



AMERICAN DEFENSE SUPPLY CHAINS ARE BEHOLDEN TO THE CHINESE COMMUNIST PARTY (CCP)

September 8, 2023

The CCP Controls the Rare Earth Element (REE) Mining and Processing Operations That Are Key to our Most Sensitive Defense Systems

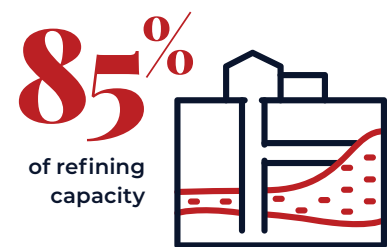
Rare earth elements (REEs) play a critical role in American economic prosperity, energy independence, and national security. They are elements that are dispersed across the earth and therefore difficult to find in concentrations suitable for profitable mining. Many advanced technologies have components made from REEs, including magnets, batteries, and many of our most sensitive and critical military technologies. Unfortunately, American defense supply chains are beholden to the CCP.

Comprehensive permitting reform is needed to unlock America's REE resources and end our reliance on the CCP.

THE CCP'S DOMINATION OF THE REE TRADE

- ★ The CCP represents the most comprehensive threat to our national security since the fall of the Soviet Union three decades ago.
- ★ China has demonstrated its ability to manipulate its REE dominance to advance its coercive foreign policy.

China accounts for



THE BELT AND ROAD INITIATIVE (BRI)

- ★ China's Belt and Road Initiative includes **building a global infrastructure network** in mostly developing countries **to secure access to valuable natural resources**, fortifying its own supply chains and trade routes in the process.
- ★ Belt and Road Initiative investments in the metals and mining sector rose from **\$6.8 billion** in 2022 to **\$10.5 billion** in 2023. These focused on Africa and Latin America, with the top destinations including Bolivia, Tanzania, Namibia, and Eritrea.

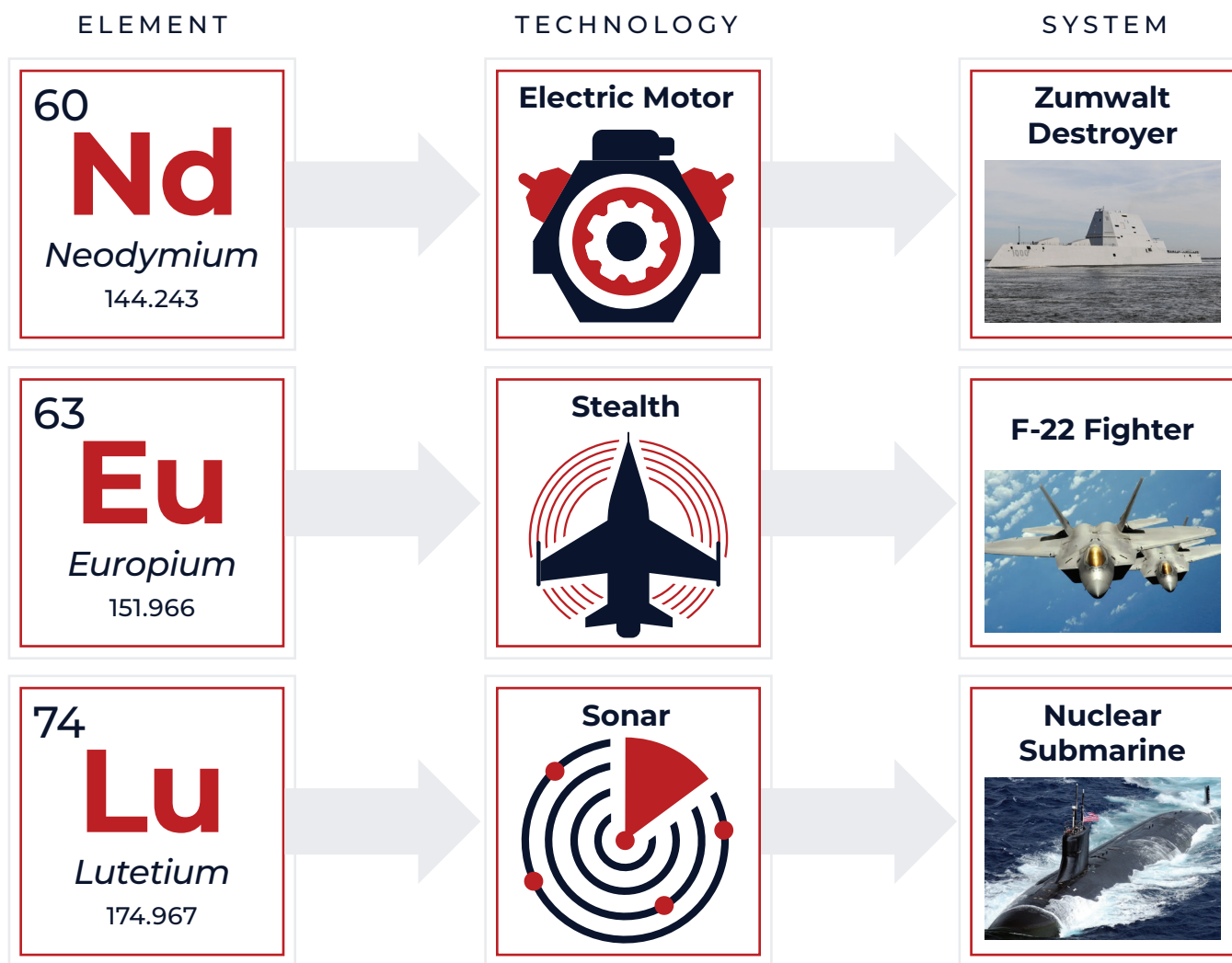
NEW EXPORT RESTRICTIONS

- ★ On August 1, 2023, the CCP announced new export restrictions for foreign purchases of gallium and germanium "to safeguard national security." This is a clear demonstration of China's willingness to take advantage of its dominance of the mineral trade to undermine sensitive American supply chains.
- ★ Local sellers now must acquire a license for new and continuing exports, report the details of foreign buyers, and outline the end-use of the minerals, which will in effect restrict supply to the U.S.

“The Middle East has *oil*, China has *rare earths*.”

– *Deng Xiaoping*

The below graphic illustrates a clear and direct line between China-dominated REEs and the sophisticated defense platforms that keep us safe.



Enacting **comprehensive permitting reform** would help to revive America's rare earth mining industry and break the CCP's mineral dominance.

Learn more at <https://tinyurl.com/REEcritical>