Written Testimony of

Melinda St. Louis
Director, Global Trade Watch, Public Citizen

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on

"Strategic Partnerships to Secure Critical Resources and Supply Chains"

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Chairman Smith, Ranking Member Neal, and Members of the Committee, I appreciate the opportunity to testify today at this hearing about critical minerals supply chains. My name is Melinda St. Louis and I direct the Global Trade Watch division at Public Citizen. Public Citizen is a national public interest organization with more than 1,000,000 members and supporters. For more than 50 years, we have advocated with considerable success for stronger health, safety, and consumer protections; for corporate and government accountability; and for access to quality health care. Global Trade Watch is the division of Public Citizen founded in 1995 that advocates for government and corporate accountability in the globalization and trade arena. Our focus is on the terms of the agreements that the United States makes with other countries which set rules for international trade, in this case on critical minerals.

It is a reasonable goal to seek secure, diverse, reliable supply chains for minerals that we rely on. But the way we do so matters. We cannot forget that when we say "supply chain," we are talking about real people: people who work in mines, often in very dangerous conditions; people whose land might be taken away or whose water and air might be polluted; people whose health may be harmed. Public Citizen has partnered with organizations representing communities impacted by cobalt mining in the Democratic Republic of Congo (DRC), by nickel mining and processing in Indonesia, and by mining and processing other minerals around the globe, to help document the many labor rights violations, harms to the health and human rights of nearby communities, and environmental degradation in the minerals supply chain.

In this context, the rush to conclude minerals agreements, negotiated in secret and without public input, raises serious concerns. Trade and investment deals that do not require transparency and accountability throughout the mineral extraction and processing supply chain, that lack strong and enforceable protections, and that fail to respect the sovereignty and development goals of partner countries will likely exacerbate harms to vulnerable communities in resource-rich areas.

Given this background, my testimony focuses on three areas:

1. The lack of transparency in the web of critical minerals deals, frameworks, and Memoranda of Understanding (MOUs) the Trump administration has negotiated,
2. Harmful and ill-advised terms in the texts that are public, and
3. Risks of corruption and misuse of taxpayer financing.

My testimony concludes with some recommendations on the way forward.

1. Procedural Concerns

There is no central source of information where the Trump administration makes clear how its complex web of minerals-related instruments, including Agreements on Reciprocal Trade (ARTs), Frameworks, Action Plans and MOUs, are intended to interact or what precisely the end goal is. While making vague references to needing minerals for defense and AI dominance, the administration has failed to articulate a strategy based on actual mineral demand forecasts or any plan to strengthen the supply chain through investments in circularity that would make the U.S. less dependent on raw ore imports. The lack of transparency, both in the process followed to enter into these agreements and in terms of how the agreements fit together as part of a coherent plan, raises serious concerns.

In February 2026, a State Department fact sheet stated, "the United States signed eleven new bilateral critical minerals frameworks or MOUs,… ten other critical mineral frameworks or MOUs in the past five months and reached completion of negotiations on such agreements with seventeen other countries." However, the State Department failed to name the ten countries with which the U.S. supposedly already had signed agreements, or the 17 countries with which negotiations were allegedly completed. The fact sheet suggests that in total, 38 MOUs or frameworks have been agreed to or would be shortly.

Public Citizen's review of publicly available announcements and documents revealed the existence of 15 MOUs and 12 framework agreements to date. Less than half of the MOUs announced have been made fully public, only two of which were released by the U.S. government. Given that our Freedom of Information requests to seek the text of the remaining agreements have not received a response, Public Citizen recently began litigation to push for the timely release of this information.

All these secretive deals and trade agreements were concluded without meaningful congressional input or public scrutiny. Notably, the administration failed to even acknowledge a letter sent by a number of members of this committee alongside more than 50 House members, requesting basic transparency during the negotiation of the U.S.-DRC Strategic Partnership Agreement (SPA), later announcing a final deal without any meaningful congressional input or oversight. The administration's binding ARTs, many of which contain terms related to critical minerals, have been concluded with no intention of seeking congressional approval as required by Article I, Section 8 of the Constitution. And civil society and the voices of affected communities have been entirely excluded from the process of negotiating these deals. The lack of public input or congressional oversight raises questions about whose interests are being prioritized.

