

THE CASE OF RARE EARTH ELEMENTS



Producers Group: You are a Director of Corporate Communications for an American Mining Corporation

Your Background and Biography

You've worked at the intersection of government, business, and public relations your whole career. First you worked on Capitol Hill as a spokesperson and then chief of staff for a senator. Then you founded your own communications and lobbying firm to help clients in the energy, chemical, and manufacturing sectors navigate the currents of politics and public controversy. You became head of communications for Molycorp in 2010, just before a decline in Chinese exports and a spike in prices put rare earths on the national agenda. You've learned about science from the many researchers and engineers you've worked with and can explain the quantum properties of rare earths in a way nonscientists can understand.

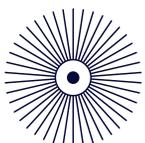
Now you lead the public communications for a company that makes money producing various rare earths. One branch of your company separates the light rare earth elements at a refining plant in Estonia. Your company sells those products to manufacturers around the world, primarily to the oil and petrochemical industry for the catalytic cracking of oil. The cerium oxide the company produces goes to makers of catalytic converters for automobiles, which help reduce carbon monoxide and smog. Your company has also pioneered using rare earths to extract phosphates from wastewater, helping to reduce intractable forms of water pollution.

Your goals in the negotiation are to build a system that will allow you to sell your product at a fair (but higher) price while also overcoming the economic advantage (lower prices) the Chinese producers have. You want consumers and manufacturers to believe that rare earths with the Sustainability Seal are produced using a much higher ethical standard and are clean enough to justify paying more.

Your Mission

Your goal at this hearing is to convince the Stewardship Council to include the Producers Group's recommendations in its final Sustainability Seal guiding values. To make this argument effectively, you must do the following:

- Complete the assigned readings listed at the bottom of this page.



- Work closely with the other members of your group to develop clear answers to the Stewardship Council’s questions.
- Use as much specific information as possible to develop strong arguments for your position that the price of sustainably certified rare earth metals needs to cover the true cost of production and environmental protection, and investment in innovative production methods should be promoted to reduce social and environmental harms.
- Read as much as you can about your position and the positions of the other groups.
- Complete written reflections on your character, interest group, and readings as assigned.

Your Victory Objectives

- **You will receive 10 points** if the Stewards select your group’s proposal as the final Sustainability Seal guiding values.
- The Stewards will rank the interest groups by how well their goals are represented in the final Sustainability Seal guiding values. **You will receive between 1 and 4 points** based on how the Producers Group is ranked and how well the Sustainability Seal guiding values reflect your goals.

SOURCES

Group Sources

- Producers Case Study: [“The Changing Geography of Rare Earth Element Production”](#)
- Ives, Mike. [“Boom in Mining Rare Earths Poses Mounting Toxic Risks.”](#) *Yale Environment 360*, January 28, 2013.

Individual Sources

- CNBC. [“Co-Chair of America’s Only Rare Earth Mine Discusses China’s Threat.”](#) Interview with James Litinsky, owner of the Mountain Pass Mine, May 30, 2019. (Video, 6 min.)
- Heffernan, Tim. [“Why Rare Earth Mining in the West Is a Bust.”](#) *High Country News*, June 16, 2015.

