

Publications

April 16, 2025 • Updates

New Section 232 Trade Investigation on Imports of Processed Critical Minerals and Their Derivative Products Could Result in Trade Actions Later This Year

On April 15, 2025, President Trump signed an Executive Order directing the Secretary of Commerce to initiate a new investigation under Section 232 of the Trade Expansion Act of 1962 (Section 232) on imports of processed critical minerals and their derivative products. The investigation will evaluate the impact of imports of these materials on U.S. national security and resilience and address vulnerabilities in supply chains, the economic impact of foreign market distortions and potential trade remedies to ensure a secure and sustainable domestic supply of these essential materials. This is the third such investigation initiated this month and the fifth of President Trump's second term.

Processed critical minerals and their derivative products are key building blocks of the U.S. defense industrial base and integral to sectors ranging from transportation and energy to telecommunications and advanced manufacturing. The new Section 232 investigation will encompass the following "critical minerals," "rare earth elements," "processed critical minerals" and "derivative products":

- "Critical minerals" are those included in the "Critical Minerals List" published by the United States Geological Survey (USGS) pursuant to section 7002(c) of the Energy Act of 2020 (30 U.S.C. 1606)¹, as well as uranium.
- "Rare earth elements" means the 17 elements identified as rare earth elements by the Department of Energy (DOE) in the April 2020 publication titled "Critical Materials Rare Earths Supply Chain"² and also includes any additional elements that either the USGS or DOE determines in any subsequent official report or publication should be considered rare earth elements.
- "Processed critical minerals" refers to critical minerals that have undergone the activities that occur after critical mineral ore is extracted from a mine up through its conversion into a metal, metal powder or a master alloy. These activities specifically occur beginning from the point at which ores are converted into oxide concentrates; separated into oxides; and converted into metals, metal powders and master alloys.
- "Derivative products" includes all goods that incorporate processed critical minerals as inputs. These goods include semi-finished goods (such as semiconductor wafers, anodes and cathodes) as well as final products (such as permanent magnets, motors,

Related People

- Deanna Okun
- Lydia C. Pardini
- Jane C. Dempsey
- Alissa M. Chase

Related Capabilities

- Trade Law Remedies
- International Trade
- Customs
- International
- Export Controls, Economic Sanctions & Compliance
- Executive Orders

electric vehicles, batteries, smartphones, microprocessors, radar systems, wind turbines and their components and advanced optical devices).

Section 232 requires the Secretary of Commerce to complete an investigation and submit a report to the President within 270 days of initiating any investigation. The report will detail risks and provide recommendations to strengthen domestic production, reduce dependence on foreign suppliers and enhance economic and national security.

The President then has up to 90 days to decide whether to concur with the report and take action. Action may include import tariffs, quotas or other measures as needed to address the threat.

Although this timeline provides for action in approximately one year, there is nothing preventing the Administration from moving more quickly to finalize a report or take action.

President Trump's directive that Commerce investigate imports of critical minerals and their derivative products closely follows the initiation of Section 232 investigations on semiconductor and pharmaceutical imports earlier this month. Earlier this year, the President also issued executive orders directing Commerce to investigate imports of copper and lumber under this same provision, marking a continuation of the Trump Administration's use of Section 232 as a preferred mechanism to bolster domestic production and reduce reliance on foreign suppliers. Prior actions on specific critical minerals and materials completed during President Trump's first term resulted in either findings of no national security threat (vanadium) or trade actions other than tariffs, such as working groups and negotiations with allies to improve supply (uranium and titanium sponge).

If your business needs strategic guidance or anticipates potential impacts resulting from these announcements, contact Deanna Okun, Lydia Pardini, Polsinelli's Executive Action Working Group or your Polsinelli contact.

[1] Aluminum, antimony, arsenic, barite, beryllium, bismuth, cerium, cesium, chromium, cobalt, dysprosium, erbium, europium, fluorspar, gadolinium, gallium, germanium, graphite, hafnium, holmium, indium, iridium, lanthanum, lithium, lutetium, magnesium, manganese, neodymium, nickel, niobium, palladium, platinum, praseodymium, rhodium, rubidium, ruthenium, samarium, scandium, tantalum, tellurium, terbium, thulium, tin, titanium, tungsten, vanadium, ytterbium, yttrium, zinc and zirconium.

[2] The lanthanide series (lanthanum, cerium, praseodymium, neodymium, promethium, samarium, europium, gadolinium, terbium, dysprosium, holmium, erbium, thulium, ytterbium and lutetium) as well as scandium and yttrium.