Center for Strategic and International Studies

TRANSCRIPT

Event

Securing Critical Mineral Supply: A Government-Industry Dialogue

"Fireside Discussion with Jacob Helberg, Under Secretary of State for Economic Affairs, and Congressman John Moolenaar, Chairman, Select Committee on China"

DATE

Tuesday, February 3, 2026 at 5:40 p.m. ET

FEATURING

Jacob Helberg

Undersecretary of State for Economic Affairs

Rep. John Moolenaar

Chairman, Select Committee on China

CSIS EXPERTS

Gracelin Baskaran

Director, Critical Minerals Security Program, CSIS

Transcript By
Superior Transcriptions LLC
www.superiortranscriptions.com

CSIS | CENTER FOR STRATEGIC & INTERNATIONAL STUDIES

Gracelin Baskaran: I am incredibly excited about our final fireside discussion of the day. It has been a packed day and we have heard from so many interesting speakers today.

But bringing it home for us we have Undersecretary of State Jacob Helberg and Representative John Moolenaar, chairman of the House Select Committee, also from Michigan, so thank you. I'm a fellow Michigander. Always delighted to find my friends.

So I want to get started and I'm going to turn to you, Undersecretary Helberg. We've talked – Pax Silica has come up a lot and people want to know more about it. What is it going to achieve? How is it going to go about it? It's been described as a framework for stabilizing these critical supply chains.

But in practical terms, what is the problem that it is designed to solve and how is it going to do it?

Undersecretary Jacob Helberg: So it's very fitting that we're having this conversation following Secretary Lutnick's incredible stage setter.

Pax Silica is fundamentally an economic security coalition between the world's most technologically advanced economies. As Secretary Lutnick highlighted, one of the big challenges with our supply chain security problems is the fact that there's many, many layers to the supply chain.

There's energy, there's minerals, there's components, machinery, manufacturing, data centers, models, and apps. With Pax Silica we are bringing together countries that are home to advanced semiconductor manufacturing ecosystems.

So Singapore, for example, manufactures 10 percent of the world's semiconductors. South Korea is home to SK Hynix and Samsung. Japan is home to a very advanced robotics ecosystem, et cetera.

This ministerial is focused on minerals. Minerals are the foundation for components. They're the foundation for semiconductors and, really, our entire economy, and hence why this ministerial is actually much, much broader than the nine or so countries that we actually enlisted with Pax Silica.

So to answer your question, with Pax Silica we really have two workflows, policy and projects. For policy, we're focused on securing critical infrastructure, securing sensitive technologies and anti-dumping practices. On the projects side, we're focused on logistics and industrial capacity.

Ultimately, one of the big trends that's driving a lot of our work on the industrial side in the Trump administration is the fact that the AI revolution is leading to historic demand increases for everything from minerals to energy to components and manufactured electronics. Everything is up and to the right, and that's actually reflected in some of the commodity prices recently.

So we're operating in an environment where the pie is growing very quickly. In order to respond to that environment, we're looking at reshoring industrial capacity here in order to narrow the gap between what we produce and what we consume.

We consume 30 percent of global demand, which is obviously a lot, given that we're only 5 percent of the world's population. While we do that, we also need to address the fact that demand is increasing overseas and that's where allies come in.

So we're very excited about the launch of Pax Silica just a little over a month ago. We're making – working to make a lot of progress very, very quickly and, ultimately, we're excited about the various announcements that we're going to make tomorrow.

Dr. Baskaran: I'm also excited. Can I ask you one more question? How does Pax Silica fit within the administration's broader minerals efforts?

Undersecretary Helberg: So as I mentioned earlier, the Pax Silica is a coalition of countries that have advanced manufacturing activities.

Ultimately, the customers for minerals are the manufacturers and so it's actually essential to coordinate with countries that have dense manufacturing ecosystems in order to secure and coordinate off take agreements for a lot of the upstream mineral investments that we're making.

Dr. Baskaran: And it really underscores Secretary Lutnick's point about we need to be bringing some of this manufacturing back to America. We can't have all of this manufacturing happening so close to China which, Representative Moolenaar, I want to come to you.

I mean, your committee has put forth various legislative proposals to reduce our reliance on China for these very critical supply chains. What is the most realistic path that you see?

