



## American Critical Minerals Association

### *May 2024 Newsletter Update*

Welcome to the newest 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**

Against the backdrop of the national security supplemental funding bills and with attention now shifting to FAA reauthorization, Capitol Hill and federal agencies have remained engaged in critical minerals. This focus is evident in recently introduced legislation and various executive branch announcements, with a major emphasis in enhancing the critical materials supply chain and shifting away from adversarial dominance in mineral processing and refining.

### **ACMA IN THE NEWS**

#### **I. ACMA Members Meet with Congress**

#### **II. ACMA Holds Roundtable Discussion with Administration Officials**

**I. ACMA Members Meet with Congress:** As a part of last month's legislative summit, ACMA members and staff met with 16 offices on the Hill to education Members and staff on challenges the sector faces and share ACMA's legislative priorities. policy objectives regarding critical minerals. This included bipartisan members of both the House and Senate who have taken an active interest in critical mineral policy as well as key staff on committees of jurisdiction in both chambers. The discussions largely centered around boosting the U.S. critical minerals supply chain, price volatility in markets,

and breaking the nations reliance on adversarial sources that lead to economic and national security vulnerabilities.

**II. ACMA Holds Roundtable Discussion with Administration Officials:** On Apr. 10 ACMA hosted its inaugural industry government dialogue hosted by Cornerstone Government Affairs in collaboration with the Bipartisan Policy Center and Dentons Global Advisors. The objective was to foster enhanced communication between industry and government to galvanize agencies on critical minerals policies and funding. In attendance were several representatives from the Departments of Energy, State, and Interior, facilitating a constructive dialogue between ACMA and the Administration. The focus was on harmonizing efforts across agencies and engaging relevant stakeholders to adopt a comprehensive whole-of-government approach in addressing the myriad of challenges to bolster our domestic supply of critical minerals.



ACMA members alongside U.S. Rep. Haley Stevens (MI-11). April 9, 2024.

## **POLICY DEVELOPMENTS**

**I. How LPO Can Support All Stages of the Critical Minerals Supply Chain**

**II. Tonko, Graves Introduce Critical Material TRACE Act**

**III. DOE Releases RFI on Critical Materials Market Dynamics**

**IV. White House Releases Statement on US-Norway Critical Minerals MOU**

**V. White House Releases Statement of Administration Policy on H.R. 2925- Mining Regulatory Clarity Act of 2024**

**VI. DOE Invests Additional \$8 Million to Increase Domestic Supplies of Water and Critical Minerals**

**VII. DOE Announces Funding Opportunity to Facilitate a Domestic Critical Minerals Future**

**VIII. EU, US Launch Critical Minerals Forum With Resource-Rich Countries**

**IX. United States Will Not Accept Flood of Cheap Chinese Products, Yellen Says**

**X. Five Eyes Countries Working to Fight Critical Minerals Dumping, Canada Minister Says**

**XI. UN Secretary-General Appoints Panel on Critical Energy Transition Minerals**

**XII. The Next Big Energy Fight: Defense Production Act Renewal**

**I. How LPO Can Support All Stages of the Critical Minerals Supply Chain:** The Department of Energy (DOE) on Apr. 30 [announced](#) that the Loan Programs Office (LPO) will support critical minerals mining and extraction activities under the Title 17 Clean Energy Financing Program. Specifically, the LPO will support projects in processing, production, manufacturing, recycling, and fabrication of mineral alternatives to advance the domestically produced supply of critical minerals. The LPO is also working to clarify whether it will fund "production" or mining and extraction activities as eligible under Title 17. The DOE stated that LPO continues to require strong environmental standards for critical minerals projects, and will prioritize those projects that significantly reduce greenhouse gas emissions and have strong labor, environmental and environmental justice benefits.

