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DEPARTMENT OF COMMERCE

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Bureau of Industry and Security

Docket No. 120309175-2178-01

National Defense Stockpile Market Impact Committee Request for Public Comments on the Potential Market Impact of Proposed Supplement to the Fiscal Year 2012 Annual Materials Plan

AGENCY: Bureau of Industry and Security, Commerce.

ACTION: Notice of inquiry.

SUMMARY: The purpose of this notice is to advise the public that the National Defense Stockpile Market Impact Committee, co-chaired by the Departments of Commerce and State, is seeking public comments on the potential market impact of the proposed supplement to the Fiscal Year 2012 Annual Materials Plan related to establishing three new material research and development projects. The research and development projects involve three materials – cadmium zinc tellurium (CZT) substrates, trichlorobenzene (TCB), and rhenium alloy. The role of the Market Impact Committee is to advise the National Defense Stockpile Manager on the projected domestic and foreign economic effects of all acquisitions and disposals involving the stockpile and related material research and development projects. Public comments are an important element of the Committee’s market impact review process.

DATES: To be considered, written comments must be received by _____ [INSERT DATE 30 DAYS AFTER DATE OF PUBLICATION IN THE FEDERAL REGISTER].

ADDRESSES: Address all comments concerning this notice to Michael Vaccaro, U.S.

Department of Commerce, Bureau of Industry and Security, Office of Strategic Industries and Economic Security, 1401 Constitution Avenue, NW, Room 3876, Washington, DC 20230, fax: (202) 482-5650 (Attn: Michael Vaccaro), e-mail: MIC@bis.doc.gov; and Douglas Kramer, U.S. Department of State, Bureau of Energy Resources, Office of Europe, Middle East, and Africa, 2201 C Street NW, Washington, DC 20520, fax: (202) 647-4037 (Attn: Douglas Kramer), or e-mail: KramerDR@state.gov.

FOR FURTHER INFORMATION CONTACT: Liam McMenamin, Office of Strategic Industries and Economic Security, Bureau of Industry and Security, U.S. Department of Commerce, Telephone: (202) 482-2233.

SUPPLEMENTARY INFORMATION:

Background

Under the authority of the Strategic and Critical Materials Stock Piling Revision Act of 1979, as amended (the Stock Piling Act) (50 U.S.C. 98, et seq.), the Department of Defense, as National Defense Stockpile Manager, maintains a stockpile of strategic and critical materials to supply the military, industrial, and essential civilian needs of the United States for national defense. Section 9(b)(2)(G)(ii) of the Stock Piling Act (50 U.S.C. 98(h)(b)(2)(G)(ii)) authorizes the National Defense Stockpile Manager to fund material research and development projects to develop new materials for the stockpile.

Section 3314 of the Fiscal Year (FY) 1993 National Defense Authorization Act (NDAA) (50 U.S.C. 98h-1) formally established a Market Impact Committee (the “Committee”) to “advise

the National Defense Stockpile Manager on the projected domestic and foreign economic effects of all acquisitions and disposals of materials from the stockpile” The Committee must also balance market impact concerns with the statutory requirement to protect the U.S. Government against avoidable loss.

The Committee is comprised of representatives from the Departments of Commerce, State, Agriculture, Defense, Energy, Interior, the Treasury, and Homeland Security, and is co-chaired by the Departments of Commerce and State. The FY 1993 NDAA directs the Committee to consult with industry representatives that produce, process, or consume the materials stored in or of interest to the National Defense Stockpile Manager.

In Attachment 1, the Defense Logistics Agency (DLA) lists the quantities of materials associated with three proposed material research and development projects to supplement its FY 2012 Annual Materials Plan. Two of the material research and development projects relate to DLA establishing vendor-owned buffer inventories in the United States for cadmium zinc tellurium (CZT) substrates and trichlorobenzene (TCB) up to the levels enumerated in Attachment 1. In these material research and development projects, DLA would enter into arrangements with vendors to maintain inventories of the two materials with options that DLA could purchase material if needed. In the third material research and development project, DLA would establish a DLA administered material reclamation process project to recycle rhenium alloy which would be re-introduced into the market by the vendor up to the level enumerated in Attachment 1.

The Committee is seeking public comments on the potential market impact of the material research and development projects. Public comments are an important element of the Committee's market impact review process.

DLA is required to supplement its FY 2012 Annual Materials Plan to account for the three material research and development projects because DLA will be using the Defense National Stockpile Transaction Fund to pay for the three material research and development projects. The quantities listed in Attachment 1 are not acquisition target quantities, but rather a statement of the proposed maximum quantity of each listed material that may be associated with the three material research and development projects in FY 2012. DLA is not proposing to acquire these materials and add them to the National Defense Stockpile. The quantity of each material that will actually be associated with the three material research and development projects will depend on the market for the materials during the fiscal year as well as on the quantity of each material approved for these material research and development projects by Congress.

Submission of Comments

The Committee requests that interested parties provide written comments, supporting data and documentation, and any other relevant information on the potential market impact of the quantities associated with the three material research and development projects. All comments must be submitted to the address indicated in this notice. All comments submitted through e-mail must include the phrase "Market Impact Committee Notice of Inquiry" in the subject line.

The Committee encourages interested persons who wish to comment to do so at the

earliest possible time. The period for submission of comments will close on _____ [INSERT DATE 30 DAYS AFTER DATE OF PUBLICATION IN THE FEDERAL REGISTER]. The Committee will consider all comments received before the close of the comment period. Comments received after the end of the comment period will be considered, if possible, but their consideration cannot be assured.

All comments submitted in response to this notice will be made a matter of public record and will be available for public inspection and copying. Anyone submitting business confidential information should clearly identify the business confidential portion of the submission and also provide a non-confidential submission that can be placed in the public record. The Committee will seek to protect such information to the extent permitted by law.

The Office of Administration, Bureau of Industry and Security, U.S. Department of Commerce, displays public comments on the BIS Freedom of Information Act (FOIA) Web site at <http://www.bis.doc.gov/foia>. This office does not maintain a separate public inspection facility. If you have technical difficulties accessing this Web site, please call BIS's Office of Administration at (202) 482-1900 for assistance.

Dated: March 14, 2012 _____

Kevin J. Wolf

Assistant Secretary for Export Administration

Attachment 1

PROPOSED SUPPLEMENT TO FISCAL YEAR 2012 ANNUAL MATERIALS PLAN

Material	Unit	Quantity	Footnote
Cadmium Zinc Tellurium (CZT) substrates	cm ²	40,000	1/
Trichlorobenzene (TCB)	Lbs	45,000	1/
Rhenium Alloy	ST	0.8	2/

1/ Vendor-owned buffer inventory material
research and development project

2/ Material reclamation research and
development project