I mean, you're anchoring from the executive and the legislative side. From the legislative side, what is the best pathway to get there?

Rep. John Moolenaar (R-MI): Well, I think first of all, I want to compliment the Trump administration because you see these different secretaries and the team working together on these issues, and a lot of what Congress can do is codify these executive orders, rules, put them into law so we have that continuity into the future.

But in Congress, you know, we've had legislation dealing with the permitting reform, the SPEED Act. Tomorrow we're going to have legislation that looks at mapping of critical minerals and make sure that we codify the Trump administration rules on making it an all-of-government approach on critical minerals. So there are a number of things.

We've been working for the last couple of terms on what we call the SECURE Act, which is very much in line with Project Volt where it says we need sort of a central focus on this and the ability to have a strategic minerals reserve, and then also make sure that we can adapt to the pricing issues that China presents because what we've seen – and Secretary Lutnick talked about how they will have overcapacity, will manipulate pricing and just when an American company tries to get going they will be undercut.

And so we need to make sure that whether it's tariffs or some kind of action on that we can address those issues.

Dr. Baskaran: There's generally a good understanding that we're not going to solve this crisis alone, which is probably the basis for this ministerial. We don't have all of the geological resources. We don't have all of the technical capabilities to do it alone.

How does the committee think about balancing our domestic capabilities with strategic international cooperation?

Rep. Moolenaar: Well, our committee has – you know, we've met with leaders from other countries – Japan, South Korea. We were in Singapore. We are trying to work together closely with the administration on these priorities and building relationships because, you know, "America First" doesn't mean America alone.

Secretary Rubio has been talking about that and I think the State Department is really doing a great job building these relationships. There's a lot that can be done on the parliamentarian congressional relationships and work with like-minded countries that, you know – and Secretary Lutnick talked about, you know, when China threatened to cut off access to these rare earths and critical minerals that was kind of a warning shot.

It was a wake-up call. But it also helped people throughout the world know that China was doing this to the United States but also like-minded countries.

Undersecretary Helberg: Can I just add one point to what he just said?

I think it's the pricing point and, you know, your point about the need to actually have this conversation with a broad set of countries is so important because fundamentally one of the reasons why this critical minerals ministerial is essential is, as Secretary Lutnick said, when you have one country that produces 85 percent of the world's smart phones, over 50 percent of the world's legacy semiconductors, and between 90 and a hundred percent of the world's refined minerals, you do not have free trade.

You have a monopoly that is producing everything and dumping their products on everyone else. And so, fundamentally, this conversation is about restoring a two-way trade and a marketplace where companies compete against other companies, not companies competing against foreign nation-states.

Dr. Baskaran: So what are the tools in our toolkit for Pax Silica that can be deployed? Because we have a very important strategic objective, right? We want to friendshore our crucial supply chains. We want to bring them closer to home. We don't want – being from Michigan, I was really concerned at how fast our automotive manufacturing stopped after last year's rare earth export restrictions.

Rep. Moolenaar: Like, they gave them two weeks, basically.

Dr. Baskaran: Before the Explorer model was on hold.

Rep. Moolenaar: Yeah. Yeah.

Dr. Baskaran: Like, that's a big problem.

Rep. Moolenaar: Yeah.

Dr. Baskaran: What are the tools, the actual things to take this off of paper to bring that security home?

Undersecretary Helberg: So we have an approach – I think governments have a choice when they try to address a policy challenge. You can either try to do things on the government's balance sheet by doing things in house or you could try to use policy levers to create incentives that actually, you know, shapes the corporate environment where companies actually undertake projects on their own balance sheets. We have adopted the latter approach through tariffs, through a variety of different incentives – the One Big Beautiful Bill has full CAPEX expensing; expediting permitting – so the Trump administration is very big on incentives. So that's number one.

Number two, our biggest national tool in our toolkit is by far our private sector. As Secretary Lutnick mentioned, we have by far the best companies, and it's not even close. And just, you know, to maybe shatter a little bit of a popular myth about who has the world's largest companies, if you – at the close of December of 2025, if you look at the top 10 companies in the world by market cap, all 10 were American. There wasn't a single company out there on that ranking that wasn't American. And the reason is – and nine of them were technology companies. And so the insight in that is that if you work with them collaboratively you can actually wield hundreds of billions of dollars in investments in ways that are economically viable for our economy and self-sustaining.