This is not only relevant for the deals that have already been concluded. The administration also has been laying the groundwork for a binding plurilateral Agreement on Trade in Critical Minerals through the development of Action Plans with multiple countries. The United States Trade Representative (USTR) has stated that this plurilateral agreement could establish a preferential trade zone with "like-minded countries," which could include coordinated border-adjusted price mechanisms, supply chain rules, and security standards in critical minerals. The textual proposal of any such deal should be made public so that we can understand what is being negotiated and who stands to benefit.

2. Problematic Terms

While there is still much that we do not know about many of the critical minerals deals, the concluded deals that have been made public include a number of problematic terms that should raise concerns for policymakers who seek high-road minerals supply chains. The Trump administration has wielded tariffs and promises of aid or security guarantees to strongarm vulnerable countries into deals full of expansive commitments on how partners can regulate, export, and allocate their mineral wealth. Terms in these arrangements undermine partners' sovereignty and development goals, place limits on their domestic industrial strategy options (similar to ones employed by the U.S. to protect developing industries and increase domestic value addition), constrain their policy space and ability to manage their own resources, and grant the U.S. government or U.S. investors extreme power over their resource governance.

I'll share a few concerning examples:

- **Ukraine** was forced to negotiate a critical minerals deal under threat of withdrawal of continued U.S. military support. Under this deal, it agreed to establish a jointly managed United States-Ukraine Reconstruction Investment Fund, financed by contributing 50 percent of future royalties, license fees, and similar payments from new or unexploited mineral, oil, and gas licenses and production-sharing agreements, under an agreement of indefinite duration. U.S. military assistance counts as its contributions to the fund. Once ratified by the Ukrainian parliament, the agreement's provisions take precedence over conflicting Ukrainian laws, meaning Kyiv cannot invoke future domestic legislation to override its obligations. The agreement ultimately grants the U.S.-Ukraine Partnership preferential strategic asset investment and rights over future production from covered Ukrainian resource projects, including highly sought-after minerals such as lithium, titanium, and graphite. The agreement effectively functions as a "minerals for security" deal signed between the U.S. and Ukraine in the midst of war and deep fiscal dependence, and risks subordinating Ukraine's future mineral revenues and governance to the priorities of its security patron.

- The **Democratic Republic of Congo** signed the U.S. DRC Strategic Partnership Agreement (SPA), as one of three agreements constituting the Trump-negotiated Washington Accords, ostensibly meant to end violence in the DRC. In practice, the SPA gives sweeping financial and regulatory incentives to U.S. mining companies and grants the U.S. government unprecedented long-term control over Congolese mineral resources. These are binding agreements devoid of enforceable labor, human rights, or environmental safeguards. Partners in the DRC note that violence has continued unabated since the deal was signed.

  The SPA grants U.S. companies a binding "right of first offer" to the secretive Strategic Asset Reserve, an evolving, nonpublic list of critical-mineral and gold assets and unlicensed exploration areas, creates preferential fiscal, tax, and regulatory treatment on "qualifying projects," and requires the DRC to amend its mining code, tax laws, and, if needed, its Constitution within a year to fit the deal. It also creates a Joint Steering Committee in which U.S. officials co-manage decisions on assets in the Strategic Asset Reserve. Most of the DRC's obligations are binding, while U.S. commitments are nonbinding expressions of intent to provide technical help and mobilize finance. This agreement fundamentally reshapes who controls access to the DRC's vast mineral resources, requiring the Congolese government to essentially forfeit its sovereignty and governance over its mineral deposits and give U.S. companies and aligned investors preferential access to mining sites, even over Congolese investors.

- In **Zambia,** the Trump administration reportedly intended to tie health assistance and HIV funding to critical-minerals access. A leaked draft State Department memo, reported by The New York Times, describes the U.S. conditioning HIV aid to Zambia's agreement to "enhance U.S. access to its vital mineral resources," and warns that Washington must be prepared to "publicly withdraw support from Zambia on a large scale" if it refuses. The chief science officer at the President's Emergency Plan for AIDS Relief (PEPFAR) resigned in protest, and Zambia's government confirmed that the United States sought to make a critical minerals agreement — which included provisions for "preferential treatment for U.S. companies" in Zambia's mining sector — conditional on signing a controversial health MOU.

- Faced with a threatened 32 percent "reciprocal" tariff, **Indonesia** signed its Agreement on Reciprocal Trade (ART) with the Trump administration that effectively dismantles its nickel-sector industrial policy for the U.S. market. The ART requires Indonesia to "allow and facilitate U.S. investment in its territory to explore, mine, extract, refine, process, transport, distribute, and export critical minerals" on terms no less favorable than for its own firms and to "provide greater certainty for companies involved in critical mineral extraction […] to increase production capacity and supporting operational growth." Under the agreement, Indonesia makes a binding commitment to "remove restrictions on exports to the United States of industrial commodities, including critical minerals," essentially forbidding export bans, quotas, and domestic-processing requirements on exports to the United States, directly undercutting Indonesia's key industrial policy reforms.

