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CONTACT: Robert Dillon 202.224.6977

Michael Tadeo 202.224.5810

Sen. Murkowski Urges Action After 60 Minutes Report on Rare Earths

Foreign Reliance Highlights Failing Policies, Need to Strengthen America's Mineral Security

Washington, DC – U.S. Sen. Lisa Murkowski, R-Alaska, today issued the following statement after 60 Minutes reported on the United States' dependence on China for rare earth elements – and the consequences that could hold for our nation.

"I'm grateful that 60 Minutes investigated the depth of America's dependence on China for rare earths, and has now shared that story with its millions of viewers," Murkowski said. "From my perspective, this is not just a matter of what China has done to pull ahead, but what our nation has failed to do in falling behind. Our foreign mineral dependence is a serious challenge, decades in the making, and we urgently need to reform federal policies all along the supply chain."

Rare earths are a group of 17 chemical elements that are crucial to the manufacture of everything from smart phones and medical technologies to advanced vehicles and defense systems. The United States was once self-sufficient in rare earth production, but in 2014 imported 59 percent of its supply. Roughly 75 percent of U.S. imports came from China.

While 60 Minutes focused on rare earths, the United States also depends on China for many other minerals. The word "China" appears in the U.S. Geological Survey's (USGS) "Mineral Commodity Summaries 2015" report a total of 342 times. According to a review by the Congressional Research Service, the minerals we import from China include scandium (nearly 100 percent of our imports), germanium (65 percent), magnesium compounds (54 percent), graphite (45 percent), and tungsten (45 percent) – among many others.

Murkowski pointed out that China is hardly the only nation the United States depends on for minerals. According to the USGS, we are more than 50 percent dependent on foreign suppliers for at least 43 different minerals, and 100 percent dependent on other nations for at least 19 of them. USGS further reports that our nation's "import reliance has increased significantly since 1978, the year that this information was first reported."

"It is not just rare earths that we depend on from China, and it is not just China that we depend on for a stunning array of minerals that improve every aspect of our daily lives," Murkowski said. "Right as foreign oil becomes less of a national concern, our foreign mineral dependence has taken its place as an insidious threat to America's security, growth and competitiveness."

Restoring America's mineral security is a serious challenge that demands action from Congress.

Murkowski said she will continue to work with her colleagues to address this issue in the 114th Congress. At her request, the Senate Budget Committee added a provision to the budget resolution for fiscal year 2016, scheduled for floor debate this week, to prioritize legislation to address our nation's reliance on mineral imports.

Murkowski plans to re-introduce comprehensive critical minerals legislation to prevent future mineral supply shocks and protect domestic manufacturers as soon as this week.

"After years of inaction, it is time for Congress to recognize that our mineral policies need to be modernized as soon as possible," Murkowski said. "I have developed legislation to revamp our entire minerals supply chain – from the permitting of new mines, to establishing a forecasting capability, to promoting alternatives and recycling. After discussing and refining these ideas throughout the last two Congresses, I am hopeful this will be the year we finally enact this bill."

The permitting of new mines is a notoriously slow process in the United States. According to the mining consultancy <u>Behre Dolbear</u>, it takes an average of 7 to 10 years for a new mine to receive approval in the United States, compared to just 2 to 3 years in other countries like Australia. This has been a key factor in a loss of mining-related investment in the United States, which has contributed to our foreign mineral dependence.

In 2014, Molycorp, the only rare earth producer in the United States and a key part of *60 Minutes*' feature on rare earths, testified before the Senate Energy and Natural Resources Committee that it took "15 years and more than 500 permits" before it could resume operations at its Mountain Pass mine in California.

Murkowski is chairman of the Senate Energy and Natural Resources Committee, and her home state of Alaska features a world-class mineral base.

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