

Department of Energy

§ 221.32

and includes any agency of the United States Government or any other government.

Priority-rated supply order means any delivery order for crude oil or petroleum products issued by DOD bearing a priority rating issued by ERA under this part.

Supplier means any person other than the DOD which supplies, sells, transfers, or otherwise furnishes (as by consignment) crude oil or petroleum product to any other person.

Subpart D—Administrative Procedures and Sanctions

§ 221.31 Requests by DOD.

(a) When DOD finds that (1) a fuel supply shortage for DOD exists or is anticipated which would have a substantial negative impact on the national defense, and (2) the defense activity for which fuel is required cannot be postponed until after the fuel supply shortage is likely to terminate, DOD may submit a written request to ERA for the issuance to it of a priority rating for the supply of crude oil and petroleum products.

(b) Not later than the transmittal date of its request to ERA, DOD shall notify the Federal Emergency Management Agency that it has requested a priority rating from ERA.

(c) Requests from DOD shall set forth the following:

(1) The quantity and quality of crude oil or petroleum products determined by DOD to be required to meet national defense requirements;

(2) The required delivery dates;

(3) The defense-related activity and the supply location for which the crude oil or petroleum product is to be delivered;

(4) The current or most recent suppliers of the crude oil or petroleum product and the reasons, if known, why the suppliers will not supply the requested crude oil or petroleum product;

(5) The degree to which it is feasible for DOD to use an alternate product in lieu of that requested and, if such an alternative product can be used, the efforts which have been made to obtain the alternate product;

(6) The period during which the shortage of crude oil or petroleum products is expected to exist;

(7) The proposed supply source for the additional crude oil or petroleum products required, which shall, if practicable, be the historical supplier of such crude oil or product to DOD; and

(8) Certification that DOD has made each of the findings required by paragraph (a) of this section.

§ 221.32 Evaluation of DOD request.

(a) Upon receipt of a request from DOD for a priority rating as provided in § 221.31, it shall be reviewed promptly by ERA. The ERA will assess the request in terms of:

(1) The information provided under § 221.31;

(2) Whether DOD's national defense needs for crude oil or petroleum products can reasonably be satisfied without exercising the authority specified in this part;

(3) The capability of the proposed supplier to supply the crude oil or petroleum product in the amounts required;

(4) The known capabilities of alternative suppliers;

(5) The feasibility to DOD of converting to and using a product other than that requested; and

(6) Any other relevant information.

(b) The ERA promptly shall notify the proposed supplier of DOD's request for a priority rating specified under this part. The proposed supplier shall have a period specified in the notice, not to exceed fifteen (15) days from the date it is notified of DOD's request, to show cause in writing why it cannot supply the requested quantity and quality of crude oil or petroleum products. ERA shall consider this information in determining whether to issue the priority rating.

(c) If acceptance by a supplier of a rated order would create a conflict with another rated order of the supplier, it shall include all pertinent information regarding such conflict in its response to the show cause order provided for in subsection (b), and ERA, in consultation with DOD and the Federal Emergency Management Agency shall determine the priorities for meeting all such requirements.