

Crapo Statement at Hearing on Trade in Critical Supply Chains

May 14, 2025

Washington, D.C.--U.S. Senate Finance Committee Chairman Mike Crapo (R-Idaho) delivered the following remarks at a hearing entitled, "Critical Supply Chains."

As prepared for delivery:

"Trade has the ability to increase productivity, incomes and the availability of goods. While we talk often about how the increased supply and choice of goods that come from international trade benefit our consumers, we sometimes forget that this also benefits our producers.

"In fact, a majority of what we import each year is reinvested into more manufacturing, processing and farming activity. Efficient and reliable supply chains help American businesses, farmers and workers expand their production and focus their resources on the high-value aspects of an industry.

"The issue we must be wary about is when supply chains turn unreliable, in particular because they are controlled by countries that refuse to follow free-market rules, such as China. As we are all aware, China continues its march toward expanding control over key resources and goods, and thus over the world's supply chains.

"For example, advanced semiconductors increasingly rely on the rare earths mineral dysprosium. Ninety-nine percent of dysprosium comes from China.

"This is not an isolated case where China has dominance over a strategic resource. China controls over ninety percent of global processing for rare earths minerals and seventy percent for cobalt, which is used in batteries for electric cars, smartphones and other components.

"The way China uses trade and investment to expand its control over resources outside its own borders is particularly concerning. Indonesia has 40 percent of the world's reserves for nickel, the largest of any single country. Yet, Chinese firms control about 75 percent of Indonesia's nickel refining capacity.

"We need to take a hard look at the reality of our situation and develop an aggressive strategy to counter China.

"Our domestic policies are at fault in some instances. There are things we can produce efficiently here, but burdensome and unnecessary regulation stalls development of many important projects.

"We should not have to learn from another economic shock, like the oil embargo of the 1970s—to realize that where we have resources or potential for investment, it must be unleashed.

“Both sides of the aisle agree that we need a strong semiconductor industry. In Asia, new semiconductor fabs are being built and deployed in under three years.

“In the United States, the semiconductor industry—one of the safest manufacturing sectors for workers—must contend with a myriad of permitting measures that provide only marginal, if any, benefit. These permits, however, guarantee increased delays and costs, often adding years to projects.

“As part of its economic policy, the Trump Administration has prioritized deregulation as a means to drive economic growth, and I look forward to working with them to rationalize our regulatory system.

“In many other cases, geography and geology do not provide the United States with all the natural resources that we require. Here, the fault rests mainly with the failure to develop an affirmative trade policy. An affirmative trade policy ensures our consumers and manufacturers have access to the resources that our nation needs to be secure and independent.

“Here, for example, the Trump Administration was correct to exempt Canadian potash—a key nutrient for our corn and soy farmers, from recent tariffs.

“Another key to the Administration’s economic approach is to renegotiate global trade deals, including deals that reclaim America’s lead over China.

“Critically, these deals will be particularly useful in strengthening supply chains, if they improve market access opportunities. Our trading partners must respect American investment and afford it the same treatment given to their own companies.

“Our partners must also realize that it bolsters their security when they do not inhibit access to cutting-edge American technology, like our state-of-the-art medical devices.

“Unfortunately, a number of trading partners use price controls, technology theft, weak intellectual property protections or unreasonable government procurement policies to keep these devices out of their markets. Such actions only undermine the health of their own citizens, while leaving a strategic opening for China.

“Today, we have an opportunity to consider these issues carefully. Our four witnesses are experts on industries critical to America’s economic security. We should encourage thoughtful debate on how to advance a trade policy that strengthens the security of our supply chains and creates opportunities for all Americans.”