

RECORD OF COMMENTS: NATIONAL DEFENSE STOCKPILE MARKET IMPACT COMMITTEE REQUEST FOR PUBLIC COMMENTS ON THE POTENTIAL MARKET IMPACT OF PROPOSED CHANGES TO PREVIOUSLY APPROVED FY 2006 ANNUAL MATERIALS PLAN

Published in the Federal Register

**[70 FR 30963](#)
(Due June 27, 2005)**

COMMENT	SOURCE	SIGNER(S) OF LETTER	DATE	NUMBER OF PAGES
1	H.B. Carbide	Paul Krudy	June 2, 2005	1
2	Office of the Governor of Pennsylvania	Edward G. Rendell	June 6, 2005	1
3	General Carbide	Edward S. Cline	June 6, 2005	1
4	North American Tungsten	Stephen Leahy	June 8, 2005	1
5	Association for Manufacturing Technology	John B. Byrd III	June 8, 2005	1
6	Manufacturers Alliance	Thomas J. Duesterberg	June 9, 2005	2
7	Varel International	Ian Harper	June 10, 2005	1
8	U.S. Synthetic	Daniel Dumas	June 13, 2005	1
9	IMCO Carbide Tool Inc.	Perry Osburn	June 13, 2005	1

10	Parker Hannifin Corporation	Donald E. Washkewicz	June 14, 2005	1
11	Sierra Concepts	W.J. Ellison	June 15, 2005	1
12	Cemented Carbide Producers Association	J.J. Wherry	June 15, 2005	1
13	Quality Carbide Tool Inc.	Vlastimir Demic	June 15, 2005	1
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16	Timkin Company	Stephen Belecek	June 20, 2005	1
17	Beralt Tin and Tungsten & North American Tungsten	Lewis Black & Stephen Leahy	June 21, 2005	1
18	National Association of Manufacturers	John Engler	June 21, 2005	2
19	Beralt Tin and Tungsten	Lewis Black	June 22, 2005	2
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26	S.G.S. Tool Company	Jeff Burton	June 27, 2005	1
27	Hardinge Inc.	J. Patrick Ervin	June 27, 2005	1
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29	Congress of the United States	John McHugh Jim Gibbons Duncan Hunter	June 27, 2005	2
30	Congress of the United States	Tim Murphy Don Manzullo Lane Evans G.K. Butterfield	June 30, 2005	2

and Printing, Washington, DC.

Deletions: On April 1, 2005, the Committee for Purchase From People Who Are Blind or Severely Disabled published notice (70 FR 16797/98) of proposed deletions to the Procurement List. After consideration of the relevant matter presented, the Committee has determined that the product and services listed below are no longer suitable for procurement by the Federal Government under 41 U.S.C. 46-48c and 41 CFR 51-2.4.

Regulatory Flexibility Act Certification

I certify that the following action will not have a significant impact on a substantial number of small entities. The major factors considered for this certification were:

1. The action may result in additional reporting, recordkeeping or other compliance requirements for small entities.
2. The action may result in authorizing small entities to furnish the product and services to the Government.
3. There are no known regulatory alternatives which would accomplish the objectives of the Javits-Wagner-O'Day Act (41 U.S.C. 46-48c) in connection with the product and services deleted from the Procurement List.

End of Certification

Accordingly, the following product and services are deleted from the Procurement List:

Product

Product: Pen, Executive, In-Puria Tri-Wood, Rollerball.
NSN: 7520-01-484-4576—Pen Executive, In-Puria Tri-Wood, Rollerball.
NPA: Tarrant County Association for the Blind, Fort Worth, Texas.
Contracting Activity: GSA/Office Supplies & Paper Products Acquisition Center New York, New York.

Services

Service Type/Location: Commissary Shelf Stocking, Cecil Field Naval Air Station, Jacksonville, Florida.
NPA: CCAR Services, Inc., Green Cove Springs, Florida.
Contracting Activity: Defense Commissary Agency, Fort Lee, Virginia.
Service Type/Location: Commissary Shelf Stocking & Custodial, Defense Supply Center Richmond, 8000 Jefferson Davis Highway, Richmond, Virginia.
NPA: Goodwill Services, Inc., Richmond, Virginia.
Contracting Activity: Defense Commissary Agency, Fort Lee, Virginia.
Service Type/Location: Commissary Shelf Stocking & Custodial, Fort McClellan, Alabama.
NPA: Alabama Goodwill Industries, Inc., Birmingham, Alabama.

Contracting Activity: Defense Commissary Agency, Fort Lee, Virginia.

Service Type/Location: Commissary Shelf Stocking & Custodial, Naval Training Center Complex, 2500 Leahy Avenue, Orlando, Florida.

NPA: None currently authorized.

Contracting Activity: Defense Commissary Agency, Fort Lee, Virginia.

Service Type/Location: Commissary Shelf Stocking & Custodial, Roosevelt Roads Naval Station, Cieba, Puerto Rico.

NPA: Brevard Achievement Center, Inc., Rockledge, Florida.

Contracting Activity: Defense Commissary Agency, Fort Lee, Virginia.

Service Type/Location: Janitorial/Custodial, Cecil Field Naval Air Station Commissary, Jacksonville, Florida.

NPA: CCAR Services, Inc., Green Cove Springs, Florida.

Contracting Activity: Defense Commissary Agency, Fort Lee, Virginia.

G. John Heyer,

General Counsel.

[FR Doc. 05-10648 Filed 5-26-05; 8:45 am]

BILLING CODE 6353-01-P

DEPARTMENT OF COMMERCE

Bureau of Industry and Security

[Docket No. 050518134-5134-01]

National Defense Stockpile Market Impact Committee Request for Public Comments on the Potential Market Impact of Revised Stockpile Disposal Levels for FY 2006

AGENCY: U.S. Department of Commerce.

ACTION: Notice of inquiry.

SUMMARY: This notice is to advise the public that the National Defense Stockpile Market Impact Committee, co-chaired by the Departments of Commerce and State, is seeking public comments on the potential market impact of proposed changes in the disposal levels of excess Chromium Metal, Ferrochromium, and Tungsten ores and concentrates under the Fiscal Year (FY) 2006 Annual Materials Plan (AMP).

DATES: Comments must be received by June 27, 2005.

ADDRESSES: Written comments should be sent to either William J. Denk, Co-chair, National Defense Stockpile Market Impact Committee, Office of Strategic Industries and Economic Security, Room 3876, Bureau of Industry and Security, U.S. Department of Commerce, 14th Street and Constitution Avenue, NW., Washington, DC 20230; Fax: (202) 482-5650; E-mail: wdenk@bis.doc.gov; or to E. James Steele, Co-chair, National Defense Stockpile Market Impact Committee,

Office of Bilateral Trade Affairs, Bureau of Economic and Business Affairs, U.S. Department of State, Fax: (202) 647-8758; E-mail: steeleej2@state.gov.

FOR FURTHER INFORMATION CONTACT:

Eddy Aparicio, Office of Strategic Industries and Economic Security, Bureau of Industry and Security, U.S. Department of Commerce, telephone: (202) 482-8234; e-mail: eparici@bis.doc.gov.

SUPPLEMENTARY INFORMATION: Under the authority of the Strategic and Critical Materials Stock Piling Act of 1979, as amended, (50 U.S.C. 98 *et seq.*), the Department of Defense ("DOD"), 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 3314 of the Fiscal Year ("FY") 1993 National Defense Authorization Act ("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 Government against avoidable loss.

The Committee is comprised of representatives from the Departments of Commerce, State, Agriculture, Defense, Energy, Interior, Treasury, and Homeland Security, and is co-chaired by the Departments of Commerce and State. The FY 1993 NDAA directs the Committee to "consult from time to time with representatives of producers, processors and consumers of the types of materials stored in the stockpile."

The National Defense Stockpile Administrator is proposing revisions of the previously approved FY 2006 Annual Materials Plan ("AMP") quantities for three materials, (1) Chromium Metal, from the previously approved 500 short tons to the newly proposed 1000 short tons, (2) Ferrochromium, from the previously approved 110,000 short tons to the newly proposed 150,000 short tons, and lastly (3) Tungsten ores and concentrates from the previously approved 5,000,000 pounds to the newly proposed 20,000,000 pounds. The Committee is seeking public comments on the potential market impact of the sale of these three materials at the newly proposed levels for the FY 2006 AMP.

The AMP quantities are not targets for either sale or disposal. They are only a

statement of the proposed maximum disposal quantity of each listed material that may be sold in a particular fiscal year. The quantity of each material that will actually be offered for sale will depend on the market for the material at the time of the offering as well as on the quantity of each material approved for disposal by Congress.

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 sale of these commodities. Although comments in response to this Notice must be received by June 27, 2005, to ensure full consideration by the Committee, interested parties are encouraged to submit comments and supporting information at any time thereafter to keep the Committee informed as to the market impact of the sale of these commodities. Public comments are an important element of the Committee's market impact review process.

Public comments received will be made available at the Department of Commerce for public inspection and copying. Anyone 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 records related to this Notice will be made accessible in accordance with

the regulations published in Part 4 of Title 15 of the Code of Federal Regulations (15 CFR 4.1, *et seq.*). Specifically, the Bureau of Industry and Security's Freedom of Information Act (FOIA) reading room is located on its web page found at <http://www.bis.doc.gov/foia/default.htm>. Copies of the public comments received will be maintained on the website. If requesters cannot access the web site, they may call (202) 482-2165 for assistance.

Dated: May 24, 2005.

Matthew S. Borman,
Deputy Assistant Secretary for Export Administration.
[FR Doc. 05-10617 Filed 5-26-05; 8:45 am]
BILLING CODE 3510-33-P

DEPARTMENT OF COMMERCE

International Trade Administration

Initiation of Antidumping and Countervailing Duty Administrative Reviews and Request for Revocation in Part

AGENCY: Import Administration, International Trade Administration, Department of Commerce.

ACTION: Notice of Initiation of Antidumping and Countervailing Duty Administrative Reviews and Request for Revocation in Part.

