

Trump Announces Section 232 Investigation Into Imports of Critical Minerals and Derivative Products

April 16, 2025

Background

On April 15, 2025, the Trump Administration issued an Executive Order (EO) directing the Secretary of Commerce to initiate an investigation under Section 232 of the Trade Expansion Act of 1962 (Section 232), to determine whether imports of processed critical minerals and their derivative products pose threats to national security. The EO notes that processed critical minerals and their derivative products are essential for economic security and resilience, but that the U.S. manufacturing and defense industrial bases remain dependent on foreign sources for processed critical mineral products, creating a potential national security risk.

The EO directs the Secretary of Commerce to provide the President, within 180 days of the commencement of the investigation, with a report and recommendations for measures to address identified national security threats. Notably, this is a shorter time frame than the 270-day reporting period seen in previous Section 232 investigations. The President must then determine whether he concurs with Commerce's findings, and whether to take action, potentially including the imposition of tariffs, to adjust relevant imports in order to mitigate their impact on national security.

The risks identified in the EO were also highlighted in the Administration's recent Executive Order taking a series of actions to boost critical mineral production, including encouraging regulatory simplification, permitting reform, and facilitating public and private capital support.

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Practice Areas

International Trade
National Security
Strategic Competition & Supply Chain
Tariffs & Trade Policy

This new investigation also comes shortly after the recently announced Section 232 investigations on imports of pharmaceuticals and semiconductors, as well as Section 232 tariffs announced earlier this year on aluminum and steel products, and passenger vehicles, light trucks and certain automotive parts.

We expect a further announcement regarding the investigation and a request for public comments to be published in the Federal Register.

Scope

The EO covers minerals included in the “Critical Minerals List” published by the United States Geological Survey (USGS) pursuant to Section 7002(c) of the Energy Act of 2020 (30 U.S.C. 1606) at 87 FR 10381, or any subsequent such list, as well as uranium. The EO also specifically covers critical mineral “rare earth elements” identified by the U.S. Department of Energy (DOE) in the April 2020 publication titled “Critical Materials Rare Earths Supply Chain” or subsequently identified by either the USGS or DOE. The EO also covers “processed critical minerals” that have undergone the activities that occur after critical mineral ore is extracted from a mine up through its conversion into a metal, metal powder or a master alloy. The current list of critical minerals identified by the USGS is as follows:

Gallium

Dysprosium

Praseodymium

Antimony

Tin

Zinc

Niobium

Aluminum

Cerium

Tantalum

Magnesium

Graphite

Neodymium

Fluorspar

Lanthanum

Hafnium

Germanium

Chromium

Ruthenium

Platinum

Bismuth

Tungsten

Palladium

Arsenic

Rhodium

Iridium

Yttrium

Vanadium

Titanium

Barite

Indium

Lithium

Beryllium

Erbium

Holmium

Scandium

Samarium

Tellurium

Zirconium

Europium

Lutetium

Terbium

Manganese

Nickel

Cesium

Gadolinium

Rubidium

Thulium

Cobalt

Ytterbium

Uranium

Promethium

Significantly, the EO also covers “derivative products,” which the EO describes as including all goods that incorporate processed critical minerals as inputs, covering both “intermediate products” (such as semiconductor wafers, anodes, and cathodes) and “final products” (such as permanent magnets, motors, electric vehicles, batteries, smartphones, microprocessors, radar systems, wind turbines and their components, and advanced optical devices).

The investigation will assess and analyze a number of factors, including the following:

- U.S. imports of all processed critical minerals and derivative products incorporating such processed critical minerals;

- Foreign sources by percent and volume of all processed critical mineral imports and derivative product imports, the specific types of risks that may be associated with each source by country, and those source countries deemed to be of significant risk;
- The distortive effects of predatory economic, pricing, and market manipulation strategies and practices used by countries that process critical minerals exported to the United States, including the distortive effects on domestic investment and the viability of U.S. production, as well as how such strategies and practices permit such countries to maintain their control over the critical minerals processing sector and distort U.S. market prices for derivative products;
- The demand for processed critical minerals by manufacturers of derivative products in the United States and globally, including the extent to which such manufacturers' demand for processed critical minerals originates from countries deemed to be of significant risk and/or engaged in practices that create market distortion;
- Global supply chains for processed critical minerals and their derivative products;
- Current and potential capabilities of the United States to process critical minerals and their derivative products; and
- The dollar value of the current level of imports of all processed critical minerals and derivative products by total value and country of export.

As noted above, we expect the Administration to continue to focus on the national security risks posed by the United States' import reliance on critical minerals. Recent actions by the People's Republic of China to leverage their current market dominance in critical minerals sourcing and processing, including the use of export restrictions to the United States, have amplified the Administration's concerns about the national security risks associated with the critical minerals supply chain.

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