  Such deals lock resource-rich countries into raw-commodity exporter status while richer countries capture the value-added segments of the supply chain. In a context where nickel operations in Indonesia have been documented to have used forced labor, violated the rights and land of Indigenous peoples, contributed to massive greenhouse gas emissions with captive coal plants, and polluted water and air, the ART also lacks enforceable protections for labor rights, the environment, or Indigenous communities, opening the door for even further unchecked exploitation, degradation, and human rights abuses.

Overall, the deals we have seen to date suggest a consistent strategy of coercing Global South and war-torn countries into asymmetrical deals that force them to relinquish sovereignty over their natural resources and development goals. While some lip service is paid to forced labor or environmental concerns in some of the deals, there are no meaningful mechanisms for enforcement of labor, environmental, or human rights protections, so there isn't any incentive for mining firms to take them seriously.

This coercive strategy — of using security, medical, and other critical aid and tariff threats to force resource-rich communities to essentially surrender their natural resources and enrich U.S. corporations — is morally unsound and strategically dubious.

3. Questions about Corruption and Cronyism

The lack of accountability and oversight to date with the critical minerals-related deals also creates large opportunities for self-dealing and corruption. Beyond the deals themselves, the administration has mobilized a whole-of-government toolkit spanning export credit, development finance, stockpiling, defense-industrial planning, technology funding, and domestic permitting to secure supply of critical minerals through multiple, mutually reinforcing tools.

This involves the Development Finance Corporation (DFC), Export-Import Bank (EXIM), the Defense Department, and the Department of Energy pumping billions of dollars in taxpayer-backed support into mining and processing projects, without a coherent strategy based on mineral demand forecasts, sufficient oversight of the projects, or guardrails to protect vulnerable communities and the environment.

- **U.S. International Development Finance Corporation:** The DFC traditionally served as America's development bank, focusing its financing on the private sector in developing countries. In the FY 2026 National Defense Authorization Act (NDAA) passed by Congress, the DFC scope and scale were dramatically increased, making it one of the main government tools for shaping global critical minerals supply chains. The DFC's contingent liability cap — the amount of money DFC can disburse in loans —was raised from $60 billion to $205 billion. A $5 billion equity revolving fund was created at the Treasury, enabling the DFC to increasingly use equity stakes and other tools, such as royalties, streams, and offtakes, to allow more active governance and influence over board decisions and project standards. DFC is also newly authorized to invest in higher-income countries and to take on greater risk (i.e., take larger equity stakes in projects and have greater flexibility to make larger investments).

  Since 2025, confirmed DFC backing for critical minerals projects in the Caucasus region, Central Asia, and Africa includes Angola, the Democratic Republic of the Congo, Gabon, Kazakhstan, Malawi, Morocco, Mozambique, Rwanda, South Africa, Tanzania, Uganda, Ukraine, and Zambia.[1] Several recent early-stage DFC-linked projects have also been announced in other nations including Mauritania, Namibia, Niger, and Uzbekistan.

- **Export-Import Bank of the United States:** The EXIM is now also key to U.S. minerals strategy. Expanding beyond its traditional role as an export credit agency assisting U.S. exporters by financing foreign purchases of U.S. goods, it launched Project Vault in February 2026. Project Vault is backed by a $10 billion EXIM direct loan and nearly $2 billion in undisclosed private capital to establish the U.S. Strategic Critical Minerals Reserve, a public-private partnership that aims to store raw material inventories for civilian manufacturers to protect against supply chain disruptions and support domestic production and processing.

- **Department of Defense:** In the sweeping 2025 budget reconciliation bill, Congress gave the Department of Defense new avenues to increase purchases, support supply chains, and channel financing into critical minerals industries. These include $5 billion for the Industrial Base Fund to support critical-minerals supply chains, $2 billion for the National Defense Stockpile Transaction Fund to expand the National Defense Stockpile

[1] Compiled using multiple sources: DFC Active Projects database, DFC public information summaries, and Africa Mining Week, *"DFC Strategy Strengthens U.S. Access to Africa's Critical Minerals,"* November 3, 2025, https://african-miningweek.com/news/dfc-strategy-strengthens-us-access-africas-critical-minerals.

through purchases of critical minerals, $1 billion in additional Defense Production Act funding that can be used for critical-minerals projects, and $500 million for the Office of Strategic Capital to provide loans and other support to critical-minerals-related companies.

