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## **Congress Responds to Magnet Materials Supply Chain Player Push on Impending Rare Earths Crisis**

*Rep. Mike Coffman (R-CO) Introduces RESTART Act of 2010*

**Washington, DC** – The [United States Magnet Materials Association](#) (“USMMA”), a coalition of companies representing domestic high performance magnet producers and suppliers, today applauded Colorado Congressman Mike Coffman for introducing legislation to address the impending rare earths crisis.

Coffman’s Rare Earth Supply-Chain Technology and Resource Transformation (RESTART) Act of 2010, [H.R. 4866](#), would reestablish competitive domestic rare earths mineral production, processing, refining, purification, and metals production industries to support the growth of green job technology and manufacturing as well as the nation’s defense industry.

The legislation would create a “whole-of-government” approach involving the U.S. Departments of Commerce, Energy, State, and Defense, Office of the U.S. Trade Representative, and Office of Science and Technology Policy within the Executive Office of the President . Coffman’s RESTART Act builds upon several elements of USMMA’s platform for resolving the Rare Earth Elements (REE) supply crisis, a serious threat to the United States’ economic and national security.

Today, the United States is totally dependent on foreign sources for rare earth materials. These elements are essential to numerous renewable energy and defense systems including wind turbines, hybrid-electric batteries, computer hard drives and precision-guided munitions. Currently, China provides over 97% of the world’s rare earth raw materials and dominates the world’s rare earth refining, alloying and manufacturing.

Coffman’s bill would:

- Establish a Federal government rare earths working group, with representation from senior appointees of the Departments of Commerce, Defense, Energy, Interior, and State as well as the Office of the U.S. Trade Representative and the Executive Office of Science and Technology Policy at the White House;
- Assess the domestic rare earth supply-chain to determine which rare earth elements are critical to America’s national defense and economic security;

- Create a national stockpile within the Department of Defense for important rare earth materials;
- Evaluate international trade practices in the rare earth materials market relative to market manipulation and initiate appropriate action through the World Trade Organization and elsewhere;
- Provide government-backed loan guarantees for domestic rare earths supply-chain development;
- Initiate warranted Defense Production Act projects and programs relative to our national defense and homeland security; and
- Support innovation, training, and workforce development of the entire domestic rare earth supply-chain.

Text of the bill can be found at <http://coffman.house.gov/images/stories/hr4866.pdf>.

Currently, there is one United States rare earth mine and processing facility (which is not mining), a major United States Geological Survey-validated deposit of rare earths in Idaho, two small alloying facilities and one significant rare earth magnet producer, making the nation's supply-chain for critical renewable energy and defense systems nearly non-existent and leaving the United States dangerously vulnerable to potentially unreliable foreign nations.

USMMA believes that urgent and collective action is needed by the federal government in order to head off the impending rare earth crisis. It is estimated that Chinese domestic consumption of rare earth materials will outpace Chinese domestic supply as early as 2012. With a 3-5 year timeline to reestablish a domestic rare-earth supply-chain, the United States is already in a "silent crisis." It is unclear whether rare earth material will be available outside China in the coming years.

USMMA was founded in 2006 by magnet manufacturers Thomas & Skinner, Inc. of Indianapolis, Indiana; Hoosier Magnetics of Ogdensburg, New York; and Electron Energy Corporation of Landisville, Pennsylvania, to advocate on behalf of the specialty metals clause found at 10 U.S.C. 2533b. U.S. Rare Earths, Inc. joined in 2009 to expand the group's focus to support the reintroduction of a competitive rare earth supply chain in the United States.

USMMA members have already successfully advocated for inclusion of a congressionally mandated study of the rare earth supply-chain in the FY10 National Defense Authorization Act. More information on the USMMA can be found at <http://www.usmagnetmaterials.com>.



Thomas & Skinner, Inc.  
High Performance Magnetic Materials

*[Thomas & Skinner, Inc.](#) is the world's leading manufacturer of cast and sintered alnico magnets, magnetic assemblies, and transformer laminations. Through its wholly-owned subsidiary Ceramic Magnetics, Inc., Thomas & Skinner is also a leading manufacturer of soft ferrite magnets.*



*[Hoosier Magnetics, Inc.](#) specializes in the manufacturing of hard ferrite powders used in a wide variety of permanent magnet applications. Founded in 1975 in Washington, Indiana; Hoosier is a privately held company owned by Dr. B. Thomas Shirk.*



*[Electron Energy Corporation](#) is a worldwide leader in samarium cobalt magnet production and offers design services and rare earth magnet assemblies. Electron Energy is the only US operated rare earth magnet company that still melts its magnet alloys in-house.*

**U.S. Rare Earths, Inc.**

*[U.S. Rare Earths, Inc.](#), an American natural resources development company based in Salt Lake City and New York City, holds large resources and reserves of high-grade rare earth metals and the largest documented high-grade thorium properties in the world within its properties in Idaho, Montana, and Colorado, including a large portion of known and estimated U.S. reserves.*

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