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(Original Signature of Member)

117TH CONGRESS
2D SESSION

H. R. _____

To acquire cobalt refining capacity in the United States, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

Mr. DONALDS introduced the following bill; which was referred to the Committee on _____

A BILL

To acquire cobalt refining capacity in the United States, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Cobalt Optimizes Bat-
5 teries and Leading Technologies Act of 2022” or the “CO-
6 BALT Act of 2022”.

7 **SEC. 2. FINDINGS.**

8 Congress makes the following findings:

1 (1) The National Defense Stockpile lacks suffi-
2 cient cobalt reserves, falling from 13,000 tons dur-
3 ing the Cold War to only 333 tons today.

4 (2) The United States currently produces zero
5 newly refined cobalt, making the United States de-
6 pendent on foreign imports and secondary scrap ma-
7 terials for nearly 100 percent of its cobalt consump-
8 tion.

9 (3) China is the world's cobalt lynchpin, sup-
10 plying 72 percent of global refined cobalt.

11 (4) The International Energy Agency forecasts
12 a cobalt supply deficit by 2030, ultimately projecting
13 cobalt demand in 2040 to range from 6 to 30 times
14 higher than today's levels.

15 (5) Cobalt supply chains often face an
16 untraceable mine-to-refinery chain of custody, risk-
17 ing inadvertent financing of slave and forced child
18 labor.

19 (6) Cobalt refineries generally use the process
20 of hydrometallurgy (e.g., acid leaching) and
21 pyrometallurgy (e.g., smelting), jeopardizing the en-
22 vironment.

23 **SEC. 3. SENSE OF CONGRESS.**

24 It is the sense of Congress that—

1 (1) the United States' lack of cobalt refining
2 capacity is a serious vulnerability to America's crit-
3 ical mineral supply chains;

4 (2) the People's Republic of China's dominant
5 share of the refined cobalt market and the unprece-
6 dented global demand growth for refined cobalt are
7 threats to the national security, economic stability,
8 and competitiveness of key industries in the United
9 States; and

10 (3) the Department of Defense should—

11 (A) make purchases and purchase commit-
12 ments with new refineries in the United States
13 to encourage them to scale up production;

14 (B) stockpile an increased amount of do-
15 mestically refined cobalt to decrease the vulner-
16 ability of the United States to supply chain
17 interruptions;

18 (C) require cobalt refineries in the United
19 States to present a transparent mine-to-refinery
20 chain of custody to curb accidental financing of
21 slave and forced child labor; and

22 (D) prioritize purchasing cobalt refined
23 through the environmentally neutral process of
24 chemical vapor metallurgy to prevent harm to
25 the air, water, and soil.

1 **SEC. 4. STATEMENT OF POLICY.**

2 It shall be the policy of the United States to—

3 (1) support critical mineral refineries in the
4 United States through purchases and purchase com-
5 mitments;

6 (2) increase the amount of domestically refined
7 critical minerals in the National Defense Stockpile;

8 (3) decrease the dependence of the United
9 States on critical minerals refined in foreign coun-
10 tries, including China;

11 (4) combat slave and forced child labor in crit-
12 ical mineral mining and refining; and

13 (5) protect the environment from harmful in-
14 dustrial practices related to critical mineral refining.

15 **SEC. 5. PURCHASE PROGRAM FOR DOMESTICALLY RE-**
16 **FINED COBALT.**

17 (a) IN GENERAL.—The President, acting through
18 Secretary of Defense and the Defense Logistics Agency,
19 and in consultation with the Secretary of Energy, the Sec-
20 retary of Commerce, and the Secretary of the Interior,
21 shall use the authorities provided under title III of the
22 Defense Production Act of 1950 to increase the amount
23 of domestically refined cobalt in the National Defense
24 Stockpile by awarding eligible entities with purchases and
25 purchase commitments of cobalt nanopowder and sub-

1 nanopowder refined in the United States through the envi-
2 ronmentally neutral process of chemical vapor metallurgy.

3 (b) AMOUNT.—To carry out subsection (a), the Presi-
4 dent shall use \$800,000,000 during fiscal year 2024
5 through fiscal year 2028 from the Defense Production Act
6 Fund.

7 **SEC. 6. DEFINITIONS.**

8 In this Act:

9 (1) ELIGIBLE ENTITY.—The term “eligible enti-
10 ty” means a refinery—

11 (A) that is owned by United States persons
12 and operating in the United States;

13 (B) whose primary business activity, or
14 that of its parent company, is refining critical
15 minerals;

16 (C) that refines critical minerals through
17 chemical vapor metallurgy; and

18 (D) that provides the Secretary of Defense
19 with a mine-to-refinery chain of custody, includ-
20 ing proof that the cobalt ore is free of slave and
21 forced child labor.

22 (2) CHEMICAL VAPOR METALLURGY.—The term
23 “chemical vapor metallurgy” means the process of
24 producing cobalt nanopowder by chemically vapor-

1 izing cobalt ore concentrates near atmospheric pres-
2 sure at relatively low temperatures.

3 (3) COBALT NANOPOWDER.—The term “cobalt
4 nanopowder” means cobalt powders, including pure
5 cobalt and cobalt salts, refined to the nanopowder
6 scale.

7 (4) CRITICAL MINERAL.—The term “critical
8 mineral” means a mineral contained on the list pub-
9 lished by the U.S. Geological Survey of the Depart-
10 ment of the Interior titled “2022 Final List of Crit-
11 ical Minerals” (87 Fed. Reg. 10381; published Feb-
12 ruary 24, 2022).

13 (5) DOMESTICALLY REFINED.—The term “do-
14 mestically refined” means cobalt refined exclusively
15 in the United States.

16 (6) ENVIRONMENTALLY NEUTRAL.—The term
17 “environmentally neutral” means having minimal
18 impact on the air, water, and soil.