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Jeffrey Goettman
Deputy United States Trade Representative
Office of the United States Trade Representative
600 17th St NW
Washington, DC 20508

RE: "Notice of Request for Comments on the Design of a Plurilateral Agreement on Trade in Critical Minerals and Policy Actions To Strengthen the Resilience of Critical Mineral Supply Chains," Federal Register docket number USTR-2026-0034.

Dear Ambassador Goettman:

The U.S. Chamber of Commerce ("the U.S. Chamber") appreciates the opportunity to respond to the Office of U.S. Trade Representative's request for comments cited above. The administration has stated its intent to use these comments on the "commitments necessary to establish a resilient and non-distorted marketplace among aligned trading partners, including in the context of a legally binding plurilateral agreement."

The pressing need for critical minerals and the uncertain nature of supply for many is now widely recognized. A growing consensus of experts warns that the world will need to increase production of minerals such as graphite, lithium, and cobalt by nearly 600% by 2050 to keep up with rising demand for products vital to industries from defense and automotive to aerospace and healthcare. However, the United States depends on a single source for a number of these critical minerals, with China the dominant provider in many cases; this is true not just for mining but to an even greater degree for processing, as detailed in more depth below.

The U.S. Chamber welcomes a multi-pronged approach that stabilizes demand signals and takes realistic investment timelines into account, as outlined in our earlier submissions on this subject. An enforceable plurilateral agreement that focuses on coordination with reliable partners to achieve allied scale is a strong start to countering the concentrated dominance in this space. As such, pooling resources, implementing enforceable frameworks, and optimizing industrial capacity coordination will be critical to preventing leakage and opportunities potentially seized upon by foreign adversaries. In parallel, strategically addressing U.S. capacity issues via a suite of incentives should also be considered.

The U.S. Chamber encourages the administration to assess the following variables while working to develop such a strategy, including price floor impact analysis, offtake agreements, and investment facilitation. Trade actions may be needed to reinforce price floors, but tariffs by themselves are an incomplete and potentially counterproductive tool, especially absent broader alignment, for building a new and reliable supply chain for these minerals.

Reforms focusing on regulation, permitting, and tax are also critical. Reforms in these areas will foster greater supply chain resilience and, in turn, lead to increased investments in mining and processing of critical minerals. Not only are these policies necessary to strengthen the critical minerals supply chain over time, but they also mirror layered efforts recently outlined by the executive branch, including but not limited to the recently concluded Critical Minerals Ministerial and associated initiative announcements.

China's State-Led Mineral Dominance Demands an Extraordinary Plurilateral Response

China's escalated export controls on rare earths and related critical-mineral products show how PRC trade tools have matured into a standing instrument of economic statecraft, imposing existential supply-chain risks on U.S. and allied manufacturing.

The PRC accounts for roughly 60% of mined rare earths and around 90% of global refining for oxide production and rare earth (NdFeB) magnet manufacturing. This concentration leaves alternative producers of raw materials dependent on China for separation and magnet-making capacity. Industrial exposure became clear throughout 2025, as firms faced production delays, price spikes, and uncertainty during licensing bottlenecks—conditions severe enough that major industrial groups publicly warned of production disruptions.

Beijing's leverage rests on decades of non-market, state-directed practices. China's export quotas and duties on rare earths and related minerals were successfully challenged at the WTO on two occasions—in *China – Raw Materials* (2012) and *China – Rare Earths* (2014)—and a third complaint concerning additional restrictions proceeded to panel establishment but never reached a final ruling. Rather than comply with these rulings, Beijing largely replaced the struck-down measures with export controls justified on national security grounds that are far more difficult to challenge under WTO rules.

Beyond these circumventions, Beijing has consolidated top producers into state-owned national champions and reinforced their dominance through production quotas, smelting and separation controls, and export licensing. These tools have allowed Beijing to entrench China's processing dominance and control price formation far beyond what market conditions alone would support. These dynamics have caused adverse incentives that work against the administration's goal of boosting U.S. manufacturing. To preserve the continuity of production for rare earths and other critical minerals—particularly for motors and sub-assemblies incorporating rare earth magnets—some manufacturers have found it necessary to shift assembly operations into China.

Furthermore, the implications for U.S. defense readiness are acute. Samarium-cobalt magnets and high-temperature NdFeB grades require dysprosium and terbium to maintain coercivity under heat. Heavy-rare-earth separation capacity outside China remains insufficient, leaving defense systems structurally dependent on materials targeted directly by the April and October regimes.

