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April 2, 2020

Jason Bolton, Acting Director
Office of Technology Evaluation
Bureau of Industry and Security
Room H-1093
United States Department of Commerce
14th Street and Pennsylvania Avenue NW
Washington, DC 20230

Re: Confidential Submission of Supplement to Section 232 Petition

Dear Mr. Bolton:

AMG Vanadium LLC and U.S. Vanadium LLC (collectively, “Petitioners”) hereby supplement the petition filed November 19, 2019 requesting initiation of an investigation under Section 232 of the Trade Act of 1962, as amended, 19 U.S.C. § 1862 (“Section 232”). The attached Petition Supplement contains confidential and proprietary information of Petitioners, the disclosure of which would be harmful to both companies’ competitive interests. Petitioners therefore request confidential treatment for the information in the attached Petition Supplement pursuant to Section 705(d) of the Defense Production Act.

In the event of any demand or request for release or disclosure of any of the confidential or proprietary information contained in the attached Petition Supplement, Petitioners request that the Bureau of Industry and Security provide Petitioners with notice and an opportunity to be heard prior to any such release or disclosure.

Respectfully submitted,

/s/ Jeffrey M. Telep
Jeffrey M. Telep
Bradford L. Ward

*Counsel for Petitioners AMG Vanadium
LLC and U.S. Vanadium LLC*

ATTACHMENT

**BEFORE THE
BUREAU OF INDUSTRY AND SECURITY
U.S. DEPARTMENT OF COMMERCE**

SUPPLEMENT TO SECTION 232 PETITION

PETITIONERS:

AMG VANADIUM LLC AND U.S. VANADIUM LLC

COUNSEL:

Jeffrey M. Telep
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Bonnie B. Byers, Consultant
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Counsel to Petitioners

DATE: April 2, 2020

Petitioners supplement their petition filed under Section 232 of the Trade Act of 1962 to note the serious negative impacts of imports on their calendar-year 2019 financial results as explained below. Accordingly, Petitioners urge the Secretary of Commerce promptly to (a) initiate an investigation under Section 232, (b) find that vanadium is being imported into the United States in such quantities and under such conditions as to threaten to impair the national security, and (c) recommend that the President take appropriate action.

Attached are summary calendar-year 2019 financial results for Petitioners' vanadium operations, which show a sharp deterioration in their respective financial conditions in recent years. Specifically, AMG Vanadium LLC ("AMG") has, for the first time in several years, posted a significant [] on its vanadium operations. Although net income [] in 2017 and 2018 over the previous years, AMG experienced a [] in 2019. Combined with the economic slowdown and uncertainties caused by the continuing spread of the novel coronavirus, this fact presages an unsettled environment for the continuation of the new AMG capacity under construction in Ohio. Likewise, U.S. Vanadium has moved from [] in 2017 to [] in 2018 and 2019.

In addition, the petition projected that total imports for calendar-year 2019 would exceed 2018 imports based on available data for January-July 2019. Although annualized imports during the first half of 2019 exceeded 2018 imports, actual calendar-year 2019 imports did not increase as projected in the second half of the year and, therefore, did not exceed 2018 imports. These calendar-year 2019 data are included in revised Exhibit 26. This reduction in July-December 2019 imports was in part due to the sharp price spike in 2018, which encouraged some substitution of ferroniobium for ferrovanadium in the production of steel. Such substitution requires additional adjustments to the steel production process, which are not immediately or simply reversed when ferrovanadium prices decline.

We note also the rapidly deteriorating global economic conditions and the projection of further global slowdown in the months ahead due to the effects of the novel coronavirus. To the extent that the

pace of growth in production of steel and aerospace goods slows or begins to decline, demand for vanadium and vanadium prices will fall, with detrimental impacts on the financial well-being of U.S. vanadium producers. The domestic industry is still in the process of recovering from a very difficult period of extreme price volatility, bankruptcies, reorganizations, and retrenchment. Prompt action under the authority of Section 232 to control the effect of imports is vital to the continued health and even existence of the domestic vanadium industry.

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Revised Exhibit 26

VANADIUM IMPORT STATISTICS

IMPORT VOLUME

Product	Unit (Pounds)	HTS	2016	2017	2018	2019
Ferrovandium (1)	Contained Vanadium	7202.92.00	6,065,505	7,744,884	8,004,046	6,939,914
Vanadium Carbonitrides (2)						
South Africa	Contained Vanadium	2849.90.50	3,191,246	3,213,258	2,750,396	2,806,039
China	Contained Vanadium	2849.90.50	131,538	196,865	266,100	111,337
Vanadium Oxides (V2O3 & V2O5)	Contained Vanadium	2825.30.00	6,886,893	7,826,632	10,364,979	8,288,055
Vanadates	Contained Vanadium	2841.90.10	689,466	769,867	857,690	160,785
Total All Products			16,964,648	19,751,507	22,243,211	18,306,130
Percent Volume Increase/(Decrease)					31%	8%

(1) Suppressed Czech Republic volume amounts are estimated based upon average unit value of imports from Canada, Austria and Russia.

(2) Contained vanadium amount assumed to be 78 percent of shipment weight.

IMPORT VALUE (CIF)

Ferrovandium	US Dollars	7202.92.00	48,580,993	95,903,726	231,457,718	163,827,364
Vanadium Carbonitrides						
South Africa - Nitrovan	US Dollars	2849.90.50	22,845,457	39,126,916	78,149,025	92,449,674
China - Vanadium Carbonitrides	US Dollars	2849.90.50	4,315,310	6,241,394	9,373,064	3,120,026
Vanadium Oxides	US Dollars	2825.30.00	36,005,144	64,525,616	176,951,239	117,321,639
Vanadates	US Dollars	2841.90.10	4,522,689	6,338,674	17,623,649	3,314,687
Total			116,269,593	212,136,326	513,554,695	380,033,390
Percent Value Increase/(Decrease)					342%	227%

Source: USITC Dataweb.

Financial Information

ENTIRE EXHIBIT NOT SUSCEPTIBLE TO PUBLIC SUMMARY