U.S. Chamber of Commerce

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Stephen Astle
Director, Defense Industrial Base Division
Office of Strategic Industries and Economic Security
Bureau of Industry and Security
U.S. Department of Commerce
1401 Constitution Ave NW
Washington, DC 20230

RE: "Notice of Request for Public Comments on Section 232 National Security Investigation of Imports of Processed Critical Minerals and Derivative Products" Federal Register docket number BIS-2025-0025 (XRIN 0694-XC124).

Dear Director Astle:

The U.S. Chamber of Commerce (the Chamber) appreciates the opportunity to respond to the U.S. Department of Commerce's request for comments cited above. The administration has stated its intent to use these comments as part of its investigation "to determine the effects on national security of imports of processed critical minerals as well as their derivative products."

The pressing need for critical minerals and their uncertain nature of supply is widely understood. A growing consensus of experts warns that the world will need to increase production of minerals such as graphite, lithium, and cobalt nearly 600% by 2050 to keep up with rising demand for products prominent in the energy transition, including electric vehicles, solar panels, wind turbines, and other critical industries.

The United States, however, is heavily dependent on foreign sources for a number of these critical minerals, and China is dominant in both their mining and processing. With Russia's invasion of Ukraine further underscoring critical dependencies for specific minerals, a comprehensive strategy that embraces both new domestic mining, sourcing from a diverse array of allied and partner nations, investment in infrastructure development for regional critical minerals recycling and processing facilities, and new technology for sourcing critical minerals is vital to any blueprint for strengthening the U.S. critical mineral supply chain. Further engagement with industry, and closer coordination with allies and free trade agreement partners are critical to devising policies that effectively address this problem.

As outlined below, the Chamber encourages the administration to implement pragmatic and holistic policies to strengthen the supply chain for critical minerals with a focus on domestic production and processing as well as cooperation with allies and trustworthy partners. Reforms focusing on regulation, permitting, and tax are also vital. Such an approach will lead to greater supply chain resilience and, in turn, to increased investments in mining and processing of critical minerals. Not only are these policies necessary to strengthen the critical minerals supply chain, but they also mirror the efforts and goals outlined in the President's Executive Order issued March 20, 2025, Immediate Measures to Increase American Mineral Production.

Work With Trusted Partners to Boost Supply Chain Resilience

Last year, the United States was 100% reliant on imports for 12 of the 50 minerals on the Critical Mineral List, according to the U.S. Geological Survey (USGS). For 28 of the rest identified on that list, imports met more than 50% of U.S. demand. While broad-based tariffs on critical mineral imports would hinder access to raw materials used in a number of high-value applications, a holistic approach that targets specific needs and articulates implementable solutions and appropriate investment incentives is needed. The administration should focus its policies on clearly articulated national security concerns and risks relating to critical dependencies on non-market economies. The administration should implement these targeted measures in a manner that addresses unfair foreign competition and supports new domestic production while avoiding sudden shifts in policy that can disrupt investment plans, which may take years to implement.

While increased development, production, and processing of critical minerals domestically will facilitate supply chain resilience, U.S. production of minerals cannot meet all the needs of the industry. In some cases, this is a simple matter of geology: Mineral reserves are not distributed equitably among nations, and miners must go where the minerals are. The United States needs to build from previous efforts and increase work with allies and partners to develop additional sources of critical minerals as well as processing outside of China (an area where China's dominance is also pronounced).

Ongoing trade negotiations with other countries present opportunities as well. The ability to identify and respond to the offensive export interests of foreign governments can be doubly helpful by ensuring U.S. access to materials not available domestically while advancing U.S. objectives at the negotiating table in a win-win manner. As noted above, one significant reason that manufacturers must rely on imports is the need for naturally-occurring materials only available within certain countries that cannot be obtained from sources within the United States.

Radiopharmaceutical inputs are one example of a product of life-saving importance which simply are not available from domestic sources. In addition, certain metal-based catalysts are commonly used during the synthesis of some chemical compounds, and the materials are primarily mined outside of the United States. One example is Bismuth, a critical mineral used in the antidiarrheal and upset stomach ingredient bismuth subsalicylate, which is almost

exclusively mined in China with no source in the United States. Additionally, many semiconductors use rare earth minerals that are almost exclusively sourced from outside the United States, such as lanthanum, cerium and yttrium. As such, many consumer products and other items made in the United States are dependent on imported raw materials. Committing to maintain duty-free access to the U.S. market for these products can be part of a bargain that not only benefits U.S. consumers but also helps advance other U.S. objectives in the ongoing negotiations.

A comprehensive approach is needed to address the entire supply chain of these materials, from mining to processing to final production, and that approach must recognize that each critical mineral has its own unique challenges and presents varied supply chain risk. Working with trusted partners will be essential in addressing these challenges, and U.S. government investment will be necessary to support viable business models for investors and businesses.

Facilitate Permitting Reform for Mining and Minerals Projects

With critical minerals—including those named above but also rare earths—incorporated in nearly every piece of technology employed by the U.S. military, domestic production will be pivotal to the ability of the U.S. to defend itself and its allies. Streamlining the permitting process for domestic mining and minerals processing projects is essential to enhancing the resilience of critical mineral supply chains. By expediting approvals and reducing regulatory bottlenecks, domestic production and processing capabilities can be enhanced and reliance on foreign adversaries reduced.

