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February 27, 2025

Dear President Trump,

Your comments and actions in the first days of this administration underscore a worrying reality: U.S. critical mineral supply chains are vulnerable. The U.S. is import-dependent and domestic efforts to scale mining and processing have been insufficient to date. China's outsized control of the market—they hold 60% of worldwide production and 85% of processing capacityⁱ—puts market-oriented U.S. firms at a cost disadvantage and threaten supply disruptions.

For U.S. innovators at the leading edge of defense, energy, and advanced consumer technologies, the economy of the future requires reliable and robust access to critical minerals.

At the Center for Climate & Trade, we are focused on three approaches to ensure domestic industries maintain a robust, secure, and affordable supply of critical minerals.

- Expand and expedite access to domestically produced mineral resources,
- Diversify minerals access through trade and investment approaches, and
- Spur innovation to reduce critical mineral needs and identify appropriate substitutes.

To complement your administration's efforts to address supply chain security, including through your day one executive order, *Unleashing American Energy*,ⁱⁱ we have prepared a short list of additional executive priorities for you to consider.

The enclosed recommendations are designed to build a whole-of-government approach to critical minerals that will support American economic growth, revitalize and expand domestic manufacturing, and foster energy and national security interests. They include actions to update the Federal Critical Mineral Strategy that you issued in your first term, establish a Critical Mineral Task Force in the White House, consider trade actions that could complement domestic efforts, incorporate critical mineral objectives in existing and new trade agreements, and leverage international investment to support critical mineral projects that align with the national interest.

Please consider us a partner and resource in advancing these priorities.

Sincerely,

Catrina Rorke

Executive Priorities to Augment the Day-One Executive Order.

Critical minerals are vital for defense, energy, and advanced consumer technologies, but the United States remains heavily import-dependent on a wide range of critical mineral inputs.

The current critical mineral market is dominated by China, which controls 60% of worldwide production and 85% of processing capacity.ⁱ To date, China has implemented increasingly stringent export controls on dual-use minerals and outright bans of exports to the U.S. of antimony, gallium, and germanium, driving up costs for U.S. manufacturers of electronics, batteries, telecommunications equipment, and other goods.ⁱⁱⁱ

For the U.S. to win in the economy of the future requires reliable and robust access to critical minerals. A global market for advanced energy technologies alone offers a \$130 trillion market opportunity by 2050.^{iv} Without reliable and robust access to these minerals, the U.S. firms will cede enormous future market opportunity to competitors.

The Trump administration laid out initial critical mineral actions in a day-one executive order (EO), *Unleashing American Energy*. The EO has an ambitious domestic focus, emphasizing expanded domestic mining and processing capacity, strengthening geological mapping efforts, prioritizing funding, utilizing unilateral trade measures, and eliminating regulatory burdens that hinder development. To augment the EO, this memo lays out a short list of additional executive priorities that can cultivate a whole-of-government response to increase domestic mineral development efforts, support domestic manufacturing and innovation, and strengthen U.S. leadership in the global economy.

1. Update the Federal Critical Mineral Strategy through a 100-day review.

The first Trump administration released the “Federal Strategy to Ensure Secure and Reliable Supplies of Critical Minerals,”^v in 2019. The strategy initiated various studies and assessments across agencies to reduce import dependence, spur reuse, improve domestic mapping and permitting, leverage trade and defense agreements, and secure the supply chain through trade and investment.

A 100-day review to update the strategy can benefit from six years of studies initiated under the 2019 strategy and any new data available to create a comprehensive, ambitious plan to identify and address critical mineral supply chain vulnerabilities, guide policy design, and lay the framework for a long-term strategy. An updated strategy that reflects the current geopolitical and industrial landscape should address:

- Areas for effective government-led action in the mineral market;
- Additional actions that may support domestic resource development and processing capacity;
- Support for research and development into critical mineral alternatives across use cases, including through innovative U.S. firms;
- Trade tools, including unilateral action, strengthened bilateral or plurilateral arrangements, and critical mineral agreements, to
 - Secure access to economy-wide mineral needs and

- Address unfair trading practices;
- Beneficial public-private partnerships to expand resource access and inform policy options.

