

**AMENDMENT TO H.R. 5136, AS REPORTED
OFFERED BY MR. SCHOCK OF ILLINOIS**

After section 835, add the following new section:

1 **SEC. 835A. DETERMINATION OF STRATEGIC OR CRITICAL**
2 **SYNTHETIC MATERIALS FOR DEFENSE APPLI-**
3 **CATIONS.**

4 (a) ASSESSMENT REQUIRED.—The Secretary of De-
5 fense shall undertake an assessment of the supply chain
6 for synthetic materials and determine which, if any, syn-
7 thetic materials are strategic materials and which syn-
8 thetic materials are materials critical to national security.
9 For the purposes of the assessment—

10 (1) the Secretary may consider the views of
11 other Federal agencies, as appropriate;

12 (2) any study conducted by the Director, Indus-
13 trial Policy during fiscal year 2010 may be consid-
14 ered as partial fulfillment of the requirements of this
15 section;

16 (3) any study conducted by the Comptroller
17 General of the United States during fiscal year 2010
18 may be considered as partial fulfillment of the re-
19 quirements of this section; and

1 (4) the Secretary shall consider the sources of
2 synthetic materials (both in terms of source nations
3 and number of vendors).

4 (b) PLAN.—In the event that the Secretary deter-
5 mines that a synthetic material is a strategic material or
6 a material critical to national security, the Secretary shall
7 develop a plan to ensure the long-term availability of such
8 synthetic material, with a goal of establishing domestic
9 sources of such material by December 31, 2015. In devel-
10 oping the plan, the Secretary shall consider all relevant
11 components of the value-chain, including mining, proc-
12 essing, refining, and manufacturing. The plan shall in-
13 clude consideration of numerous options with respect to
14 the material, including—

15 (1) an assessment of including the material in
16 the National Defense Stockpile;

17 (2) in consultation with the United States
18 Trade Representative, the identification of any trade
19 practices known to the Secretary that limit the Sec-
20 retary's ability to ensure the long-term availability of
21 such material or the ability to meet the goal of es-
22 tablishing domestic sources of such material by De-
23 cember 31, 2015;

24 (3) an assessment of the availability of financ-
25 ing to industry, academic institutions, or not-for-

1 profit entities to provide the capacity required to en-
2 sure the availability of the material and potential
3 mechanisms to increase the availability of such fi-
4 nancing;

5 (4) the benefits, if any, of Defense Production
6 Act funding to support the establishment of a do-
7 mestic synthetic manufacturing capability for mili-
8 tary components;

9 (5) funding for research and development of
10 any aspect of the synthetic supply-chain;

11 (6) any other risk mitigation method deter-
12 mined appropriate by the Secretary that is con-
13 sistent with the goal of establishing domestic sources
14 by December 31, 2015; and

15 (7) for components of the synthetic material
16 supply-chain for which no other risk mitigation
17 method, in accordance with paragraphs (1) through
18 (6), will ensure the establishment of a domestic
19 source by December 31, 2015, a specific plan to
20 eliminate supply-chain vulnerability by the earliest
21 date practicable.

22 (c) REPORT.—

23 (1) REQUIREMENT.—Not later than 180 days
24 after the date of the enactment of this Act, the Sec-
25 retary of Defense shall submit to the congressional

1 committees described in paragraph (2) a report con-
2 taining the findings of the assessment under sub-
3 section (a) and the plan (if any) developed under
4 subsection (b).

5 (2) CONGRESSIONAL COMMITTEES.—The con-
6 gressional committees described in this paragraph
7 are as follows:

8 (A) The congressional defense committees.

9 (B) The Committee on Financial Services
10 and the Committee on Ways and Means of the
11 House of Representatives.

12 (C) The Committee on Finance and the
13 Committee on Banking, Housing, and Urban
14 Affairs of the Senate.

15 (d) DEFINITIONS.—In this section:

16 (1) STRATEGIC MATERIAL.—The term “stra-
17 tegic material” means a material—

18 (A) which is essential for military equip-
19 ment;

20 (B) which is unique in the function it per-
21 forms; and

22 (C) for which there are no viable alter-
23 natives.

24 (2) MATERIALS CRITICAL TO NATIONAL SECU-
25 RITY.—The term “materials critical to national secu-

1 rity' has the meaning provided by section 187(e) of
2 title 10, United States Code, as amended by section
3 827 of this Act.

