

EVALUATING THE DEFENSE PRODUCTION ACT

HEARING

BEFORE THE
SUBCOMMITTEE ON NATIONAL SECURITY, ILLICIT
FINANCE,
AND INTERNATIONAL FINANCIAL INSTITUTIONS
OF THE
COMMITTEE ON FINANCIAL SERVICES
U.S. HOUSE OF REPRESENTATIVES
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C O N T E N T S

Thursday, June 12, 2025

OPENING STATEMENTS

	Page
Hon. Warren Davidson, Chairman of the Subcommittee on National Security, Illicit Finance and International Financial Institutions, a U.S. Representative from Ohio	1
Hon. Sean Casten, Member of the Subcommittee on National Security, Illicit Finance and International Financial Institutions, a U.S. Representative from Illinois	2

STATEMENTS

Hon. French Hill, Chairman of the Committee on Financial Services, a U.S. Representative from Arkansas	4
Hon. Maxine Waters, Ranking Member of the Committee on Financial Services, a U.S. Representative from California	37

WITNESSES

Mr. William Russell, Director, Contracting and National Security Acquisitions, Government Accountability Office	4
Prepared statement	7
Mr. Adam G. Levin, Analyst in Economic Development Policy, Congressional Research Service	22
Prepared statement	24

APPENDIX

RESPONSES TO QUESTIONS FOR THE RECORD

Written responses to questions for the record from Mr. William Russell	
Representative Young Kim	56
Representative Zachary Nunn	57
Representative Maxine Waters	58
Written responses to questions for the record from Mr. Adam G. Levin	
Representative Young Kim	63
Representative Zachary Nunn	65
Representative Maxine Waters	67

LEGISLATION

H.R. —, the Syria Sanctions Accountability Act	74
H.R. 3074, the Common Cents Act	78
H.R. —, a bill to modernize and reauthorize the Defense Production Act of 1950, and for other purposes	82
H.R. —, a bill to amend the Defense Production Act of 1950 to require the President to declare a national emergency before using certain authorities under title I of that Act, and for other purposes	107
H.R. —, a bill to amend the Defense Production Act of 1950 to prohibit discrimination based on energy source in the use of certain authorities under title I and title III of such Act, and for other purposes	109

IV

	Page
H.R. —, a bill to amend the Defense Production Act of 1950 to expand the duties of the Fund manager of the Defense Production Act Fund, and for other purposes	111
H.R. —, a bill to amend the Defense Production Act of 1950 to require certain agencies to prepare an industrial base strategy report, and for other purposes	113
H.R. —, a bill to amend the Defense Production Act of 1950 to require the Chairperson of the Defense Production Act Committee to maintain a database for use by the members of the Defense Production Act Committee, and for other purposes	117

EVALUATING THE DEFENSE PRODUCTION ACT

Thursday, June 12, 2025

U.S. HOUSE OF REPRESENTATIVES,
SUBCOMMITTEE ON NATIONAL SECURITY, ILLICIT
FINANCE, AND INTERNATIONAL FINANCIAL INSTITUTIONS,
COMMITTEE ON FINANCIAL SERVICES,
Washington, DC.

The subcommittee met, pursuant to notice, at 10:01 a.m., 2128 Rayburn House Office Building, Hon. Warren Davidson [chairman of the subcommittee] presiding.

Present: Representatives Davidson, Nunn, Hill, Barr, Williams of Texas, Kim, McClain, Waters, Vargas, Casten, Foster, Casten, and Liccardo.

Chairman DAVIDSON. The Subcommittee on National Security, Illicit Finance, and International Institutions will come to order. Without objection, the chairman is authorized to declare recess of the committee at any time.

This hearing is titled “Evaluating the Defense Production Act.”

Without objection, all members will have 5 legislative days within which to submit extraneous materials to the chairman for inclusion in the record.

I now recognize myself for 4 minutes for an opening statement.

OPENING STATEMENT OF HON. WARREN DAVIDSON, CHAIRMAN OF THE SUBCOMMITTEE ON NATIONAL SECURITY, ILLICIT FINANCE AND INTERNATIONAL FINANCIAL INSTITUTIONS, A U.S. REPRESENTATIVE FROM OHIO

I want to welcome our witnesses to today’s national security hearing, which is devoted to evaluating the Defense Production Act (DPA) ahead of its expiration on September 30, 2025. As Congress prepares to reauthorize the Defense Production Act, today’s panel of witnesses will provide a fundamental overview of DPA, examining its authorities and uses to increase this committee’s understanding for effective updates and improvements. This panel’s testimony will inform our consideration of how Congress can reform and more effectively deploy the Defense Production Act.

The DPA was initially enacted in 1950 in response to the outbreak of the Korean War, as President Harry Truman aimed to secure domestic industrial resources to meet the Nation’s national security needs during that war and future national emergencies. It was created with good intentions to bolster the resilience of the United States’ industrial base in times of crisis by promoting domestic production rather than a reliance on foreign sources.

Today, this is more critical than ever, as the United States has become dependent upon foreign production of critical materials, goods, and services across many sectors. Moreover, in recent years, the DPA has not been used as effectively as it could, and arguably, it has been misused. It is time for Congress not just to reauthorize but to reset and realign DPA's authorities.

For example, the previous administration invoked Defense Production Act to require suppliers to provide key inputs to infant formula manufacturers before other customers. Is this a proper use of DPA? A month later, President Biden leaned on DPA to boost the production of residential heat pumps. While the goal might have been laudable, is this really a correct use of DPA? I look forward to examining all sorts of things with this review.

Under both Biden and the first Trump Administrations, many of the DPA's authorities risk irrelevance. From 2018 to 2024, for example, there was only one direct loan and zero loan guarantees, not because there is no need, but because DPA processes are arguably too cumbersome. If so, they need reform. Meanwhile, our supply chains remain vulnerable, and our defense stockpiles are dangerously depleted and deeply entrenched with bureaucratic processes. The DPA was most notably used during the coronavirus disease (COVID) pandemic, and this is the first reauthorization since then.

This period highlighted deep vulnerabilities. If we can count on the DPA to be reactive once an emergency arrives, our response may come too late. Modernizing DPA means discovering what a more proactive posture would look like. We have the opportunity to prepare rather than just react.

Our adversaries are advancing in critical sectors from semiconductors to tooling, rare earth mineral processing to pharmaceuticals, and we need stronger domestic capabilities that cannot be done currently. The need for a powerful DPA and robust defense industrial base here in the United States intensifies as threats we face continuously augmented, and relationships become strained in various ways.

The DPA is a critical component of the United States' national security toolkit that warrants reauthorization. Yet this should come only after a thorough review, reassessment, and taking every opportunity to improve on it. I urge my colleagues to focus on reauthorizing the DPA with purpose and commitment to national security and a robust, resilient future for our United States. Anything less could put our Nation's future at risk.

With that, I yield the balance of my time.

Chairman DAVIDSON. I now recognize the gentleman from Illinois, Mr. Casten, for 4 minutes for an opening statement.

HON. SEAN CASTEN, MEMBER OF THE SUBCOMMITTEE ON NATIONAL SECURITY, ILLICIT FINANCE AND INTERNATIONAL FINANCIAL INSTITUTIONS, A U.S. REPRESENTATIVE FROM ILLINOIS

Mr. CASTEN. Thank you, Mr. Chairman, for holding this hearing. Thank you to our witnesses for appearing today. I am not the ranking member of this committee. I will make no claims to be able to fill Mrs. Beatty's shoes. I will brag only that I have a better hip

because she is out getting surgery today to have that hip repaired, so she will be back at full strength shortly.

The DPA gives the President authority to take various actions to ensure that the supply of materials and services are necessary for our national defense, gives the President the authority to prioritize government contracts, waive international trade agreements, offer incentives within the domestic market to enhance production of critical materials and technologies if deemed necessary for the national defense.

We have seen many benefits in Illinois. We recently saw DPA invoked to help resources in shipbuilding, not because Illinois is on a port, but because Illinois has a lot of steel manufacturing that was important to that need, and that is an important issue.

Over the years, Congress has amended the definition of national defense to include emergency preparedness, energy production activities, critical infrastructure, protection restoration, and homeland security. We, of course, saw applications when we were facing novel challenges, national security from the COVID-19 pandemic to the increasingly devastating effects of climate change. To tackle those issues, the executive branch has appropriately used the DPA to produce ventilators, vaccines, as well as to accelerate domestic manufacturing of clean energy technologies.

In 2022, the Biden Administration invoked the DPA to develop and reshape supply chains for transformers and other grid components, solar panels, heat pumps, and hydrogen fuel cells. That is relevant because the Department of Defense, on a bipartisan basis going back for decades, has listed climate change as a threat to national security all the way back to 2008, saying that it must be a part of every strategic decision the Department makes.

I wish my Republican colleagues did not criticize the use of the DPA to support cleaner and cheaper energy sources, because it is important. We want electric grid resiliency, but we politicize this. We accuse President Biden of accusing the DPA to advance his agenda. I would argue that the DPA is an important tool to mobilize the U.S. industrial base to meet the demands of national defense, including energy security and independence.

I would note that President Trump recently invoked the DPA to promote the development of nuclear energy, which the President argues is necessary to achieve energy independence, also a cleaner source, maybe not a cheaper source, but let us not pick winners, but let us make sure that we do acknowledge that energy security is important.

I do want to acknowledge that I think my Republican colleagues raise a good point. Congress has a long history of solving problems by asking the executive branch to solve them. Then we have a long history of complaining that the executive branch abuses the power that we gave them. We can choose where that sits, but that is an ongoing issue. I think a lot of us on the Democratic side have concerns about how the current occupant of the White House is also abusing some of these powers. We have seen this not in the DPA, but in the International Emergency Economic Powers Act (IEEPA), where the President has declared that there is an emergency that requires the imposition of tariffs. IEEPA is not a tariff statute, but it is being used that way. We have seen more recently in the Twit-

ter feud between the President and Elon Musk, Steve Bannon saying that the President should use the DPA to seize SpaceX in retaliation. That is not how the DPA works.

So in this context, I think it is appropriate at this moment that we are discussing how Congress intended the DPA to function and how, if at all, we should tweak the DPA to make sure that Congress continues to fulfill its responsibilities as the Article I branch, and I would submit to you the best branch among the three in Congress.

I look forward to the discussion, and I yield back.

Chairman DAVIDSON. Thanks, Mr. Casten.

I now recognize the chairman of the full committee, Mr. Hill, for 1 minute.

HON. FRENCH HILL, CHAIRMAN OF THE COMMITTEE ON FINANCIAL SERVICES, A U.S. REPRESENTATIVE FROM ARKANSAS

Chairman HILL. I thank you, Chairman Davidson.

America is navigating one of the most dangerous and complex global threat environments in recent history. Our adversaries are accelerating innovation, scaling production, and heavily investing in their own national defense capabilities. It is critical that the United States keeps pace and expands our dominance as the leader across the free world. That requires not just military might, but economic resilience, financial agility, and industrial strength.

Today, this subcommittee will review the Defense Production Act ahead of its reauthorization. We will explore ways to use the Defense Production Act to secure supply chains and strengthen our domestic industrial base, while ensuring that our agencies have the tools they need to meet these 21st century threats.

I thank Chairman Davidson for his leadership. I look forward to our panel, and I thank members on both sides of the aisle for engaging on this important issue.

I yield back.

Chairman DAVIDSON. Thank you, Chairman.

Today, we welcome the testimony of Mr. William Russell, a Director in Contracting and National Security Acquisitions at the Government Accountability Office, and Mr. Adam Levin, an Analyst in Economic Development Policy at the Congressional Research Service. We thank you both for taking time to be here today and for the preparation you have done in advance.

You will each be recognized for 5 minutes to give an oral presentation of your testimony. Without objection, your written statements will be made part of the record.

Mr. Russell, you are now recognized for 5 minutes for your oral statement.

STATEMENT OF WILLIAM RUSSELL, DIRECTOR, CONTRACTING AND NATIONAL SECURITY ACQUISITIONS, GOVERNMENT ACCOUNTABILITY OFFICE

Mr. RUSSELL. Thank you, Chairman Davidson, Chairman Hill, Vice Chair Nunn, and Congressman Casten, members of the subcommittee. Thank you for the opportunity to discuss Federal agency use of the Defense Production Act. While the DPA was first en-

acted nearly 75 years ago, its authorities continue to be relied upon to bolster the industrial base today.

Since its last reauthorization in Fiscal Year 2018, Congress has appropriated at least \$3.2 billion for DPA-related activities, and agencies have used the DPA in a range of circumstances to address national emergencies such as the COVID-19 pandemic to ongoing efforts to make our supply chains more resilient. In 2025 alone, agencies are using the DPA to help reconstitute the naval industrial base and to assist with expanded production of critical minerals. Unless reauthorized, the DPA authorities will expire in September 2025.

Overall, the DPA has been a durable and important tool to address emergencies and enable domestic industrial base to maintain or increase production of needed defense resources. I would like to highlight today how agencies have used the DPA since it was last reauthorized, as well as several challenges they faced in doing so. This is based on our prior work looking at the DPA, as well as our new report that was issued today.

From fiscal years 2018 to 2024, agencies such as the Department of Defense (DOD), Department of Energy, Health and Human Services, and others have placed over 2.5 million Title I priority ratings on contracts or orders. Priority ratings require companies to preference the delivery of goods and services needed to the national defense over other customers. For example, DOD uses these ratings for the production of military aircraft and ships, among other things.

These agencies also made 222 Title III investments, valued at approximately \$3.2 billion, to bolster the domestic industrial base through expansion of manufacturing capacity of existing suppliers, sustaining some of those suppliers, and bringing in new suppliers. For example, DOD completed investments that were used to respond to COVID-19 by expanding production of N95 masks and respirators and has ongoing investments intended to expand the domestic capacity in areas such as critical materials used in weapon systems, areas like electronics, missiles, munitions, and more.

Use of Title VII authorities included industrial-based assessments and one voluntary agreement with industry over that period. For example, DOD, Health and Human Services (HHS), Department of Homeland Security (DHS), and others requested or completed 17 industrial-based assessments to better understand critical supply chains such as microelectronics.

Agencies have experienced a number of challenges when using the DPA, specifically difficulties tracking the rated orders through the COVID-19 response. Our latest report found additional challenges. For example, DOD noted that industry partners did not always understand how to apply the priority ratings throughout the supply chain, and DOD is currently conducting outreach to ensure a better understanding of these responsibilities.

In terms of Title III, a key authority for loans was only used once since 2018. We found that DOD does not currently have the expertise within its Defense Production Act Purchases Office to fully leverage loan authorities. Additionally, the DPA-wide coordinator, currently Federal Emergency Management Agency (FEMA), has not collected and shared lessons learned, leveraging DOD's exten-

sive experience with Title III commitments over the years, but doing so could benefit other agencies like HHS. We had a recommendation to FEMA to address this issue, and they concurred with it and are planning to take actions on that front.

In terms of Title VII, we found that there were challenges using voluntary agreements. For example, FEMA faced challenges establishing an agreement in time to have meaningful impact during COVID-19 related to the distribution of personal protective equipment (PPE). Government Accountability Office (GAO) has made a number of recommendations in our prior reports, and the agencies have generally taken actions to address them, barring one, which is the U.S. International Defense Finance Corporation. We asked them to evaluate their effectiveness in applying the Title III loan program to assist DOD. That one is still open.

In conclusion, the DPA has helped agencies prepare for and respond to threats in national defense, respond to emergencies, and increase the resilience of vital supply chains. Implementation of the authorities can be further improved to make the DPA more effective and efficient moving forward.

Mr. Chairman, this concludes my prepared remarks.

[The prepared statement of Mr. Russell follows:]



United States Government Accountability Office

Testimony
Before the Subcommittee on
National Security, Illicit Finance, and
International Financial Institutions,
House of Representatives

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DEFENSE PRODUCTION ACT

Use and Challenges from Fiscal Years 2018 to 2024

Statement of William Russell, Director,
Contracting and National Security Acquisitions



DEFENSE PRODUCTION ACT

Use and Challenges from Fiscal Years 2018 to 2024

GAO-25-108497

June 12, 2025

A testimony before the Subcommittee on National Security, Illicit Finance, and International Financial Institutions, House of Representatives

For more information, contact: William Russell at russellw@gao.gov.

