American Chemistry Council
American Lighting Association
Colorado Mining Association
IPC – Association Connecting Electronics Industries
Montana Mining Association
National Association of Manufacturers
National Mining Association
Northwest Mining Association
Ohio Technology Chemistry Council
The Aluminum Association
The Association of Electrical & Medical Imaging Equipment Manufacturers
Western Business Roundtable
U.S. Chamber of Commerce

c/o Dr. Walter M. Shaub
Senior Science Advisor
U.S. Chamber of Commerce
1615 H Street, NW
Washington, DC 20062

Dear Dr. Shuab:

Thank you for your June 29, 2010 letter to Secretary Chu regarding the supply chain for rare earth metals and the potential involvement of the Department of Energy’s Loan Guarantee Program (LGP). The Secretary has asked me to reply to your letter.

The United States intends to be a world leader in clean energy technologies. Towards that end, we are shaping the policies and approaches to help prevent disruptions in the supply of materials, including rare earth metals that are necessary for those technologies. This involves careful and collaborative policy development. In that regard, under the leadership of Assistant Secretary David Sandalow, the Department is currently developing a Critical Materials Strategy. The Strategy will focus on rare earth metals and other materials used in the energy sector. It will address material supply and demand for various clean energy technology deployment scenarios. Research needs and policy options across all stages of the supply chain will be identified.

In parallel with work on the Strategy, the LGP has been looking at ways in which its loan guarantees can support appropriately structured financings in the rare earth industry that would be eligible under our statutory, regulatory and other requirements. Let me assure you that the Department is committed to promoting the objectives of the Title XVII program. The LGP is
dedicated to accelerating the commercial use of technologies that will help sustain economic growth, yield environmental benefits, and produce a more stable and secure energy supply, while maintaining program objectivity and protecting the interests of the American taxpayer.

Sincerely,

Jonathan M. Silver
Executive Director of the Loan Programs
Office of the Secretary