SUMMARY: The Department of Commerce has received requests to conduct administrative reviews of various

antidumping and countervailing duty orders and findings with April anniversary dates. In accordance with the Department's regulations, we are initiating those administrative reviews. The Department of Commerce also received a request to revoke one antidumping duty order in part.

EFFECTIVE DATE: May 27, 2005.

FOR FURTHER INFORMATION CONTACT: Holly A. Kuga, Office of AD/CVD Operations, Office 4, Import Administration, International Trade Administration, U.S. Department of Commerce, 14th Street and Constitution Avenue, NW., Washington, DC 20230, telephone (202) 482-4737.

SUPPLEMENTARY INFORMATION

Background

The Department has received timely requests, in accordance with 19 CFR 351.213(b)(2002), for administrative reviews of various antidumping and countervailing duty orders and findings with April anniversary dates. The Department also received a timely request to revoke in part the antidumping duty order on Certain Steel Concrete Reinforcing Bars from Turkey.

Initiation of Reviews

In accordance with section 19 CFR 351.221(c)(1)(i), we are initiating administrative reviews of the following antidumping and countervailing duty orders and findings. We intend to issue the final results of these reviews not later than April 30, 2006.

	Period to be reviewed
Antidumping Duty Proceedings	
The People's Republic of China: Automotive Replacement Glass Windshields ¹ A-570-867 Changchun Pilkington Safety Glass Company, Ltd. Shenzen CSG Automotive Glass Co., Ltd. Wuhan Yaohua Pilkington Safety Glass Company, Ltd.	4/1/04-3/31/05
<i>The People's Republic of China: Brake Rotors</i> ² A-570-846 China National Machinery and Equipment Import & Export (Xianjiang) Corporation, and manufactured by <i>any company other than</i> Zibo Botai Manufacturing Co., Ltd. National Automotive Industry Import & Export Corporation or China National Automotive Industry Import & Export Corporation, and manufactured by <i>any company other than</i> Shandong Laizhou CAPCO Industry ("Laizhou CAPCO") Laizhou CAPCO, and manufactured by <i>any company other than</i> Laizhou CAPCO Laizhou Luyuan Automobile Fittings Co., and manufactured by <i>any company other than</i> Laizhou Luyuan Automobile Fittings Co., or Shenyang Honbase Machinery Co., Ltd. Shenyang Honbase Machinery Co., Ltd., and manufactured by <i>any company other than</i> Laizhou Luyuan Automobile Fittings Co., or Shenyang Honbase Machinery Co., Ltd., China National Machinery Import & Export Company Laizhou Auto Brake Equipment Factory Qingdao Gren Co. Yantai Winhere Auto-Part Manufacturing Co., Ltd. Longkou Haimeng Machinery Co., Ltd. Zibo Luzhou Automobile Parts Co., Ltd. Laizhou Hongda Auto Replacement Parts Co., Ltd. Hongfa Machinery (Dalian) Co., Ltd. Qingdao Meita Automotive Industry Co., Ltd. Laizhou Huanri Automobile Parts Co., Ltd. Shandong Huanri Group General Co. Longkou TLC Machinery Co., Ltd.	4/1/04-3/31/05

Date June 2, 2005

Mr. William J. Denk
Co-chair, National Defense Stockpile Market Impact Committee
Office of Strategic Industries and Economic Security
Room 3876
Bureau of Industry and Security
U.S. Department of Commerce
14th Street and Constitution Ave, N.W.
Washington, D.C. 20230

Dear Mr. Denk,

Re: Federal Register / Col.70, No.102 / Friday, May 27, 2005 / Notices

I am writing to express my support for the DLA proposal to increase the planned Tungsten stockpile release for the coming year. The price of tungsten, a raw material that is vital to US manufacturing, is spiking and poses an imminent threat to thousands of US manufacturing jobs, US global competitiveness and the short-term profitability and long-term viability of US tungsten and related industries. This is truly a national concern with implications ranging from manufacturing job losses to inflation.

Regards,

Paul J. Krudy
Plant Manager
H.B. Carbide (a subsidiary of Starcutter Co.)
4210 Doyle Drive
Lewiston, MI 49756

(989) 786-4223 x-4012

COMMONWEALTH OF PENNSYLVANIA
OFFICE OF THE GOVERNOR
HARRISBURG

June 6, 2005

THE GOVERNOR

Mr. William J. Denk, Co-Chair
National Defense Stockpile Market Impact Committee
Office of Strategic Industries and Economic Security - Room 3876
Bureau of Industry and Security
U.S. Department of Commerce
14th Street and Constitution Avenue, NW
Washington, D.C. 20230

Re: Comment on the Potential Market Impact of the Revised Stockpile Disposal Levels for Tungsten
Ores and Concentrates for FY 2006 -- Docket No. 050518134-5134-01

Dear Mr. Denk:

I am writing to express my strong support for the Defense Logistics Agency's ("DLA") proposal to increase the amount of tungsten to be released from the National Defense Stockpile ("NDS") under the 2006 Annual Materials Plan ("AMP") from 5 million pounds to 20 million pounds. This increase is critically important to Pennsylvania's and the nation's economies.

As you are well aware, the price of tungsten has risen dramatically since the beginning of this year to nearly \$300 per metric ton unit ("mtu"), due to a shortage in the market. This rapid price escalation has imposed significant burdens on numerous Pennsylvania companies that use tungsten in their manufacturing processes (many of which have defense industry applications) and that employ thousands of workers. If this shortage is not checked immediately, the effects will be felt throughout the industry. For example, one large Pennsylvania employer estimates that it may have to lay off up to 20 percent of its employees if prices do not begin to moderate. The impact on Pennsylvania's small-and medium-sized manufacturers may be even more severe.

Increasing the amount of tungsten to be released from the NDS will help ameliorate these harms. At least one market study suggests that if the 20 million-pound release is permitted to proceed, tungsten prices will stabilize, before gradually settling at approximately \$200/mtu by the end of the year. Such an event would help considerably to prevent inflationary price effects, provide important relief to the industry, and help save important manufacturing jobs until the current market shortage is corrected. I, therefore, urge the Market Impact Committee to support the DLA's proposal to increase the amount of tungsten to be released from the NDS under the 2006 AMP.

Sincerely,



Edward G. Rendell
Governor



June 6, 2005

Mr. William J. Denk, Co-Chair
National Defense Stockpile Market Impact Committee
Office of Strategic Industries and Economic Security
Room 3876
Bureau of Industry and Security
U.S. Department of Commerce
14th Street and Constitution Ave., N.W.
Washington, DC 20230

RE: Federal Register/Col. 70, No. 102/Friday, May 27, 2005/Notices

Dear Mr. Denk:

I am writing to express my support for the DLA proposal to increase the planned Tungsten stockpile release for the coming year. The price of tungsten carbide, a material made from tungsten is vital to the US manufacturing. Tungsten carbide will have tripled with the forecast costs predicted for the balance of the year. This is a real threat to thousands of US manufacturing jobs, US global competitiveness and the short-term profitability and long-term viability of US tungsten and related industries. This is truly a national concern with implications ranging from manufacturing job losses to inflation.

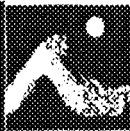
I am asking that you do all you can to help alleviate this threat facing our business.

Regards,

A handwritten signature in cursive script that reads 'Edward S. Cline'.

Edward S. Cline
General Manager

ESC/ejw



NORTH AMERICAN TUNGSTEN CORPORATION LTD

June 8, 2005

VIA EMAIL: wdenk@bis.doc.gov

William J. Denk -- Co-Chair, National Defense Stockpile Market Impact Committee
Office of Strategic Industries and Economic Security,
Room 3876,
Bureau of Industry and Security,
U.S. Department of Commerce,
14th Street and Constitution Ave., N.W.,
Washing, D.C. 202230

Dear Sir,

It has come to our attention that Kennametal Inc., together with its subsidiaries and a number of its customers, are currently petitioning the Defense Logistics Agency ("DLA") to release in the order of 20 million pounds of tungsten concentrate from its strategic reserve. In our considered opinion the DLA acceding to this request would inflict serious harm on an industry still attempting to recover from two decades of market dominance by the People's Republic of China.

During a period of more than twenty years commencing in 1980, the shareholders of organizations such as Kennametal Inc. and Osram Sylvania Products Inc. benefited to a significant extent from cheap Chinese tungsten prices, without regard to the long term impact on their industry. These historic low prices precipitated the closure of virtually all of the western world's tungsten mining operations. More importantly, exploration for tungsten since that time has been essentially non-existent. As a result global reserves have been materially depleted and virtually no new significant reserves of this strategically important industrial metal have been developed in more than a quarter century.

In recent years a number of new industrial applications for tungsten have been developed, many of which are premised upon utilizing the environmentally benign nature of tungsten as a replacement for lead. These range from wheel and driveshaft balancing materials in the automotive industry, to fishing weights, small arms ordnance, shotgun shot and patient shielding during x-ray procedures. The unique nature of tungsten will no doubt lead to more new industrial uses over time. Some of the attributes include, the hardest metal on earth, the highest melting point of any metal, its weight and density and of course, its non-toxicity. That said many, if not all, of these new 'environmentally friendly' uses for tungsten will remain unutilized until such time as it becomes possible to explore for, develop and mine tungsten reserves on a profitable basis.

It should also be recalled that a majority of the products containing tungsten, while requiring this unique metal to function as intended, typically require very little of it. It is estimated for example that a tungsten light bulb filament represents approximately 3% of the cost of the product. It is therefore reasonable to expect that the recent run up in tungsten prices will not exert significant inflationary pressure on the prices of these finished goods.

Lastly we wish to inform you that North American Tungsten Corporation Ltd. will be resuming production at our Cantang mine in the fall, which will result in an additional 8.8 million pounds of tungsten concentrate being available to purchasers on an annual basis. This is expected to represent at least half of the current supply deficit.

Given the economy's obvious need for a vibrant tungsten mining industry, we believe Kennametal's request to be counter productive. In fact it would appear that their pleas are but another example of organizations advocating a free market system only so long as it directly benefits them. Accordingly we believe that the DLA should continue to carry out its Congressional mandate not to act as a disruptive influence on commodity markets.

With thanks for your time and attention.

