

## Questions for the Record

*Predatory Pricing: How The Chinese Communist Party Manipulates Global Mineral Prices to Maintain Its Dominance*

11/19/2025

Mr. Jonathan Evans

Representative Gus M. Bilirakis – FL-12

- 1. China continues to dominate key aspects of the critical mineral supply chain, which can create significant challenges for industries when those supply chains face disruptions. For example, China controls 80% of the global critical minerals processing capability and roughly 90% of the processing capability for rare earth elements. And recently, such disruption came to fruition when China decided to restrict certain rare earth exports, which are integral to industries like automotive manufacturing. What should a comprehensive plan from Congress and the Administration to build out domestic critical mineral supply chains look like? In cases where some minerals are not geographically located in the U.S., how can the U.S. better leverage its allies and rely less on foreign adversaries like China? **There are ~60 critical minerals so there will be nuances in tools used for each of them. Tools that should be employed to varying degrees for each are as follows: 1./ An actual cost plus based trading exchange****

(facilitated by ICE/NYSE or CME) that provides fair and transparent pricing. Mature sectors such as oil, copper and other commodities function globally based on fair/transparent costs and pricing. Without fair pricing western capital will not participate in continued investment to build non-Chinese backed supply given China controls the futures exchanges (which include the LME). Rare earths and lithium are just two examples of Chinese dominated futures/trading exchanges and thus Chinese dominated/backed supply within and even outside of China in some cases. The narrative is controlled by China for their benefit and as a tool to discourage non Chinese investment in the sector 2./ Permit reform in the US. Critical infrastructure as well as mineral projects are stymied in this country due to lengthy and unpredictable timelines. Private capital had no way to reliably determine a time-based return on investments. Hence, they don't fund development until the outcome is known (which can take as long as 10 years in some cases). 3./ Structured financing tools (ie. loans, cost share grants, offtakes with price floors) to encourage financing of projects. These can (and should) be done in combination with private investment. Government involvement helps bring private investment in by mitigating some of the risks for projects. It is a toolbox widely used by the Chinese as well as the Japanese and Korean governments. These apply to domestically as well as international based investments.

2. China successfully executed a long-term strategy to dominate the global critical mineral market, however this did not happen overnight. If the U.S. wants to elevate itself as a global

leader in critical minerals, this will likewise take time and investment and require a multi-faceted approach. How long will it take for the U.S. to build out domestic critical mineral supply chains capable of supplying the U.S. market? What are some of the reasons for such a long timeline? What role could efforts like permitting reform play in speeding up the build out of domestic supply? **We are far behind in many areas, however, we do have many critical minerals in the US as well as critical pieces of some supply chains such as battery capacity in place already. It will take a decade of concerted effort to make meaningful/permanent progress in most areas. The reason for this (besides our late start) includes: 1./ Lack of transparent/fair market pricing (which dissuades investment). 2./ Lack of private capital financing availability given they rely on China dominated pricing narratives to determine return on investment potential 3./ Long permitting timelines 4./ Lack of availability to source some key equipment outside of China (ie. certain REE magnet and battery component processing equipment). Japan and Korea can assist in these areas as they have a head start (in REE magnets and cathode/anodes). Permitting reform does play a key role as legal hurdles must be overcome up front before capital can be employed to build (even for a manufacturing plant). Uncertainties on permitting timelines dissuades any meaningful investments hence we can't even get started properly in many areas.**

3. **China uses unfair practices like aggressive subsidization to undercut prices and dominate foreign markets. We've seen China use this playbook in other areas such as the auto**

THE SELECT COMMITTEE ON THE  
**CHINESE COMMUNIST PARTY**  
"FREEDOM IS THE VICTOR"

