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American Critical Minerals Association

July 2024 Newsletter Update

Welcome to the newest all-access edition of the American Critical Minerals Association's newsletter, which highlights the latest news and policy developments around the continued efforts to strengthen and build out the U.S. critical minerals supply chain. We hope you find this to be an informative resource.

Let us know what you think: For general inquiries to learn more about ACMA or suggestions for future content, you may reach us at info@critical-minerals.us.

WASHINGTON UPDATE

As Congress continues to advance work on funding bills before the August recess, members are still actively pursuing policy measures to address the lack of a critical minerals supply chain in the United States. In the FY25 National Defense Authorization Act (NDAA), both the House and Senate included provisions and proposed amendments focused on stockpiling critical minerals, sourcing requirements, deep sea mining, and cultivating a circular economy of minerals and metals. ACMA will be reviewing and submitting a letter to Congressional leadership in the coming weeks regarding these efforts.

ACMA IN THE NEWS

ACMA Partners with Bipartisan Policy Center for Report Launch: ACMA and the Bipartisan Policy Center on July 11 collaborated on an Capitol Hill event for the launch of BPC's Resilient Resource Reserve report. The event featured remarks from Senator John Hickenlooper and panelists from Heatmap, Nyrstar, and 6k, who facilitated a discussion on the lack of U.S. critical mineral processing's effect on national security and the economy.

July 11, 2024: Jael Holzman of Heatmap moderates discussion with Sam Trinch (6k), John Jacobs (BPC), and Daniel Zaluski (Nyrstar) on the Hill.

POLICY DEVELOPMENTS

I. Senators Introduce Bipartisan Legislation to Protect American Critical Mineral Supply Chain
II. Grijalva, Case, House Democrats Urge President Biden to Support Pause on Deep-Sea Mining
III. Biden-Harris Administration Announces $14 Million to Increase Domestic Battery Recycling
IV. Biden-Harris Administration Invests Additional $10 Million To Build Domestic Supply Chain for Critical Minerals and Materials
V. Up to $1.2 Billion Conditional Commitment to ENTEK Lithium Separators to Build Indiana EV Battery Separator Manufacturing Plant
VI. US Miners Push Washington to Revive Long-Dormant Bureau of Mines
VII. Moolenaar, Lawmakers Introduce Bill to Ban DHS from Procuring Batteries Manufactured by Six PRC-Aligned Companies
VIII. Internal BLM Email Raises Questions About Lithium Mine Review
IX. Canada Blocks Chinese Rare Earths Deal in Trudeau-Led Crackdown
X. US Backs Angola Plan to Process Critical Minerals, Export Power

I. Senators Introduce Bipartisan Legislation to Protect American Critical Mineral Supply Chain: U.S. Senators Bill Cassidy (R-LA), Chris Coons (D-DE), John Hickenlooper (D-CO), Angus King (I-ME), Marco Rubio (R-FL), and Mark Warner (D-VA) on July 12 introduced the *Global Strategy for Securing Critical Minerals Act* in an effort to create a diverse and secure "end-to-end" supply of critical minerals. If passed, the legislation would streamline diplomatic efforts, support private sector investments, enhance financial tools, create a fund for critical minerals, improve information sharing on adversarial practices, provide a public resource website, and expand allied partnerships to secure critical minerals. Additionally, the bill would require a Congressional report on authorities to increase domestic production and procurement, an assessment on imposing duties on imported minerals, and require a whole-of-government approach to develop workforce training programs.

II. Grijalva, Case, House Democrats Urge President Biden to Support Pause on Deep-Sea Mining: House Natural Resources Committee Ranking Member Raúl Grijalva (D-AZ) and Rep. Ed Case (D-HI) on June 28 sent a letter urging President Biden to support a moratorium on deep-seabed mining until there is sufficient scientific information on its potential social, economic, and environmental impacts. In the letter, lawmakers highlighted the importance of the fragile deep sea ecosystem and requested the U.S. join other countries in supporting a moratorium given existing mineral sources, recycling programs, and technological advancements, which can negate the need for deep-sea mining. The letter is a continuation of ongoing efforts by Democrats on the Natural Resources Committee to protect the seabed from deep-sea mining.

III. Biden-Harris Administration Announces $14 Million to Increase Domestic Battery Recycling: The Department of Energy on July 9 announced that $14 million will be allocated to create over 1,000 battery recycling points in Staples and Batteries Plus retail locations across the country. This is a part of the Biden Administration's Investing in America agenda to build a domestic recycling network and reduce dependence on Chinese critical mineral imports. Managed by DOE's Manufacturing and Energy Supply Chains Office (MESC), the drop-off points will offer consumers the ability to recycle batteries from old cellphones and laptops and create a circular supply chain of critical minerals.

