

ALERT

President Trump Declares National Emergency Regarding U.S. Critical Mineral Supply Chains

October 2, 2020

On September 30, 2020, President Trump declared a national emergency under the National Emergencies Act and the International Emergency Economic Powers Act (IEEPA) with respect to U.S. reliance on foreign sources of 35 "critical minerals." The list of critical minerals was published by the Interior Department in May 2018, pursuant to Executive Order 13817 of December 2017 regarding the federal strategy to ensure supplies of critical minerals. The Interior Department's list includes: Aluminum (bauxite), antimony, arsenic, barite, beryllium, bismuth, cesium, chromium, cobalt, fluorspar, gallium, germanium, graphite (natural), hafnium, helium, indium, lithium, magnesium, manganese, niobium, platinum group metals, potash, the rare earth elements group, rhenium, rubidium, scandium, strontium, tantalum, tellurium, tin, titanium, tungsten, uranium, vanadium, and zirconium.

The national emergency declaration is based on the Administration's assessment that these minerals are "necessary inputs for the products our military, national infrastructure, and economy depend on the most." It adds that the United States relies on imports for the majority of its supply of 31 of 35 of these minerals, and that there is no domestic production of 14 of them. It emphasizes U.S. reliance on "foreign adversaries," and China in particular, for certain critical minerals.

Although the declaration does not announce any specific actions at this time, it raises the possibility of import restrictions (tariffs, quotas, etc.), government financial support for domestic mineral supply chain development, and reinterpretation of environmental laws to promote domestic supply chains, defined to include exploration, mining, concentration, separation, alloying, recycling, and reprocessing. It

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calls for a variety of assessments and recommendations from federal agencies over the coming months to serve as the basis for future action.

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