---

industry. Can you discuss the ways in which China uses unfair practices to dominate critical mineral supply chains, and likewise uses those strategies to impose leverage over industries like automotive and battery manufacturing? What can the United States do to compete against an adversary who doesn't play fair? And using the auto industry as an example, how can we maintain affordability for customers as we shift supply chains away from China? **A actual cost based trading/futures exchange is needed to allow transparency for private investors to participate. Clear manipulation of REE's as well as lithium pricing has been found (and has occurred for over a decade). China has restricted even critical downstream processing equipment for certain aspects of magnet and battery production. We have the resources and know-how within the US and with certain allies to overcome these challenges. In fact, our allies prefer fair markets as they seek to invest in these industries domestically. A collaboration with these partners in parallel with the major auto OEM's would assist in ensuring an aligned and optimized strategy. They all have the same goal. This is a model which the Japanese and Korean governments use with their own critical industries (Autos, Chips, magnets and other areas). The main markets for the Japanese and Koreans are the US and EU as they cannot compete themselves in China (plus they are subject to IP theft) and they are motivated to invest in the US. We cannot compete in China as the playing field is not level. We, however, can create fair/transparent markets outside of China and employ policies such as we are doing today with tariffs, anti-dumping duties and other restrictions to isolate China.**

4. Given China's proven price manipulation to dominate global critical minerals supply chains, do you think Chinese auto manufacturers pose an existential threat to the U.S. auto market? Should the United States allow Chinese auto and battery companies to manufacture here in the United States? **Yes, we can see how they are impacting EU markets now, dominating LATAM auto markets and other unfettered areas. They are already the largest auto manufacturers in the world and have too much capacity. Their aim is to push out competition, so they control this sector. Working with the Chinese battery companies we should take the same approach they took with US/western manufacturers. When they come here, they are required to bring all critical component steps as well as IP. Critical components such as cathode, anode and cells should be required to be fabricated here with inputs coming from domestic/allied suppliers. We cannot allow them to put up merely assembly plants where the key components are shipped from China. This gives them leverage (which can be cut off at any time) over critical industries. China required Tesla to use only Chinese based suppliers (BYD, CATL and other Chinese domestic suppliers). Over time those companies and their suppliers employed what they learned and helped set up competition for Tesla domestically. Today Tesla is #6 in China (after being #1 for a period) as the know-how and expertise were adopted domestically.**

Representative Jill Tokuda – District HI-02

1. Would it help to develop a secure critical minerals industry if the Commerce or Energy departments had authority to offer financial assistance—including offtake agreements and price guarantees—for critical minerals focused on the commercial market, just like the Defense Department does for the national security market? **Yes, a combination or single use of tools such as these (given the differences in critical mineral challenges) are very helpful. Low-cost loans and price support/offtakes are powerful tools to accelerate investment. They can/are structured as well to give the government (and the taxpayers) protection (and upside in some cases) as well. Capital availability is one of the key barriers to advancement of our critical mineral strategy in the US.**
2. Would you agree that creating domestic demand by prohibiting U.S. companies from purchasing rare earths from China—unless no alternative domestic or allied source is available—could be a good way to ensure U.S. industry and investors have the stability they need to invest? **Yes, however, the capacity/capability must be in place and market participants need to collaborate in terms of pricing/futures exchange guidelines. Today the pricing narrative (and futures markets) are dominated by Chinese controlled sources. If rules**

THE SELECT COMMITTEE ON THE  
CHINESE COMMUNIST PARTY  
"FREEDOM IS THE VICTOR"

---

are not in place the market will revert to China/China narrative to make their decisions.

3. Would you support restricting the export of high-value e-waste, much of which goes to China, to provide a feedstock for recycling of rare earth magnets? **Yes, it has potential alongside new source capacity. It should be pursued in parallel with developing domestic/allied resources. Over time a greater percentage of materials can be recovered which will eventually reduce the need to build new resources from scratch (which is the most lengthy and expensive path).**

*Please complete a separate sheet for each witness that you wish to submit additional questions to. Fill in your Representative name, district, and the witness name the questions are to be sent to. Return completed form(s) to [Austen.adcock@mail.house.gov](mailto:Austen.adcock@mail.house.gov) by 7:00pm on November 26th.*