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May 16, 2025

Hon. Jeffrey Kessler
Under Secretary of Commerce for Industry and Security
U.S. Department of Commerce
1401 Constitution Avenue 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 (Docket No. 250422-0070; XRIN 0694-XC124)

Dear Under Secretary Kessler:

The Consumer Technology Association (CTA) appreciates the opportunity to provide comments to the Bureau of Industry and Security (BIS) regarding the Section 232 investigation on processed critical minerals and their derivatives. We strongly support the Administration's goals of strengthening U.S. technological leadership. Strategic openness and collaboration with U.S. allies and trading partners—not economic isolation—is the key to success in the global technology competition with China.

Our core recommendation is straightforward: BIS should focus this investigation squarely on processed critical minerals and derivatives with a singular national security nexus. Consumer and commercial technology products should be excluded from any restrictive action. A blunt remedy such as across-the-board tariffs would harm U.S. innovation, economic growth, and industrial competitiveness.

Under President Trump's leadership, the United States has made historic strides toward restoring American economic strength and reasserting leadership in key technologies. Rather than reversing that momentum through indiscriminate trade barriers, now is the time to build on that progress through policies that unleash private-sector investment, attract top global talent, and deepen strategic partnerships with allies. U.S. technology companies stand ready to invest and expand in America, but they need a predictable, pro-growth policy environment. Smart immigration policy will strengthen our talent pipeline, while friendshoring with trusted partners will harden supply chains against geopolitical threats. The most effective way to outcompete China is not through isolation, but through confident U.S. leadership grounded in openness, innovation, and strength.

CTA represents the more than $537 billion U.S. consumer technology industry, which supports more than 18 million U.S. jobs. Our members are comprised of over 1200 companies from every

facet of the consumer technology industry, including manufacturers, distributors, developers, retailers, and integrators, with 80 percent of CTA members being start-ups or small and mid-sized companies.

CTA also owns and produces CES®—the most influential technology event in the world—which showcases and serves as a forum for discussion of international policies concerning existing and new technologies, international technology trade and investment, and global opportunities and challenges facing the consumer technology industry. Over 141,000 people attended CES 2025, including over 50,000 from outside the United States. Companies from across the world demonstrated innovative new products for the consumer marketplace, all of which contain critical minerals to certain degrees.

CTA's comments:

- outline possible impacts of any tariff remedies on imports of critical minerals and derivatives;
- describe how critical minerals enable consumer technology products;
- emphasize the role of critical minerals in U.S. production;
- support existing U.S. policy on securing affordable access to critical minerals;
- advocate for narrowing the scope of the investigation and any proposed remedies;
- present alternative policies for expanding U.S. critical minerals leadership;
- reinforce how international cooperation can strengthen U.S. critical minerals leadership; and
- argue for any proposed remedies to be narrowly targeted, limited, and phased.

I. Section 232 Restrictive Measures Will Be Costly and Burdensome for U.S. Companies – And for the U.S. Economy

CTA believes that Section 232 of the Trade Expansion Act of 1962 is the wrong tool to address the Administration's objectives on critical minerals security and supply. Section 232 was designed to address acute threats to national security, not industrial competitiveness. Applying it in this case risks weakening the U.S. economy, politicizing trade, and undermining global partnerships without resolving the root causes of supply chain vulnerabilities. Any remedies resulting from this investigation may produce a range of impacts and unintended consequences.

A. Economic Impacts

In our view, tariffs on critical minerals and derivatives and/or the value of the critical minerals in derivatives would:

- **Undermine the U.S. ability to pay its debts.** On May 16, the credit agency Moody's Ratings downgraded the U.S. government credit rating from triple AAA to Aa1.[1] Moody's reasoning is that "successive U.S. administrations and Congress have failed to agree on measures to reverse the trend of large annual fiscal deficits and growing interest costs." Continued tariff uncertainty and higher tariff rates will further weaken the U.S. economy and the revenue generation capacity of U.S. companies, exacerbating the fiscal deficit and limiting the ability of the U.S. to pay the interest in its debts.

[1] https://www.wsj.com/economy/central-banking/u-s-loses-last-triple-a-credit-rating-bfcbae5d?mod=djemalertNEWS

- **Contribute to inflation and undermine U.S. efforts to mitigate inflation.** Inflation continues to undermine the potential of the U.S. economy and increase costs for U.S. businesses and workers. CTA supports the Administration's goals of addressing inflation and making products more affordable for U.S. consumers. BIS must balance any proposed remedies with an appreciation that some, such as tariffs, may increase the costs of technology products and inputs sold in the United States, which would undermine the Administration's goal of reducing inflation. Given the broad use of critical minerals in a wide range of consumer products, the cost increase will be widespread and felt across product categories from everyday appliances to phones and cars.

- **Directly raise production costs**, negatively impacting further investments and job creation by U.S. companies. Companies could pass these costs on to American consumers in the form of higher prices. At a time when prices are already at historic highs and interest rates remain elevated, this would put additional financial pressure on American households—especially working-class families;

- **Disrupt industry supply chains for critical minerals and derivatives**, which would further stifle domestic manufacturing and raise costs;

- **Reduce competitiveness of U.S.-based manufacturing operations** relative to foreign producers, particularly in markets where we compete globally;

- **Slow innovation cycles** by constraining access to innovative or specialized critical minerals not yet widely obtained or processed domestically; and

- **Allocate industry resources away from research and development (R&D)** toward tariff payments and compliance.

