

# Congress of the United States

Washington, DC 20515

July 22, 2025

The Honorable Jeffrey Kessler  
Under Secretary for Industry & Security  
U.S. Department of Commerce  
1401 Constitution Ave NW  
Washington, D.C. 20230

Dear Under Secretary Kessler,

I am writing to inquire about the People's Republic of China's (PRC) recent export controls on rare earth elements and request further information about how the United States will ensure that the PRC complies with the agreements reached in the Geneva and London trade negotiations, now and in the future. Beijing has used supply chain chokepoints and export controls on critical minerals and other strategic inputs to pressure governments and firms for political concessions, and we must ensure that we protect U.S. interests in our strategic competition with the Chinese Communist Party (CCP).

Economic coercion by the CCP is a growing threat to U.S. national and economic security. On April 4, 2025, the CCP implemented export controls on rare earth elements essential to U.S. industry, including samarium, gadolinium, terbium, dysprosium, lutetium, scandium, and yttrium-related items.<sup>1</sup> With the United States relying on the PRC for most of our rare earth elements, these new restrictions undermine our competitiveness.<sup>2</sup> For example, terbium and dysprosium are essential to the magnets in electric vehicle motors;<sup>3</sup> gadolinium is essential to MRI machines;<sup>4</sup> and tantalum is essential for jet turbines.<sup>5</sup> In the defense industry, samarium alloys are used to coat stealth-based platforms.<sup>6</sup>

It is unacceptable that U.S. technology and defense industries can be held captive by the CCP. In order to have access to these rare-earth elements for our military, economic, and technological competitiveness, we must also invest in developing this capacity at home and among partner and allied nations. However, in the short-term, it is essential to secure access to these rare earth elements.

In bilateral discussions between the United States and PRC in Geneva and London in May and June 2025, respectively, it was reported that the PRC agreed to allow the export of rare

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<sup>1</sup> Jackson, Lewis, Amy Lv, Eric Onstad, and Ernest Scheyder. "China Hits Back at US Tariffs With Export Controls on Key Rare Earths." *Reuters*, April 4, 2025. <https://www.reuters.com/world/china-hits-back-us-tariffs-with-rare-earth-export-controls-2025-04-04/>.

<sup>2</sup> U.S. Government Accountability Office. "Critical Materials: Action Needed to Implement Requirements That Reduce Supply Chain Risks." Report. *Q&A Report to Congressional Committees*, September 10, 2024. <https://www.gao.gov/assets/880/871168.pdf>.

<sup>3</sup> IEA. "Mineral Requirements for Clean Energy Transitions – the Role of Critical Minerals in Clean Energy Transitions – Analysis - IEA," n.d. <https://www.iea.org/reports/the-role-of-critical-minerals-in-clean-energy-transitions/mineral-requirements-for-clean-energy-transitions>.

<sup>4</sup> Van Gosen, Bradley S., Philip L. Verplanck, Keith R. Long, Joseph Gambogi, and Robert R. Seal. "The Rare-earth Elements: Vital to Modern Technologies and Lifestyles." *Fact Sheet*, January 1, 2014. <https://doi.org/10.3133/fs20143078>.

<sup>5</sup> U.S. GAO. "Critical Materials: Action Needed to Implement Requirements That Reduce Supply Chain Risks," September 12, 2024. <https://www.gao.gov/products/gao-24-107176>.

<sup>6</sup> "Samarium: Properties and Applications," n.d. <https://www.stanfordmaterials.com/blog/samarium-properties-and-applications.html>.

earth elements in exchange for the U.S. lowering tariffs.<sup>7</sup> This is an important step toward de-escalation and in ensuring that U.S. businesses can access these elements: yet, as we seek to regain access to rare earth elements from the PRC, we must not grant the CCP concessions or allow them to operate in a manner that could undermine our national security.