What GAO Found

Congress enacted the Defense Production Act (DPA) in 1950 to grant the President expanded authority over critical production and economic policy to ensure the availability of industrial resources for national defense, particularly during times of emergency. Three DPA title authorities are currently in effect:

Title I Priorities and Allocations. Allows delegated agencies and others to require companies in the U.S. to prioritize certain contracts or orders and allocate materials, services, and facilities to promote national defense.

Title III Expansion of Productive Capacity and Supply. Allows delegated agencies to provide investments such as purchases and purchase commitments, as well as loans to suppliers, to sustain or expand production for national defense.

Title VII General Provisions. Allows delegated agencies to assess the industrial base, establish voluntary agreements with industry to foster collaboration, and create an executive reserve to aid federal agencies in times of national emergency, among other things.

Selected Agencies' Use of DPA Authorities, Fiscal Years 2018 to 2024

TITLE I	TITLE III	TITLE VII
Priorities and allocations	Expansion of productive capacity and supply	General provisions
 Over 2.5 million priority rated orders  1 allocation order	 222 investments  1 loan	 17 industrial base assessments  3 voluntary agreements  0 national defense executive reserves

Source: GAO analysis of the Departments of Agriculture, Commerce, Defense, Energy, Health and Human Services, Homeland Security, and Transportation provided Defense Production Act (DPA) data; GAO (icons). 1 GAO-25-108497

GAO's prior work found that agencies experienced a number of challenges when using the DPA authorities, such as difficulties tracking Title I priority rated contracts during the COVID-19 response. GAO made four recommendations in 2020 and 2021. The agencies have taken action to address all but one of the recommendations, which was for the U.S. International Development Finance Corporation to evaluate the effectiveness of its Title III loan program.

GAO's report that publicly released today found additional challenges. For example, the Department of Defense (DOD) found that industry partners did not always understand how to apply priority ratings throughout the supply chain. DOD is conducting outreach to ensure an understanding of these Title I responsibilities. Additionally, the DPA government-wide coordinator, currently the Federal Emergency Management Agency, has not collected and shared lessons learned from DOD's extensive use of Title III over multiple decades, but doing so could benefit other agencies.

Why GAO Did This Study

The DPA is a key tool to enable the domestic industrial base—including companies in the U.S. and certain allied nations—to maintain or increase production of defense resources.

Since the DPA was last authorized in 2018, Congress has appropriated at least \$3.8 billion for DPA-related activities. Federal agencies have used DPA authorities for a variety of reasons, including to secure access to personal protective equipment like gloves and masks during the COVID-19 response.

This testimony is based on GAO's DPA-related reports issued in November 2020 (GAO-21-108) and November 2021 (GAO-22-104511), and a report being issued today (GAO-25-107688). This testimony focuses on federal agencies' use of the DPA authorities and the challenges these agencies faced.

GAO collected data from fiscal years 2018 through 2024 from the seven federal agencies that are delegated responsibility for implementing the DPA authorities, as identified in Executive Order 13603 issued in March 2012. These agencies are the Departments of Agriculture, Commerce, Defense, Energy, Health and Human Services, Homeland Security, and Transportation.

Additional details about the scope and methodology for GAO's reports are included in those products.

What GAO Recommends

In its report issued today, GAO is recommending that the Federal Emergency Management Agency, a component of the Department of Homeland Security, collect and shares Title III lessons learned. The Department of Homeland Security concurred with this recommendation.

June 12, 2025

Chairman Davidson, Ranking Member Beatty, and Members of the Subcommittee:

Thank you for the opportunity to discuss federal agencies' use of the Defense Production Act (DPA) to secure critical goods and services. The DPA is a key tool to enable the domestic industrial base to maintain or increase production of defense resources.

While the DPA was first enacted nearly 75 years ago, its authorities continue to be relied on to bolster the industrial base today. Since its last reauthorization in fiscal year 2018, Congress has appropriated at least \$3.8 billion for DPA-related activities, and agencies have used the DPA authorities for a variety of reasons including to secure access to personal protective equipment like gloves and masks during the COVID-19 response and to replenish U.S. supplies sent to Ukraine. In 2025 alone, the President has authorized agencies to use the DPA to reconstitute the naval industrial base and bolster domestic production of critical minerals.¹ Unless reauthorized, most DPA authorities will expire in September 2025.

My statement focuses on (1) agencies' use of the DPA since its last reauthorization and (2) challenges agencies faced when using the DPA authorities. This statement is primarily based on our report publicly released today examining federal agencies' use of the DPA.² My statement also includes information from past reports in 2020 and 2021 on the subject.

To understand how agencies used the DPA, we collected and analyzed data covering fiscal years 2018 to 2024 from the seven federal agencies delegated responsibility for implementing DPA authorities. These agencies are the Departments of Agriculture (USDA), Commerce, Defense (DOD), Energy (DOE), Homeland Security (DHS), Health and Human Services (HHS), and Transportation. To assess challenges and actions taken to address them, we reviewed documentation from the selected agencies across this same time period and interviewed relevant officials from each selected agency. Additional information can be found

¹Exec. Order No. 14241, 90 Fed. Reg. 13,673 (Mar. 20, 2025); and Exec. Order No. 14269, 90 Fed. Reg. 15,635 (Apr. 9, 2025).

²GAO, *Defense Production Act: Information Sharing Needed Improve use of Authorities*, GAO-25-107688 (Washington, D.C.: June 12, 2025).

in the report we publicly released today.³ Our 2020 and 2021 reports cited in this statement provide additional details on their objectives, scope, and methodologies.⁴

We conducted the work on which this statement is based in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

Background

During the Korean War, Congress enacted the Defense Production Act of 1950, granting the President expanded authority over defense production and economic policy to ensure the availability of industrial resources for national defense.⁵ Since it was enacted, Congress amended the DPA to broaden its applicability beyond military use and expanded coverage to include crises resulting from natural disasters or human-caused events. The definition of "national defense" in the act has been amended to also include emergency preparedness activities conducted pursuant to Title VI of the Robert T. Stafford Disaster Relief and Emergency Assistance Act, and critical infrastructure protection and restoration.⁶

The DPA currently includes three Titles:

- **Title I Priorities and Allocations.** Title I allows agencies that are delegated authority by the President to require companies in the U.S. to prioritize certain contracts or orders and allocate materials, services, and facilities as necessary or appropriate to promote the national defense. Priority-rated contracts and orders take preference over unrated contracts or orders if a contractor cannot meet all

³GAO-25-107688.

⁴GAO, *Defense Production Act: Opportunities Exist to Increase Transparency and Identify Future Actions to Mitigate Medical Supply Chain Issues*, GAO-21-108 (Washington, D.C.: Nov. 19, 2020); *U.S. International Development Finance Corporation: Actions Needed to Improve Management of Defense Production Act Loan Program*, GAO-22-104511 (Washington, D.C.: Nov. 17, 2021).

⁵Defense Production Act of 1950, Pub. L. No. 81-774, (1950) (codified at, 50 U.S.C. §§ 4501–4568).

⁶50 U.S.C. § 4552; Robert T. Stafford Disaster Relief and Emergency Assistance Act, Pub. L. No. 93-288 (1974) (codified at 42 U.S.C. §§ 5121-5207), as amended by Pub. L. No. 100-707 (1988) and Pub. L. No. 117-255 (2022).

required delivery dates. Allocation orders, on the other hand, control the distribution of materials, services, or facilities in the U.S. commercial market deemed necessary to support national defense.

- **Title III Expansion of Productive Capacity and Supply through Financial Incentives.** Title III allows agencies with authority delegated by the President to provide a variety of financial incentives to suppliers in the U.S. to meet national defense goals, including maintaining, restoring, and expanding the domestic industrial base.⁷ Financial incentives can be made through investments such as purchases or purchase commitments as well as direct loans and loan guarantees.⁸
- **Title VII General Provisions.** Title VII allows delegated agencies to survey the industrial base for vulnerabilities, establish voluntary agreements with industry to foster collaboration while providing limited protection against antitrust laws, and create an executive reserve to include private sector personnel to aid federal agencies in times of national emergency, among other things.⁹

Through Executive Order 13603, issued in March 2012, the President delegated the ability to implement and exercise certain DPA authorities to various agencies as described in table 1.¹⁰

⁷Title III of Defense Production Act of 1950, Pub. L. No. 81-774, (codified at 50 U.S.C. §§ 4531–4535). Under certain conditions, companies in the U.K., Australia, and Canada may also receive DPA Title III investments.

⁸In addition to purchases and purchase commitments for industrial resources or critical technology items, Title III investments include subsidy payments for domestically produced materials and installation of equipment for government and privately owned industrial facilities to expand production.

⁹Title VII of Defense Production Act of 1950, Pub. L. No. 81-774 (codified at 50 U.S.C. §§ 4551–4568).

¹⁰Exec. Order No. 13,603, 77 Fed. Reg. 16,651 (Mar. 16, 2012).

Table 1: Key Delegated Defense Production Act (DPA) Responsibilities in Executive Order 13603

Federal agency	Key delegated responsibilities for implementing DPA authorities
Department of Agriculture	Title I: Administer the Agriculture Priorities and Allocations System to promote the national defense with respect to food resources, food resource facilities, and the domestic distribution of farm equipment and commercial fertilizer.
Department of Commerce	Title I: Administer the Defense Priorities and Allocations System to promote the national defense with respect to industrial resources. Title VII: Assess vulnerabilities across sectors of the industrial base.
Department of Defense	Title I: Determine the programs eligible to use a priority rating and administer the Water Priorities and Allocations System to promote the national defense with respect to water resources. Title III: Serve as the DPA fund manager, which includes reporting to the Congress each year regarding activities of the fund during the previous fiscal year.
Department of Energy	Title I: Determine the programs eligible to use a priority rating and administer the Energy Priorities and Allocations System to promote the national defense with respect to all forms of energy.
Department of Health and Human Services	Title I: Administer the Health Resources Priorities and Allocations System to promote the national defense with respect to health resources.
Department of Homeland Security	Overall: Provide government-wide coordination for DPA programs, which includes providing guidance to agencies assigned DPA functions, in consultation with such agencies. The Department of Homeland Security further delegated the execution of this responsibility to the Federal Emergency Management Agency. Title I: Determine the programs eligible to use a priority rating. Title VII: Develop the rules for establishing voluntary agreements and issue guidance for establishing and monitoring a national defense executive reserve.
Department of Transportation	Title I: Administer the Transportation Priorities and Allocations System to promote the national defense with respect to all forms of civil transportation.

Source: GAO analysis of Executive Order 13603. | GAO-25-108497

Note: In addition to the delegated responsibilities described in the table, Executive Order 13603 authorizes the agencies listed above and others, such as the Departments of Justice and State, and the National Aeronautics and Space Administration, to use the various DPA authorities.

Selected Agencies' Use of DPA Authorities Fiscal Years 2018 to 2024

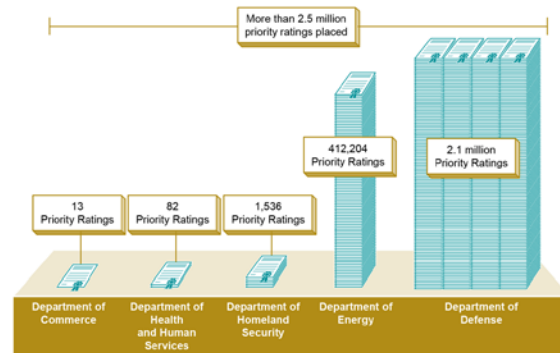
We found that the selected agencies used the authorities provided under the various DPA titles to varying degrees from fiscal years 2018 through 2024.¹¹ Title I was the most heavily used authority with five of the seven selected agencies collectively placing over 2.5 million priority rated orders during our time frame. Title III was used by three of the seven selected agencies—DOD, HHS, and DOE—to award 222 total investments and one loan with a combined value of \$3.6 billion. Title VII was used collectively by five of the seven agencies to initiate or conduct assessments of the industrial base and establish voluntary agreements with industry.

¹¹GAO-25-107688.

Title I

The selected agencies placed over 2.5 million priority ratings from fiscal years 2018 through 2024. Nearly all of the priority ratings placed were to support military goods and services. For example, DOD placed priority ratings to support the procurement of parts for aircraft and ships while DOE placed priority ratings supporting nuclear missile programs. Priority ratings were used to a lesser degree for non-military goods. For example, DHS placed about 1,500 priority ratings, nearly half of which were used to ensure the delivery of supplies needed to recover from natural disasters, according to Federal Emergency Management Agency (FEMA) officials. Figure 1 provides an overview of the agencies' estimated use.

Figure 1: Selected Agencies' Total Estimated Number of Priority Ratings Placed, Fiscal Years 2018 to 2024



Source: GAO analysis of agency provided data, GAO (icons). | GAO-25-108497

Note: Department of Defense officials provided a rough estimate of the number of priority ratings placed based upon the number of prime contracts it awarded each year during this time period. The Departments of Agriculture and Transportation did not report placing a priority rating during this time frame.

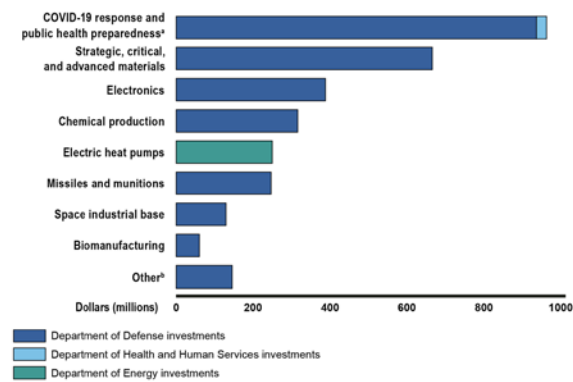
One allocation order was issued in April 2020 and carried out by HHS and FEMA to control the distribution of certain scarce or threatened health and medical resources—particularly personal protective equipment—

within the commercial market during COVID-19.¹² The allocation order expired in June 2021.

Title III

The selected agencies used Title III authorities to sustain the production capacity of defense suppliers during COVID-19, increase the domestic manufacturing capacity of existing suppliers, and bring new suppliers into the market. Collectively, DOD, HHS, and DOE made 222 investments valued at about \$3.2 billion. DOD made 208 of these investments, while DOE and HHS made 12 and two, respectively. Figure 2 provides a breakdown of Title III investments by area and agency from fiscal years 2018 to 2024.

Figure 2: Selected Agencies' Title III Investments by Area, Fiscal Years 2018 to 2024



Source: GAO analysis of the Departments of Defense, Energy, and Health and Human Services data. | GAO-25-108497

*COVID-19 response and public health preparedness included roughly \$208 million in investments from the Department of Defense and \$26 million from the Department of Health and Human Services for health resources, as well as \$730 million in investments from the Department of Defense to support companies experiencing economic hardships resulting from the pandemic.

^bOther includes investments for power storage and generation, shipbuilding, hypersonics, and directed energy, among others.

¹²Presidential Memorandum, *Memorandum on Allocating of Certain Scarce or Threatened Health and Medical Resources to Domestic Use*, 85 Fed. Reg. 20,195 (Apr. 10, 2020).

While the majority of these investments were still ongoing as of November 2024, 85 were completed. Nearly two-thirds of the completed investments with outcome information sustained existing capacity in the industrial base. For example, one of DOD's Title III investments sustained capacity at a shipbuilding company when the local economy was negatively affected by the COVID-19 pandemic. Other completed investments were used to either establish a new domestic source or expand existing domestic capacity. For example, DOD's Title III investments expanded a U.S. company's capacity to separate and process light rare earth materials that are used in a variety of items from electric vehicles to medical equipment.

DOD, with assistance from the U.S. International Development Finance Corporation (DFC), executed the one Title III loan from fiscal years 2018 through 2024.¹³ The \$410 million loan has a 20-year lifespan and was made in 2023 to a U.S. company to increase its manufacturing capacity for vaccines and critical medicines.