Respectfully yours,

"Stephen Leahy"

Stephen M. Leahy
Chairman & C.E.O.

c.c. Col Robert Wimple, USAF - Defense Logistics Agency - 8725 John J. Kingman Rd , Room 2545, Fort Belvoir, VA U.S.A.
Vice Admiral Keith W. Lippert, Director - Defense Logistics Agency - 8725 John J. Kingman Road, Fort Belvoir, Virginia, U.S.A.

Suite 1406 - 1188 West Georgia Street, Vancouver, B.C. V6E 4A2
Tel: 604-684-5303 Fax: 604-684-2992
Email: sleahy@natungsten.com



June 8, 2005

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Mr. William J. Denk
Co-Chair, National Defense Stockpile Market Impact Committee
Office of Strategic Industries and Economic Security
Room 3876
Bureau of Industry and Security
U.S. Department of Commerce
14th Street and Constitution Ave, N.W.
Washington, D.C. 20230

Re: Federal Register / Col.70, No.102 / Friday, May 27, 2005 /
Notices

Dear Mr. Denk:

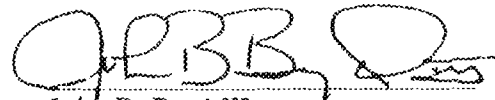
On behalf of AMT – The Association for Manufacturing Technology, I write to express my strong support for the DLA proposal to increase its planned tungsten stockpile releases.

The price of tungsten, a vital component of manufacturing, has quintupled in the most recent six-month period. This volatile price spike poses an imminent threat to the U.S. tungsten and tungsten-dependent industries. In addition to threatening thousands of domestic manufacturing jobs that support these industries, this situation has destabilized global markets. If left unchecked, inflation and other macroeconomic consequences will result.

While I am writing to express the views of the metal cutting, metal forming and associated industries, this is truly a national concern with implications requiring expeditious action. Increasing the quantity of the planned release is urgently needed.

With thanks for your consideration of this important matter, I am

Sincerely,



John B. Byrd III
President



1600 Wilson Boulevard, Suite 1100, Arlington, VA 22209-2594
703 841-9000 703-841-9514 fax www.mapi.net

June 9, 2005

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Michael H. Zurek, Group President
Caterpillar Inc.

Mr. William J. Denk
Co-Chair, National Defense Stockpile
Market Impact Committee
Office of Strategic Industries and Economic Security
Bureau of Industry and Security
U.S. Department of Commerce
Room 3876
14th Street and Constitution Avenue, N.W.
Washington, D.C. 20230

Dear Mr. Denk:

**Potential Market Impact of the Revised Stockpile Disposal
Levels for Tungsten Ores and Concentrates for FY 2006
Docket No. 050518134-5134-01**

Pursuant to your call for public comment regarding the above-mentioned issue as listed in the *Federal Register* of May 27, 2005 (Volume 70, Number 102, pages 30693-30694), on behalf of the Manufacturers Alliance/MAPI, we express our support to release tungsten ores and concentrates from the previously approved 5 million pounds to the newly proposed 20 million pounds.

While market forces almost always equilibrate supply and demand in the long run, we must recognize that, in the short term, imbalances in supply and demand such as currently exists with tungsten ores and concentrates has the potential to wreak havoc in markets, severely penalize affected industries, and disrupt established supply chains and consumption patterns.

The global synchronized economic boom, which started in 2003, and which is supercharged by the massive growth in China, Southeast Asia, and India, has stimulated huge increases in the price of base metals and fuels. Tungsten's high melting point, corrosion resistance, conductivity, and high density make it indispensable for a wide variety of uses. It is a crucial element in cutting tools used throughout manufacturing, especially in mining and drilling equipment, transportation and construction equipment, armaments, heavy tools, electronics, and welding applications.

Early in 2005, the price of raw tungsten spiked by a factor of five, increasing from approximately \$60 per ton to \$300 per ton in the space of just a few months. It is both naive to imagine, and irrational to believe, that price hikes of this magnitude can continue to be absorbed by U.S. manufacturers and end-use customers such as those in the vitally important transportation equipment, machine tool, metalworking, electric production, mining, or construction equipment industries

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Ingersoll Rand Company
Howard L. Large, Chairman and President
Harris Corporation

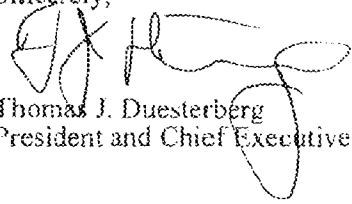
Steve Mandel, President
SKF USA Inc.
Thomas M. Wenzel, Chairman
BorgWarner Inc.
Richard J. J. Thomas,
Cooper Industries, Ltd.

In the current climate of a downward spiral in comparative manufacturing costs due to global competition, it is extremely difficult for U.S. domiciled manufacturers to sustain price increases due to high commodity prices. This conundrum is especially manifested in specialized products using tungsten, such as drill bits and cutting tools, where materials costs are a high proportion of total costs. At the risk of sounding alarmist, should these circumstances persist, in addition to the adverse effect to pricing power and squeezed profit margins of long-standing domestic U.S. firms, manufacturers may need to identify other ways to reduce costs in order to retain their customer base. Unfortunately, among other options, offshoring to arbitrage labor costs may be one compelling alternative.

We understand that previous determinations have concluded that there is no need to retain the large U.S. stockpile of tungsten materials. Prices of tungsten have fluctuated in the past due in part to the existence—and periodic release—of stockpiles in the United States, Russia, and elsewhere. Eventually, a new equilibrium needs to be established based on new sources of supply. In the interim the short-term price spike, with all its damaging consequences, can be alleviated by a release of the magnitude proposed by the Market Impact Committee. This will also help create the conditions for eventual, long-term balancing as new supply sources are developed to meet global demand.

Therefore, in the interests of addressing these serious imbalances, and to alleviate an unfair and inappropriate burden on U.S. manufacturers, we urge you to consider implementing the revisions as they relate to the increase of the release of tungsten ores and composites.

Sincerely,



Thomas J. Duesterberg
President and Chief Executive Officer



VAREL
INTERNATIONAL
ISO 9001 CERTIFIED

June 10, 2005

Mr. William J. Denk
Co-chair, National Defense Stockpile Market Impact Committee
Office of Strategic Industries and Economic Security
Room 3876
Bureau of Industry and Security
U.S. Department of Commerce
14th Street and Constitution Ave, N.W.
Washington, D.C. 20230

Dear Mr. Denk,

Re: Federal Register/Col. 70, No. 102/Friday, May 27, 2005/Notices

I am writing to express my support for the DLA proposal to increase the planned Tungsten stockpile release for the coming year. The price of tungsten, a raw material that is vital to US manufacturing, is spiking and poses an imminent threat to thousands of US manufacturing jobs, US global competitiveness and the short-term profitability and long-term viability of US tungsten and related industries. This is truly a national concern with implications ranging from manufacturing job losses to inflation.

Regards,


Ian Harper
V.P. Procurement

*P.O. Box 540157 • Dallas, Texas 75354 • Telephone: (972) 242-1160 • Fax: (972) 242-9570
Sales Fax: (972) 242-8770 • Purchasing/Accounting Fax: (972) 242-5881
(800) 827-3526 • website: www.varelintl.com*



June 13, 2005

Mr. William J. Denk
Co-chair, National Defense Stockpile Market Impact Committee
Office of Strategic Industries and Economic Security
Room 3876
Bureau of Industry and Commerce
U.S. Department of Commerce
14th Street and Constitution Ave. N.W.
Washington, D.C. 20230

Re: Federal Register / Col.70, No. 102 / Friday, May 27, 2005 / Notices

Dear Mr. Denk,

I am writing to express my support for the DLA proposal to increase the planned Tungsten stockpile release for this coming year. The price of tungsten, a raw material that is vital to US manufacturing, is spiking and poses an imminent threat to thousands of US manufacturing jobs, US global competitiveness and the short-term profitability and long-term viability of US tungsten and related industries. This is truly a national concern with implications ranging from manufacturing job losses to inflation.

Regards,

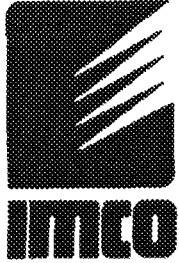
A handwritten signature in black ink, appearing to read 'D. Dumas', with a long, sweeping underline.

Mr. Daniel Dumas
US Synthetic Corp., CPM

Products for Industry

Carbide Tools
Carbide Rod
Carbide Strips

June 13, 2005



Mr. William J. Denk
Co-chair, National Defense Stockpile Market Impact Committee
Office of Strategic Industries and Economic Security
Room 3876
Bureau of Industry and Security
U.S. Department of Commerce
14th Street and Constitution Ave, N.W.
Washington, D.C. 20230

Re: Federal Register / Col.70, No. 102 / Friday, May 27, 2005 / Notices

Dear Mr. Denk,

I am writing to express my support for the DLA proposal to increase the planned Tungsten stockpile release for the upcoming year. The price of tungsten, a raw material that is vital to US manufacturing, is spiking and poses an imminent threat to thousands of US manufacturing jobs, US global competitiveness and the short-term profitability and long-term viability of US tungsten and related industries.

My company has experienced raw material cost increases exceeding 30% since January alone and prices are still unstable and may well continue this unprecedented trend without intervention. These price increases cannot be absorbed without eliminating the profitability of many small manufacturers, and competitive nature of the market (particularly in Asia) inhibits passing on these increased costs through higher prices.

Regards,

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

Perry Osburn
President and CEO
IMCO Carbide Tool Inc.



Festo Corporation
4435 Parkland Blvd.
Cleveland, OH 44124

Don Washkewicz
Chairman and Chief Executive Officer

Mr. William J. Denk
Co-chair, National Defense Stockpile Market Impact Committee
Office of Strategic Industries and Economic Security
Room 3876
Bureau of Industry and Security
U.S. Department of Commerce
14th Street and Constitution Avenue, N.W.
Washington, D.C. 20230

June 14, 2005

Re: Federal Register / Col. 70. No. 102 / Friday, May 27, 2005 / Notices

Dear Mr. Denk:

I am writing in support of the recent proposal by the Defense Logistics Agency (DLA) to increase Tungsten Ore from the stockpile for the coming year.

