

## Time to RESTART our rare earths supply chain

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Although you may have never heard of rare earths - the common name for 17 obscure but valuable rare earth elements – you most likely own a consumer product that contains them.

Rare earths are used in components for wind turbines, in rechargeable batteries for hybrid cars, in key weapons systems for our military, and in everyday consumer products like computers, cell phones, and iPods. The problem is currently, the U.S. is nearly 100 percent reliant on imports for these vital materials and a disruption in supply could severely affect the U.S.'s ability to manufacture high-technology products and jeopardize our national security.

Over the last twenty-five years uses for rare earths have grown exponentially in the automotive, defense, oil, electronics, and renewable energy industries. Although the U.S. was once the world leader in rare earths production, through predatory tactics the Chinese government has undermined the world market, and forced the U.S. rare earths industry out of business. Currently over 95% of available rare earth mining occurs in China or is controlled by Chinese-led interests.

In essence, China has become the Saudi Arabia of rare earths. First through artificially low prices and now through restricted export quotas, China has placed U.S. rare earths manufacturing at a competitive disadvantage and forced producers overseas.

Even worse, experts worry that Chinese domestic demand for rare earths could easily equal Chinese production capacity as early as 2012, further limiting material availability in the U.S. In addition to the potential commercial impact this reliance on China has, the looming shortage of materials needed to support our defense industrial base has dangerous implications for national security.

In fact, China's Ministry of Industry and Information Technology recently called for a total ban on the export of some rare earths, essentially cutting off all access to these vital materials. We cannot rely on China as our sole source of critical materials for defense systems that keep us safe and free. Many of our missile, weapons, and guidance systems, radars, tanks, fighter aircraft, unmanned aerial vehicles, submarines, and electric boat technologies use rare earths. If China were to cut off our supply it could have catastrophic consequences for our national security.

It is imperative that we foster a competitive, domestic rare earths supply chain in the U.S. in the next five years. We can't just mine and process the material into ore, we also need to turn that ore into alloys and manufacture those alloys into usable products for our manufacturers.

Today, the United States has ample rare earths deposits; including sizable holdings in Montana, Idaho, California, and here in Colorado, but no mining is taking place and we don't have the ability to process the ore once mined.

To address this critical issue I introduced legislation which was included in last year's defense authorization bill. The provision required the Government Accountability Office to undertake a study to determine the extent to which specific military weapons systems are currently dependent upon rare earths and the degree to which the U.S. is dependent upon sources that could be interrupted or disrupted. That report is due this month.

This upcoming study will be a useful tool, but it is not enough.

To continue the fight for development of a domestic supply last month I introduced a bill titled the Rare Earth Supply-Chain Technology and Resource Transformation (RESTART) Act of 2010. This legislation would help reestablish competitive domestic rare earths mineral production, processing, refining, purification, and metals production industries to support the growth of renewable energy technology and manufacturing as well as the nation's defense industry.

The RESTART Act takes a “whole-of-government” approach and would initiate a number of key activities including; establish a federal rare earths working group to assess and monitor strategic needs, create a national stockpile, evaluate international trade practices, facilitate loan guarantees for domestic supply-chain development, and support innovation and workforce development to support the industry.

Although this legislation alone is not the answer, it is an important step in the right direction. It is vital that we change course and foster the development of a rare earth supply chain. The U.S. must break away from our reliance on China for these critical materials; our national security, economic security, and thousands of American jobs are at stake.

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