B. Impacts on Consumers

As we have begun to see, even the potential for additional tariffs has an impact on consumer prices. Additional tariffs would raise costs on thousands of inputs into US critical mineral production, potentially making domestic manufacturing less globally competitive and more domestically expensive for other manufacturers.

Tariffs on imports of critical minerals would impact the entire consumer technology supply chain. The consumer technology industry is highly cost sensitive. Imposing tariffs or restrictions on imported critical minerals would raise costs for widely used devices such as smartphones, televisions, laptops, and tablets—costs that could be passed on to American consumers. This would disproportionately impact low- and middle-income households that depend on affordable tech for work, education, and communication.

C. Impacts on U.S. Manufacturers

Also, for those companies seeking to manufacture in the United States, imposing tariffs on critical minerals now – when domestic critical mineral extraction and processing, and availability of talent and skilled labor are limited – could backfire. Access to affordable inputs is a significant priority for any manufacturer. For consumer technology, appliance, and automotive manufacturers, it is a

necessity given the need to make affordable, safe, and high-quality products for the competitive U.S. consumer market.

By tariffing critical minerals, on top of tariffs on steel and aluminum and their derivatives (and possibly on semiconductors), the Administration is making the United States an increasingly high-cost location for manufacturing. The April 29 Executive Order on "Addressing Certain Tariffs On Imported Articles" does not address future Section 232 actions, so it is possible that BIS may decide to stack any Section 232 tariffs resulting from this investigation on other Section 232 actions, both those in effect (e.g., steel and aluminum) and those that could result from other ongoing investigations (e.g., semiconductors).

These factors may cause manufacturers seeking to make products for global markets to establish or expand facilities outside of the United States, precisely due to the need to access affordable inputs. Manufacturers may indeed forgo the manufacture of products for the U.S. market in the United States. This is the opposite of what the Administration is trying to achieve and will impair U.S. national security.

D. Administrative and Compliance Burdens

Further, we urge BIS to consider enforceability and administrative burden when considering potential remedies. For example, if BIS chooses to tariff the critical minerals in finished consumer technology products, the U.S. Customs and Border Protection ("CBP"), a critical U.S. agency already struggling with resource constraints, would face significant challenges in enforcing the use and import of the broad range of critical minerals contained within these goods. Detailed disclosures and tariff calculations on each of thousands of critical minerals to determine derivative value in each end-product would create a substantive administrative burden on both companies and the U.S. government. Higher costs due to tariffs on foreign critical minerals could pass through the supply chain until they reach end consumers.

E. Impacts on U.S. Relationships with Allies and Trading Partners

In addition to increasing burdens on U.S. companies and the U.S. economy, potential Section 232 tariffs or restrictions on all imports of critical minerals and derivatives would fracture U.S. trust with our allies, undermine current cooperation, and jeopardize future cooperation. CTA's comments detail the importance of international cooperation in **Section VII**.

Imposing tariffs on such imports from U.S. allies and free trade agreement partners will further harm U.S. credibility and trustworthiness, making China seem more reliable by comparison. Retaliation can impede the sale of products from U.S.-based plants to foreign markets. Counterintuitively, retaliation by our trading partners that excludes U.S. exports from their markets strengthens Chinese competitiveness by ceding U.S. market share to companies in China.

F. Impacts on U.S. Relationship with China

One important watchpoint for BIS is the reaction from China. If the Administration chooses to impose tariffs, China could retaliate in a variety of ways to undermine U.S. competitiveness regarding its critical mineral policy efforts, including again by restraining its exports of critical

minerals and derivatives to the United States and its allies. BIS must consider the impacts on U.S. companies operating in global markets during its investigation and consideration of any remedies.

II. Critical Minerals Enable Consumer Technology Products

Critical minerals, such as cobalt, graphite, lithium, manganese, nickel, and rare earth elements, are essential components in a wide range of consumer technology products and components, including appliances, electric vehicles, laptops and tablets, microelectronics, monitors, semiconductors, signage, smartphones, televisions, and video game consoles. Some minerals—such as gallium, germanium, and others—play a key role in the production of semiconductors and other critical technologies.

The continued availability and affordability of these materials underpins the U.S. consumer technology sector's innovation, competitiveness, and global leadership. The scope of the investigation at present is so broad that it would capture any product that contains a critical mineral, as defined by the 2022 Final List of Critical Minerals under the U.S. Geological Survey (USGS) in the Department of the Interior.[2] Given this broad applicability to derivative products, the investigation is far too extensive.

CTA is concerned that BIS intends to restrict the importation of any item containing a critical mineral on this list, even in minute amounts. CTA is also uncertain as to whether BIS intends to impose tariffs on the finished goods containing critical minerals or the value of the critical minerals in the finished goods. Given these possibilities, CTA urges BIS to narrow the scope of the investigation.

