

# President Biden Issues Directive to Boost Critical Mineral Production

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Last week, President Biden [invoked](#) the Defense Production Act (“DPA”) to expand domestic production of certain critical minerals involved in the manufacture of large capacity batteries. The five minerals specifically identified in the President’s memorandum are lithium, nickel, cobalt, graphite, and manganese.

The DPA allows the President to expedite and expand the supply of materials and services from the U.S. industrial base needed to promote the national defense, and explicitly grants authority to address mining and the production of minerals essential to national security. While the DPA permits the President to directly purchase minerals, reports indicate that the administration instead plans to fund mineral surveys and expand or modernize existing facilities. Indeed, the directive tasks the U.S. secretary of defense with conducting feasibility studies for new projects, increasing production of by-products and co-products as well as waste reclamation at existing mines, and upgrading and expanding existing facilities.

President Biden’s memorandum is a continuation of the administration’s policy of establishing more resilient, diverse and secure supply chains in the United States. The administration’s policy is discussed in detail in recently released reports on [six critical industrial sectors](#), and in [100-day supply chain reviews](#).

The Presidential directive also comes shortly after U.S. Trade Representative Katherine Tai’s testimony before the House Ways and Means Committee, in which Ambassador Tai signaled a shift in strategy for curbing anti-competitive Chinese trade practices. In particular, Ambassador Tai noted that existing tools have failed, and rather than imposing new trade penalties on China, a shift to a form of industrial policy of expanding U.S. production in critical sectors, including key mineral mining and processing, may be appropriate.

Critical minerals – and their importance to America’s industrial bases – have long been a thorn in U.S.-China trade relations. Currently, China is the largest source of mineral commodities for the United States and many critical minerals used in manufacturing are produced exclusively by Chinese companies. In 2021, the United States was [100 percent import-reliant](#) for 17 mineral commodities and at least 50 percent import-reliant for 30 others. With the Administration directing resources toward shoring up and building out domestic capacities for the five identified minerals, companies in those industries or that rely on such minerals should keep watch of opportunities for growth.