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SENATE MEMORIAL 49

50TH LEGISLATURE - STATE OF NEW MEXICO - SECOND SESSION, 2012

INTRODUCED BY

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A MEMORIAL

REQUESTING THE NEW MEXICO INSTITUTE OF MINING AND TECHNOLOGY AND THE ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT TO COOPERATE TO PERFORM A ONE-YEAR FEASIBILITY STUDY OF THE RARE EARTHS INDUSTRY IN NEW MEXICO.

WHEREAS, significant quantities of rare earth elements, also called rare earth metals, are used in the production of clean-energy technologies, including advanced automotive propulsion batteries, electric motors, high-efficiency light bulbs, solar panels and wind turbines; and

WHEREAS, these technologies are used to advance the United States and New Mexico energy policies of reducing dependence on foreign oil as well as to decrease greenhouse gas emissions through expansion of clean sources of energy; and

WHEREAS, many modern defense technologies, such as radar

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1 and sonar systems, precision-guided weapons, cruise missiles
2 and lasers, cannot be built as designed and specified without
3 the use of rare earth elements and materials produced from
4 them; and

5 WHEREAS, rare earth elements also provide core
6 functionality to a variety of high-technology applications in
7 computing, pollution abatement, power generation, water
8 treatment, oil refining, metal alloying, communications, health
9 care, agriculture and other sectors; and

10 WHEREAS, although at least fifteen percent of the world's
11 rare earth reserves are located within the United States, the
12 nation now depends upon imports for nearly one hundred percent
13 of its rare earth needs because there are few active rare earth
14 producers in the United States; and

15 WHEREAS, while China produces more than ninety-seven
16 percent of all rare earth compounds for world consumption,
17 China has only an estimated thirty-six percent of the world's
18 deposits; and

19 WHEREAS, the ability and willingness of China to export
20 rare earth elements is eroding due to its growing domestic
21 demand, its enforcement of environmental law on current
22 producers and its mandate to consolidate the industry by
23 decreasing its number of mining permits; and

24 WHEREAS, the Chinese ministry of industry and information
25 technology's draft of a rare earth elements plan for 2009 to

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1 2015 proposes an immediate ban on the export of dysprosium,
2 terbium, thulium, lutetium and yttrium, the so-called "heavy"
3 rare earth metals, and a restriction on the exports of all
4 other "light" rare earth metals, to a level well below that
5 which would have been sufficient to satisfy the demand of Japan
6 in 2008 alone for such metals; and

7 WHEREAS, the United States has limited rare earth
8 production, remains entirely dependent on overseas refineries
9 for further elemental and alloy processing and does not
10 currently maintain a strategic reserve of rare earth compounds,
11 metals or alloys; and

12 WHEREAS, New Mexico is in a unique position to be of
13 national strategic assistance because it has ten deposit sites,
14 more than any other state in the nation; and

15 WHEREAS, New Mexico also has three national laboratories
16 as well as four military installations; and

17 WHEREAS, national efforts are being made to have rare
18 earth qualify as material either strategic or critical to
19 national security and to cause the United States government to
20 facilitate the domestic reintroduction of a globally
21 competitive rare earth industry that is self-sufficient in the
22 United States domestic market, with multiple sources of mining,
23 processing, alloying and manufacturing; and

24 WHEREAS, self-sufficiency in the rare earth industry
25 requires an uninterrupted supply of strategic materials

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1 critical to national security and innovative commercial product
2 development, including rare earth, to support the clean-energy
3 and defense supply chains; and

4 WHEREAS, the United States currently cannot reclaim
5 valuable rare earth and permanent magnets from scrap military
6 or consumer products, industrial materials or equipment, which
7 allows entities in other countries to identify and recover such
8 materials for resale to United States manufacturers at
9 considerable cost; and

10 WHEREAS, there is an urgent need to identify the current
11 global market situation regarding rare earth production, the
12 strategic value placed on it by foreign nations, including
13 China, and the supply-chain vulnerabilities related to rare
14 earths and products containing rare earths; and

15 WHEREAS, the foregoing information means that New Mexico
16 is poised to become the leader in rare earth production,
17 providing a valuable economic development industry for the
18 state as well as a strategic key to national security for
19 weapons technology;

20 NOW, THEREFORE, BE IT RESOLVED BY THE SENATE OF THE STATE
21 OF NEW MEXICO that the New Mexico institute of mining and
22 technology be requested to work in cooperation with the energy,
23 minerals and natural resources department to perform a one-year
24 feasibility study to determine the availability and commercial
25 potential of rare earths; and

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1 BE IT FURTHER RESOLVED THAT the study perform a
2 coordinated and expedited review of permits or other actions to
3 promote investment in, exploration for and development of New
4 Mexico rare earths; and

5 BE IT FURTHER RESOLVED THAT the study identify the nature
6 of lands where rare earth deposits are located as state,
7 federal, tribal or private lands; and

8 BE IT FURTHER RESOLVED THAT the New Mexico institute of
9 mining and technology and the energy, minerals and natural
10 resources department report back to the legislature before the
11 senate conservation committee and the house energy and natural
12 resources committee; and

13 BE IT FURTHER RESOLVED that copies of this memorial be
14 transmitted to the president of the New Mexico institute of
15 mining and technology and to the secretary of energy, minerals
16 and natural resources.