The current price of tungsten on global markets is at an exorbitant level. This negatively impacts the competitive position of every manufacturing industry that relies on the availability of tungsten at a fair price. The result of allowing these high prices to continue could have serious consequences for smaller businesses, create a competitive disadvantage for larger businesses, and impose unnecessary limitations on new business start ups and product development.

Sincerely,

Donald E. Washkewicz



W. J. ELLISON
Chairman and Chief Executive Officer

June 15, 2005

Mr. William J. Denk
Co-chair, National Defense Stockpile Market Impact Committee
Office of Strategic Industries and Economic Security
Room 3876
Bureau of Industry and Security
U.S. Department of Commerce
14th Street and Constitution Ave., N.W.
Washington, D.C. 20230

Re: Federal Register/Col.70, No. 102/Friday, May 27, 2005/Notices

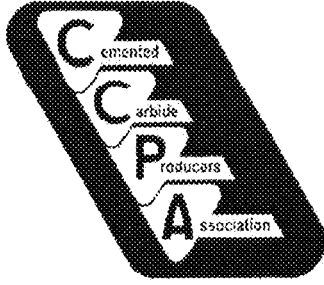
Dear Mr. Denk,

I am writing to express my support for the DLA proposal to increase the planned Tungsten stockpile release for the coming year. The price of Tungsten, a raw material that is vital to US manufacturing, is spiking and poses an imminent threat to thousands of US manufacturing jobs, US global competitiveness and the short-term profitability and long-term viability of US Tungsten and related industries. This is truly a national concern with implications ranging from manufacturing job losses to inflation.

Regards,



W. J. Ellison



Wherry Associates
COMMISSIONER

30200 DETROIT ROAD • CLEVELAND, OHIO 44145-1967
(440) 899-0010 • f. (440) 892-1404 • www.ccpa.org

June 15, 2005

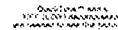
Mr. William J. Denk
Co-chair, National Defense Stockpile Market Impact Committee
Office of Strategic Industries and Economic Security
Room 3876
Bureau of Industry and Security
US Department of Commerce
14th Street and Constitution Avenue, NW
Washington, D.C. 20230

RE: Federal Register / Col.70, No. 102/ Friday, May 27, 2005 / Notices

Dear Mr. Denk,

This letter serves to express the Cemented Carbide Producers' Association's complete support of the DLA's proposal to increase the planned stockpile release for the coming year. The price of tungsten, a raw material that is vital to our industry specifically, as well as all US manufacturing, is spiking and poses an imminent threat to thousands of US manufacturing jobs, US global competitiveness, and the short-term profitability and long-term viability of US tungsten and related industries. This is truly a national concern with implications ranging from manufacturing job losses to inflation.

Very truly yours,



J. J. Wherry
Commissioner





QUALITY CARBIDE TOOL INC.

550 Bennett Road • Elk Grove Village, IL 60007-1122
Phone: (847) 437-3800 • Fax: (847) 437-4411

June 15, 2005

Mr. William J. Denk
Co-chair, National Defense Stockpile Market Impact Committee
Office of Strategic Industries and Economic Security
Room 3876
Bureau of Industry and Security
U.S. Department of Commerce
14th Street and Constitution Ave., N.W.
Washington, D.C. 20230

RE: Federal Register / Col.70, No.102 / Friday, May 27, 2005 / Notices

Dear Mr. Denk,

I am writing to express my support for the DLA proposal to increase the planned Tungsten stockpile release for the coming year. The price of tungsten, a raw material that is vital to US manufacturing, is spiking and poses an imminent threat to thousands of US manufacturing jobs, US global competitiveness and the short-term profitability and long-term visibility of US tungsten and related industries. This is truly a national concern with implications ranging from manufacturing job losses to inflation.

Regards,

Vlastimir Denic
President
Quality Carbide Tool, Inc.

RICK SANTORUM
PENNSYLVANIA

REPUBLICAN CONFERENCE
LEADER

WASHINGTON, DC
511 OFFICE STATE OFFICE, B-1010A
WASHINGTON, DC 20510
(202) 224-6324

United States Senate

<http://santorum.senate.gov>

COMMITTEES:
FINANCE

BANKING, HOUSING AND URBAN AFFAIRS
AGRICULTURE, NUTRITION AND FORESTRY
RULES AND ADMINISTRATION
SPECIAL COMMITTEE ON AGING

June 16, 2005

Mr. William J. Denk
Co-chair, National Defense Stockpile Market Impact Committee
Office of Strategic Industries and Economic Security
U.S. Department of Commerce
Bureau of Industry and Security, Room 3876
14th Street and Constitution Avenue, NW
Washington, DC 20230

Dear Mr. Denk:

I write today on behalf of my constituents at Kennametal Inc., a significant manufacturer of tooling, engineered components and advanced materials consumed in production processes. Kennametal employs roughly 14,000 employees worldwide, of which 8,000 are located here in the U.S. As you may know, the company is headquartered in Latrobe, Pennsylvania.

I am aware that the National Defense Stockpile Market Impact Committee, co-chaired by the Departments of Commerce and State, is seeking public comments on the potential market impact of proposed changes in the disposal levels of excess Chromium Metal, Ferrocromium, and Tungsten ores and concentrates under the Fiscal Year (FY) 2006 Annual Materials Plan (AMP). I am writing to encourage the Market Impact Committee to release additional quantities of Tungsten ore this year.

As you are well aware, the global demand for steel and materials used in the production of steel has had an impact on the production costs for steel producers and companies in the steel industry. For example, Kennametal has experienced an unprecedented price escalation with respect to the cost paid for tungsten ore. Until relatively recently, Kennametal paid \$80 per metric ton for tungsten ore on the world market. Today, however, Kennametal pays upwards of \$260 per metric ton. Other reports are that ammonium paratungstate or APT, a downstream compound, is currently selling at \$22,000 per ton, up from the \$9,000 per ton it had been selling. Additionally, an estimated 80% of tungsten ore reserves are located in the People's Republic of China. Chinese officials, due to domestic pressures, have begun limiting the export of tungsten ore mined in China.

Because of the limitations on availability of tungsten ore impacting companies like Kennametal, it is only a matter of time before those industries such as the aerospace, automotive, energy, mining, construction, light and heavy engineering, and general manufacturing are impacted. Given these shortages of tungsten ore and APT, companies such as Kennametal could be forced to move operations overseas or to countries where access to these materials is not an issue. I believe that there are actions that can be taken to avert such a situation or scenario.

With these observations in mind, I urge the Market Impact Committee to authorize the release of additional quantities of stockpile tungsten contained in tungsten ore to the market. I am hopeful that

ALLENTOWN
3802 HERRICK LANE, BUILDING
504 WEST HAMILTON STREET
ALLENTOWN, PA 18106
(610) 770-6147

ALTOONA
BRICKYARD SQUARE
SUITE 202
ROOM 220 NORTH
ALTOONA, PA 16601
(814) 940-7025

COLENSPOORT
51 MAPLE HILL ROAD
COLENSPOORT, PA 16915
(814) 274-9775

ERIE
1705 WEST 20TH STREET
ERIE, PA 16508
(814) 454-7114

HARRISBURG
555 WALNUT STREET
Fifth Floor
HARRISBURG, PA 17101
(717) 231-7340

PHILADELPHIA
WIDENER BUILDING
ONE SOUTH PLUM SQUARE
SUITE 900
PHILADELPHIA, PA 19107
(215) 860-6000

PITTSBURGH
100 WEST STATION SQUARE ENCL
LANDMARKS BUILDING
SUITE 250
PITTSBURGH, PA 15219
(412) 562-0533

SCRANTON
727 LINDEN STREET
SCRANTON, PA 18501
(570) 341-8722

you and others within the Departments of Commerce and State are sympathetic to the needs of American industry, and that you will support viable options to release tungsten from the stockpile.

Thank you for your kind consideration of this request. Please do not hesitate to contact me if I can be of additional assistance to you on this matter.

Sincerely,

A handwritten signature in black ink, appearing to read "Rick Santorum". The signature is fluid and cursive, with a large initial "R" and "S".

Rick Santorum
United States Senate

RJS/gh

June 20, 2005

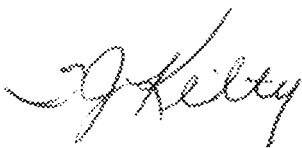
Mr. William J. Denk
Co-chair, National Defense Stockpile Market Impact Committee
Office of Strategic Industries & Economic Security
Room 3876
Bureau of Industry and Security
U. S. Department of Commerce
14th Street and Constitution Avenue, NW
Washington, DC 20230

Dear Mr. Denk:

Re: Federal Register / Col. 70, No. 102 / Friday, May 27, 2005 Notices

I am writing to express my support for the DLA proposal to increase the planned Tungsten stockpile release for the coming year. The price of tungsten, a raw material that is vital to US manufacturing, is spiking and poses an imminent threat to thousands of US manufacturing jobs, US global competitiveness and the short term profitability and long term viability of US tungsten and related industries. This is truly a national concern with implications ranging from manufacturing job losses to inflation.

Regards,



Tim J. Kilty
President

ELLISON MACHINERY COMPANY

4690 Weaver Parkway □ Warrenville, IL 60555-3928 □ Phone (630) 393-8900 □ Fax (630) 393-6080
www.ellisonmw.com

Date *June 20, 2005*

Mr. William J. Denk
Co-chair, National Defense Stockpile Market Impact Committee
Office of Strategic Industries and Economic Security
Room 3876
Bureau of Industry and Security
U.S. Department of Commerce
14th Street and Constitution Ave, N.W.
Washington, D.C. 20230

Dear Mr. Denk,

Re: Federal Register / Col.70, No.102 / Friday, May 27, 2005 / Notices

I am writing to express my support for the DLA proposal to increase the planned Tungsten stockpile release for the coming year. The price of tungsten, a raw material that is vital to US manufacturing, is spiking and poses an imminent threat to thousands of US manufacturing jobs, US global competitiveness and the short-term profitability and long-term viability of US tungsten and related industries. This is truly a national concern with implications ranging from manufacturing job losses to inflation.

