



August 28, 2023

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

The Honorable Dr. Laura Taylor-Kale
Assistant Secretary of Defense
for Industrial Base Policy
Office of the Secretary of Defense
U.S. Department of Defense
2000 Defense Pentagon
Washington, DC 20301

Assistant Secretaries Kendler and Taylor-Kale,

On behalf of the Aerospace Industries Association (AIA) and our more than 320 members, we would like to express our appreciation for the recent publication of the Titanium Sponge Working Group's (TSWG) recommendations and the Department of Commerce's ongoing efforts to ensure the availability of titanium sponge for national defense and critical industries such as the commercial aerospace and defense (A&D) sector. Titanium sponge is a critical component of aircraft fuselage, engine parts, heat exchangers, and other aerospace parts.

AIA supported the February 2020 presidential determination that concluded adjustment of imports under Section 232 (e.g., additional tariffs) would not further the national interest. AIA supported this decision and the subsequent establishment of an interagency working group to develop recommendations to ensure security of the titanium supply chain in the U.S.

We are particularly pleased to see the following recommendations: stockpiling material; removing the 15 percent ad valorem duty on titanium sponge; and reaffirming Japan's role as a supplier of titanium sponge. However, some discussion points, notably around investment in domestic sponge production, seem dated given the rapid aerospace recovery post-COVID and heightened global tensions.

AIA recently highlighted titanium sponge as one of 12 critical minerals that are strategically significant to the A&D industry in our white paper entitled, 'Securing the U.S. Aerospace and Defense Critical Minerals Supply Chain.' This paper underscores the industry's dedication to being a resource of near- and long-term policy solutions. Further, it recommends policymakers seek a comprehensive approach, rooted in understanding critical minerals markets, targeted investments in U.S. supply chains, and increased engagement with allies and partners.

As market conditions and global stability have changed drastically since the report was initially written, we urge the Administration to continue engaging with industry representatives to seek their perspective on the full breadth of the TSWG's recommendations. We are grateful for your ongoing partnership and leadership in supporting the competitiveness of the U.S. A&D industry and the health of our industrial base.

Respectfully,

A handwritten signature in black ink, appearing to read "D. Hardwick", written over a horizontal line.

Derek "Dak" Hardwick
Vice President, International Affairs
Aerospace Industries Association

Enclosure:

AIA publication, "Securing the U.S. Critical Minerals Supply Chain"