

AMENDMENT TO RULES COMM. PRINT 119-33
OFFERED BY MR. FRY OF SOUTH CAROLINA

In title XVIII, subtitle A, add at the end the following new section:

1 **SEC. 18 ____ . REPORT ON NATIONAL SECURITY IMPLICA-**
2 **TIONS OF RESTRICTIONS ON THE CROSS-**
3 **BORDER MOVEMENT OF RARE EARTH ELE-**
4 **MENTS CONTAINING SCRAP EQUIPMENT AND**
5 **COMPONENTS.**

6 (a) REPORT REQUIRED.—Not later than a one year
7 after the date of the enactment of this Act, the Under
8 Secretary of Defense for Acquisition and Sustainment
9 shall provide to the Committee on Armed Services of the
10 House of Representatives and the Committee on Armed
11 Services of the Senate a report on the national security
12 implications of imposing restrictions on the cross-border
13 movement, export, or transfer of rare-earth-element-con-
14 taining scrap equipment, devices, components, assemblies,
15 and related materials generated in the United States. The
16 Under Secretary may prepare the report in coordination
17 with the Secretary of Commerce, the Secretary of State,
18 the Secretary of Energy, and the Secretary of Homeland
19 Security, other appropriate agencies, and may consult with

1 domestic recyclers and processors, manufacturers, State
2 and tribal governments, and other stakeholders.

3 (b) CONTENTS.—The report shall include—

4 (1) an overview of the defense systems and sup-
5 ply chains that rely on rare earth permanent
6 magnets and the estimated volume of rare-earth-ele-
7 ment-containing scrap originating from the defense
8 industrial base;

9 (2) the estimated quantity of rare-earth-element
10 that could feasibly be recovered annually from do-
11 mestically generated scrap;

12 (3) the extent to which rare-earth-element-con-
13 taining scrap generated domestically is exported to
14 foreign countries for recycling and processing;

15 (4) the extent to which scrap exports support
16 rare-earth-element refining or magnet production in
17 foreign countries of concern, such as the People's
18 Republic of China;

19 (5) an assessment of current and projected ca-
20 pacity of domestic facilities to collect, process, and
21 refine rare-earth-element-containing scrap materials;

22 (6) an evaluation of the potential impacts of im-
23 posing export restrictions on rare-earth-element-con-
24 taining scrap on the defense industrial base, domes-

1 tic recycling and processing capacity, and supply
2 chain resilience for defense systems;

3 (7) identification of gaps in federal data collec-
4 tion regarding the export of rare-earth-element-con-
5 taining scrap and recommendations to address said
6 gaps; and

7 (8) recommendations for legislative or adminis-
8 trative actions to strengthen domestic recovery and
9 processing of rare earths from scrap materials, in-
10 cluding potential mechanisms for restricting export
11 of rare-earth-element-containing scrap to support de-
12 fense supply chain resilience.

