



Department of Energy

Washington, DC 20585

APR 21 2010

Mr. Michael H. Walmer
President, Electron Energy Corporation
United States Magnet Materials Association
924 Links Avenue
Landisville, PA 17538

Dear Mr. Walmer:

Thank you for your February 4, 2010, letter to Assistant Secretary Catherine Zoi regarding your detailed action plan for restoring a domestic rare earth supply-chain. Your letter was forwarded to the Office of Energy Efficiency and Renewable Energy's Vehicle Technologies Program for review and response. We apologize for the delay in our response.

Since you submitted your letter, a few developments have occurred which seek to address the domestic rare earth supply chain. First, Assistant Secretary for Policy and International Affairs, David Sandalow, recently announced plans that the Department of Energy (DOE) will be drawing up a strategy for assuring U.S. access to rare earth minerals. Specifically, Mr. Sandalow said DOE planned to assess ways of diversifying the global supply chain, developing substitutes for rare earth minerals, and promoting recycling, reuse and more efficient use of strategic materials. Second, Mr. Karl Gschneidner, a recognized expert in this area from Iowa State University, has testified before the House Subcommittee on Science and Technology on these issues. And finally, the U.S. General Accounting Office is about to release a report with their assessment of the rare earths used in the U.S. Department of Defense (DOD) supply chains and the long-term vision of rare earth metals for the DOD. These recent announcements and activities show that the government as a whole, including the DOE, is moving to assess the rare earth supply chain and address many of the issues that you highlighted in your letter.

Thank you for submitting your action plan for addressing the rare earth supply chain. We hope you find this information helpful, and we appreciate your willingness to contribute to this challenge.

Sincerely,

A handwritten signature in cursive script that reads "Edwin Owens".

Edwin Owens
Supervisory General Engineer
Hybrid Electric Systems and Materials Technology Teams
Vehicle Technologies Program
Energy Efficiency and Renewable Energy



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