Regards,

Name *Stephen M. Bessick*
Title *Global Buyer - The Timken Company*
Crushing Systems/Materials

BERALT TIN AND TUNGSTEN

NORTH AMERICAN TUNGSTEN CORPORATION LTD.

June 21, 2005

VIA EMAIL: wdenk@bis.doc.gov

William J. Derik - Co-Chair,
National Defense Stockpile Market
Impact Committee
Office of Strategic Industries and
Economic Security,
Room 3878,
Bureau of Industry and Security,
U.S. Department of Commerce,
14th Street and Constitution Ave., N.W.
Washington, D.C. 20230

VIA EMAIL: steel6ei2@siate.gov

E. James Steels - Co Chair,
National Defense Stockpile Market Impact
Committee,
Office of Bi-lateral Trade Affairs,
Bureau of Economic and Business Affairs,
U.S. Department of State

RE: Proposal to release 20,000,000 pounds of tungsten by the DLA onto the market

Dear Sirs,

It is imperative that everyone fully understand the ramifications of your pending proposal to auction a significant portion of your strategic reserves of Tungsten.

While you know that Tungsten material is very rare and currently not mined for in North America, you may not fully appreciate that there are virtually only two operating Tungsten Mines in the Western World, the Mittersill Mine in Austria (which is a vertically integrated business whose material is not available to the market and in fact are purchaser's themselves) and the Beralt Mine in Portugal whom also is a signatory of this letter. The other signatory of this letter is North American Tungsten Corporation Ltd., which proposes to re-open the Cantung Mine located in Northern Canada, in August of this year. Production from Beralt is some 3.1 million pounds and Cantung some 8.8 million pounds of Tungsten, together totaling almost 12 million pounds of western based annual Tungsten concentrate production.

The DLA proposes to auction off some 20 million pounds of Tungsten concentrate this fall, which, besides being more than one third of the U.S.A's Strategic Stockpile, could probably put both the Beralt and the Cantung Mines out of business, hence removing an annual 12 million pounds from the free market. This will be accomplished because China which controls some 80% of world production of this Strategic Material could feel threatened and dump significant quantities onto the Market to protect their interests. Even if this does not happen, the DLA would jeopardize the very existence of our two companies and our free market approach. If we are removed, or our production terminated, this would only place the U.S.A. and Western World increasingly more reliant on China's production and their willingness to supply Tungsten Material.

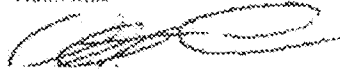
Yours truly,



Lewis Black,

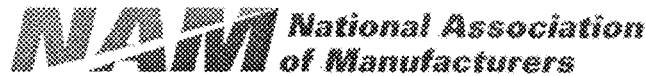
Chairman, Beralt Tin and Tungsten
Barroca Grande 6225-051
Ald S Francisco de Assis, Portugal
lewis.black@balmonty.com

Yours truly,



Stephen M. Leahy,
Chairman, North American Tungsten
Corporation Ltd. P.O. 19,
#1400 -1188 W. Georgia Street
Vancouver, B.C. V6E 4A2
sleahy@natu.nasten.com

c. c: Col. Robert Wimple, USAF - Defense Logistics Agency - 8725 John J. Kingman Rd.,
Room 2645, Fort Belvoir, VA U.S.A. (703)767-6312
Vice Admiral Keith W. Lippert, Director - Defense Logistics Agency - 8725 John J. Kingman Road,
Fort Belvoir, Virginia, U.S.A.(703) 767-6312



John Engler

President and CEO

June 21, 2005

Mr. William J. Denk
Co-chair, National Defense Stockpile
Market Impact Committee
Office of Strategic Industries
& Economic Security, Room 3876
Bureau of Industry & Security
U.S. Department of Commerce
Washington, DC 20230

**Re: Docket No. 050518134-5134-01 – Comments on the Potential Market Impact
of Revised Stockpile Disposal Levels for FY 2006**

Dear Mr. Denk:

I am writing on behalf of the National Association of Manufacturers (NAM) to support the proposed revision of the sales authorization level in the FY 2006 Annual Materials Plan for tungsten from five million pounds to 20 million pounds because of the favorable impact this would have on manufacturing in the United States.

Tungsten has a wide range of industrial applications. Products requiring tungsten include electric light bulbs, metal-working tools, oil-drilling equipment, electrical components, welding tools and mining equipment. Tungsten metals are also required to make defense armaments and munitions. In short, tungsten is an essential raw material input for many important industries—metalworking, mining, petroleum, electrical products, construction and defense.

Since January 2005 shortages in the marketplace have driven tungsten prices to record highs—nearly \$300 a metric ton unit (mtu). The price increases have hurt all users of tungsten but in particular the thousands of small manufacturers and processors that have no control over their product prices and few options for accessing raw materials.

China's actions are having a major impact on the marketplace. It controls about three quarters of the world's reserves in tungsten and accounts for about 85 percent of world consumption. It has reportedly limited tungsten exports in order to meet demand from domestic manufacturers.

In today's global marketplace virtually all manufacturers find themselves facing more competition and very limited ability, if any, to pass increased costs onto their customers. For example, since 2000 the general (i.e., GDP) price index increased 8.2 percent while the price index for manufactured products actually declined by 0.5 percent.

Manufacturing Makes America Strong

1331 Pennsylvania Avenue, NW • Washington, DC 20004-1790 • (202) 637-3106 • Fax (202) 637-3460 • www.nam.org


Mr. William J. Denk
June 21, 2005
Page Two

American manufacturing experienced an usually difficult period in 2000-2004. Manufacturing employment declined sharply, and there are still 2.9 million fewer manufacturing jobs now than there were in 2000. Annual exports fell by nearly \$87 billion between 2000 and 2003 and only recovered to 2000 levels in 2004. Manufacturing production is now on a positive trend but U.S. industry continues to face intense international competition, particularly from rapidly industrializing countries, like China. Despite a 10 percent increase in U.S. exports in January-April 2005 over the same period in 2004, the U.S. trade deficit swelled to a record \$226 billion compared to \$187 billion in January-April 2004.

The Strategic and Critical Materials Stockpiling Act provides authority for the disposal of excess materials from the National Defense Stockpile after taking into account the projected domestic and foreign economic effects. The NAM believes that the favorable domestic effects of an increased disposal of tungsten argue strongly for raising the authorized disposal level in the FY 2006 Annual Materials Plan.

A substantial increase in sales of tungsten from the National Defense Stockpile provides an opportunity for the government to profit from the historically high prices of tungsten while also helping manufacturers benefit from increased tungsten supplies in an abnormally tight market. Such action would help to strengthen manufacturers serving the civilian economy as well as our nation's defense. As a first step, we strongly recommend that the Market Impact Committee support the stockpile administrator's proposal to revise the FY 2006 Annual Materials Plan and increase the sales authorization level for tungsten to 20 million pounds.

Manufacturers that use tungsten are playing a vital role in the U.S. economy and in our national defense. It is in the U.S. interest that they continue to do so. Action to ensure adequate tungsten supplies on the market through substantial stockpile sales would support that goal.

Sincerely,

John Engler

JE/wp

22/06/05

Via email:

William J. Denk - Co-chair
National Defense Stockpile Market
Impact Committee
Office of Strategic Industries and
Economic Security
Room 3826
Bureau of Industry and Security,
U.S. Department of Commerce
14th Street and Constitution Ave. N.W.
Washing, D.C. 20230

Via email:

E. James Steele - co chair
National Defense Stockpile Market
Impact Committee
Office of Bilateral Trade Affairs
Bureau of Economic and Business Affairs
U.S. Department of State

Dear Sirs,

I am writing you today as Chairman of the only significant Tungsten mine in operation in the Western Hemisphere. The reason we are the only western producer of this strategically important metal, is that for more than two decades the Chinese have been offering Tungsten onto the world market at prices that made it impossible for mines within The United States and Europe to compete. Consequently, with the exception of Beralt, all operating mines within North America and Europe were forced to close and no new investment in the exploration and mining of Tungsten ore has taken place for a quarter century.

Recently, due to the global demand for oil and gas exploration, building and construction equipment and new military applications, the price of Tungsten has appreciated enough to make operation within the west potentially profitable. In fact, it is precisely this appreciation that has allowed our company to expand its exploration and development, ensuring a continued supply of high quality Tungsten to our Western client base.

Moreover, it has made it possible for a second western mine, North American Tungsten Inc., to potentially reopen in August 2005. This mine, once on line, will be the largest supplier of Tungsten in the West and supply nearly three times the amount of ore as Beralt. In addition, a continued strong market price will add incentive to others to reinvest in Tungsten mines within The United States. This continued investment will naturally bring down the price based on free market laws of supply and demand.

It has come to our attention that a number of end consumers, along with the National Association of Manufacturers, and not the mining industry, have petitioned the Defense Logistics Agency (DLA), to release 20,000,000 pounds of Tungsten from our strategic reserves stockpile. The release of this much Tungsten would not only be detrimental to a Tungsten industry trying to recover from decades of dominance by the People's Republic of China, it would be a threat to the national security of The United States.

If the DLA were to follow through with this release, it would be going against its charter, as stated in Sec.98a congressional findings and declaration of purpose, "the purpose of the National Defense Stockpile is to serve the interest of national defense

Almonty Co

38 Lexington Ave
Penthouse
New York, NY 10010
USA

6/23/2005

William J. Denk-Co-chair
National Defense Stockpile Market
Impact Committee
Office of Strategic Industries and
Economic Security
Room 3876
Bureau of Industry and Security,
U.S Department of Commerce
14th Street and Constitution Ave. N.W
Washington, D.C. 20230

E. James Steele-Co chair
National Defense Stockpile
Impact Committee
Office of Bi-lateral Trade
Bureau of Economic and
Business Affairs
U.S. Department of State

Dear Sirs,

It is with great concern that we write you in regard to the planned release of 20,000,000 pounds of Tungsten from the Defense Logistics Agency's strategic stockpile reserve. It is our great fear and belief that such a release would prove detrimental to our company and an industry that has just begun to recover from a quarter century of under investment, exploration and most importantly recovery, of this strategically and economically important metal, within the Western Hemisphere.

