

MATERIALS 11 STOCKPILING

MATERIALS 11 Stockpiling

Date	To	From	Class	Pgs. No.	To	From	Class
1 7-20-65	Stockpile Act	Materials & Stockpile Act	see				



UNITED STATES
ATOMIC ENERGY COMMISSION
WASHINGTON, D.C. 20545

July 20, 1965

MEMORANDUM FOR CHAIRMAN SEABORG
COMMISSIONER PALFREY
COMMISSIONER RAMEY
COMMISSIONER TAPE

SUBJECT: AEC STATEMENT FOR HEARINGS ON THE MATERIALS AND
STOCKPILE ACT OF 1965

The attached statement is scheduled for presentation at subject
hearings Thursday, July 22. The hearing will be at 10:00 a.m.
in Room 2212 of the Rayburn House Office Building.

Signed, Robert D. O'Neill

John J. Burke, Director
Congressional Relations

Attachment
As stated

cc: GM
DGM
AGM
EAGM
OGC
PRODUCTION
OC
SECRETARIAT (2) ✓

7-21-65

STATEMENT OF JOHN P. ABBADessa, CONTROLLER
ATOMIC ENERGY COMMISSION
BEFORE THE ARMED SERVICES COMMITTEE
OF THE HOUSE OF REPRESENTATIVES ON S.28
THE "MATERIALS RESERVE AND STOCKPILE ACT OF 1965"

Mr. Chairman and Members of the Committee:

The Atomic Energy Commission is pleased to accept your invitation to testify on S.28. With me today are Mr. Peggy Lum, Chief of the Property and Supply Management Branch of my office; Mr. Edwin Ferguson, Associate General Counsel; and Mr. Frank Baranowski, Director of our Division of Production.

By letter dated June 14, 1965, the General Manager of the Atomic Energy Commission transmitted to your Committee a proposed amendment to the provisions of S.28 as passed by the Senate. This amendment relates to Sections 6 and 7 of S.28, and my prepared statement is limited to an explanation of this proposed amendment.

Section 6 of the Bill now provides that whenever any department or agency holds any material which is currently designated a strategic and critical material within the meaning of the Bill, and the head of such department or agency determines such material to be excess to its needs, such material shall be transferred to the National Stockpile in accordance with such regulations as the Administrator of General Services shall prescribe. A material, however, may be transferred to the National Stockpile only to the extent that the stockpile objective for the material is not exceeded.

S.28 would also establish, in Section 7, an inventory to be known as

the Materials Reserve Inventory, in which would be held all materials excess to stockpile objectives now held in the three existing stockpiles (the national stockpile, the supplemental stockpile, and the Defense Production Act inventory). In addition, materials hereafter acquired under provisions of the Defense Production Act and the Agricultural Trade Development and Assistance Act of 1954, and which would not be needed to meet the objectives of the National Stockpile, would be placed in this inventory.

As we read the wording in these two Sections, no provision is made in the Bill for an agency to transfer strategic and critical material that is excess to its needs when such material is not needed to meet stockpile objectives.

It appears to us that under such circumstances it would be in the interest of the Government if the Bill required that any excess strategic and critical material, or material similar to it, in the hands of another Government agency be transferred to the GSA for inclusion in the Materials Reserve Inventory. We believe there are several advantages, particularly relating to the subsequent disposal activity, in an arrangement where a single agency controls all of the Government's excess strategic and critical materials. The General Services Administration would be the logical agency because it would have the responsibility for studying the market impact of such disposal, for assuring the comparability with foreign relations of the United States, and for the other criteria

that would be established in the Bill for disposals from the Materials Reserve Inventory.

The Atomic Energy Commission's interest in S.28 is based upon the experience we have had in connection with significant quantities of four materials -- mercury, vanadium pentoxide, yttrium and lithium. These materials were excess to our program requirements and their disposal had been delayed because of the potential adverse impact on the domestic market situation. Two of these materials, mercury and vanadium pentoxide, are classified as strategic and critical materials and were utilized in part to meet National Stockpile objectives. A large quantity of these two materials, however, were not required to meet stockpile objectives and, therefore, would not come under the application of S.28 as presently written. We have been able to work out special arrangements with GSA whereby they agreed to undertake the disposal of all four of these excess materials under the provisions of the Federal Property Act. With the assistance of other interested agencies, GSA made the type of determinations they usually make in connection with the disposal of other excess critical and strategic materials in stockpile inventories; such as, a study of market impact and the relationship of such disposal to our foreign relations. In addition, under the special arrangements, accountability for these four excess materials was recently transferred to the GSA so that there would be no impediment to their disposal.

However, rather than relying on special arrangements between Government agencies, it would appear desirable to require agencies having any strategic and critical material, or material similar to it, which they have determined to be excess to their needs, to transfer such material to the Materials Reserve Inventory so that one agency -- the General Services Administration -- would carry out the Government's total management and disposal program for these materials under uniform procedures with precise and definite statutory guide lines. It was in the light of these considerations that the AEC proposed an amendment which would provide, under the circumstances cited above, for the transfer of any strategic and critical material, or material similar to it, to the Materials Reserve Inventory. The Bureau of the Budget has approved the proposed amendment and the language changes have been drafted with the assistance and full endorsement of the GSA. The specific language changes of our proposed amendment are attached as an appendix to our letter dated June 14, 1965 to your Committee.

We would urge consideration by your Committee of our proposed amendment to accomplish this purpose.



UNITED STATES
ATOMIC ENERGY COMMISSION
WASHINGTON, D.C. 20545

July 21, 1965

MEMORANDUM FOR CHAIRMAN SEABORG
COMMISSIONER PALFREY
COMMISSIONER RAMEY
COMMISSIONER TAPE

SUBJECT: HEARINGS ON STOCKPILING LEGISLATION

The hearings on the Materials Reserve and Stockpile Act scheduled for July 22 have been postponed indefinitely.

John J. Burke
John J. Burke, Director
Congressional Relations

cc: GM
DGM
AGM
EAGM
AGMPP
OGC
OC
PRODUCTION
SECRETARIAT (2) ✓

7-21-65

July 16, 1965

MEMORANDUM FOR CHAIRMAN SEABORG
COMMISSIONER PALFREY
COMMISSIONER RAMEY
COMMISSIONER TAPP

SUBJECT: TESTIMONY FOR HEARINGS ON STOCKPILING LEGISLATION

For your information, there is attached a draft of testimony for use before the House Armed Services Committee on S.28 and its companion bill, H.R.4477. These bills are intended primarily "to insure the availability of critical materials during a war or national emergency by providing a reserve of such materials,...."

The AEC has proposed an amendment to the above stated bills under which there would be transferred to a "materials reserve inventory" (being proposed in the bills) any materials excess to various agencies of the Government and not required for the national stockpile.

Testimony is tentatively scheduled from the AEC at 10 a.m. Wednesday, July 21, Room 2212 of the Rayburn House Office Building. Mr. Abbadesse will present the testimony.


John J. Burke, Director
Congressional Relations

Attachment *w/d*
As stated

cc: OC

SECY

OCR

BURKE:dep

7-16-65

7-16-65

Jesse C. Johnson, Director
Division of Raw Materials

February 26, 1957

W. B. McCool, Secretary

COMMISSION DISCUSSION OF AEC 20/59 - PRIVATE SALE OF DOMESTIC URANIUM

SECY:JEA

2. In addition, the Commission:

Requested consideration of a policy on the stockpiling
of uranium.

3. We will circulate to the Commission as staff papers the results of your
studies of the above requests.