III. Imports of Critical Minerals and Their Derivatives Play a Crucial Role in U.S. Production

CTA recognizes the steps that the Administration is taking to develop more domestic capacity for critical minerals extraction and processing, whether on land (see Executive Order 14241[3] of March 20, 2025: Immediate Measures to Increase American Mineral Production) or offshore (see Executive Order 14285[4] of April 24, 2025: Unleashing America's Offshore Critical Minerals and Resources). These are necessary efforts in the long run to secure greater domestic supply of critical minerals.

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[2] Aluminum, antimony, arsenic, barite, beryllium, bismuth, cerium, cesium, chromium, cobalt, dysprosium, erbium, europium, fluorspar, gadolinium, gallium, germanium, graphite, hafnium, holmium, indium, iridium, lanthanum, lithium, lutetium, magnesium, manganese, neodymium, nickel, niobium, palladium, platinum, praseodymium, rhodium, rubidium, ruthenium, samarium, scandium, tantalum, tellurium, terbium, thulium, tin, titanium, tungsten, vanadium, ytterbium, yttrium, zinc, and zirconium. https://www.federalregister.gov/documents/2022/02/24/2022-04027/2022-final-list-of-critical-minerals. *2022 Final List of Critical Minerals*, 87 Fed. Reg. 10,381 (Feb. 24, 2022), https://www.federalregister.gov/documents/2022/02/24/2022-04027/2022-final-list-of-critical-minerals.

[3] *Immediate Measures To Increase American Mineral Production*, 90 Fed. Reg. 13,673 (Mar. 25, 2025), https://www.federalregister.gov/documents/2025/03/25/2025-05212/immediate-measures-to-increase-american-mineral-production.

[4] *Unleashing America's Offshore Critical Minerals and Resources*, 90 Fed. Reg. 17,735 (Apr. 29, 2025), https://www.federalregister.gov/documents/2025/04/29/2025-07470/unleashing-americas-offshore-critical-minerals-and-resources.

As BIS is aware from its past Section 232 investigations on critical minerals, including uranium[5], titanium sponge,[6] vanadium,[7] neodymium-iron-boron permanent magnets,[8] U.S. manufacturers of technology products use imports of critical minerals to sustain their production processes. According to a February 2025 report from the Congressional Research Service (CRS),[9] the USGS Mineral Commodity Summaries 2024 review indicates that, "*the United States was 100% net import reliant for 12 of the 50 critical minerals on the 2022 critical minerals list and more than 50% net import reliant for an additional 29. In 2023, China was the leading producer for 29 of the 50 critical minerals on the 2022 critical minerals list.*"

Disruptions in the availability of these critical minerals and the processed materials derived from them can significantly impact the technology sector's ability to innovate and compete globally. BIS should also be aware from its past investigations, including those mentioned above, that imposing tariffs on imports of critical minerals and their derivatives may not be effective in addressing the national security challenges it identified. In fact, tariffs on such imports could create unintended consequences and, by extension, ***more*** national security risks and challenges.

Outside of China, the global supply of critical minerals and processed materials used in consumer technology production is diversified. This diversity demonstrates that manufacturers have actively invested in strategic partnerships and alternative sourcing strategies to mitigate dependence on any single country or region.

To mitigate geopolitical risks, both U.S. domestic production and processing capabilities for critical minerals AND deeper cooperation with U.S. allies are essential. Streamlining permitting processes, investing in workforce development, and fostering international cooperation with allies can help reduce the reliance on imports and strengthen the resilience of the U.S. supply chain. By prioritizing non-tariff policy measures and collaborating with trusted partners, the United States can ensure a stable supply of critical minerals, supporting the continued growth and competitiveness of its technology sector. More, allowing our allies and non-adversarial trading partners to participate in the critical minerals supply chain can increase U.S. soft power projection, for example if the United States invests in extraction in other markets and prioritizes the refining and processing of critical minerals in the United States.

IV. The U.S. Government Should Ensure Access to Reliable Supplies of Critical Minerals

U.S. government policy on access to critical minerals prioritizes eliminating unjustified export restraints imposed by other countries to ensure reliable supply of critical minerals. This policy

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[5] The Effect of Imports of Uranium on the National Security (Apr. 14, 2019), https://www.bis.doc.gov/index.php/documents/section-232-investigations/2791-uranium-section-232-report-and-appendices-april-2019-redacted/file.

[6] The Effect of Imports of Titanium Sponge on the National Security (Nov. 2019). https://www.bis.doc.gov/index.php/documents/section-232-investigations/2792-titanium-sponge-232-report-and-appendices-7-26-2021-redacted/file.

[7] The Effect of Imports of Vanadium on the National Security(Feb. 22, 2021https://www.bis.doc.gov/index.php/documents/section-232-investigations/2793-vanadium-section-232-report-public-with-appendices/file.

[8] The Effect of Imports of Neodymium-Iron-Boron (NdFeB) Permanent Magnets on the National Security (Sept. 2022), https://www.bis.doc.gov/index.php/documents/section-232-investigations/3141-report-1/file.

