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U.S. House of Representatives
Committee on Natural Resources
Washington, DC 20515

Opening Statement of
The Honorable Doug Lamborn
Chairman, Subcommittee on Energy and Mineral Resources
Oversight Hearing on
"Strategic and Critical Minerals Policy:
Domestic Minerals Supplies and Demands in a time of Foreign Supply Disruptions"
May 24, 2011

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We are here today to discuss the Nation's Strategic and Critical Minerals Policy and opportunities for improvement so the United States can better meet domestic needs, create jobs and strengthen our economic and national security by decreasing our foreign dependence on mineral materials.

Today we will gain valuable insight from the mining industry, users of mineral commodities, an American Resources advocate and the Chairmen of two National Research Council Reports published in 2008 and a 2011 report issued by the American Physical Society and the Materials Research Society.

Rare-earth elements are important components for renewable energy technologies, telecommunications, medical devices and maybe most importantly military technology.

They are used to make very small and powerful magnets - if you allow me to demonstrate with these two small magnets here – magnets that are used in the military drones that have played an important role in the war on terrorism.

The industrialization of China and India is driving demand for non-fuel mineral commodities, sparking a period of resource nationalism.

Steps taken by China to restrict exports of mineral commodities needed for the industrialization of their country highlights the need for the United States to assess the state of our Nation's mineral policies and the opportunities to produce these and other strategic and critical minerals domestically.

According to the National Research Council, one of the primary advantages the United States possesses over our strongest industrial competitors is our domestic resource base -- in other words we have a lot of mineral resources that could be developed.

The United States is among the world's largest producer of many important metals and minerals, particularly copper, gold, lead, molybdenum, silver, and zinc; and we still have substantial domestic reserves of these metals including rare-earth elements.

Yet, domestic mineral exploration stagnated or declined during most of the 1990's and 2000's even though global mineral exploration trends were strongly positive. In 1993 we attracted twenty percent of the world-wide minerals exploration budget, today we attract about eight percent.

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.

The lack of exploration expenditures and other factors has led to an increased dependence on foreign imports. For example, 25 years ago the United States was dependent on foreign sources for 30 non-fuel mineral materials, 6 of which were entirely imported to meet the Nation's requirements and another 16 of which were imported to meet more than 60 percent of the Nation's needs.

By last year our import dependence for non-fuel mineral materials more than doubled from 30 to 67 commodities, 18 commodities were imported entirely to meet the Nation's requirements, and another 25 commodities required imports of more than 50 percent (figure 1 – on screen).

While much of the focus has been on rare-earth elements because of China's restrictions on exports – they currently produce about ninety-six percent of the world's rare-earth elements. These metals are not the only ones that should be of concern to us.

For example, at a 2006 subcommittee hearing on “The Energy and Mineral Requirements for Renewable and Alternative Fuels Used for Transportation and Other Purposes” Robyn Storer stated that “by 2016 less than half of world demand for copper mine supply can be met from production from existing mines” ... and that ... “the world needs the equivalent of 30 new major mines by 2016 to meet the projected growth in demand.”

The world-wide economic downturn in 2008 and 2009 and slow recovery has stayed that dire projection but not eliminated it.

The United States has abundant copper resources and could benefit greatly from development of projects like Resolution Copper in Arizona. 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.

I look forward to hearing from our witnesses today.