Title VII

The selected agencies used Title VII authorities to varying degrees from fiscal years 2018 through 2024, as shown in Figure 3.¹⁴

¹³Department of Defense, U.S. International Development Finance Corporation, *Memorandum of Agreement*, June 22, 2020; Exec. Order No. 13922, 85 Fed. Reg. 30,583 (May 14, 2020). This agreement ended in 2022. In March 2025, the President delegated Title III authorities to the head of the U.S. International Development Finance Corporation and directed DOD to work with the corporation to develop a plan for leveraging DPA authorities to increase American production of minerals.

¹⁴Title VII includes other authorities outside of the scope of our review such as those exercised by the Committee on Foreign Investment in the United States.

Figure 3: Selected Agencies' Title VII Usage, Fiscal Years 2018 to 2024

	USDA	DOC	DOD	DOE	DHS	HHS	DOT	Total Usage Fiscal Years 2018–2024
Industrial base assessment	—	✓	✓	—	✓	✓	—	17
Voluntary agreement	—	—	—	—	✓	—	✓	3
National defense executive reserve	—	—	—	—	—	—	—	0

✓ Agency used the authority

— Agency did not use the authority

USDA: U.S. Department of Agriculture

DOC: Department of Commerce

DOD: Department of Defense

DOE: Department of Energy

DHS: Department of Homeland Security

HHS: Department of Health and Human Services

DOT: Department of Transportation

Source: GAO analysis of agency provided data. | GAO-25-108497

Commerce has completed or is in the process of completing industrial base assessments for itself, other federal agencies, Congress, the President, and industry in areas such as weapon systems and microelectronics.¹⁵ Additionally, two agencies—Transportation and FEMA—have used the voluntary agreement authority since fiscal year 2018. Transportation's two voluntary agreements are intended to assure access to state-of-the-art cargo transport equipment and refueling vessels in case of mass mobilization.¹⁶ FEMA's voluntary agreement was established in 2020 to work with industry on manufacturing and distributing selected medical supplies and equipment during COVID-19. According to FEMA officials, this agreement is no longer active.

Challenges Using DPA Authorities and Agency Actions Toward Addressing Them

Our prior work, including our report publicly released today, found that federal agencies experienced a number of challenges when using the DPA authorities. In these reports, we made five recommendations to help ensure effective use of the DPA authorities and increase transparency moving forward. The agencies generally concurred with the recommendations, but not all have been fully implemented. Examples of challenges we identified include:

¹⁵DOD and Commerce each jointly initiated an industrial base assessment with the National Aeronautics and Space Administration to examine the rocket propulsion industrial base and the civil space industrial base, respectively.

¹⁶Transportation originally established these voluntary agreements 25 years ago.

-
- **Title I.** We found that program offices and the companies receiving Title I rated orders from DOD and HHS did not always understand their responsibilities for passing the rating along to suppliers.¹⁷ To address this, both DOD and HHS are engaged in educational outreach efforts to their contracting officers and companies receiving rated orders to help ensure an understanding of their roles and responsibilities for executing the rating.

In addition, in November 2020, we reported that agencies had problems tracking priority rated contracts during the COVID-19 response.¹⁸ We recommended that the Office of Management and Budget develop agency reporting guidance to increase transparency on the use of priority ratings. The Office of Management and Budget took action to address this in July 2021 by creating a way to collect past and future COVID-19-related DPA Title I awards. Also in this report we found that HHS had not yet identified how to use the DPA to address risks to the U.S. healthcare supply chain and recommended that it do so. HHS concurred and by March 2023 had taken several actions to address this, including leveraging priority ratings for health resources and planning to establish its own Title III program to invest in the public health industrial base.

- **Title III.** We found that DOD does not currently have the expertise within its Defense Production Act Purchases Office to fully leverage Title III loan authorities.¹⁹ From 2020 to 2022, DOD had an agreement with DFC to establish a program to award Title III loans on DOD's behalf. In November 2021, we reported several challenges with this program.²⁰ For example, we found that DFC had not accounted for all costs or assessed the overall effectiveness of the program and recommended actions to address the challenges we identified. DFC concurred with our recommendation related to the costs of the Title III program. It did not concur with the recommendation to develop a plan to evaluate the program's overall effectiveness, asserting that DOD or HHS were better positioned to do so. As of March 2025, DFC has taken actions to account for all costs of the program, but not to assess its overall effectiveness.

¹⁷GAO-25-107688.

¹⁸GAO-21-108.

¹⁹GAO-25-107688.

²⁰GAO-22-104511.

Fully implementing this recommendation could help ensure that the goals of any future Title III loan programs are being met. For example, while DOD's original agreement with DFC has ended, Executive Order 14241 issued in March 2025 allows DFC to use DOD's investment authorities, including the DPA, to bolster domestic critical mineral production. An understanding of the effectiveness of DFC's loan program in response to COVID-19 may identify areas of improvement for using Title III loans for critical mineral production.

DOD officials told us that loans provide a better return on investment than the other Title III financial incentives since the government can get the benefit of increased production capacity—and recoup the funds. To leverage these benefits, DOD's Office of Strategic Capital began offering loans outside of the DPA authority in January 2025 to eligible businesses in the critical technology sector, to expand production capabilities and modernize processes.

- **Title VII.** We found that FEMA faced challenges establishing its Title VII voluntary agreement in time to have a meaningful effect on the COVID-19 response. According to FEMA officials, the delays were due at least in part to minimum waiting periods—such as for Attorney General approval—that are currently required when establishing a voluntary agreement. To streamline the process in the future, FEMA proposed legislative changes to the DPA in November 2024 to provide flexibility in the minimum waiting periods. Congress will determine which, if any, of the proposals to include in its upcoming reauthorization of the DPA, currently set for fall of 2025.

We also found that FEMA is currently the agency responsible for coordinating DPA activities across the government but has not yet collected lessons learned from DOD, which has the longest history of awarding and overseeing Title III investments.²¹ DOD has identified several practices to help increase the likelihood of a successful investment over its 30 years of experience awarding Title III investments. For example, one practice requires companies to invest their own funding in addition to DOD's where practical. By contrast, HHS is newer to using Title III authorities and awarded its first investments in fiscal year 2024. We recommended that FEMA, as the current DPA government-wide coordinator, collect and share lessons learned as it could benefit agencies considering making additional Title III investments. DHS

²¹GAO-25-107688.

concurrent with our recommendation and we will monitor any actions taken to address it.

Chairman Davidson, Ranking Member Beatty, and Members of the Subcommittee, this completes my prepared statement. I would be pleased to respond to any questions that you may have at this time.

**GAO Contact and
Staff
Acknowledgments**

If you or your staff have any questions about this testimony, please contact William Russell at russellw@gao.gov. Contact points for our Offices of Congressional Relations and Public Affairs may be found on the last page of this statement. GAO staff who made key contributions to this statement are Cheryl Andrew (Assistant Director), Erin Carr (Analyst-in-Charge), Stephanie Gustafson, Lorraine Ettaro, Jean McSween, Mark Oppel, and Adam Wolfe.

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Chairman DAVIDSON. Thank you.

Mr. Levin, you are now recognized for 5 minutes for your oral statement.

STATEMENT OF ADAM G. LEVIN, ANALYST IN ECONOMIC DEVELOPMENT POLICY, CONGRESSIONAL RESEARCH SERVICE

Mr. LEVIN. Thank you, Chairman Davidson, Committee Chairman Hill, Vice Chairman Nunn, Congressman Casten, and members of the subcommittee for inviting the Congressional Research Service to testify today. My name is Adam Levin, and I am an Analyst in Economic Development Policy. This morning, I will summarize my written statement on the Defense Production Act of 1950, or DPA, including a brief summary of the law's authorities and a few issues for Congress to consider.

The DPA provides the President with an array of authorities to "shape national defense preparedness programs and to take appropriate steps to maintain and enhance the domestic industrial base." Since enactment, Presidents have used the DPA to manage the Nation's defense and non-defense-related productive capacity.

The DPA contains three active titles, Title I, Title III, and Title VII. Title I allows the President to require private businesses to preferentially accept certain contracts and orders, as well as to allocate materials, services, and facilities.

Title III allows the President to provide loans, loan guarantees, purchases and purchase commitments, subsidies, and other financial assistance directly to private businesses.

Title VII provides the President with a variety of authorities, including the power to establish voluntary agreements with industry and obtain information on the industrial base. Title VII also defines key terms, including national defense, and provides for the termination of most DPA provisions. Due to this termination provision, the DPA's expiring provisions are currently set to terminate on September 30, 2025. Congress has reauthorized the DPA dozens of times, most recently in 2018.

In addition to extending the law's termination provision, some reauthorizations have amended various other aspects of the DPA, for example, by expanding eligibility for Title III assistance to certain businesses in the United Kingdom and Australia.

Use of DPA authorities by executive branch agencies has ebbed and flowed over time. The executive branch frequently invoked the DPA in the first few years after enactment. In the following years, the DPA, particularly Title III, was invoked less often, at least through the early 1980s. In recent years, DPA usage has increased. For example, both the Trump and Biden Administrations invoked the law to respond to the COVID-19 pandemic.

The Biden Administration also used Title III authorities to respond to the 2022 Russian-Ukrainian War and to address national defense concerns through clean energy technology investments. In March 2025, President Trump issued an executive order intended to bolster national security by increasing domestic mineral production that, among other actions, invoked Title III authorities.

I will now highlight a few issues Congress may consider. As mentioned, most DPA provisions will expire on September 30, 2025, unless reauthorized. Since 1950, Congress has reauthorized expiring

DPA provisions on at least 53 separate occasions. Within the past 40 years, there has been at least one lapse in authorization, although Congress later retroactively enacted a reauthorization to encompass this period. With the upcoming expiration date in mind, Congress may consider whether to reauthorize the DPA, what to include in any potential reauthorization, and how long a potential reauthorization may last.

Congress may also consider its oversight of the DPA. For example, Congress could assess whether it feels the DPA has been used too often, too infrequently, or on an appropriate basis, as well as whether the President has the right amount of latitude to implement the DPA's authorities. Should Congress determine that its oversight role needs adjustment, Congress could seek to further clarify how the DPA may or may not be used. One option for doing so may be to amend the law's definition of national defense.

Congress provides appropriations for DPA activities. Since Fiscal Year 2020, Congress has appropriated at least \$4.4 billion to the DPA fund, which pays for Title III activities, as well as at least another \$10 billion to pay for DPA responses to the COVID-19 pandemic. Congress may consider whether to continue these levels of appropriations, which are relatively high by historical comparison.

This concludes my remarks. Thank you for the opportunity to testify. I look forward to your questions.

[The prepared statement of Mr. Levin follows:]



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TESTIMONY

Statement of

Adam G. Levin

Analyst in Economic Development Policy

Before

Financial Services Committee

National Security, Illicit Finance, and International Financial Institutions

Subcommittee

U.S. House of Representatives

Hearing on

“Evaluating the Defense Production Act”

June 12, 2025

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Introduction

Chairman Davidson, Vice Chairman Nunn, Ranking Member Beatty, and Members of the subcommittee, thank you for the opportunity to testify before you on the Defense Production Act. My name is Adam Levin, and I am an analyst in economic development at the Congressional Research Service (CRS). CRS provides Congress with analysis that is authoritative, confidential, objective, and nonpartisan. Any arguments presented in my written or oral testimony are provided for the purpose of informing Congress, not to advocate for a particular policy approach or outcome.

My testimony today will focus on the purpose and authorities of the Defense Production Act of 1950 (DPA). I will also discuss several potential issues Congress may face in any DPA reauthorization.

Purpose of the DPA

The Defense Production Act of 1950 (DPA; P.L. 81-774; 50 U.S.C. §§4501 et seq.) provides the President with an array of authorities to “shape national defense preparedness programs and to take appropriate steps to maintain and enhance the domestic industrial base.”¹ Over the past eight decades, multiple administrations have used the DPA as a tool to manage the nation’s defense- and nondefense-related productive capacity, invoking its authorities to increase the domestic supply of goods and materials.

These authorities are found in three titles:

- Title I (Priorities and Allocations) allows the President to require private businesses to preferentially accept certain contracts and orders, as well as to allocate materials, services, and facilities;
- Title III (Expansion of Productive Capacity and Supply) allows the President to provide loans, loan guarantees, purchases and purchase commitments, subsidies, and other financial assistance directly to private businesses; and
- Title VII (General Provisions) provides the President with a variety of authorities, including the power to establish voluntary agreements with industry and obtain information on the industrial base. Title VII also defines key terms and provides for the termination of most DPA provisions.

History of the DPA

Congress enacted the DPA in September 1950 to enable the Truman Administration to respond to the industrial and economic requirements of the Korean War.² In addition to the three currently active titles, the DPA originally included four additional titles. These titles provided the President with broader authorities to manage the domestic economy, including the power to requisition property, set price and wage ceilings, settle labor disputes, and control credit. Congress allowed these authorities to lapse following the Korean War.³

¹ 50 U.S.C. §4502.

² Many of the DPA’s provisions were modelled on similar laws in effect during World War II—particularly the War Powers Acts of 1941 (P.L. 77-354) and 1942 (P.L. 77-507).

³ The seven original Titles of the Act were: Title I (Priorities and Allocations); Title II (Authority to Requisition); Title III (Expansion of Productive Capacity and Supply); Title IV (Price and Wage Stabilization); Title V (Settlement of Labor Disputes); Title VI (Control of Consumer and Real Estate Credit); and Title VII (General Provisions). Titles IV and V lapsed on April 30, 1953, and Titles II and VI lapsed on June 30, 1953.

Due to its economic focus, congressional oversight of the DPA fell under the jurisdiction of what were then known as the House and Senate Committees on Banking and Currency—now the House Financial Services Committee and the Senate Committee on Banking, Housing, and Urban Affairs, respectively. These committees have retained jurisdiction to the present day.⁴

Sunset Provision and Examples of Legislative Activity

Since its enactment, most of the DPA has been subject to a sunset clause, on which date the authorities subject to the clause would expire.⁵ As a result, the DPA currently requires periodic reauthorization by Congress to retain effect. Congress has reauthorized the DPA dozens of times, most recently in 2018.⁶ The DPA's expiring provisions are currently set to terminate on September 30, 2025.

Some reauthorizations of the DPA have changed little or none of the act's substance, and were primarily used as vehicles to extend the law's sunset date.⁷ Other reauthorizations have amended the law's provisions, in addition to extending the sunset date.⁸ Over the years, Congress has made many amendments to the DPA's authorities, whether in reauthorization bills or other legislation. Legislative changes to DPA authorities have included:

- Broadening the definition of *national defense* (and, as a result, the purposes for which DPA authorities may be used);⁹
- Designating *energy* as a *strategic and critical material* subject to Title I authorities;¹⁰
- Allowing businesses in certain foreign countries to be considered as domestic sources eligible for Title III assistance;¹¹
- Changing the way Title III assistance is funded, including by establishing and modifying the Defense Production Act Fund (DPA Fund).¹²

⁴ The DPA also created a Joint Committee on Defense Production, which was composed of Members from the standing committees of jurisdiction. This Committee ceased operating 1977.

⁵ 50 U.S.C. §4564.

⁶ See Section 1791 of the John S. McCain National Defense Authorization Act for Fiscal Year 2019 (P.L. 115-232).

⁷ For example, see the Defense Production Act Extension and Reauthorization of 2008 (P.L. 110-367), which extended the sunset clause by one year.

⁸ For example, see the Defense Production Act Reauthorization of 2009 (P.L. 111-67). Among other things, the law established the Defense Production Act Committee. It also extended the DPA's sunset date by five years.

⁹ As originally enacted, the DPA defined *national defense* as such: "The term 'national defense' means the operations and activities of the armed forces, the Atomic Energy Commission, or any other Government department of agency directly or indirectly concerned with the national defense, or operations or activities in connection with the Mutual Defense Assistance Act of 1949, as amended." By 1992, the definition (as amended by P.L. 102-558) read: "The term 'national defense' means programs for military and energy production or construction, military assistance to any foreign nation, stockpiling, space, and any directly related activity." In 1994, P.L. 103-337 added "emergency preparedness," and in 2003, P.L. 108-195 added "critical infrastructure protection and restoration." The most recent amendment to the definition was in 2009, when P.L. 111-67 added "critical infrastructure assistance to any foreign nation" and "homeland security."