One of these issues is that it has become evident that the PRC's export licensing regime is designed to force American companies to transfer vast amounts of proprietary data. In seeking a license for the export of rare earth elements, the PRC central government requires detailed information—such as client lists and diagrams of product designs—about the end-use of the rare earth elements. This follows the playbook of tactics the CCP has used to steal U.S. secrets and innovation.

We also cannot secure these elements by trading against other national security priorities. Recent reports state that the Commerce Department is removing electronic design automation (EDA) tools from the export control list<sup>8</sup> and granting licenses for advanced chips like Nvidia's H20 chip<sup>9</sup> as a part of this deal. These actions are in direct conflict with American technological leadership, economic competitiveness, and national security.<sup>10</sup> We must enter negotiations with the CCP under no illusions. Export controls on H20 chips have directly hindered DeepSeek's ability to train a successor to its R1 model.<sup>11</sup> By allowing the CCP access to these chips, we undermine our own advantages in the AI race.

Accordingly, I respectfully request written answers to the following questions and a staff briefing no later than August 6, 2025:

1. Has the PRC fully complied with the bilateral agreements to expedite the issuance of rare earth element licenses?
2. Describe, in detail, your agency's efforts to track, manage, and identify barriers in the PRC's review and issuance of export licenses for rare-earth elements.
  - a. How have you attempted to track and quantify delays in the issuance of rare earth element licenses?
3. How is your agency working to mitigate any forced transfer of American proprietary information that may take place because of an overly strict export license process?
4. Is your agency negotiating with the PRC government on how to make the application and renewal process more navigable?

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<sup>7</sup> AP News. "US And China Sign Trade Deal, Bessent Says | AP News," June 27, 2025. <https://apnews.com/article/china-trade-earths-tariffs-trump-463ae8d6ccba15b56c7d4d31d3fc42a1>.

<sup>8</sup> Hawkins, Mackenzie. "Chip Design Software Makers Win US Reprieve in China Trade Deal." *Bloomberg.Com*, July 3, 2025. <https://www.bloomberg.com/news/articles/2025-07-03/siemens-says-us-has-rescinded-chip-software-curbs-on-china>.

<sup>9</sup> Morales, Jowi. "Nvidia to Resume H20 Sales in China; Says U.S. Government Has Promised to Grant Licenses, Deliveries to Start soon;" *Tom's Hardware*, July 15, 2025. <https://www.tomshardware.com/tech-industry/artificial-intelligence/nvidia-to-resume-h20-sales-in-china-says-u-s-government-has-promised-to-grant-licenses-deliveries-to-start-soon>.

<sup>10</sup> Goodrich, Jimmy. "Don't Be Fooled, Advanced Chips Are Important for National Security." RAND, February 10, 2025. <https://www.rand.org/pubs/commentary/2025/02/dont-be-fooled-advanced-chips-are-important-for-national.html>.

<sup>11</sup> Shilov, Anton. "AI Disruptor DeepSeek's Next-gen Model Delayed by Nvidia GPU Export Restrictions to China; Short Supply of AI GPUs hinders development;" *Tom's Hardware*, June 26, 2025. <https://www.tomshardware.com/tech-industry/artificial-intelligence/ai-disruptor-deepseeks-next-gen-model-delayed-by-nvidia-h20-restrictions-short-supply-of-accelerators-hinders-development>.

- a. Because export licenses are time-bound, what is your agency doing to ensure there will not be interruptions to supply once current licenses end?
5. Please describe your reasoning for removing EDA software from the export control list and how this supports U.S. national security goals regarding control of U.S.-origin technology.
  - a. Additionally, please explain your reasoning for granting licenses for Nvidia H20 chips and how you will ensure these chips do not support PLA and dual-use AI development.

I look forward to engaging you on these important matters. As dialogues with the PRC continue, Congress should be consulted in a constructive and collaborative manner. It is imperative that we have access to critical materials, but also maintain robust export controls to protect strategic U.S. technology.

Sincerely,



Raja Krishnamoorthi

Ranking Member  
House Select Committee on the CCP