The third thing and the third big tool is innovation. So I'm a big believer that there is – it would be futile to try to compete on a tit-for-tat basis with what China's doing. The goal for what we're doing with Pax Silica and I think the reason why it has actually been perceived as somewhat aspirational by a number of our partners is because we want – we don't want to recreate the kind of infrastructure that or the kind of projects that China's doing. We want to actually leapfrog the infrastructure of yesterday. We want to lean into autonomy, we want to lean into agentic AI in order to unlock logistical efficiencies that actually compound over time.

And I think the innovation piece is essential because people don't want to compete to just survive; they want to thrive. And so – and that's actually one of the inspiring things that we've seen in a lot of our ambitious partners overseas, whether it's in Singapore or Israel or in the Gulf, is people see the future with a sense of possibility. And I think one of the reasons why we've had 55 countries attend this ministerial is because they understand that in the Trump administration we have leaders that have a really high appetite for action and for trying new things. And that sense of possibility is very exciting to people.

Dr. Baskaran: Thanks.

Chairman Moolenaar, I mean, one of the big themes that has emerged throughout the course of the day is how important durable political solutions are. You know, mining has long been vulnerable to a game of political football back and forth, and that makes it really hard because when we think about the decades-long investment it takes to get these projects – it is decades long. So how is Congress thinking – I mean, you talked a little bit about codifying some of these effort(s). How is Congress really thinking about complementing the administration's effort to give investors – we have over a hundred companies in this room today – peace of mind that they can put forth the billions of dollars required?

Rep. Moolenaar: Yeah. I think, you know, Jacob touched on, you know, there's different tools, whether it's tariffs or some kind of a price floor that people know there's going to be a market there to participate in.

The other area that we haven't talked too much about is workforce. And you know, I think in America, you know, we had this idea that everybody had to go to college and get a four-year degree, and some people needed to get Master's. And I think the skilled trades and people who did jobs like mining and processing, it wasn't valued. And now I think just the reverse, where people are recognizing these are key jobs. These are, you know, jobs that can sustain families. And so it's going to give us more variety in terms of young people and the future workforce.

But we have to adapt to that. And so, you know, as we think about these different jobs, we want to make sure there's, you know, apprentices and opportunities to go into these fields.

Dr. Baskaran: You know, they say when kids are in kindergarten the two things they never aspire to be are a farmer or a miner, and we kind of need to get people to understand that mining is becoming an industry with AI. It's not a wheelbarrow-and-axe industry anymore.

Rep. Moolenaar: You know, I – you know, I grew up in a manufacturing town, and so I saw firsthand the value of manufacturing and manufacturing jobs for families, for health care, for all sorts of things. And I think most young people would be very surprised to understand what manufacturing looks like today versus maybe the perceptions that they've had in the past. And I think that's going to be really important for the next generation, to get that kind of exposure.

Dr. Baskaran: Undersecretary Helberg, when you look at countries that you're partnering with, a lot of these countries do work with China as well. Do you see a world where participating countries in Pax Silica have pressure to choose between working with the U.S. and China?

Undersecretary Look, our main concern is we want our supply chains to be secure. And

Helberg: that means that for ourselves we don't want to create partnerships where the logistical corridors that we are going to rely on for our companies are basically going to be at the behest of a foreign military. That is, you know, our prerogative.

Ultimately, we understand that a lot of countries have relationship – have a relationship with China. Our hope is that we can actually develop a reasonable understanding of how we're going to secure the supply chain together in order to make sure that we actually have prosperity for both of our countries.

There are countries out there that are already very familiar and comfortable with, you know, things like screenings of foreign investments. There are other important partners that are, obviously, still getting acquainted with those concepts, and we certainly stand ready to have those conversations and help, you know, them acquaint themselves with all of the – all these concepts as needed.

Dr. Baskaran: You know, some of the countries that are Pax Silica members have incredible technological capabilities. How do you see us strengthening our vertical integration and allow us to better leverage everyone's comparative advantages?