The April 2025 licensing regime required approvals for seven medium and heavy rare earth elements and associated magnet products. Firms experienced immediate delays as authorities implemented the new system, with disruptions cascading into civilian and defense sectors. Although officials emphasized that legitimate civilian applications would be approved, reporting through 2025 showed extensive end-use scrutiny and shipment-level reviews that slowed throughput. The October 2025 package broadened controls to technologies, equipment, and foreign-made items by asserting extraterritorial jurisdiction over goods that either contained ≥0.1% (by value) PRC origin rare earths or were made using specified PRC rare earth technologies. This replicated what legal analysts described as de-minimis-like, FDPR-style jurisdictional reach. This raised the prospect that downstream products such as finished goods, motors, and sensors could be pulled into Chinese licensing requirements. This measure has been paused but remains in play during ongoing negotiations.

China had also implemented foundational measures before April 2025, including restrictions affecting graphite, gallium, germanium, antimony, and multiple minor metals. These earlier steps drew less attention but were early indicators of Beijing's intent to build coercive tools within critical-mineral supply chains.

The current stay on China's rare earth export controls followed five rounds of bilateral negotiations with U.S. officials spanning Geneva, London, Stockholm, Madrid, and Kuala Lumpur before being formalized at the Trump-Xi summit in Busan. Implementation has been partial at best: The April 2025 licensing regime remains in force and continues to bottleneck global supply. China has also applied controls

selectively against U.S. allies, notably restricting dual-use exports to Japan, with downstream consequences for U.S. end-users dependent on Japanese-sourced components. President Trump's direct engagement helped avert what could have been a severe disruption to global supply chains, addressing a critical vulnerability.

Beijing later boasted of its use of general licenses and timely civilian approvals, which reduced short-term backlogs but did not change the central reality that China retains discretionary gatekeeping power over minerals, processing technologies, and oxide and magnet supply chains that underpin advanced manufacturing. Indeed, the licensing regime itself has become a strategic intelligence tool. In June 2025, Beijing introduced a national tracking system requiring magnet producers to submit trading volumes and client names—giving authorities granular visibility into who buys what, in what quantities, and for what end uses.

By September, license reviews had tightened again, with applications returned for additional information and approval timelines stretched to mirror the delays seen in the second quarter of 2025. The effect is twofold: Beijing maps the downstream supply chain in real time, while retaining the ability to selectively throttle shipments. This combination threatens to marginalize smaller, niche suppliers who lack the leverage or volume to navigate an increasingly opaque approval process.

China's Predatory Pricing Influences Critical Minerals Markets

Beyond export controls, a bipartisan House Select Committee on the CCP investigation concluded: "The PRC has established a legal framework governing mineral price reporting, giving Beijing the ability to raise and lower prices to favor its national security interests." Demonstrating this capability, China has repeatedly leveraged state-subsidized overproduction to flood global markets with below-cost minerals, systematically eliminating competitors and entrenching its dominance:

- **Rare earths (1985–2000s):** China's production surged nearly 500% from 1985 to 1995, fueled by VAT rebates, lax environmental standards, and low labor costs, capturing over 90% of global supply and driving Western producers from the market.

- **Rare earths (2012–2016):** After the WTO struck down China's export quotas (see above), Beijing released a flood of supply that crashed prices and drove Molycorp—America's sole rare earth miner—into bankruptcy, while pushing Australia's Lynas to the brink of collapse.

- **Cobalt (2022–2025):** Chinese overproduction contributed to a 59.5% price collapse, forcing the closure of Jervois's Idaho mine—the only U.S. cobalt operation—within a year of opening.

- **Nickel (2022–2025):** A 73% price decline driven by Chinese Indonesian processing capacity shuttered BHP's Nickel West operations in Australia and Glencore's facility in New Caledonia.

- **Lithium (2022–2025):** An 87% price drop stalled Western lithium supply chain development across multiple continents.

The U.S. Chamber supports an effort by USTR to use negotiations on a plurilateral framework to protect against the pattern evinced in this predatory cycle—flood markets, undermine competitors, consolidate control, then weaponize supply. A successful plurilateral framework should pair enforceable market-access commitments with robust pricing incentives. Without mechanisms to protect against subsidized pricing tactics, mining, and processing projects for targeted minerals (outlined in more detail below) will likely fail to reach commercial scale in absence of predictable and profitable revenue forecasts.

