



## American Critical Minerals Association

### September 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](mailto:info@critical-minerals.us).

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#### **WASHINGTON UPDATE**

Returning from the August recess, Congress largely prioritized negotiations to pass a Continuing Resolution (CR) to avert a government shutdown, which was successfully completed days before the October recess began. However, members continued to pursue policy measures to boost the critical minerals supply chain in the United States. This included efforts to stabilize pricing in the critical minerals industry, as well as legislation aimed at reducing U.S. reliance on China, improving coordination across federal agencies, and developing new technologies in mining and recycling critical minerals. Additionally, the Government Accountability Office released a report on actions needed to reduce supply chain risks for critical materials.

#### **ACMA IN THE NEWS**

**ACMA Supports Introduction of Hickenlooper Bill:** ACMA [wrote](#) a statement of support for The Critical Materials Future Act, introduced on Sep. 27 by Senators John Hickenlooper (D-CO), Lindsey Graham (R-SC), Chris Coons (D-DE), and Todd Young (R-IN). ACMA's Executive Director Sarah Venuto said that we must "give government and industry new tools to quickly and resolutely respond to China's anticompetitive practices" in order to ensure the financial growth and stability of U.S. critical minerals processors.

**ACMA Encourages Passage of the FY2025 National Defense Authorization Act & Defense and Energy & Water Appropriations Acts:** This month, the American Critical Minerals Association sent a letter to Congressional leadership highlighting the numerous

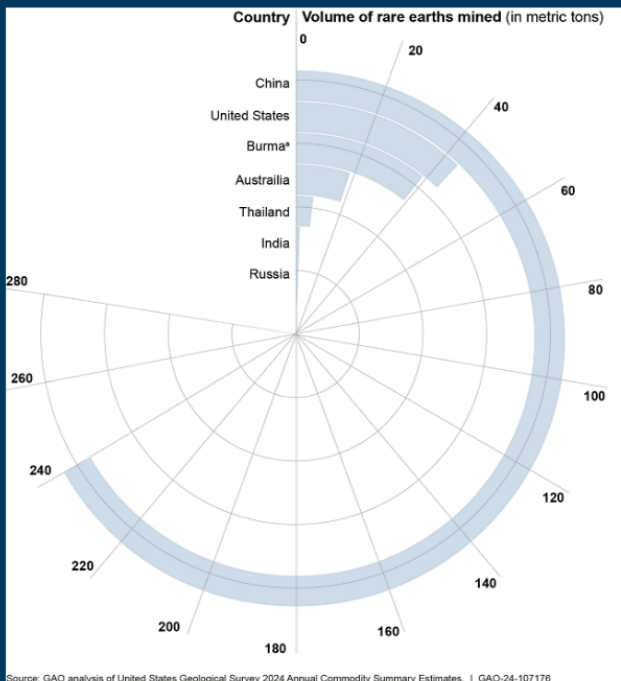
provisions relevant to the critical minerals sector and encouraging the passage of the FY2025 National Defense Authorization Act as well as the Defense and Energy & Water Appropriations Acts. Our letter was also called out in Politico's daily energy report, as part of the ongoing effort by lawmakers to boost U.S. minerals projects. Read our full letter [here](#).

**ACMA and AEU Partner Up for LPO Webinar:** This month, ACMA partnered with Advanced Energy United (AEU) for a webinar with the Department of Energy Loan Programs Office to provide information and updates on critical mineral federal funding opportunities. The virtual event featured discussions on various LPO financing opportunities for clean energy technologies and eligibility criteria, as well as projects specific to critical materials and minerals.

