

United States Senate

May 16, 2025

Eric Longnecker
Deputy Assistant Secretary for Technology Security
U.S. Department of Commerce
1401 Constitution Ave. NW
Washington, DC 20230

Dear Mr. Longnecker,

Attached please find my comments on the administration's Section 232 National Security Investigation of Imports of Processed Critical Minerals and their Derivative Products. My comments seek to make three points, which I urge you to take into consideration as you proceed with your investigation:

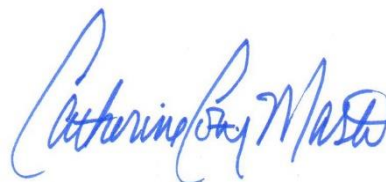
First, critical minerals are deeply important to the economy of Nevada. It is not an understatement to say that the actions taken in this investigation could impact Nevada more than any other state in the country. Therefore, I encourage you to proceed in a cautious and consultative manner to ensure that any actions taken do not adversely impact my constituents and businesses.

Second, I am concerned that President Trump's trade actions to date work counter to U.S. economic and national security. Blanket tariffs on allies and the chaotic uncertainty of the administration's trade policy undermine our ability to attract greater U.S. investment and strengthen U.S. critical mineral supply chains.

Third, I am working to introduce legislation that provides a stronger path forward. Instead of indiscriminate tariffs on allies, we should be imposing strategic tariffs on adversaries. Instead of eliminating tax credits that catalyze investment and growth, we should be expanding tax credits to ensure America dominates the industries of the future.

I stand ready to work with you and the administration on any policies that help Nevadans, particularly in these sectors and supply chains which are so key to my state's economy.

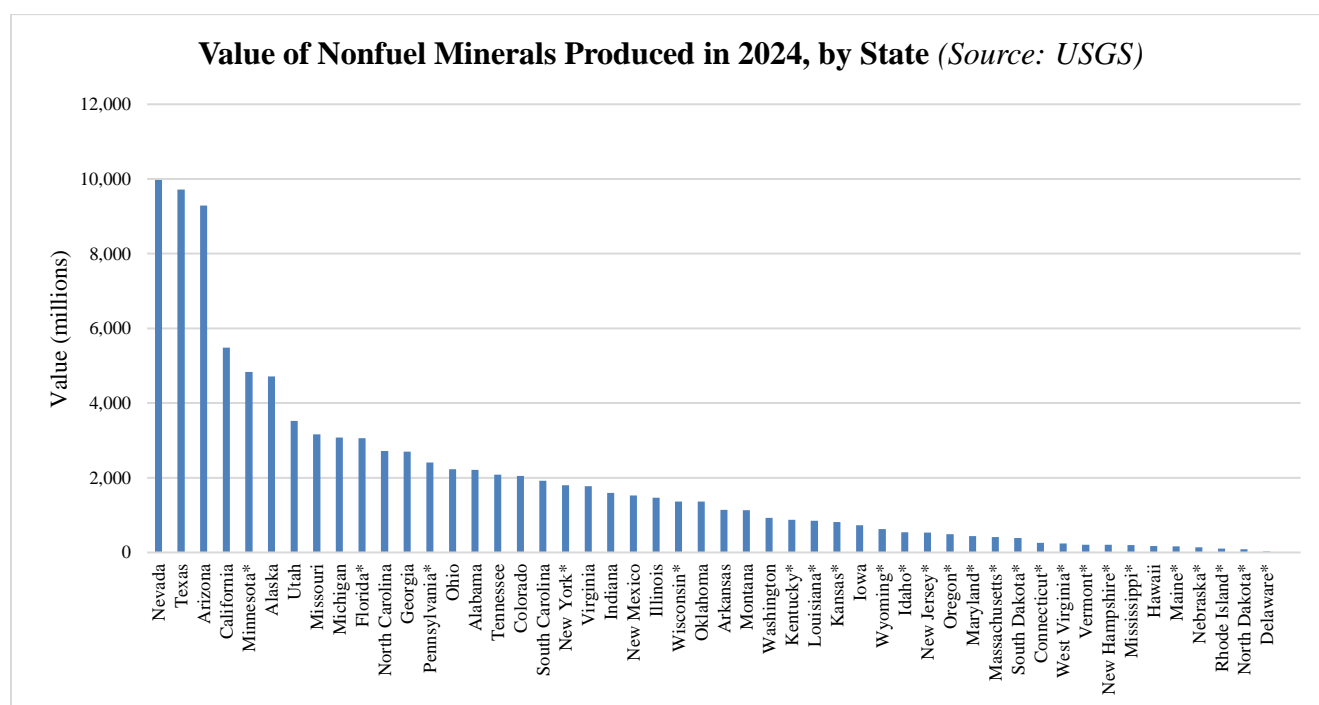
Sincerely,



Catherine Cortez Masto
United States Senator

Nevada needs strong critical mineral supply chains, and these supply chains need Nevada.

Nevadan firms and workers are crucial to our efforts to strengthen U.S. critical mineral supply chains and the downstream industries they support. The data is clear. According to the United States Geological Survey (USGS), Nevada has the most mineral wealth of any state in the country and produced almost \$10 billion worth of nonfuel mineral commodities in 2024.¹ Nevada is not only the “Silver State,” but we also produce many of the critical minerals that are essential to U.S. defense and clean energy technologies: Nevada has the largest known source of lithium in the entire nation—19 times more than the next state.²



Nevada is also home to the only facility with commercial-scale lithium production in the United States – Albermarle’s Silver Peak facilities – and we have many additional firms, including Ioneer in Rhyolite Ridge and Lithium Americas in Thacker Pass, that plan to begin commercial operations in the coming years. Further downstream, Nevada is home to battery manufacturers, including Lyten in Reno and Panasonic in Sparks, as well as battery recyclers like Redwood Materials and American Battery Technology Company. That’s why we say that Nevada is home to the “Lithium Loop”: within 250 miles of Reno, you can mine, extract, and process materials, produce EVs and batteries, and recycle them all in the same area.

