

December 3, 2024

The Honorable Mike Johnson
Speaker of the House
United States House of Representatives
Washington, DC 20510

The Honorable Chuck Schumer
Senate Majority Leader
United States Senate
Washington, DC 20510

The Honorable Mitch McConnell
Senate Republican Leader
United States Senate
Washington, DC 20510

The Honorable Hakeem Jeffries
House Democratic Leader
United States House of Representatives
Washington, DC 20510

Dear Speaker Johnson, Senate Majority Leader Schumer, Senate Republican Leader McConnell, and House Democratic Leader Jeffries:

We are encouraged by the recent bipartisan interest in supporting the U.S. critical mineral and material industry. American critical mineral and material capacity, particularly for the processing sector that turns raw ores into the purified minerals needed for modern technologies, is crucial to securing our supply chains, boosting economic competitiveness, deploying advanced energy technologies, and ensuring national security. Without these investments, the U.S. will become increasingly reliant on fragile supply chains dominated by China, which controls 57% of lithium, 77% of cobalt, 92% of rare earth elements, 91% of natural graphite, 80% of gallium, and 60% of germanium processing capacities within its borders. In addition, China further dominates mineral markets, such as nickel, cobalt, and lithium, through ventures abroad.

China has shown its willingness to leverage its dominance in critical mineral and material production by engaging in unfair trade practices, flooding markets, driving down prices, and forcing domestic projects to scale back or shutter. Regardless of profitability, China's subsidized mining and mineral processors can continue to increase output and distort markets. These challenges highlight the urgent need to diversify mineral and material supply chains with increased domestic feedstocks and processing capacity. While existing grants and loans help with capital costs, they are insufficient to meet our supply chain challenges. For a fully integrated U.S. mineral supply chain to prosper and support manufacturing and industrial demands, additional measures are needed to ensure these projects can sell at prices that justify investment.

To counter this alarming market dominance and unlock substantial private investment, **the U.S. needs federal price support for critical minerals and materials as a key part of its strategy to secure supply chains**. As outlined in the Bipartisan Policy Center's recent report, [Resilient Resource Reserve: A Plan to Catalyze the American Critical Mineral Processing Industry](#), federal price support can provide the certainty needed to build and scale domestic projects. Different critical minerals and materials require tailored tools to address unique market challenges, making flexible financial authority crucial. For example, deeper and more mature markets like lithium, nickel, and cobalt could benefit from the market liquidity that comes from financial benchmark contracts. Shallower, less mature markets like some rare earths, germanium, and gallium, could utilize other contract types like offtake backstops,



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forward contracts, market maker, advance market commitments, or contract-for-differences. These tools would not only protect existing projects from market manipulation but could proactively kickstart investment in critical mineral and material sectors at particular risk of disruption, including advanced battery materials where U.S. companies are leading, and China does not yet dominate.

As described in the BPC report mentioned above, BPC Action and supporting organizations recommend establishing a comprehensive price support program focused on the U.S. critical mineral processing sector that prioritizes feedstocks from domestic sources. In addition, we request that lawmakers include in future critical mineral legislation the authority for programs to utilize flexible financing tools, such as those described above, and “other transactions” to provide projects with price support. This authority is key to mobilizing private sector investment and catalyzing the American critical minerals industry.

Sincerely,



Cc: Senate Majority Whip Dick Durbin (D-IL)
Senate Minority Whip John Thune (R-SD)
House Majority Whip Tom Emmer (R-MN)
House Minority Whip Katherine Clark (D-MA)
Senate Energy and Natural Resources Committee Chairman Manchin (I-WV)
Senate Energy and Natural Resources Committee Ranking Member Barrasso (R-WY)
House Energy and Commerce Committee Chair McMorris Rodgers (R-WA)
House Energy and Commerce Committee Ranking Member Pallone (D-NJ)