[9] Critical Mineral Resources: The U.S. Geological Survey (USGS) Role in Research and Analysis (February 2025), https://www.congress.gov/crs-product/R48005.

complements the Administration's efforts to scale up domestic capacity. On Monday, May 12, at their negotiations in Geneva, Switzerland, the United States secured a concession from China on eliminating its retaliatory measures.[10] Since February 4, China has retaliated against U.S. tariff actions by imposing export restraints on certain critical minerals (e.g., export controls on five critical minerals[11] imposed on February 4 and seven rare earth elements[12] imposed on April 4). Since the May 12 joint statement with China only covers the April 4 export restraints, CTA urges the United States and China to reach an additional agreement that would lead to China removing the February 4 measures. We also urge the Administration to hold China to account on following through its commitments made in the May 12 joint statement.

The United States has also leveraged the World Trade Organization (WTO) dispute settlement process in the past to address and remove China's export restraints on certain critical minerals. The best example of using this process is the case that the United States, the European Union, and Japan prosecuted successfully together as co-complainants on China's export restraints on rare earths and other critical minerals.[13] China lost this case across the board, did not appeal, and changed the measures that the dispute settlement panel found to be inconsistent with its WTO commitments, including those under the Protocol of China's Accession to the WTO.

V. BIS Should Narrow the Investigation Scope to Critical Minerals and Derivatives with Direct National Security Use

CTA is concerned that BIS intends to restrict the importation of any item containing a critical mineral on this list, even in minute amounts. CTA is also uncertain as to whether BIS intends to impose tariffs on the finished goods containing critical minerals or the value of the critical minerals in the finished goods.

Given these possibilities, CTA urges BIS to narrowly tailor the scope of this investigation and any recommendations or actions to focus exclusively on critical minerals and derivatives that have a direct and substantial nexus to U.S. national security. Drawing on our recent comments to BIS regarding the semiconductor supply chain[14], we caution that overly broad investigations or actions could inadvertently disrupt supply chains vital to the consumer technology industry and the broader U.S. economy without delivering commensurate national security benefits. Therefore, BIS should apply a limited scope to the investigation and any potential remedies to avoid excessive economic disruptions.

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[10] *Joint Statement on U.S.-China Economic and Trade Meeting in Geneva*, The White House (May 12, 2025), https://www.whitehouse.gov/briefings-statements/2025/05/joint-statement-on-u-s-china-economic-and-trade-meeting-in-geneva/ ("China will … (ii) adopt all necessary administrative measures to suspend or remove the non-tariff countermeasures taken against the United States since April 2, 2025.").

[11] Tungsten, tellurium, bismuth, molybdenum and indium.

[12] Samarium, gadolinium, terbium, dysprosium, lutetium, scandium and yttrium – along with their associated compounds, oxides, alloys, mixtures and products.

[13] *China — Rare Earths*, WT/DS43, https://www.wto.org/english/tratop_E/dispu_E/cases_E/ds431_E.htm.

[14] Letter from CTA to Hon. Jeffrey Kessler, "Preliminary Comments of the Consumer Technology Association on the Section 232 National Security Investigation of Imports of Semiconductors and Semiconductor Manufacturing Equipment, Docket No. 250414-0066 (XRIN 0694-XC121)" (May 7, 2025), https://www.cta.tech/media/po1psqoj/final-cta-comments-on-bis-section-232-investigation-on-semiconductors-20250507.pdf.

Not all critical minerals or their derivatives are tied to national security risks. Many are predominantly used in products and applications unrelated to defense or other sensitive sectors. Inclusion of such materials within the scope of Section 232 action would unnecessarily broaden policy responses in ways that could constrain innovation, limit consumer choice, and undermine economic competitiveness. BIS should explicitly exclude critical minerals and derivatives that are not essential to defense systems or other national security-related technologies.

VI. Better Alternatives: Policy Tools to Expand U.S. Critical Minerals Leadership

CTA urges BIS to prioritize non-tariff policy measures—such as streamlining permitting, investing in workforce development, and fostering domestic production capacity—in place of trade restrictions. These approaches will better support resilient supply chains while avoiding excessive burdens on downstream industries.

A. Permitting Reform:

Infrastructure constraints are a major barrier to a robust critical minerals ecosystem because they can cause prohibitive delays for projects and bringing new facilities online at scale. Accordingly, we also recommend expanding infrastructure development investments (*e.g.*, electric grid modernization and specialized facilities) to develop the domestic extraction and processing capacity. We support efforts to accelerate and streamline federal permitting for energy and other infrastructure builds to meet domestic demand faster.

The Trump Administration has undertaken a variety of initiatives to address bottlenecks in the permitting process that slow investment in the U.S. economy. This includes initiatives to "fast-track" investment from allied and partner sources in "advanced technology" areas,[15] to expedite environmental reviews for investments over $1 billion, and to bring greater efficiency, transparency, and predictability to permitting processes. The United States Investment Accelerator could be the right office in Commerce for carrying forward these initiatives.

B. Workforce Development:

Shortages of skilled labor are another major barrier. Building critical minerals extraction and processing capabilities requires specialized technical talent and a broadly skilled workforce. We recommend investing in Science, Technology, Engineering, and Mathematics ("STEM") training pipeline programs, advanced engineering programs. Further, in connection with the bilateral deals referenced above, we recommend launching a "train-the-trainer" program with technical experts from international partners to establish international engineering exchange initiatives to upskill the U.S. workforce. These steps will accelerate knowledge transfer, close critical skill gaps, and expand the pool of qualified talent needed to support domestic critical minerals extraction and processing capacity.

