



**ZERO EMISSION  
TRANSPORTATION  
ASSOCIATION**

August 30, 2022

**The Honorable Deb Haaland**

U.S. Secretary of Interior  
Department of Interior  
1849 C Street N.W.  
Washington, DC 20240

**Re: Request for Information To Inform Interagency Working Group on Mining Regulations, Laws, and Permitting**

SUBMITTED VIA: [https:// www.regulations.gov](https://www.regulations.gov)  
Docket No. DOI-2022-0003

The Zero Emission Transportation Association (ZETA) is an industry-backed coalition of nearly sixty companies advocating for 100% electric vehicle (EV) sales by 2030. ZETA is committed to enacting policies that drive EV adoption, create hundreds of thousands of jobs, dramatically improve public health, and significantly reduce carbon pollution. Our coalition spans the entire EV supply chain, encompassing critical minerals developers, original equipment manufacturers, charging infrastructure installers, utility providers, battery recyclers, and more.

We would like to thank the Department of Interior (DOI) for the opportunity to inform the Interagency Working Group (IWG) on Mining Regulations, Laws, and Permitting. With global demand for electric vehicles growing at an unprecedented rate, the United States has the opportunity to become a leader in clean transportation. However, domestic mining law does not reflect the urgency of our need to ramp up minerals production. If EVs were to represent 100% of new car sales—17 million annually, in line with ZETA’s primary goal—current lithium carbonate equivalent (LCE) production would only meet 0.05% of total domestic EV battery pack demand.

In order to scale up EV manufacturing capacity in the U.S., our domestic supply chain for critical minerals needs to be reliable, sustainable and held to the highest environmental, equity, and human rights standards. By combining our high labor and environmental standards with efficient mining reform, the United States has the chance to conduct the most sustainable, ethical mining in the world. Therefore, the Administration is appropriately focused on reform that will secure a domestic supply of critical materials, improve national security, create jobs in the U.S., promote ethical mining practices, and dramatically reduce dependence on foreign resources. If North American critical materials are not adequately secured and prioritized, we will continue to be at the mercy of foreign supply chains for our battery, energy, and security demands.

**Background**

*1.1 Domestic Critical Minerals State of Play*

The United States has 7.9 million metric tons of lithium content resources, which is the world’s fourth-largest identified lithium supply—or, 9.2% of the world’s total lithium resources.<sup>1</sup> U.S. lithium

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<sup>1</sup> “Mineral Commodity Summaries,” U.S. Geological Survey, January 2021, <https://pubs.usgs.gov/periodicals/mcs2021/mcs2021.pdf>.

deposits are found in Nevada, California, Arkansas, and North Carolina.<sup>9</sup> The North American lithium resource supply is an even-greater 12.5 million metric tons. This far surpasses China's 5.1 million metric tons of lithium resources. In North America, battery demand will increase from 49 GWh in 2021 to 484 GWh in 2030, which is equal to 39,200 metric tons of lithium carbonate equivalent (LCE) in 2021, increasing to 387,200 metric tons in 2030.<sup>1</sup> To reach 100% new EV sales with domestically sourced lithium, the United States will need an annual production capacity of at least 128,454 metric tons of refined lithium content—or 683,762 tons of lithium carbonate equivalent (LCE).

Additionally, we have 53,000 metric tons of cobalt reserves, and Australia, our close ally, has 1.4 million tons of reserves. China has only 80,000 metric tons. Demand for cobalt has grown at an annual rate of 5% since 2013.<sup>15</sup> In 2020, the U.S. consumed a reported 7,300 metric tons of cobalt. U.S. consumption is expected to more than double by 2030.<sup>16</sup> To reach 100% new EV sales with North American-sourced cobalt, we will need to achieve an annual production capacity of at least 224,795 metric tons of cobalt. Furthermore, while the United States' nickel reserves are relatively small, the reserves of our close allies in Canada and Australia have a combined 22.8 million metric tons—dwarfing China's 2.8 million metric tons.

### *1.2 Critical Minerals Developers & Processors*

ZETA members are actively working to onshore our critical minerals supply chain. ZETA represents a host of companies seeking to expand America's critical mineral production and our battery manufacturing capacity. For example, concerning lithium, Albemarle produced 5,000 metric tons of lithium carbonate equivalent (LCE) in 2019, and it has a maximum capacity of 10,000 metric tons of LCE per year at its Silver Peak, Nevada plant, and the potential for 50,000 metric tons of LCE per year at their Kings Mountain, North Carolina plant. Ioneer has a 1.2 million metric ton lithium reserve, and it will produce more than 21,000 metric tons of LCE per year. Lithium Americas operates an 8.2 million metric ton LCE mine, and it will produce 80,000 metric tons per year. We believe that by 2026, U.S. lithium production could provide enough lithium to meet the demand of at least 750% of the EV market penetration in 2021, depending on how much lithium is integrated into EV-destined batteries. And production will continue to increase throughout the decade, depending on government support and permitting reform.

