March 19, 2026

The Honorable Jamieson Greer
The Office of the United States Trade Representative (USTR)
600 17th St. NW
Washington, DC 20006

Re: Docket ID USTR-2026-0034

Dear Ambassador Greer,

The Battery Materials & Technology Coalition (BMTC) applauds the Trump Administration's commitment to negotiating trade agreements that prioritize the American worker and strengthen America's national and economic security. We sincerely appreciate the opportunity to provide input to you and your team regarding the design of trade agreements and policies to strengthen critical mineral and battery supply chains.

Cooperation with our allies in this industry has never been more important, particularly given the explosive growth potential of integrated critical mineral and derivative product supply chains that are foundational to the next chapter in American economic growth. Only through productive, collaborative partnerships can the U.S. acquire all the critical minerals it needs from sources outside of China.

BMTC is a coalition of 16 companies across the United States and Canada that produce critical materials that are vital to America's national and economic security, including the materials and components essential to power innovative battery technologies used in defense and space systems, energy storage systems, industrial applications, transportation, and more.

Prioritizing Battery Minerals
Advanced batteries are foundational to U.S. national security, energy resilience, and economic competitiveness, and are integral inputs across military, industrial, transportation, telecommunications, and AI-related applications. However, China dominates the supply chains for the critical minerals that make up these batteries. To counteract China's dominance, the United States must work with allies to build resilient and secure critical mineral and battery supply chains independent of our greatest foreign adversary. Failing to collaborate leaves us beholden to a malicious foreign actor for these materials, posing a grave national security risk to the U.S.

BMTC urges that the minerals below receive the utmost attention in any trade agreement due to their importance to the battery supply chain, their potential for domestic and allied production capacity, and vulnerability to market interference from the Chinese Communist Party (CCP).

Graphite
Between 2021 and 2023, China's supply of graphite-based anode material surpassed global demand, causing global graphite prices to decrease sharply. The trend has continued since then.

China's ability to manipulate the price of graphite is made possible by its overwhelming share of global production: in 2025, it produced 92% of the world's anode material – 79% of global natural graphite production and 97% of synthetic graphite production. [1] In addition, China has enacted several protective trade measure to curb graphite exports - a step that can only be interpreted as a tool to squeeze graphite supply with the goal of wielding geopolitical influence in a global market that is completely dependent upon China. There is currently zero commercial-scale production of graphite in the U.S., however, it is endowed with natural graphite deposits and has plenty of pet coke and pitch available to create massive quantities of synthetic graphite.

Lithium

Three years ago, China publicly stated that lithium prices should be lowered. Throughout 2023, lithium prices plummeted by 81%[2], forcing companies around the world to layoff workforce, shed assets, and reconsider future output - and the market has not recovered since. China achieved this in part by overmining and processing lepidolite, a low-grade lithium ore. Despite the U.S. having significant lithium deposits, including the Smackover Formation in Arkansas and Texas and the Tin Spodumene Belt in North Carolina, it has proven incredibly difficult for domestic lithium projects to rapidly build and scale due to artificially low lithium prices. The U.S. produces only 5,000 tons of lithium per year – from the Silver Peak mine in Nevada – and imports over 90% of lithium to meet demand.

Manganese

China produces over 90% of the world's manganese-based products, including stainless steel additives and battery-grade materials. Three years ago, in a move to consolidate its global processing capability, dozens of Chinese manganese processors joined a state-backed "manganese innovation alliance" to exert control over supply and coordinate prices and stockpiling. The alliance has abused its overwhelming market share by manipulating supply and prices of manganese sulfate, a critical component of battery cathodes, as well as electrolytic manganese, which is a steel-strengthening additive. [3] The U.S. currently produces no manganese, and has been 100% reliant on imports since 1970. The South32 Hermosa project in Arizona is poised to become the first large domestic producer of battery grade manganese.

