



H.R. 7983 – Stop Executive Overreach on Trade Agreements Act

Background:

- The Inflation Reduction Act (IRA) law signed by President Biden requires that critical minerals in electric vehicle (EV) batteries be sourced **domestically** or from a **Free Trade Agreement (FTA)** partner to receive half of the \$7,500 tax credit.
- “Free Trade Agreement” is a well understood term that refers to **comprehensive trade agreements** such as the U.S.-Mexico-Canada Agreement (USMCA), the U.S.-Australia FTA, the U.S.-Chile FTA, and others that *Congress has approved*.
- Finding their own laws requirements too constraining, and unwilling to allow for critical mineral production here in the U.S., the Biden administration is usurping Congress by pretending a “**Critical Minerals Agreement**” with Japan was an FTA to qualify under the IRA.
 - Biden is trying to repeat this tactic by negotiating Critical Mineral Agreements with the **European Union** and the **United Kingdom**, while expressing openness to future negotiations with **Indonesia** and others.
- Unlike FTAs approved by Congress, Critical Mineral Agreements are superficial executive agreements that do not substantively enhance trade with the partner country or reduce U.S. dependency on China for critical minerals.

The Stop Executive Overreach on Trade Agreements Act:

- H.R. 7983 ends the use of IRA qualifying Critical Mineral Deals and protects the role of Congress by defining an FTA to be an international agreement that (1) is **approved by Congress** and (2) **eliminates restrictions on substantially all trade** with the partner.

Outcomes of the Stop Executive Overreach on Trade Agreements Act:

- Only minerals mined or processed by **existing FTA partners** (such as Australia, Chile, or Korea) would qualify.
- Bill enactment would incentivize the **mining and processing of** critical minerals in the **United States**.
- In order to qualify more foreign suppliers for this credit, the administration would have to negotiate actual trade agreements approved by Congress which **open foreign markets** to more American made products and U.S. agriculture. This bill is projected to save taxpayers \$109 million.