

Testimony of Matt Sloustcher

Executive Vice President, Corporate Affairs

MP Materials

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INTRODUCTION

Chairman, Ranking Member, and Members of the Committee, thank you for the opportunity to testify. Since its inception, the Select Committee has made the security of America's rare earth supply chain a top priority. MP Materials has appreciated the opportunity to consistently engage the Committee and its staff—in Washington, at field hearings, and at our facilities. We are grateful for your leadership and applaud the Committee's efforts to bring clarity to a problem the United States has too often acknowledged but not yet solved.

MP MATERIALS' LEADERSHIP AND PROGRESS

I appear today on behalf of MP Materials (NYSE: MP), the United States' largest and most commercially advanced rare earth producer. We own and operate Mountain Pass—America's only scaled rare earth mine and processing facility—in California's high desert, which we rescued from bankruptcy in 2017 when it sat idle, on the brink of permanent closure. To fulfill our mission to restore the full rare earth supply chain in the United States—inclusive of mining and beneficiation, separation and refining, metal and magnet manufacturing, and recycling—we have constructed and are now commissioning the first fully integrated rare earth magnet manufacturing facility built in a generation in Fort Worth, Texas, aptly named *Independence*.

When MP Materials was founded, the U.S. supply chain was at a complete standstill—with no mining, no refining, and certainly no scaled magnet manufacturing. Today, after investing more than \$1 billion of private capital across our U.S. operations—and with the benefit of increasing bipartisan determination to level the playing field for U.S. industry—the picture has improved dramatically.

Today, Mountain Pass stands as a national asset—the world's second most productive rare earth mine and an indispensable cornerstone for rebuilding a secure, competitive end-to-end U.S. supply chain. In 2023, MP Materials recommissioned the co-located refinery at Mountain Pass, restoring U.S. capability to produce separated and refined rare earths at scale—addressing the vital midstream of this supply chain. In 2024, we produced the first

commercially significant quantities of rare earth metal in decades at *Independence*, with the commissioning of full-scale magnet production now underway.

Over this period, our workforce has grown from eight people to nearly 1,000 Americans across California, Texas, and Nevada. We are deeply grateful to this team—a mission-driven group of operators, technicians, engineers, metallurgists, chemists, and professionals whose expertise is essential to rebuilding this strategic industry. Their commitment reflects MP’s owner-operator culture: hands-on, accountable, and focused on execution. Step by step, this team is delivering world-class capabilities and scale here at home.

Looking ahead, MP Materials will more than double the size of the company, creating over 1,000 new U.S. manufacturing jobs in the coming years. As part of this expansion, we will invest well over \$1 billion in the United States to execute our public-private partnership with the Pentagon and deliver for our foundational downstream customers, General Motors and Apple. These investments will scale our capabilities across every link of the supply chain—from mining and refining to magnet manufacturing and recycling—ensuring that America has a secure, competitive, end-to-end rare earth supply chain.

OUR MISSION

Our mission is straightforward: to restore a fully integrated, globally competitive supply chain in the United States, at scale, to serve national security and American industry.

THE REPORT’S FINDINGS

The Committee’s bipartisan investigation sets out, in stark detail, China’s multidecade strategy to dominate the rare earth market. It documents state subsidies and zero- or below-market financing that have enabled its industry to achieve unmatched economies of scale; a domestic legal and regulatory regime that can manipulate prices to serve policy goals; and outright dominance of midstream refining and downstream magnet manufacturing that gives Beijing leverage over the entire global supply chain. These tools—subsidized capital, price controls, export restrictions, and control of price-reporting infrastructure—have distorted global price signals, starved market-based competitors of investment, and undermined U.S. industrial capacity.

