

March 19, 2026

The Honorable Jeffrey Goettman
Deputy United States Trade Representative
Office of the United States Trade Representative
600 17th St NW
Washington, DC 20508

Re: Request for Comments on the Design of a Plurilateral Agreement on Trade in Critical Minerals and Policy Actions To Strengthen the Resilience of Critical Mineral Supply Chains

Dear Ambassador Goettman:

Alliance for Automotive Innovation (Auto Innovators) submits this letter in response to the Office of the U.S. Trade Representative's (USTR's) request for comments on the design of a plurilateral agreement on trade in critical minerals and policy actions to strengthen the resilience of critical mineral supply chains.

Auto Innovators represents the full auto industry, including the manufacturers producing most vehicles sold in the U.S., equipment suppliers, battery producers, semiconductor makers, technology companies, and autonomous vehicle developers. Our mission is to work with policymakers to realize a cleaner, safer and smarter transportation future and to ensure a healthy and competitive auto industry that supports U.S. economic and national security. Representing over 5 percent of the country's GDP, responsible for supporting nearly 11 million jobs, and driving \$1.5 trillion in annual economic activity, the automotive industry is the nation's largest manufacturing sector.

Critical minerals are increasingly important to the auto industry and to its ability to produce cutting-edge vehicle technologies. A variety of minerals remain vital to the industry for electric drivetrains, magnets, lightweighting, and advanced electronics, including rare earth elements (e.g., dysprosium, neodymium, terbium, and praseodymium), graphite, nickel, lithium, cobalt, copper, aluminum, manganese, silicon, magnesium, electrical steel and gallium. There is no doubt that access to a trusted and resilient supply of these materials is essential to maintaining the health and competitiveness of the auto industry in the U.S. and to maintaining our nation's economic and national security.

For this reason, we applaud the Administration's proactive work to strengthen global critical mineral supply chains and secure the resiliency needed to support the automotive industry and other downstream users. We are committed to working with the Administration on the development and implementation of focused policies that can promote and maintain a robust

and resilient supply of critical minerals required for U.S.-based automotive production, including those that bolster the processing of critical minerals in the U.S.

The U.S. should also be focused on developing and leveraging strong relationships and partnerships with allied nations, including through critical minerals trading agreements, to ensure a secure and reliable source of these critical minerals. We support USTR's goal of creating a plurilateral coalition on critical minerals. We also acknowledge that the scope, structure, and pace of any such initiative must contemplate potential disruption to existing minerals markets and the need to bridge the supply chains of downstream industries.

We recommend that any trade policy instrument addressing critical minerals remain plurilateral in structure and administration, complement existing bilateral or trilateral trade and national security agreements, prioritize resilience, and provide clear involvement by industry stakeholders. Below we provide further comment on specific questions posed.

Prioritization of Critical Minerals and Trading Partners

As new plurilateral agreements are finalized, Auto Innovators would support ensuring that the initial scope of any pricing mechanisms remain focused on critical minerals markets that are limited and/or not fully mature. For example, USTR may want to focus initially on germanium, gallium, antimony and tungsten.

For minerals traded in mature, liquid markets, pricing mechanisms are unlikely to deliver comparable resiliency benefit. For this reason, significantly more mature or diversified critical mineral markets such as those for graphite, copper, lithium, nickel, and cobalt should remain out of scope – at least at the outset of this program.

We recommend that Mexico and Canada be initially considered for participation in the plurilateral agreement. The USMCA is a natural foundation upon which to build any critical minerals initiative.

Similarly, given the focus on resilience, countries subject to a collective defense arrangement-with the U.S. - which include the North Atlantic Treaty, Agreement between the United States and Australia and New Zealand, Philippine Treaty, Japanese Treaty, Republic of Korea Treaty, and Rio Treaty – or that are otherwise strategic security partners of the U.S. merit inclusion in a plurilateral agreement. Specifically with reference to the North Atlantic Treaty, the European Union – which holds exclusive trade policy responsibility for the majority of NATO – should serve as proxy.

Setting Target or Reference Prices

If target or reference prices are to be a part of any plurilateral initiative, Auto Innovators recommends focusing such efforts on identifying a “Resilient Price” of such minerals. This “Resilient Price” would articulate the true cost of production for metals produced to high standards without state-backed subsidies.

The *OPEN: Open Price Exploration for National security* (OPEN) program housed at the Defense Advanced Research Projects Agency has been successfully examining this issue since 2024. This work could be leveraged for this effort.

It should be noted that tools to provide increased cost and price forecasting, especially within non-mature critical minerals markets, are relatively novel and have been so far focused on transparency objectives. If such forecasting is to be used to establish target or reference prices, deliberate pacing and limited initial scoping of any pricing initiative should occur.

Price Adjustment Mechanisms

Any pricing mechanism must be open, transparent and under the shared control of all partners within the plurilateral agreement. Overall, any price adjustment mechanism must primarily support the resilience and competitiveness of all aspects of the supply chain – especially downstream end-users such as automakers.

Pricing mechanisms that increase costs for downstream end-users will undermine the economics of supply chains and jeopardize any resiliency gains over the medium to long term. The upstream of a supply chain is fully dependent on the viability of downstream offtake. Accordingly, if mechanisms to enhance resiliency of a supply chain impact the economic viability of downstream end-uses of those supply chains, the supply chains may not survive over the long term. As critical mineral projects require 10 to 15 years of investment certainty, long term supply chain viability is essential to strengthening resiliency.

Ideally, a plurilateral agreement should first consider policies that bridge the cost gap between resilient and non-resilient supply chains. This could include government incentives that offset all or a portion of the difference between a reference price and the actual market price of the resilient mineral. Concepts include price supports, loan guarantees, and tax benefits that can enhance the “bankability” of the investment environment for resilient critical minerals.

Overall, tools that increase supply chain costs – such as tariffs or other trade barriers – are likely to shift cost burden to the end-user of a mineral and, eventually, the consumer. This reduces product demand and undercuts any long-term offtake.

Mechanisms for Coordination Among Parties

Broadly, implementation of any plurilateral agreement on critical minerals must be structured within a formal organization that incorporates both official representatives of the member states themselves, but also broad private industry representation from all member states.

As to the method of structuring coordination with private industry, we urge USTR to consider the Critical Minerals Forum. The Forum is currently involved with the OPEN project but also enjoys broad participation from junior miners and a wide array of original equipment manufacturers.

Auto Innovators appreciates the opportunity to provide input into this important effort. We look forward to continued engagement on this and other matters.

Sincerely,

A handwritten signature in black ink, appearing to be 'H. Cain', with a long horizontal stroke extending to the right.

Hilary M. Cain
Senior Vice President, Policy