## ACMA MONTHLY SPOTLIGHT

### GAO REPORT

#### Critical Materials: Action Needed to Implement Requirements That Reduce Supply Chain Risks



**Top Countries Involved in the Mining of Rare Earth Elements, 2023**

#### REPORT HIGHLIGHTS

- GAO found that DOD has not taken steps to implement a restriction on selling material from the National Defense Stockpile to adversary nations.
- Most critical materials are mined and processed in China, which makes Department of Defense's (DOD's) weapon system programs vulnerable to supply chain disruptions by an adversary nation.
- The U.S. imports more than 95 percent of the rare earths than it consumed. From 2019 through 2022, almost three-quarters of these imports came from China.
- DOD officials stated there's little risk of selling stockpile materials to adversaries, but GAO found DOD has limited insight into buyers' affiliations with adversary nations. Currently, DOD relies on buyers' self-reported information about their location and material use.

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## **POLICY DEVELOPMENTS**

### **I. Biden Administration Considering Price Support to Backstop Critical Minerals Projects**

### **II. Bipartisan House Duo Plots Push to Shrink China's Minerals Dominance**

### **III. Moolenaar, Rubio Request DoD Blacklist CCP-Linked Battery Company, CATL**

### **IV. Hickenlooper Announces Bipartisan Effort to Secure American Critical Minerals Leadership**

### **V. Mineral Companies Pitch Lawmakers on Ways to Counter China**

### **VI. Interior Moves to Boost Tribal Awareness of Mineral Exploitation**

### **VII. Senate Blocks Amendment to Rescind DOE Loan Funding**

### **VIII. Biden-Harris Administration Invests \$5.5 Million to Develop New and Alternative Products Using our Nation's Supplies of Critical Minerals and Materials**

#### **I. Biden Administration Considering Price Support to Backstop Critical Minerals**

**Projects:** Mining.com on Aug. 30 [reported](#) that the Biden Administration is looking to set a price floor for domestically produced lithium and other key minerals, with the federal government paying the difference if market prices fall below the lower threshold. The policy would apply for a limited time and to markets determined to be competitive by the U.S. Department of Energy. This consideration follows other critiques of China oversupplying mineral markets and delays and cancellations of several mineral and processing projects in the United States. Supporters say the price floor would strengthen domestic mineral supplies used for clean energy technologies, including electric vehicles, while also reducing dependence on Chinese supply chains.

#### **II. Bipartisan House Duo Plots Push to Shrink China's Minerals Dominance:**

PoliticoPro on Sep. 12 [reported](#) that U.S. Reps. Rob Wittman (R-Va.) and Kathy Castor (D-Fla.) plan to introduce bipartisan legislation to reduce China's dominance in critical minerals by supporting U.S. suppliers. Their proposal, expected by year-end, could include price support or a strategic reserve to boost American production of minerals for electric vehicles and clean energy. U.S. companies have urged the government to create a consistent demand for domestic minerals, ensuring stability even in the face of unfair trade practices from China. The legislation aims to secure bipartisan support as part of a broader effort to strengthen U.S. supply chains.

#### **III. Moolenaar, Rubio Request DoD Blacklist CCP-Linked Battery Company, CATL:**

The House Select Committee on Strategic Competition between the United States and the Chinese Communist Party Chair John Moolenaar (R-MI) and Sen. Marco Rubio (R-FL) [sent a letter](#) to U.S. Defense Secretary Lloyd Austin to request that the Department of Defense put Contemporary Amperex Technology Limited (CATL), on the Section 1260H list, which names companies operating in the United States that have ties to the Chinese military. The Senators said CATL, an electric vehicle battery producer, produces military material for the Chinese People's Liberation Army. The Committee previously requested CATL batteries be removed from Camp Lejeune, but after their removal, later discovered

further CATL connections to the CCP. Moolenaar and Rubio said that placing CATL on the blacklist would protect American military infrastructure and discourage companies from forming private partnerships with the CCP.

