics at MIT**, discussed the results of *Energy Critical Elements*, a study he chaired on behalf of the American Physical Society and the Materials Research Society. According to Dr. Jaffe, "If appropriate steps are not taken, we face possible disruptive short-term constraints on supply of some elements that are not presently mined, refined, or traded in large quantities, but are critical to the deployment of potentially game-changing energy technologies. Casualties might include things ranging from important petroleum refinery catalysts to state-of-the-art wind turbines or market competitive solar panels."

Witnesses also discussed the economic and environmental benefits of producing minerals in the U.S. "Mining projects developed here in the U.S. are, on balance, likely to be conducted with higher standards of safety, against stronger environmental strictures, with better benefits to the surrounding communities than projects in many parts of the world. And projects developed here will lessen if not eliminate the 'surety of supply' issue and fear of materials disruption," stated Daniel McGroaty, President of the American Resources Policy Network.

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