

RECORD OF PUBLIC COMMENTS

NOTICE OF INQUIRY— [Docket No. 210823–0167] National Defense Stockpile Market Impact Committee

Request for Public Comments on the Potential Market Impact of the Proposed Fiscal Year 2023 Annual Materials Plan

Publication in the Federal Register: September 9, 2021

Comments due October 12, 2021

	Organization	Submitter	Date Received	No. of Pages
1	Maden Technologies	Tommy Osborne	09/22/2021	1
2	Sunrise Energy Metals	Timothy Langan	10/01/2021	1
3	Howmet Aerospace	Ben Squires	10/12/2021	5
4	Urban Mining	Peter Afiuny	10/12/2021	2
Total				9

Dayton, New Jersey. No authorization for production activity has been requested at this time. The proposed subzone would be subject to the existing activation limit of FTZ 49.

In accordance with the FTZ Board's regulations, Christopher Kemp of the FTZ Staff is designated examiner to review the application and make recommendations to the Executive Secretary.

Public comment is invited from interested parties. Submissions shall be addressed to the FTZ Board's Executive Secretary and sent to: ftz@trade.gov. The closing period for their receipt is October 19, 2021. Rebuttal comments in response to material submitted during the foregoing period may be submitted during the subsequent 15-day period to November 3, 2021.

A copy of the application will be available for public inspection in the "Online FTZ Information Section" section of the FTZ Board's website, which is accessible via www.trade.gov/ftz.

For further information, contact Christopher Kemp at Christopher.Kemp@trade.gov.

Dated: September 2, 2021.

Andrew McGilvray,
Executive Secretary.

[FR Doc. 2021-19404 Filed 9-8-21; 8:45 am]

BILLING CODE 3510-DS-P

DEPARTMENT OF COMMERCE

Bureau of Industry and Security

[Docket No. 210823-0167]

RIN 0694-XC082

National Defense Stockpile Market Impact Committee Request for Public Comments on the Potential Market Impact of the Proposed Fiscal Year 2023 Annual Materials Plan

AGENCY: Bureau of Industry and Security, Commerce.

ACTION: Notice of inquiry; request for comments.

SUMMARY: The purpose of this notice is to request public comments on the potential market impact of the proposed Fiscal Year 2023 National Defense Stockpile Annual Materials Plan (AMP). Potential changes to the AMP are discussed and decided by the National Defense Stockpile Market Impact Committee, co-chaired by the Departments of Commerce and State. The role of this committee is to advise the National Defense Stockpile Manager on the projected domestic and foreign economic effects of all acquisitions,

conversions, and disposals involving the National Defense Stockpile and related material research and development projects. Public comments are an important element of the committee's market impact review process.

DATES: To be considered, written comments must be received by October 12, 2021.

ADDRESSES: Address all comments concerning this notice to Eric Longnecker, U.S. Department of Commerce, Bureau of Industry and Security, Office of Strategic Industries and Economic Security, email: MIC@bis.doc.gov; and Matthew McManus, Deputy Director, Office of Policy Analysis and Public Diplomacy, U.S. Department of State, Bureau of Energy Resources, email: McManusMT@state.gov.

FOR FURTHER INFORMATION CONTACT: Marina Youssef, Office of Strategic Industries and Economic Security, Bureau of Industry and Security, U.S. Department of Commerce, telephone: (202) 655-1136, (Attn: Marina Youssef), email: MIC@bis.doc.gov.

SUPPLEMENTARY INFORMATION:

Background

Under the authority of the Strategic and Critical Materials Stock Piling Revision Act of 1979, as amended (the Stock Piling Act) (50 U.S.C. 98 *et seq.*), the Department of Defense's Defense Logistics Agency (DLA), as National Defense Stockpile Manager, maintains a stockpile of strategic and critical materials to supply the military, industrial, and essential civilian needs of the United States for national defense. Section 9(b)(2)(G)(ii) of the Stock Piling Act (50 U.S.C. 98h(b)(2)(H)(ii)) authorizes the National Defense Stockpile Manager to fund material research and development projects to develop new materials for the stockpile.

