

Testimony of Heather Reams, President, Citizens for Responsible Energy

Solutions (CRES) To the Forum Hosted by the Committee on Natural Resources

and Congressional Western Caucus Republicans:

"Minnesota Mining and American Potential: An Opportunity for a Brighter and More Secure Future" on Thursday, January 13, 2022, 10:00 AM EST,

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Ranking Member Westerman, Ranking Member Stauber, Ranking Member Graves, Chairman Newhouse, Honorable Members of Congress, thank you for this opportunity to speak to you today on the importance of domestic mining for critical minerals.

I am Heather Reams, president of Citizens for Responsible Energy Solutions (CRES) and an advocate for responsible, conservative solutions to address our nation's energy, economic, and environmental security while increasing America's competitive edge.

CRES supports energy sources and technologies that lower emissions – that includes natural gas, nuclear, wind, solar, hydro, and geothermal. It includes energy storage, carbon capture, and alternative fuel vehicles. We believe that the climate is changing. To address it, we must use clean energy technologies to lower emissions. Critical minerals such as cobalt, lithium, nickel, and copper are the building blocks of clean energy technologies; therefore, mining is necessary to combat climate change.

The demand for such minerals will only grow over time. According to the International Energy Agency, for all nations to meet their Paris Agreement goals in the next two decades, demand increases 40% for copper, 60-70% for nickel and cobalt, and almost 90% for lithium.¹

 $^{^{1}\ , \}underline{https://www.iea.org/articles/clean-energy-progress-after-the-covid-19-crisis-will-need-reliable-supplies-of-critical-minerals}$

According to the United States Geological Survey (USGS), the US has enormous reserves of these and other critical minerals which should be a boon for advancing clean energy and our economy.

However, in a critical minerals assessment last year, the Biden Administration determined that the US "does not need to mine and process all critical battery inputs at home. It can and should work with allies and partners to expand global production and to ensure secure global supplies."²

The challenge is that critical mineral reserves are largely controlled by countries that are not our allies - such as China. A reminder of this monopoly of critical minerals is as recent as 2019 when China threatened it would cut off rare earth minerals to the United States as a countermeasure in our nations' escalated trade battle. ³

China also owns all of the cobalt mining facilities in the Democratic Republic of Congo, which produces about 70% of the world's cobalt. It therefore should not be a surprise that China also refines 70% of the world's cobalt.⁴

With regard to rare earth mineral production, 81% is controlled by China. Australia comes in second with only 15 percent.

Our energy and economic security should rely on using American resources that have the high labor and environmental standards, instead of depending on foreign supply chains that often do not. Mining, quarrying and other extraction activities are more than two times as more

² https://www.reuters.com/technology/us-must-work-with-allies-secure-electric-vehicle-metals-white-house-2021-06-08/

³ https://www.cnbc.com/2019/05/29/dont-say-we-didnt-warn-you---a-phrase-from-china-signals-the-trade-war-could-get-even-worse.html

⁴ https://www.nytimes.com/2021/11/21/world/us-china-energy.html?searchResultPosition=7

carbon intensive in China than in the US.

The demand for critical minerals is an incredible opportunity, and the US should be at the forefront. Instead, it has been a windfall for China both financially and strategically, and this Administration's policies continue to allow China to have increasing influence over our energy and transportation sectors.

As the US deploys more low-carbon technologies, we must reduce our dependence on hostile foreign suppliers through increased domestic production. Without such a plan, the deck isn't just stacked against the US, we are barely in the game.

Thank you for the opportunity to share my organization's views with you today.