Our company, Almonty LLC, a New York based company, is the largest shareholder (approximately 51%), of Primary Metals Inc., who's fully owned subsidiary, Beralt Tin and Tungsten, is the only significant Tungsten mining company outside of Asia. Our company (Almonty) purchased its majority stake on March 31, 2005. The reason we embarked on such a venture was because we believed the strengthening market price of tungsten would eventually make Beralt a viable, profitable and ongoing company.

Prior to our purchase of the controlling stake in Beralt, the mine was on the verge of bankruptcy with over \$4.5 million in debts and no capital investment in plant equipment or exploration for the last two years. Since our purchase, less than 90 days ago, we have embarked on a capital program to replace outdated equipment, invest in enhanced recovery techniques and secure continued reserves through exploration and development.



Almonty Co

In addition, we believe a continued resilient Tungsten market will allow us and other potential groups to invest in previously abandoned Tungsten mines within The United States. This, along with the planned re-opening of North American Tungsten Inc; (August 2005), will add a significant amount of western mined Tungsten to a market that is now dominated by The People's Republic of China.

However, if the DLA were to release onto the world market 20,000,000 pounds of Tungsten, it would precipitate a sell off and probable meltdown in the market price of this valuable metal. To such a degree, it would become impossible for Beralt to remain in operation as a viable company. Unfortunately, this would mean the loss of not only the one western supply of Tungsten to the market, but the abandonment of a mine that has been in operation for more than 100 years. Additionally, it would become fruitless and therefore improbable that North American Tungsten would ever begin mining. Overall, the effect would be a total abandonment of future Tungsten mining within the western world.

This however, would only be the beginning of the problems that would face US and world consumers and global commerce. Once the only western supplier of Tungsten (Beralt) is bankrupt, the world on its entirety, including the US, will be reliant on China (currently 80% of world supply), to supply them with the Tungsten metal necessary for its diverse number of applications and products. We venture to say that, if/or when, China is in full control of the world Tungsten supply, US and world consumers will look back on the price of Tungsten today with fond memories.

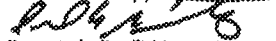
Militarily, the release of 20,000,000 pounds of Tungsten (35% of US strategic reserves) goes against the best interests of our national security. As you know, Tungsten is used in a vast amount of military applications, many of which we as a supplier are not privileged to know. However, it stands to reason that, with an expanding base of military uses for this hardest of metals, a depletion of our strategic stock pile by 35% falls outside our nations best national security interests.

It is our understanding that the petitioning of the release of this material has come, not from the mining industry, but from a group of end users and manufacturers. We would like to point out that these same groups have benefited greatly from a depressed market price in Tungsten for over a decade. We think it unfair and short sighted, that a group that has prospered so much in the past based on a depressed market, now seek immediate intervention in that same market. Respectfully, we believe the DLA would be operating outside its congressional mandate which states, "The purpose of the National Defense Stockpile is to serve the interest of national defense only. The National Defense Stockpile is not to be used for economic or budgetary purposes.", if it were to release 20,000,000 pounds of Tungsten from The Strategic Reserves.

In Summary, we request that the DLA not honor the request and release no Tungsten from its reserves.

Thank you for your attention to this very important matter.

Yours truly,



Daniel G. D'Amato
Almonty LLC.

Mailing

P.O. Box 334
Hanson, KY 42413

Shipping

3955 Anton Rd.
Madisonville, KY 42431



Telephone (270) 825-0000
Fax (270) 825-0889
Mobile (270) 871-7683
Email: kv@tungco.com

June 23, 2005

Mr. William J. Denk
Co-chair, National Defense Stockpile Market Impact Committee
Office of Strategic Industries and Economic Security
Room 3876
Bureau of Industry and Security
U.S. Department of Commerce
14th Street and Constitution Ave, N.W.
Washington, D.C. 20230

Dear Mr. Denk,

Re: Federal Register / Col.70, No.102 / Friday, May 27, 2005 / Notices

I am writing to express my support for the DLA proposal to increase the planned Tungsten stockpile release for the coming year. The price of tungsten, a raw material that is vital to US manufacturing, is spiking and poses an imminent threat to thousands of US manufacturing jobs, US global competitiveness and the short-term profitability and long-term viability of US tungsten and related industries. This is truly a national concern with implications ranging from manufacturing job losses to inflation.

Regards,

A handwritten signature in black ink, appearing to read "Steve Nance", with a long, sweeping horizontal line extending to the right.

Steve Nance
President



Markos I. Tambakeras
Chairman, President and
Chief Executive Officer
1500 Technology Way
P.O. Box 231
Larrobe, PA 15650-0231
Phone: 724-539-5854
Fax: 724-539-6596
www.kennametal.com

June 24, 2005

Mr. William J. Denk
Co-chair, National Defense Stockpile
Market Impact Committee
Office of Strategic Industries
& Economic Security, Room 3876
Bureau of Industry & Security
U.S. Department of Commerce
Washington, DC 20230

**Re: Docket No. 050518134-5134-01 – Comments on the Potential Market Impact
of Revised Stockpile Disposal Levels for FY 2006**

Dear Mr. Denk:

I am writing on behalf of Kennametal Inc., to lend our company's energetic support to the proposed increased sales authorization level in the FY 2006 Annual Materials Plan for tungsten ore concentrates from five million to twenty million pounds contained tungsten. We believe this increase will have a positive impact on manufacturing in the United States by saving thousands of jobs and enhancing the viability of hundreds of small and mid-sized companies.

Tungsten is a raw material that is used in every machining operation in the world. Drilling, shaping, bending all use machine tooling equipment and 70 to 80 percent of these have a reasonably high to very high content of tungsten. This includes airplanes, farm equipment, cars, oil drills, road construction equipment, snow blades, medical implants and the list goes on. Nearly every Blue Chip company in the world, and most other companies as well, will feel the impact of this spike in tungsten prices, as companies such as Kennametal will have no choice but to pass along cost of materials as price increases.

Since January 2005 tungsten prices have spiked to unprecedented highs—from around \$90 per unit in January of 2005 to a current high exceeding \$300 per unit. The price increases have hurt all users of tungsten but will most negatively impact the thousands of small manufacturers and processors that have limited control over their product prices and few options for accessing raw materials.

China's actions are having a major impact on the marketplace because it controls about three quarters of the world's reserves in tungsten and accounts for about 85 percent of world supply. China has reportedly limited tungsten exports for a variety of reasons which, whether intentional or not, has resulted in this potentially disastrous situation. As of June 20, we see direct evidence of Chinese manipulation of tungsten prices. I have attached two reports from the *Asian Metal* Website citing this manipulation. An excerpt from these reports reads as follows:

"BEIJING (Asian Metal) 20 Jun 05 – The standing committee of the price coordination committee of the CTIA (Chinese Tungsten Industry Association) held a conference in June 11, 2005 in Guangzhou, with aim to make a new price guidance for June."

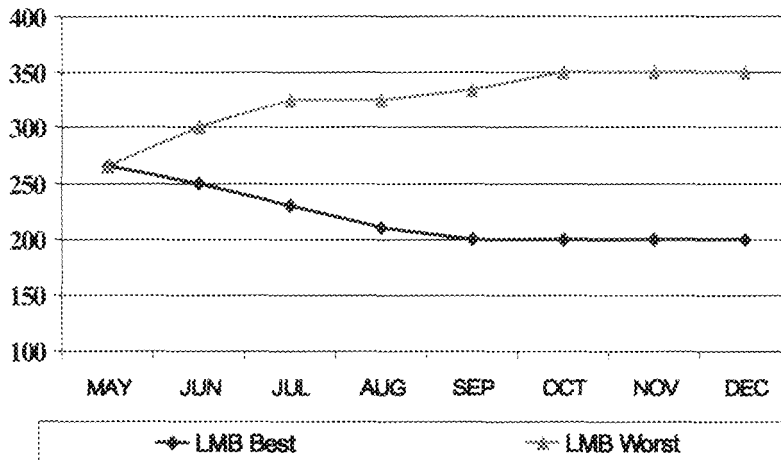
The Strategic and Critical Materials Stockpiling Act provides authority for the disposal of excess materials from the National Defense Stockpile after taking into account the projected domestic and foreign economic effects. We believe that the favorable domestic effects of an increased disposal of tungsten argue strongly for raising the authorized disposal level in the FY 2006 Annual Materials Plan.

A substantial increase in sales of tungsten from the National Defense Stockpile provides an opportunity for the government to profit from the historically high prices of tungsten while also helping manufacturers

is very likely to have a stabilizing effect on the world market prices by providing extra supplies and discouraging speculators.

As our raw materials procurement experts at Kennametal look at the tungsten pricing trends and consider the impact of the increased Stockpile release, they think that while the price of tungsten will likely never return to the 2004 levels, in a best-case scenario, we may see prices return to the \$200 per unit level.

EU APT Low, \$/MTU v. 20M lb. DLA Ore
DLA announces in June, 2005 and begins selling in October, 2005



Without the increased Stockpile release, it is likely that prices will continue to escalate, driving companies out of business, ending thousands of manufacturing jobs and having an inflationary impact on the entire US economy.

Those who might object to the increased release might be firms that stand to gain by the unprecedented prices and so want to keep supply artificially low. This is a self-serving argument, which endangers an entire industry largely comprised of small and mid-sized companies.

A further argument against the release might be the possibility that the increased amount could drive prices so low that future investments in new mines will be discouraged. This argument is a red herring for two reasons—first, our best research indicates that tungsten will go no lower than \$200 per unit even in a best-case scenario—sufficient to justify future investment in mines which were marginally profitable at \$90 per unit; and second, should the prices go to some unlikely low level, the DLA can simply decide not to continue the planned sale.

It is not Kennametal's intent to achieve an unfair competitive advantage with our requests, but rather to support a return stability and balance to the world tungsten market, thereby protecting American manufacturing businesses and jobs. Thank you for your attention to our position on this important topic.