What the Committee has documented is exactly what MP Materials has experienced. In the early years of our business, we produced mineral concentrate at Mountain Pass that could only be sold into China—the sole market with the refining capacity to process it. We reinvested the profits from that upstream operation and committed hundreds of millions of dollars to develop midstream capabilities in the United States. This investment was essential to break U.S. dependency on overseas refiners. By 2022, we had restored concentrate production at Mountain Pass to record levels and were preparing to launch our

recommissioned separations facility—the critical step toward independence. Around this time, NdPr prices collapsed, driven by Chinese policy actions and quota adjustments, falling to levels widely believed to be below even the cash costs of China’s lowest-cost producers. As the Committee’s Report found, this type of price collapse—and China’s broader use of predatory pricing and economic coercion—destroyed much of the incentive for investors to enter the rare earth space and kept the cost of capital artificially high.

The pattern is unmistakable: whenever rare earth prices rise enough to justify new investment, they are quickly driven down by the Chinese Government—undermining capital formation and halting projects before they reach meaningful scale. This dynamic leaves the United States and the world overwhelmingly dependent on magnets and refined material inputs produced in China, even as demand accelerates.

U.S. CAPABILITIES, INTEGRATION, AND INDUSTRY CONCENTRATION

MP Materials is the largest and most advanced producer of rare earth materials and magnets in the United States. Mountain Pass is home to the only scaled U.S. rare earth mine and separations facility and the largest refinery in the Western Hemisphere. In 2024, we produced more than 45,000 metric tons of rare earth oxides contained in concentrate—about 12 percent of global production—and we plan to expand further to 60,000 metric tons per year. Following a multiyear optimization project, we recommissioned the integrated refinery at Mountain Pass in 2023 and currently produce separated NdPr oxide, cerium chloride, lanthanum carbonate, and SEG+, a mixed heavy rare earth concentrate. In addition to work underway to restore heavy rare earth separation capabilities to the integrated refinery at Mountain Pass, our Independence facility in Fort Worth, Texas, is bringing online fully integrated NdFeB magnet manufacturing under long-term commercial agreements with General Motors and Apple.

It bears emphasis that both General Motors and Apple did not simply wait for the supply chain to develop—they stepped forward to help build it. General Motors entered into a transformative agreement with MP Materials in 2022 that enabled our investment in *Independence* and helped catalyze the broader industrial step-change now underway. Earlier this year, Apple—building on a technical relationship with MP that spans more than five years—likewise committed to a durable, long-term partnership that has enabled us to triple the planned capacity of *Independence* and construct a state-of-the-art recycling facility at Mountain Pass. These actions are smart business. They demonstrate how long-term, strategic partnerships can secure critical inputs, reduce risk, and strengthen competitive advantage.

THE IMPORTANCE OF VERTICAL INTEGRATION

The backbone of the global rare earth industry is world-class ore bodies and scaled, globally competitive refineries. To create a resilient system, these upstream and midstream assets must be directly connected to downstream metal, alloy, and magnet manufacturing, because these nodes are technically interdependent and because price risk and recycling efficiencies are best managed inside an integrated system. Put simply: without scaled beneficiation and separations, downstream magnet capacity is fragile; without downstream scale, upstream investments lack suitable markets and are challenging to finance.

This is why MP embarked on a vertically integrated strategy from day one. It is also why the global industry is so concentrated: in practice, a handful of mines—effectively four globally, two in China and two outside China, including Mountain Pass—account for the vast majority of global NdPr content produced.

THE TURNING POINT AND THE PENTAGON PARTNERSHIP

U.S. government and private sector resolve to reshore capabilities accelerated sharply in 2025. In April, Beijing imposed sweeping export controls on key medium and heavy rare earths and magnets containing these elements, while expanding restrictions on underlying technology and equipment. These actions disrupted global supply chains, triggered factory shutdowns, and sent shockwaves through industries reliant on these materials. They underscored a critical reality: rare earths represent a relatively small upstream industry worth tens of billions of dollars, yet they underpin trillions in downstream economic activity across sectors like defense, automotive, electronics, and energy—industries that drive millions of jobs and a significant share of U.S. GDP. This vulnerability, long warned about, created the conditions for urgent, coordinated action by government and industry.

