

**Opening Statement**  
**The Honorable Ralph M. Hall (R-TX), Ranking Member**  
The Committee on Science and Technology  
*Full Committee Markup—HR 5866 (Nuclear R&D) and HR XXXX (Rare Earth Minerals)*  
September 23, 2010

Thank you, Mr. Chairman, for holding this full committee markup of H.R. 5866, the Nuclear Energy Research and Development Act of 2010, and H.R. XXXX, the Rare Earths and Critical Materials Revitalization Act of 2010.

As this is expected to be our last markup in the 111<sup>th</sup> Congress, I want to take the opportunity to thank you for your service to this Committee and your fair and bipartisan approach to working with me and the Members of this Committee over the years.

The first bill we will consider authorizes the nuclear energy R&D programs of the Department of Energy.

We are all aware of the importance of nuclear energy to America's future. It provides a safe, reliable, and cost-competitive source of electricity to meet future increases in electricity demand.

In the short term, we need to license and build more reactors using existing light water technology, but over the longer term we need to advance the development and licensing of new reactor designs, extend the life of the existing reactor fleet, and address the serious issue of managing waste and spent nuclear fuel.

Continued research and development is necessary to overcome all of these challenges, and this bill will help us get there through a comprehensive approach that authorizes existing R&D activities at DOE with an emphasis on accelerating the advancement and eventual licensing of small modular reactors.

It is a good bill; I thank the majority for working with us throughout the summer to craft it, and I'm pleased to join Chairman Gordon, Energy Subcommittee Chairman Baird and Ranking Member Inglis as a cosponsor.

The second bill we will consider creates a "Rare Earth Minerals" R&D program at DOE and authorizes DOE to make loan guarantees for mining, processing, and industrial production of rare earth minerals.

This is an important issue that warrants our attention. Rare earths are used in many different high-tech applications—including certain military and weapons systems—and China controls the bulk of world supply and recently announced its intention to reduce exports, triggering concerns that the U.S. could face a supply gap.

The obvious question we face is how best to address this concern. With respect to potential national security ramifications, I understand that the Department of Defense will soon complete a

study regarding its need for a domestic rare earth supply capability—a question that appropriately will be addressed by DOD and the Armed Services Committees.

With respect to commercial supply needs, it appears that increased demand and actions by China have resulted in sharp price increases for rare earth materials. This in turn has stimulated an immediate market response, as companies around the world are aggressively pursuing new rare earth mining and processing opportunities—suggesting that a taxpayer subsidy for such activity may not be necessary.

These important questions that remain unanswered, and because we have bypassed regular order with this legislation and Members have had only a very brief opportunity to consider this issue and legislation, I am uncomfortable supporting passage of this bill in its current form. Nonetheless, I appreciate the Chairman's interest in involving the Committee in an important issue, and I will continue to work with him on this issue as we move forward.

Thank you, and I yield back.