The U.S. Should Focus on an Operationally Realistic Subset of Partners, Minerals

The U.S. Chamber is encouraged by the administration's interest in working with reliable partners to scale up strategic critical mineral production. Achieving allied scale will be the decisive factor in any successful critical minerals strategy, but scale can only be realized if partners move together—not sequentially or selectively—on investment and regulation. Coordinated adoption and enforcement of measures, procurement and offtake arrangements, and shared enforcement frameworks across all participating allies, including the weakest links, will determine whether U.S.-led efforts can build a durable, collective shield against China's persistent non-market behavior. In this regard, the administration would be well-served to focus on subsets of strategic partners and minerals as it prioritizes partnerships, investments, and regulatory regimes to address the China challenge.

Partner Focus: Common Goals, Problem Set: Given the array of partners (more than 50) invited to participate in the State Department's Critical Minerals Ministerial as well as various Memorandums of Understanding ("MOUs")/other frameworks announced to date, it would be helpful to understand which countries the administration is prioritizing in this exercise. The FRN is launching an investigation into how best to create a legally binding agreement to complement the plurilateral Forum on Resource Geostrategic Engagement (FORGE).

Building from efforts to date—including FORGE, implemented agreements, joint commitments, and action plans—the administration should target partners that align significantly on economic security and geopolitical objectives.

More generally, the administration should focus on a nimble group of trusted allies with significant minerals reserves, demand centers, and processing and production capabilities throughout the broader supply chain. Some may have all of these attributes—others only one or two—but all such partners will have important contributions. Such partners would also theoretically be able to credibly contribute to the pricing mechanism in question. In this sense, the administration should start by scoping the framework to align with an operationally realistic and well-aligned subset of partners, including relevant G7 workstreams, and generate momentum to potentially expand the framework from there.

Mineral Focus: Capacity and Processing: Similarly, the administration should narrow the scope to a strategic subset of minerals. One avenue would be to focus on the minerals in which China has already imposed some form of trade restrictions, including the following PRC export-controlled minerals (by date of restriction):

- **October 2025 (Status: Suspended until Nov. 2026):** Holmium, Erbium, Thulium, Europium, Ytterbium (RE magnets, lasers, phosphors); lithium battery materials (EV cathodes/anodes); superhard materials (synthetic diamond).

- **April 2025 (Status: In force; license required):** Samarium, Gadolinium, Terbium, Dysprosium, Lutetium, Scandium, Yttrium (RE magnets, MRI and CT, aerospace alloys, EV motors).

- **February 2025 (Status: in force; license required):** Tungsten, Tellurium, Bismuth, Molybdenum, Indium (munitions, solar cells, nuclear imaging, steel alloys, semiconductors, touchscreens).

- **December 2024 (Status: U.S.-specific ban, partially suspended until Nov. 2026):** Gallium, Germanium, Antimony, Graphite (semiconductors, fiber optics, flame retardants, EV battery anodes).

The government could also focus on a subset of minerals it deems strategically important to our defense capabilities. A version of this prioritization was recently deployed when the Pentagon asked members of the Defense Industrial Base Consortium (DIBC) for proposals for projects that could mine, process, or recycle select minerals. These minerals included arsenic, bismuth, gadolinium, germanium, graphite, hafnium, nickel, samarium, tungsten, vanadium, ytterbium, yttrium, and

zirconium. Another approach could be to focus on those minerals deemed essential for America's critical infrastructure sectors, including antimony.

However, production capacity and realistic investment timelines should be central to determining the scope in which this framework is applied. In the short- and medium-terms, the administration should focus on building up capacity and processing capabilities in the U.S. and allied markets, allowing for a phased but timely transition to market-based sources of supply. The administration should work with the private sector to target optimal trade partners, especially companies that have diversified away from non-market suppliers since the COVID-19 pandemic.

The U.S. Should Deploy the Available Suite of Tools—Pricing and Other Mechanisms—to Enable Sustained, Reliable Mining, Processing, and Production

As noted above, the key to accelerating the buildout of market-based supply under realistic timelines will be a tight-knit allied approach, including the need for shared purpose, enforcement, and diversity of sources and/or capabilities. A regime that has gaps across allied jurisdictions will be ineffective.

i. Assessing Price Floor Structure, Impacts

Setting minimum price thresholds for critical minerals is one way to address competitiveness against China's economies of scale and market-distorting practices while creating a more predictable investment environment in domestic mining and processing. While targeted price floors are meant to neutralize the PRC's ability to flood markets below cost, they can also be designed to reassure Western miners, processors, and financiers that projects will not be stranded by the next price collapse.

Key questions remain with respect to how such tools should be designed, enforced, and implemented as a means to achieve durable supply chain benefits and limit trade retaliation risk. Poorly designed price floors risk unsustainable subsidy structures and downstream costs in the form of higher input prices, among other impacts. Enforcement policies designed to support material prices must also be effectively coupled with measures that lower production costs and facilitate investments, as outlined in the next section.