Numerous initiatives are currently underway to seek to build the pipeline of talent needed to ensure that the U.S. workforce has the skills needed to support continued growth of the domestic critical minerals extraction and processing capacity. Commerce, in addition to the Department of Labor

[15] Presidential Actions, *America First Investment Policy*, The White House (Feb. 21, 2025), https://www.whitehouse.gov/presidential-actions/2025/02/america-first-investment-policy/.

and Education, is well placed to convene the various entities involved in developing and implementing these initiatives (businesses, universities, state and local governments) to assess where gaps exist, how existing efforts can be optimized, and where additional resources could be deployed to accelerate workforce development. Recent White House initiatives offer an example of how the federal government can galvanize these efforts.[16]

To bolster domestic critical minerals extraction and processing capacity, expanding avenues for highly skilled STEM immigrants is crucial to strengthening the talent pipeline. Current rigid limits on employment-based visas, like the 85,000 annual cap on new H-1B visas, fail to meet demand and exclude vital Ph.D. scientists and engineers. The administration should collaborate with Congress to raise or exempt visa caps for advanced STEM degree holders in critical sectors, utilizing existing Immigration and Nationality Act authorities. In the meantime, the Department of Homeland Security should quickly assess mechanisms like National Interest Waivers or special visa programs to attract and retain top researchers and engineers. Easing these immigration bottlenecks will enable U.S. companies to fill specialized roles, mitigating the skills gap hindering U.S. critical minerals capacity.

In addition to long-term talent development, the Trump Administration can take actions to ensure that U.S. critical minerals companies can address short-term labor shortages through smart immigration policy that affords businesses access to highly skilled foreign workers—particularly those with specialized skills which are scarce or not available in the United States.

C. Infrastructure:

Critical minerals extraction and processing facilities require large tracts of land, reliable and continuous supply of energy, water, and other utilities, access to raw materials, and a transportation infrastructure that enables the efficient movement of materials, machinery, and extracted and processed products. Federal agencies can deploy a variety of programs that can help support and expedite the development of these facilities. A coordinating body within the White House or Commerce Department could help corral and direct departmental efforts in support of individual projects, including by mobilizing private capital where needed.

D. White House Leadership:

The White House could shepherd all the above efforts through a newly established council of senior cabinet officials and executives drawn from U.S. industry. These leaders can advise the President on each of the elements outlined in a comprehensive U.S. critical minerals leadership plan and provide regular updates to senior Administration officials on investments being made in the U.S. critical minerals supply chain, challenges to making and growing investments, and recommendations to buttress the United States' global leadership in the sector.

E. National Security Alignment:

To effectively enable the diversification of critical minerals supply as envisioned in the Administration's broader national security and economic strategy - significant investments in financial resources, human capital and education are necessary. Importantly, the Administration

[16] Presidential Actions, *Preparing Americans for High-Paying Skilled Trade Jobs of the Future*, The White House (Apr. 23, 2025), https://www.whitehouse.gov/presidential-actions/2025/04/preparing-americans-for-high-paying-skilled-trade-jobs-of-the-future/.

should ground its efforts in specific national security priorities, rather than driven by a blanket objective to localize extraction and processing of critical minerals.

F. Establishing Strategic Stockpiles:

The Administration should establish a national reserve of processed critical minerals essential to the AI supply chain. The stockpile should have clear thresholds based on multi-sector demand (e.g., defense, AI infrastructure). We recommend establishing public-private partnerships to identify and forecast priority processed critical minerals. While stockpiling is not a long-term solution, it can serve as a safety net to mitigate against supply disruption during the transition to alternative processed critical mineral sourcing.

G. Investing in Critical Mineral Recovery and Substitution Technologies:

The Administration should support investments in critical mineral recovery and substitution technologies, and critical mineral processing capabilities through R&D funding, tax incentives, and public-private partnerships. The R&D should focus on extracting critical minerals from end-of-life components (e.g., neodymium from HDD magnets) and reintegrating them into derivative product manufacturing. Coordinating these efforts through U.S. trade agreements with allies will facilitate the development of shared processing and recovery capabilities. Similar investments are necessary to accelerate the development and commercialization of viable substitutes for critical minerals where possible. These initiatives will strengthen domestic and allied supply chains.

VII. International Cooperation

International coordination with U.S. allies and trading partners strengthens the U.S. position to prevent the weaponization of critical mineral supply chains by U.S. adversaries. At the same time, it enables the United States and its allies to keep the costs of shifting the critical mineral supply chains at reasonable levels. Working with allies and non-adversarial partners on developing and using the latest technological achievements in critical extraction and processing should be a high priority for U.S. international cooperation. This could include new mining and purification methods, more efficient and less costly ways to build infrastructure, the integration of artificial intelligence, sensors, and other state of the art technologies, pollution control, and other environmental mitigation practices. Working closely with the technology industry on such international coordination should also be a priority for the administration.