Section 3314 of the National Defense Authorization Act for Fiscal Year 1993 (FY 1993 NDAA) (50 U.S.C. 98h-1) formally established a Market Impact Committee (the Committee) to "advise the National Defense Stockpile Manager on the projected domestic and foreign economic effects of all acquisitions and disposals of materials from the stockpile" The Committee must also balance market impact concerns with the statutory requirement to protect the U.S. Government against avoidable loss. See 50 U.S.C. 98e (b)(2).

The Committee is comprised of representatives from the Departments of Commerce, State, Agriculture, Defense, Energy, Interior, the Treasury, and

Homeland Security, and is co-chaired by the Departments of Commerce and State. The FY 1993 NDAA directs the Committee to consult with industry representatives that produce, process, or consume the types of materials stored in the stockpile.

As the National Defense Stockpile Manager, the DLA must produce an Annual Materials Plan (AMP) proposing the maximum quantity of each listed material that may be acquired, disposed of, upgraded, converted, recovered, or sold by the DLA in a particular fiscal year. In Attachment 1 to this notice, the DLA lists the quantities and types of activity—potential disposals, potential acquisitions, potential conversions (upgrade, rotation, reprocessing, etc.) or potential recovery (from government sources)—associated with each material in its proposed FY 2023 AMP. The quantities listed in Attachment 1 are not acquisition, disposal, upgrade, conversion, recovery, reprocessing, or sales target quantities, but rather a statement of the proposed maximum quantity of each listed material that may be acquired, disposed of, upgraded, converted, recovered, or sold in a particular fiscal year by the DLA. The quantity of each material that will actually be acquired or offered for sale will depend on the market for the material at the time of the acquisition or offering, as well as on the quantity of each material approved by Congress for acquisition, disposal, conversion, or recovery.

The Committee is seeking public comments on the potential market impact associated with the proposed FY 2023 AMP as enumerated in Attachment 1. Public comments are an important element of the Committee's market impact review process.

Submission of Comments

The Committee requests that interested parties provide written comments, supporting data and documentation, and any other relevant information on the potential market impact of the quantities associated with the proposed FY 2023 AMP. All comments must be submitted to the addresses indicated in this notice. All comments submitted through email must include the phrase "Market Impact Committee Notice of Inquiry" in the subject line.

The Committee encourages interested persons who wish to comment to do so at the earliest possible time. The period for submission of comments will close on October 12, 2021. The Committee will consider all comments received before the close of the comment period. Comments received after the comment

period closes will be considered, if possible, but their consideration cannot be assured.

All comments submitted in response to this notice will be made a matter of public record and will be available for public inspection and copying. Any person submitting business confidential information should clearly identify the business confidential portion of the submission and also provide a non-

confidential submission that can be placed in the public record. The Committee will seek to protect such information to the extent permitted by law.

The Office of Administration, Bureau of Industry and Security, U.S. Department of Commerce, displays public comments on the BIS Freedom of Information Act (FOIA) website at <https://efoia.bis.doc.gov/>. This office

does not maintain a separate public inspection facility. If you have technical difficulties accessing this website, please call BIS's Office of Administration at (202) 482-1900 for assistance.

Matthew S. Borman,
Deputy Assistant Secretary for Export Administration.

