Testimony of Hans Smit

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Hearing on H.R. 4018 – To unleash America's offshore critical minerals and resources
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Chairman Stauber, Ranking Member Ansari and Members of the Committee: Thank you for the opportunity to appear before you today. My name is Hans Smit, and I serve as CEO of Ocean Minerals LLC (OML) and our wholly owned Cook Islands Subsidiary, Moana Minerals. I commend the Committee for advancing H.R. 4018 and for recognizing the urgent need to reassert American leadership in the global race for critical mineral independence.

Last month, during the Cook Islands' 60th anniversary of self-governance, U.S. officials — including White House National Security Council Senior Director David Copley and Department of Commerce Deputy Assistant Secretary Jushua Kroon — joined the celebrations and announced a Joint Statement on U.S.–Cook Islands Cooperation on Seabed Mineral Resources. This underscores America's commitment to responsible development in the Pacific. In addition, NOAA is preparing to send a research team to the region to expand baseline data collection, further advancing our scientific understanding of the seabed environment.

I am here not only as an executive of a deep-sea mineral development company but also as a representative of an enterprise rooted in American scientific innovation and national security strategy. Ocean Minerals traces its origins to a post-2011 U.S. Army Research Laboratory initiative, launched in response to China's aggressive restrictions on rare earth element exports. That research effort identified deep-sea polymetallic nodules in the Cook Islands' Exclusive Economic Zone as among the world's most geopolitically favorable and resource-rich critical mineral deposits.

The deep seabed in the Cook Islands contains an unmatched concentration of critical minerals vital for national defense, energy storage, electrification, and next-generation technologies. Within our 23,630 km² license area, we have identified resources containing over 80 million tons of manganese, 2.5 million tons of cobalt, 1.4 million tons of nickel, 750,000 tons of copper, and significant rare earth elements. These nodules lie unattached on the seafloor, accessible without excavation, offering a far simpler process for mineral extraction than many other mining operations.

Today, 87% of rare earth refining capacity, 60% of nickel processing, and a dominant share of global cobalt production are controlled by China. This monopoly is not merely economic—it is strategic. The United States must secure alternative, allied-sourced supplies to ensure the continuity of our industrial base, energy grid, and military readiness.

President Trump's April 2025 Executive Order, *"Unleashing America's Offshore Critical Minerals and Resources,"* recognized seabed minerals as essential to U.S. resource strategy and

called for expanded federal support for allied projects. H.R. 4018 codifies this direction by authorizing strategic U.S. engagement in deep-sea exploration and development, with priority for U.S.-aligned jurisdictions and companies.

Our project directly supports this policy framework. Ocean Minerals is a U.S.-controlled company operating through Moana Minerals in the Cook Islands, a Pacific ally with whom we enjoy diplomatic and regulatory alignment. The Cook Islands enacted comprehensive seabed mining regulations in 2024, enabling a stable investment environment for responsible offshore operations.

A single Ocean Minerals production vessel is projected to generate $1.4 billion in annual revenue, with a 36% pre-tax IRR and an NPV exceeding $4.7 billion. This scalability and profitability are bolstered by our proprietary metallurgical processing technology, which has already been validated at laboratory scale and is advancing to pilot-scale deployment.

Our initiative also advances U.S. innovation leadership. We are developing an end-to-end processing ecosystem and exploring partnerships to locate the first U.S.-based critical minerals refinery using marine resources. This is a viable industrial strategy to counter China's dominance of both the upstream and downstream supply chain. We are also looking at building the first commercial-grade deep sea mining vessel to further our leadership in this industry.

Deep sea development can be done responsibly while minimizing impacts on the environment. Seabed nodules lie on the surface of the deep-sea floor, requiring no excavation, road construction, forest destruction, relocation of indigenous populations or blasting. Our operations are designed for minimal sediment disruption and are undergoing a full Environmental and Social Impact Assessment (ESIA) under Cook Islands regulations, which are among the most stringent globally.

We are committed to full transparency, compliance, and community engagement. In partnership with the Cook Islands government and civil society, we are establishing long-term job training, marine research, and benefit-sharing frameworks.

H.R. 4018 comes at a pivotal moment. The United States has not advanced significantly in mineral processing and, apart from President Trump’s Executive Order, has not established a formal stance on seabed mining. This legislation would:

1. Provide strategic clarity and support for offshore resource projects.
2. Encourage allied nation cooperation, including Pacific Island partnerships.
3. Leverage American technological advantage and resource ownership.

As a company rooted in U.S. defense research and committed to the highest environmental and operational standards, Ocean Minerals is proud to serve as a model for how American innovation can responsibly lead the global race for critical minerals.

Chairman and Members, I urge your support for H.R. 4018 and the broader effort to establish a secure, sustainable, and sovereign U.S. critical minerals supply chain. Let us not wait until the

next crisis to recognize what is already clear: the resources of the future are on the seabed, and American leadership must accelerate now.

Thank you for your time and I welcome your questions.