A. Multi-Geography Team Approach Will Ensure Greater Supply of Critical Minerals

CTA believes that effective strategies against those measures by adversaries will require collaboration with foreign nations that are U.S. allies. CTA is a firm believer that a multi-geography “team approach” is best suited to counter non-market policies and practices. Acting with the support of and coordinating measures with U.S. allies and trading partners is a force multiplier when confronting such challenges. This approach would enable the United States to develop its critical mineral extraction and processing capabilities, while recognizing the years of development and expertise that close U.S. allies and trading partners have in critical parts of the critical mineral supply chain.

Without engaging others, unilateral efforts by the United States to change foreign adversaries' policies, shift supply chains, and promote their resilience in this sector will be futile. Rather than imposing trade-restrictive measures that force higher burdens on U.S. companies or restrict imports from U.S. allies, BIS's focus should be on leading a whole of government approach and engaging stakeholders in like-minded countries to address the challenges posed by China and other foreign adversaries.

Among other things, the United States can:

- negotiate bilateral agreements providing for foreign investment in U.S. critical mineral processing;
- enter into agreements with partners on security of supply arrangements for critical minerals;
- coordinate support for supply chain investments and offtake agreements to facilitate investment in upstream materials; and
- align with allies and non-adversarial trading partners on export controls.

These agreements should include dedicated supply commitments, right of first offer provisions, and long-term joint development of refining and recovery infrastructure. In geopolitically sensitive regions, including Taiwan, Vietnam, and the Philippines, the United States could leverage broader security and defense funding to diversify and increase resiliency of the processed critical mineral supply chain. An incentive-based framework would reinforce international cooperation and promote secure supply chain practices.

The Administration is already making excellent and extensive progress on cooperation with U.S. allies, including through:

- its agreement with Ukraine on developing and accessing critical minerals in that country through the U.S.-Ukraine Reconstruction Investment Fund;[17]
- its Minerals Security Partnership (MSP) with countries with rich deposits of critical minerals, including Australia, Canada, Estonia, Finland, France, Germany, India, Italy, Japan, Norway, the Republic of Korea, Sweden, the United Kingdom, and the European Union (represented by the European Commission);[18]
- its MSP Forum with Argentina, Democratic Republic of the Congo, Dominican Republic, Ecuador, Greenland, Kazakhstan, Mexico, Namibia, Peru, Philippines, Serbia, Türkiye, Ukraine, Uzbekistan, and Zambia;[19]

[17] *Fact Sheet: President Donald J. Trump Secures Agreement to Establish United States-Ukraine Reconstruction Investment Fund*, The White House (May 1, 2025), https://www.whitehouse.gov/fact-sheets/2025/05/fact-sheet-president-donald-j-trump-secures-agreement-to-establish-united-states-ukraine-reconstruction-investment-fund/.
[18] *Minerals Security Partnership*, U.S. Dept. of State, https://www.state.gov/minerals-security-partnership.
[19] *Ibid.*

- its memoranda of understanding and other arrangements with Argentina[20], Australia,[21] Canada,[22] Peru[23], and Uzbekistan[24] to strengthen cooperation on critical minerals; and
- its agreement with Japan to strengthen critical minerals supply chains.[25]

Building on these efforts, the United States could establish a new, critical mineral-focused plurilateral group comprised of partners within the MSP and MSP Forum. This group could work in concert to lower the costs of critical minerals extraction and processing with a view to increase their collective competitiveness vis-à-vis China.

The general terms of the draft U.S.-UK Economic Prosperity Deal (EPD)[26] could be another avenue for enhanced cooperation with our historic friend and ally. This document emphasizes "economic cooperation" in the fourth section. Addressing critical minerals issues in this deal and others like it, first bilaterally and then with a broader group of U.S. trading partners committing to similar deals, could be a viable path forward for ensuring reliable U.S. access to critical minerals. The United States can also ensure greater supply of critical minerals by reclaiming used industrial and consumer devices. Developing U.S. capacity to better collect, process, reclaim, and recycle critical minerals from end-of-life products, including batteries and consumer technology products, would unleash latent potential in the U.S. economy. This is a massive, currently untapped opportunity for the United States.

Specifically, the United States should:

1. Advance the work of the United States Environmental Protection Agency to establish battery collection best practices and labeling guidelines;
2. Establish a working group (with industry and relevant agencies) to determine how the United States can improve collection of critical mineral-containing end-of-life products (electronics, vehicles, industrial goods, even defense articles) and establish/grow industries to reclaim and recycle critical minerals from them;
3. Address international barriers to trade (among allies) of such end-of-life materials and critical minerals reclaimed from them;

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[20] *US and Argentina Sign Memorandum of Understanding to Strengthen Cooperation on Critical Minerals*, U.S. Mission Argentina (Aug. 23, 2024), https://ar.usembassy.gov/us-and-argentina-sign-memorandum-of-understanding-to-strengthen-cooperation-on-critical-minerals/.

[21] Joint Statement, *Australia-United States Climate, Critical Minerals and Clean Energy Transformation Compact*, PM of Australia (May 20, 2023), https://www.pm.gov.au/media/australia-united-states-climate-critical-minerals-and-clean-energy-transformation-compact.

[22] News Release, *Government of Canada and the United States Co-Invest to Strengthen Critical Mineral Value Chains*, Gov't of Canada (May 16, 2024), https://www.canada.ca/en/natural-resources-canada/news/2024/05/government-of-canada-and-the-united-states-co-invest-to-strengthen-critical-mineral-value-chains.html.