#### **IV. Hickenlooper Announces Bipartisan Effort to Secure American Critical Minerals Leadership:**

U.S. Senators John Hickenlooper (D-Colo.) and Thom Tillis (R-N.C.) [introduced](#) a pair of bipartisan bills to force the federal government to develop a national strategy to spur U.S. production of the critical minerals needed to build a clean energy economy. The bills aim to reduce U.S. reliance on China, which currently dominates the global supply chain for these minerals. The National Critical Minerals Council Act creates a high-level National Critical Minerals Council to coordinate U.S. efforts across multiple federal agencies. The Unearth Innovation Act is designed to stimulate new technologies in mining and recycling critical minerals, with a focus on fostering American innovation and collaboration. The proposal echoes the urgency of the "Project Mercury" space race, emphasizing the need to rapidly enhance U.S. mineral production to ensure future technological dominance.

**V. Mineral Companies Pitch Lawmakers on Ways to Counter China:** E&E News on Sep. 12 [reported](#) that the House Select Committee on Strategic Competition between the United States and the Chinese Communist Party heard from critical mineral companies to discuss federal support for mining, processing, and recycling operations. The Metals Company specifically pushed for Congress to consider ocean metals as a "critical part of the supply solution," and other industry leaders said the government should purchase minerals produced by U.S. companies to secure supply chains. One of the leaders of the working group, Rep. Kathy Castor (D-FL), expressed interest in receiving industry recommendations on tax credits, financing backstops, loan initiatives at the Department of Energy, and deep-sea mining.

**VI. Interior Moves to Boost Tribal Awareness of Mineral Exploitation:** Greenwire on Sep. 10 [reported](#) that the Biden Administration released a new policy that ensures that tribes are notified by the Bureau of Land Management when mineral exploration is proposed on federally managed land. Such proposals do not require environmental analysis or consultation that is typically required for formal plans of operation under the Endangered Species Act or the National Historic Preservation Act. Companies may use equipment to prospect on the land, including earth movers and drills. Tribal concerns arose after an interagency working group recommended speeding up approving new mines. The same working group also called for agencies to prioritize projects that had already secured tribal consent. DOI officials asserted the move is intended to increase efficiency and transparency. National Mining Association's spokesman Conor Bernstein called the policy an "important step forward in providing tribes greater transparency with mining activities."

**VII. Senate Blocks Amendment to Rescind DOE Loan Funding:** E&E News on Sep. 20 [reported](#) that the U.S. Senate narrowly rejected a Republican amendment led by Sen. Rand Paul (R-KY) that aimed to reallocate \$2.88 billion in clean energy loan guarantees from the Department of Energy's Loan Programs Office to cover a funding shortfall for the Department of Veterans Affairs. The amendment, defeated in a 47-47 vote, would have redirected funds set aside by Democrats' 2022 climate law. Paul argued that taxpayer money should not subsidize wealthy green energy companies, referencing past DOE-backed clean energy failures like Solyndra. While some Democrats joined Republicans in

support, the amendment ultimately failed, and the VA funding bill is expected to be signed soon by President Biden.

**VIII. Biden-Harris Administration Invests \$5.5 Million to Develop New and Alternative Products Using our Nation's Supplies of Critical Minerals and Materials:** The U.S. Department of Energy (DOE) [announced](#) \$5.5 million in funding for six projects aimed at developing cost-effective and environmentally responsible methods for producing critical minerals and materials in the U.S. This funding, part of President Biden's Investing in America agenda and the Bipartisan Infrastructure Law, seeks to reduce reliance on foreign sources of these materials by advancing domestic technologies. The selected projects focus on alternative energy technologies that use U.S.-sourced materials, support clean energy goals and job creation, and benefit disadvantaged communities. These efforts align with the Biden administration's goals for energy security and economic equity through the Justice40 Initiative.

## **NEWS, ANALYSIS, AND OPINION**

### **I. Lithium Producers Buckle Up for Wild Price Ride**

### **II. China Sends a Permitting Wake-Up Call**

### **III. China's Grip on Rare Earths Undercuts Projects From US to Japan**

**I. Lithium Producers Buckle Up for Wild Price Ride:** Greenwire on Sep. 12 [reported](#) that the price of lithium has fallen, due to a surplus in supply and a lower demand for electric vehicles (EVs). The reduced price has pushed several American lithium companies to put projects on hold, and industry insiders predict further closures if prices do not rebound. Though the federal government has made moves to improve supply chains and make the shift to EVs, a recent Clean Energy Associates report expects the upcoming presidential election to pose uncertainties for federal EV tax credits and could continue to exacerbate the market volatility for lithium.