In July 2025, MP Materials and the Pentagon entered into a transformational public-private partnership. The agreement we entered into operationalizes several recommendations in this Committee's Report by directly countering China's tactics with aligned incentives, clear accountability, and strong taxpayer protections. MP Materials appreciates the support we have received from this Committee, including the public statement from Chairman Moolenaar and Ranking Member Krishnamoorthi when our partnership with the Pentagon was announced. We are in complete agreement with Committee leadership that this collaboration is a model for how the United States can effectively compete with China in rare earths and other strategic industries.

Critically, the partnership establishes a 10-year price floor of \$110/kg for NdPr produced by MP Materials. This feature functions much like a contract for differences: when market prices fall below \$110, the Pentagon pays MP the difference to ensure continuity of U.S.

upstream and midstream operations. Conversely, when prices rise above the floor—as they did in 2021 and 2022—MP remits 30% of the upside back to the Pentagon, so taxpayers share in the benefit of stronger market conditions. This structure does not set domestic prices; it defends a minimum realized price that reflects market economy costs and provides predictable economics while aligning incentives through shared upside.

To accelerate the build-out of U.S. magnet manufacturing—the most critical missing link in the domestic supply chain today—MP Materials will, as part of this agreement, invest well over \$1 billion of private capital to scale magnet production to 10,000 metric tons annually. This expansion is anchored by a 10-year, 100 percent offtake commitment from the Pentagon for our new “10X” magnet facility, providing the certainty and performance-based cash flow needed to accelerate this investment. Magnets produced under this agreement will directly support defense requirements and be syndicated to commercial customers. Combined with our Independence facility, this build-out will deliver enough capacity to meaningfully support U.S. defense and industrial demand at scale.

The partnership also includes a targeted, low-interest \$150 million loan to expand the heavy rare earth separation facility at Mountain Pass. Building on our current focus on dysprosium and terbium, the loan will enable the addition of samarium separation within our integrated refinery. This will close a critical material gap for high-temperature and specialized samarium-cobalt magnet applications vital to domestic defense and aerospace manufacturing. MP intends to commence production of additional heavy rare earth products over time to meet additional market needs.

Finally, the Pentagon provided strategic capital through a \$400 million equity investment in MP Materials in the form of preferred equity, paired with warrants that together represented roughly a 15 percent position on an as-converted, as-exercised basis at the time of the transaction announcement—making the Pentagon MP’s largest shareholder. This structure ensures taxpayers share in the upside created by the partnership—including mechanisms like the price floor that counteract non-market, predatory pricing. Based on our current market capitalization, this stake has generated approximately \$700 million in unrealized gains for taxpayers, with additional upside possible under the price-floor and offtake agreements. These measures collectively demonstrate how public-private partnerships can deliver national security benefits while creating opportunities for taxpayers and the federal government to share in the upside—rather than simply absorb risk and losses.

MARKET RESPONSE

Markets have responded to decisive U.S. action. Since our July announcement, NdPr prices have risen around 30% and capital has flowed into the sector on public and international

exchanges, lowering the cost of capital for market participants industry-wide. When the United States defends its strategic interests and the integrity of the market, capital formation follows—accelerating the build-out of resilient supply chains.

PRINCIPLES FOR A DURABLE U.S. SUPPLY CHAIN

From our experience rebuilding this supply chain from the ground up over eight years, several principles stand out. Scale and true competitiveness are essential if America is to match a Chinese industry that is both highly capable and heavily supported. World-class ore bodies and large, efficient refineries form the foundation of the rare earth sector; without them, downstream capacity remains captive to foreign inputs. Vertical integration is equally critical because mining, refining, metalmaking, alloying, and magnet manufacturing are technically interdependent and achieve efficiencies when developed as a system.