[23] *The United States of America and Peru Sign MOU to Strengthen Cooperation on Critical Minerals*, U.S. Mission Lima (Aug. 30, 2024), https://pe.usembassy.gov/the-united-states-of-america-and-peru-sign-mou-to-strengthen-cooperation-on-critical-minerals/.

[24] *United States and Uzbekistan Sign MOU on Critical Minerals Partnership*, U.S. Dept. of State (Sept. 16, 2024), https://2021-2025.state.gov/united-states-and-uzbekistan-sign-mou-on-critical-minerals-partnership/.

[25] *Agreement between the Government of the United States of America and the Government of Japan on Strengthening Critical Minerals Supply Chains*, USTR (Oct. 7, 2019), https://ustr.gov/sites/default/files/2023-03/US%20Japan%20Critical%20Minerals%20Agreement%202023%2003%2028.pdf.

[26] *General Terms for the United States of America and the United Kingdom of Great Britain and Northern Ireland Economic Prosperity Deal*, USTR (May 8, 2025), https://ustr.gov/sites/default/files/files/Press/fs/US%20UK%20EPD_050825_FINAL%20rev%20v2.pdf.

4. Avoid restrictions on exports of end-of-life goods containing critical minerals to U.S. allies, who may have more efficient and less costly means of reclaiming them;
5. Exempt “used”, “recovered,” or “recycled” processed critical minerals to support reuse efforts; and
6. Exempt “used”, “recovered”, “recycled”, “refurbished” or “repaired” processed critical mineral derivative products.

Today, such trade is impeded by myriad rules on movement of “waste” under the Basel Convention on the Control of Transboundary Movements of Hazardous Wastes and Their Disposal, to which the United States is not a party, although U.S. Senate provide its advice and consent to ratification in 1992.[27] The United States should convene its allies and negotiate an international agreement that facilitates trade in these materials among trusted entities, so that companies can achieve scale to develop competitive industries among allies.

B. International Coordination for Supply Chain Resiliency

In October 2023, CTA published a landmark study on “Building a Resilient Consumer Technology Supply Chain”[28], which the consultancy Kearney conducted at our direction. This study found that reshoring the production of all the consumer technology for the U.S. market out of China would require a $500 billion direct business investment over ten years and a 10x increase in labor available. Kearney concluded at the time of the study that these estimates were conservative. The environmental and energy costs of doing this would also be considerable. Given these business realities and the likely prohibitive cost for U.S. consumers, our study found that this option was neither feasible nor desirable.

However, there is a better path. Our study also found that by moving and creating production across a range of segments of the consumer technology industry to both the United States, U.S. treaty allies (e.g., Canada, France, Germany, Japan, South Korea, Thailand, and the United Kingdom), and other key trading partners (e.g., Mexico, India, and Vietnam), the cost of such friendshoring would be only a $127 billion direct business investment over ten years spread out among U.S. treaty allies and close trading partners and the labor requirements would be more diffuse.

CTA’s study is a useful guide for U.S. government officials seeking to understand the supply chain dynamics of the consumer technology industry. It also presents a compelling case for greater cooperation between the United States and its allies and close trading partners on making consumer tech supply chains resilient, including with respect to creating more critical mineral processing capacity across the world to meet increased demand over time.

Imported critical minerals used in U.S. supply chains are sourced primarily from close allies and partners. **Such trusted partners are integral parts of a secure and resilient supply chain for the U.S. technology ecosystem.** Importantly, these partners play an essential role in meeting demand for critical minerals that are not available from U.S. sources or for which U.S. processing

[27] *Basel Convention on Hazardous Wastes*, U.S. Dept. of State, https://www.state.gov/key-topics-office-of-environmental-quality-and-transboundary-issues/basel-convention-on-hazardous-wastes/.
[28] *Building a Resilient U.S. Consumer Technology Supply Chain*, CTA (Sept. 2023), https://www.cta.tech/research/building-a-resilient-us-consumer-technology-supply-chain/.

facilities cannot today meet market demand. Cooperation with U.S. allies, therefore, is essential to U.S. economic and national security.

We encourage BIS to use USTR investigative and dispute work and existing coordination with allies on critical minerals agreements to support improved international coordination. We suggest building on existing transparency mechanisms with allies to address legitimate concerns about subsidies through cooperation rather than unilateral action. For example, we recommend that BIS consider supporting industry-led initiatives aimed at enhancing supply chain transparency. This could include the development of early warning systems for potential shortages, and the promotion of voluntary inventory management practices to assess the true nature of disingenuous trade practices. From here, the United States and its allies could develop a further system to address true impacts of unfair trade practices implemented by China.

CTA agrees that certain foreign countries such as China have enacted numerous non-market policies and practices with respect to critical minerals. These measures, which include subsidies, export restraints, value-added tax rebates, and other distortive non-market policies, unfairly manipulate the competitive landscape. The Office of the U.S. Trade Representative has catalogued these practices almost two decades in the National Trade Estimate reports and its dispute settlement proceedings against China at the World Trade Organization. Section 301 of the Trade Act of 1974 would be a more appropriate tool to further investigate China's practices regarding critical minerals compared to Section 232, which only concerns whether imports threaten to impair U.S. national security.