**II. Tonko, Graves Introduce Critical Material TRACE Act:** U.S. Representatives Paul Tonko (D-NY) and Garret Graves (R-LA) on May 1 introduced [H.R. 8187](#), the Critical Material Transparency and Reporting of Advanced Clean Energy (TRACE) Act in an effort to improve supply chain transparency. If passed, the bill would establish a program within the Department of Energy (DOE) to support the development, implementation, and adoption of digital identification systems and requires DOE to lead external engagement on the issue. Endorsed by several environmental and critical minerals organizations, the TRACE Act would help protect human rights and uphold high labor and environmental standards by providing transparency on materials sourcing. Read more about the bill [here](#).

**III. DOE Releases RFI on Critical Materials Market Dynamics:** The DOE on Apr. 24 [announced](#) a Request for Information (RFI) on seeking public input on market dynamics and price volatility in critical materials processing, refining, and recycling. The Department hopes that this engaging will aid the U.S. government in supporting market stability and price transparency. The DOE is inquiring about unknown market dynamics, tools to support market stability, and reducing emissions from critical material production. Comments are due by May 20.

**IV. White House Releases Statement on US-Norway Critical Minerals MOU:** The White House on Apr. 18 [announced](#) a U.S.-Norway Memorandum of Understanding (MOU)

Concerning Cooperation on High-Standard, Market-Oriented Trade of Critical Minerals. The MOU aims to create a coordinated approach regarding challenges and opportunities in the critical minerals market. Key focuses will include advancing strong labor and environmental standards in the global critical minerals supply chains and examining responses to non-market policies in third countries that have led to a distortion of the market.

**V. White House Releases Statement of Administration Policy on H.R. 2925- Mining Regulatory Clarity Act of 2024:** The White House on Apr. 29 [released](#) a statement strongly opposing H.R. 2925, the Mining Regulatory Clarity Act, sponsored by Rep. Mark Amodei (R-NV). The bill would give mining companies to right to conduct operations on an public lands without the requirement of discovering a valuable mineral deposit under their existing mining claims. The Administration argued that this violates the original intent of the mining law, and could lead to any individual to manipulate the mining claims process and block renewable development projects. It also stated that H.R. 2925 is unnecessary due to the recent Rosement decision in the 9th Circuit Court, and will threaten clean energy and natural resource conservation goals.

**VI. DOE Invests Additional \$8 Million to Increase Domestic Supplies of Water and Critical Minerals:** The DOE on Apr. 18 [announced](#) \$8 million in awards for five research and development (R&D) projects focused on produced water management and legacy wastewater associated with coal-based electric power generation facilities. The wastewater projects will also assist in recovering rare earth elements found in production waste streams. The projects will aim to advance technologies and lower costs to reduce wastewater volume, achieve beneficial reuse of industrial wastewater in water-scarce areas, and address infrastructure development for efficient transportation of wastewater.

**VII. DOE Announces Funding Opportunity to Facilitate a Domestic Critical Minerals Future:** The DOE on Apr. 24 [announced](#) a \$60 million funding opportunity within the Office of Energy and Carbon Management that aims to foster regional collaboration on R&D for critical minerals. Specifically, the research and development will aim to provide insight into the potential materials that may be sourced from domestic secondary and unconventional feedstocks across the United States. The opportunity will also hope to assist in addressing economic and supply chain barriers in the critical minerals market.

**VIII. EU, US Launch Critical Minerals Forum With Resource-Rich Countries:** Politico on Apr. 5 [reported](#) that during the EU-U.S. Trade and Technology Council summit, the U.S. and EU launched a forum with resource-rich countries in pursuit of their efforts to diversify the supply of raw materials needed for green and digital transition technologies. This forum is part of the Minerals Security Partnership, which is an initiative of fourteen consumer countries and the EU that invests in mining projects. The announcement of the forum follows the unsuccessful negotiations for a critical minerals agreement between the U.S. and EU, which would allow European firms to qualify for certain Inflation Reduction Act tax breaks. U.S. Secretary of State Antony Blinken said the two-pronged approach of the forum is to leverage resources to accelerate projects in mineral-rich countries and promote policies to create more diverse and resilient supply chains.