Attachment 1

PROPOSED FISCAL YEAR 2023 ANNUAL MATERIALS PLAN

Material	Unit	Quantity	Footnote
Potential Disposals			
Beryllium Metal	ST	8	
Chromium, Ferro	ST	24,000	
Chromium, Metal	ST	500	
Germanium	kg	5,000	
Manganese, Ferro	ST	50,000	
Manganese, Metallurgical Grade	SDT	167,000	(1)
Aerospace Alloys	Lbs	1,500,000	
Platinum	Tr Oz	8,380	(1)
PGM—Iridium	Tr Oz	489	(1)
Quartz Crystals	Lbs	15,759	(1)
Tantalum	Lbs	190	(1)
Tin	MT	688	
Titanium Based Alloys	Lbs	600,000	
Tungsten Ores and Concentrates	Lbs W	2,500,000	
Zinc	ST	2,500	
Potential Acquisitions			
Antimony	MT	1,100	
Carbon Fibers (Pitch Based)	Lbs	5,000	
Cerium	MT	550	
Electrolytic Manganese Metal	MT	5,000	
Lanthanum	MT	1,300	
Neodymium	MT	600	
Praseodymium	MT	70	
Rare Earth Magnet Block	MT	100	
Rayon	MT	600	
Titanium	MT	1,500	
TNT/HMX/RDX	Lbs	4,000,000	
Potential Conversions (Upgrade, Rotation, Reprocessing, etc.)			
Beryllium Metal	ST	8	
CZT (Cadmium Zinc Tellurium substrates)	EA	5	
Carbon Fibers	Lbs	5,000	
Europium	MT	35	
Germanium	kg	5,000	
Iridium Catalyst	Lbs	200	
Lithium Ion Materials	MT	25	
Rare Earths Elements	MT	12	
Silicon Carbide Fibers	Lbs	875	
Triamino Trinitrobenzene (TATB)	Lbs	48,000	
Potential Recovery From Government Sources			
Aerospace Alloys	Lbs	1,500,000	
Battery Materials	MT	50	
Boron Carbide	MT	150	
Cobalt	Lbs	25,000	
E-Waste	MT	100	(2)
Germanium	kg	5,000	
Iridium Catalyst	Lbs	200	
Magnesium Metal	MT	25	
Rare Earths	Lbs	20,000	
Tantalum	MT	10	
Yttrium Aluminum Garnet Rods	kg	250	

Footnote Key:

¹ Actual quantity will be limited to remaining inventory.² Strategic and Critical Materials collected from E-Waste (Strategic Materials collected from electronics waste).

[FR Doc. 2021–19415 Filed 9–8–21; 8:45 am]

BILLING CODE 3510–33–P

DEPARTMENT OF COMMERCE

International Trade Administration

[A–201–844]

Steel Concrete Reinforcing Bar From Mexico: Final Results of Antidumping Duty Administrative Review and Final Determination of No Shipments; 2018–2019

AGENCY: Enforcement and Compliance, International Trade Administration, Department of Commerce.

SUMMARY: The Department of Commerce (Commerce) determines that steel concrete reinforcing bar (rebar) from Mexico was sold in the United States at less than normal value during the period of review (POR), November 1, 2018, through October 31, 2019. In addition, Commerce determines that Ternium Mexico, S.A. de C.V. (Ternium) had no shipments of subject merchandise during the POR.

DATES: Applicable September 9, 2021.

FOR FURTHER INFORMATION CONTACT: David Lindgren, AD/CVD Operations, Office III, Enforcement and Compliance, International Trade Administration, U.S. Department of Commerce, 1401 Constitution Avenue NW, Washington, DC 20230; telephone: (202) 482–1671.

SUPPLEMENTARY INFORMATION:**Background**

On March 23, 2021, Commerce published the *Preliminary Results*.¹ On April 22, 2021, Commerce received case briefs on behalf of the petitioners² and Deacero S.A.P.I. de C.V. (Deacero). On April 29, 2021, the petitioners and Deacero submitted rebuttal briefs.

Commerce extended the deadline for the final results by 58 days on June 22, 2021.³ The deadline for the final results of this review is now September 17,

2021. For a complete description of the events that occurred since the *Preliminary Results*, see the Issues and Decision Memorandum.⁴

Scope of the Order

The product covered by the order is steel concrete reinforcing bar from Mexico. For a complete description of the scope, see the Issues and Decision Memorandum.

Analysis of Comments Received

All issues raised in the case and rebuttal briefs are addressed in the Issues and Decision Memorandum. A list of the issues that parties raised and to which we responded in the Issues and Decision Memorandum is attached to this notice as an Appendix. The Issues and Decision Memorandum is a public document and is on file electronically via Enforcement and Compliance's Antidumping and Countervailing Duty Centralized Electronic Service System (ACCESS). ACCESS is available to registered users at <https://access.trade.gov>. In addition, a complete version of the Issues and Decision Memorandum can be accessed directly at <http://enforcement.trade.gov/frn/index.html>.

Determination of No Shipments

As noted in the *Preliminary Results*, we received a no-shipment claim from Ternium. In the *Preliminary Results*, we preliminarily determined that Ternium had no shipments during the POR. We received no comments from interested parties with respect to this claim. Therefore, we continue to find that Ternium had no shipments during the POR.