- **Department of Energy:** The Department of Energy recently created or reorganized offices around critical minerals and energy innovation and signaled nearly $1 billion in prospective funding opportunities across extraction, refining, recycling, and materials processing.

- Recent White House and agency guidance has also pulled the **Commerce Department** into the mix as a central player in minerals financing and deal-making, including through large loans and equity stakes. The **Department of the Interior** has been moving new, aggressive strategies to open up federal lands and offshore for minerals access.

Taken together, these project-finance vehicles are highly susceptible to bankrolling opaque, high-risk, or politically connected ventures.

In its rush to greenlight mining projects, the Trump administration has prioritized speed over environmental concerns, corporate accountability, and ethical safeguards, departing from due diligence practices and exposing U.S. taxpayers to risky projects that may result in problematic mining processes and/or financial risks should such projects fail. The administration's push to accelerate deep-sea mining of critical minerals raises additional concerns related to the lack of local consent or Indigenous participation, insufficient scientific studies of the potential adverse impact on our global marine environment, and conflicts with international law. The governors of American Samoa and Guam have stated strong opposition to the Trump administration's plans to advance leases for exploration and potential extraction off their coasts, and the Northern Mariana Islands governor said there were "no consultations with the people" before the potential lease areas were announced.

A recent White House fact sheet touts that the administration has signed or approved 160 mineral deals totaling almost $40 billion since January of last year. The extraordinary amounts of money that will be disbursed by these entities, in the absence of adequate oversight measures, create enormous opportunities for conflicts of interest. If government funds are permitted to favor private firms with political connections, taxpayers are left holding the risk while political insiders capture all the upside.

- Recent reporting about the timeline of private investments and government to government dealmaking related to tungsten mining in **Kazakhstan,** for instance, raises serious questions about conflicts of interest. President Trump's sons Eric and Donald Jr. increased their investments in a firm that later merged with a mining company, Cove Kaz, shortly before the company secured significant tungsten mining rights from the Kazakh government, reportedly with the direct help of President Trump, Secretary of State Rubio, and Commerce Secretary Lutnick. The administration then announced that Commerce

Secretary Lutnick had signed an undisclosed MOU on critical minerals with the Kazakh government, and that the DFC and EXIM Bank offered up to $1.6 billion to help develop tungsten mining in regions of Kazakhstan that are now 70% controlled by that company.

- Examples on the domestic front illustrate how taxpayer money is being used to buy into private mining firms which could benefit individuals close to the administration. The Trump administration provided a $1.6 billion package for **USA Rare Earth**, combining a $1.3 billion federal loan with $277 million in additional funding for a Texas rare-earths mine. In that deal, the private financing was led by Cantor Fitzgerald, the firm formerly run by current Commerce Secretary Howard Lutnick and now controlled by his sons, raising glaring conflict-of-interest and cronyism concerns. Similarly, **Vulcan Elements**, a small rare-earth startup, received a record-setting $620 million Defense Department Office of Strategic Capital loan — roughly twice the company's valuation — after receiving backing from 1789 Capital, where Donald Trump Jr. is a partner. Vulcan Elements also secured additional Pentagon contracts and a $50 million equity investment from the Commerce Department, amid allegations that White House pressure rushed the deal through and improperly enriched the president's son.

- The Strategic Partnership Agreement (SPA) with the **Democratic Republic of Congo** creates a different but equally serious risk. It concentrates extraordinary discretionary power over which private companies receive the benefits of U.S. minerals policy. The SPA requires the formation of the Strategic Asset Reserve, a private and secretive registry of Congolese mineral deposits and assets reserved for the exclusive investment of U.S. investors and allied companies. The specific contents of the Strategic Asset Reserve are not public information, so it is impossible to gauge who has privileged access or how those decisions are made.

  The Joint Steering Committee is the official governing board and gatekeeper to the Strategic Asset Reserve. It has five Congolese members and five U.S. delegation members, including representatives from State, Treasury, Commerce, and the DFC. Because the JSC requires consensus, a U.S. bloc can effectively veto any decisions. The same cabinet departments represented on the Joint Steering Committee also sit on the DFC's board of directors, which means that the same administration officials who help shape the diplomatic arrangement and identify the strategic mineral pipelines also oversee the federal development finance institution that picks who to provide loans and other taxpayer-backed support to. Such an arrangement is ripe for conflict of interest and thus should require robust transparency, ethics protections, ownership disclosures, and independent and vigorous congressional oversight. The administration's critical minerals strategy, however, lacks any such protections.