Sincerely,

Markos I. Tambakeras

Attachments:

Asian Metal—New Price Guidance for Tungsten—CTIA

Asian Metal—Tungsten Market Participants Watching Market

ASIAN METAL (excerpt)

Tungsten market participants watching market

2005-6-24 8:47:55

BEIJING (Asian Metal) 24 Jun 05 – Due to the unsteady market, most tungsten industry participants report that they are watching and waiting for the market.

“Currently, we insist on quoting tungsten APT for RMB210,000/t (USD285/mtu) equal to the guidance price,” an official from a (Chinese) tungsten APT smelter said. “No deals have been concluded, but we are in no rush to sell and we would like to watch how the market develops.”

http://www.asianmetal.com/metal_news/Metal_News_print_en.asp?ID=13564

ASIAN METAL (excerpt)

New price guidance for tungsten -- CTIA

2005-6-20 14:19:37

BEIJING (Asian Metal) 20 Jun 05 – The standing committee of the price coordination committee of the CTIA (Chinese Tungsten Industry Association) held a conference in June 11, 2005 in Guangzhou, with aim to make a new price guidance for June.

After the full consultation for the price suggestions, the standing committee worked out the new one: tungsten concentrate at RMB130,000/t (USD15,709/t), tungsten APT at RMB 210,000/t (USD 300/mut), tungsten powder at RMB300,000/t (USD 36,253/t and ferrotungsten at RMB 210,000/t (USD25,377/t).

http://www.asianmetal.com/metal_news/Metal_News_print_en.asp?ID=13564

June 27, 2005

Mr. William Denk
Co-Chair, Stockpile Market Impact Committee
Bureau of Industry Security, U.S. Department of Commerce
14th Street and Constitution Avenue, NW
Washington, DC 20230

Dear Mr. Denk,

It has come to our attention that the Defense National Stockpile Center of the Defense Logistics Agency (DLA) has put forth a proposal to increase the tungsten ores and concentrates stockpile Annual Materials Plan (AMP) from 5 million to 20 million pounds of contained tungsten (W) in FY 06. OSRAM SYLVANIA was contacted by the DLA in early March 2005 inquiring on increasing the AMP to 10 million. At that time we stated that some additional material was needed to satisfy the demand of the tungsten market, but any amount over 7 million pounds would disrupt and harm the industry. We still support this position.

Increasing the AMP to 20 million says there is a 12 - 13% deficit of tungsten ore to meet current world demand. Based on import and export data from ITIA and USGS this is not possible. The more probable number would be 1 -2 %. Based on this percentage the AMP should only be increased by 2 million pounds from the current 5 million pounds. Allowing 20 million pounds to come to the market does not guarantee that all of the material will be consumed by U.S. tungsten producing plants. In fact, it increases the chances of most of the material going to other countries, especially China, which, in violation of its legal obligations as a member of the WTO, does not allow the export of their domestic tungsten ore concentrates and is positioned as the major competitor to downstream U.S. producers.

The Congressional authorization for the disposal of the tungsten stockpile has two provisions that are relevant to this consideration of increasing the AMP. (Title XXXIII - National Defense Stockpile, section 3303.)

Minimization of Disruption and Loss -- The President may not dispose of materials under subsection (a -- Incl. Tungsten) to the extent that the disposal will result in --

- 1) Undue disruption of the usual markets of producers, processor and consumers of the materials proposed for disposal or
- 2) Avoidable loss to the United States.

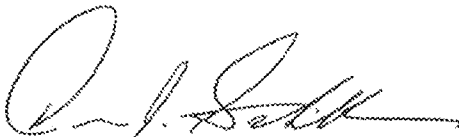
Increasing the AMP by 12 - 13% would cause tungsten prices to drop dramatically and cause "undue disruption" in the marketplace. Depressed prices would create a market where there is little or no room for profit. The few remaining U.S. tungsten producers will be forced to reduce prices of their products disproportionately to the cost of raw materials, which is further compounded by the disparity between higher fixed costs and labor costs in the U.S. as compared to China. Thus, U.S. manufactures will not be able to compete with China. The loss of U.S. jobs would be unavoidable and the U.S. industrial base would receive yet another severe setback.

If the demand is truly that much higher than the current supply, then why is there still approximately 200,000 pounds available on the DLA's SSA website?

In summary, OSRAM SYLVANIA recognizes and supports the need for "price relief" in the marketplace, but it must be done in a way that allows the tungsten industry to continue to thrive. "Dumping" large quantities of tungsten ore into the market will create an oversupply situation. As in the past when large releases from Government stockpiles took place, prices fell dramatically followed by long periods of depressed pricing. This is documented in a Tungsten USGS report. The most recent occurrence of this took place in the mid 90's when concentrate prices had risen to \$70 per short ton. In response China, Russia and Kazakhstan released large quantities of tungsten concentrates from their Government stockpiles. An oversupply situation developed by early 1996 and prices fell and remained at the \$40 per short ton through 1998.

We request that the Market Impact Committee communicate to the Defense National Stockpile Center that while an AMP increase is necessary, too much material would have a negative impact to the tungsten industry.

Sincerely,



Dean J. Schiller
Manager of Purchasing
Materials Operation – Towanda

CC: Cornel A. Holder, DNSC; Cheryl A. Deister, DNSC-C;
Franklin J. Ringquist, DNSC-M

>>> "Michael Bollag" <mbollag@comsupinc.com> 6/26/2005 6:17:36 PM >>>

Dear Mr. Denk

Comsup Commodities, Inc., a Delaware Corporation has been a substantial factor in the Tungsten industry for the past 15 years. We have participated in many of the past DLA tenders for Tungsten ore and products and have purchased substantial quantities from the DLA.

We are intimately involved in Tungsten, owning an interest in Tungsten mines in the CIS as well as in Portugal and own/operate a manufacturing plant for the production of Tungsten products.

Our interest has always been and continues to be to insure that we have a stable Tungsten market to assure that the industry has the supplies it needs at steady prices.

We are now experiencing an unusual period of growth due to the strong demand in China as well as the robust business climate in the Western world.

There is presently a definite substantial shortage of Tungsten which has created chaos in the market increasing the prices for APT (the product being produced from Tungsten ore) from \$70.00 per Metric Ton Unit to close to \$300.00 per Metric Ton Unit in a period of less than 6 months. This is primarily do to the lack of production throughout the world.

There are plans for substantial expansions of ore production in the world including Vietnam, Australia and Canada but most of these productions will only be coming into reality in about 3-5 years.

This should create an ideal situation for the DLA who could use this window to deplete their stockpile at advantages prices and at the same time help to stabilize world prices and help the industry in obtaining the products it requires.

Based on the above, we strongly recommend that the DLA increases its AMP from 5 Million lbs. to 20 Million lbs per year beginning as soon as possible.

Sincerely,

Michael Bollag President, Comsup Commodities, Inc.

Regards

Michael Bollag

>>> Rose <rosemeich@optonline.net> 6/27/2005 8:06:48 AM >>>

Attn: William Derk, Department of Commerce
Co-Chairman National Defense Study Market Impact Committee
Office of Strategic Economic Industries

I have been actively involved in the tungsten industry for over 40 years in various management positions as a producer, processor and importer of all types of tungsten products. I believe that the proposal to dispose of 20 million pounds of tungsten in tungsten concentrates from the Government stockpile is ill advised and is detrimental both to the industry and to our country.

It is DLA's mandate not to disrupt the market and also to obtain best possible value for the United States Government. Disposal of 20 million pounds of tungsten will be counter to this mandate. Such disposal will break the back of the market, will destroy current prices and eliminate any possibility of new supply coming to the market. This will make the United States totally dependent on the supply of tungsten from China. 20 million pounds exceeds annual domestic consumption. No existing mines will expand production, nor will any new mines open in face of such a huge disposal.

The remaining stockpile contains less than 60 million pounds of tungsten. At an annual sales rate of 20 million pounds the stockpile will be totally depleted in 3 years. Then what will industry and the United States do to satisfy their tungsten requirements?

There are many existing and developing national security and environmentally sensitive products for tungsten that will increase the demand for tungsten in the coming years. It is in everybody's interest to see the tungsten supply be increased rather than decreased.

It is best to continue with the existing DLA disposal program. The current high price will serve the purpose of encouraging increased supply, which in turn will reduce the price according to market forces. It is not the function of DLA disposals to interfere with free market mechanisms.

You are no doubt receiving a large number of letters advising you to proceed with this disposal. These letters are the result of a vigorous letter writing campaign and do not necessarily represent informed or knowledgeable opinions.

Thank you for your consideration of my views.

Walter T. Belous
WTB Resources Corp.
38 Cord Place
East Norwich, NY 11732

This e-mail has been sent by WTB's secretarial office. To reply directly to Walter Belous address your e-mail to tungsten@att.net.

From: WILLIAM DENK
To: Aparicio, Eduardo
Date: 6/27/2005 8:57:27 AM
Subject: Fwd: Planned Tungsten Release

William J. Denk
Bureau of Industry and Security
Director, Defense Programs Division
Office of Strategic Industries and Economic Security
U.S. Department of Commerce
14th and Pennsylvania Avenue, N.W.
RM # 3876
Washington, D.C. 20230

202-482-3695
202-482-5650 (fax)
<http://www.bis.doc.gov/OSIES>

>>> Jeff Burton <BurtonJ@sgstool.com> 6/27/2005 8:42:36 AM >>>
Dear Mr. William J. Denk,

I am sending this e-mail in support of the DLA's proposal to increase the planned tungsten stockpile release for next year. I have been employed in the carbide cutting tool industry for 37 years. I have seen price increases by the Chinese before, but not to this magnitude. Although we have made many investments in capital equipment to increase our efficiencies this price increase is extremely difficult to manage.

