

117TH CONGRESS
1ST SESSION

H. R. 2785

To establish in the Department of State the United States Energy Resource Governance Initiative to promote sound mining sector governance and resilient energy mineral supply chains by bringing countries together to engage on advancing governance principles, sharing best practices, and encouraging a level playing field for investment, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

APRIL 22, 2021

Mr. KINZINGER (for himself and Ms. SPANBERGER) introduced the following bill; which was referred to the Committee on Foreign Affairs

A BILL

To establish in the Department of State the United States Energy Resource Governance Initiative to promote sound mining sector governance and resilient energy mineral supply chains by bringing countries together to engage on advancing governance principles, sharing best practices, and encouraging a level playing field for investment, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

1 **SECTION 1. SHORT TITLE.**

2 This Act may be cited as the “Energy Resource Gov-
3 ernance Initiative Act of 2021”.

4 **SEC. 2. SENSE OF CONGRESS.**

5 It is the sense of Congress that—

6 (1) diverse and resilient energy and mineral
7 supply chains are vital for the United States, our
8 partners and allies, and for global economic stability;

9 (2) many green and renewable energy tech-
10 nologies, including electric vehicles, wind turbines,
11 and battery storage technology, require high inputs
12 of specific energy minerals, which may cause the
13 global demand for these products to skyrocket over
14 the coming decades;

15 (3) United States and international efforts to
16 drive global emission reductions and net zero goals
17 rely on these critical minerals to deploy clean energy
18 technologies;

19 (4) vulnerable critical mineral supply chains
20 present a significant risk to United States national
21 security interests, including—

22 (A) overreliance on a single or limited sup-
23 ply source for critical mineral inputs; and

24 (B) poor mineral sector governance, includ-
25 ing weak labor standards, limited environmental
26 protections, failure to develop a social license to

1 operate, which deters responsible investment
2 and limits the long-term sustainability of min-
3 ing operations;

4 (5) the People’s Republic of China (PRC) leads
5 the world in the mining and production of rare earth
6 metals, comprising nearly 90 percent of the global
7 market, and it is in the national security interest of
8 the United States to provide an alternative to PRC
9 domination of these supply chains; and

10 (6) the United States should build upon the ef-
11 forts made with the Governments of Australia, Bot-
12 swana, Canada, and Peru in creating the Energy
13 Resource Governance Initiative (ERGI) to advance
14 governance principles and best practices for mineral
15 extraction.

16 **SEC. 3. STATEMENT OF POLICY.**

17 It is the policy of the United States to—

18 (1) promote sound mining sector governance
19 and resilient energy mineral supply chains by bring-
20 ing countries together to engage on advancing gov-
21 ernance principles, sharing best practices, and en-
22 couraging a level playing field for investment;

23 (2) encourage governments to incorporate re-
24 sponsible mineral supply chain sourcing principles

1 into their national climate strategies and clean en-
2 ergy technology procurement plans; and

3 (3) encourage companies, including green and
4 renewable energy, to source 100 percent of their
5 critical mineral supply from responsible and environ-
6 mentally sound supply chains by 2030.

7 **SEC. 4. ENERGY RESOURCE GOVERNANCE INITIATIVE.**

8 (a) ESTABLISHMENT.—There is established in the
9 Department of State an entity to be known as the “En-
10 ergy Resource Governance Initiative” (ERGI).

11 (b) OBJECTIVES.—The objectives of the Energy Re-
12 source Governance Initiative established under subsection

13 (a) are to carry out the following:

14 (1) Promote responsible and sustainable mining
15 practices globally by enabling sharing of best prac-
16 tices for mineral extraction management and govern-
17 ance.

18 (2) Foster integrated and resilient supply
19 chains and help identify options to diversify and
20 strengthen supply chains.

21 (3) Facilitate trade and industry connections to
22 promote responsible critical mineral sourcing and
23 advance mineral sector good governance.

24 (4) Facilitate mineral sector technical assist-
25 ance to partner countries to identify new supply

1 chain opportunities, sustainably and responsibly
2 commercialize critical mineral sector resources, and
3 mitigate supply chain vulnerabilities.

4 (5) Encourage the international community to
5 incorporate responsible mineral supply chain
6 sourcing principles, including resource surveys, into
7 their national climate strategies and clean energy
8 technology procurement plans.

9 (6) Seek to minimize the adverse impact that
10 increasing renewable energy demand could have on
11 mineral-rich countries.

12 (c) ELIGIBLE ACTIVITIES.—Activities carried out
13 under the Energy Resource Governance Initiative shall—

14 (1) be carried out in countries in which the Sec-
15 retary of State determines there is an adequate level
16 of partner country commitment, partner country
17 needs, absorptive capacity, sustainment capacity,
18 and efforts of private sector donors;

19 (2) be closely coordinated among diplomatic
20 and development missions, and relevant participating
21 Federal departments and agencies; and

22 (3) complement and enhance efforts to promote
23 democratic governance, the rule of law, human
24 rights, and economic growth.

1 (d) DIPLOMATIC AND POLITICAL SUPPORT.—The
2 Secretary of State, in coordination with other relevant
3 Federal departments and agencies, shall provide diplo-
4 matic and political support to partner countries, including
5 by using the diplomatic and political influence and exper-
6 tise of the Department of State to build the capacity of
7 such countries to resolve any impediments to the imple-
8 mentation of activities pursuant to subsection (c).

9 (e) COORDINATION WITH PRIVATE SECTOR.—The
10 Secretary of State, through the Bureau of Energy Re-
11 sources of the Department of State, shall coordinate with
12 the United States International Development Finance
13 Corporation to mobilize private sector engagement and
14 partnership to facilitate the objectives described in sub-
15 section (b), including by supporting investment frame-
16 works that attract top tier private sector investment fo-
17 cused on responsible mineral extraction.

18 (f) REPORT.—Not later than 180 days after the date
19 of the enactment of this Act and annually thereafter for
20 the following ten years, the Secretary of State shall pro-
21 vide a report to the appropriate congressional committees
22 that includes assessments of—

23 (1) progress towards achievement of the objec-
24 tives described in subsection (b);

1 (2) success of coordination with the private sec-
2 tor pursuant to subsection (e);

3 (3) efforts by the Chinese Communist Party or
4 related entities to influence the policies of ERGI
5 partner countries with regard to their mining sectors
6 or supply chains; and

7 (4) how ERGI is furthering the national secu-
8 rity interests of the United States.

9 (g) DEFINITION.—In this section, the term “appro-
10 pate congressional committees” means—

11 (1) the Committee on Foreign Affairs of the
12 House of Representatives; and

13 (2) the Committee on Foreign Relations of the
14 Senate.

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