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September 15, 2023

President Joseph R. Biden  
The White House  
1600 Pennsylvania Ave, NW  
Washington, DC 20500

Dear Mr. President:

I write to thank you and your administration for recognizing the strategic importance of the Graphite One project and for investing \$37.5 million in it through the Department of Defense (DOD). Establishing a substantial domestic source of natural graphite production in Alaska, as well as anode manufacturing and battery recycling facilities in Washington state, will break our nation's wholesale dependence on imports and greatly advance the effort to build a complete supply chain for this critical mineral within the United States.

While I commend your administration's award to Graphite One, I also write to express my continued concern that similar assistance may be considered for mining projects in western British Columbia—and to request that your administration suspend any U.S. assistance to projects with potential cross-border impacts until Alaska's long-standing requests for international cooperation have been addressed.

During a press conference on March 24, 2023 with Canadian Prime Minister Justin Trudeau, you stated that "We greatly need Canada, in terms of the minerals that are needed... We don't have the minerals to mine. You can mine them." This statement prompted CBC to publish an article entitled, "U.S. offers cash to Canadian critical minerals projects during Biden's visit," which began with the line, "There was a pot of gold at the end of President Joe Biden's jaunt to Canada. It's going to Canada's mining sector."

As you have with Graphite One, I urge you to recognize that the U.S. has abundant deposits of the minerals needed to meet our industrial and defense needs. It is imperative for your administration to prioritize domestic projects before subsidizing projects in any other nation—even our close ally, Canada. While Canada is a charter member of the National Technology and Industrial Base, that status should not confer primacy on Canadian projects over those located within our borders.

Beyond natural graphite, my home state of Alaska is geologically blessed with vast stores of the strategic and critical minerals needed for everything from renewable energy systems to advanced defense technologies. In 2017, Alaska's State Geologist testified that we currently produce, or more importantly have the potential to produce, 51 of 62 examined commodities upon which the U.S. is significantly import dependent. This is despite Alaska being under-mapped and underexplored, which suggests many more commercially viable deposits are still waiting to be found and responsibly developed.

While minerals from Canada are inherently preferable to imports from many other nations, they are not without some level of residual risk. Late last year, Bloomberg reported that China has "built up stakes" in 27 Canadian mining firms, with Chinese entities "involved in 89 announced acquisitions and investments in Canadian metals and mining companies in the past decade." The Trudeau administration has sought to reduce Chinese influence in Canada's mining industry, but Reuters reports they have backed off a request for Chinese state-investors to sell their stakes in three lithium companies. A fourth Canadian lithium producer – the Tanco Mine in Manitoba – was purchased by China's Sinomine in 2019.

From an Alaskan perspective, the more acute threat is environmental in nature. As you know, my home state and Canada share a border that spans 1,538 miles, from the North Slope south past Metlakatla. What you may not know is that much of Canada's planned mining activity is in western British Columbia, in three major shared watersheds just upstream of Alaska communities and within rivers that are home to some of our planet's most productive fisheries. By one count, Canada now has more than a dozen operating or proposed mines in the Taku, Stikine, and Unuk watersheds.

Alaska's mining industry has an excellent record of safe development, but a handful of past incidents in Canada indicate the possibility of future events with cross-border impacts. For example, in 2014, the tailings dam at the Mount Polley mine in British Columbia collapsed, sending "24 million cubic metres of mine waste into Quesnel Lake, Hazeltine Creek and other area waterways." Worse still, since the 1950s, the abandoned Tulsequah Chief mine has leached polluted runoff into waters that flow into the Taku River, which in turn flows into Alaska, where it is one of our most important salmon-bearing waterways. Despite decades of promises from British Columbia that the Tulsequah Chief will be cleaned up, little has changed, and now Canada is planning new mines right in its vicinity.

While the State of Alaska and British Columbia have developed a stronger working relationship on transboundary mining in recent years, I join many in Southeast Alaska who do not believe that our pristine waters are adequately protected. Accordingly, I urge your administration not to allocate any U.S. funding to Canadian projects in the transboundary watershed in general, and to withhold all U.S. support for projects within Canada until both of the following conditions are met.

First, active remediation must be underway at the Tulsequah Chief mine—with a clear plan, allocation of sufficient funding, and all necessary legal approvals provided by Canada (or entities within Canada) to finally put an end to more than 60 years of acidic discharge into Alaska waters. Tulsequah Chief illustrates why I am so concerned about cross-border impacts, but it can

also become an example of regional collaboration, if the efforts made by British Columbia, the mining industry, and First Nations to create a reclamation plan are put into effect.

Second, the U.S. must support the request of Alaska Tribes, municipalities, business owners, and residents to establish a robust international framework that strengthens governance while preventing and resolving disputes over the use of shared waters. The Boundary Waters Treaty of 1909 and the International Joint Commission offer both authorities and mechanisms that can be used for a binding bilateral agreement, which should include best practices as well as clear requirements for financial assurances and liability.

There is little doubt the U.S. will need and benefit from greater production of the mineral resources in Canada in the decades ahead. Good companies – many of which are American, with projects in Alaska and other states – operate in Canada, but we still need Canada to address both long-standing and looming issues that could directly impact Alaska. I accordingly urge you to pause any consideration of U.S. assistance to Canadian mining projects in the transboundary watershed under any federal law or authority, and to instruct the members of your administration to consult with me prior to making any such decision or award.

Sincerely,

A handwritten signature in blue ink, appearing to read "Lisa Murkowski".

Lisa Murkowski  
United States Senator

Copies of this letter are being sent to:

The Honorable Lloyd Austin, U.S. Department of Defense

The Honorable Anthony Blinken, U.S. Department of State

The Honorable Jennifer Granholm, U.S. Department of Energy

The Honorable Reta Jo Lewis, Export-Import Bank of the United States

The Honorable Scott Nathan, U.S. International Development Finance Corporation