2. Establish a Critical Minerals Task Force.

A governance mechanism to ensure that the president's priorities translate to action is of utmost importance. The administration should establish a high-level Critical Mineral Task Force led by the National Security Council. The task force should be responsible for implementing the federal strategy and include representatives from the Departments of Interior, Energy, and State, the U.S. Trade Representative, the U.S. Development Finance Corporation, and other relevant agencies and institutions.

The Task Force's responsibilities should include:

- Delegating and coordinating federal action consistent with the President's Federal Critical Minerals Strategy.
- Increasing interagency communication by sharing necessary information and updates on implementing the federal strategy.
- Soliciting regular input from industry stakeholders along the supply chain to inform federal policy changes and sharing data with domestic industry partners to the greatest extent practicable.
- Reassessing methodologies underlying the U.S. Geological Survey's Critical Mineral List and the Department of Energy's Critical Material List and ensuring alignment around current and future economic, energy, and national security dynamics.
- Preparing iterative and responsive policy recommendations for the President.

3. Consider trade action to complement domestic efforts.

American firms are striving to compete in a critical minerals and technology market burdened by non-market actors that manipulate price and supply. For example, in 2023, prices for lithium, cobalt, nickel, and graphite dropped following global oversupply, cutting the value of U.S. industry by 40-60%.^{vi} A recent USTR report attributed the price swings to a pattern of market manipulation driven by China's predatory economic model that aims to drive out market-oriented competitors.^{vii}

A strong response to these nonmarket practices is implementing trade measures to counteract non-market actors' predatory pricing, industry undercutting, and market manipulation. Leveraging trade actions can help stabilize mineral prices, thus increasing market certainty and investor confidence. A more confident investor market can support financing for domestic critical mineral projects.

Notably, any trade action should consider the economic impacts, complementing the EO's order for the Department of Commerce to assess the national security impacts of potential trade tools. Policymakers and relevant agencies should carefully design actions to mitigate negative impacts on domestic industries and reduce tensions between segments of the supply chain. Nuanced trade instruments can afford firms across the supply chain appropriate protection and market exposure.

4. Incorporate critical mineral objectives in trade agreements.

As the administration pursues critical mineral supply chain security in the context of an America First Trade Policy,^{viii} it may consider the opportunities that trade agreements between like-minded countries, including mineral-rich developing countries, may present. Cooperation with market-oriented partners can benefit economic and national security interests by securing seamless access to minerals, combating non-market practices, expanding investment and export opportunities, and establishing a more transparent minerals market. Unilateral efforts will be more effective and successful when scaled up to an international approach.

International partners are also necessary to fill resource and processing gaps in the short and medium term. U.S. resources are inadequate for current demand.^{ix} The actions initiated by *Unleashing American Energy* may identify more viable resources and accelerate timelines for bringing new facilities online. Nevertheless, it takes on average 29 years to bring a new mine on-line in the U.S. under current policy.^x Supporting domestic manufacturers today requires approaches that can bring new resources online quickly.

Trade agreements can provide the U.S. with powerful market leverage and expanded mineral access. Critical minerals-related provisions could be added to existing free trade agreements, including through the review and renegotiation of agreements with Mexico and Canada (USMCA), Australia, Chile, and Peru. Other market-oriented countries like Argentina, Bolivia, and Poland provide opportunities for new agreements. Other forms of bilateral and plurilateral critical mineral agreements may be helpful, building from President Trump and others' efforts to initiate forums like the Energy Resource Governance Initiative (ERGI),^{xi} the Critical Mineral Agreement with Japan,^{xii} and Mineral Security Partnership.^{xiii}

5. Boost investment in critical mineral projects that align with national security interests.

The administration may also consider tools to de-risk the critical minerals market by increasing investment in critical mineral mining and processing abroad. A more diversified supply chain will allow domestic producers, including those in the defense industrial base, to maintain reliable access to critical minerals even in the face of market manipulation.