- In November 2025, a State Department fact sheet announced it had an "agreement of up to $400 million for investment in the United States and **Uzbekistan** to strengthen U.S.

companies' critical minerals and rare earths supply chains." In the same factsheet, it also said the U.S gained "mining rights of first refusal on co-developed mineral deposits and sharing of co-developed mapping of critical minerals caches." This suggests that unnamed U.S investors will gain privileged access at the moment mineral assets become commercially valuable, and could gain insider information on which companies are well positioned to seek public financing or mineral rights, or other information that can be traded on.

But the State Department didn't disclose which companies or investors might be involved, which U.S. government entity would be responsible for administering the agreement, or whether U.S. taxpayers would be on the hook for financing. That lack of disclosure is troubling because the deals announced in the fact sheet were later referenced in USTR's announcement of an early harvest on reciprocal trade and investment with Uzbekistan.

The massive amounts of taxpayer money potentially involved in these deals require full public disclosure of agreement text and terms, ownership, financing, and government guarantees to highlight any conflicts of interest and avoid corrupt practices.

Conclusions and Recommendations:

As the U.S. government considers strategic partnerships for critical minerals, we must balance the goal of secure, reliable supply chains with the needs and rights of resource-rich communities.

Across the critical minerals trade and investment agreements and project finance dealmaking being promoted by the Trump administration, we see the same repeated pattern: rushed, chaotic, and opaque negotiations with little or no participation by the American public or communities most directly affected, and minimal congressional involvement before commitments are made. This procedural deficit can result in profound consequences, and thus Congress should exercise its constitutional authority over foreign commerce to ensure that critical minerals deals do not incentivize more dirty and dangerous mining and processing practices or encourage corruption and self-dealing.

We urge members of the Ways and Means Committee to collaborate with the Foreign Affairs and Natural Resources Committees to demand that critical minerals-related deals that have already been negotiated or concluded be submitted to Congress for scrutiny and approval before they are implemented. Going forward, we urge Congress to require that any future deal related to trade in critical minerals contain measures that help the United States and its trade partners meet important climate, job, sustainable development, and human rights, and anti-corruption goals. All trade, investment, or fiscal initiatives related to critical minerals supply chains — including the plurilateral agreement on critical minerals trade announced by USTR — should be developed through transparent, participatory processes that allow informed input from all interested stakeholders, especially frontline communities. Any such deals must also undergo congressional review and approval, as is required by the Constitution. Without oversight or guardrails, U.S. taxpayer money could be financing harmful investments or used to benefit administration insiders and their political allies.

Public Citizen joined more than 30 other consumer, faith, environmental, and human rights organizations with expertise in mining supply chains in submitting recommendations of what should and should not be included in any critical minerals deal, including:

- Robust provisions to advance minerals circularity, ensuring that transition minerals are traced, reused, refurbished, and recycled whenever possible rather than burned or landfilled at the products' end of life;

- Strong and binding labor standards, environmental safeguards, Indigenous rights guarantees, and human rights protections backed by swift and rigorous enforcement mechanisms, building on those recommended in the Principles to Ensure Energy Transition Minerals Advance Justice, Equity and Human Rights, and by the Initiative for Responsible Mining Assurances (IRMA), the International Labour Organization (ILO), the United Nations Declaration on the Rights of Indigenous Peoples (UNDRIP), and similar frameworks; and
- Provision of policy space, technical support, and other measures that aid in the expansion of value-chain job creation in the United States and other regions where minerals are extracted or recovered.

Congress should demand hearings, document disclosure, and Government Accountability Office and Inspector General reviews of the whole Trump administration international critical minerals architecture — for the signed ARTs and the Ukraine and DRC deals, as well as for the MOUs and framework agreements being used to justify massive EXIM and DFC commitments. And it should use appropriations, authorizing legislation, and congressional review requirements to establish minimum guardrails for taxpayer financing of mining projects. If Congress does not urgently exercise oversight and demand input into critical minerals policymaking, it will be forced to deal with potentially dire consequences of far-reaching critical minerals deals that it never meaningfully reviewed, shaped, or approved.