Changes Since the Preliminary Results

Based on a review of the record and comments received from interested parties, we: (1) Corrected an error in Commerce's dumping margin programming when calculating the weighted-average dumping margin for

Deacero; (2) used a revised U.S. sales database; (3) updated the date assigned to U.S. sales without a reported payment date; and (4) updated our calculation of the cost of scrap.⁵

Rates for Companies Not Selected for Individual Examination

The statute and Commerce's regulations do not address the establishment of a rate to be applied to individual companies not selected for examination when Commerce limits its examination in an administrative review pursuant to section 777A(c)(2) of the Tariff Act of 1930, as amended (the Act). Generally, Commerce looks to section 735(c)(5) of the Act, which provides instructions for calculating the all-others rate in an investigation, for guidance when calculating the rate for companies which we did not examine in an administrative review. Section 735(c)(5)(A) of the Act establishes a preference to avoid using rates which are zero, *de minimis*, or based entirely on facts available (FA) in calculating an all-others rate. Accordingly, Commerce's practice in administrative reviews has been to average the weighted-average dumping margins for the companies selected for individual examination in the annual review, excluding rates that are zero, *de minimis*, or based entirely on FA.⁶ For these final results of review, we calculated a weighted-average dumping margin for Deacero that is above *de minimis* and not based entirely on FA. Therefore, consistent with our practice, we have assigned the companies not selected for individual examination the weighted-average dumping margin calculated for Deacero.

Final Results of the Review

Commerce determines that the following weighted-average dumping margins exist for the period November 1, 2018, through October 31, 2019:

¹ See *Steel Concrete Reinforcing Bar from Mexico: Preliminary Results of Antidumping Duty Administrative Review and Preliminary Determination of No Shipments; 2018–2019*, 86 FR 15458 (March 23, 2021) (*Preliminary Results*), and accompanying Preliminary Decision Memorandum.

² The petitioners are the Rebar Trade Action Coalition (RTAC) and its individual members, Nucor Corporation, Ameristeel US Inc., Commercial

Metals Company, Cascade Steel Rolling Mills, Inc. and Byer Steel Corporation (the petitioners).

³ See Memorandum, “Steel Concrete Reinforcing Bar from Mexico: Antidumping Duty Administrative Review; 2018–2019; Extension of Deadline for Final Results,” dated June 22, 2021.

⁴ See Memorandum, “Steel Concrete Reinforcing Bar from Mexico: Issues and Decision Memorandum for the Final Results of Antidumping Duty Administrative Review; 2018–2019,” dated

concurrently with, and hereby adopted by, this notice (Issues and Decision Memorandum).

⁵ *Id.* at 2–3 and Comments 4, 5 and 6.

⁶ See, e.g., *Ball Bearings and Parts Thereof from France, Germany, Italy, Japan, and the United Kingdom: Final Results of Antidumping Duty Administrative Reviews and Rescission of Reviews in Part*, 73 FR 52823, 52824 (September 11, 2008), and accompanying Issues and Decision Memorandum at Comment 16.

Marina Youssef

From: McManus, Matthew T <McManusMT@state.gov>
Sent: Wednesday, September 22, 2021 12:59 PM
To: Tommy Osborne; MIC
Cc: Beruete, Brian J CIV DLA STRATEGIC MATERIALS (USA)
Subject: RE: National Defense Stockpile Market Impact Committee Request for Public Comments on the Potential Market Impact of the Proposed Fiscal Year 2022 Annual Materials Plan

EXTERNAL .GOV EMAIL: Do not click any links or open any attachments unless you trust the sender and know the content is safe.

Thank you very much Mr. Osborne for submitting your comments, which will be considered at our October meeting.

Many thanks, Matt

Matthew T. McManus
A/Director
Office of Policy Analysis and Public Diplomacy
Bureau of Energy Resources
U.S. Department of State
202 647 3423

From: Tommy Osborne <Tosborne@madentech.com>
Sent: Wednesday, September 22, 2021 10:43 AM
To: 'MIC@bis.doc.gov' <MIC@bis.doc.gov>; McManus, Matthew T <McManusMT@state.gov>
Subject: National Defense Stockpile Market Impact Committee Request for Public Comments on the Potential Market Impact of the Proposed Fiscal Year 2022 Annual Materials Plan

Mr. Longnecker, Mr. McManus,
We believe the plan could be more useful to industry if the chemical composition of the Rare Earths that are to be purchased and the ceiling price were published. We have a US based source of high purity Rare Earth Elements and note that although Cerium was on the 2021 Annual Market Plan, DLA requested a proposal for Cerium Carbonate powder.