¹⁰ See section 103 of the Defense Production Act Amendments of 1980 (P.L. 96-294).

¹¹ Section 1080 of the National Defense Authorization Act for Fiscal Year 2024 (P.L. 118-31) amended 50 U.S.C. §4552 to expand this eligibility to include certain businesses in Australia and the United Kingdom (previously only countries in the United States and Canada were eligible).

¹² See Section 122 of the Defense Production Act Amendments of 1992 (P.L. 102-558).

Congress has also enacted numerous modifications to Title III reporting, notification, and authorization requirements, and has used Title VII to codify other industrial base-related authorities (for example, those associated with the Committee on Foreign Investment in the United States, or CFIUS).¹³

Applications and Funding

Executive branch use of DPA authorities has ebbed and flowed over time. The authorities were invoked frequently in the first few years of enactment, primarily from 1950 through 1953, during the Korean War. In the following years the DPA was invoked less often. For example, there does not appear to have been a single invocation of Title III authorities from the late 1960s through the mid-1980s.¹⁴ Since then, the number of active Title III projects reported by the Department of Defense (DOD)—the most frequent user of Title III authorities—was four in 1994, 37 in 2013, and 56 in 2024.¹⁵

While DOD may be the executive agency most closely associated with the DPA, several other agencies and departments have also been delegated authority to use the law. These include the Departments of Commerce, Energy, Health and Human Services, Homeland Security, and others. These delegations were largely established in Executive Order (E.O.) 13603, issued by the Obama Administration in 2012, and are still in place today.¹⁶ Other delegations have been added more recently. For example, President Trump issued E.O. 14241 in March 2025, which, among other things, delegated Title III authority to the U.S. International Development Finance Corporation to help “facilitate domestic mineral production to the maximum extent possible.”¹⁷

Beginning in 2020, DPA actions and appropriations appear to have increased. Both the Trump and Biden Administrations invoked Title I and Title III authorities to respond to the COVID-19 pandemic. These actions included the prioritization of vaccine-related contracts and the provision of financial assistance and incentives to producers of medical supplies.¹⁸ The Biden Administration also used Title III authorities to respond to the 2022 Russian/Ukrainian war through assistance to munitions and strategic/critical materials producers and for other policies it deemed important to national defense such as investing in clean energy technologies.¹⁹ In March 2025, President Trump issued an executive order intended to strengthen national security by increasing domestic mineral production that, among other actions, invoked Title III authorities.²⁰

¹³ See 50 U.S.C. §4565. The Committee on Foreign Investment in the United States (CFIUS) is often considered separately from the rest of the DPA, and lies outside the scope of this testimony.

¹⁴ House Committee on Banking, Finance, and Urban Affairs Subcommittee on Economic Stabilization, “Briefing on the Defense Production Act of 1950 (March 2, 1983).” (Washington, DC: Government Printing Office, 1953), pp. 7-11.

¹⁵ U.S. Government Accountability Office, *Defense Production Act: Foreign Involvement and Materials Qualification in the Title III Program*, NSIAD-94-74, March 14, 1994, <https://www.gao.gov/products/hsiad-94-74>; Senate Committee on Banking, Housing, and Urban Affairs, “Oversight of the Defense Production Act: Issues and Opportunities for Reauthorization,” July 16, 2023; and communication between CRS and the Department of Defense’s (DOD’s) Manufacturing Capability Expansion and Investment Prioritization office.

¹⁶ Executive Order (E.O.) 13603, “National Defense Resources Preparedness,” 77 *Federal Register* 16651, March 16, 2012.

¹⁷ Executive Order 14241, “Immediate Measures To Increase American Mineral Production,” 90 *Federal Register* 13673, March 25, 2025.

¹⁸ U.S. Government Accountability Office, *COVID-19: Agencies Are Taking Steps to Improve Future Use of Defense Production Act Authorities*, GAO-22-105380, December 16, 2021, <https://www.gao.gov/products/gao-22-105380>.

¹⁹ See DOD, *Ukraine Security Assistance*, August 8, 2024, <https://media.defense.gov/2024/Sep/06/2003538814/-1/-1/1/UKRAINE-INFOGRAPHIC-08AUG2024.PDF>, and U.S. Department of Energy, “President Biden Invokes Defense Production Act to Accelerate Domestic Manufacturing of Clean Energy,” press release, June 6, 2022, <https://www.energy.gov/articles/president-biden-invokes-defense-production-act-accelerate-domestic-manufacturing-clean>.

²⁰ E.O. 14241, “Immediate Measures To Increase American Mineral Production,” 90 *Federal Register* 13673, March 25, 2025.

Congress has also appropriated relatively more funds for DPA activities since 2020 than in previous years. From FY2010 through FY2019, Congress appropriated approximately \$952 million to the DPA Fund, which pays for Title III activities. From FY2020 through FY2025, Congress has provided at least \$4.4 billion to the DPA Fund for Title III purposes.²¹ These funds were provided through annual defense appropriations acts as well as through other legislation, including the CARES Act (P.L. 116-136; \$1 billion) and the Additional Ukraine Supplemental Appropriations Act, 2022 (P.L. 117-128; \$600 million), and the Inflation Reduction Act of 2022 (P.L. 117-169; \$500 million). The use of supplemental appropriations to fund the DPA is a change from congressional practices in FY2010 through FY2019, when all DPA funds were provided through annual defense appropriations acts.

Beyond these laws, the American Rescue Plan Act of 2021 (ARPA, P.L. 117-2) provided \$10 billion for use on DPA Title I, Title III, and Title VII activities for the “purchase, production ... or distribution of medical supplies and equipment ... related to combating the COVID-19 pandemic.”²² Given that the law specified that the funds could be used for all DPA authorities, and not just Title III (activities generally paid for from the DPA Fund), it appears that, in contrast to other examples of DPA appropriations, the funds were not necessarily provided to the DPA Fund specifically.

Many appropriations to the DPA Fund are made as “no-year money,” meaning that they are available until expended. However, Congress may place deadlines for spending certain funds appropriated for the DPA. For example, the Inflation Reduction Act of 2022 specified that its DPA appropriations were to remain available only until September 30, 2024.²³ Similarly, the funds appropriated for DPA use in ARPA were to remain available only until September 30, 2025.²⁴

DPA Authorities

Title I: Priorities and Allocations

Section 101(a) of Title I states:

The President is hereby authorized (1) to require that performance under contracts or orders (other than contracts of employment) which he deems necessary or appropriate to promote the national defense shall take priority over performance under any other contract or order, and, for the purpose of assuring such priority, to require acceptance and performance of such contracts or orders in preference to other contracts or orders by any person he finds to be capable of their performance, and (2) to allocate materials, services, and facilities in such manner, upon such conditions, and to such extent as he shall deem necessary or appropriate to promote the national defense.²⁵

The *priority* performance authority allows the federal government to ensure the timely availability of critical materials, equipment, and services produced in the private market in the interest of national defense, and to receive those materials, equipment, and services through contracts before any other competing interest. Under the language of the DPA, a person (including corporations, as defined in statute) is required to accept prioritized contracts/orders, though regulations implementing Title I

²¹ CRS analysis of annual and supplemental appropriations acts.

²² 135 Stat. 53-54.

²³ 136 Stat. 2027.

²⁴ 135 Stat. 53-54.

²⁵ 50 U.S.C. §4511(a).

authorities provide practical exemptions.²⁶ The government can also prioritize the performance of contracts between two private parties, such as a contract between a prime contractor and a subcontractor.²⁷

The use of Title I authority is implemented by a body of regulations known collectively as the Federal Priorities and Allocations System (FPAS). The regulation most frequently used is the Defense Priorities and Allocations System (DPAS), administered by the Department of Commerce's Bureau of Industry and Security, and used to support Title I programs managed by a variety of executive agencies.²⁸ DPAS enables the federal government to place priority ratings and specify delivery dates on contracts and purchase orders with suppliers.

E.O. 13603, issued by the Obama Administration in 2012, delegated the President's Title I authority to six different Cabinet Secretaries based upon their areas of expertise in different resource and material sectors:

- Secretary of Agriculture: food resources, food resource facilities, livestock resources, veterinary resources, plant health resources, and the domestic distribution of farm equipment and commercial fertilizer;
- Secretary of Energy: all forms of energy;
- Secretary of Health and Human Services: health resources;
- Secretary of Transportation: all forms of civil transportation;
- Secretary of Defense: water resources; and
- Secretary of Commerce: all other materials, services, and facilities, including construction material.²⁹

Additionally, E.O. 13603 established that the Title I priorities and allocation authority "may be used only to support programs that have been determined in writing as necessary or appropriate to promote the national defense" by either the:

- Secretary of Defense, with respect to military production and construction, military assistance to foreign nations, military use of civil transportation, stockpiles managed by DOD, space, and directly related activities;
- Secretary of Energy, with respect to energy production and construction, distribution and use, and directly related activities; and
- Secretary of Homeland Security, with regards to all other national defense programs, including civil defense and continuity of government.³⁰

Although most uses of Title I authorities are for defense purposes, they have also been used in nondefense settings in recent years. For example, following a series of hurricanes in 2017, the Federal Emergency Management Agency (FEMA) used Title I authorities to prioritize contracts for housing construction and the restoration of electrical systems. From August 25 through November 30 of that year, FEMA issued 515 priority-rated orders and contracts under Title I.³¹ Multiple executive agencies invoked DPA

²⁶ 50 U.S.C. §4552(15). Section 702(15) of the DPA defines a person as an "individual, corporation, partnership, association, or any other organized group of persons, or legal successor or representative thereof, or any State or local government or agency thereof." Contracts and "rated orders" have the same meaning in regulations for Title I authorities. See, for example, the definition of "rated order" provided by 15 C.F.R. §700.8.

²⁷ 15 C.F.R. §700.3(d).

²⁸ DPAS is implemented by 15 C.F.R. §700.

²⁹ CRS analysis of E.O. 13603 and 50 U.S.C. §§4501 *et seq.*

³⁰ Section 202 of E.O. 13603.

³¹ Federal Emergency Management Agency, *2017 Hurricane Season FEMA After-Action Report*, July 12, 2018, p. 30, https://www.fema.gov/sites/default/files/2020-08/fema_hurricane-season-after-action-report_2017.pdf.

authorities in response to the COVID-19 pandemic. For example, in April 2020, HHS used Title I authorities to execute a \$489.4 million contract with General Motors to produce 30,000 ventilators.³² The Biden Administration later invoked Title I authorities to respond to a nationwide shortage of infant formula in 2022.³³

Title III: Expansion of Productive Capacity and Supply

Title III authorities are intended to help ensure that the nation has an adequate supply of, or the ability to produce, essential materials and goods necessary for the national defense. Using Title III authorities, the President may provide financial incentives to develop, maintain, modernize, restore, and expand the production capacity of domestic sources for critical components, critical technology items, materials, and industrial resources for the execution of the national security strategy of the United States.³⁴ These incentives are provided directly to businesses meeting the DPA's definition of domestic sources, which currently includes businesses in the United States, Canada, the United Kingdom, and Australia.³⁵ The assistance may be paid for with monies appropriated to the DPA Fund. Although DPA Fund money may remain available until expended, the Fund's unobligated balance at the end of each fiscal year may not exceed \$750 million.³⁶ DOD serves as the DPA Fund manager.³⁷

Sections 301 and 302 of Title III of the DPA authorize the President to issue loan guarantees and direct loans to private businesses to reduce current or projected shortfalls of industrial resources, purchase critical technology items, or acquire essential materials needed for national defense purposes.³⁸ There are a number of restrictions placed on the executive branch before these loan authorities may be used. For example, the budget authority for guarantees and direct loans must be included in appropriations passed by Congress and enacted by the President before such loan mechanisms can be issued.³⁹

Section 303 of Title III grants the President an array of authorities to create, maintain, protect, expand, or restore domestic industrial base capabilities essential to the national defense,⁴⁰ including:

- purchasing or making purchase commitments of industrial resources or critical technology items;⁴¹
- making subsidy payments for domestically produced materials;⁴² and
- installing and purchasing equipment for government and privately owned industrial facilities to expand their productive capacity.⁴³

Prior to taking Title III actions, the President, on a nondelegable basis, must issue a presidential determination (PD) stating that:

³² For more information on these uses, see CRS Insight IN11337, *The Defense Production Act (DPA) and the COVID-19 Pandemic: Recent Developments and Policy Considerations*, by Heidi M. Peters and Erica A. Lee.

³³ Executive Office of the President, "Presidential Determination No. 2022-13: Delegating Authority Under the Defense Production Act to Ensure an Adequate Supply of Infant Formula," 87 *Federal Register* 31357, May 24, 2022.

³⁴ 50 U.S.C. §4517; Section 107(a) of the DPA. Many of these terms are defined further in 50 U.S.C. §4552.

³⁵ 50 U.S.C. §4552.

³⁶ 50 U.S.C. §4534.

³⁷ Section 309 of E.O. 13603.

³⁸ 50 U.S.C. §4531(a)(1).

³⁹ 40 U.S.C. §4531(a)(3) and 50 U.S.C. §4532(c).

⁴⁰ 50 U.S.C. §4533.

⁴¹ 50 U.S.C. §4533(a).

⁴² 50 U.S.C. §4533(c).

⁴³ 50 U.S.C. §4533(e).

- the industrial resource, material, or critical technology item is essential to the national defense;
- without Presidential action, United States industry cannot reasonably be expected to provide the capability for the needed industrial resource, material, or critical technology item in a timely manner; and
- purchases, purchase commitments, or other action pursuant to this section are the most cost effective, expedient, and practical alternative method for meeting the need.⁴⁴

The President must notify the congressional committees of jurisdiction of a shortfall prior to taking any Title III action. If a Title III action under an existing PD would cause the total value of all actions taken under that PD to exceed \$50 million, the President must have prior congressional authorization, and the action may not be taken until 30 days after the committees of jurisdiction have been notified in writing.⁴⁵ The determination, notification, and authorization requirements may be waived during a period of national emergency declared by Congress or the President, or if the President determines that “action is necessary to avert an industrial resources or critical technology item shortfall that would severely impair national defense capability.”⁴⁶ While the President cannot delegate the authority to issue PDs for Title III, E.O. 13603 delegated the authority to implement Title III actions to “the head of each agency engaged in procurement for national defense.”⁴⁷

As with Title I, DOD is the most frequent user of Title III authorities. DOD’s Title III activities are managed by its Manufacturing Capability Expansion and Investment Prioritization office, which reports to the Assistant Secretary of Defense for Industrial Base Policy. DOD has used DPA Title III authorities for a variety of defense-related activities, including to promote domestic production of certain defense capabilities and technologies. In recent years such efforts have included investing in the development and production of microelectronics and graphite.⁴⁸

Other executive agencies also use Title III authorities. For example, in December 2023, the Biden Administration issued a presidential determination giving the Department of Health and Human Services (HHS) authority to use Title III to “expand the domestic production capabilities for essential medicines, medical countermeasures, and critical inputs as necessary to avert an industrial resource or critical technology item shortfall that would severely impair national defense capability.”⁴⁹ Responding to that determination, in October 2024, HHS’s Administration for Strategic Preparedness and Response subsequently used that authority to award approximately \$17.5 million to a private company “to support

⁴⁴ 36 U.S.C. §4533(a)(5).

⁴⁵ 50 U.S.C. §4533(a)(6).

⁴⁶ 50 U.S.C. §4533(a)(7).

⁴⁷ Section 801(h) of E.O. 13603 includes the “heads of the Departments of State, Justice, the Interior, and Homeland Security, the Office of the Director of National Intelligence, the Central Intelligence Agency, the National Aeronautics and Space Administration, the General Services Administration, and all other agencies with authority delegated under section 201 of this order.” Under Section 201, the additional agencies are the Departments of Agriculture, Commerce, Defense, Energy, Health and Human Services, and Transportation.

