



March 27, 2012

Dear Member of Congress,

Rare earths are critical and irreplaceable elements used in the manufacturing of components vital to American industry. Rare earths are used in products ranging from handheld devices such as smart phones and power tools to industrial applications such as advanced batteries and medical imagery machines. Even the flat screen televisions in your offices contain rare earth phosphors that provide sharp color displays, and your computers utilize rare earth permanent magnets for fast, efficient data storage on a hard disk drive. Rare earths are indeed a strategic resource to the United States.

Unfortunately, our domestic rare earths industry is nearly nonexistent. The People's Republic of China now produces more than 94% of the rare earth oxide on the planet, as well as nearly all rare earth metal and alloy. Only one company in the U.S. currently mines rare earths, and it has stated its intent to conduct significant rare earth processing of its U.S.-mined rare earths inside China. China has also used this monopoly status to aggressively pursue its economic and regional diplomatic goals, especially through the use of production and export quotas. These policies have resulted in the relocation to China of nearly all American rare earth product manufacturers, along with thousands of American jobs-- all using technology developed here.

We therefore applaud the President's recent decision to pursue a complaint against China before the World Trade Organization (WTO). The unfair policies pursued by that country have not only harmed important U.S. policy initiatives, but they have also harmed American workers. However, we believe that the President's initiative is not enough. It may take years for the WTO to issue a ruling and yet more time for China to exhaust the appeal process. In the interim, more American jobs and technology will be shipped overseas.

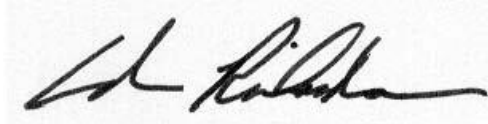
Furthermore, Chinese demand for rare earths will likely overtake its own production capacity by 2015, meaning that a WTO ruling intended to allow for the free trade of rare earth materials could have substantially diminished leverage by the time it would otherwise become effective. Additionally, even a successful WTO ruling will do nothing to aid the near-total reliance of U.S. companies on China for the technology and production facilities needed to utilize rare earth materials in manufacturing.

America's miners and manufacturers are ready and willing to expand domestic rare earth capacity. Dozens of small businesses have already begun exploration projects, and a select few are already progressing towards production. These hard-working men and women need support, however, in order to counter the unfair trade practices of the Chinese government.

Various members of Congress have been working diligently on this issue already this session. We urge you to consider supporting H.R. 1388, the Rare Earths Supply Chain Technology and Resources Transformation Act, sponsored by Rep. Mike Coffman; H.R. 2011, the National Strategic and Critical Minerals Policy Act, sponsored by Rep. Doug Lamborn and its amended version that includes H.R. 1314, the Resource Assessment of Rare Earths Act, sponsored by Rep. Hank Johnson; and S.1113, the Critical Minerals Policy Act, sponsored by Sen. Lisa Murkowski.

The small businesses of the USMMA appreciate your attention to these issues. We stand ready to provide the U.S. with the mining and processing capabilities needed to meet the energy and technology challenges of the 21st century. We thank you for your support, and we urge you to contact us for further information about this critical issue.

Sincerely,

A handwritten signature in black ink, appearing to read "Ed Richardson", is centered below the word "Sincerely,". The signature is fluid and cursive.

Ed Richardson
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