Tommy T. Osborne
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A Service-Disabled Veteran-Owned Small Business

Marina Youssef

From: MT, McManus (STATE) (DESC) <McManusMT@state.gov>
Sent: Friday, October 1, 2021 9:31 AM
To: Timothy Langan; Beruete, Brian J CIV DLA STRATEGIC MATERIALS (USA)
Subject: [Non-DoD Source] Re: Market Impact Committee Notice of Inquiry, Docket No. 210823-0167

Thank you very much Mr. Langan. Am looping in DLA and also putting this on docket of public comments for our upcoming Market Impact Committee meeting. Thank you, Matt
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From: Timothy Langan <tlangan@sunriseem.com>
Sent: Friday, October 1, 2021 9:27 AM
To: McManus, Matthew T
Subject: Market Impact Committee Notice of Inquiry, Docket No. 210823-0167

Dear Mr. McManus,

We are seeking clarification with respect to the proposed quantities listed for "Potential Acquisitions" as published in the Federal Register, vol.86, No. 172, Thursday, September 9, 2021, Department of Commerce, Bureau of Industry and Security [Docket No. 210823-0167] RIN 0694-XC082 **National Defense Stockpile Market Impact Committee Request for Public Comments on the Potential Market Impact of the Proposed Fiscal Year 2023 Annual Materials Plan**

Specifically referring to: "Pg.1 column 3: The quantities listed in Attachment 1 are not acquisition, disposal, upgrade, conversion, recovery, reprocessing, or sales target quantities, but rather a statement of the proposed maximum quantity of each listed material that may be acquired, disposed of, upgraded, converted, recovered, or sold in a particular fiscal year by the DLA, as noted."

Does this statement mean that if an element is NOT included then no maximum is set or, alternatively, if an element is not included no amount may be acquired?

Please note my email address has changed

Timothy J. Langan, Ph.D.

Principal Metallurgist, Scandium Alloys
Manager Scandium Alloy Development
Baltimore, Maryland USA
tlangan@sunriseem.com

Sunrise Energy Metals (Formerly Clean TeQ)

12/21 Howleys Rd, Notting Hill, Vic 3168, Australia
PO Box 227, Mulgrave, Vic 3170, Australia



sunriseem.com

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1050 K Street N.W. Suite 1100
Washington DC 20001 USA

October 12, 2021

Eric Longnecker
U.S. Department of Commerce, Bureau of
Industry and Security, Office of Strategic
Industries and Economic Security
1401 Constitution Avenue NW, Room 3876,
Washington, DC 20230

National Defense Stockpile Market Impact
Committee Request for Public Comments on
the Potential Market Impact of the Proposed
Fiscal Year 2023 Annual Materials Plan

Number of Pages: 4

Matthew McManus
Deputy Director, Office of Policy Analysis
and Public Diplomacy
U.S. Department of State, Bureau of Energy
Resources
2201 C Street NW, Washington, DC 20520

PUBLIC DOCUMENT

Re: National Defense Stockpile Market Impact Committee Request for Public
Comments on the Potential Market Impact of the Proposed Fiscal Year 2023
Annual Materials Plan – Written Comments of Howmet Aerospace Inc.

Mr. Eric Longnecker and Mr. Matthew McManus:

Howmet Aerospace Inc. (“Howmet Aerospace”) hereby submits its written comments in the above-referenced notice of inquiry in response to the U.S. Department of Commerce’s (“the Department”) September 9, 2021 request for public comments on proposed disposals and acquisitions of critical materials and their potential market impact.¹

Howmet Aerospace – headquartered in Pittsburgh, Pennsylvania – is a leading global provider of advanced engineered solutions and products for the aerospace, defense, and transportation industries. Our products – which can be found across nearly every commercial and

¹ *National Defense Stockpile Market Impact Committee Request for Public Comments on the Potential Market Impact of the Proposed Fiscal Year 2022 Annual Materials Plan*, 85 FR 55636, September 9, 2021.

defense aviation platform flying today – include fastening systems of titanium, steel, and nickel superalloys; seamless rolled rings of mostly nickel superalloys; investment castings of nickel superalloys, titanium, and aluminum, including airfoils and structural parts; machined and forged aircraft parts of titanium and aluminum. We also manufacture forged aluminum commercial vehicle wheels. The company employs more than 19,000 employees, the vast majority of whom – nearly 11,000 as of year-end 2020 – are employed at our U.S. principal facilities located in 15 states.