The Chamber urges the administration to take an analysis-based approach that can adjust over time, as needed, to implement price mechanisms aimed at accelerating the buildout of market-based supply under realistic timelines. Such reviews should also account for the distinct cost structure of secondary and recycled

supply, which incurs preprocessing and separation costs beyond those associated with primary extraction and refining.

Below are guiding principles and questions to consider as this policy is developed:

Contemplate Reviews, Phase-Ins: It is critical that the administration regularly review price mechanisms based on market dynamics and availability; allied production costs and capacity; and global demand to ensure effectiveness. Phased implementation should also be considered, with 2–3-year ramp-up periods (at a minimum) to enable supply chain adjustment.

Notably, the administration should build on past analytical work in this space, including robust modeling undertaken by the DARPA Open Price Exploration for National security (OPEN) program and Critical Minerals Forum. Such programs serve as a logical starting point for any multifaceted price floor design. The administration should also collaborate with entities and fora that have expertise in building mechanisms to address price transparency, like derivatives exchanges, and prioritize impact assessments as part of understanding the economic effects of such a policy.

Mitigate Downstream Impacts: It is important to understand how the administration is working to balance competing objectives with respect to geopolitical interests and commercial impacts. To the extent possible, the administration should prioritize mechanisms to support diversified critical minerals supply that does not increase the price of inputs for consuming industries. Where potential cost increases for downstream industries cannot be avoided, the administration should seek to provide targeted support as outlined in more depth below. The administration should also ensure a targeted approach that avoids incorporating derivative materials of critical elements that are essential to U.S. domestic production (for example: catalysts made from critical minerals). This would help maintain the competitiveness of advanced manufacturing industries like renewable energy, electric vehicles, medical technology, and semiconductors, among others.

Consider Tiered Price Floors: A “one-size fits all” price floor may be challenging to set. Differentiating mechanisms based on distinct availability and refinement phases should also be considered. Such mechanisms should be focused on projects that exist domestically as well as in allied jurisdictions, specifically where commercial-scale initiatives are stalled and such a tool could advance that project and/or specific part of the critical mineral supply chain. It is important to understand how the administration is approaching these questions.

Assess an Array of Enforcement Tools: As the administration assesses enforcement tools for such a mechanism, the Chamber urges policymakers to take a comprehensive view of potential impacts. While border measures may be under consideration as a potential enforcement mechanism to China's dumping practices, tariffs and other trade restrictions often push material away from the United States, distorting global trade flows rather than securing supply. Any tariffs contemplated should be targeted and jointly deployed in the context of an alliance structure. Unilateral tariffs would be damaging and counterproductive to U.S. interests, as they would likely lower prices elsewhere, shift manufacturing to those locations, and slow the ability to minimize dependence on Beijing.

Beyond tariffs, other traceability tools could be elevated to mitigate market disruption and achieve higher levels of information sharing and compliance. Companies continue efforts to trace supply chains in compliance with transparency laws already in place and could apply this methodology to other sectors. Additionally, prohibitions on any subfloor pricing could also be assessed as an enforcement mechanism. The administration should think creatively about how to employ these tools to achieve multiple geopolitical objectives, including how to encourage and enforce increased investment in locales that are part of the framework.

Furthermore, the administration should also work with key partners to develop appropriate coordinated trade policy responses to ensure that any Chinese disruption of rare earths supply to U.S. and partner manufacturers does not—should it lead to a suspension or slowing of production in the U.S. and our partners—create new opportunities for Chinese exports to displace U.S. and partner products from global markets.

The administration should also assess what has worked well for similarly structured mechanisms in the past and how the scope of this exercise and geopolitical paradigm differs. Additionally, it should assess how this policy will be made durable beyond this term as businesses look to play a productive role and potentially make sourcing changes. For example, will legislation be necessary to sustain elements of the plurilateral framework over years at scale? This concept is discussed in more depth in the next section below.

ii. Prioritize Regulatory, Offtake, Procurement Coordination

In concert with a potential pricing mechanism, significant levels of public-private partnership and procurement coordination will be critical to generating sufficient levels of resilience and demand.

Employ Complementary Regulatory Policies to Sustain Scale: Complementary regulatory and policy approaches will need to be sustained over many years for this framework to be successful. How will Congress and legislative bodies in allied countries address this need to sustain floors or other mechanisms indefinitely or until sufficient scale has been achieved outside of China?