Undersecretary Helberg: So there's a variety of different models for partnerships. There are – and I actually think this is an area where the corporate sector can actually be a useful source of inspiration. And interestingly, the Trump administration through these equity deals has actually borrowed the corporate sector playbook. But, obviously, equity deals are one, and in the corporate sector private companies engage in joint ventures all the time. It's very, very common. It's a great way to actually create positive-sum partnerships where, instead of competing against each other, you take two companies that both have formidable capabilities and you actually make them 50/50 joint ventures around a given objective or project.

There's also a lot of frameworks for strategic partnerships. And I think about the Stargate Project in the U.S. that is basically a constellation of – you know, you have SoftBank from Japan and you have OpenAI in the U.S., and you have all of these, you know, different partners that basically came together to create Stargate. And so there are a lot of different models, whether it's strategic partnerships or joint ventures, and ultimately I think the right choice for the template will really just depend on what kind of challenge we're looking to solve.

Dr. Baskaran: So my final question, because we're standing between our audience and the drinks reception out back – (laughter) – is this. 2025 was a huge year. The amount of progress made particularly around mineral supply chains, innovative government tools, transactions, new partnerships was really unprecedented probably in most of our modern memory. What does a good 2026 look like? Like, what are you going to measure success with at the end of this year? Chairman?

Rep. Moolenaar: Wow, that's a great question. You know, I think in our committee role we want to highlight some of these vulnerabilities and make sure that we're addressing them. And so, you know, we did a report in December looking at how China manipulates pricing in the area of critical minerals. We're also going to have to look at some of the defense-related areas because, unfortunately, so much of the technology that China uses also has dual-use capabilities of military capabilities. And with the threatening actions they have over Taiwan, that is creating a major concern. And so, in my view, we have to strengthen our economic/technological capabilities, but also recognize we need to have a strong military to deter aggression around the world.

Dr. Baskaran: At a time when it's heating up.

Rep. Moolenaar: Very much so.

Undersecretary Helberg: So we are all working on the president's timetable, which, you know, means that we're all working very hard to move in Trump time. And really what that – and fundamentally, what we're working to do is building the rails for a new supply chain system, which is actually quite exciting. It's building the future.

We are doing this minerals conference because we want to broker strategic partnerships. We're identifying strategic infrastructure projects which we're capitalizing and coinvesting in with other countries. You heard earlier from Conor Coleman from the Development Finance Corporation, who's been doing incredible work. My colleague Caleb Orr in the back, who's done an incredible job at leading a lot of the State-DFC-related efforts on infrastructure.

And so, ultimately, this is a time where we're making decisions about who our friends are going to be for the next 25, 40 years in this new, you know, realignment between national security and economic policy. And I'm seeing here on the front row our friend from Saudi Arabia, and we had some – who's doing some incredible work on mining/refining in Saudi Arabia; very exciting, and we're very excited to work with you.

And so, ultimately, building the future is what 2026 is going to be about, and I'm sure we're going to have many follow-up discussions right here to unpack all the new milestones that we hit.

Dr. Baskaran: You know, when we started this program 22 months ago I'm not sure we knew what we had coming for us, but what a 22 months it's been. I can tell you that.

Friends, thank you so much for joining us. When I – you know, there are a couple of things that have jumped out to me. One is just the incredible conversations that have happened.

In my opening address to you, I put forth one call to action, which was over the course of today I hope that each of us moves beyond diagnosis towards execution; toward policies, partnerships, and transactions that move capital and projects forward. And I have heard such a phenomenal conversation today.

Again, I hope you made at least five new friends. I hope you know that we at CSIS, we love being able to have these discussions both with government and industry, and nothing more than when we get to bring it all together. So I hope this is not the first nor the last time that you will be here, and I look forward to continued engagement.

And a final big thank-you to everyone. There are so many green badges and CSIS staff that made this possible today – 300 people, over 15 different events were happening at the same time. Ran remarkably smooth, and that is a huge testament of the capabilities of this institution on a – on a day that was planned on five weeks' notice.

So thank you so much. I hope you enjoy a wonderful drinks reception until 7:30, and I hope I get to meet all of you. Thank you so much. (Applause.) Thank you. (Applause.)

(END.)