**IX. United States Will Not Accept Flood of Cheap Chinese Products, Yellen Says:** The Washington Post on Apr. 8 [reported](#) that Treasury Secretary Janet Yellen said that the United States will not accept inexpensive Chinese-made renewable technologies that flood the market and hurt American businesses. She said that China's increase in production and exports of technologies such as solar, electric vehicles, and lithium-ion batteries could put international competitors out of business and undercut the improving relationship between the U.S. and China. This concern has been recognized by China, with Vice Premier He Lifeng announcing "intensive exchanges" over "imbalances" in the global economy from China.

**X. Five Eyes Countries Working to Fight Critical Minerals Dumping, Canada Minister Says:** Reuters on Apr. 23 [reported](#) that Canadian Minister of Finance Chrystia Freeland said Canada is working with Five Eyes allies - the U.S., U.K., New Zealand, and Australia - to respond to China's price manipulation of critical metals. The announcement followed a meeting of the allies at the spring session of the International Monetary Fund, in which "friendshoring" of their critical mineral supply chains was discussed. Freeland said Canada and its allies believe that nickel and other rare earth minerals are being flooded into the market intentionally to undermine Canadian and allied companies. She noted that Canada is "actively working" to discuss collective responses, and pointed to economic security being a critical part of national security.

**XI. UN Secretary-General Appoints Panel on Critical Energy Transition Minerals:** The United Nations on Apr. 26 [launched](#) a panel led by Secretary-General António Guterres that focuses on the critical minerals needed for the energy transition. The initiative aims to establish best practices for governments, industries, and civil society to ensure sustainable mineral development while also balancing environmental and social concerns. Key nations, including China, the U.S., and the EU, will participate, highlighting the competitive landscape in mineral processing and battery manufacturing. Secretary Guterres emphasized the need for cooperation rather than competition, advocating for developing nations' inclusion to prevent exploitation and ensure equitable participation in the clean energy transition.

**XII. The Next Big Energy Fight: Defense Production Act Renewal:** E&E Daily on Apr. 30 [reported](#) that as federal lawmakers begin the work to reauthorize the Defense Production Act (DPA) before September 2025, the clean energy provisions appear to be the most controversial amongst the negotiators. During a recent hearing in the House Financial Services subcommittee, members argued over the Administration's "federal overreach" of DPA for production of renewable technologies such as heat pumps, solar panels and fuel cells. While the jurisdiction of DPA explicitly lists "energy conservation measures" and "renewable energy sources," Congress is able to limit and direct the use of the overall fund. Though members across both parties agree that the DPA should be used to boost production of critical minerals, some argue that some renewable technologies- like solar panels and EVs- are not a national security measure, nor are they set up for commercial success.



## NEWS, ANALYSIS & OPINION

### **I. OECD Steps Up Mineral Pricing Guidance Amid Clean Energy Push**

### **II. China's Lock On Batteries Bedevils Biden's Electric Vehicle Push**

### **III. A Way Forward in the U.S.-India Critical Minerals Defense Partnership**

### **IV. 6K Energy Announces IRA Compliant LFP and NMC Lithium-Ion Cathode Active Material (CAM) for North American Battery Production**

### **V. China-Made Batteries Eliminated from Navy, Marine Corps Infrastructure After Camp Lejeune Incident**

**I. OECD Steps Up Mineral Pricing Guidance Amid Clean Energy Push:** Bloomberg News on Apr. 12 [reported](#) that the Organization for Economic Co-operation and Development (OECD), along with the Intergovernmental Forum on Mining, Minerals, Metals, and Sustainable Development (IGF), are increasing their efforts to help developing countries address challenges of intercompany pricing of critical minerals that are key to developing clean technologies. These organizations seek to overcome tax constraints by informing tax authorities on how to weigh economic factors that may influence mineral sales. The organizations have released two mineral-specific documents for bauxite and lithium, in November and February, respectively. The transfer pricing of these documents centers on the application of the comparable uncontrolled price method (CUP), a widely used method for pricing intracompany transactions. There has been criticism of the OECD-IGF guidance for conflicting with existing standards, but the organizations argue that all economic factors be considered.