⁴⁸ See DOD, “DoD Announces \$10 Million Defense Production Act Title III Agreement with Six Sigma to Strengthen the Domestic Microelectronics Industrial Base,” press release, May 24, 2023, <https://www.defense.gov/News/Releases/Release/Article/3404320/dod-announces-10-million-defense-production-act-title-iii-agreement-with-six-si/> and DOD, “DOD Leverages Defense Production Act to Galvanize Critical Supply Chains,” press release, December 4, 2024, <https://www.defense.gov/News/News-Stories/Article/Article/3985393/dod-leverages-defense-production-act-to-galvanize-critical-supply-chains/>.

⁴⁹ Executive Office of the President, “Presidential Determination and Waiver Pursuant to Section 303 of the Defense Production Act of 1950, as Amended, on Essential Medicines, Medical Countermeasures, and Critical Inputs,” 89 *Federal Register* 3, January 2, 2024.

the domestic production of key starting materials and active pharmaceutical ingredients for essential medicines.⁵⁰

Title VII: General Provisions

Title VII contains various provisions that clarify how DPA authorities can and should be used and provide additional presidential authorities. Selected provisions are detailed below.

Definitions of Key Terms

Title VII includes a section of definitions. Two of the most significant are the definitions of *national defense* and *domestic source*, as these terms dictate how the DPA may be used and which businesses may be eligible for financial assistance under Title VII.

National defense is defined as:

Programs for military and energy production or construction, military or critical infrastructure assistance to any foreign nation, homeland security, stockpiling, space, and any directly related activity. Such term includes emergency preparedness activities conducted pursuant to title VI of The Robert T. Stafford Disaster Relief and Emergency Assistance Act [42 U.S.C. 5195 et seq.] and critical infrastructure and restoration.⁵¹

Congress has amended this definition since the DPA's enactment, most recently in 2009 in P.L. 111-67, which added "critical infrastructure assistance to any foreign nation" and "homeland security" to the definition.

Domestic source is defined as:

Except as provided [for the purposes of subchapter II (i.e., DPA Title III)], a business concern that performs in the United States or Canada substantially all of the research and development, engineering, manufacturing, and production activities required of such business concern under a contract with the United States relating to a critical component or a critical technology item; and that procures from business concerns [business concerns that perform substantially all U.S. government contract work in the United States or Canada] substantially all of any components and assemblies required under a contract with the United States relating to a critical component or critical technology item. For purposes of subchapter II, [i.e., DPA Title III] the term 'domestic source' means a business concern that performs substantially all of the research and development, engineering, manufacturing, and production activities required of such business concern under a contract with the United State relating to a critical component or a critical technology item in the United States or Canada; or ... Australia or the United Kingdom.⁵²

Industrial Base Assessments

The President may "by regulation, subpoena, or otherwise obtain such information from ... any person as may be necessary or appropriate, in his discretion, to the enforcement or the administration of [the DPA]."⁵³ This authority is delegated to the Secretary of Commerce.⁵⁴ These industrial base assessments

⁵⁰ Resilience, "Resilience Secures Funding to Expand Domestic Manufacturing for Critical Pharmaceutical Ingredients," press release, October 3, 2024, <https://resilience.com/news/resilience-secures-funding-to-expand-domestic-manufacturing-for-critical-pharmaceutical-ingredients>.

⁵¹ 50 U.S.C. §4552(14).

⁵² 50 U.S.C. §4552(7).

⁵³ 50 U.S.C. §4555(a).

⁵⁴ Section 104(d) of E.O. 13603.

are conducted in coordination with other federal agencies and the private sector to “monitor trends, benchmark industry performance, and raise awareness of diminishing manufacturing capabilities.”⁵⁵

Voluntary Agreements

Title VII authorizes the President to “consult with representatives of industry, business, financing, agriculture, labor, and other interests in order to provide for the making by such persons, with the approval of the President, of voluntary agreements and plans of action to help provide for the national defense.”⁵⁶ Parties entering into such voluntary agreements are afforded a special legal defense if their actions within that agreement would otherwise violate antitrust or contract laws.⁵⁷

Nucleus Executive Reserve

Title VII authorizes the President to create a volunteer body of industry executives known as the “Nucleus Executive Reserve” (also referred to as the National Defense Executive Reserve), who could be trained and appointed to fill executive positions within the federal government in the event of an emergency requiring their employment.⁵⁸

Standing Authorization of Appropriations

Title VII authorizes \$133 million in appropriations for the President to carry out DPA activities for each fiscal year.⁵⁹

Sunset Clause

Title VII provides that all DPA provisions not explicitly exempted will terminate on September 30, 2025.⁶⁰

Defense Production Act Committee

The Defense Production Act Committee (DPAC) is an interagency body originally established by the 2009 reauthorization of the DPA.⁶¹ Originally, the DPAC was created to advise the President on the effective use of the full scope of authorities of the DPA. Now, the law requires DPAC to be centrally focused on the priorities and allocations authorities of Title I of the DPA. The head of each federal agency delegated DPA authorities, as well as the Chairperson of the Council of Economic Advisers, is a member of the DPAC. DPAC has annual reporting requirements relating to the Title I priority and allocation authority.⁶²

⁵⁵ U.S. Department of Commerce, Bureau of Industry and Security, *Industrial Base Assessments*, <https://www.bis.doc.gov/index.php/other-areas/office-of-technology-evaluation-ote/industrial-base-assessments>.

⁵⁶ 50 U.S.C. §4558(c)(1).

⁵⁷ 50 U.S.C. §4558(j).

⁵⁸ 50 U.S.C. §4560.

⁵⁹ 50 U.S.C. §4561.

⁶⁰ 50 U.S.C. §4564. The exempt provisions are 50 U.S.C. §4514 (which prohibits both the imposition of wage or price controls without prior congressional authorization and the mandatory compliance of any private person to assist in the production of chemical or biological warfare capabilities); 50 U.S.C. §4557 (which grants persons limited immunity from liability for complying with DPA-authorized regulations); 50 U.S.C. §4558 (which provides for the establishment of voluntary agreements); and 50 U.S.C. §4565 (the so-called Exon-Florio Amendment, which gives the President and CFIUS review authority over certain corporate acquisition activities).

⁶¹ P.L. 111-67, codified at 50 U.S.C. §4567(a).

⁶² 50 U.S.C. §4567(d).

Considerations for Congress

Upcoming Sunset Date

One of the most pressing questions for Congress regarding the DPA is whether or not to reauthorize the law before its upcoming sunset date. Absent congressional action, most of the DPA's provisions will expire on September 30, 2025.

Since 1950, Congress has reauthorized DPA provisions on at least 53 separate occasions. Within the past 40 years, there has been at least one lapse in authorization (October 1990-August 1991), although Congress later retroactively authorized the DPA to encompass this period.

If Congress decides to reauthorize the DPA, it may consider the way in which it does so. Historically, the most frequent vehicle has been standalone legislation. However, the most recent reauthorization was enacted through Section 1791 of the National Defense Authorization Act for Fiscal Year 2019 (P.L. 115-232).

Another question is how long DPA reauthorization should endure. The 2014 and 2019 reauthorizations extended expiring DPA provisions for five and six years, respectively; some previous reauthorizations featured shorter extensions: P.L. 110-367 reauthorized the DPA for one year. Five- to six-year extensions may require less legislative activity in the long run; however, a 'stopgap' extension may provide Members with more time to deliberate on any substantive amendments they may seek to enact alongside reauthorization. At least one such stopgap was introduced in the 118th Congress as a standalone reauthorization bill (H.R. 10293), and one introduced in the 119th Congress (S. 1452) would extend the DPA's expiring provisions by one year (i.e., from September 30, 2025, to September 30, 2026) without otherwise amending the DPA. Congress could also consider permanently authorizing the entirety of the DPA.

DPA Uses and Definitions and Oversight

In recent years, some commentators and policymakers have argued that certain uses of DPA authorities have exceeded the law's intent. For example, some have criticized the Biden Administration's invocation of the DPA for use on clean energy projects.⁶³ Others hold that such actions have been appropriate uses of the DPA.⁶⁴

Should Congress seek to provide further clarity on what the DPA may or may not be used for, one option may be to amend the law's definition of *national defense*. As noted, the term's definition has been changed multiple times since the DPA's enactment. If Congress were to determine that the definition provides the President with too much or too little latitude to implement the DPA, Congress could consider again amending the DPA's definition of *national defense*.

Congress may also consider further oversight measures. If Members were to assess that the executive branch is not using DPA authorities effectively or appropriately, there are a number of possible responses.

⁶³ For examples and discussion of these arguments, see Oliver McPherson-Smith, *Manufacturing a Crisis: The Biden Administration's Abuse of the Defense Production Act*, America First Policy Institute, January 11, 2024, <https://www.americafirstpolicy.com/issues/manufacturing-a-crisis-the-biden-administrations-abuse-of-the-defense-production-act>, and Andres Picon, "The Next Big Energy Fight: Defense Production Act Renewal," *E&E News*, April 30, 2024.

⁶⁴ For example, see Trevor Dolan and Lucas Boyd, *Defending the Climate: Using the Defense Production Act to Mobilize American Clean Energy Manufacturing*, Evergreen Collaborative, June 2023, <https://collaborative.evergreenaction.com/policy-hub/Using-the-Defense-Production-Act-to-Mobilize-American-Manufacturing-June-2023.pdf>.

Congress could consider legislative provisions directing the President and/or Cabinet officials to modify their usage of DPA authorities to conform with congressional priorities. This has been done previously

through provisions in National Defense Authorization Acts, such as in P.L. 116-283. Congress could also consider whether or not to impose conditions on DPA appropriations to ensure they are being used according to congressional intent, or create additional notification or authorization requirements to constrain the executive's ability to execute Title III projects without congressional involvement or awareness.

Funding

Funding the DPA has been an issue of fairly consistent congressional interest. One question may be whether to continue the relatively elevated levels of DPA appropriations that Congress has provided in recent years, as discussed in “Applications and Funding.” In assessing that, Congress may again consider how it would like the President to use the DPA, an issue that may relate to how Congress defines *national defense* in the DPA.

Congress may also consider other questions related to DPA funding. As mentioned, the DPA Fund’s unobligated balance may not exceed \$750 million at the end of each fiscal year. Congress could assess whether to amend or eliminate that cap. It last raised the cap in P.L. 111-67. In April 2024, DOD proposed increasing the cap to \$1 billion.⁶⁵ If Congress seeks to exercise more control over how the President spends DPA funds, it could amend the DPA to designate particular departments or agencies to administer the funds, or specify the exact purposes for which the funds may be used. If Congress has concerns about the rate of executive expenditure, it could also provide for the expiration of DPA appropriations, as it has done on previous occasions (for example in the Inflation Reduction Act of 2022). Additionally, Congress may consider whether monies appropriated to the DPA Fund should be available for use on Title I and/or Title VII projects, in addition to Title III projects.

The Defense Production Act Committee (DPAC)

Congress authorized the DPAC in P.L. 111-67. The DPAC was intended to serve as an interagency mechanism for advising the President and coordinating DPA activities across government. Some, though, have argued that it has never fulfilled that role.⁶⁶ For example, P.L. 111-67 directed the President to appoint a DPAC executive director, but one was never appointed. P.L. 111-67 also required the DPAC to submit an annual report to Congress reviewing the use of *all* DPA authorities across the federal government. However, the 2014 DPA reauthorization (P.L. 113-172) narrowed the scope of the DPAC’s remit to only Title I activities and removed the language requiring a DPAC executive director.

Congress could consider whether to address aspects of the DPAC. For example, if Congress again determines that it would like the DPAC to serve as an interagency coordinator of DPA activities, it may evaluate what measures may empower the DPAC to effectively serve in that capacity. Options may include providing appropriations to the DPAC or again mandating the appointment of an executive director.

⁶⁵ DOD, *DOD Legislative Proposals, Fiscal Year 2025*, <https://ogc.osd.mil/Portals/99/OLC%20Proposals/FY%202025/05Apr2024Proposals.pdf?ver=INIOS1MHQXbODayjVmS61A%3d%3d>.

⁶⁶ For example, see Joel Dodge, *Revitalizing the Defense Production Act Committee*, Vanderbilt Policy Accelerator, November 2024, <https://cdn.vanderbilt.edu/vu-URL/wp-content/uploads/sites/412/2024/11/01215220/VPA-Revitalizing-DPAC-Nov.-2024-final-text.pdf>.

Chairman DAVIDSON. Thanks, Mr. Levin.

I now recognize the ranking member of the full Committee, Ms. Waters, for 1 minute.

HON. MAXINE WATERS, RANKING MEMBER OF THE COMMITTEE ON FINANCIAL SERVICES, A U.S. REPRESENTATIVE FROM CALIFORNIA

Ms. WATERS. Thank you very much.

The Defense Protection Act is America's way that mobilizes our Nation's resources, helping to meet challenges like war, pandemics, or natural disasters. It gives the President extraordinary authority to prioritize, allocate, and boost production of critical materials, services, and facilities and in the hands of someone willing to bend, break, or disregard the law, is concerning.

Donald Trump has abused the International Economic Emergency Powers Act to launch his trade war. He has abused the Alien Enemies Act to declare war against migrants. He is abusing Title X and sending troops into L.A. streets. Someone with such disregard for the law might use the DPA to hurt civil protesters or reward his crypto investors. Given these novel abuses, we must consider novel ways to protect DPA's important activities and enhance our oversight.

Thank you, and I yield back.

Chairman DAVIDSON. I thank the ranking member.

I will now turn to member questions and recognize myself for 5 minutes to begin questions.

Title I of the Defense Production Act deals with priority-rated contracts and orders which take preference over other contracts in the event that a contractor cannot meet all required delivery dates. That works fine in the United States for industries that already exist. We saw in COVID where you had contractors trying to find ultimately the same handful of suppliers, mostly in China, and just bid up the price. So we have challenges even mapping what some of the supply chains look like to be ready in advance, so we found reacting is not always adequate.

Existing priorities and allocations in DPA span from agriculture, defense, energy, commerce, homeland security, transportation, and health resources. I am aware that recently from 2018 to 2044, nearly all priority ratings were placed for military goods. This makes sense to me given the original intent of President Truman's 1950 legislation, but the world continues to develop and change.

However, as I said, the industrial supply of semiconductors, prescription drugs, steel, tooling, rare earth minerals, microelectronics, to name a few, are extremely important for the United States to produce domestically and are key inputs in all aspects of our supply chains.

A reliable and resilient industrial base consisting of these inputs in addition to conventional military armaments is vital for national security. For instance, the COVID pandemic exposed an enormous existence reliance on China for health supplies. Specifically, India and China are increasingly the leading U.S. sources for generic pharmaceuticals, which account for 91 percent of all prescriptions in the United States. You cannot just turn on those kinds of supply

chains overnight, so it is time to implement proactive solutions now.

Mr. Russell, while DPA originally and currently promulgates military equipment, do you believe it is aligned with the legislation's objectives to consider other sectors like pharmaceuticals in national supply chain readiness?

Mr. RUSSELL. Absolutely, Mr. Chairman. I think we have seen in the last several years since the DPA has been reauthorized that the DPA authorities have been applied across a number of areas. Certainly, a lot of those do have to do with DOD and military equipment, but there are investments in pharmaceuticals. HHS has been using it to help resupply the strategic national stockpile that was so critical during the COVID-19 pandemic. So there are a range of uses for Title I and Title III beyond just the military applications.

Chairman DAVIDSON. Mr. Levin, what do you think? We have mentioned everything from energy security, pharmaceuticals, and health supplies. What do you think about being more proactive with the DPA authorities?

Mr. LEVIN. Thank you, Mr. Chairman. I echo my colleagues' comments that most DPA uses, excuse me, are for defense applications by DOD. DOD is the heaviest user of DPA but what I can also say is that the DPA is generally understood to give the President fairly wide latitude in using it as long as it is used for the purposes of national defense and if the President does declare that it is being used in cases of national defense. I think that is what we have seen in the past few years with some of the non-defense applications of the law.

Chairman DAVIDSON. Yes, so you definitely lean on the presidential discretion. It is kind of wide open. Congress tried to be proactive with the Creating Helpful Incentives to Produce Semiconductors for America (CHIPS) Act. President Trump has been critical of that approach. I did not think it was the best approach, but at least we are recognizing critical shortage. I agree with Mr. Casten, we should be a little more proactive. I think this gives us a great opportunity.