Similarly, North American cobalt resources are vast, and production is scaling up to develop these resources. Another ZETA member company, Jervois Mining USA Limited, is building one of the United States' first primary cobalt production operations in years. Its production could represent 15–20% of U.S. annual consumption. Jervois's Idaho Cobalt Operation will produce 1,915 metric tons of cobalt annually beginning in 2022. Across North America, economically viable reserves for development are currently capable of producing nearly 300,000 metric tons of cobalt, which could secure enough supply for a much greater EV market penetration. Additional development will grow these ready-for-production reserves to include more of North America's millions of metric tons of cobalt resources in the coming years.

### *1.3 Vehicle Manufacturers*

American EV manufacturers are also striving to build their domestic critical minerals supply chains. ZETA member Tesla requires its suppliers to provide evidence of management systems that ensure social, environmental, and sustainability best practices in their own operations, as well as to

demonstrate a commitment to responsible sourcing into their supply chains.<sup>2</sup> In addition to working on expanding its domestic sourcing (for example, Tesla recently announced its partnership with Talon Metals to procure domestic nickel),<sup>3</sup> Tesla’s suppliers are mandated to abide by domestic and international material compliance requirements in the International Material Data System (IMDS) to meet EU and other international material and environmental-related regulations. This ensures that its critical minerals—especially cobalt—are free of any labor abuses that have historically plagued the mineral’s supply chain. Through its economic reach, private-sector companies like Tesla are helping to promote American environmental and labor values in global supply chains.

ZETA member Rivian also holds all its suppliers to an internal code of conduct.<sup>4</sup> This action ensures that its suppliers conduct due diligence to understand the source of the raw materials used in their products; to follow the Organization for Economic Cooperation and Development (OECD) Due Diligence Guidelines concerning sourcing, extraction, and handling of cobalt and other critical minerals; and to make a reliable determination of the origin and source of such minerals. The code also requires suppliers to exercise adequate due diligence to ensure that any of the critical minerals contained in their products do not directly or indirectly finance or benefit perpetrators of human rights abuses or otherwise contribute to human rights violations. Rivian is exploring ways to extend partnerships to domestic suppliers of critical minerals, including both traditional established suppliers and suppliers of unconventional resources, including those with innovative technologies and those who can provide recycled materials.

Additionally, ZETA member Arrival builds electric transit vehicles and delivery vans. It similarly holds all of its suppliers to its Suppliers’ Code of Conduct, which requires its suppliers to enforce environmental and labor standards.<sup>5</sup> It also requires Arrival’s suppliers to consistently monitor and enforce these standards in their operations and supply chain and make improvements to meet or exceed Arrival’s standards. Arrival expects its suppliers to exercise stringency in their supply chain via a due diligence management system in order to identify applicable risks and take appropriate steps to mitigate them. This includes determining whether relevant materials originate from regions with high risks, which include areas associated with conflict, child labor, forced labor and human trafficking, human rights violations, or other reasonably objective high-risk activities, including severe health and safety risks and negative environmental impacts.

## **Royalties**

ZETA urges the IWG to exercise caution when considering implementing onerous royalties on an emerging industry central to national security, modern electronics, and EV supply chains. Meeting the increasing energy demands of the Lithium-ion (Li-ion) battery industry requires acceleration of U.S. mining capacity in the near-immediate term. Royalties at this stage may present a financial obstacle that would act as a barrier to the appropriate ramp-up timeline. It is counterintuitive to push for an increase in U.S. production while at the same time placing royalties on companies that extract critical minerals at the emergence of their market.

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<sup>2</sup> “Impact Report,” Tesla, 2020, [https://www.tesla.com/ns\\_videos/2020-tesla-impact-report.pdf](https://www.tesla.com/ns_videos/2020-tesla-impact-report.pdf).

<sup>3</sup> “Tesla and Talon Metals Enter Into Supply Agreement For Nickel,” Talon Metals Corporation, January 10, 2022, <https://talonmetals.com/tesla-and-talon-metals-enter-into-supply-agreement-for-nickel/>.

<sup>4</sup> “Supplier Code of Conduct,” Rivian Automotive, [https://assets.rivian.com/2md5qhoeajym/5PEdyH1PnC3iEllseM49oY/060ec197886709bad62557bda70a618e/Rivian\\_-\\_Supplier\\_Code\\_of\\_Conduct.pdf](https://assets.rivian.com/2md5qhoeajym/5PEdyH1PnC3iEllseM49oY/060ec197886709bad62557bda70a618e/Rivian_-_Supplier_Code_of_Conduct.pdf).