Prioritize Offtakes, Financial Support: Such a strategy should include comprehensive offtake agreements backed by financing from entities like the Export-Import Bank (EXIM), U.S. International Development Finance Corporation (DFC), and other agencies to appropriately balance risk and crowd-in private capital. Reauthorization and resource implementation, respectively, will be critical to ensuring such agencies can advance U.S. strategic and economic interests in emerging markets, leveraging America's capital advantage. Financial security is a key part of risk assessment to enable private sector buy-in, which would translate into mining and processing infrastructure investments and ensure stable revenue for domestic and allied producers even during Chinese dumping sprees.

Increase Recycling Capabilities: Beyond offtake contracts, the administration could consider methods of supporting increased recycling to offset any costs of implementing price floors and to support innovation in mining and processing technologies. The formation of a separate source of reliable demand focused on holistic production that awards specific future contracts from existing agencies would guarantee a fixed demand stream. Overage could then be sold to the framework's beneficiaries, enhancing the competitiveness of domestic producers and market-based allies.

Relatedly, it is worth considering investing in increasing recycling capability and the supply chain that feeds this effort and/or research to improve the process for higher reclaim yields. Experience in the recovery of rare earth elements from decommissioned electronic equipment and industrial components has demonstrated that secondary supply can achieve purity levels and material specifications required by defense, automotive, and advanced technology applications. Recycled and secondary critical mineral supply—such as rare earth elements recovered from decommissioned electronic equipment and industrial components—meeting defined quality standards should be recognized as strategically equivalent to virgin-mined material for purposes of offtake commitments, stockpile programs, and any price mechanisms established under the agreement. Secondary recovery from domestic sources offers provenance and traceability advantages that can complement supply chain due diligence standards, and government offtake or stockpile programs should be accessible to recycled supply on equal terms with primary producers. Support for secondary material recovery could offset floor costs and reduce overall demand for primary production.

Consider Procurement Coordination: Consideration should be given to elevated coordination of procurement rules as an affirmative counterbalance to price floors. The administration could draw from expertise established by the Quadrilateral Security Dialogue ("the Quad") with respect to implementable procurement regulations. Sourcing from the proposed framework and reliable nations wherever possible should be the goal, with short-term flexibility built in for alternatives not available from those markets. The creation of a joint procurement mechanism or pooled purchasing program would enable the de-risking of early production volumes and stabilize demand signals.

Striking the right balance will be critical. In the near term, U.S. and allied firms cannot be expected to forgo cost-effective sources of rare earths and critical minerals where affordable substitutes remain unavailable. Nevertheless, a phased introduction of progressively more stringent requirements will be vital to shaping market expectations. Clear, transparent, and predictable signals will allow companies to plan, invest, and adjust supply chains in ways that accelerate diversification while minimizing unnecessary disruption. The framework should assess clear benchmarks to facilitate diversification and ex-China scale. Accordingly, phased-in procurement terms amongst allied nations should be backstopped by incentives and appropriate enforcement to build market-based scale.

Permitting Reform is Needed for Domestic Mining and Minerals Projects

With critical minerals and rare earths incorporated in nearly every piece of advanced technology, diversified production will be pivotal in the future U.S. ability to defend itself (and its allies), sustain its economy, protect public health and safety, and meet the aspirations of its citizens. Streamlining the permitting process for domestic mining and minerals processing projects is essential to enhancing the ability of the United States to play a meaningful role in building greater 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 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.

The U.S. Should Limit Market Intrusions, Avoid Government Ownership Stakes

While the national security implications of critical dependencies relating to critical minerals warrants an active policy response from the U.S. and allied nations, the policies contemplated in these comments should be designed so as to limit government interventions in the market to those absolutely necessary to address the

national and economic security concerns. Past administrations have sought to attach unrelated policy requirements to similar national security-related supply chain programs (e.g., the requirements in several Notices of Funding Opportunity for the CHIPS Act). It is imperative that any programs developed with respect to critical minerals be tightly focused and should not venture into unrelated policy goals or the government taking ownership stakes or engaging in management control of private enterprises. Finally, any interventions into the market should be reviewed frequently and removed once national security concerns are addressed.

Conclusion

The strategy being undertaken by the administration and allied markets will only work if a sequence of pragmatic actions is carried out in tandem. The holistic 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.

In sum, the administration's focus on setting policy measures that will strengthen domestic production footprints and partnerships with allies is well-founded and geopolitically necessary. U.S. economic competitiveness and national security hinge on successful implementation of this recipe. The Chamber stands ready to help.

Sincerely,

John Murphy
Senior Vice President and Head of International
U.S. Chamber of Commerce