In 2020, the COVID19 pandemic caused the world-wide collapse of commercial aerospace travel, leading to substantial decrease in build rates for commercial aircraft at the leading OEMs and repercussions for numerous associated aerospace suppliers that are customers of Howmet Aerospace which continues to this day. This impact has been felt by domestic specialty metals producers who have taken swift action to right size their operations to this new demand scenario. The following comments on potential disposals and acquisitions are informed by this new market reality.

Comments on Potential Disposals

Given current market conditions, we would submit that care should be taken regarding the potential disposal of the 600,000 lbs of titanium-based alloys. Should the following grades be under consideration for disposal by the Department and the National Defense Stockpile Manager, it should be noted that they are produced in relatively limited quantities and their disposal could impact domestic and international markets for titanium producers like Howmet Aerospace: [

].

If these grades are being considered for disposal, Howmet Aerospace would be willing to share more information regarding potential market impact. Given we are not aware of what titanium-based alloys are currently in the National Defense Stockpile, it is difficult for us to surmise impact. However, if alloys in question are standard aerospace-grade alloys such as Ti 6Al-4V, Ti 6Al-4V ELI, and Ti 6AL-6V-2SN, we see little to no negative impact on domestic and international markets given potential disposal represents a relatively insignificant portion (less than 1%) of the overall market.

Furthermore, assuming the 1,500,000 lbs of aerospace alloys are superalloy materials, we would welcome disposal of these products. As we are currently a critical supplier of superalloy airfoils and structures for military applications, if successful in the bid for these materials, we would not only ensure destruction of military intellectual property, but also that the material would benefit the defense industrial base by going into future defense-related components.

Comments on Potential Acquisitions

Regarding potential acquisitions for the National Defense Stockpile, we believe that reduced demand for commercial aerospace titanium products resulting from COVID19 makes now an ideal time for the proposed acquisition of 1500MT of titanium. This proposed acquisition could be held in various product forms. Reduced demand and production schedules would enable the National Defense Stockpile to make these acquisitions with relative ease and, in fact, bolster the position of domestic titanium producers.

An acquisition of titanium sponge would provide assurances of the availability of this key feedstock material in the event of market disruption and bolster strategic domestic titanium industry capabilities as well as providing cash flow to domestic producers who have inventory to

contribute. This stockpile could be vendor managed on a first-in, first-out basis to preserve these sponge stocks for decades.

Should the National Defense Stockpile seek to acquire titanium mill products we believe this should take the form of standard aerospace-grade alloy grades such as Ti 6Al-4V, Ti 6Al-4V ELI, and Ti 6AL-6V-2SN. Acquisition should be focused on ingot or billet rather than further downstream products. This preserves optionality to final differentiated end products in terms of material chemistry. Again, the proposed acquisition of those grades would not disrupt domestic and international markets while concurrently boosting domestic producers who would supply these products. Priority during procurement should be given to domestic producers to improve defense industrial base liquidity by providing cash flow during the current crisis.

Comments on Potential Recovery from Government Sources

The Defense Logistics Agency-Strategic Material's (DLA-SM) Strategic Material Recovery and Reuse Program (SMRRP) operates under the Strategic and Critical Material Stock Piling Act (50 U.S.C. 98 et seq.). The program has worked to recover titanium and superalloys – generally nickel and cobalt based containing metals such as rhenium, tantalum, tungsten, niobium, etc. – and other strategic and critical materials used in decommissioned aircraft operated and maintained by the U.S. Air Force. We support efforts to recover decommissioned material on aircraft previously owned and operated by the Department of Defense. DLA-SM should also make excess recovered, demilitarized, and cleaned materials beyond the requirements of the National Defense Stockpile – particularly those recovered superalloys which are more readily available – open for competitive bid to those within specialty metals supply chains to reutilize.

