Congress of the United States

Washington, DC 20515

May 1, 2024

The Honorable Chuck Fleischmann
Chair
House Appropriations Subcommittee on
Energy and Water Development
2187 Rayburn House Office Building
Washington, DC 20515

The Honorable Marcy Kaptur
Ranking Member
House Appropriations Subcommittee on
Energy and Water Development
2186 Rayburn House Office Building
Washington DC 20515

Dear Chairman Fleischmann and Ranking Member Kaptur,

As the Subcommittee on Energy and Water Development and Related Agencies begins deliberations on Fiscal Year 2025 Appropriations legislation, we write to express our strong support for the U.S. Department of Energy's work to advance critical minerals and materials (CMM) innovation. CMM innovation — encompassing activities like critical minerals recycling, substitution, and extraction from mining waste streams — is vital for U.S. national security and economic competitiveness in the 21st Century. Moreover, CMM innovation enjoys significant bipartisan support among Members of Congress and experts across multiple administrations.

Critical minerals — including nickel, cobalt, graphite, gallium, germanium, and rare earth elements — are components of countless products and technologies, ranging from consumer electronics to submarine sonar to aircraft engines. Critical minerals are also essential inputs to clean and emerging energy technologies, such as batteries, permanent magnets, industrial automation and solar panels. Thus, as the United States and other countries accelerate transitions to clean energy sources and electric vehicles (EVs), global demand for critical minerals is projected to grow dramatically.

Rising demand for critical minerals in the U.S. is leading to increasing dependence on foreign sources of critical minerals and their downstream products. Crucially, the People's Republic of China (PRC) controls most of the market for processing and refining cobalt, lithium, rare earth elements, and other critical minerals. The PRC's dominance of these supply chains, according to a White House interagency report, stems from Beijing's aggressive deployment of industrial policies, including research, development, and demonstration (RD&D) investments and strategic international partnerships, and market manipulation.

Many analysts believe that dependence on PRC critical minerals creates substantial market, supply chain, and national security vulnerabilities for the United States. Recognizing these challenges, substantial bipartisan agreement has emerged around the notion that the federal government should be doing more to strengthen critical minerals supply chain security — and that CMM innovation is fundamental to that effort. In 2019, for example, the Trump Administration released a national critical minerals strategy that highlighted the "largely untapped reservoir" of potential critical minerals supply from recycling and called on the U.S. to curb its growing dependency on foreign sources of critical minerals by using alternative materials and components. The Biden Administration has echoed the 2019 strategy's support for CMM innovation.

Additionally, in December 2023, the House Select Committee on Strategic Competition between the United States and the Chinese Communist Party (CCP) unanimously adopted a series of policy recommendations that, in part, called on Congress to develop a package of investments and incentives to reduce critical minerals supply chain dependency. Supporting CMM innovation, including funding for alternative battery chemistry research and electronics recycling programs, was a key bipartisan recommendation.

The Fiscal Year 2025 Appropriations bill creates an important opportunity for Congress to advance CMM innovation and develop next-generation industries free from CCP influence. The Subcommittee, we believe, should fund the essential work of the U.S. Department of Energy (DOE) to develop reliable, resilient, affordable, diverse, sustainable, and secure domestic critical mineral and material supply chains. Specifically, we request the following funding:

- $76 million for the Office of Advanced Materials and Manufacturing Technologies' Secure and Sustainable Materials subprogram. This subprogram supports the agency's multi-pronged RDD&D to bolster domestic availability of critical materials as well as identify and mature alternatives, including by supporting prototyping and small-scale demonstrations that verify economics of production and operations in real world conditions. Areas of interest for these projects, according to the agency, include metal reduction, magnet manufacturing, materials recovery and reuse, and more efficient use. The Secure and Sustainable Materials Subprogram also encompasses the Critical Materials Collaborative (CMC), which promotes collaboration across DOE RDD&D activities and serves as a focal point for developing an innovation ecosystem around CMM to include other agencies, laboratories, academia, industry, and other stakeholders. These activities create and advance technologies that are the pipeline into the demonstration and deployment programs supported by other DOE Offices including the Office of Manufacturing and Energy Supply Chains.