You know, Mr. Russell, on the defense side, Russia currently produces more artillery, shells, tanks, drones, munitions of all sorts in greater capacity than really North Atlantic Treaty Organization (NATO) combined. We have seen kind of an alarming surge from Russia's capabilities in Ukraine in particular. How can authorities under DPA be used effectively to not just use the arsenal approach but domestic supply chains to bolster the rest of the defense industrial base?

Mr. RUSSELL. Yes, thank you for the question, Mr. Chairman. I think what we saw with DOD trying to recapitalize and re-equip for items sent to Ukraine was a great example. DPA authorities are used exclusively in terms of Title III, Title I to buildup supplies of ammunition, tactical vehicles, missiles, all kinds of munitions, and so Title III has been an instrumental tool to help companies quickly scale up production, add a shift. You can use those funds to buy important manufacturing equipment, to facilitate, and create new facilities. That has been a key aspect that we have seen just recently.

Chairman DAVIDSON. Yes, thank you, and I look forward to continuing the dialog.

My time has expired, and I now recognize the gentleman from Illinois, Mr. Casten, for 5 minutes.

Mr. CASTEN. Thank you. I want to start with an observation I made at the start, that Congress, the bias whenever we see a problem is to direct the executive branch to solve it. It is much easier to write legislation that way. We could do a better job.

I want to start with you, Mr. Levin, and can you just talk about within the existing DPA, can you help us understand what congressional oversight has built into that constrains the executive branch?

Mr. LEVIN. Yes, thank you for the question, Representative. There are a few oversight mechanisms. For example, with funding of the DPA, Congress has set a cap on the DPA fund, which pays for Title III actions. The unobligated balance at the end of every Fiscal Year cannot exceed \$750 million. That is one example.

Another one is for Title III activities as certain activities over \$50 million require congressional approval before the President can take those activities. Those are a few examples of some of the oversight that Congress has written into the law.

Mr. CASTEN. Okay. Mr. Russell, are you familiar with the ways that the DPA has been used in the past to help address U.S. energy supply?

Mr. RUSSELL. Certainly, the Department of Energy has a number of rated orders under Title I.

Mr. CASTEN. Mr. Levin, are there any specific examples you are aware of?

Mr. LEVIN. Yes, The DPA in Title I specifically does identify energy as a critical and strategic material, therefore, making it eligible to be covered by the DPA, for example.

Mr. CASTEN. Okay. I was thinking of specific ones. I will just throw out that President Ford used the DPA to build the Trans-Alaska oil pipeline. The Clinton Administration used it for oil production. The Bush Administration used it to provide natural gas to California during the 2000 electricity crisis. We have used this a lot to recognize the supply. I am a bit of a nerd on this because I was in the energy industry for 20 years before I came to Congress, and there is an old saying in the power industry that everybody wants to be the third owner of a power plant.

I think it is also true for refineries. I think it is also true for transmission lines. You have no control over your commodity costs. You have no control over what you are producing, but you have a ton of capital that is sitting on thin margins. I think the challenge has often been where the DPA has been handy is how do you build stuff in that environment without government oversight? We have done it with regulated monopolies, et cetera, et cetera.

There is a concern—there is political pushback when Biden was using this to say, well, let us build stuff that is cheaper, like wind, like solar, like efficiency. I think the challenge has been that the industry has always been deathly afraid of cheap energy because if you build cheap energy, it lowers your margin, and you have a bunch of capital that has not been recovered yet.

There is this pushback from Trump who is saying, well, I want to use the DPA to build nuclear, which is really capital intensive, has a low marginal cost, but takes 15 years to build. We have had, like the NextEra CEO, John Ketchum, warned that what the White House is doing right now could lead to significant energy shortages and reliability challenges because you still have this challenge of how the private sector is going to build and what are they going to allow to build.

I guess what I am wondering for either of you who want to answer is, if you have this tension between building cheap energy that will benefit consumers or building expensive energy that will benefit producers, does the DPA in any way constrain, whether in Title I or Title III, how the executive branch should balance the interests of energy consumers, AKA 330 million Americans, versus energy producers, AKA a handful of Americans. Does the DPA constrain that tradeoff?

Mr. RUSSELL. I will try to address that, Congressman. I think the way we have seen it is the DPA is just the—so those are the larger policy questions, and then the DPA is the tool to execute decisions on that policy. So certainly the Title III investments, whether it is loans or expansion of manufacturing, can help push a particular supply chain to get bigger, but in terms of the larger framework—

Mr. CASTEN. Yes, so the DPA does not direct the political equities.

Mr. RUSSELL. Yes, it is agnostic in that—

Mr. CASTEN. This gets to my larger point of we in Congress should be grappling with those political equities, and I would love to see us have a DPA that says if we are going to give that power to the White House, I would like to see us put consumers first, and I would welcome any thoughts—and I realize we are out of time—about how we might structure the DPA to ensure that we are always using that very powerful tool to put the interests of Americans first, not just put the interests of American energy producers first.

Thank you, and I yield back.

Chairman DAVIDSON. Thank you, Mr. Casten.

The gentleman from Kentucky, Mr. Barr, who is also the Chairman of the Subcommittee on Financial Institutions, is now recognized for 5 minutes.

Mr. BARR. Thank you. If it was not for regulations, cheap, affordable energy it would be fossil energy. Regulations are what is driving up the cost of conventional energy.

Mr. Levin, permitting and regulatory barriers imposed by the Biden Administration have significantly obstructed grid development at a time when our energy demand is rapidly accelerating, driven in large part by the rapid growth of artificial intelligence and data centers needed to power the technology. How can the Trump Administration, we know the Trump Administration has issued some executive orders on coal and other fossil energy—how can the Trump Administration use DPA authorities to either build new or reopen shuttered power plants, whether they are coal-fired plants or gas-fired plants, and strengthen domestic energy reliability?

Mr. LEVIN. Thank you for the question, Representative. The DPA does give the President broad latitude to invoke the law if it is deemed to be a national defense concern. You are correct that President Trump did recently issue a termination and executive order that named coal as essential to national defense and eligible for Title III assistance.

One thing I would say is that the DPA, given its levels of appropriations and the funding cap, sometimes it can be difficult to, for example, create a new industry or restart an industry as opposed to using the DPA as more of a catalytic investment to get something started. I think that might be a consideration in this case.

Mr. BARR. So, under existing Title I and Title III authorities, can the executive branch invoke those authorities to bypass permitting requirements?

Mr. LEVIN. The DPA does not specifically address permitting requirements. That could be something that Congress will consider. So it would be like——

Mr. BARR. So, in reauthorization, we could add that to the toolbox, so to speak, of giving the executive branch under the DPA the ability to expedite permitting?

Mr. LEVIN. I am not an expert in permitting, and I believe there are other laws that govern that but consideration of that could be something Congress could look at, at least.

Mr. BARR. What other barriers are there that the DPA could potentially eliminate to reopening or building new coal-fired power plants to address the massive need for power for artificial intelligence and data centers?

Mr. LEVIN. Again, the DPA, the President can invoke it to provide awards, for example, under Title III to companies, to coal companies, for example, or other energy companies that the President has determined to be essential to national defense, and so that is one option. Another——

Mr. BARR. Are there other laws that are in place that would frustrate the President's invocation of the DPA to permit new coal-fired power?

Mr. LEVIN. That would be outside the scope of my expertise.

Mr. BARR. I think here is the point. It is too hard to build new coal-fired power plants in this country. It is too hard to build new gas plants in this country that we need for national security, that we need for artificial intelligence (AI). There are subsidies that have been a policy to build renewables, but it is too hard today to open new fossil energy power generation. The DPA is needed to cut through all that red tape. It is a national security imperative that we need base load power in this country.

My question is—is the DPA a sufficient tool to cut through all of that red tape? What do we need to do in reauthorization of DPA to make sure that these other barriers, these regulatory barriers to reliable, affordable energy are removed?

Mr. LEVIN. Congressman, I think that the DPA is one tool that is available to the President and to the government, so I think it is best considered as part of any suite of options that might be considered. Again, I would go back to some potential funding constraints, the \$750 million cap on obligated funding. I think given

that it is potentially worthwhile to think of the DPA, how it could operate in conjunction with other tools that are available.

Mr. BARR. Thank you. My time has expired.

Chairman DAVIDSON. I thank the gentleman from Kentucky.

The gentleman from California, Ms. Waters, who is also the ranking member of the full committee, is now recognized for 5 minutes.

Ms. WATERS. Mr. Russell, President Trump and Elon Musk were recently engaged in a Twitter spat. While this was amusing in some ways and some would say really unsurprising, it also raised questions about the Defense Production Act. This was because, as these two corrupt oligarchs fought, Steve Bannon, an advisor to the President, declared that Trump should use his DPA authority as President to “seize SpaceX,” Musk’s company.

Mr. Levin, could the President use the DPA to seize Elon Musk’s companies or any of his company’s assets? Why or why not?

Mr. LEVIN. Thank you for the question, Ranking Member. As the DPA is currently constructed, it does not allow for the requisitioning of companies. There was a title that lapsed in 1953 that did provide for a requisitioning of private businesses under some circumstances, but that is no longer an active title.

Ms. WATERS. Thank you. Can the DPA be used to refuse contracts or force undesirable contracts on firms for inappropriate reasons, like if a company’s CEO spoke ill of the President’s trade policy or did not make a big enough investment in his private cryptocurrency company? Can they be used to refuse contracts?

Mr. LEVIN. Title I do needs require companies to accept priority-rated contracts. Regulations that are in place do allow for certain exemptions to those requirements. However, those regulations, the exemptions are generally based on things like a company not being able to fulfill the order or having other rated orders ahead of that order in the queue.

Ms. WATERS. Finally, I know that Members of Congress might have disagreements on the scope of what should constitute national defense under the DPA. Generally, though, we agree on its purpose. Is it conceivable, though, that instead of preparation or support for possible emergencies, the DPA funds could be diverted to pay for a deportation camp in Libya or refurbishing the prison in Alcatraz and so on? What are the limitations of the act and what are the oversight options for Members of Congress who have concerns about how the law is being interpreted and executed by the President? I am sticking with you, Mr. Levin.

Mr. LEVIN. Thank you. I cannot speculate on potential uses of the DPA. What I can say is that the DPA is generally understood to give the President broad authorities to invoke it for national defense as national defense is defined in the law. I think a potential oversight mechanism for Congress could be to address the definition of national defense. It has done so numerous times over the years. For example, homeland security was added to the definition, I believe, in 2009, so that would be a potential oversight mechanism for Congress.

Ms. WATERS. Further, and I know this may go a little beyond your expertise, but do you see that the President, having created

all of these crypto companies, Stablecoin, that any way they can be enhanced that would cross with the DPA?

Mr. LEVIN. Again, it is hard to speculate on potential cases. That does seem to be outside of the DPA's scope.

Ms. WATERS. As I understand it, he wanted to set up a DPA Bitcoin reserve. Did you hear about that?

Mr. LEVIN. I did not.

Ms. WATERS. Did anybody hear about that?

Mr. RUSSELL. I have not heard of that.

Ms. WATERS. Okay, because you are such an expert in DPA, let me just ask if perhaps in your continued work and research, et cetera, that if you learn about cryptocurrency being advanced to the President's ownership in any way, I would hope that you would include that in the knowledge that you could share with the Congress of the United States.

Thank you very much, and I yield back.

Chairman DAVIDSON. Thank you, Ms. Waters.

The gentleman from Texas, Mr. Williams, who is the Chairman of the Small Business Committee, is now recognized for 5 minutes.

Mr. WILLIAMS of Texas. Thank you, Mr. Chairman, and thank you all for being here today.

When the Defense Production Act is activated in an emergency, the Federal Government turns to large contractors to fulfill urgent needs, but these larger corporations do not operate in a vacuum. They rely heavily on small businesses for parts, components, and especially services. What often happens is that large primes pass DPA driven, expecting small businesses to absorb costs, ramp up production, or shift their operation at a moment's notice. These small businesses are willing to do their part, but they often lack the resources or flexibility to make those changes quickly without taking a hit.

Mr. Russell, how can we ensure that small businesses are protected when DPA authorities are deployed in an emergency and what can be done to prevent unintended negative impacts on small suppliers and contractors further down the chain?

Mr. RUSSELL. Thank you for the question, Congressman. A couple of thoughts there. One, in Title VII, there is a specific preference for small business utilization and to try to give awards and think of small businesses as part of using the DPA, so that is a plus. That is something the committee could potentially look at to build on in other sections.

In terms of Title I, the rated orders we did see during COVID-19 an instance with a particular fabric for N95 masks that lots of rated orders, and then some of the sub-tier suppliers that provided those materials got bombarded with competing rated orders. So, the key there, one of the expectations in Title I is for those companies and for the government to have a way to reconcile when those bottlenecks in the supply chain emerge. So on the supplier standpoint, raise your hand, let the government customer know that you have these competing priorities.

Then there has to be a coordination group. Right now, FEMA is the lead of agency-wide coordination, but that group has to be active to quickly reconcile and get some relief from those sub-tier suppliers.

It is an important issue to look at. It is one that DOD, when we were doing the recent work, also noted that they are trying to educate some of the sub-tier suppliers on the responsibilities for Title I when they have a rated order.

The only other thing I would add is that within the Title I authorities, there are two types of rated orders, DO/DX, so there is an ability to further prioritize across rated orders.

Mr. WILLIAMS of Texas. Thank you. One of the biggest complaints I hear from small business owners, especially manufacturers, is that when a national emergency hits, the Federal process slows them down. Whether it is an unclear guidance, burdensome paperwork, or long waiting times for approvals and reimbursements. Many of these firms simply cannot navigate the red tape fast enough to make a difference and when you are talking about national security disaster response, timing is everything. These small businesses have the talent and equipment but lack a robust compliance department.

Again, Mr. Russell, what reforms to the DPA could better support small business in scaling production quickly during emergencies without getting buried in Federal red tape?

Mr. RUSSELL. Yes, I would go back again to look at Title VII and some of the preferences that are already there for small businesses, and maybe that is an area that can be expanded as you think about reauthorization. I think DOD is doing the lion's share of the use of some of the titles, Title I and III in particular, so there could be an opportunity to help educate small businesses.

They have tried to streamline the process with white papers and applying to the needs that emerge, but there is always more improvement to expedite the amount of time that it takes to look at the proposals that the small businesses or other companies propose and then come to a contracting or other decision.

Mr. WILLIAMS of Texas. In closing, we are in a different security environment today than when the DPA was first written, and our adversaries are not just building up their militaries, they are using economic leverage, trade choke points, and cyber attacks to weaken us before a shot is even fired. So what we have seen through hacking, hostile trade policies, targeted shortages, and critical inputs, these are real threats to our national defense readiness, and the DPA needs to keep up the pace with them.

Briefly, while we have time left, Mr. Russell, as our adversaries become more sophisticated in targeting supply chains through cyber attacks or trade manipulation, how can DPA authorities be modernized to help neutralize these threats?

Mr. RUSSELL. A couple of thoughts there. One, there is the Defense Production Act Committee (DPAC). That has been largely dormant. That could be a forum to potentially go across agencies that use the DPA and come up with a larger strategy to get at some of these national issues, cybersecurity. It could also be used to potentially—

Chairman DAVIDSON. The gentleman's time has expired. I encourage a follow up afterwards. The gentleman's time has expired.

The gentleman from California, Mr. Vargas, is now recognized for 5 minutes.

Mr. VARGAS. Thank you very much, Mr. Chair, and again, I thank the witnesses for being here.

The Defense Production Act of 1950 has been a vital tool for our country in times of crisis. Whether it is a war or global pandemic, we have to make sure that we have the ability to respond swiftly to national security threats, and again, that is why I think this hearing is so important. Again, I want to thank the chairman and the ranking member for bringing it forward.

During COVID, I had a provision included in the American Rescue Plan to support the President's use of DPA authorities with an additional \$10 billion in appropriations to fund testing, personal protective equipment, vaccine production, and other critical medical supplies. The scope of how far the President should be able to go with DPA is an important discussion for us to have today, and I am glad we are having it.

