

Casey Hammond

Response to Questions for the Record

Rep. Rick Allen (R-GA)

1. Based on your interactions with critical mineral mining companies, what are the top impediments to them either establishing a footprint in the U.S. or expanding their footprint?

Two of the key impediments are certainty in the permitting process and financing, and these issues are related to each other. It is difficult to convince investment in U.S. mining projects when a timeline for permitting the entire project, from exploration, development and through to production is uncertain at best. We have the minerals in this country, particularly on federal lands in the West, but without a predictable process there will be hesitation in the mining community.

The steps the Trump administration has taken thus far has made strides to reverse the pessimism in the mining community. Already we have seen bold steps to ensure timely environmental reviews, reforms to NEPA procedures and a culture that openly invites new mining activity. Importantly, they are putting into place processes that respond to the Supreme Court's ruling in the Seven County decision which finally restores the limited nature of NEPA reviews. Congress can amplify this by encouraging standards that require agencies to list exactly what will be required of an applicant to process permit. If this is done correctly, the back and forth and arbitrary mid-process requirements for irrelevant data will be neutralized.

a. How can we overcome or lessen the effects of those impediments?

Congress can act to codify the reforms of the administration. The pendulum swing between administrations can be as daunting as poor regulations themselves. Future administration may be less inclined to support mining and no matter what the time requirements are, they can ignore or change them. However, Congress may raise the level accountability by passing legislation that narrows the scope of NEPA reviews and thus the time it takes to complete them and the opportunities for hostile litigation.

Congress can continue to offer funding opportunities as well. Because of the hundreds of millions to billions required to develop a mine, active investment from the government moves us towards a more level playing field with the international community that has easier environmental regulations and government financing.

I should note that there will be times where efficient permitting and potential financing partnerships will not result in the creation of a mine. There are places that should not be

mined and the answer from the government will be no. That is ok, that is process. The key is that we arrive at a fair and defensible answer that encourages companies to engage and invest.

b. Are these impediments the same or different for companies wishing to start or expand critical minerals mid- or downstream operations in the U.S.? If so, how can we overcome or lessen the effects of those impediments for the mid- and downstream operations?

The challenges are similar in that there will be permitting challenges. Building smelting/refining capacity is an incredible obstacle not only because of the high cost of construction, but for the changing landscape of regulations. Congress should engage with EPA and develop standards for these facilities that protect the air quality, but do not deter new investment. The committee should also understand that processing capacity is a bottleneck. When companies ship raw materials overseas for processing, then back to the U.S., and it is cheaper than doing it here, that is a significant problem and undermines our attempts at mineral independence. Continue to work with the Department of Energy to create funding opportunities for processing and simplify regulations with the EPA. It doesn't make sense to stoke the development of certain minerals when adequate processing does not exist and is at best a decade out.

In my experience at the Department of the Interior, I found that nothing moves until it becomes a priority. Congress is the place to make critical mineral development a priority. Enshrine reforms in statute so future administrations cannot move backwards from our current progress.