



## **Mining policies threaten national security and economy**

**By H. Sterling Burnett**

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Here we are again: at the mercy of a foreign government for a natural resource essential to our economic and national security. President Obama's recent announcement that the United States plans to file a case with the World Trade Organization against China's export restrictions on rare earth minerals highlights the under-reported fact that our nation's reliance on foreign minerals is even more pronounced than our dependence on foreign oil.

Indeed, in 2009, the United States imported oil or oil products from 90 different countries all around the world. By comparison with rare earth elements, the U.S. relies almost exclusively on one supplier and there is no other country to turn to should China decide to withdraw them from the market. Once the world's primary producer of rare earths, the United States is now completely reliant on imports for the minerals, with 91 percent of our supply coming from China. The Pentagon reports that that rare earths—found in night vision equipment, satellites and other defense technologies—are vital to sustaining and building U.S. military efforts. Beyond that, they're used every day in petroleum refining, in green energy technologies like wind turbines and hybrid cars and in the production of medical technologies.

This isn't the first time China has restricted exports of key minerals. In 2009, our government brought a WTO case against China when it imposed export restrictions on raw materials including magnesium, manganese and zinc—minerals critical to auto production, steelmaking and die casting.

Decades of negotiating over imports of foreign oil should have taught us to take a hard look at the resources necessary to a strong economy and well-equipped military, and the proactive steps we can take to build a stable supply.

China's nationalistic natural resource policies should have prompted us to develop our own long-term minerals policy goals.

But we haven't. Instead of utilizing our more than \$6.2 trillion worth of key mineral resources to our advantage, we've allowed confusing, outdated regulations deter investment in U.S. mining to the point that we're now 100-percent import dependent for 19 key minerals. A duplicative mining permit process that is up to five times longer than those of other countries has brought us to rely on \$6.9 billion worth of mineral raw material imports to meet our needs, including the three-quarters of a million tons of minerals used by the U.S. military every year.

This unconscionable dependence leaves us vulnerable to supply shortages in producing countries caused by anything from natural disasters to political instability—not to mention market manipulation. Without a reliable domestic supply chain, our national security lies in the hands of foreign governments with the prerogative to hold minerals as a strategic card to play at their leisure. Indeed, China has already proven willing to use rare earths as a choke point to extract favorable political outcomes from foreign nations.

On September 7th, 2010 a Chinese trawler in a disputed portion of the East China Sea collided with a Japanese coast guard vessel, the captain of the fishing boat was arrested. This sparked a heated diplomatic row between China and Japan and led to China restricting exports of rare earth elements to Japan. When Japan still refused to release the captain as China demanded, China halted exports of rare earth elements to Japan. Shortly thereafter Japan relented and released the Captain and his trawler – China had made its point.

As the Pentagon faces substantial budget cuts, it's imperative that our leaders examine each foreign policy decision for its national security implications. Whatever happens at the WTO, the United States must take a page from China's playbook and utilize our own minerals to bolster security.

Some legislators—including Sen. Lisa Murkowski (R-Alaska), and Rep. Doug Lamborn (R-Colo.)—are working toward just that. Both have drafted legislation that would evaluate U.S. minerals needs and address the outdated permitting and regulatory processes that have long hampered the development of U.S. mining. Lamborn's bill passed the House Natural Resources Committee last year with unanimous bipartisan approval.

As the administration seeks to secure minerals imperative to our military and economy, our leaders must consider the danger of our continued minerals import dependence. The reliability of our foreign suppliers is growing ever-more uncertain and we must safeguard ourselves by taking action to build a reliable domestic supply. To let this continue to pass under our radar would be a gross negligence.

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