
Committee: House Energy & Commerce Subcommittee on Environment

Event: [Help or Hindrance? The Impact of U.S. Environmental Laws on Critical Material Supply Chains, National Security, and Economic Growth](#)

Date: April 22, 2026

Executive Summary: On Wednesday, April 22, 2026, the House Energy & Commerce Subcommittee on Environment held a hearing to examine the impact of legacy environmental laws, such as the *Toxic Substances Control Act* (TSCA) and the *Resource Conservation and Recovery Act* (RCRA), on the current development of critical material supply chains.

- **Bipartisan Agreement on the Threat Posed by China’s Supply Dominance and on the Potential of Recycling:** Both Republican and Democratic members agreed that China’s control over the global critical mineral supply chain (e.g., 80 percent of global lithium-ion recycling capacity and 90 percent of rare earth refining) poses an acute threat to the U.S. economy and defense base. Bipartisan members also identified increased critical mineral recycling as essential to establishing domestic supply chains.
- **Disagreement on Challenges to Domestic Supply Chain Development:** Republicans primarily blamed outdated environmental frameworks and lengthy permitting timelines for slowing or blocking domestic critical material projects. Democrats argued that the Trump administration’s actions against the clean energy industry destroyed mineral market demand, leading to canceled domestic projects and capital flight.

Member Toplines:¹

[Subcommittee Chair Gary Palmer \(R-AL-06\)](#): Palmer argued that while U.S. environmental laws have improved the environment over the last 50 years, they have also inadvertently encouraged the offshoring of critical supply chains to China. He advocated for comprehensive reforms to TSCA, RCRA, and other environmental laws to help reshore the entire critical mineral supply chain.

[Subcommittee Ranking Member Paul Tonko \(D-NY-20\)](#): Tonko defended bedrock environmental laws and argued against deregulation given current environmental challenges like plastic waste and PFAS. He called for international critical mineral agreements to focus on raising environmental and labor standards. Tonko blamed the repeal of *Inflation Reduction Act* (IRA) incentives, such as the 30D clean vehicle tax credits, and cancellation of battery manufacturing grants for discouraging private sector investments in critical supply chains. He proposed a national extended producer responsibility (EPR) program for lithium-ion batteries and other e-waste.

Rep. Morgan Griffith (R-VA-09), on behalf of Full Committee Chair Brett Guthrie (R-KY-02): Griffith stressed that winning the global race for artificial intelligence (AI) and other advanced technologies depends on domestic access to critical minerals and the chemicals needed to process them. He called for modernizing TSCA to enable domestic critical mineral production.

¹ Opening statements of Full Committee Chair Guthrie and Full Committee Ranking Member Pallone were not available at the time of this memo’s distribution.

Rep. Raul Ruiz (D-CA-25), on behalf of Full Committee Ranking Member Frank Pallone (D-NJ-06): Ruiz argued that the U.S. does not have to choose between economic growth and environmental protections. He criticized the Trump administration’s rollback of IRA and *Infrastructure Investment & Jobs Act* programs for ceding clean energy supply manufacturing to China. Ruiz called for refocusing federal policies on clean energy, working with allies on supply chain efforts, and investing in advanced recycling and other innovative technologies.

Witness Toplines:

[Chris Lehman, Chief Development Officer, Principal Mineral](#): Lehman said that opaque and volatile critical mineral markets discourage long-term mineral investments. He pointed to the lack of permitting predictability and fragmented regulatory processes across agencies as major impediments to domestic development. He called for policymakers to create conditions that allow for innovative technologies to become widely commercialized.

[Beia Spiller, Fellow and Director of the Transportation Program, Resources for the Future](#): Spiller argued that the primary barriers to domestic critical mineral scaling are economic – higher domestic input costs, artificially low and volatile global prices, and workforce gaps – not environmental laws. She said that higher environmental standards are a competitive advantage and that reducing public engagement or environmental reviews often results in costly litigation and significant delays.

[Jane Neal, Senior Vice President, AMG Vanadium](#): Neal shared her company’s experience of operating for 20 years under Environmental Protection Agency (EPA) variances recognizing their operations as “legitimate recycling” until new EPA staff attempted to change that classification, preventing the company from completing a \$300 million expansion project. She called for Congress to modernize environmental laws to provide the certainty the private sector needs to make long-term investments.

