



Chairman Stauber
Subcommittee on Energy and Mineral Resources
1626 Longworth House Office Building
Washington, DC 20515

Ranking Member Ansari
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April 27, 2026

Chairman Stauber and Ranking Member Ansari,

On behalf of the National Association of Electrical Distributors (NAED), we submit the following letter for your hearing on “Powering the 21st Century with American Copper”.

NAED is a nationwide trade association for the \$150+ billion electrical distribution industry which represents more than 600 distributors and manufacturers of electrical products with more than 5,000 locations in all 50 states.

NAEDs warehouse and distribution network are critical components of the electrical equipment supply chain, linking manufacturers to electrical contractors, who are the end users of the equipment we supply.

We would like to highlight some growing risks associated with copper supply and recommend policy solutions that both support national security objectives and preserve the viability of critical domestic supply chains.

Copper is foundational to the U.S. electrical system, underpinning wire and cable, transformers, substations, and virtually all grid infrastructure.

The United States faces a structural vulnerability **in midstream processing capacity, specifically smelting and refining.**

The US operates only two copper smelters with a combined capacity of approximately 558,000 tons, which is **insufficient to process even half of domestically mined copper.**

Meanwhile, China, which has built approximately 75% of all new global copper smelting capacity since 2000 and now operates an estimated 10.73 million metric tons of active smelting capacity. China currently accounts for roughly 57% of all global refined copper production, built on an estimated \$25 billion in infrastructure investment over the past two decades.

In 2024, the U.S. wire and cable market was valued at \$31.93 billion, growing at 5.9% Compound Annual Growth Rate (CAGR). Currently, 25% of US insulated wire and cable demand is met by imports (approximately 465,000 tons of conductor weight annually).

This bottleneck leaves the country heavily reliant on imported refined copper and semi-finished products, even while exporting significant volumes of raw material.

In the event of a copper shortfall or supply shock, the impacts on the electrical distribution industry would be immediate and severe. Distributors would face sharp price increases for wire, cable, and copper-intensive components, combined with limited product availability and extended lead times. Given the industry’s thin operating margins, these cost increases cannot be fully absorbed or passed through, creating significant financial strain and increasing the risk of contract losses and project delays.





Beyond pricing, supply disruptions would constrain inventory availability, strain working capital, and weaken long-standing customer relationships as distributors struggle to meet project timelines. These effects would cascade across the broader economy, delaying construction, slowing grid modernization, and hindering investments in electrification, manufacturing, and data infrastructure.

We recognize and support the Administration's focus on strengthening domestic supply chains for critical materials, as reflected in the April 20, 2026, Presidential Determination under the Defense Production Act. That action appropriately identifies grid infrastructure and upstream supply chains as essential to national defense and authorizes federal support to expand domestic production capacity.

To ensure these objectives are achieved without unnecessary disruption to American businesses, we respectfully recommend the following policy actions:

First, if tariff policy is to remain in place, Congress should work with the Administration to design a more predictable and steady tariff regime. NAED has endorsed the National Electrical Manufacturers Association's (NEMA) [Tariff Incentives for U.S. Energy and Manufacturing proposal](#). If enacted, this would provide additional stability and incentive to reshore manufacturing infrastructure and provide stability in the market.

Second, we are grateful for the Committee's action on passing H.R. 5929, the Critical Minerals Supply Chain Resiliency Act authored by Congressman Barr, which helps address key permitting challenges. Coupled with the Administration's April 20th Defense Production Act action on Grid Infrastructure, Equipment, and Supply Chain Capacity, there is a clear opportunity to support domestic copper processing capacity tied to grid equipment manufacturing. This should include targeted deployment of DPA funding to support processing facilities supplying copper for grid equipment manufacturing. Given the significant constraints in midstream processing for materials critical to grid deployment, these steps would help address a key supply chain vulnerability and strengthen long-term resilience.

Third, NAED strongly supports **H.R. 4105, the VET Act**, which would help manufacturers, distributors, and contractors attract, train, and retain veterans and their spouses to quality jobs in our industry that coincides with the Administration's goals of Energy Dominance, and the AI Action Plan.

Taken together, these steps would better align trade policy with industrial policy, ensuring that efforts to promote domestic capacity do not unintentionally undermine the very industries they are intended to support.

We appreciate your attention to this critical issue and stand ready to work with you to advance policies that secure U.S. supply chains while protecting American businesses and jobs.

Sincerely,

Wes Smith
President and CEO