**II. China's Lock On Batteries Bedevils Biden's Electric Vehicle Push:** PoliticoPro on Apr. 24 [reported](#) that U.S. producers of the critical minerals used in electric vehicle (EV) batteries urged the Biden Administration to tighten rules to prevent Chinese firms from accessing tax breaks provide by the Inflation Reduction Act (IRA). Currently, the rules do not exclude Chinese battery suppliers, in an effort to balance building a battery supply chain in the U.S. without shutting down the industry. Lawmakers from both parties have criticized the Administration for not boosting the domestic battery industry, including Sens. Joe Manchin (D-WV), Tammy Baldwin (D-WI), Bill Cassidy (R-LA), and Rep. Carol Miller (R-WV). Additionally, industry executives argue that the proposed rules left loopholes that allowed continued reliance on Chinese products.

**III. A Way Forward in the U.S.-India Critical Minerals Defense Partnership:** The Center for Strategic and International Studies (CSIS) on Apr. 24 [recommended](#) that as India increases its defense spending and attempts to mitigate the threat of China's dominance over the critical mineral supply chains, the country should embrace a three-pronged partnership strategy with the U.S. To help identify supply chain weaknesses and share knowledge for India, CSIS recommended multilateral cooperation, including through the Minerals Security Partnership (MSP) that India recently joined. CSIS also suggested technical cooperation, which would include sharing tools for economic modelling and forecasting. Finally, CSIS said the the Department of Defense could financially support India in exchange for strategic supply chain strengthening through entities such as U.S. National Technology and Industrial Base.

**IV. 6K Energy Announces IRA Compliant LFP and NMC Lithium-Ion Cathode Active Material (CAM) for North American Battery Production:** 6K Energy on Apr. 24

[announced](#) that their cathode active material (CAM) will meet the rigorous government mandates for compliance outlined in the Inflation Reduction Act (IRA), and the first company to meet compliance for LFP and NMC materials. Their PlusCAM plant in Jackson, TN, will manufacture single crystal NMC811 and two LFP variants, one being a direct replacement of LFP made in China, and a spherical option offering benefits for electrode construction. The plant will reach standard operating procedure in mid-2025. This is due to 6K's UniMelt production system that allows the PlusCAM plant to produce both NMC and LFP at a price much lower than that of Chinese suppliers with lower energy consumption and carbon emissions.

**V. China-Made Batteries Eliminated from Navy, Marine Corps Infrastructure After Camp Lejeune Incident:** Military.com [reported](#) on Apr. 11 that after national security and supply chain concerns were raised about Chinese-manufactured batteries being used at Camp Lejeune, the Department of the Navy announced that naval and marine installations would source American or allied-supplied batteries moving forward. A spokesperson for the Navy said that batteries sourced from the Chinese-owned Contemporary Amperex Technology Company (CATL) were immediately disconnected by Duke Energy once concerns were raised by some Congressional members. A 2023 report from the Department of Energy stated that China controls the largest share of global capacity share of batteries and battery materials, adding that the market concentration is based on China's investment in cobalt mines and lower labor costs compared to the U.S. The Navy has insisted that the use of CATL batteries did not pose a security risk during their use.

## **RECENT LEGISLATION**

- [H.R. 8187](#): Critical Material TRACE Act, *Introduced by Reps. Paul Tonko (D-NY) and Garret Graves (R-LA)*
- [H.R.7981](#): Stop China's Exploitation of Congolese Children and Adult Forced Labor through Cobalt Mining Act, *Introduced by Rep. Christopher Smith (R-NJ)*
- [H.R. 7941](#): Bond Improvement and Reclamation Assurance Act, *Introduced by Rep. Cartwright*
- [H.R.7983](#): Stop Executive Overreach on Trade Agreements, *Introduced by Rep. Michelle Fischbach (R-MN)*
- [H.R.7980](#): End Chinese Dominance of Electric Vehicles in America Act of 2024, *Introduced by Rep. Carol Miller (R-WV)*

## **UPCOMING EVENTS**

- ACMA will be participating in an upcoming event with the Congressional Research Service. *Details to follow.*
- ACMA will be hosting a Senate-focused event in the coming weeks in collaboration with the Bipartisan Policy Center. *Details to follow.*