¹ “Mineral Commodity Summaries 2025,” USGS, March 2025: <https://pubs.usgs.gov/periodicals/mcs2025/mcs2025.pdf>. Per USGS, * in the above graph denotes a partial total. Values that must be withheld to avoid disclosing company proprietary data have been excluded.

² “Even as lithium prices drop, industry expansion in Nevada still underway,” *The Nevada Independent*, March 23, 2025: <https://thenevadaindependent.com/article/even-as-lithium-prices-drop-industry-expansion-in-nevada-still-underway>

These firms and this burgeoning sector are crucial to Nevada's economy. Since 2020, we have seen more than \$13 billion of investment in Nevada announced, eighty-six percent of which are in critical mineral and battery manufacturing. These new investments are expected to support an additional 6,800 new jobs, in addition to the 83,000 jobs that Nevada's mining industry already supports.³ The administration should avoid taking any actions in this investigation that would adversely impact these firms and workers which are key to our economic and national security.

President Trump's trade actions are already undermining our economic and national security.

Communist China poses a fundamental threat to U.S. economic prosperity and global leadership. They engage in unfair and coercive trade practices – targeting industries for global domination, flooding the world with excess capacity of goods, and illegally forcing companies to hand over intellectual property and technology – that directly hurt American workers and businesses.

These problems are particularly acute in the critical minerals sector where China has shown a willingness to weaponize its supply chain dominance against the United States and our allies. At the firm-level, Chinese companies intentionally create overcapacity and sell products at below-market rates in order to gain market share and move up the value chain. This hurts American firms, including those in Nevada. At the state-level, China has restricted the export of key critical minerals in retaliation for tariffs, including restricting exports of materials such as gallium and germanium, essential for semiconductor production; graphite, critical for electric vehicles; and antimony and rare earth elements, which are vital to defense technologies.

However, at a time when we should be working with trusted trading partners who share American values to jointly confront China head-on, the administration has imposed massive blanket tariffs on some of our closest allies. Indeed, under President Trump's "reciprocal" tariffs, adversarial nations like Russia retain duty-free access to the U.S. market for key mineral exports like palladium,⁴ while longtime allies like South Korea – with whom President Trump signed trade agreements with in his first term – face punishing new tariffs.

We all know that tariffs can be a useful tool to protect American manufacturing and combat our enemies, particularly in this crucial sector. Targeted tariffs on adversaries can work to our advantage. However, the administration's indiscriminate blanket tariffs fundamentally do not address the threat posed by Communist China, nor do they strengthen the supply chains that my state needs and supports.

Strategic tariffs and domestic production tax credits provide a better path forward.

I am working on legislation that provides a better path forward. Last Congress, I introduced bipartisan legislation with Senator Mullin of Oklahoma that would strengthen the domestic supply chain for rare-earth magnets by creating a tax credit for companies processing these rare

³ "Nevada's Role in the EV and Battery Supply Chain Goes Beyond Auto Assembly," ZETA, April 18, 2025: <https://www.zeta.org/insights/nevadas-role-in-the-ev-and-battery-supply-chain-goes-beyond-auto-assembly>.

⁴ Russia exported nearly \$1 billion in palladium (HS 711021) to the United States in 2024, and it enters the U.S. duty-free under HTSUS Column 2.

earth oxides and manufacturing the magnets necessary to power American technology.⁵ Rare earth magnets are important components of cell phones, computers, defense systems, and electric vehicles, but are almost exclusively made in China. My bill, the *Rare Earth Magnet Production Tax Credit Act*, would not only strengthen U.S. national security, but would also support good-paying American jobs in these industries of the future. Over 15 percent of the world's rare-earth minerals are mined and processed at the Mountain Pass mine 15 miles outside Primm, Nevada, which employs approximately 600 Nevadans. I hope to reintroduce this important legislation in the near future.

This Congress, I am also working to introduce a bill that would use trade tools – including strategic tariff increases and reductions – to build a coalition of trusted trading partners and better equip us to confront the generational economic challenge posed by the Chinese Communist Party. Specifically, my bill would encourage our trading partners to: (1) increase their tariff rates on critical minerals from China and other foreign adversaries to align with U.S. Section 301 tariff rates, and (2) take actions complementary to U.S. actions to address unfair trade practices, including addressing illicit transshipment, maintaining robust investment screening, and ensuring effective trade remedies. In return, we would zero out our tariff rates on critical minerals from these trusted trading partners. My bill would also establish that tariff revenue derived from imports of critical minerals would go into a fund to support critical mineral projects in the United States and in countries that are trusted trading partners.

I believe it is through a combination of tax and trade tools like these that we can best strengthen our critical minerals supply chains, and ensure America owns these industries of the future. I look forward to advancing these policies in the near future and encourage the administration to consider them as it moves forward with this investigation.

⁵ “Cortez Masto, Mullin Introduce Legislation to Strengthen U.S. Supply Chain for Rare-Earth Magnets Critical for National Defense, U.S. Clean-Energy Industry,” December 15, 2023: <https://www.cortezmasto.senate.gov/news/press-releases/cortez-masto-mullin-introduce-legislation-to-strengthen-u-s-supply-chain-for-rare-earth-magnets-critical-for-national-defense-u-s-clean-energy-industry/>.