**II. China Sends a Permitting Wake-Up Call:** In an editorial published on Aug. 20, the Wall Street Journal [said](#) that the lack of permitting action for minerals projects is hurting economic growth in the United States, and the reliance on China for minerals essential for defense technologies poses a national security risk. One of those minerals is antimony, a mineral used in weapons systems and semiconductors which the U.S. is forced to import from China and Russia. China dominates most of the antimony supply chain, and recently announced restrictions on antimony exports to "further protect China's national security." Despite Idaho having one of the world's largest antimony reserves, bureaucratic delays, environmental concerns, and the slow permitting process have hindered efforts to develop the Perpetua Resources mine for over a decade. The editorial criticizes the Biden administration and Democrats for not prioritizing domestic mining projects that don't align with their climate agenda, warning that inaction may be costly.

**III. China's Grip on Rare Earths Undercuts Projects From US to Japan:** Mining.com on Sep. 16 [reported](#) that as the U.S. attempts to reduce its dependence on China for rare earth minerals critical to high-tech industries, challenges remain due to China's dominance in the market, controlling 70% of output and 90% of refining. An Australian company, Lynas Rare Earths Ltd., is set to build a rare earths processing plant in Texas with Pentagon funding, but the project faces delays and financial challenges, exacerbated by falling global

prices. Other similar projects in the U.S. and Australia are also struggling due to low prices and high costs, raising doubts about the West's ability to compete with China's supply chain. Japan's experience with reducing dependence on China highlights the need for significant financial backing, patience, and long-term investment to develop a sustainable rare earths industry.

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## **RECENT LEGISLATION**

### **House**

- [Securing America's Midstream Critical Materials Processing Act](#): To establish a National Roadmap to provide a pathway to restore domestic critical material processing facilities away from foreign adversaries like the Chinese Communist Party (CCP) and reduce unworkable permitting barriers to help secure our supply chains. *Introduced by Rep. Brett Guthrie (R-KY)*
- [H.R. 9859](#): To direct the Director of the Bureau of Land Management and the Chief of the United States Forest Service to conduct a study of onshore mineral values and the Director of the Bureau of Ocean Energy Management to conduct a study of offshore mineral values. *Introduced by Rep. Jodey Arrington (R-TX)*

### **Senate**

- [S.4753](#): To provide the Secretary of Energy with the authority to enter into contracts and cooperative agreements to improve the security and resilience of defense critical electric infrastructure and reduce the vulnerability of critical defense facilities to the disruption of the supply of energy to those facilities, and for other purposes. *Introduced by Sen. Joe Manchin (I-WV)*
- [S. 5030](#): A bill to establish a National Critical Minerals Council within the Executive Office of the President to develop and coordinate the implementation of a national critical mineral strategy for the United States, and for other purposes. *Introduced by Sen. John Hickenlooper (D-CO)*
- [S. 5274](#): A bill to amend the Energy Act of 2020 to include critical materials in the definition of critical mineral, and for other purposes. *Introduced by Sen. Krysten Sinema (I-AZ)*
- [S. 5039](#): A bill to establish a mineral and mining innovation program within the Department of Energy to advance domestic mineral resources, economic growth, and national security, and for other purposes. *Introduced by Sen. John Hickenlooper (D-CO)*
- [S. 5251](#): A bill to establish a pilot program to support domestic critical material processing, and for other purposes. *Introduced by Sen. John Hickenlooper (D-CO)*
- [S. 5190](#): A bill to prohibit the procurement of certain batteries by the Department of State. *Introduced by Sen. Tim Scott (R-SC)*

## **UPCOMING EVENTS**



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