Nickel

Indonesian nickel producers, many of which are owned or controlled by China, continue to dump into the market even as prices plunged 45% in the last year. In 2023, global nickel surplus reached 220,000 tons, almost entirely due to Indonesia's oversupply. Indonesia now produces more than half of the world's nickel and has become so confident in its ability to control the global market that its government recently stated prices will not rise beyond $18,000 per ton on the London Metal Exchange (LME).[4] This intentional domination of the market has forced other producers to shutter operations, most notability in Australia. As of now, the U.S. produces only 0.5% of the worlds nickel supply, roughly 8,000 tons per year, and the sole nickel mine in Michigan is slated to end production by 2029. The U.S. has several important nickel deposits in the U.S. with the most substantial resource in the Mid-Continental Rift in the upper Midwest (Minnesota and Michigan).

---

[1] Oxford Economics. Enabling North American Graphite Growth. February 2024.
[2] Reuters. Piedmont Lithium lays off 27% of workforce amid weak prices. February 2024.
[3] The Wall Street Journal. China Hones Control Over Manganese, A Rising Star in Battery Metals. May 2021.
[4] Bloomberg. Indonesia Says Its Nickel Supply Will Keep Global Prices Low. February 2024.

Silicon
China leads global production of silicon, which is becoming increasingly important in the battery industry due to its ability to boost the performance of a battery when combined with graphite in the anode manufacturing process. Silicon is also used in steel refining processes, solar panel components, and most notably semiconductor electronics. [5] Currently, there is no commercial scale production of battery-grade silicon in the U.S., although U.S. producers are poised to begin commercial-scale production this year.

Black Mass
Black mass production is a critical step in the battery supply chain because it concentrates valuable materials like lithium, nickel, and cobalt recovered from scrap and recycled batteries. Establishing black mass production in the U.S. strengthens domestic supply chain resilience, lowers exposure to geopolitical risks, and supports national energy security goals. It also enables the U.S. to capture more economic value from batteries.

Today, China controls 70% of global black mass production and 82% of the refinement of that black mass. [6] The refined material is used for the creation of precursor cathode active material or cathode active material (also known as pCAM or CAM). It is expected that China will develop a fully closed-loop system of battery production, battery recycling, and re-production. The China Resources Recycling Group (CCRG) is a state-owned entity established in 2024 to implement a comprehensive recycling platform, and Chinese battery material producers BYD, CATL, Tianqi, and Ganfeng have already established formidable recycling subsidiaries. [7]

Currently, the U.S. produces over 77,000 tons of black mass per year, and it is increasing that capacity. BMTC member Cirba Solutions was the first domestic company to commercially scale lithium-ion processing and has increased capacity by 600% in the past few years to enhance global competition and recover these valuable resources. However, it is all exported abroad for refinement, and much of it will ultimately make it back into the Chinese state-backed supply chain. Standing up strong domestic capabilities for black mass and refinement are key to diversifying sourcing and increasing access to critical minerals.

Trading Partners for Consideration
It is crucial that the United States establishes supply chains that are anchored by high labor standards, resistant to geopolitical disruptions, and reduce dependence on foreign nations that engage in hostile market practices. Strategic cooperation with our allies is paramount to establishing new and fortified supply chains. In any industry, a coalition of international partners that adheres to fair and ethical trade practices and that operate around common market-driven principles can help reduce supply chain risks by encouraging strategic and shared investments, technology exchange, and diplomacy to drive a common strategic vision.

Due to the complex nature of critical mineral supply chains, we suggest USTR consider three distinct categories of countries when forming these agreements: large integrated trading blocs, raw material producers, and processed materials and technology partners.

---

[5] Statista. Leading Silicon Producing Countries Worldwide in 2023. August 2024.
[6] Fastmarkets. Battery Recycling 10-Year Forecast. Q4 2025.
[7] Horizon Advisory. How Beijing Controls the Global Battery Supply Chain. November 2024.

Large Integrated Trading Blocs
North America (USMCA) and the **European Union (EU)** should be prioritized as foundational partners for any plurilateral agreement due to their large market scale, deeply integrated supply chains, and ability to implement coordinated trade and investment policies.

