

116TH CONGRESS
1ST SESSION

H. R. 3567

To modify the requirements relating to the acquisition and disposal of certain rare earth materials, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

JUNE 27, 2019

Ms. HOULAHAN (for herself and Mr. COOK) introduced the following bill;
which was referred to the Committee on Armed Services

A BILL

To modify the requirements relating to the acquisition and disposal of certain rare earth materials, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Securing Americas
5 Rare Earths Supply Act of 2019”.

6 **SEC. 2. ACQUISITION AND DISPOSAL OF CERTAIN RARE**
7 **EARTH MATERIALS.**

8 (a) GUIDANCE ON STREAMLINED ACQUISITION OF
9 RARE EARTH MATERIALS.—

1 (1) IN GENERAL.—Not later than 180 days
2 after the date of the enactment of this Act, the
3 Under Secretary of Defense for Acquisition and
4 Sustainment, in consultation with the Under Sec-
5 retary of Defense (Comptroller), the Vice Chairman
6 of the Joint Chiefs of Staff, and the appropriate
7 Under Secretary of State designated by the Sec-
8 retary of State shall establish guidance to—

9 (A) enable the acquisition of items con-
10 taining rare earth materials; and

11 (B) establish a secure supply chain for
12 rare earth materials from sources within the
13 United States and covered foreign sources.

14 (2) CONTENTS.—The guidance required by
15 paragraph (1) shall encourage the use of rare earth
16 materials mined, refined, processed, melted, or sin-
17 tered in the United States and include—

18 (A) a determination of when best value
19 contracting methods should be used to ensure
20 the viability of a rare earth material supplier;

21 (B) a guide to the applicability of relevant
22 statutes, including sections 2533b and 2533c of
23 title 10, United States Code, and other statu-
24 tory or regulatory restrictions to defense con-
25 tracts and subcontracts;

1 (C) information on current sources within
2 the United States and covered foreign sources
3 of rare earth materials along with commonly
4 used commercial documentation and review
5 processes;

6 (D) directives on budgeting and expending
7 funds for the qualification and certification of
8 suppliers of rare earth materials within the
9 United States to meet national security needs;
10 and

11 (E) any exceptions to the Joint Capabili-
12 ties Integration and Development System Man-
13 ual and Department of Defense Directive
14 5000.01.

15 (3) REPORT.—Not later than 180 days after
16 the date of the enactment of this Act, the Under
17 Secretary of Defense for Acquisition and Sustain-
18 ment, in consultation with the appropriate Under
19 Secretary of State designated by the Secretary of
20 State, shall submit to the congressional defense com-
21 mittees, the Committee on Foreign Affairs of the
22 House of Representatives, and the Committee on
23 Foreign Relations of the Senate a report on—

24 (A) the guidance required by paragraph
25 (1); and

1 (B) the efforts of the Secretary of Defense
2 to create and maintain secure supply chain for
3 rare earth materials from sources within the
4 United States and covered foreign sources.

5 (4) DEFINITIONS.—In this subsection:

6 (A) COVERED FOREIGN SOURCE.—The
7 term “covered foreign source” means a source
8 located in a foreign country that is not an ad-
9 versary of the United States, as determined by
10 the Secretary of Defense.

11 (B) RARE EARTH MATERIAL.—The term
12 “rare earth material” means a concentrate,
13 oxide, carbonate, fluoride, metal, alloy, magnet,
14 or finished product whose chemical, magnetic,
15 or nuclear properties are largely defined by the
16 presence of—

17 (i) yttrium;

18 (ii) scandium; or

19 (iii) any lanthanide series element.

20 (b) AUTHORITY TO DISPOSE OF AND ACQUIRE MA-
21 TERIALS FOR THE NATIONAL DEFENSE STOCKPILE.—

22 (1) DISPOSAL AUTHORITY.—Pursuant to sec-
23 tion 5(b) of the Strategic and Critical Materials
24 Stock Piling Act (50 U.S.C. 98d(b)), the National
25 Defense Stockpile Manager shall dispose of

1 3,000,000 pounds of tungsten ores and concentrates
2 contained in the National Defense Stockpile (in ad-
3 dition to any amount previously authorized for dis-
4 posal).

5 (2) ACQUISITION AUTHORITY.—

6 (A) AUTHORITY.—Using funds available in
7 the National Defense Stockpile Transaction
8 Fund, the National Defense Stockpile Manager
9 may acquire the following materials determined
10 to be strategic and critical materials required to
11 meet the defense, industrial, and essential civil-
12 ian needs of the United States:

13 (i) Aerospace-grade rayon.

14 (ii) Electrolytic manganese metal.

15 (iii) Pitch-based carbon fiber.

16 (iv) Rare earth cerium compounds.

17 (v) Rare earth lanthanum compounds.

18 (B) AMOUNT OF AUTHORITY.—The Na-
19 tional Defense Stockpile Manager may use up
20 to \$37,420,000 in the National Defense Stock-
21 pile Transaction Fund for acquisition of the
22 materials specified in subsection (b).

23 (C) FISCAL YEAR LIMITATION.—The au-
24 thority under subsection (b) is available for pur-

1 chases during fiscal year 2020 through fiscal
2 year 2024.

3 (c) NATIONAL DEFENSE STOCKPILE SALES.—

4 (1) SENSE OF CONGRESS.—It is the sense of
5 Congress that tantalum should be designated as a
6 strategic and critical material under the Strategic
7 and Critical Materials Stock Piling Act (50 U.S.C.
8 98 et seq.) required to meet the defense, industrial,
9 and essential civilian needs of the United States.

10 (2) NATIONAL DEFENSE STOCKPILE SALES OF
11 TANTALUM.—Section 2533c(d)(1) of title 10, United
12 States code, is amended—

13 (A) in subparagraph (C), by striking
14 “and” at the end;

15 (B) in subparagraph (D), by striking the
16 period at the end and inserting “; and”; and

17 (C) adding at the end the following new
18 subparagraph:

19 “(E) tantalum.”.

20 (3) PROHIBITION ON SALES OF MATERIALS.—

21 Section 2533c(a)(2) of title 10, United States Code,
22 is amended by striking “covered” before “material”.

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