In San Diego, we are proud to have a strong shipbuilding presence and a number of shipyards, but China's growing dominance in shipbuilding may threaten our national security. Mr. Russell, in fact, you even mentioned the naval industrial base. According to a recent report, China's largest state-owned shipbuilder built more commercial vessels by tonnage in 2024 than the entire U.S. shipbuilding industry has built since the end of World War II. Now, if that statistic is correct, that is incredible. So how can the DPA be used strategically as a tool to support this domestic shipbuilding that I think is so vital?

Mr. RUSSELL. Yes, absolutely. There was a recent executive order to tackle the naval industrial base, so that gives us authority to use Title III, which can definitely help. We will see it play out over time. In terms of funding to expand the capacity of our shipbuilders to hire more staff to get the critical equipment they need, castings and forgings are another area where DPA investments are used to help facilitate shipbuilding.

The other aspect would be maybe some industrial-based assessments. There is that authority under Title VII that can help to further illuminate where there are some shortfalls in the supply chain and help agencies come up with a strategy to address them.

Mr. VARGAS. A couple of these large companies are in my district, and it is normally not the case that they are trying to find things because usually they do not have a contract for a ship. That is the thing. So, they build up their resources in the sense of staffing, they get all these great welders, and then all of a sudden, they do not have a contract to build a ship or to fix a ship and all of a sudden, they have to lay off all these people. It is very, very hard for them once again to get people to be able to do this. There has to be some way where we can work with the government to make sure that this does not happen again. I do think that this is a real problem. I think you do too, and I think others do too. How do we have more shipbuilding in the United States? I think we are getting our clock cleaned on this.

Mr. RUSSELL. Yes, the one thing I would add, and we have done a body of work looking at some of the struggles in shipbuilding, and the DPA is one aspect that could help, certainly with the Title III investments and potential use of loans, but there is work for the Department of the Navy to do as well in DOD in terms of produc-

tion smoothing, ensuring that they are sufficiently utilizing the shipyards and maintaining the workforce when the companies do ramp up.

Mr. VARGAS. Okay. Again, I hope we can do more in that because that really is a big concern of mine. Again, that is why I thank the chairman for bringing this forward.

Last, one of the things that was interesting when you were talking about small business, one of the things you did not mention was the Fifth Amendment of taking private property for public purpose without just compensation. How does that interplay with the DPA, because obviously, that is a fundamental right under the Constitution?

Mr. RUSSELL. Congressman, are you referring to the industrial base assessments?

Mr. VARGAS. Sure, but I guess also the context that you have a small business here that puts out a whole lot of money or is an opportunity that is lost to it. It is sort of a taking. How do you compensate? There is a basic, right, a fundamental right under the Fifth Amendment that the government cannot take anything for public purpose without just compensation. How does that interplay with the DPA?

Mr. RUSSELL. Yes, that is not something that we have seen since it was reauthorized in 2018. Generally speaking, once the contractor or order has the priority rating, it is just a matter of executing the government's need above other customers. For the most part, what we have seen at DOD that uses a lion's share of those is that the company is able to meet all their orders, so they do not have to prioritize.

Mr. VARGAS. Okay. My time is up. Thank you, Mr. Chairman.

Chairman DAVIDSON. Thank you, Mr. Vargas.

I would now like to recognize the gentlewoman from California, Ms. Kim, for 5 minutes.

Ms. KIM. Thank you, Chairman Davidson and Ranking Member, for hosting this hearing. Thank you to our witnesses for joining us today.

In 2021, those of us in Orange County saw the benefits of the Defense Production Act, or DPA, firsthand when it was invoked to increase fire hose production. As fires blazed through California, it was thanks to DPA that fire crews had the tools they needed to save lives and protect our homes.

As we consider the reauthorization of DPA, I believe it is critical that we make reforms that will protect our national security and enable efficient domestic supply chains and strengthen emergency preparedness. One method of achieving that goal is reforming the DPAC, the Defense Production Act Committee. The goal of DPAC was to result in real coordination at the Cabinet level and ensure that the President had effective advice on how to utilize the DPA appropriately. Unfortunately, it does not seem like DPAC is fulfilling that role.

Mr. Levin, what reforms should we consider to ensure that DPAC fulfills that mandate?

Mr. LEVIN. Thank you, Congresswoman. I think there are a few things Congress could consider. When the DPAC was established, it had purview for reporting on all of the DPA, Title I, Title III,

and Title VII. It was also, in statute, required to have an executive director. An executive director does not appear to have ever been appointed. In the later reauthorization, I think it was 2014, the DPAC's remit was reduced to just Title I from all the authorities.

I think Congress could consider whether it wants to go back to the DPAC's original mandate and what tools might be able to strengthen it in doing so. So, that could be increased reporting requirements. That could potentially be something like mandating the level of official from the agencies that sit on the DPAC specifically requiring that.

Another thing that I will mention is that, by executive order, FEMA has been delegated to be the Chair of DPAC. At one point, that was a rotating position, at least between FEMA and DOD and DHS—FEMA through DHS, I should say. It could be a rotating position again.

The last thing I will say is, Congress could consider potentially providing appropriations directly for the DPAC.

Ms. KIM. Okay. I do want to see DPAC as engaged and active within the Federal Government, and one idea to achieve that would be an increase in assessments and simultaneous coordinations within the DPAC. Do you think that kind of a proposal will be beneficial in creating a more effective DPAC?

Mr. LEVIN. I think that could be something that could be beneficial, and I think observers have noted that the DPAC was originally charged with interagency coordination, things like that, and has, over the years, appeared to not totally fulfill that role.

Ms. KIM. Yes. Overall, it seems like we need to thoroughly analyze DPAC and ensure that it functions the way that it was originally intended, and it is a tool during a crisis rather than a liability.

Another aspect of the DPA that I am concerned about is Section 705. Section 705 authorizes the President to obtain necessary information to conduct the industry studies, and that includes inspection of business records and property.

Mr. Levin, does anything in the law prevent an administration from using this authority to obtain Americans' personally identifiable information that may be possessed by a business?

Mr. LEVIN. Nothing in the law specifically prevents that. However, the law does provide that the President or the business from which the information is being gleaned upon a request can keep it.

Ms. KIM. Thank you. I want to get to—you did answer that quickly.

I am going to shift gears and close by touching on China and our overreliance on them for imported goods. So, if we end up in global conflict with China and other countries, our current Federal permitting timeline will not allow us to produce the necessary goods to protect Americans.

Mr. Russell, can you talk about how we can reform the DPA to streamline the permitting and enable private companies to deliver the goods that we need on time?

Mr. RUSSELL. Absolutely. Thanks for the question. I think in short, there was a recent executive order that does just that, tries to target critical materials, critical minerals. As you noted, China does produce the lion's share or at least mines the lion's share of

rare earths and other things that are important, and we have seen some instability in that supply over the last few months.

Chairman DAVIDSON. The gentlewoman's time has expired.

Ms. KIM. I yield back.

Chairman DAVIDSON. The gentleman from Illinois, who is also the Ranking Member of the Financial Institutions Subcommittee, Mr. Foster, is now recognized for 5 minutes.

Mr. FOSTER. Thank you, Mr. Chair, and to our witnesses.

Mr. Russell, I would like to start out with a shout out to GAO for all the tremendous work that you did on oversight of Operation Warp Speed and including the DPA during the COVID crisis. Early on, I think in about April 2020, I led a letter from Congress basically encouraging the administration to do Operation Warp Speed. We did not call it Warp Speed then, but it said, do not worry, just stand up these factories to build vaccines that have not been proven to work. Congress, we promised, would not yell at you if you built a factory that ended up useless, which is actually what happened. Two of the three vaccines that we put a lot of money into worked and one did not, and that is okay. That was the thinking behind it.

It was shared by Dr. Peter Marks, who actually, I think, coined the term Operation Warp Speed and he was one of the heroes who stood up for the operation in the first place. It is one of the tragedies of recent history that he recently quit in disgust over all of the activities of Robert F. Kennedy, Jr. (RFK) and the budget cuts in agencies he is overseeing. There was really spectacular work that was done, a lot of it with the DPA at the time.

As part of the COVID Select Committee that I was on, I partnered with my Republican partner Representative Dr. Mark Green on requesting and then help guiding GAO oversight of Operation Warp Speed. One of the great things that came out of that is that we have now a bunch of lessons learned. So, if we are in a comparable situation, there is actually a very good set of documents that can be read about what is going to work, what is going to be easy, what is going to be hard, when to use DPA and military assistance versus just going to the public.

The GAO was sitting in on a lot of the planning of Operation Warp Speed, and it was great to see that partnership, that those who were executing Operation Warp Speed on the government level understood that GAO sitting in on their meetings and understanding what they were doing was a positive thing. I heard later that they appreciated the advice and the periodic documents you did. So, that is an example of government really working well, and when that happens, you deserve public acknowledgment.

The thing that we have struggled with for a long time is that there are lots of critical industries that we should, as a matter of national security, maintain in the United States, or at least in the countries we trust in the free world for which the United States is not the low-cost supplier, okay? One example of this that is in the news right now is the critical minerals for permanent magnets.

The other Ph.D. physicist in Congress, Representative Rush Holt, worked for probably more than a decade on that with almost no success. What he got were reports. What he got Congress to agree to were reports on what a huge vulnerability this is and no action

because the only things you can do—the only tools government has are either taxing and spending, taxing in the forms of tariffs, protective tariffs, or perhaps set-asides, which are sort of equivalent, or spending, subsidies.

The problem that Rush Holt ran into in trying to get some action ahead of time on critical minerals is that he was faced with Republicans who would not tax and would not spend, even to protect what has turned out to be a really, really critical part of our supply chain.

My question, I guess, if you look at the two tools, the two basic approaches, tariffing or set-asides, which are sort of equivalent they have the feature that, yes, you can protect the U.S. industry, but it makes that industry less competitive. You can see that in military set-asides where the military stuff is just way overpriced compared to commercial markets. Or you can subsidize, which is sort of what we did during trying to get the CHIPS in Science, chip production. So do you have any observations on how effective those two tools are, which, if we have to create some amount of taxpayer debt, how do you do the balance on that?

Mr. RUSSELL. I can speak to the other side of the ledger, certainly the subsidizing using the DPA. We have seen that through purchase commitments and other arrangements, a lot of support across some vital supply chains that DOD and others have identified whether that is hypersonics, emerging things like biomanufacturing.

Mr. FOSTER. If you can respond for the record with anything that is written to sort of, give us guidance on when the subsidies are the best approach and when the taxes and tariffs are the best approach, that would—because that is what I have been struggling with for my time in Congress.

Mr. RUSSELL. Absolutely. I can take that back—

Mr. FOSTER. Yes, thank you.

Mr. RUSSELL [continuing]. because I did not have—

Mr. FOSTER. I appreciate it.

Mr. RUSSELL [continuing]. the expertise in those areas.

Mr. FOSTER. Again, you guys did great work, and please pass that on.

Chairman DAVIDSON. Thank you, Mr. Foster.

Mr. RUSSELL. I will, certainly.

Chairman DAVIDSON. The gentleman's time has expired.

The gentleman from Iowa, Mr. Nunn, who is also the Vice Chairman of the Subcommittee on National Security, is now recognized for 5 minutes.

Mr. NUNN. Thank you very much, Mr. Chairman, and thank you both for being here today.

I think we all recognize the Defense Production Act is one of the most valuable tools in the arsenal for the United States to be able to protect itself. I just want to say, first and foremost, I believe strongly in a free market. I think we all agree that private property rights matter, but I also recognize that there are things that are so important to this Nation's security that we must have a whole, not a government approach alone, but a whole-of-nation approach to being able to tackle these challenges and provide the security for every American.

As geopolitical tensions rise across the world, we must ensure that this 1950s version of a DPA continues to evolve with it. This Congress, I believe, needs to be able to provide President Trump and all future Presidents with a fully armed and updated DPA that allows the executive branch to strategically address our national security threats. I speak from a position here where I would like to highlight two bills that we are working on, first, the Federal Overhaul of Reserve Command Executive Modernization (FORCE) Act, as well as the Committee Leadership and Enhanced Accountability for Resilience (CLEAR) Act, two updates to the DPA, working with friends on the other side of the aisle here, Representative Jim Himes, to be able to move forward.

Now, let us look back where this came from. Look, at the advent of World War II and onwards, General Motors changed cars into tanks. Boeing took commercial aircraft and turned them into a fleet of Boeing 17 Stratofortresses, which we would have never had before. Kaiser alone produced 3,000 ships in over 2 years and he did not do it alone. He brought in the best leaders from government and industry working together.

Mr. Russell, you are the Director of Contracting at the National Security Acquisitions and Government Accountability Office. During a national security emergency where a President would enact the DPA, do you believe it would be beneficial for the executive branch, Cabinet, and Members of Congress to have guidance and feedback from members in the private sector?

Mr. RUSSELL. Yes, and that is a little used part of the DPA, which is the executive reserve. As we looked back over the last several years, since the last reauthorization, no executive reserves were set up across the agency. So, that is an area where, certainly with COVID, that was the stress test of the DPA in a number of ways. There needed to be coordination with companies as decisions were being made. So the executive reserve is one tool—

Mr. NUNN. I would agree with you here. Look, this is why not only the reserve, but what we are working on together as a FORCE Act would bring the best leaders in industry back to the table and have these conversations. A perfect example right now, look, one shipyard in China has built more ships in 2024 alone than the entire United States has produced since World War II. If we think the Department of the Navy is up to the chops of being able to catch up, I think we would all be wrong. I will speak as an Air Force guy. If we cannot even get a new plane for the President done on time, we are going to have a real hard time trying to do this internally. We must be seeking out, through this DPA, the opportunity to bring in expertise from the field.

I would also highlight here that President Trump has secured a massive critical mineral deal to combat China's dominance in the sector. Would you agree with me that the United States could leverage the DPA to help bring on and prioritize critical minerals for things that are needed for national security?

Mr. RUSSELL. Absolutely, I think those efforts are already underway.

Mr. NUNN. I think that this DPA has an opportunity to help lead in that charge.

I would also look at private capital procurement. Financial services companies in my district in Iowa are looking at how they can contribute to providing capital for the national security sector. Right now, taxpayers alone should not be on the hook for covering all of our national defense. This has to be a whole-of-country approach.

Would you also agree that private capital has a role in helping to alleviate some of the inventory financing constraints that currently plague our Department of Defense?

Mr. RUSSELL. Absolutely. Private capital is an important part of investments in new and innovative technology that the government would want to use. One of the things that we have seen is a lack of use of the loan authorities under Title III. If nothing else, some of those signals, the use of those loans, can provide a demand signal to industry and also help cultivate then, private capital—

Mr. NUNN. I would agree.

Mr. RUSSELL [continuing]. potentially to come in the mix.

Mr. NUNN. This is something that also we should be looking at in the DPA.

Finally, very briefly, Mr. Levin, look, we have reports that China is building over 50 mega data centers every single year. The United States has a hard time even keeping pace but before we can build a data center, we need a workforce. We do not have enough electricians and linemen in the country right now to build the data centers we need to even keep pace with this. Can the DPA also be used to look at things like building the workforce necessary to help protect our country?

Mr. LEVIN. I think, yes. I think that is an area also where there may be more opportunity for Congress to build that into the DPA.

Mr. NUNN. Excellent. Thank you very much.

Thank you, Mr. Chair. I yield my time.

Chairman DAVIDSON. Thank you, Mr. Nunn.

The gentleman from California, Mr. Liccardo, is now recognized for 5 minutes.

Mr. LICCARDO. Thank you, Mr. Chair, and thank you both for your testimony.

We have certainly learned a lot of lessons from the war we are seeing in Ukraine and elsewhere around the globe around the limitations of traditional defense procurement as we watch \$1,000 drones be deployed in great numbers, and we are spending \$1 million or \$2 million per rocket to try to shoot them down.