<sup>5</sup> “Arrival Supplier Code of Conduct,” Arrival, [https://arrival.com/us/en/legal/supplier-code-of-conduct?gclid=CjwKCAjwrqqSBhBbEi wAlQeqGmD4KuegrWpbqakYNHF1vFjwHMjI-Q1H0aFVmziXW91qlu3xGUug1hoCFkYQAvD\\_BwE#human-rights-and-fair-labour-practice](https://arrival.com/us/en/legal/supplier-code-of-conduct?gclid=CjwKCAjwrqqSBhBbEi wAlQeqGmD4KuegrWpbqakYNHF1vFjwHMjI-Q1H0aFVmziXW91qlu3xGUug1hoCFkYQAvD_BwE#human-rights-and-fair-labour-practice).

The urgent need to increase U.S. critical mineral extraction reflects our global climate emergency. Domestic extraction, processing, and production will play a central role in the country's transition to a clean energy economy. Therefore, the federal government must ensure a supportive, feasible environment for new mine permitting and ownership. ZETA's membership stands firmly committed to responsible mining and understands the service of royalties to States' efforts to advance and maintain environmental preservation. However, we recommend that the IWG prioritize financial feasibility in this critical stage for domestic mining that Li-ion batteries will remain a central component of the clean energy transition.

### **Streamline Permitting**

ZETA supports modernizing domestic mining law to fit modern mining needs. One key way to uphold the current environmental and safety standards while accelerating the permitting process is to ensure that oversight by state and federal regulators takes place in parallel rather than in sequential phases. Similarly, we suggest minimizing delays by coordinating input and review from cooperating agencies in parallel to EIS development rather than in separate phases. Additionally, decentralizing the permitting process will reduce backlog and inefficiencies. ZETA recommends that the IWG allow field office experts to apply their subject matter expertise. Requiring multiple administrative approvals through DOI Offices—sometimes including the Secretary of Interior—leads to lengthy and unreasonable delays.

Another way to increase permitting efficiency is to reform the Environmental Impact Statement (EIS) process to mirror the environmental assessment process. Requiring the applicant to write the draft EIS for thorough review by the overseeing agency would relieve pressure on understaffed agencies like the Bureau of Land Management. Instead, this would place the responsibility of staying on schedule with the applicant. ZETA encourages the continued limitation of EIS reporting to 200 pages.

Our members have global partnerships throughout the EV supply chain. Under this consideration, we recommend using what our allied nations have done to improve their permitting processes. For example, Australia and Canada have undergone significant permitting reforms to quicken the process without conceding environmental quality and cultural protection. In either country, it takes a company a fraction of time to get a new project permitted compared to the seven to ten-year process it takes in the United States. We also recommend identifying and eliminating the analysis of immaterial topics during permitting.

### **Accountability Standards**

As a representative of an industry reliant on critical minerals, ZETA recognizes that mining activities significantly impact the communities in which they reside. To address and minimize impacts, developing these projects with complete transparency and engagement with all stakeholders is essential. Through American accountability standards and efficiency reform, ZETA is confident that U.S. mining can be the world's most ethical, productive industry. As a result, we can accelerate domestic mining without compromising the protection of our natural resources and bedrock environmental laws.

ZETA urges the Administration to maintain environmental and labor protections for critical mineral extraction and refining. Mitigating environmental harm and protecting worker rights is the American

way, and we do not support undermining these values; in fact, we hope that we can promote these American ideals throughout the global critical mineral supply chain. We encourage the relevant federal agencies to work with our allied countries to promote higher environmental and social governance (ESG) standards for any foreign sourcing in which we continue to participate.

As the United States works to build our domestic supply chain, we should seek to codify these standards in our trading relationships with our allies. The State Department, Export-Import Bank, United States Agency for International Development, and other federal entities should corroborate the work that private industry is doing to ensure that the United States promotes ESG standards in foreign critical minerals development and processing operations. We can ensure that foreign critical minerals operations uphold strong labor and environmental protections with a coordinated effort.

The IWG should require companies to remain compliant with high ESG standards and conduct global, third-party audits to ensure such standards. Community engagement remains at the center of assessing a project's environmental and societal impacts. ZETA's membership supports consistently engaging with communities at a large scale early on an individual level throughout the entire life of a mining project. Our members also use third-party audits to improve and believe engagement ensures that companies can maximize their positive impact on a community and transparently address concerns as they arise.

**Conclusion,**

The future of clean transportation, energy security, and technology markets rely on a robust, critical minerals supply chain. The inefficient permitting process within the United States reinforces the competitive advantage of unethical, foreign mining and inhibits our domestic ability to meet industry needs. Expanding domestic mining capacity will drastically reduce the costs of manufacturing electric vehicles and other battery-reliant innovations within the United States. Furthermore, ethical, environmental mining presents the opportunity to vitalize communities across the country through jobs and investment. ZETA encourages the Interagency Working Group to address this issue by improving permitting efficiency while upholding environmental and social standards.

And while these standards must be maintained in domestic operations, it is also incumbent upon the federal government (and state governments) to ensure that the permitting process is linear and sets responsible standards—however high—that can be met with predictability. Adhering to a schedule—which may still span years—promotes public confidence and stability in the permitting process and will entice more private capital to invest in high-standard domestic critical minerals production efforts.

Sincerely,



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