

CHAPTER 1

INTRODUCTION

1-1. Purpose of Stockpiling.

The purpose of the United States National Defense Stockpile (50 U.S.C. 98 et seq.) is to protect the nation against a dangerous and costly dependence upon foreign sources of supply of strategic and critical materials in time of national emergency. Under this program, the Government identifies strategic and critical materials (sometimes referred to as commodities) and determines the quality and quantity of the materials to be included in the Stockpile. Provision is also made to acquire, store, upgrade, and rotate materials and to dispose of obsolete or excess materials.

1-2. Major Policies.

The major Stockpile policies give first priority to acquisitions of materials needed to develop a strong readiness posture for a national emergency. The key elements of these policies are as follows:

- a. Stockpile planning is based on supplying the military, industrial, and essential civilian needs of the United States.
- b. Taking significant austerity measures as are necessary within the national economy during wartime to sustain defense production.
- c. An interagency stockpile planning process includes development of an Annual Materials Plan for acquisition of needed materials and the disposal of excess materials. Participants in this process are the following agencies and other organizations:

- (1) Office of the Under Secretary of Defense Acquisitions & Technology (AT&L)
- (2) Defense Logistics Agency
- (3) DLA Strategic Materials
- (4) Department of Homeland Security
- (5) Department of Agriculture
- (6) Department of the Interior
- (7) Department of Commerce
- (8) Armed Services Committees of the U.S. Senate and House of Representatives
- (9) Department of Energy
- (10) Department of State

(11) Department of Treasury

d. The Stockpile, consisting of materials acquired over the years under various programs, is now known as the National Defense Stockpile/DLA Strategic Materials (hereafter referred to as "the Stockpile" or DLA Strategic Materials).

e. Stockpile goals represent the requirements to meet national security and limited commercial needs.

f. No material may be acquired for the stockpile or disposals made unless authorized by law, except during a national emergency.

g. A Stockpile Transaction Fund is established in the Treasury. Monies from the sale of Stockpile materials are deposited in this fund and may be used for the acquisition of strategic and critical materials.

1-3. Legal Authority for Stockpiling

a. The Strategic and Critical Materials Stock Piling Act, 50 U.S.C., 98 et. seq., as amended, authorizes the President, through the Stockpile Manager, to acquire, store, secure, maintain, refine or process, rotate, and dispose of excess materials. Executive Order No. 12626, dated February 25, 1988, delegated these functions as follows:

(1) Determining which materials are strategic and critical and the quantity to be acquired (with the approval of the Armed Services Committees of the Congress) delegated to the Secretary of Defense.

(2) Acquiring, securing, storing, maintaining, refining or processing, rotating, and disposing of excess materials delegated to the Secretary of Defense.

(3) Investigating scientific, technologic, and economic studies to develop new domestic sources of supply, new methods for treatment and utilization of lower grade reserves, and development of substitutes for minerals and ores delegated to the Secretary of the Interior.

(4) Developing scientific, technologic, and economic feasibility investigations of domestic sources of agricultural products delegated to the Secretary of Agriculture.

(5) Appointing advisory committees of experts regarding the acquisition, transportation, processing, refining, storage, security, maintenance, rotation and disposal of materials delegated to the Secretary of Defense.

(6) Reporting annually to the Congress on acquisitions and disposals of material, financial status of the Stockpile Transaction Fund, and planned appropriations therefrom delegated to the Secretary of Defense.

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(7) The functions vested in the President by sec. 4(h) of the Commodity Credit Corporation Charter Act, as amended, 15 U.S.C. 714b(h) and sec. 204(f) of the Federal Property and Administrative Services Act of 1949, as amended [40 U.S.C. 485(f)] delegated to the Secretary of Defense..

b. Materials Constituting the Stockpile

(1) Materials acquired under the Strategic and Critical Materials Stock Piling Act before June 30, 1979.

(2) Materials in the Supplemental Stockpile established by sec. 104(b) of the Agricultural Trade Development and Assistance Act of 1954.

(3) Materials acquired under sec. 303 of the Defense Production Act of 1950 (50 U.S.C. App. 2093).

(4) Materials transferred to the U.S. Stockpile under sec. 663 of the Foreign Assistance Act of 1961 (22 U.S.C. 2423).

(5) Materials acquired under the Commodity Credit Corporation Charter Act [15 U.S.C. 714b(h)]; and under para. (2) and (4) of sec. 103 (a) of the Agricultural Stabilization Act, August 28, 1954 [7 U.S.C. 1743(a)].

(6) Material excess to any other department or agency and required for the Stockpile.

1-4. Material Identification

a. Materials acquired for stockpiling under the current or previous acts or programs are recorded under National Defense Stockpile and identified by the symbol "NDS."

1-5. Background

a. These instructions apply to the transportation, handling, storage, custody, security, maintenance and environmental protection of all materials in stockpile storage.

b. The directions are equally applicable to DLA Strategic Materials, other government agencies, and contractors authorized by law, contract, or agreement to store the materials.

1-6. Special Instructions

a. Valid instructions can only be issued by the DLA Strategic Materials, designees. The Chief, Operations and Logistics Division or a commodity specialist is authorized to review and approve sales orders within the Enterprise Business Systems (EBS).

b. During an enemy attack upon the continental United States, when national communications are not operable, the above release procedure is suspended and the following substituted:

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(1) Under emergency operating conditions, storage depots may also authorize shipment of stockpile materials when ordered by:

(a) USD-(AT&L)

(b) Administrator, DLA Strategic Materials

(2) Sales Orders are written or oral, depending on emergency conditions. However, storage depots must obtain written confirmation of oral sales orders preferably prior to release of carrier vehicle. A log of all shipments authorized with an audit trail to the parties on both ends of the transaction is maintained. Written Sales Orders will be issued through the EBS computer system.