

October 24, 2022

VIA REGULATIONS.GOV

Thea D. Rozman Kendler
Assistant Secretary for Export Administration
Bureau of Industry and Security
U.S. Department of Commerce
1401 Constitution Ave NW
Washington, DC 20230

RE: Request from the National Defense Stockpile Market Impact Committee, co-chaired by the Departments of Commerce and State, seeking industry comments on the potential market impact of proposed changes of the Fiscal Year (FY) 2024 Annual Materials Plan (AMP) for the Department of Defense's National Defense Stockpile (NDS) managed by the Defense Logistics Agency. The National Defense Authorization Act 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 Defense Logistics Agency (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.

AGENCY: Bureau of Industry and Security, Department of Commerce.

ACTION: Notice of Inquiry and request for industry comments on the potential market impact of proposed changes of the Fiscal Year (FY) 2024 Annual Materials Plan (AMP)

DOCKET NUMBER: BIS-2022-0024

Dear Asst Secretary Kendler,

The Minor Metals Trade Association (MMTA) is a non-profit international trade association consisting of 130 companies involved in the global minor metals, noble alloys, and rare earth element industries, 20% of the MMTA's membership is made up of US companies.

In response to your request from the National Defense Stockpile Market Impact Committee, co-chaired by the Departments of Commerce and State, seeking industry comments on the potential market impact of proposed changes of the Fiscal Year (FY) 2024 Annual Materials Plan (AMP - Docket Number: BIS-2022-0024) the MMTA surveyed its US members to understand their views and has collated the comments from those who wish to express their views regarding the proposal and changes for the Fiscal Year (FY) 2024 Annual Materials Plan (AMP) for the US National Defense Stockpile.

A member strongly advised that due to the continuing geopolitical, economic, trade, and policy situation in which the U.S. finds itself with respect to counter-parties in both Europe and Asia as well as globally, and the likelihood of both current and potential challenges to US critical materials access for National Defense to increase significantly over the next 3-5 year, the FY 2024 AMP should contain authorizations of critical material acquisitions including for Chromium Metal and Cobalt Metal, as well as Tungsten and Molybdenum Metal (the latter does not appear in the proposal) in significant excess of the disposal authorizations of these materials.

The view was expressed that along with authorizing Cobalt acquisitions, the specific acquisitions of Cobalt Metal for aerospace alloys as well as that of Cobalt for energy storage and EV's should both be explicitly authorized.

Another comment offered that given current pending US legislation seeking to potential establish a U.S. Rare Earth Elements stockpile shortly after FY 2024, along with US policies restricting critical technology exports to counter-parties whose history of past policy retaliations has included the embargoing of their own critical material exports to key U.S. allies, the NDS should increase its acquisition authorizations of meaningfully quantities of a broad spectrum of rare earth elements.

Sincerely,

A handwritten signature in black ink, reading "Noah Munro Lehrman". There is a small mark above the "r" in "Lehrman".

Noah Munro Lehrman
North America Committee Chair
Minor Metals Trade Association

October 24, 2022

The Honorable Thea D. Rozman Kendler
Assistant Secretary for Export Administration
U.S. Department of Commerce
1401 Constitution Avenue, NW
Washington, DC 20230

Re: Market Impact Committee Notice of Inquiry – MP Materials Comments regarding National Defense Stockpile Annual Materials Plan (87 FR 58058)

Dear Secretary Rozman Kendler,

MP Materials Corp. (NYSE: MP) (together with its subsidiaries, “MP”) is pleased to provide comments to the Market Impact Committee regarding the National Defense Stockpile (“NDS”) Annual Materials Plan. Specifically, MP supports potential acquisition ceilings set by the Defense Logistics Agency (“DLA”) for Neodymium-Praseodymium Oxide (“NdPr”), Cerium, Lanthanum, and Neodymium-Iron-Boron (“NdFeB”) magnet block and welcomes the opportunity to meet stockpiling requirements with domestically sourced materiel.

Located in Mountain Pass, California, MP operates the Mountain Pass Rare Earth Mine and Processing Facility (“Mountain Pass”), America’s only scaled and operational rare earth mine and processing facility. With support from the U.S. Department of Defense (“DoD”), MP is developing the capability to refine the rare earth concentrate we produce today into separated rare earth oxides. Concurrently, MP is constructing a new factory in Fort Worth, Texas, to manufacture rare earth metal and NdFeB alloy and magnets from feedstock sourced from Mountain Pass.

High-strength NdFeB magnets are essential to national and economic security, and our present dependence on imports of this strategically important component leaves the U.S. military vulnerable to supply disruptions. Given their high strength-to-weight ratio, NdFeB magnets are critical components of a myriad of major defense systems, such as fighter aircraft and missile guidance systems. While the U.S. is near 100% reliant on imports for NdFeB magnets, with the lion’s share of supply coming from China, a series of recent presidential determinations and DoD investments are complementing catalyzing investments made by MP Materials and other entities to help restore the once-dominant domestic rare earth magnetism industry. Still, the present circumstances surrounding rare earth value chains prompted the Department of Commerce to designate America’s dependence on imports of NdFeB magnets a threat to national security part of a recently concluded investigation pursuant to Section 232 of the Trade Expansion Act of 1962.

To mitigate supply threats, MP supports the DLA’s proposed NdPr oxide and NdFeB magnet block acquisition ceilings for the NDS. We believe that, given current domestic NdFeB supply chain gaps, a mixed stockpile of magnet block and its essential material component – NdPr oxide – is the most effective and efficient means of safeguarding the DLA’s strategic priorities at an affordable cost to the taxpayer. MP also supports the DLA’s proposed acquisition ceilings for cerium and lanthanum.

As MP, alongside the DoD, has invested hundreds of millions in recent years to restore separations and refining capabilities to Mountain Pass, there is an emerging, sustainable, and wholly domestic supply of rare earth materials available to the NDS for the first time in many years. Prioritizing domestic suppliers for these purchases would pointedly demonstrate the success of DoD's Title III investments in the rare earth industry.

We look forward to working with the Market Impact Committee and strongly encourage the inclusion of NdPr oxide and other rare earth materials in the Committee's Annual Materials Plan. Thank you for your attention to our comments.

Respectfully submitted,

Matt Sloustcher

Matt Sloustcher

Sr. Vice President, Communications & Policy

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