



FOR IMMEDIATE RELEASE

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USMMA: China's Rare Earth Export Restrictions Hurt Green Jobs in U.S.

Recent Chinese Government Actions Restrict Key Raw Materials for Clean Energy

Washington, DC – The [United States Magnetic Materials Association](#) (“USMMA”), a trade association representing domestic high performance magnet producers and suppliers, today warned of impending shortages of rare earth materials needed to support domestic manufacturing in support of emerging green technologies like wind generation, hybrid vehicles, and new battery development, high-tech consumer products like mobile phones, PDAs, MP3s, and national security and defense systems.

Late last week, China, the world’s largest rare earths producer, announced new plans to cut rare earth export quotas by 72 percent for the second half of the year. According to China’s Ministry of Commerce, foreign shipments will be capped at 7,976 metric tons, down from 28,417 tons for the same period last year.

“This news from China should serve as a huge red flag for U.S. government officials studying this issue,” said USMMA President Ed Richardson, Vice President of USMMA founding partner Thomas & Skinner. “This further validates claims by the USMMA that immediate action must be taken to free the United States from its complete foreign dependence on these increasingly important natural resources. If the United States is to become a leader in clean energy technology, it needs a reliable domestic rare earths supply chain.”

USMMA has endorsed legislation introduced earlier this year in the House ([H.R. 4866](#)) and Senate ([S. 3521](#)) – the Rare Earth Supply-Chain Technology and Resource Transformation (RESTART) Act of 2010 – that 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 . The 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. Currently, China provides over 97% of the world's rare earth raw materials and dominates the world's rare earth refining, alloying and manufacturing.

Presently, 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 given this recent announcement.

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. Arnold Magnetic Technologies joined earlier this month.

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
Specialists in Rare Earth Magnets and Magnet Systems

[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.



The [Arnold Magnetic Technologies Corporation](#), a privately owned corporation comprised of five strategic businesses, manufactures a wide range of both permanent and soft magnetic products and assemblies at facilities in the United States, the United Kingdom, Switzerland and China.

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FOR MORE INFORMATION,

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