

DOD Awards \$192.5 Million to Establish Domestic Manufacturing Capabilities for Critical Defense Chemicals

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The Department of Defense (DOD) announced today seven awards totaling \$192.5 million through the Defense Production Act Investments (DPAI) Program to establish domestic manufacturing capabilities for critical chemicals.

"These critical chemical investments show the National Defense Industrial Strategy in action to ensure resilient supply chains and promote economic deterrence," said Dr. Laura Taylor-Kale, Assistant Secretary of Defense for Industrial Base Policy. "The awards will result in the domestic production of military grade chemicals by establishing, expanding, and modernizing the manufacturing capacity of 22 critical chemicals used in defense systems, including non-energetic chemicals and precursors for both energetic and non-energetic chemicals."

DPAI generated this funding opportunity to incentivize companies to produce these essential chemicals domestically. Each of the companies receiving an award has demonstrated the ability to meet the minimum required production amounts of one or more of these chemicals using flexible, efficient, modern, and environmentally responsible manufacturing practices. In addition, these chemicals have multiple applications in the commercial sector, including but not limited to market segments like pharmaceuticals, consumer products, agriculture, automotive, and energy. The diversity of potential buyers will help maintain the long-term sustainability of this investment.

The seven awards include:

- Synthio Chemicals Inc. was awarded an \$8.2 million contract to establish domestic production of three stabilizers/burning rate moderators (diphenylamine, ethyl centralite and methyl centralite) and two smoke dyes (1-methylamino anthraquinone and 1,3-diamino-2,4-dihydro anthraquinone). Production will occur in Broomfield, CO.
- CoorsTek Inc. was awarded a \$49.6 million contract to establish production of a critical material used for the protection of human lives and the packaging of ammunition and other defense systems. Production will occur in Golden, CO.
- Goex/Estes Energetics was awarded a \$13.0 million contract to establish production of seven oxidizers used in energetic formulations (barium nitrate, potassium chlorate, potassium nitrate, potassium perchlorate, strontium nitrate, strontium oxalate, and strontium peroxide) and a muzzle suppressant (potassium sulfate). Production will occur in Camp Minden, LA.
- Lacamas Laboratories was awarded an \$86.2 million contract to establish production of two precursors of energetics (4-nitroanisole and 1,3,5-trichlorobenzene), two precursors of non-energetics (salicylic acid and sebacic acid), and three stabilizers/burning rate moderators (diphenylamine, ethyl centralite and methyl centralite). Production will occur in Portland, OR.
- Magrathea Metals Inc. was awarded a \$19.6 million contract to establish domestic production of magnesium, a critical precursor in the production of metals and semi-

metals essential to defense systems, as well as foundry and component forming. Production will occur in Oakland, CA.

- METSS Corporation was awarded a \$14.0 million contract to establish domestic production of eight oxidizers used in energetic formulations (barium nitrate, lead nitrate, potassium chlorate, potassium nitrate, potassium perchlorate, strontium nitrate, strontium oxalate, and strontium peroxide) and a muzzle suppressant (potassium sulfate). Production will occur in Westerville, OH.
- Powdermet Inc. was awarded a \$1.9 million contract to establish domestic production of two critical metals (titanium powder and zirconium powder) used in energetic formulations for ignition and source of fuel. Production will occur in Euclid, OH.

With DPAI's assistance, these seven companies expect to establish national capacity of the aforementioned chemicals by the end of 2027, contributing to the strengthening of America's supply chains and limiting foreign dependence for the defense industrial base.

These are the latest of 10 awards made by the DPAI program across multiple areas totaling \$289 million since the beginning of fiscal year 2024. DPAI is overseen by the ASD(IBP)'s Manufacturing Capability Expansion and Investment Program (MCEIP), in the Office of the Deputy Assistant Secretary of Defense for Industrial Base Resilience.

For more information on MCEIP, please visit: <https://www.businessdefense.gov/ibr/mceip/index.html>

About the Office of the Assistant Secretary of Defense for Industrial Base Policy (OASD (IBP))

The OASD IBP works with domestic and international partners to forge and sustain a robust, secure, and resilient industrial base enabling the warfighter, now and in the future.