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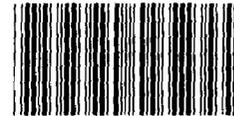
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UNITED STATES GENERAL ACCOUNTING OFFICE  
WASHINGTON, D.C. 20548

ENERGY AND MINERALS  
DIVISION  
B-200891

JUNE 8, 1981

The Honorable James G. Watt  
Secretary of the Interior



115471

Dear Mr. Secretary:

Subject: Consideration of the Need for Minerals  
Mobilization Planning Within the  
Department of the Interior (EMD-81-89)

The General Accounting Office recently issued a classified report entitled, "Actions Needed to Improve the Viability of the Strategic and Critical Materials Stockpile" (C-EMD-81-1, November 24, 1980), to the Senate Committee on Banking, Housing, and Urban Affairs. Our report discussed a number of critical issues, the resolution of which we believe would enhance the ability of the United States to mobilize its industries effectively in a lengthy conventional war. We also testified on this report on April 9, 1981, in closed session before the Subcommittee on Energy and Mineral Resources of the Senate Committee on Energy and Natural Resources. In light of your interest in establishing a national strategic mineral policy we thought that this report would be of particular interest to you.

In this respect, we believe our report could be useful to the Department in developing specific plans to help the Nation mobilize its minerals industries in a national emergency. Pursuant to Executive Orders 10480 and 11490 under the Defense Production Act and Executive Order 12155 under the Stock Piling Act, the Department of the Interior is responsible for mobilizing the Nation's minerals industry in a national emergency. Interior is, in general, responsible for emergency preparedness plans and programs for all nonfuel minerals. More specifically, Interior has responsibility for mines, concentrating plants, and refineries, and for the ores, concentrates, and other materials treated in such facilities. Outside of some very broad proposals on the type of actions that might be taken, however, there is nothing in the way of plans to meet this responsibility and deal with specific problem areas. There are just contingency organizations, draft legislation, and mechanisms to allocate available supplies.

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It is difficult to assess the impact of the lack of mobilization plans on the Nation's minerals producing capabilities in a national emergency because potential problem areas have not been identified. It is also difficult to say how much planning is needed or whether the additional costs that might be involved are justified. Government planners need to know, however, what problems to expect, what lead times might be encountered, and how they might be overcome. An exhaustive, in-depth study may not be warranted but some obvious questions need to be answered, including:

- which deposits can be developed and which mines reopened?
- can adequate skilled labor be obtained?
- are transportation facilities adequate?
- are technologies available or must they be developed?
- can adequate amounts of water and energy be obtained?
- must stand-by equipment and facilities be acquired in advance?

Because there are no specific plans, we were told that problems will be handled as they arise. The Bureau of Mines peacetime monitoring of minerals, interagency committees, and the Bureau's technological competence will be relied upon to discharge Interior's responsibilities. However, unless we examine what the potential problems might be, and what actions might be required, there is little reason to be assured they can be overcome.

The lack of minerals mobilization planning is but one of several potential problems and issues that we believe need to be resolved by Government planners. The enclosed report contains a number of recommendations to help the Nation mobilize more effectively in a national emergency. We are also enclosing a copy of a letter which we submitted to the National Security Council requesting that action be taken on the recommendations in our report.

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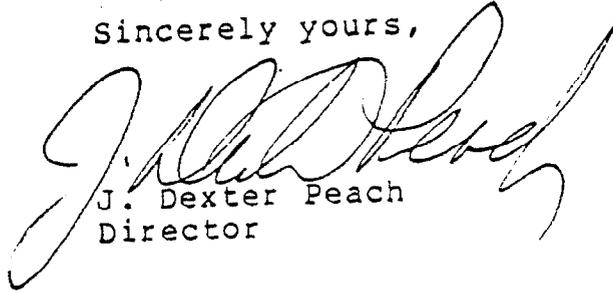
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We appreciate the courtesy and cooperation that was extended to our staff during the course of our review and would appreciate being informed on the actions you decide to take. Copies of this report will be sent to interested congressional committees.

Sincerely yours,



J. Dexter Peach  
Director

GAO note: We are not forwarding the enclosure to this letter because it is classified.

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