



Opening Statement
Full Committee Hearing on U.S. Foreign Mineral Dependence
Chairman Lisa Murkowski
March 28, 2017

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

We are here today to receive testimony on the United States' foreign mineral dependence. It will come as no surprise to anyone here that I believe this is a significant and growing threat to our nation. Resolving it, and restoring our mineral security, is a priority for me and for many members of this committee.

Our starting point is to recognize that minerals are important because they are the building blocks of our modern society—from the smallest computer chips, to the tallest skyscrapers, and just about everything in between. Minerals are fundamental to fracking, MRI machines, and jet engines. The homes we live in, the food we eat, the cars we drive, and the computers we use all depend on minerals. Almost every product in our nation is made from or uses minerals. And yet, more and more often, those minerals are now being produced somewhere else.

According to the U.S. Geological Survey, we imported at least 50 percent of our supply of 50 different minerals, including 100 percent of our supply of 20 of them, in 2016. That is a major increase from our foreign dependence levels in 1978, when this data was first collected. And it suggests that we are on the verge of replacing our dependence on foreign oil with an equally, if not even more damaging, dependence on foreign minerals.

Rare earth elements are the best-known example. With the Mountain Pass Mine in California now closed, we once again import 100 percent of our supply of rare earths—exposing us to potential supply shortages and price volatility, while reducing our international leverage and our attractiveness for manufacturing. And it is the same story with graphite, palladium, indium, manganese, niobium, and many others.

When you look at the list of what we import, where we import it from, and what it is used for, it quickly becomes clear that we have a very real problem on our hands.

Our foreign mineral dependence is a threat to our ability to create jobs in America. It threatens our growth, our competitiveness, and our national security. It may seem abstract right now, for some who are not responsible for managing a supply chain, but there will come a day when it

will become real for all of us—when we simply cannot acquire a mineral, or when the market for a mineral changes so dramatically, that entire industries are affected.

Some agencies have begun to wake up to the threats posed by our foreign mineral dependence. Yet, on the whole, the federal government is not paying anywhere near enough attention. Executive agencies are not as focused or as coordinated as they need to be. And they do not have all of the direction or authority they need to make lasting progress to restore our mineral security, either.

That is why, for the past three Congresses, I have introduced legislation to improve our nation's mineral security, along with members from both sides of our committee. Last Congress, we included our work within our broad, bipartisan energy bill, which both the committee and the Senate overwhelmingly approved.

As we examine policy options in this new Congress, I remain convinced that our ideas on minerals are on the right track, and are as timely as ever.

I continue to believe we should have a mechanism to track which minerals are critical in use and susceptible to supply disruption.

When a mineral is listed as critical, we should survey our lands, to determine the extent of our resource base.

When it comes to permitting delays for new mines, our nation is among the worst in the world, so fixing our broken system is one of the single most important steps we can take.

We should also promote research into alternatives, efficiency, and recycling options, especially for minerals that we do not have in significant abundance.

We should build out our minerals forecasting capability, to provide a better understanding of mineral-related trends and early warnings when problems arise.

And, we need to pay attention to workforce issues, so that smart kids are taught by qualified professionals and can go on to find success in environmentally responsible mining operations.

This Congress offers a perfect opportunity to finally bring our mineral policies into the 21st century and to begin to restore our nation's mineral security. Today, we start that effort by focusing on the importance of minerals, the threats posed by our rising foreign dependence, and a discussion of the solutions within our reach.

So I look forward to hearing from each member of the panel this morning and at this time turn to Senator Cortez Masto for her comments.

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