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According to a recent Bloomberg report, the US Department of Defense study has claimed that China's monopoly over Rare Earths poses no threat to national security. Apparently, rising prices and supply uncertainties are spurring private investment in new mining operations outside of China that will help meet American military needs, which require less than 5 percent of U.S. rare- earth consumption.



While the US military uses only a small fraction of the world's rare earths, it will take time for industry to correct the vulnerabilities in the supply chain, and government support will be necessary.

In the Bloomberg report, Chinese leader Wen Jiabao pledged to supply Japan with rare earths in a meeting in Vietnam. He made the statement during a meeting with counterparts from Japan and South Korea.

In response to the Department of Defense study, TREM10 keynote speaker Congressman Mike Coffman said that the Department is being "myopic". In a phone interview, Bloomberg reports that he said "It's a very myopic view and it's certainly not looking at the economic security of the country. It's only looking at the Department of Defense."