

On June 22, 2010 Senator Lisa Murkowski (R-AK) introduced a bill (S.3521) called "A bill to provide for the reestablishment of a domestic rare earths materials production and supply industry in the United States, and for other purposes". The bill is a companion measure to HR.4866, the Rare Earth Supply-chain Technology And Resources Transformation (RESTART) Act introduced by Congressman Mike Coffman. Congressman Coffman announced his bill publically at TREM10 on March 17, 2010.



Senator Murkowski's bill would "require--under the leadership of the Secretary of the Interior--the Secretaries of Energy, Agriculture, Defense, Commerce, and State along with the Director of OMB and the Chairman of CEQ to expedite permitting, review supply chains, and consider strategic stockpiling of rare earths. The bill would also provide the rare earth industry with access to federal loan guarantee programs meant to advance clean energy technologies."

The text of her announcement in Senate follows:

By Ms. MURKOWSKI:

S. 3521. A bill to provide for the reestablishment of a domestic rare earths materials production and supply industry in the United States, and for other purposes; to the Committee on Energy and Natural Resources.

Ms. MURKOWSKI. Mr. President, I rise today to introduce legislation in the Senate to help the United States minerals industry resume production of rare earths in this country. These metals are increasingly important to our military, strategic, and economic priorities due to their use in clean energy technologies and many other high-tech applications.

For many years the United States was a leader in the mining and processing of rare earths--a group of 17 elements that, while widespread in nature, are difficult to find in concentration, extract from the earth, and process for commercial use. Rare earths are increasingly vital to a host of modern defense technologies, from radar and sonar systems to weapons systems and advanced lasers. They are essential to the production of clean energy technologies, including advanced batteries, electric motors, high-efficiency light bulbs, solar panels, and wind turbines.

The U.S. is estimated to contain 15 percent of the world's rare earth reserves, but with the closure of the nation's only operating rare earth mine at Mountain Pass, CA, America has become dependent upon China for imports of nearly all rare earths, oxides, and alloys. In fact, China now produces 97 percent of the world's rare earth supply.

More importantly, China recently moved to implement rules announced in March that will cut production and exportation of rare earths in an effort to raise world prices for the minerals. While the world demand for rare earths tripled to 120,000 tons per year over the past decade, China announced on June 2nd that it will stop issuing new domestic licenses for rare earth production and cap production at 89,200 tons for this year. As a result, only 35,000 tons of rare earths will be exported annually over the next five years, on average.

These actions may work out well for China, but they will harm the United States. Fortunately, we can do something about it. Rather than sit on our hands while China corners the market on these strategic minerals, we can and should pursue timely production of the rare earth supplies that exist within our own borders.

Efforts are currently underway to reopen Molycorp Minerals' California mine and Ucore Uranium is continuing exploration of a large rare earth deposit found near Bokan Mountain in Alaska, about 37 miles from Ketchikan. Ucore's new Alaska subsidiary, Rare Earth One LLC, has been working to study the deposit on Dotson Ridge at Bokan Mountain since 2007. The U.S. Bureau of Mines more than 20 years ago estimated the site contains at least 374 million pounds of recoverable rare earths, which is more than enough to break China's stranglehold on the market and protect America's access to the rare earths that are vital to the production of cutting-edge technologies in this country.

So what should we be doing to reestablish domestic rare earth? My answer is a companion measure to legislation introduced earlier this spring in the House by Rep. Mike Coffman, a fellow Republican from Colorado. My bill would establish it as the policy of the

United States to take appropriate actions to increase investment in, exploration for, and development of domestic rare earths. To do that it would require--under the leadership of the Secretary of the Interior--the Secretaries of Energy, Agriculture, Defense, Commerce, and State along with the Director of OMB and the Chairman of CEQ to expedite permitting, review supply

chains, and consider strategic stockpiling of rare earths. The bill would also provide the rare earth industry with access to federal loan guarantee programs meant to advance clean energy technologies.

There is a great deal of emphasis on the need for expansion of clean energy manufacturing in the United States. Promises of ``green jobs" abound, but they will only be realized if American industries have access to the raw materials needed to produce these new technologies. This legislation represents an important first step in our efforts to grow domestic manufacturing of clean energy technologies. The bill will also help to create more jobs in America's minerals industry, where firms provide good, high-wage jobs and pay taxes that will help to reduce our deficit. Furthermore, decreasing our reliance on foreign minerals will reduce our balance of payments deficit and strengthen national security.

I hope this bill advances quickly, and I encourage my colleagues to join as cosponsors of the measure. We have an ambitious agenda given the small amount of time that remains in the current Congress, but there is too much at stake for our military strength and our clean energy goals to ignore the problems we have in accessing affordable and secure supplies of rare earths.