Robust trade with our North American neighbors is vital to scaling production of critical minerals, battery components, and batteries, as each participating country brings its own unique strengths to the table. North America's minerals ecosystem is deeply interconnected; minerals mined in one country are often refined or processed in another before returning to the U.S. market as finished materials. For example, refined metals like zinc and copper produced in Mexico or Canada flow overwhelmingly back into the U.S., sustaining industries from clean energy to defense to manufacturing.

Canada is home to some of the world's most significant critical mineral deposits, and our nations' energy and mining industries have grown in coordination for decades. The United States and Canada share a deeply integrated critical minerals and defense industrial base, with co-reliant supply chains for gallium, niobium, rare earth elements (REEs), cobalt, and tungsten—materials that are foundational for lithium-ion batteries, semiconductors, aerospace systems, and defense manufacturing.

And for more evidence that the U.S.-Canada energy partnership is flourishing, look no further than BMTC's own membership: six members are based in or have operations in Canada, including Elevra (lithium), Global Battery Materials (anode material), Standard Lithium, Nano One Materials (cathode material), NOVONIX (synthetic anode material), and Celgard/Asahi Kasei (battery separators).

Mexico also plays an important role in North American supply chains, particularly in refining, metals production, and advanced manufacturing. Together, the three USMCA partners form a natural regional supply chain capable of scaling mining, processing, and manufacturing capacity while reducing reliance on concentrated foreign suppliers.

Similarly, the EU represents a large, technologically advanced market with strong regulatory alignment with the United States and significant industrial demand for critical minerals. The EU has already adopted comprehensive policies aimed at strengthening domestic supply chains and diversifying sources of critical minerals, making it a natural partner for coordinated trade and investment frameworks.

Raw Material Producers
Countries such as **Australia**, **Chile**, **Argentina**, **Brazil**, and **South Africa** possess significant reserves of lithium, nickel, copper, and other minerals that are essential inputs for advanced battery technologies. Engaging resource-rich partners through a plurilateral framework would help diversify global supply away from highly concentrated sources while creating stronger incentives for market-oriented investment in new mining capacity.

Australia is particularly important due to its role as one of the world's largest and most reliable suppliers of critical minerals. In 2025, Australia accounted for roughly 31 percent of global lithium production, making it the largest producer of this key battery material. Australia has already inked a critical mineral deal with the United States, with an initial total investment commitment of $8.5

billion. Around $3 billion is expected to be invested in projects in the coming months, with recoverable resources in those projects estimated to be worth $53 billion.

In addition, Chile and Argentina hold some of the world's largest lithium resources within the so-called "Lithium Triangle," while Brazil and South Africa possess substantial deposits of nickel, manganese, and other critical minerals that the U.S. needs for a variety of applications.

Processed Materials and Technology Partners
Finally, the agreement should prioritize partners with advanced capabilities in mineral processing, refining, battery materials production, and related technologies. These countries play critical roles in the midstream and downstream segments of the supply chain and are essential for transforming raw minerals into usable materials.

Japan and **South Korea** are particularly important partners due to their leadership in battery manufacturing and materials technology. Japanese firms have long specialized in midstream refining and downstream manufacturing of battery components—including cathode materials, magnet technologies, and advanced battery chemistries—while South Korea is home to several of the world's largest battery manufacturers and producers of battery materials. In addition, over the last year, the Trump administration has announced a $550 billion investment deal with Japan and a $350 billion investment deal with Korea.

Nordic countries such as **Finland** and **Norway** also play important roles in the battery supply chain, particularly in mineral processing and component production. These countries combine strong technical capabilities with stable regulatory environments and close economic ties to the United States and European partners.

Partnerships with these countries would strengthen the technological and industrial backbone of a plurilateral critical minerals agreement, ensuring that supply chains include not only upstream mining but also the processing and manufacturing capabilities necessary to convert critical minerals into valuable input materials for advanced technologies.

Reference Prices and Price Adjustment Mechanisms
Establishing Reference Prices
Any critical mineral pricing framework should be transparent, market-informed, and designed to support long-term investment. Because many of the most vulnerable critical mineral markets are relatively thin and volatile compared with major commodities, carefully designed benchmarks could help stabilize investment signals while still allowing prices to reflect real supply and demand conditions.