A host of other DOE offices are engaged in the agency's Critical Materials RDD&D program, with a strategy consisting of five pillars: (1) diversify and expand supply; (2) develop alternatives; (3) materials and manufacturing efficiency; (4) circular economy; and (5) enabling activities. The Subcommittee should ensure robust funding for these offices' CMM innovation functions as well, including:

(a) The Office of Energy Efficiency and Renewable Energy (EERE) (e.g., advancing technologies to recover critical materials from components at end-of-life, including through the Critical Materials Innovation Hub, led by Ames National Laboratory, and the ReCell Center, led by Argonne National Laboratory)

(b) The Office of Manufacturing and Energy Supply Chains (MESC) (e.g., implementing provisions from the Bipartisan Infrastructure Law and other recent legislation, including Battery Materials Processing and Battery Manufacturing Recycling Supply Chain Facilities to separate and process critical battery materials, as well as the Rare Earth Element Demonstration Facilities)

(c) The Office of Fossil Energy and Carbon Management (FECM) (e.g., supporting regional coalitions of academia, industry, states, NGOs, and tribal entities that assess the potential for developing supply chains using secondary and unconventional feedstocks like coal ash and wastes)

(d) Advanced Research Projects Agency-Energy (ARPA-E) (e.g., administering the Mining Innovations for Negative Emissions Resources (MINER) program, which aims to identify novel technologies that can substantially reduce waste, resource use, and GHG emission from new mining)

(e) Vehicle Technologies Office (VTO) (e.g., catalyzing solutions to collect, sort, store, and transport spent and discarded lithium-ion batteries for recycling and materials recovery)

More broadly, within the FY25 Appropriations bills, we urge wider attention to securing U.S. access to critical minerals and materials. Within the defense appropriations bill, for example, we recommend providing additional funding for increasing defense stockpiles via the acquisition of separated rare earth materials to support permanent magnets and other Department of Defense requirements, harden the defense industrial base, and further domestic manufacturing capability expansion. Similarly, developing a resilient resource reserve was the first recommendation of the House Select Committee on Strategic Competition between the United States and the Chinese Communist Party (CCP). We therefore also recommend increasing funding for the United States Geological Survey to encourage private enterprises to develop economically sound, safe, and stable domestic mining, minerals, metal, and mineral reclamation industries.

Critical minerals and materials are fundamental to our modern society, quietly powering the technologies and innovations that shape our daily lives. Because U.S. reliance on the PRC and other foreign sources for these materials places our national and economic security at risk, CMM innovation is a bipartisan imperative. Congress must support DOE in taking impactful and wide-ranging actions to address this challenge and secure our domestic supply chains. We look forward to working with the Subcommittee on this matter.

Sincerely,

Kathy Castor
Member of Congress

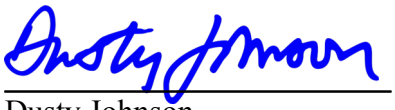
Robert J. Wittman
Member of Congress

Raja Krishnamoorthi
Member of Congress

Michael Waltz
Member of Congress

Chrissy Houlahan
Member of Congress

André Carson
Member of Congress



Dusty Johnson
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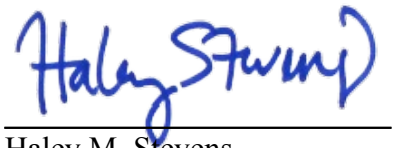

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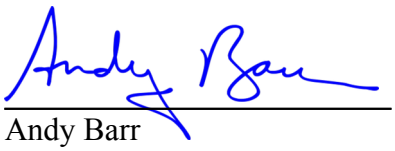

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