IV. Biden-Harris Administration Invests Additional $10 Million To Build Domestic Supply Chain for Critical Minerals and Materials: The Department of Energy (DOE) on July 16 announced a nearly $10 million investment in two projects at the California Institute of Technology and the University of Utah to lower the cost and reduce the environmental impact associated with rare earth element and critical mineral production. Project funding comes from the Bipartisan Infrastructure Law and will be directed towards advanced laboratory and bench-scale testing to improve the economic viability of rare earth element and critical minerals and materials separation and refining technologies.

V. Up to $1.2 Billion Conditional Commitment to ENTEK Lithium Separators to Build Indiana EV Battery Separator Manufacturing Plant: The Department of Energy (DOE) Loan Programs Office (LPO) on July 9 announced a conditional commitment of up to $1.2 billion for a direct loan to ENTEK Lithium Separators LLC (ENTEK), which will substantially finance a lithium-ion battery separator facility in Indiana. The separators will be used primarily in electric vehicles (EVs), reinforcing the Biden Administration’s goals to meet expected future demand for EV adoption, create good-paying, high quality jobs, and ensure workers benefit from America's growing clean energy economy. If finalized, the loan will be offered through the Advanced Technology Vehicles Manufacturing (ATVM) Loan Program, and LPO would work with ENTEK to ensure it implements a strong Community Benefits Plan (CBP) to create opportunities for local labor.

VI. US Miners Push Washington to Revive Long-Dormant Bureau of Mines: Reuters on July 5 reported that mining trade groups are seeking to expand the Bureau of Mines to streamline how the U.S. government regulates and supports critical minerals production. The mining groups plan to conduct a campaign that contrasts U.S. mining oversight with that of other nations, where senior mining agencies report directly to their respective heads of government. U.S. mining policy has been administered through multiple agencies, including the Bureau of Land Management, the Fish and Wildlife Service, and the Mine Safety and Health Administration, since the Bureau of Mines closed in 1996 due to budget cuts. Supporters say that reopening the Bureau will prompt the creation of a unified critical minerals policy and would enable the U.S. to better compete with China, while opponents have highlighted regulatory barriers and opposition from conversation groups and environmental regulators.

VII. Moolenaar, Lawmakers Introduce Bill to Ban DHS from Procuring Batteries Manufactured by Six PRC-Aligned Companies: The U.S. House Select Committee on the Chinese Communist Party on June 7 announced Chairman John Moolenaar (R-MI)'s endorsement of the Decoupling from Foreign Adversarial Battery Dependence Act, which would forbid the Department of Homeland Security from purchasing batteries from six companies owned and operated in China for Department functions. The bill was sponsored by Rep. Carlos A. Gimenez (R-FL), and cosponsors include Rep. Mark E. Green (R-TN), Rep. August Pfluger (R-TX), and Rep. Daniel Meuser (R-PA). It has since been reported as amended by the House Committee on Homeland Security.

VIII. Internal BLM Email Raises Questions About Lithium Mine Review: Politico on June 10 reported on an internal email from the a Bureau of Land Management (BLM) project manager regarding the Rhyolite Ridge lithium mine in Nevada. Scott Distel wrote that the mine's project's schedule was faster compared to similar projects, and cited the mine's groundwater model, which was approved "without any edits or comments that need to be addressed." Ioneer, the parent of the mine, defended the company's cooperation with the interagency environmental review process, while the Center for Biological Diversity used the email to extend the public comment period on the mine's environmental impact statement.

IX. Canada Blocks Chinese Rare Earths Deal in Trudeau-Led Crackdown: Bloomberg on June 17 reported on the Canadian government's purchase of stockpiled rare earth minerals from Vital Metals Ltd., blocking a previous Chinese purchase of the materials. The move follows Canadian action to force Chinese investors to divest from domestic mining operations, including a recent national security review that forced Solaris Resources Inc. to scuttle a financing deal with a Chinese firm. Vital Metals Ltd.'s minerals will instead go to the Saskatchewan Research Council, a government-affiliated group that processes rare earth minerals.

X. US Backs Angola Plan to Process Critical Minerals, Export Power: The U.S. Assistant Secretary of State for Energy Resources on June 18 announced U.S. support for Angola's efforts to diversify their energy sector and export more critical minerals. State Department officials met with the Angolan oil and energy ministers to support transmission infrastructure and support Angola becoming "a larger energy exporter to the rest of sub-Saharan Africa", per official remarks. This followed a $900 million loan from the Export-Import Bank to support American solar farm construction in Angola, and the banks referral of a $1.6 billion mini-grid and clean water project to Congress.

