

## Coffman Demands Pentagon Release Long-Awaited Report on Rare Earths Crisis

**(WASHINGTON)** — Congressman Mike Coffman (R-CO) called on Department of Defense officials to explain why the Pentagon is over a month late in releasing its report on rare earth elements. Officials at the Pentagon are legally obligated under section 843 of the Ike Skelton National Defense Authorization Act for Fiscal Year 2011, to complete and submit a report on supply-chain vulnerabilities of the rare earth elements crucial to the production of defense related tools and weapons. The report was supposed to be delivered to select Congressional Committees on July 6, but has yet to arrive.

Coffman rallied support from a bipartisan group of his fellow lawmakers in the House of Representatives to cosign a letter he sent to Defense Secretary Leon Panetta demanding an update on the content of the report as well as its status.

“While I am concerned that you failed to meet the deadline for this important report, I am even more disturbed that Department of Defense officials are providing conflicting reasons for this report’s tardiness, offering no insight into the report’s substantive content, and setting no firm alternative date for delivery,” Coffman said in the letter.

Coffman’s amendment calling for the report came after learning that many U.S. defense contractors rely heavily on Chinese exports of rare earth elements to make everything from precision-guided munitions, satellite wave tubes, range-finding lasers, and electric drive ship programs. This reliance on China poses a key vulnerability to the U.S. defense capabilities according to Coffman.

In the letter, Coffman and his bipartisan colleagues called on Department of Defense officials to provide an interim report by August 19 and explain why the report is over a month late.

“We recognize that the section 843 report requires significant effort to gather and analyze data and develop useful recommendations and a risk mitigation plan,” Coffman and his colleagues said in the letter. “However, we find it unacceptable that Defense Department officials have failed to offer a reasonable explanation for the report’s lateness and, given that tardiness, any

interim or draft description of the report's substance.”

Please [click this link](#) or see below for a full text of the letter:

August 5, 2011

The Honorable Leon E. Panetta  
U.S. Department of Defense  
1000 Defense Pentagon  
Washington, DC 20301-1000

Dear Secretary Panetta:

Under Section 843 of the Ike Skelton National Defense Authorization Act for Fiscal Year 2011 (Public Law 111-383), “Assessment and Plan for Critical Rare Earth Materials in Defense Applications,” you were legally obligated to submit rare earths-related report to the key congressional committees by July 6, 2011. While I am concerned that you failed to meet the deadline for this important report, I am even more disturbed that Department of Defense officials are providing conflicting reasons for this report's tardiness, offering no insight into the report's substantive content, and setting no firm alternative date for delivery.

In the last year, the global market has raised serious questions about the availability of those rare earth materials, upon which many of our nation's most important military systems – such as precision-guided munitions, satellite wave tubes, range-finding lasers, and electric drive ship programs – rely. The report required by Section 843 must set forth both a fairly comprehensive supply-chain assessment of defense-critical rare earth materials and a risk mitigation plan to ensure long-term availability of these materials. It must also to include a survey of first-line processors of rare earths and identification of demand, by element, for specific compounds. Thus, compliance with the law is the critical first step in identifying our rare earth requirements for defense applications and reducing our nation's unacceptable dependency on unreliable

foreign suppliers for these materials.

When queried about the status of this report, Department of Defense officials have provided a variety of responses. Some attempts to excuse the lateness of the report hint at gaps in data. Others point to an additional requirement for a rare earth inventory plan in the House-passed version of the National Defense Authorization Act for Fiscal Year 2012 and suggest that the section 843 report must be delayed, pending resolution of this additional requirement later this year. None of these excuses are acceptable.

Congressional intent underlying this reporting requirement is simple: Members of Congress need to understand defense demand for, and the supply-chain of, rare earth materials in order to help ensure availability of needed materials. In the on-going absence of a final report, we expect your Department to submit an interim report by August 19 (six weeks after the report deadline) that, at a minimum, provides:

- An estimate of both supply and demand, by element;
- A discussion of value-added capacities along the end-to-end supply chain of defense-related rare earth materials. This discussion may include a range of data from multiple sources; and
- Draft recommendations that can better enable conferees and staffs to engage in thoughtful, pragmatic dialogue on rare earth topics in the context of the defense authorization bill.

We recognize that the section 843 report requires significant effort to gather and analyze data and develop useful recommendations and a risk mitigation plan. However, we find it unacceptable that Defense Department officials have failed to offer a reasonable explanation for the report's lateness and, given that tardiness, any interim or draft description of the report's substance. We look forward to receiving insights into the key areas we've outlined above.

Sincerely,

Rep. Mike Coffman (R-CO)  
Rep. Mark Critz (D-PA)  
Rep. Trent Franks (R-AZ)

Rep. Joe Heck (R-NV)  
Rep. Duncan Hunter (R-CA)  
Rep. Hank Johnson (D-GA)  
Rep. Walter Jones (R-NC)  
Rep. Doug Lamborn (R-CO)  
Rep. Todd Young (R-IN)

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