

July 30, 2025

The Honorable Howard Lutnick
Secretary
U.S. Department of Commerce
1401 Constitution Ave., N.W.
Washington, DC 20230

RE: Bolstering U.S. Supplies of Critical Minerals

ETTAC Recommendation 2025-3

Dear Mr. Secretary:

The Environmental Technologies Trade Advisory Committee (ETTAC) is a statutorily established committee whose purpose is to advise on the policies and procedures of the U.S. government that affect exports of U.S.-made environmental technology, goods, and services. In this capacity, the ETTAC is providing the following recommendations to strengthen U.S. leadership, competitiveness and exports by bolstering U.S. domestic supplies of critical minerals that are essential for the export of U.S. environmental technologies.

Background

The United States faces a crucial moment in its ability to secure and process critical minerals required for environmental technologies, as well as for energy technologies, vehicles, digital infrastructure, and advanced manufacturing. Currently, a significant portion of the minerals mined in the U.S. and other countries are sent to China for processing, creating vulnerabilities in supply chain security and exposing the nation to exigent geopolitical and security risks. Of the 50 elements deemed critical to the American economy and national security by the U.S. Geological Survey,ⁱ the United States is 100% dependent on foreign suppliers for 12 of them and is more than 50% reliant on non-domestic sources for another 29.ⁱⁱ Furthermore, the critical minerals supply chain is subject to China's well-documented market manipulation of essential commodities, whereby Chinese companies flood the market with excess supply, driving prices down to levels that force mining and processing operations in countries like the United States and Australia to shut down.

Recommendations

Establishing Expanded Access to Mineral Processing and Advancing a Circular Economy
U.S. mineral resources are currently vulnerable to Chinese control, both before and after they are mined. Action is needed to prevent the resulting constraints to U.S. supply chains and export of U.S. mineral resources to China. Expanding domestic mining without corresponding increases in domestic processing capacity or international cooperation does not address the fact that minerals coming from new U.S. mining operations would likely need to be sent to China for processing and then reimported in the form of refined minerals. We recommend strengthening international

cooperation and expanding U.S. access to the critical mineral production and processing capacity of America's global partners through partnerships such as the Quad or G7. This should include establishing robust domestic processing capabilities, which is vital to reducing reliance on non-allied nations and supporting a more uninterrupted supply of these essential resources.

In addition to expanding access to mineral processing capabilities domestically and through alliances, we recommend that the Administration coordinate with allies to mirror CFIUSⁱⁱⁱ-style restrictions on China and other countries of concern in acquiring mines, refineries, or technology. Furthermore, phasing in restrictions on the export of minerals mined on Federal lands to countries not party to such an alliance would help to ensure U.S. mineral resources are available to support U.S. industry.

Implementing circular economy principles is also essential for security and resilience of the U.S. critical minerals supply. A circular economy emphasizes the reuse, recycling, and responsible management of resources, which can reduce dependency on raw material extraction and foreign sources, while mitigating environmental impacts. The G7 Critical Minerals Action Plan, to which the United States is a signatory, underscores the importance of recycling and calls for closing innovation gaps in circular economy solutions as a key strategy for strengthening supply chain resilience. By more broadly promoting, prioritizing, and adopting circular practices, the U.S. can enhance the security of its critical minerals supply, reduce waste from both end-use and mining activities, and stimulate innovation in recycling technologies, which can in turn become a source of expanding exports of U.S. manufactured technology.

We therefore recommend fostering partnerships between government, industry, and research institutions. Such an example could contain elements of the recent agreement between MP Materials and the U.S. Department of Defense, which both establishes a price floor and guarantees the sale of all magnets they produced in the next ten years. Both measures help stabilize the price of minerals that are vulnerable to non-market interference. This must be done in addition to strengthening international cooperation through a G7 Critical Minerals Action Plan roadmap, to support expansion of domestic access to refining and processing capabilities, as well as drive circular economy innovation.

Support Incentives for Return on Investment

To achieve a competitive edge globally, it is imperative to create and sustain a favorable business environment that supports both domestic mining operations as well as corresponding mineral processing and recycling facilities. Investment incentives, such as tax credits, grants, research investment, and low-interest loans would enable faster development and scaling of these facilities. Additionally, public-private partnerships can play a crucial role in de-risking initial investments, increasing the likelihood that stakeholders willing to invest in domestic production see value and return on their contributions.

We encourage the Department to advance these measures to improve the business opportunities for domestic mining as well as mineral processing and recycling/refining facilities. These actions are essential because they will not only enhance U.S. manufacturing competitiveness, export capabilities and self-reliance but they will also stimulate job creation and economic growth in

communities across the country, as well as provide raw materials needed for investment in U.S. Infrastructure.

Fostering a Responsible Commodity Market

With your leadership, the U.S. should support development of an anchor commodity market through the Minerals Security Partnership (MSP) or G7 Critical Minerals Action Plan or the Quad Mineral Initiative, and coordinate policy measures such as export restrictions, harmonized tariffs, price floors, strategic stockpiling, and investment incentives. As part of the G7's shared commitment, the U.S. should actively contribute to the development of a standards-based critical minerals market that reflects the real costs of responsible extraction, processing, and trade—ensuring labor protections, meaningful local consultation, anti-bribery and corruption measures, and addressing negative externalities like pollution and land degradation. Fostering a well-functioning, transparent critical minerals market rewards those companies who supply responsibly sourced and processed minerals versus those processed in countries that do not adhere to the U.S.'s high environmental standards. This approach will not only improve America's business competitiveness but also enable U.S. environmental technology exports to support the global demand for sustainably produced products.

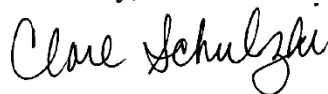
Advocate for a Unified Approach

The ETTAC strongly encourages you to collaborate with policymakers, industry leaders, and environmental organizations in addressing these key areas. By encouraging dialogue and establishing actionable goals, the Department can create a unified pathway toward a long-term, secure future for critical mineral supply chains that reduces our current dependence on Chinese mineral processing to support U.S. environmental technology exports.

Conclusion

We appreciate your consideration of these recommendations for bolstering the United States' critical minerals security. We look forward to working with you to support their implementation and the growth of the U.S. environmental technology industry exports. We welcome the opportunity to further discuss these issues.

Sincerely,



Clare Schulzki
ETTAC Chair

Cc: U.S. Trade Representative Greer
Secretary of State Marcio Rubio

ⁱ [U.S. Geological Survey Releases 2022 List of Critical Minerals | U.S. Geological Survey](#)

ⁱⁱ [Mineral commodity summaries 2025 | U.S. Geological Survey](#)

ⁱⁱⁱ Committee on Foreign Investment in the United States