VIII. Any Potential Tariffs Must Be Targeted, Limited, and Phased

Tariffs and other restrictive measures should be narrowly scoped both to address U.S. security interests in the critical minerals sector and avoid unnecessary harm to the U.S. economy and to ongoing efforts to grow the critical minerals and related industries in the United States.

A. BIS Should Conduct an Open, Transparent, and Fair Engagement Process with Stakeholders

We welcome a consistent, transparent process and approach with the opportunity for continued industry input as BIS considers potential remedy actions. A stable and consistent policy environment is necessary for American and foreign companies to build up a significant manufacturing footprint in the United States. Any uncertainty stemming from remedy actions will threaten to undercut the confidence of companies.

To provide informed, substantive input to this investigation, we respectfully encourage BIS to allow sufficient time and opportunity for meaningful engagement between government and the private sector. We would welcome the establishment of a clear and structured timeline for stakeholder engagement, following this solicitation of public comment but before the conclusion of the Section 232 investigation, which would enable us to contribute constructive and well-researched recommendations to support the Administration's efforts.

B. Commerce Must Take Steps to Mitigate Tariff Impacts on Manufacturers and Consumers

BIS must also ensure that the implementation of any potential remedy recommendations provides sufficient time for companies to prepare and adapt. For example, we urge a phase-in period appropriate to the industries implicated, of at least two to three years, to fully operationalize as design cycles for more complex goods may not have the same turnover.

Any remedy action that immediately imposes duties on critical minerals or articles containing them risks significant supply chain disruption for downstream U.S. technology companies and will have negative consequences for U.S. consumers. Any remedies proposed through this investigation must not disrupt technology supply chains. The Administration must implement any proposed remedies in a manner that provides sufficient lead time (which, in the case of critical minerals has an investment horizon of 10+ years) necessary for core critical mineral extraction and processing to operationalize in the United States.

We also encourage BIS to consider additional mechanisms when evaluating remedies, including regulatory support for the investments companies are making, to protect and ensure current and future critical mineral extraction and processing capacities. In this regard, we welcome the new United States Investment Accelerator that Commerce will establish according to the March 31, 2025, Executive Order. Commerce should also consider increased interagency cooperation to expedite federal and local government regulatory approvals for new critical mineral extraction and processing facilities in the United States, assuming there is a domestic consensus on accepting the domestic environmental impacts that are associated with such activities.

C. BIS Should Exclude Certain Critical Minerals from Section 232 Actions

If BIS includes tariffs in any proposed remedies in the investigation, it should narrow those tariffs to address specific risks or concerns, while avoiding unintended harm to U.S. national interests.

Specifically, tariffs should not apply on imports of critical minerals and derivatives:

- For which adequate supply to meet demand does not exist in the United States.
- Sourced from jurisdictions such as, but not limited to, the European Union, Japan, South Korea, Taiwan, and the United Kingdom, whose policies align with U.S. security and foreign policy interests.
- Produced by, or imported from, countries, whose companies are making significant investments in U.S. critical mineral extraction and processing or other segments of the U.S. critical mineral supply chain.

Similarly, BIS should not impose tariffs on imports of U.S. companies whose investments in the U.S. will increase demand for U.S. critical minerals.

D. Alignment with Other Section 232 and Section 301 Actions Is Critical

BIS should align any remedies resulting from this investigation with those stemming from other ongoing investigations and trade actions. A coordinated approach will ensure proposed actions do not end up duplicating or undermining other remedies.

Additionally, we strongly encourage BIS to avoid the “stacking” of any potential Section 232 tariff actions for this investigation and with stacking actions for other tariffs—such as a potential tariff

rate on the component and an additional tariff on the whole item, or a stacking of tariffs resulting from concurrent Section 301 and Section 232 investigations. As of this filing, the Administration has not offered any assurance or clarity that any Section 232 remedies for critical minerals and their derivatives will not stack with existing IEEPA fentanyl tariffs on imports from China, Canada, or Mexico, the existing or future IEEPA reciprocal tariffs, or existing or future anti-dumping or countervailing duties.

The Executive Order from April 29, 2025, on "Addressing Certain Tariffs on Imported Articles" sets a positive example of how eliminating stacking of Section 232 tariffs can provide clarity and flexibility for companies subject to them. Should the Administration decide to impose tariffs on critical minerals and their derivatives, we encourage it to avoiding stacking in similar way.

If the President determines to impose tariffs or other import restrictions despite the concerns described above, we recommend emulating the recent adjustments he made to automotive tariffs: implement targeted offsets against the tariffs for companies that undertake critical minerals-related investment, procurement, or production in the United States.

IX. Conclusion

Section 232 is a tool for addressing genuine national security threats – not a blunt instrument for addressing global supply chains. Narrowing the scope of this investigation to its intended purpose – and rejecting broad-based tariffs on critical minerals and derivatives used in consumer technology products and broad-based tariffs on consumer technology products containing critical minerals – is the best path to strengthening both U.S. national security and competitiveness.

Thank you for considering these comments as part of the ongoing investigation. We welcome continued dialogue with BIS and all stakeholders to support both U.S. national security and the continued growth and competitiveness of the consumer technology industry.

Sincerely,

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