* * *

Howmet Aerospace appreciates the opportunity to share its views – should the Committee have questions or require additional information, please do not hesitate to contact the undersigned.

Respectfully submitted,

/s/ Ben Squires

Ben Squires
Head of Government Affairs
Howmet Aerospace, Inc.

October 12, 2021

Mr. Eric Longnecker
Bureau of Industry and Security
Office of Strategic Industries and Economic Security
U.S. Department of Commerce
1401 Constitution Avenue NW
Washington, DC 20230

Re: Response to Docket No. 210823-0167 (National Defense Stockpile Market Impact Committee Request for Public Comments on the Potential Market Impact of the Proposed Fiscal Year 2023 Annual Materials Plan)

Dear Mr. Eric Longnecker

As America's only producer of neodymium-iron-boron (NdFeB) magnets, Urban Mining Company (UMC) wishes to provide industry insight to aid the National Defense Stockpile Market Impact Committee (the Committee) as it conducts its market impact review of the proposed Fiscal Year 2023 National Defense Stockpile Annual Materials Plan (FY23 AMP). UMC applauds the Department of Defense (DoD) for its work establishing stockpiles of NdFeB finished magnet products as a way of qualifying new capability and encourages the Committee to acquire additional rare earth magnet block in FY23 to maintain a reserve of this critical magnetic material. China continues to dominate the global rare earth industry, a supply chain risk that can be mitigated by maintaining adequate volumes of strategic materials to support domestic manufacturing capabilities.

UMC is a manufacturer of NdFeB magnet materials, products, and assemblies — components critical for green energy and defense technology. With assistance from DoD through the Defense Production Act Title III program, UMC has established the first U.S. manufacturing facility of its kind in decades capable of making NdFeB magnets that meet DoD requirements at commercial scale. Our facility in San Marcos, Texas is supported by our proprietary and innovative “closed-loop” sustainable technology known as Magnet-to-Magnet (M2M) recycling, where NdFeB rare earth materials are recovered from end-of-life (EoL) electronic devices found in waste streams. M2M is both resource efficient and cost-reducing, using up to 60% fewer materials compared to traditional manufacturing methods that rely on mined mineral ores. However, identifying and obtaining sufficient electronic waste necessary to produce enough volume of recycled magnets continues to be a challenge for industry.

UMC observes that the proposed FY23 AMP authorizes the National Defense Stockpile (NDS) to acquire a suite of rare earth materials, including 100 MT of rare earth magnet block. UMC recommends that the Committee consider authorizing NDS to acquire higher volumes of rare earth magnetic block material sintered domestically. UMC encourages the Committee to place greater emphasis on acquiring rare earth magnet block and EoL feedstock that can be processed domestically, instead of stockpiling individual rare earth materials/oxides like Neodymium, Praseodymium, Cerium, and Lanthanum. The latter approach could be less effective for DoD's broader critical materials strategy as no domestic metallization capability currently exists that can make use of these materials in their raw form.

UMC also notes that the FY23 AMP authorizes the NDS to recover 20,000 pounds of rare earths from government sources, in addition to 100 MT of E-Waste. As indicated in the Administration's 100-day report required by Executive Order 14017, the U.S. government operates more than 4,000 data centers that provide a near-term opportunity “to recycle rare earth permanent magnets from hard disk drives.” By acquiring and making EoL electronic feedstock available to industry, NDS would ensure DoD's investments into domestic NdFeB recycling can fully succeed and support national security requirements.



In the future, UMC encourages the Stockpile Manager to make available adequate volumes of magnetic rare earth materials, as necessary, to industry to minimize disruptions to the domestic production of NdFeB magnets. Feedstock shortages can lead to negative downstream impacts that can compromise major weapon systems and essential commercial technology.

UMC is pleased that DoD continues to consider how best to establish and support the domestic production of critical materials, such as NdFeB magnets, and is encouraged that the Committee is recommending rare earth acquisitions to secure this important supply chain. UMC appreciates the Committee's consideration of our comments and welcomes the opportunity to provide further information if necessary.

Thank you,

A handwritten signature in black ink, appearing to read 'P. Afiuny', is positioned above the printed name and title. The signature is fluid and stylized, with a large loop at the end.

Peter Afiuny, EVP
Urban Mining Company