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(Original Signature of Member)

119TH CONGRESS
1ST SESSION

H. R.

To prohibit the importation of certain rare earth magnets from covered nations, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

Ms. TOKUDA introduced the following bill; which was referred to the Committee on _____

A BILL

To prohibit the importation of certain rare earth magnets from covered nations, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Rare Earth Magnet
5 Market Revitalization Act”.

6 **SEC. 2. FINDINGS; SENSE OF CONGRESS.**

7 (a) FINDINGS.—Congress finds the following:

8 (1) Price and market manipulation by the Peo-
9 ple’s Republic of China has reduced the incentive for

1 private investment in rare earth magnet processing,
2 refining, and production in the United States and
3 partner countries.

4 (2) This has created unacceptable
5 vulnerabilities to the supply chains for commercial
6 and military products that rely upon rare earth
7 magnets.

8 (b) SENSE OF CONGRESS.—It is the sense of Con-
9 gress that the Secretary of Commerce should be empow-
10 ered to ensure that United States-based manufacturers ac-
11 quire rare earth magnets from United States or partner
12 sources to the extent they are available.

13 **SEC. 3. LIMITATION ON IMPORTATION OF RARE EARTH**
14 **MAGNETS.**

15 (a) IN GENERAL.—The President, acting through the
16 Secretary of Commerce, shall take such steps as may be
17 necessary to ensure that, except as provided in subsection
18 (b), no articles are imported into the customs territory of
19 the United States that—

20 (1) are rare earth components or rare earth
21 magnets originating from one or more covered na-
22 tions; or

23 (2) incorporate rare earth magnets originating
24 from one or more covered nations.

25 (b) EXCEPTIONS.—

1 (1) NONAVAILABILITY.—

2 (A) IN GENERAL.—Except as provided in
3 subparagraph (B), the Secretary shall waive the
4 prohibition under subsection (a) on a case-by-
5 case basis upon certification by the importer
6 that—

7 (i) with respect to the importation of
8 rare earth components or rare earth
9 magnets, such articles cannot be prac-
10 ticably sourced from a country that is not
11 a covered nation; or

12 (ii) with respect to an article incor-
13 porating rare earth magnets, such article
14 cannot be practicably assembled without
15 the incorporation of rare earth magnets
16 originating from one or more covered na-
17 tions.

18 (B) OVERRIDE.—The Secretary may elect
19 not to waive the prohibition despite a certifi-
20 cation under subparagraph (A) if the Secretary
21 determines that alternative practicable sourcing
22 is available for the relevant article or articles.

23 (2) NATIONAL INTEREST.—The Secretary may
24 waive the prohibition under subsection (a) on a case-

1 by-case basis if the Secretary determines that such
2 waiver is in the national interest.

3 (3) PUBLICATION.—The Secretary shall pub-
4 lish, on a publicly available website of the Depart-
5 ment of Commerce, a list of each importer that has
6 received a waiver under this subsection, along with
7 the amount and type of rare earth magnets imported
8 pursuant to such waiver. The Secretary shall also
9 publish to such website on an annual basis an aggre-
10 gate report describing the waivers granted during
11 the preceding year.

12 (c) APPLICABILITY.—The limitation under this sec-
13 tion shall apply with respect to articles imported into the
14 customs territory of the United States after the date that
15 is 1 year after the date of the enactment of this Act.

16 **SEC. 4. LIMITATION ON EXPORTATION OF ELECTRONIC**
17 **WASTE CONTAINING RARE EARTH MAGNETS.**

18 The Secretary of Commerce is authorized to promul-
19 gate such regulations as may be necessary to prohibit the
20 exportation of high-value electronic waste that contains
21 rare earth magnets to the extent that the Secretary deter-
22 mines that such waste could be recycled or repurposed in
23 the United States to extract such rare earth magnets for
24 use in new products.

1 **SEC. 5. AUTHORITY TO PROVIDE OFFTAKE AGREEMENTS**
2 **OR PRICE GUARANTEES FOR RARE EARTH**
3 **MAGNETS.**

4 (a) IN GENERAL.—Subject to the availability of ap-
5 propriations and to such regulations as the Secretary of
6 Commerce may promulgate, the Secretary is authorized
7 to provide Federal financial assistance in the form of
8 offtake agreements or price guarantees to any nongovern-
9 mental entity the Secretary determines has invested in fa-
10 cilities and equipment for the manufacturing, production,
11 processing, or recycling of rare earth components or rare
12 earth magnets in countries that are not covered nations.

13 (b) PUBLICATION.—Not later than 30 days after
14 making any award of assistance pursuant to the author-
15 ization under subsection (a), the Secretary shall publish
16 on a publicly available website of the Department the
17 terms and recipient of the assistance so awarded.

18 **SEC. 6. REPORT.**

19 Not later than 3 years after the date of the enact-
20 ment of this Act, the Secretary of Commerce shall submit
21 to the Committee on Energy and Commerce of the House
22 of Representatives and the Committee on Commerce,
23 Science, and Transportation of the Senate a report de-
24 scribing the manner and extent to which the limitations
25 under this Act have been implemented, the assessment of
26 the Secretary relating to their success at developing a se-

1 cure supply of rare earth magnets, and any recommenda-
2 tions with respect to expanding such limitations to include
3 all critical minerals.

4 **SEC. 7. DEFINITIONS.**

5 In this Act:

6 (1) COVERED NATION.—The term “covered na-
7 tion” has the meaning given that term in section
8 4872 of title 10, United States Code.

9 (2) RARE EARTH COMPONENT.—The term
10 “rare earth component” means samarium, cobalt,
11 neodymium, iron, and boron, to the extent such ma-
12 terials are intended for use in the creation of a rare
13 earth magnet.

14 (3) RARE EARTH MAGNET.—The term “rare
15 earth magnet” means samarium-cobalt magnets and
16 neodymium-iron-boron magnets.