Interconnectedness matters. Upstream beneficiation, midstream separations, metallization, alloying, magnet production, and recycling must advance together. Without a reliable source of NdPr feedstock and the ability to recycle magnet swarf, the waste produced as magnets are finished, America cannot sustain a competitive magnet industry. Scale drives success—projects must compete globally on cost, quality, and reliability. Even with well-calibrated, time-limited policy support, most mining and refining projects will struggle to reach globally competitive economics. Not every project or business model will succeed, and policy should reward performance and accountability.

Over time, establishing scaled champions creates the market conditions necessary for point solutions to emerge, including recyclers. It also enables producers of equipment and consumables to onshore capabilities and support the broader ecosystem. In short, a competitive, integrated backbone is what makes the entire supply chain viable.

POLICY RECOMMENDATIONS

The recommendations contained in the Committee's Report offer a strong blueprint, and we endorse its direction.

Where appropriate, the federal government should deploy tools that neutralize predatory pricing—such as using contracts-for-difference or price-floor guarantees, structured with upside sharing, to both anchor foundational investments in manipulated markets and protect taxpayers when prices recover.

Congress should also level the playing field in trade—enforcing measures against unfairly priced rare earth oxides, metals, and magnets, and addressing magnet-containing products to prevent circumvention.

To lower the cost of capital for domestic magnet manufacturing, Congress should enact a production tax credit for U.S.-made NdFeB magnets, with enhanced value when constituent REE inputs are domestically sourced, paired with durable, appropriately scaled 45X-style incentives for mining and refining that reflect long project timelines.

Congress should support workforce development initiatives that pair industry with colleges and technical schools and provide a time-limited, refundable training tax credit for operators that upskill workers into specialized roles.

Permitting and infrastructure must move at the speed of national security. Congress should endeavor to compress permitting timelines for high-standard mining and refining projects, as well as manufacturing facilities that produce derivative products such as magnets.

The United States should build allied demand and standards—pursuing sectoral arrangements with trusted partners around common reference-price mechanisms.

Finally, the United States should strengthen demand by incentivizing and rewarding American companies that source U.S.-made critical minerals and derivative products. It is worth noting the irony that China is not only the largest producer of rare earths but also the largest end-market for both rare earth materials and magnets. Strong, deliberate action by U.S. companies—through long-term sourcing commitments and procurement preferences—can reverse decades of dependency, accelerate domestic investment, and ensure America controls the future of this strategic industry.

CLOSING

These recommendations are not theoretical—they reflect MP's experience building a vertically integrated American national champion from the ground up. If Congress adopts them, the entire rare earth supply chain will benefit. These reforms will accelerate the development of capabilities at scale, reward innovation and execution, and ensure that supply chain resilience endures beyond any single price cycle.

Rare earth magnets are mission-critical across U.S. commercial industry and the defense industrial base—physical AI, transportation, robotics, precision munitions, aviation, and more. The cost of magnets within these platforms is a small portion of the overall bill of materials, but the platforms simply cannot function without them. Securing domestic, integrated capacity insulates the United States from coercion, stabilizes industrial planning, and jobs and innovation across sectors that form the backbone of the American economy.

Mr. Chairman, Ranking Member, Members of the Committee: America can achieve resiliency again. We share your view that doing so is no longer optional. Supply chains are the front lines of industrial and national security. Beijing's escalation in 2025—through sweeping

export controls and technology restrictions—was a wake-up call. In the near term, those actions were disruptive and costly, but they may ultimately prove to be a strategic miscalculation if we respond with sustained resolve. If we continue to act decisively, these actions can become the determining catalyst for rebuilding a secure, competitive supply chain in the United States.

Since our inception, MP Materials has proven that with world-class assets, focused investment, methodical execution, and targeted policy support, we can rebuild a fully integrated, competitive supply chain on American soil. The work of this Committee shows the challenges holding us back are well understood; recent actions by government demonstrate that solutions exist. With continued commitment and resolve on the part of industry and government, we can de-risk this supply chain for the long term—and turn a moment of vulnerability into a foundation for enduring strength.

Thank you for your attention to this urgent issue and for the Committee's sustained leadership.