The suite of federal investment and trade agencies would allow the administration to address the key obstacles to more robust investment in critical mineral projects: high upfront capital costs, inherent investment risks, and unpredictable market manipulation. The administration has a range of tools at its disposal, including diplomatic engagement, project preparation, and direct investments by the Department of State, the U.S. Trade and Development Agency (USTDA), the Export-Import Bank of the United States (EXIM), and the U.S. Development Finance Corporation (DFC). While federal agencies are authorized to support critical mineral work overseas, the authority is underutilized. As of December 2024, only 1.2% of DFC's active projects are in the critical mineral sector,^{xiv} while the USTDA has supported a single early-stage critical mineral pre-feasibility study.^{xv}

The administration should mobilize available tools for strategic investment and consider including international critical mineral supply chain development in the FY 2026 President's Budget. This would be a clear statement of intent to dedicate any foreign assistance resources to projects that can improve economic and national security.

- ⁱ Glaser, Bonnie and Abigail Wulf. "China's Role in Critical Mineral Supply Chains." *German Marshall Fund of the United States*, 2 Aug. 2023, www.gmfus.org/news/chinas-role-critical-mineral-supply-chains.
- ⁱⁱ "Unleashing American Energy." Executive Order. *The White House*. January 20, 2025. <https://www.whitehouse.gov/presidential-actions/2025/01/unleashing-american-energy/>
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- ^v United States Department of Commerce. *Federal Strategy to Ensure Secure and Reliable Supplies of Critical Minerals*. Washington, DC: US Department of Commerce, 2019. <https://www.commerce.gov/data-and-reports/reports/2019/06/federal-strategy-ensure-secure-and-reliable-supplies-critical-minerals>.
- ^{vi} Energy and Minerals Mission Area. "USGS: Value of U.S. mineral production edged up in 2024." January 31, 2025. U.S. Geological Survey. Accessed February 20, 2025. <https://www.usgs.gov/news/national-news-release/usgs-value-us-mineral-production-edged-2024#:~:text=In%202024%2C%20the%20metal,processing%20material.&text=China.%20The%20value%20of,processing%20material.&text=fell%20sharply%20by%2040%25,processing%20material.&text=decreases%20in%20metal%20production,processing%20material>.
- ^{vii} U.S. Trade Representative. "2024 Report to Congress on China's WTO Compliance." Washington, DC: Office of the United States Trade Representative, January 2025. https://insidetrade.com/sites/insidetrade.com/files/documents/2025/jan/wto2025_0050a.pdf
- ^{viii} "America First Trade Policy." Presidential Memorandum. *The White House*. January 20, 2025. <https://www.whitehouse.gov/presidential-actions/2025/01/america-first-trade-policy/>.
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- ^x Northey, Hannah. E&E News. "US mine development among world's slowest, report finds." July 18, 2024. <https://www.eenews.net/articles/us-mine-development-among-worlds-slowest-report-finds/>
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- ^{xii} United States and Japan. *Agreement Between the Government of the United States of America and the Government of Japan on Strengthening Critical Minerals Supply Chains*. Washington, DC, March 28, 2023. <https://ustr.gov/sites/default/files/2023-03/US%20Japan%20Critical%20Minerals%20Agreement%202023%2003%2028.pdf>.
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- ^{xiv} Baskaran, Gracelin. "How to Reform the DFC to Meet U.S. Critical Minerals Security Needs." Center for Strategic and International Studies (CSIS), December 18, 2024. <https://www.csis.org/analysis/how-reform-dfc-meet-us-critical-minerals-security-needs>.
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