

U.S. probes security impact of importing magnets used in fighter jets, missiles

WASHINGTON, Sept 24 (Reuters) - The Biden administration will investigate the possible national security risks of over-relying on imports of certain magnets used in fighter aircraft and missile guidance systems as part of a global supply chain review, the Commerce Department on Friday.

The neodymium-iron-boron (NdFeB) permanent magnets are used in a variety of other equipment, including electric vehicles, wind turbines, computer hard drives, audio equipment and MRI devices, it added.

NdFeB magnets are a type of rare earth magnet essential to building weapons, including Javelin missiles made by Raytheon Technologies Corp (RTX.N) and Lockheed Martin Corp (LMT.N).

1. Nearly all of the world's production of these specialized magnets takes place China. The United States long ago ceded its position as the world's largest manufacturer of the magnets, even though a U.S. Naval Research Laboratory scientist invented them in the early 1980s.

Reuters reported in late 2019 that the Pentagon had been seeking proposals to cache a rotating six-month supply of NdFeB magnets. The move was criticized at the time for not offering financial support for NdFeB magnet manufacturing, which industry analysts and executives saw as a short-sighted misstep.

The Pentagon has funded some U.S. rare earth mining projects, including one in California operated by MP Materials Inc (MP.N).

MP relies on China for final processing of its rare earths, but has said it is working towards full processing at its mine and eventually making rare earth magnets in the United States.

The Las Vegas-based company said it looks "forward to participating" in the Commerce Department review and that it "holds a deep conviction that private entities in the United States can achieve commercial (rare earth) success."

A bill introduced in the U.S. House of Representatives last month would extend tax credits to companies that domestically produce rare earth magnets.

The Commerce Department called for submissions of public comment related to the probe to be submitted through Nov. 21, and has until June 18 to notify President Joe Biden if it finds the "magnets are being imported into the United States in such quantities or under such circumstances as to threaten to impair the national security."

It said the magnet probe is the first such one launched under the Biden administration, which had initiated a widespread supply chain review to address bottlenecks affecting numerous industries, including transportation, logistics, construction materials and housing. [read more](#)

U.S. Secretary of Commerce Gina Raimondo said in a statement the probe would help **"determine whether U.S. reliance on imports for this critical product is a threat to our national security."**