The Administration has taken steps to achieve these goals through executive orders (EO). In the Critical Minerals EO, the head of the National Energy Dominance Council is directed to "identify priority projects that can be immediately approved, or for which permits can be immediately issued and take all necessary or appropriate actions within the agency's authority to expedite and issue the relevant permits or approvals." The U.S. critical mineral supply chain will be strengthened directly to the degree that all coordinating agencies act expeditiously on this directive. Further, doing so is likely to provide immediate benefit for the development of major domestic mining projects in a number of states.

Other executive orders including Unleashing American Energy[1], declaring a National Energy Emergency[2], and Unleashing Alaska's Extraordinary Resource Potential[3] are examples where the President is utilizing all available tools to expedite permitting and use lawful emergency authorities to increase the production, siting, and refining of copper and other domestic resources.

[1] EO 14154, Unleashing American Energy, 90 Fed. Reg. 8353.
[2] EO 14156, Declaring a National Energy Emergency, 90 Fed. Reg. 8433.
[3] EO 14143, Unleashing Alaska's Extraordinary Resource Potential, 90 Fed. Reg. 8347.

Recently, the Administration added 20 domestic mining projects to the FAST-41 dashboard, a federal initiative meant to improve the efficiency of the permitting process for critical infrastructure projects. It is our hope these designations will result in action to quickly increase rates of domestic production of these vital resources. Including additional projects on the dashboard will help ensure they are monitored throughout the entire mineral supply chain, including processing. Both permitting and post-permitting litigation hurdles present a national security threat when they result in restricted access to our domestic critical resources. The administration must also work with Congress to pass comprehensive permitting reform that provides certainty to producers during and after the permitting process to address this threat.

Support Innovation, Technology, and Workforce Development

Mining and minerals processing companies would greatly benefit from targeted grants and tax credits to invest in research and development aimed at increasing production from existing mines, stockpiles, and processing facilities. These investments are essential to improving efficiency and enhancing the competitiveness of the U.S. critical minerals sector.

Equally important is addressing the growing workforce shortage across both mining and processing industries. The United States currently has only nine mining engineering programs at colleges and universities, and a significant portion of the existing workforce is expected to retire within the next 10 to 15 years. The situation is similarly urgent in minerals processing, where specialized training programs are limited, and the talent pipeline is insufficient to meet future demand.

To close this gap, federal and state support for workforce development deserves renewed attention. Grants to expand relevant training programs, support trade schools, and modernize curricula will help attract and prepare the next generation of skilled workers in related sectors. These efforts should also include partnerships with industry to provide hands-on training, apprenticeships, and career pathways that align with evolving technological and environmental standards.

Leveraging Processing Capabilities

Despite substantial U.S. reserves of various critical minerals, there remains a significant gap in domestic processing and recycling infrastructure. Much of the critical minerals mined domestically, including rare earth elements, lithium, nickel, are exported abroad, particularly to China, for processing. China's dominance in mineral processing is underpinned by its economies of scale, which allow it to process raw materials at lower costs. This not only gives China a strategic advantage in global supply chains but also enables it to capture the ancillary benefits of processing, such as the recovery of commercially valuable byproducts.

In the United States, capacity utilization at existing processing facilities for critical minerals such as copper smelters has been low. Addressing this challenge and expanding domestic processing capabilities would significantly enhance the security and resilience of U.S.

supply chains. Constructive and continuous engagement with industry experts and other stakeholders is essential to explore mechanisms—such as price guarantees and off-take agreements—that could counteract any market-distorting practices implemented by other countries and thus reduce the financial risks faced by U.S. processors.

Similarly, investing in material recovery, recycling, and reprocessing capabilities, especially for U.S.-generated critical material scrap, can enhance domestic production and resilience. U.S. recovery rates of certain critical materials, including infinitely recyclable materials like aluminum, are low by world standards, and purchases of U.S. scrap by non-market actors abroad reduces the domestic supply of this valuable import further. This undermines investments being made by domestic companies to reprocess this scrap into new critical material for productive use in the United States. Support mechanisms for market-oriented initiatives and investments that enhance the recovery of domestic critical material scrap and prevent this scrap from being landfilled or otherwise unproductively deployed is therefore essential.

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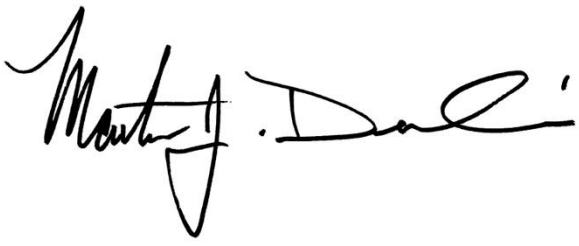
In sum, the holistic, pragmatic approach described above—together with efforts to deepen government-industry dialogue—will not only support the broader critical minerals sector but also reinforce U.S. national security and economic prosperity. Key policy actions should include permitting reform, expanding the U.S. critical minerals list to reflect evolving strategic needs, extending tax incentives including 45X, supporting workforce development in the mining and processing sectors, as well as leveraging and expanding domestic processing assets. Instead of focusing on broad-based tariffs, which would limit access and drive prices up, the administration must focus on policy measures that will strengthen domestic production footprints and partnerships with allies.

Sincerely,



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