NEWS, ANALYSIS, AND OPINION

I. Norway Discovers Europe's Largest Deposit of Rare Earth Metals
II. Canada Sets High Bar for Approving Large M&A Deals in Critical Minerals
III. Which Critical Minerals Will Be Crucial for the AI Boom?
IV. US Stockpiles of the Rare Earth Minerals It Would Need to Fight a War Against an Adversary like China are a mystery, and Experts Warn It's a Problem
V. China Targets Morocco as Launchpad Into Europe's Green Auto Market

I. Norway Discovers Europe's Largest Deposit of Rare Earth Metals: CNBC on June 11 reported that mining firm
Rare Earths Norway discovered Europe's largest rare earths deposit, notably not owned or controlled by China. The company said the deposit contains upwards of 8 million metric tons of total rare earth oxides (TREOs) and an estimated 1.5 million metric tons of magnet-related rare earths that can be used in clean energy technologies like wind turbines and electric vehicles (EVs). Rare Earths Norway said exploration work at the site will continue and aims to begin mining operations by 2030. This discovery not only boosts Europe as it aims to compete with China in the rare earths market, but also Norway in a significant position to supply Europe with critical minerals.

II. Canada Sets High Bar for Approving Large M&A Deals in Critical Minerals: Reuters on July 4 reported that Canada has imposed strict conditions for mergers and acquisitions within the mining industry under the Investment Canada Act. The Canadian government identified 31 minerals, including lithium, nickel, and copper, as critical for their strategic uses in modern technology and the energy transition. Industry Minister Francois-Philippe Champagne said the government is setting a higher standard when assessing the net benefits of any deal involving critical minerals producers. This change builds upon existing scrutiny around foreign investments in the Canadian critical minerals industry, which has increased in the past few years.

III. Which Critical Minerals Will Be Crucial for the AI Boom?: Mining.com on July 5 reported that several critical minerals, including gallium and germanium, will continue to be crucial in bolstering the growing semiconductor industry, which has exploded over the last year due to the expanded application of artificial intelligence (AI). These critical minerals provide the resources to build the tools needed to extend the reach of AI in the global economy. Demand for high purity alumina (HPA), categorized as a critical metal, is also expected to increase as demand increases for renewables and artificial intelligence. HPA's high transparency, chemical inertness, high thermal conductivity, and resistance to thermal shock makes it the ideal material for semiconductor manufacturing and other applications. However, much more targeted investments in the commodity markets are necessary in the years ahead to feature and support unique minerals like HPA that have wide technological applications.

IV. US Stockpiles of the Rare Earth Minerals It Would Need to Fight a War Against an Adversary like China are a mystery, and Experts Warn It's a Problem: Business Insider on June 27 reported that vital domestic critical mineral stockpile levels may be too low to secure a national supply chain to counter China's dominance in the sector. Improving critical mineral independence is a priority for the U.S. military, with the Department of Defense (DoD) awarding grants to various companies to build more U.S. rare earth mineral processing facilities. The U.S. military has a goal to have a completely domestic supply chain by 2027, however it is unknown if domestic mining operations can operate at a high enough capacity to offset Chinese imports due to an overall lack of transparency on information regarding the National Defense Stockpile (NDS). A 2023 Congressional report noted the stockpile is short by approximately $14.83 billion.

V. China Targets Morocco as Launchpad Into Europe's Green Auto Market: PoliticoPro on June 26 reported on Chinese efforts to sidestep EU and American electric vehicle (EV) tariffs by investing in Moroccan automotive factories, which are subject to more favorable trade conditions than Chinese facilities. Morocco also contains 70% of the world's phosphate reserves, a key component for EV batteries that would be easily accessible to domestic factories. These efforts parallel heavy Chinese investment in Mexican automotive production, designed to similarly take advantage of the USMCA's terms for cars, as well as automakers Renault and Stellantis's ongoing manufacturing presence in Morocco.

RECENT LEGISLATION

House

- H.R.8826: To prohibit covered entities that receive financial assistance relating to semiconductors from purchasing certain semiconductor manufacturing equipment from foreign entities of concern or subsidiaries of foreign entities of concern, and for other purposes. *Introduced by Rep. Zoe Lofgren (D-CA-18)*
- H.R.9017: To amend the Mineral Leasing Act to make certain adjustments to the royalty rates for leases for oil and gas extraction on Federal land, and for other purposes. *Introduced by Rep. Andrew Ogles (R-TN-05)*
- H.R.8912: To temporarily suspend duties on imports of titanium sponge, and for other purposes. *Introduced by Rep. Brad Wenstrup (R-OH-02)*

Senate

- S. 4712: A bill to increase support by the United States Government for critical minerals projects outside the United States, and for other purposes. Introduced by Sen. Mark Warner (D-VA)
- S.4702: A bill to impose duties on electromagnets, battery cells, electric storage batteries, and photovoltaic cells imported from certain countries. *Introduced by Sen. Marco Rubio (R-FL)*

UPCOMING EVENTS

- ACMA is coordinating with DOE's LPO to schedule a 101 webinar. *Details to follow.*