

New bill touts 'market-based' approach

Manuel Quinones, Environment & Energy Publishing, 6-2-11

Rep. Randy Hultgren (R-Ill.) today is expected to introduce the latest in a long string of House and Senate bills aimed at promoting the domestic supply of materials critical to the economy and U.S. energy independence.

His "Energy Critical Elements Advancement Act of 2011," which is meant to establish a more market-based approach, comes a day before a hearing on two separate bills that have the backing of House Natural Resources Chairman Doc Hastings (R-Wash.) and ranking member Ed Markey (D-Mass.). Those measures would require studies or assessments of the country's critical mineral resources.

Hultgren's legislation calls on the U.S. Geological Survey and the Energy Information Administration to collaborate to "improve assessments" of energy critical elements, including potential resources, trade and recycling. It mandates more information gathering and research but limits some of the research to areas that private industry is not likely to do on its own because of technical or financial hardship.

While Hultgren's bill provides a list of elements to be considered, it makes provisions for others as needed. Elements listed include lithium, used in advanced batteries for hybrid cars; tellurium, important in advanced solar panels; and dysprosium, a so-called rare earth element used in making magnets.

As lawmakers discuss different avenues for dealing with possible supply limitations of critical materials, mining companies are capitalizing on the expected demand. In a webcast yesterday, Molycorp Inc. CEO Mark Smith touted progress for mining and processing rare earths at the company's facility in Mountain Pass, California.

"We will be the low cost producer in the world," he said. Smith also spoke about Molycorp's efforts to find outlets for the rare earths mined at Mountain Pass, in what is often called a mine-to-magnets plan.

So far, the most broad critical materials bill has come from Sen. Lisa Murkowski (R-Alaska), ranking member of the Senate Energy and Natural Resources Committee. Responding to concerns over her legislation's provisions to help streamline mining permit, a spokesman said Murkowski's bill did not mandate permits or aim to sidestep environmental review. Rather, he said, the purpose was to ensure the United States was competitive in mining and exploration.