Regards,

Jeff Burton

Exec. V.P. President

S.G.S. Tool Company

55 South Main Street

Munroe Falls, Ohio

44262

June 20, 2005

Via Facsimile: 202-482-5650

William J. Denk – Co-Chair, National Defense Stockpile Market Impact Committee
Office of Strategic Industries and Economic Security
Room 3876
Bureau of Industry and Security
U.S. Department of Commerce
14th Street and Constitution Avenue, N.W.
Washington, D.C. 20230

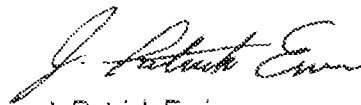
Dear Mr. Denk:

Re: Federal Register / Vol. 70, No. 102 / Friday, May 27, 2005 / Notices

I am writing to express my support for the DLA proposal to increase the planned Tungsten stockpile release for the coming year. The price of tungsten, a raw material that is vital to U.S. manufacturing, is spiking and poses an imminent threat to thousands of U.S. manufacturing jobs, U.S. global competitiveness, and the short-term profitability and long-term viability of U.S. tungsten and related industries. This is truly a national concern with implications ranging from manufacturing job losses to inflation.

Thank you for your assistance.

Sincerely,



J. Patrick Ervin
Chairman of the Board /
President / Chief Executive Officer

JPE/nlc



Mr. William J Denk
Co-chair
National Defense Stockpile Impact Committee
Office of Strategic Industries
U.S. Department of Commerce
14th Street & Constitution Avenue N.W.
Washington, DC 20230

June 27, 2005

Dear Co-Chair Denk –

I am writing to petition the Defense Logistics Agency (DLA) to deny the request for the release of 20 million pounds of tungsten concentrate from its strategic reserves. Any release by the DLA in excess of the normal 5 million pounds previously approved for release will work contrary to our free market system and natural market forces. Creating a false pricing floor for tungsten, in our opinion, will only serve to significantly exacerbate prices in the future.

Here is why.

The Chinese have controlled the international tungsten market for that last quarter of a century. Today, their own consumption of tungsten has reduced the world-wide supply, thereby driving prices up to a point where there will not be enough incentive to cost justify additional interest in exploration for new deposits and mining. In the long run, new exploration and development of tungsten reserves throughout the world, and the attendant market forces, will actually force future tungsten prices downward. Selling off DLA strategic reserves will discourage investment into exploration and development of this important strategic metal and future prices may actually be higher.

There is also a plethora of scientific evidence proving that lead is a heinous biotoxin affecting fetal and neuron development in children. Tungsten is environmentally benign. Any disincentive to explore and develop additional tungsten reserves will adversely effect the replacement of lead with environmentally friendly alternatives like tungsten.

In addition, there are numerous examples of where U.S. government intervention into the free enterprise system have had long term adverse affects on pricing, including such sectors as farming and forest products. The move towards deregulation was created to remove government intervention from our economy. Any move by the DLA towards selling strategic reserves for the benefit of a few select businesses, such as Kennametal, Inc. and Osram Sylvania Products, Inc. seems contrary to this policy.

APEX has been working with a new company that uses nano-composite technology using tungsten and polymers to develop new and environmentally friendly products for balancing wheels, drive shafts, ammunition and for fishing weights and lures. While it may seem logical to welcome government intervention to increase the supply of tungsten, it is the long term effects that are of concern where prices in the future will spike even higher, thus hurting this new business in the long run.

Finally, there are no guarantees that any intervention into the free market with the sale of strategic reserves will actually lower prices. Any action by the government may only serve to upset the market and exacerbate a supply and demand situation.

We strongly urge the committee to refrain from increasing the amount of tungsten sold for the currently approved amount of 5 million pounds.

Sincerely,

Robert West
Chief Executive Officer

CC: Honorable U.S. Representative James Oberstar
Honorable U.S. Senator Norm Coleman
Honorable U.S. Senator Mark Dayton

Congress of the United States

Washington, DC 20515

June 27, 2005

E. James Steele -- Co-Chair
National Defense Stockpile Market
Impact Committee
Office of Bi-Lateral Trade Affairs
Bureau of Economic and Business Affairs
U.S. Department of State
2201 C Street, NW
Washington, DC 20520

William J. Denk -- Co-Chair
National Defense Stockpile Market
Impact Committee
Office of Strategic Industries
and Economic Security
Room 3876
Bureau of Industry and Security
U.S. Department of Commerce
14th Street and Constitution Avenue, NW
Washington, DC 20230

Dear Mr. Denk and Mr. Steele:

We are writing you today regarding an important issue that has the potential of negatively impacting our national security. It is our understanding that the Defense National Stockpile Center (DNSC) was recently approached by industry to increase the quantity of Tungsten it is authorized to sell from five million pounds to twenty million pounds.

As you may be aware, the House Armed Services Committee has serious questions about the ongoing methodology that the Department of Defense (DOD) uses to sell strategic materials. Directive report language was included in the FY06 Defense Authorization Act that requires DOD to review its current policy to dispose of strategic materials. It is for this reason that we would request that a decision on the sale of Tungsten be postponed while this review is in progress.

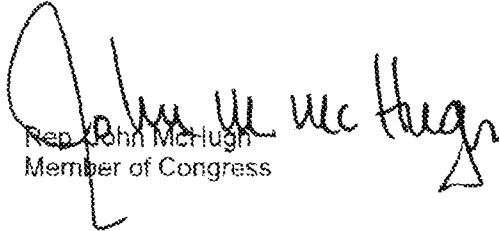
We are told the proposed increase, which is four times the current amount and almost one third of the entire United States stockpile, on the world market could lead to a collapse in the price of Tungsten. This price collapse could have devastating effects, causing the immediate closure of the largest and only significant supply of Tungsten outside of China, Beraft Tin and Wolfram.

We are also concerned over reports that this increased sale could lead to the abandonment of the August 2005 planned opening of what would become the second and largest supplier of western Tungsten, North American Tungsten, Canada. This move may prevent any further investment in the mining of Tungsten ore in the Western Hemisphere and guarantee that the world supply of Tungsten will be controlled by The People's Republic of China. Finally, this decision could result in a 35% decrease in the amount of Tungsten available to the United States military from our strategic reserves.

Finally concerns have been raised that if the ceiling were so dramatically increased the market price will plummet. Should that be the case there is every reason to believe that the proposed action could then allow the Chinese government-owned Tungsten mines, which now dominate world supply, to drive the Tungsten mines in the Western Hemisphere out of business.

In light of this information and the DOD mandated review of stockpile sales we urge that a decision on this matter be postponed until the review is complete. Please do not hesitate to contact us if you have additional questions or comments.

Sincerely,


Rep. John McHugh
Member of Congress


Rep. Duncan Hunter
Member of Congress


Rep. Jim Gibbons
Member of Congress

TIM MURPHY
18TH DISTRICT, PENNSYLVANIA



Co-CHAIR, 21ST CENTURY HEALTH CARE CAUCUS
Co-CHAIR, CONGRESSIONAL MENTAL HEALTH CAUCUS
CONGRESSIONAL STEEL CAUCUS
MILITARY VETERANS CAUCUS

COMMITTEE ON ENERGY AND COMMERCE
COMMERCE, TRADE, AND CONSUMER PROTECTION
ENERGY AND AIR QUALITY
ENVIRONMENT AND HAZARDOUS MATERIALS

Email: murphy@mail.house.gov
Website: murphy.house.gov

Congress of the United States
House of Representatives
Washington, DC 20515
June 30, 2005

Mr. William J. Denk
U.S. Department of Commerce
Office of Strategic Industries and Economic Security
Bureau of Industry and Security, Room 3876
14th Street and Constitution Ave
Washington, D.C. 20230

Dear Mr. Denk:

This letter responds to the recent request for comment on the potential market impact of the revised stockpile disposal levels for tungsten ores and concentrates for Fiscal Year 2006 – Docket No. 050518134-5134-01.

China currently controls 80 percent of the world's tungsten supply and has run up the price of tungsten from \$60 per metric ton unit to over \$300 per metric ton unit. The price of tungsten has QUINTUPLED in just the past 18 months. This unprecedented spike in the price of tungsten is posing an imminent threat to U.S. manufacturing jobs, our global competitiveness and the short-term profitability and long-term viability of U.S. tungsten and related industries.

Inflated prices and market volatility threaten some 5,000 manufacturing jobs and will have an inflationary affect on the entire U.S. economy. Virtually every manufacturing enterprise uses tungsten carbide hardened tooling to cut and shape metal. This includes airplanes, farm equipment, cars, oil and mining drills, road construction machinery, snow plow blades, medical implants, and a nearly endless list of other products. If this situation goes unaddressed, U.S. companies in the cemented tungsten carbide industry and related industries will have to move to lower cost countries to be competitive or be forced out of business.

The National Defense Stockpile (NDS) currently stores 60 million pounds of tungsten contained in ores, all of which has been determined to no longer be critical to our national security needs. Accelerating the approved schedule for releasing tungsten will stabilize the world marketplace, thwarting Chinese attempts to disrupt American producers, while moving prices toward an equilibrium conducive to expanded non-Chinese production.

We strongly support releasing 20 million pounds of tungsten, as soon as possible, from the NDS to companies with ore conversion and/or tungsten or tungsten carbide

322 CANNON HOUSE OFFICE BUILDING
WASHINGTON, DC 20515
(202) 225-2301
FAX: (202) 325-1844

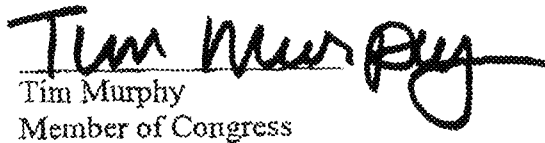
504 WASHINGTON ROAD
PITTSBURGH, PA 15228
(412) 344-5583
FAX: (412) 429-5092

2040 FREDERICKSON PLACE
ROUTE 136
GREENSBURG, PA 15601
(724) 850-7312
FAX: (724) 850-7315

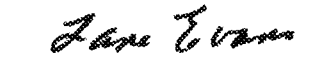
Mr. William J. Denk
June 30, 2005
Page 2

manufacturing or processing capabilities in the U.S. between July 1, 2005 and June 30, 2006. Allowing speculating brokers to buy up tungsten released by the NDS would just exacerbate the current volatile situation, rather than bring stabilizing economic forces into the marketplace. Steering the release to U.S. manufacturers and processors is absolutely critical to positively affecting prices.

Sincerely,


Tim Murphy
Member of Congress


Don Manzullo
Member of Congress


Lane Evans
Member of Congress


G.K. Butterfield
Member of Congress