[Josh Gubkin, Associate General Counsel, Redwood Materials](#): Gubkin warned that RCRA and TSCA are producing unintended outcomes. He said RCRA classifies used lithium-ion batteries as hazardous waste, forcing recyclers into years-long permitting processes. He added that TSCA treats minor modifications of cathode materials as entirely new substances, requiring longer review processes. He called for end-of-life lithium-ion batteries to be treated as a strategic resource, not an environmental problem.

Major Takeaways:

Regulatory and Permitting Reform

- Multiple Republican members, including Reps. **Bob Latta** (R-OH-05), **Buddy Carter** (R-GA-01), **John Joyce** (R-PA-13), **Mariannette Miller-Meeks** (R-IA-01), **Julie Fedorchak** (R-ND-AL), Griffith, and Guthrie expressed interest in recharacterizing battery waste and other critical minerals under TSCA and RCRA to reduce the review burden on recycling plants and similar facilities. Witnesses broadly agreed on the need for reform to encourage investment in these projects.
- Guthrie specifically asked about allowing the EPA to group together similar chemicals for expedited risk reviews under TSCA. Gubkin said this would be a much more efficient process and is similar to the European risk review process.
- Ruiz argued that changes to environmental laws would reduce review standards and public engagement, leading to increased litigation costs and reduced global competitiveness as markets move towards cleaner procurement standards.

- Rep. **Nanette Barragan** (D-CA-44) raised the need for new standards to ensure reused batteries are safe and reliable.
 - Rep. **Gabe Evans** (R-CO-08) discussed the need for clearer policies on how to handle recovery of batteries damaged by wildfire and other natural disasters.
- Barragan also asked how to improve interagency coordination to support critical mineral projects; Lehman praised several of President Donald Trump’s executive orders for enhancing agency coordination. Lehman also advocated for extending FAST-41 eligibility to “strategic material projects” in response to similar questions from other Members.
- Fedorchak asked what it would look like for the EPA to shift from a “regulatory mindset” to an “enabling mindset.” Witnesses pointed to better interagency coordination, regulatory clarity, permitting reform, and cultural changes within the agency.

Recycling and Reuse

- Tonko asked about recycling’s potential to help reduce dependence on foreign supply chains. Spiller replied that there is not enough domestic circulation of black mass and batteries to make a dent in demand, but that increased electric vehicle (EV) adoption would increase the ability of recycling to supply critical minerals. Tonko again argued for a national EPR for batteries.
- Latta and Barragan both pointed to the potential for repurposing end-of-life EV batteries for grid-scale energy storage. Gubkin confirmed that EV batteries can be deployed for cheaper, faster grid storage but that the industry needs regulatory clarity to invest in repurposing.
- Evans and Griffith emphasized the importance of recovery of critical minerals from waste.
- Palmer warned that Chinese companies are setting up “false companies” to buy U.S. battery waste, leading to the shutdown of American battery recycling operations.
- Joyce called for legislation to ensure the life cycle of batteries begins and ends domestically.
- Miller-Meeks highlighted her legislation, the Recycling Infrastructure and Accessibility Act of 2025 ([H.R. 2145](#)), to create an EPA pilot program to expand rural recycling.
- Rep. **Troy Balderson** (R-OH-12) discussed his legislation, the Spent Petroleum Catalyst Recycling and Critical Minerals and Metals Recovery Exemption Act ([H.R. 7523](#)), to support the production of vanadium from oil refinery waste.

Market Conditions

- Democratic members, including Reps. **Darren Soto** (D-FL-09), **Greg Landsman** (D-OH-01), and Tonko, argued that the Trump administration’s IRA rollbacks have decimated the market demand needed to drive investments in critical materials.
- Soto also asked how the Iran war has impacted critical mineral supply chains. Lehman said the war has restricted exports of sulfuric acid, a key mineral processing input, through the Strait of Hormuz. He added that China has now imposed its own export ban on sulfuric acid, further cementing its control over mineral production.
- Barragan criticized the Trump administration for taking an equity stake in Lithium Americas while also taking actions to undermine the EV market. Spiller argued that this exposes taxpayers to greater downside risk.
- Palmer raised the idea of international mineral price floors. Lehman said price floors could be helpful in stimulating domestic or allied investments, especially in rare earths. Rep. **Rob Menendez** (D-NJ-08) warned that Trump’s strained relationships with many of our allies will prevent successful international coordination on price floors and other supply chain efforts.
- Rep. **Randy Weber** (R-TX-14) asked how to encourage private investments in critical mineral supply chains within the current regulatory framework. Lehman pointed to the use of the *Defense Production Act* and the Department of Defense’s Office of Strategic Capital.