For each mineral, reference prices should be calculated using observable market data wherever possible, including published benchmark prices from recognized commodity price reporting agencies, such as Benchmark Mineral Intelligence, S&P Global Commodity Insights, or the London Metal Exchange (LME). Existing long-term contract prices for relevant mineral products or intermediates can also be observed.

However, as we know, some minerals do not have transparent spot markets. In these cases, producers will have to volunteer information, including operating costs, capex requirements, refining and processing margins, and transportation costs. In addition, we know that production

costs vary significantly across countries and segments of the value chain. Reference prices should therefore reflect the marginal cost of supply among the countries within the agreement, rather than attempting to equalize production costs across different markets. Incorporating marginal cost estimates - particularly for the next tranche of supply required to meet projected demand - would help ensure that the reference price supports commercially viable investment in new projects, including higher-cost but strategically important supply sources.

Price Adjustment Mechanisms
A plurilateral framework could consider several market-compatible approaches to support stable price signals, including reference price bands or floors linked to underlying benchmark prices, long-term offtake contracts indexed to reference prices, government-backed purchase commitments for direct use or strategic stockpiles. If minimum price mechanisms are adopted, enforcement tools such as tariffs, tariff-rate quotas, or import measures could be considered to discourage imports priced significantly below agreed benchmarks.

It is important to consider that critical mineral value chains involve multiple transformation stages, including extraction and mining, processing and refining, and then integration into battery materials and other downstream products. Price mechanisms should generally be applied at clearly defined upstream or midstream nodes, where mineral pricing is most transparent and where interventions can most effectively influence supply expansion. Applying pricing rules too far downstream could create complex compliance challenges and unintended trade distortions.

For example, the U.S. should immediately prioritize mechanisms to help develop the midstream of the battery supply chain, i.e. mineral processing and cathode and anode production. While increasing supply of critical minerals is desperately needed, the U.S. is ceding economic and national security advantages if the midstream of the battery supply chain is not developed. The critical minerals produced domestically will be shipped abroad for processing and production into anodes and cathodes. Given the importance of advanced batteries to our national security, we must ensure that the Federal government's support for critical materials translates into the growth of complete and integrated domestic supply chains, from mining and processing of materials through the manufacturing of derivative products.

Other Policies and Tools to Consider
Any trade agreement must have tools to identify and prevent Chinese or other FEOC entities from benefitting from that agreement. USTR should implement traceability mechanisms or other ownership evaluation guardrails to enable evaluation on a company-by-company basis. This could also include bans on certain State-backed Chinese entities from access to U.S. incentives or markets overall.

The threat of incursion by Chinese state-backed companies can't be underestimated. Fueled by state-driven industrial policies, the use of forced labor, and subsidized production, recent data shows China's overcapacity in the battery industry has roiled markets and significantly impacted prices. Their critical mineral projects are not just operated on Chinese soil, as China's calculated strategy to control critical minerals markets often brings other countries into the fold. China deploys a "Go Out" strategy, where it secures critical mineral mines abroad through ownership and offtakes, and subsequently brings materials back to China for processing, resulting in the ever-

increasing control over global battery and critical mineral markets by one anti-market actor.[8] As U.S. market restrictions target China inside China, the government and its industry are also setting up processing capabilities in other countries.

For example, China does not have domestic **cobalt** resources and has thus actively worked to capture overseas resources to secure market control. Cobalt in the **Democratic Republic of Congo** offers a particularly clear example of China's "Go Out" strategy and its implications for downstream sectors as the DRC is the largest global producer of cobalt, accounting for approximately 60% of world totals. To ensure access, China has leveraged direct investments and loans within the nation, as well as government and private sector relationships and dependencies.

Similarly, China builds manufacturing and processing facilities abroad through strategic investments and partnerships. This concern is particularly acute in the **graphite** sector, where Chinese state-owned enterprises are actively forming joint ventures in third countries specifically designed to fall just outside the scope of U.S. trade rules. These structures allow Chinese-controlled operations to route graphite anode material through allied or neutral jurisdictions, circumventing U.S. trade protections.

