

Executive Order 14272

Ensuring National Security and Economic Resilience Through Section 232 Actions on Processed Critical Minerals and Derivative Products

April 15, 2025

Overview

The Trump Administration released [Executive Order 14272](#) Ensuring National Security and Economic Resilience Through Section 232 Actions on Processed Critical Minerals and Derivative Products on April 15, 2025. This order is issued under section 232 of the Trade Expansion Act of 1962 and directs the administration to assess the scale of dependency of the US on foreign suppliers of critical minerals.

The Order highlights the importance that critical minerals play in the U.S. economy. The critical minerals supply chain is vulnerable to shocks and market manipulation, due to the small number of foreign and domestic suppliers. Additionally, U.S. dependency on imports, foreign price manipulation, export restrictions, and exploitation of supply chain dominance is deemed to be a national security risk by the Administration.

Pillar Priority	Directives
Pillar I: Bolstering Critical Minerals Future	The Secretary of Commerce has reported to the president on Section 232 investigation outlined in this order. The investigation found that semiconductors, semiconductor manufacturing equipment, and their derivative products are being imported into the U.S. in ways that threaten national security. Specifically, the secretary determined that semiconductors are critical to each of the 16 critical infrastructure sectors from the National Security Memorandum 22 of April 30, 2024. Semiconductors are critical to modern defense systems like radar and communication systems, electronic warfare and cybersecurity systems, and guidance and control systems for missiles and drones.
Pillar II: Ensuring Economic stability and security	The Order considers U.S. overreliance on foreign sources for critical minerals and their derivative products a threat to economic and national security. These materials are vital to defense systems and advanced technologies, and the order looks to secure American technology supply chains, and boost domestic production of semiconductors.
Pillar III: Strengthening Domestic Production and Industry	Built on earlier actions, the EO aims to align U.S. trade policy with long-term national interests. The administration imposed tariffs, closed trade loopholes, and launched investigations into critical imports to counteract unfair foreign practices and reduce reliance on adversarial nations. These efforts formed part of a broader strategy to restore trade reciprocity, protect American industries, and safeguard national security.

Directives

The Secretary of Commerce has reported that the U.S. capacity to produce semiconductors is too low to meet either defense or commercial needs, as the U.S. produces 10% of the chips it needs, while utilizing 25% of the global supply. The resulting dependence on foreign supply chains is deemed an economic and national security risk. On January 14, 2026, the President implemented a [plan](#) based on these finding, which include:

- The U.S. will continue ongoing trade negotiations with foreign jurisdictions that have the potential to strengthen the domestic U.S. semiconductor industry and will include negotiations surrounding the import of semiconductors, semiconductor manufacturing equipment, and derivative products. The Secretary of Commerce and U.S. trade representative will update the president by April 15th, 2026 on these efforts.
- A 25% tariff will immediately be imposed on certain advanced computing chips and derivative products when not used to build out the domestic technology supply chain, or the domestic production of semiconductors.

This tariff is in addition to any other tariffs a product may incur, except for other products under section 232 proclamation.

- The tariffs on these covered products will not apply to: data centers, repairs and replacements performed in the U.S., R&D in the U.S., startups in the US, non-data center consumer applications in the US, non-data center civil industrial applications, use in US Public sector applications, or any other uses that the commerce secretary determines are beneficial to the strengthening of the US technology supply chain, or the domestic manufacturing of semiconductors and their derivative products.
- The Secretary of Commerce shall provide the president with an update on semiconductors that are used in AI data centers by July 1, 2026, so the president can determine what modifications to tariffs, if any, are needed.

What Does This Mean for Industry?

- **Stronger focus on domestic production:** All steps taken in this order are focused on boosting domestic manufacturing of semiconductors, furthering the focus of this administration on domestic supply chains. Domestic manufacturers can expect to benefit from these changes.
- **Additional Tariffs:** Additional tariffs will be applied to products that utilize semiconductors, and don't support the build out of domestic technology supply chains, or domestic manufacturing of semiconductors.
- **Changes to international supply chains:** The order and subsequent plan reveal the need for additional negotiations with foreign jurisdictions on semiconductors and derivative products. Industry partners can expect changes to tariff schedules and import/export restrictions.
- **Potential growth in hydrometallurgy, pyrometallurgy, and advanced separation technologies. Defense & Aerospace:** Critical minerals are essential for jet engines, missile systems, radar, and secure communications hardware. Contractors could benefit from supply chain localization and government procurement preferences.

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