

## [Materials Essential to American Leadership and Security Act \(HR 1407, 115th Congress\)](#)

Establishes a strategic materials investment fund, and for other purposes.

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for the 04/07/2017 version of HR 1407.



### WHAT IT DOES

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[HR 1407](#), the Materials Essential to American Leadership and Security Act (or the Metals Act), establishes a strategic materials investment fund, and for other purposes.

Rare earth elements (REEs) are used in manufacturing processes to produce advanced national defense applications and nanotechnologies, which include but are not limited to: cell phones, green technologies, weapons guidance systems, and anti-missile defense.

In the wake of increased tension between the People's Republic of China and the nation of Japan in 2010, the People's Republic of China enacted a *de facto* embargo of all rare earth elements which placed the U.S. Department of Defense at risk of losing access to materials used in the manufacture of key components of numerous major weapons systems. The potential for the People's Republic of China to suspend exports of rare earth elements to the United States still exists today.

In 2015, a major United States corporation, the only major domestic producer of certain rare earth products, filed for bankruptcy after compiling \$1.4 billion in debt. Assets from the company were sold to operators in the People's Republic of China to pay off creditors while the domestic mine and processing plant were shuttered and disassembled.

The People's Republic of China currently dominates the supply chain for the production of rare earth elements controlling more than 90 percent of the world's production.

Rare earth elements are used in a host of advanced defense applications and nanotechnologies which would largely be rendered ineffective without these materials.