In September 2024, Chinese began operations at graphite active anode material (AAM) plant in the Central Sulawesi province of **Indonesia**. The $478 million plant will eventually produce up to 80,000 metric tons of AAM per year. Since operations began, Indonesian exports of AAM to the U.S. now average above 1,000 tons per month – an increase from zero exports at all. At the same time, Chinese battery material maker BTR has greatly decreased AAM exports from China. This is indisputable evidence that BTR has deliberately begun exporting more material from Indonesia instead of China to evade trade restrictions.

Specific mechanisms to be imposed through the trade deals to protect against Chinese involvement in the allied supply chain that could undermine the intent of the agreement are:

Tariffs at the facility level
BMTC requests that any trade agreement includes a mechanism to impose high tariffs on materials produced in Chinese-owned or controlled facilities in each participating country. This would dissuade China – or potentially other countries of concern – from investing in allied countries to benefit from the framework of the deal and enter goods into the secure market. Alternatively, the agreement could include a full ban on Chinese investment in these industries or impose a CFIUS-like mechanism to be applied across all countries to monitor inbound investments.

USTR actions should be informed by existing examples of Chinese investors manipulating projects to comply with existing laws, including adjusting ownership structure of companies in other countries to comply with foreign entity of concern (FEOC) and prohibited foreign entity (PFE) restriction in U.S. law. These inroads, made by Chinese entities and underwritten by Beijing's industrial policies, are missed opportunities for allied countries to create jobs, deploy homegrown critical intellectual property and manufacturing expertise, and reinvest in their communities.

Export controls

[8] Horizon Advisory. How Beijing Controls the Global Battery Supply Chain. November 2024.

BMTC also supports export controls on critical minerals and battery materials. Export control mechanisms could help keep materials produced in the participating countries within those countries' borders, helping establish a fully independent battery supply chain from China. Whether it be export bans or license restrictions, each mineral and material should be evaluated independently and may require unique treatment given the inherently global nature of certain industries and products.

Adopting an UFLPA-like framework
A framework similar to the Uyghur Forced Labor Prevention Act (UFLPA) across all countries – banning imports made with Uyghur forced labor from entering the participating countries – would prevent these goods from seeping into the trading network. The UFLPA has proven a useful tool in limiting imports of Chinese-produced minerals and battery materials into the U.S., and, if implemented properly with significant traceability guardrails in place, it could do the same for all participating countries; hence, further strengthening an independent battery supply chain unburdened by flooded markets from China.

Conclusion
To scale an independent and secure battery supply chain entirely within U.S. borders would be expensive and take decades, time we cannot afford in a globally competitive race against China. Substantive trade agreements with trusted allies are the only way to scale an ex-China market with speed, hence protecting America's access to the materials, technologies, and partnerships that fuel our economic and energy security. Without strong trade agreements, producers in participating countries would be incentivized to sell to other countries with more favorable terms and would fall victim to CCP manipulation across regimes.

A cautionary tale of failing to enforce trade mechanisms can be found in the U.S. graphite sector. Despite a multi-year-long Antidumping and Countervailing Duty (AD/CVD) investigation in which the Department of Commerce confirmed Chinese dumping and subsidization, the failure to issue final antidumping tariff orders in March 2026 has sent a chilling signal to investors, lenders, and customers across the United States, South Korea, and Japan. The credibility of U.S. trade enforcement is paramount: without it, the industry will remain reliant on Chinese product and Chinese-controlled supply chains operating through loopholes in third jurisdictions. A plurilateral agreement must therefore include robust enforcement mechanisms, facility-level tariffs on Chinese-controlled operations regardless of jurisdiction, and clear anti-circumvention rules that prevent Chinese SOE joint ventures from exploiting gaps in the trade framework.

A critical materials supply chain outside of China must be established for national security, economic, and energy purposes, one which provides the entire battery manufacturing sector with clear incentives and pathways to onshore, friend-shore, and increase resiliency. BMTC stands ready to work alongside USTR to advance the domestic critical materials industry and bolster the U.S. economy through strong trade agreements with our closest allies.

Sincerely,

Ben Steinberg
President, BMTC