United States Senate
WASHINGTON, DC 20510

November 16, 2023

The Honorable Amos Hochstein
Senior Advisor to the President for Energy and Investment
The White House
1600 Pennsylvania Avenue, NW
Washington, DC 20500

Dear Mr. Hochstein,

We write to highlight the urgent need to secure our supply chains of critical mineral resources essential for national and economic security, and to urge specific action by the White House to reduce U.S. reliance on supplies of these minerals under the control of our adversaries.

As the Biden administration has confirmed, critical minerals are essential components underpinning U.S. critical infrastructure and military systems, from cars, to our grid, to weapons and defenses. Demand for critical minerals is growing exponentially, yet the U.S. substantially lags behind its adversaries in securing critical mineral supply chains. In fact, in many cases China controls nearly 100 percent of the end-to-end supply chain, and is actively seeking to maintain and increase its control of these resources around the globe.

The U.S. must support public and private efforts to reduce our critical minerals dependency on China, which has demonstrated its willingness to block our access to such minerals. China's announced controls on the export of graphite in October 2023, following its export restrictions on germanium and gallium in July 2023, underscores the need for diverse and reliable supply sources led by the U.S. and our allies.

On October 18, a bipartisan group of Senators convened key industry, investors, and government officials to discuss how the U.S. can better support public and private investment in and operation of critical mineral projects at home and abroad. The U.S. Development Finance Corporation (DFC), the Export-Import Bank of the United States (EXIM), the U.S. Trade and Development Agency (USTDA), State Department's Minerals Security Partnership (MSP), Industrial Base Policy at the Department of Defense (DoD), and the Department of Energy's Loan Program Office (LPO), among others, are, encouragingly, making positive steps to build additional capacity to support U.S. and allied industry in the competition for mineral resources. However, the U.S. remains far behind China's efforts in this space. The roundtable raised three substantial issues, in particular:

First, while certain agencies are providing important tools to support key critical minerals projects, we want to ensure agencies are coordinating internally across the government, and externally with the private sector. China provides substantial support to its state-owned companies and nominally private firms through financial assistance and heavy diplomatic engagement to secure foreign projects. China is known for engaging in a range of unfair tactics, including influencing local officials to maintain control of resources. The U.S. must have strong coordination both internally and with the private sector to help ensure U.S. companies can effectively compete against our adversaries. Specifically:

- Internally, relevant programs – such as DFC, EXIM, USTDA, MSP, DoD, and DOE LPO – should coordinate on applications for critical minerals projects, including on conducting due diligence of private sector vetting, to avoid unnecessary redundancies and delays. Relevant agencies should also establish and collaborate on best practices. This should include coordination with U.S. Executive Directors at multilateral development banks (MDB), so that U.S. taxpayer-funded initiatives at MDBs do not compete with U.S. agencies.
- Externally, agencies should ensure the private sector has access to the information needed to access U.S. investment tools. Currently, many private sector companies do ***not*** have an understanding of what government tools currently exist, or who to contact across the government for financial or diplomatic help engaging in projects abroad. While individual agencies have held roadshows to communicate their services to private companies, more can be done to communicate the broad array of support the U.S. government can provide. There is not, for example, a public facing coordinator for private sector companies attempting to secure U.S. investment tools, or attempting to navigate foreign local governments and processes. Indeed, many U.S. companies admit they currently cold call embassies abroad when bidding for projects, and as a result often lose out to Chinese projects, backed by the Chinese government.

Second, the current U.S. government toolkit lacks many of the tools our allies and adversaries possess in providing the type of financial support needed for critical mineral projects. For example, unlike many of our allies and our adversaries, the U.S. lacks funding or debt for the sourcing and production of strategic commodities, or sufficient equity investment for projects in riskier jurisdictions. U.S. companies already are hesitant to invest in critical mineral markets, in part due to China's ability to create volatile markets through manipulative trade practices. To ensure our private sector can invest and operate in critical mineral projects, the U.S. must consider additional tools for its financial agencies.

Third, the U.S. government must focus on investing in processing, refining, and metallurgical capacity in the U.S. and allied countries to circumvent China's industrial infrastructure, which it uses as a pinch point to control the global market. China has gained control over much of the global supply chains and market for critical minerals by heavily subsidizing its heavy industry, serving as one of few locations where raw materials can be processed into value-added products and components. Standing up value-added industrial capacity in the U.S. and friendly jurisdictions will provide a clear alternative option for raw material producers to enter into offtake agreements with U.S.-aligned interests, as well as for end users to source reliable volumes of finished goods. Focusing the efforts of the U.S. government, in coordination with our allies, upon standing up processing, refining, and metallurgical capacity must be a priority if we are going to succeed in reducing our reliance on China for critical minerals.

To address these challenges, we respectfully request that the Administration establish a coordinating mechanism or comprehensive policy to:

1. Require relevant U.S. government agencies to coordinate, share information, and synchronize processes when evaluating private sector critical minerals projects to prevent duplication of work and ensure companies are receiving the best possible information;
2. Ensure the private sector has access to and information on all relevant U.S. government tools at their disposal, including financial and diplomatic; *and*
3. Identify existing gaps and potential flexibilities in existing U.S. financial tools needed to support investment in and operation of critical minerals projects.

We respectfully request that you brief the relevant committees of jurisdiction on the Administration's efforts to address these issues within 60 days, including identifying any statutory changes needed to provide additional tools to government agencies to support private sector investment in critical mineral projects.

We stand ready to assist in this effort. The work to diversify our critical mineral supply chains is urgent, and we look forward to working with you on this important challenge.

Sincerely,

Mark R. Warner
United States Senator

Marco Rubio
United States Senator

Chris Van Hollen
United States Senator

Chris Coons
United States Senator

James Lankford
United States Senator

Kirsten Gillibrand
United States Senator

M. Michael Rounds
United States Senator