



DEPARTMENT OF THE TREASURY  
UNITED STATES MINT  
WASHINGTON, D.C. 20220

September 21, 2022

The Honorable Alex X. Mooney  
U.S. House of Representatives  
Washington, D.C. 20515-4802

Dear Representative Mooney:

I am writing in response to your letter to Treasury Secretary Janet Yellen and me dated August 25, 2022, concerning the United States Mint's Silver American Eagle Bullion Coin Program. I appreciate the opportunity to address your questions.

As background, the United States Mint produces both bullion and numismatic versions of its precious metal coins. The bullion coins are not sold directly to the public but instead are sold through a network of Authorized Purchasers in large, wholesale quantities. They are sold to the Authorized Purchasers based on the underlying value of the precious metal in the coins plus a small "premium" to cover all associated production and distribution costs. By law, the program cannot and does not operate at any net cost to the American taxpayer.

**1. Does the Secretary believe the Silver American Eagle coin is being produced in "qualities and quantities that . . . are sufficient to meet public demand"?**

The United States Mint consistently endeavors to produce Silver American Eagle coins in qualities and quantities sufficient to meet public demand. Our silver bullion coins are the most widely-traded silver bullion coins in the world today, and no other sovereign mint produces them in the quantities the United States Mint does. Accordingly, the Mint's demand for the silver blanks used to produce these coins is far greater than that for any other sovereign mint.

The United States Mint utilizes a forecast to determine production quantities for bullion products. The forecast considers historical sales levels and evaluates the economy and recent trends that may affect supply and demand. Bullion is a commodity, and for that reason demands can fluctuate. Although we do our best to meet the demands of the market, unfortunately, we cannot predict with 100 percent certainty how world events will affect demand. When turbulent market conditions drive the purchase of bullion, we use our best efforts to increase production to meet demand. The process of allocation allows the Mint to equitably provide bullion to the Authorized Purchasers in periods where demand greatly exceeds our ability to supply. Ultimately, the United States Mint, like other sovereign Mints such as the Royal Canadian Mint, must allocate what silver bullion coins we can produce in the most fair and equitable manner possible.

The currently limited availability of silver blanks is due, by-and-large, to disruptions in the silver blank vendor production capabilities that resulted from the crippling effects of the pandemic.

More than two years after the start of the pandemic, these vendors continue to recover from those disruptions. The United States Mint is exploring options to increase the number of silver blanks we can get from our vendors, and continue attempts to develop additional silver blank suppliers for our vendor pool.

We note with pride that while many other sovereign mints were forced to shut down for extended periods of time during the pandemic, the United States Mint's bullion coin production/distribution center at its West Point facility remained, by-and-large, open and operational. This is a testament to the dedication and commitment of its staff to keep this important program up and running while other mints and industries were locking down.

**2. Why is only a single supplier currently allowed (or willing to) provide the U.S. Mint with silver blanks for its Silver Eagle Program?**

We currently have two suppliers of silver blanks for the Silver Eagle program. The United States Mint is continuously making an effort to identify and develop additional suppliers. We have an open solicitation in which we provided our specifications to several potential vendors who are considering fabricating blanks; however, these vendors would need time to purchase equipment and build the infrastructure to become suppliers.

**3. Given its statutory mandate to amply supply these coins to the public, why doesn't the U.S. Mint have a policy to build a reserve of silver blanks during periods of slower demand in order to create a buffer for periods of higher demand?**

The United States Mint traditionally maintains a reserve stock of silver blanks. Due to continued high demand and reduced supply of silver blanks, the reserve stock was depleted. Given the limited supply of silver blanks, the United States Mint must judiciously consider how to divide those blanks among its various silver bullion coins and numismatic products.

**4. Has the U.S. Mint examined the practices of other sovereign mints, such as Britain's Royal Mint, Australia's Perth Mint, the Austrian Mint, and the Royal Canadian Mint, to learn more from their relative success in meeting high public demand for their own silver coins? If so, what were the resulting findings or recommendations?**

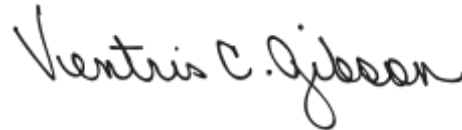
We continually look at the practices of other sovereign Mints and benchmark our performance. The United States Mint is aware that the Royal Canadian Mint, one of the largest producers of silver bullion coins, is itself on silver allocations and cannot meet market demand due to an inability to acquire a sufficient number of silver blanks.

**5. What actions are currently being undertaken to address the Mint's production problems (which reportedly extend beyond the Silver American Eagle coin program) and when will the U.S. Mint once again be able to fulfill its mandate to meet public demand?**

Combined with increasing demand, Mint production is currently constrained by a variety of factors, including the current low level of incoming blanks supply. We continue to work with our current suppliers to increase capacity of blank fabrication. In addition, we have identified several potential new fabricators who have expressed interest in supplying blanks to the United States Mint once their equipment is installed and they have hired and trained staff.

I appreciate your concerns and thank you for your interest in the United States Mint and its coin programs. My staff and I are always available to discuss the bullion program with you in more detail, and we invite you to visit the United States Mint at West Point facility. Please directly reach out to Jennifer Warren, the Mint's Associate Director for Legislative and Intergovernmental Affairs, at (202) 360-3154 or [jennifer.warren@usmint.treas.gov](mailto:jennifer.warren@usmint.treas.gov).

Sincerely,

A handwritten signature in black ink that reads "Ventris C. Gibson". The signature is written in a cursive style with a large, prominent initial "V".

Ventris C. Gibson  
Director  
United States Mint