

TESTIMONY OF DAVID KLANECKY

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Committee on Energy and Commerce
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Hearing Title
*Trash to Treasure: Examining Legislation to Support Domestic Critical
Mineral Recovery and Recycling*

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Chairman Palmer, Vice Chair Crenshaw, Ranking Member Tonko, and distinguished Members of the Committee:

Thank you for the opportunity to testify today. My name is David Klanecky, President and CEO of Cirba Solutions — North America's premier battery recycling and materials management company. We were the first company in North America to process lithium-ion batteries at commercial scale, and today we recover more than 90 percent of the critical minerals in the batteries we process.

I am here today because this Committee has an extraordinary opportunity — to take decisive action that will strengthen America's national security, reduce our dangerous dependence on China for critical minerals, and position the United States to lead the global energy economy.

Let me offer a vivid perspective: access to critical minerals is essential for our Nation - the largest critical mineral mines operating in America today are not in the ground, they are operating on our roads, in data centers and energy storage systems, and in our homes right now — and they contain critical minerals that are recoverable.

There is a remarkable opportunity for the United States to take control of our own destiny, but instead we are allowing these materials to be sent to China. Battery manufacturers are sourcing these critical minerals from countries such as Chile and Australia to build batteries in the United States, only to ship those minerals to China when those batteries reach end-of-life or become manufacturing scrap. Those critical minerals then become controlled by China.

China controls an estimated 70 to 90 percent¹ of global critical mineral processing — including the materials that power defense applications, energy for the grid, and much more. That is not just an economic vulnerability, it is a national security crisis.

¹ Froman, Michael. 2025 Oct. 17. **Council on Foreign Relations. *China, the United States, and a Critical Chokepoint on Minerals*.** <https://www.cfr.org/articles/china-united-states-and-critical-chokepoint-minerals>

Battery recycling and critical mineral recovery offer one of the fastest and most cost-effective paths to breaking that dependency. At Cirba Solutions, we recover lithium, cobalt, nickel, and manganese from end-of-life batteries and return them directly to the domestic supply chain, enabling a closed-loop material supply chain.

One of the most pressing obstacles our industry faces today is the export of end-of-life batteries and gigafactory scrap out of the United States for overseas processing — primarily to China. Large volumes of used lithium-ion batteries and gigafactory scrap are being shipped abroad rather than processed here at home, and our own regulatory framework is accelerating that flow.

The path of least resistance for these materials is to ship materials abroad — to countries with far less stringent regulations and state-subsidized capacity. China has deliberately structured its industrial policy to attract exactly this material flow and there are U.S. companies today actively shipping these critical minerals - EOL batteries and gigafactory scrap to China. Meanwhile, domestic processors operating under rigorous standards like RCRA Part B face longer permitting timelines that delay capacity building, and increase costs — disadvantages that do not burden our foreign competitors.

Every battery that leaves America is a compounding loss — not just the mineral value, but the jobs, processing infrastructure, and manufacturing feedstock that could supply local battery production.

Enhanced material tracking, targeted incentives for domestic recycling, and a level regulatory playing field for domestic recyclers can reverse this dynamic — keeping critical minerals, jobs, and processing capacity here in America.

The second barrier is how the federal government classifies Black Mass. Black Mass is the concentrated intermediate material produced when lithium-ion batteries are shredded and processed. It is rich in lithium, cobalt, and nickel. To every buyer and seller in the marketplace, Black Mass is a valuable product — actively

purchased, traded, and sought by refiners and manufacturers worldwide. Yet under current U.S. regulations, it is classified as solid waste.

This creates a cascade of real-world consequences, such as imposing compliance costs that make U.S. recyclers less competitive.

When policy treats a product like waste, it creates waste-like economics, instead of the product economics that attract investment. We cannot afford that dynamic when we are trying to compete with a state-backed Chinese industry, that controls 80% of the Black Mass shredding capacity globally today².

The BRACE Act must exclude Black Mass from the definition of Solid Waste, and direct EPA to implement universal waste standards specifically tailored to lithium-ion batteries that reflect the critical minerals they contain.

The practical benefits are significant: easier domestic and transboundary movement, more competitive pricing, and lower costs all mean more capital available for infrastructure and domestic processing capacity. This translates into a stronger competitive position against China.

It also sends a clear and necessary market signal: battery recycling intermediates, such as Black Mass, are a strategic product.

The volume of lithium-ion batteries reaching end-of-life and gigafactory scrap being created will grow dramatically over the next decade. The countries and companies that build robust recycling infrastructure now will control the critical mineral supply chains of tomorrow. The ones that wait will find themselves dependent on whoever did invest — and China has and is investing aggressively and at scale.

² Fastmarkets. Q1 2026 10-Year Battery Recycling Forecast. Chart: Refining capacity by country in 2026.



A diversified domestic supply chain — one that draws on recycled critical minerals alongside responsibly sourced primary materials — is the only path to long-term resilience and international competitiveness.

Cirba Solutions proves every day that domestic battery recycling and critical mineral recovery at scale can be commercially profitable.

The critical minerals we need for our national security, our economic competitiveness, and our energy future are already here. Battery recycling is how we claim them for America.

Thank you. I welcome your questions.