Congressman Wittman Opening Remarks

Critical Minerals Policy Working Group: Roundtable 3 (Forced Labor and Sustainability in Mining) 7.23.24 as prepared for delivery

Thank you for joining me today for the third session of our Select Committee's Critical Mineral Policy Working Group. Today's discussion will focus on forced labor and sustainability in critical mineral supply chains.

As we've discussed in past sessions, the United States is heavily import reliant on the People's Republic of China (PRC) for mined and refined critical minerals. This dependency has entangled our supply chains with egregious human rights abuses and environmental degradation. Instead of prioritizing the extraction and processing of critical minerals in regions that uphold high environmental and labor standards such as the United States and its allies, some in Western industry have instead chosen to outsource labor and environmental responsibilities to the PRC, prioritizing low costs over our core values. In places such as the Xinjiang Uyghur Autonomous Region and the Democratic Republic of the Congo, Chinese-led mining operations are driven by forced labor and contribute to severe environmental degradation. These practices violate U.S. laws and standards that we uphold domestically and demand from our trading partners.

The Uyghur Forced Labor Prevention Act (UFLPA), signed into law in December 2021, was a significant step toward addressing these issues. This law established a rebuttable presumption that goods produced in whole or in part in Xinjiang are produced with forced labor and are therefore restricted from entering the U.S. market. The Forced Labor Enforcement Task Force (FLETF) maintains the UFLPA Entity List. Merchandise imported by entities identified by the FLETF on the UFLPA Entity List are subject to the UFLPA's rebuttable presumption and cannot be imported into the United States. To date, only 68 entities have been added to UFLPA Entity List, raising questions about the scope, scale, and pace of additions to this list. Such a short list of entities even years after the law's implementation underscores the need for more comprehensive and rigorous enforcement to ensure that all entities complicit in forced labor are held accountable.

Recent <u>updates</u> to the UFLPA Strategy by the Forced Labor Enforcement Task Force (FLETF) identified new high-priority sectors, including aluminum, that are subject to increased enforcement due to their higher risk of forced labor involvement. This enforcement is crucial, as

research developed by the Select Committee and highlighted in Ms. De La Bruyere's remarks has revealed that several entities in the battery supply chain maintain extensive business relationships in Xinjiang, linking them directly to forced labor practices. These entities must be added to the entity list.

Today's discussion will focus on policies aimed at reducing dependence on entities that mine, process, and manufacture products involved in forced labor violations as well as opportunities for the United States and its allies to collaborate on addressing these issues. We will examine how forced labor practices in regions like Xinjiang and the Democratic Republic of the Congo impact global market pricing and competition, particularly for U.S. companies. Additionally, we will explore the environmental impacts associated with these mining operations and how traceability and sustainable practices can be enforced.

We must strengthen our efforts to ensure transparency and traceability within global supply chains to comply with U.S. laws and protect human rights. This includes enhancing the enforcement capabilities of agencies like Customs and Border Protection and fostering international collaboration to set robust anti-forced labor provisions in trade agreements.

Today, we will hear from three participants who bring unique perspectives on forced labor and sustainable mining in critical mineral supply chains.

- Mr. Peter Mattis, president of The Jamestown Foundation, will discuss the congressional intent of UFLPA and the actions of the Forced Labor Enforcement Task Force to date.
- Ms. Emily De La Bruyere, senior fellow at the Foundation for the Defense of Democracies and co-founder of Horizon Advisory, will discuss the PRC's industrial policies highlighting the connection to forced labor practices and the impact on global critical mineral supply chains.
- Dr. Jennifer Hinton, group manager ESG at Jervois, will share her expertise on environmental, social, and governance practices in the global mining industry.