What I hear routinely in Silicon Valley is a frustration of an awful lot of tech leaders, of innovators, entrepreneurs, venture capitals (VCs), and others around trying to deal with defense procurement. I know this is not a new challenge. I know a lot has been written about the challenges of procuring tech, but clearly, the DPA does provide under Section 4533(a) for the procurement of critical technology items, and we have seen that certainly in 2023 and other times. I believe at that time it was around microelectronics. I suspect this is going to be increasingly a focus for us as we think about critical supply chain as technology.

I am thinking a lot about how the DPA might be used as a method to nudge the Defense Department and other departments toward more nimble ways of procuring technology than the tradi-

tional approaches of procuring ships and tanks. I think you have all heard the criticisms that the sclerotic approach of 9-year procurement cycles, of long lists of specifications, does not work in a world where technology development is much more dependent on iterative and nimble approaches, whether it is microelectronics or biotech.

I guess my question is, how do you see that we could use this reauthorization as an opportunity to expand, for example, bipartisan efforts in support of the Defense Innovation Unit, which, over the last decade has demonstrated one alternative approach, or as we saw with Operation Warp Speed, a better approach to procuring technology through the DPA?

Mr. LEVIN. Thank you, Congressman. I can address that first, at least. I think one thing we have not mentioned here today, which could potentially be relevant to your question, is mobilization planning. I think that is not something that is directly addressed in the DPA but could be potentially in any reauthorization. Having DOD or other agencies do mobilization planning and connect that to any DPA planning efforts could be something to potentially address that.

Mr. LICCARDO. Thank you, Mr. Levin.

Mr. Russell.

Mr. RUSSELL. Yes, I would just add that I am glad you mentioned the Defense Innovation Unit. That is a key effort the Defense Department has to try to bring in those innovative companies and scale fast. So, to the extent that Title III authorities, whether it is loans as we talked about earlier, try to attract private capital in conjunction with loan guarantees and other things that the government can do to help spur and foster that innovation could be a good thing.

Mr. LICCARDO. Thank you. I understand under Title III, we are entitled to impose conditions on how DPA appropriations are used, consistent with congressional intent. I understand we are not the committee that is going to reform defense procurement, and I understand that is not exactly what the DPA is about. Have there been other attempts to essentially nudge procurement toward a more nimble future through the DPA? Have we seen that before? Are there examples we could look at as guidance?

Mr. RUSSELL. Outside the DPA, there are certainly other efforts to reform defense procurement. It is an area that has been on GAO's high-risk list, I think—

Mr. LICCARDO. Yes.

Mr. RUSSELL [continuing]. since the 1990s. So, just effort—usually, the Defense Authorization Act would have the shaping legislation for the procurement reforms, but there is certainly more to be done. I would speak to work that we have done looking at leading commercial practices, how companies do the speed of innovation, coming up with minimal viable products, the digital twins. All of those tools are important and can help streamline the requirements in the procurement side at DOD.

Mr. LICCARDO. Thank you. I appreciate it and look forward to having conversations offline, particularly on mobilization, about how we might be able to do that in this legislation. Thank you, gentlemen.

I yield.

Chairman DAVIDSON. Thank you, Mr. Liccardo.

The gentlewoman from Michigan, Mrs. McClain, who is also the Conference Chair for the Republican Party, is now recognized for 5 minutes.

Mrs. MCCLAIN. Thank you, Mr. Chairman, and thank you for holding this hearing. Thank you both for being here, appreciate it.

Mr. Levin, I want to start with you. I like the public-private partnership idea arena. Can you discuss a little bit more and give me some examples of the successful voluntary partnerships between the government and industry that actually bolster our country's national defense because I do think we are on to something with this?

Mr. LEVIN. Thank you, Congresswoman. The voluntary agreements provision of the DPA has not been used heavily over the last few years. I believe since Fiscal Year 2018, there has only been one new one, and that was initiated by FEMA to address the COVID pandemic. The Department of Transportation, I believe, has one or two other active ones. So, it is an area that the DPA provides for but has not been used very much in recent years.

Mrs. MCCLAIN. Do you have some examples of how it has been working successfully, those partnerships?

Mr. LEVIN. Again, with the limited usage in recent years, it is hard to say, but the DPA was used during COVID, for example, Title I to procure ventilators, masks, things like that.

Mrs. MCCLAIN. Was it successful?

Mr. LEVIN. It was able to purchase those things. There were also some criticisms from some places that FEMA, for example, did not have the necessary expertise to fully implement its DPA authorities.

Mrs. MCCLAIN. Okay. Mr. Russell, how should this committee consider reforms to ensure that the United States does not have deficiencies in areas of critical defense and what sectors—I am thinking specifically maybe critical minerals—should we focus on?

Mr. RUSSELL. Thank you for the question, Congresswoman.

I think DOD and their Industrial Base Policy Office, other aspects of the agencies that use the DPA typically can outline what some of the key supply chain areas are that either are emergent or at risk. Critical materials, rare earths are one in the news recently. To the extent that some of the authorities under Title VII with the industrial base assessments—

Mrs. MCCLAIN. Yes.

Mr. RUSSELL [continuing]. can be harnessed to coincide with areas where either we want to expand as a country or shore up some risks. That could be a positive thing. You just need to have that coordination, so the left hand knows what the right hand is doing in terms of each of the agencies that have the DPA authorities.

Mrs. MCCLAIN. In coordination. I think you touched on something which is extremely important, I think, coordination. How do we do a better job of that, in your opinion? Give us some examples—

Mr. RUSSELL. Sure. Right now, FEMA is the governmentwide coordinator of the DPA. There is a lot of activity around Title I au-

thority, the priority ratings. There could be more on Title III. We had a recommendation in our report that came out today that recommended that FEMA try to leverage some of the lessons learned and experiences of DOD in applying the Title III purchase——

Mrs. MCCLAIN. Yes.

Mr. RUSSELL [continuing]. commitments and other things so that could be shared with other agencies like HHS that are trying to stand up that capability. So, there are lots of synergies like that, that could potentially be bolstered with——

Mrs. MCCLAIN. Those recommendations, I think, would be helpful, so thank you for that.

Since you talked about priorities, let us move into that. The DOD issued 300,000—roughly, give or take—300,000 priority ratings each year, seems like a lot. My concern, if everything is a priority, then nothing is a priority. Three hundred thousand priorities seem pretty large to me. What I am wondering is how can we reform the performance rating system so that we are actually using the DPA in a thoughtful, targeted manner, right? I am not saying—but 300,000 seems to be a lot. How do we narrow that down and really funnel our criteria for making those decisions a priority?

Mr. RUSSELL. I would say the lion's share of those priorities do relate to the Department of Defense, and they pretty much put priority ratings on all procurement contracts related to the major defense weapon systems, other activities.

What we have heard from industry associations and in talking to the DOD folks that administer those programs is that it is sort of baked in. The contractors understand their responsibilities for the priority ratings. The key is where there are bottlenecks or challenges that occur at the sub-tier, that those get elevated and then resolved quickly.

Mrs. MCCLAIN. Okay. My time has expired. Thank you.

Chairman DAVIDSON. Thanks, Mrs. McClain.

I would like to thank our witnesses for their testimony today. Without objection, all members will have 5 legislative days to submit additional written questions for witnesses to the chairman. Questions will be forwarded to the witnesses for their response. Witnesses, please respond no later than July 17th.

[The information referred to can be found in the appendix:]

This hearing stands adjourned.

[Whereupon, at 11:20 a.m., the subcommittee was adjourned.]

APPENDIX

MATERIALS SUBMITTED FOR THE RECORD

GAO's Responses to Post Hearing Questions Submitted for the Record

Subcommittee on National Security, Illicit Finance, and International Financial Institutions
Committee on Financial Services
House of Representatives

Hearing titled: "Evaluating the Defense Production Act"
June 12, 2025

Questions for the Record Submitted by Representative Young Kim
For Mr. William Russell, Director, Contracting and National Security Acquisitions, U.S. Government
Accountability Office

1. **Mr. Russell, how have Congress and the Administration used Title III of the Defense Production Act (DPA) to date to support the reshoring or expansion of domestic manufacturing capacity for critical AI-enabling technologies (e.g., semiconductors, advanced packaging, high-performance computing systems)?**

DOD has been authorized in recent years to use DPA Title III investments for some critical AI-enabling technologies. For example, a Presidential Determination, signed March 2023, allows Title III authorities to be used for advanced packaging production capability. Additionally, a Presidential Determination, signed December 2021, allows Title III authorities to be used for strategic radiation-hardened microelectronics. In response, DOD made multiple Title III investments under these determinations.

2. **Mr. Russell, regarding the reshoring or expansion of domestic manufacturing capacity for AI technology, could you describe the funding levels, program outcomes, and any coordination with the DOD's Office of Strategic Capital or the CHIPS Program Office?**

DOD awarded over \$300 million in Title III investments for AI related technology. These investments were awarded between 2022 and 2024, with 2 completed as of November 2024. Earlier this year, DOD's Office of Strategic Capital began offering loans for equipment needed to produce critical technologies including those that support AI. While this loan authority is separate from Title III, officials from DOD's DPA office told us they are coordinating closely.

3. **Mr. Russell, has your office conducted any recent assessments of interagency coordination under the DPA for technology supply chain security, particularly among DOD, DOE, Commerce, and DHS?**

We've reported on DPA interagency efforts related to the use of DPA Title I authorities. For example, in December 2021, we found that HHS, DOD, FEMA, the Department of Commerce, and other agencies began meeting to discuss the potential effects of priority ratings on supply chains during the COVID-19 response. Similarly, in June 2025, we found that DHS continues to hold regular interagency meetings to discuss and report on Title I usage.

4. **Mr. Russell, what gaps or duplications exist, if any, in how these agencies use DPA authorities for AI-related investments?**

We reported on two potential DPA-related gaps in June 2025. First, we found that the industrial base assessments conducted between fiscal years 2018 to 2024 were too narrow to effectively guide the use of the DPA authorities. FEMA initiated an interagency working group in late 2024 with a goal of conducting shortfall assessments across the entirety of the industrial base. Further, we found that the agencies using DPA authorities were not collecting and sharing lessons learned related to the use of Title III, so we recommended that FEMA, as the DPA government-wide coordinator, do so. While our DPA review was not specific to AI, implementing this recommendation could better position all agencies to make Title III investments, including those that support AI-enabling technologies.

GAO's Responses to Post Hearing Questions Submitted for the Record

Subcommittee on National Security, Illicit Finance, and International Financial Institutions
Committee on Financial Services

House of Representatives

Hearing titled: "Evaluating the Defense Production Act"

June 12, 2025

Questions for the Record Submitted by Representative Zach Nunn

For Mr. William Russell, Director, Contracting and National Security Acquisitions, U.S. Government Accountability Office

1. Under the DPA, agencies like the Department of Health and Human Services (HHS) are given acquisition authorities to secure critical public health supply chains. The National Security Commission on Emerging Biotechnology recently released a report warning against China's currently supply chain grip on critical biotechnologies, including those for life-saving medicines. **Why are HHS' delegated authorities under DPA Title 3 essential to ensuring that the U.S. can scale emerging biotechnologies and manufacture these technologies at home?**

The DPA has been a key tool for agencies like HHS to leverage when looking to strengthen U.S. supply chains such as critical biotechnologies. Title III specifically provides a variety of financial incentives to maintain, restore, and expand the domestic industrial base.

HHS worked with DOD to leverage Title III authorities during the COVID-19 response to secure personal protective equipment and vaccine delivery supplies. More recently in fiscal year 2024, HHS announced the award of two Title III investments to build a U.S. medical supply sterilization facility and to bolster domestic manufacturing of components to essential medicines like aspirin and certain antibiotics. DOD has also used Title III authorities to support biomanufacturing.

2. **Are there ways through the DPA that private financial institutions, such as private equity firms, can partner with government organizations, such as the Office of Strategic Capital, to shore up munition shortages, alleviate supply chain constraints, and support defense technology innovation?**

The DPA does not preclude agencies from partnering with private financial institutions. Our review did not specifically examine this type of partnership. We did report, however, that in executing its Title III authority, DOD structured its agreements to require companies to invest their own money when practical. According to DOD, this helps secure better project outcomes. In June 2025 we recommended that agencies collect and share lessons learned like this to better position them to make future Title III investments.

GAO's Responses to Post Hearing Questions Submitted for the Record

Subcommittee on National Security, Illicit Finance, and International Financial Institutions
Committee on Financial Services

House of Representatives

Hearing titled: "Evaluating the Defense Production Act"

June 12, 2025

Questions for the Record Submitted by Ranking Member Maxine Waters

For Mr. William Russell, Director, Contracting and National Security Acquisitions, U.S. Government
Accountability Office

1. With the rapid development of emerging technologies such as biotechnology and synthetic biology, artificial intelligence, and materials science, we have at our disposal technology that can save money, time, and effort to help us to build better and faster to meet our needs. As the recent "National Security Commission on Emerging Biotechnology" report demonstrated, this is not limited to individual sectors. It explained how biotechnology could be used not only for food and medicine, but also energetics and manufacturing of all kinds. **Is there anything in the DPA statute or practices that prevents or limits the DPA agencies from examining how emerging technologies could be used to enhance DPA requirements, especially in a way that allows our limited DPA resources to be used more effectively? What possible drafting options might be available were we to amend the Act to include such a requirement in the different DPA activities such as the DPA Committee, Title III grants or loans, or voluntary agreements? (i.e., can you suggest language and where to accomplish this goal?)**

Section 303(a)(D) of the DPA allows the President to authorize Title III for the increased use of emerging technologies. DOD and HHS both used Title III funding from fiscal years 2018 to 2024 to support innovative manufacturing practices. For example, DOD invested roughly \$60 million in Title III funding for biomanufacturing projects. Additionally, HHS awarded a Title III investment to build a medical sterilization facility in the U.S. that uses x-ray technology rather than traditional methods that rely on components primarily from Russia and China. We would be glad to work with your staff as needed to assist the DPA reauthorization efforts.

2. The Defense Production Act Committee (DPAC) is intended to coordinate – but not direct – across the DPA agencies, but by most accounts, the DPAC is not terribly effective in doing so. **Could you please comment on what some of these deficiencies might be? Are they caused by the way in which the statute is drafted, appropriations or authorization issues, stovepipes, policies, or other factors (and if so, what)? Also, in what ways can the DPAC be improved especially to improve DPA coordination across government agencies (and for all DPA titles)?**

The DPAC was introduced in the 2009 reauthorization of the DPA in part due to GAO's findings in 2008 that agencies were not consistently planning and using the DPA—specifically Title I. The DPAC was originally established to serve as the interagency mechanism for advising the President and coordinating DPA activities across the government.

In the 2014 DPA reauthorization, Congress tailored the DPAC's statutory responsibilities to focus primarily on Title I rather than advising the President on the full scope of DPA authorities. In line with this new direction, we found that interagency coordination from fiscal years 2018 to 2024 has largely been around Title I priority ratings and preparing the annual DPAC report to Congress.

To try and broaden coordination efforts beyond Title I, FEMA established a new interagency working group in late 2024 with one of their goals being to collaboratively identify areas of shortfall across the industrial base. The new working group plans to help guide the effective application of all DPA authorities by fostering interagency coordination on its strategic use. We would be glad to work with your staff as needed to assist the DPA reauthorization efforts.

3. **Can you please discuss the process by which the agencies determine where to invest DPA funds? How is that different from the normal appropriations and contracting process?** As an example, in the specific case of the Department of Defense, it seemingly has an unlimited number of priorities and a massive budget. **How is DOD selecting where to apply its DPA funds versus other funds to which it has access? Further, to what extent has DOD devoted DPA resources to its high-priority areas such as shipbuilding?**

The DPA provides the general process and criteria for leveraging Title III authorities. Specifically, the President must determine that—

- (1) the industrial resource, material, or critical technology item is essential to national defense;
- (2) without action, the private sector industry cannot reasonably be expected to provide the capability for the needed resource, item, or technology in a timely manner; and
- (3) purchases or purchase commitments are the most cost effective, expedient, and practical alternative method to meet the need.

Once a presidential determination is made, agencies must request the appropriations from Congress for each Title III investment directly. DOD, for example, includes a DPA purchases account in its annual budget justification books detailing each request. Furthermore, the DPA requires an agency to receive Congressional approval for all Title III investments valued at \$50 million or more.

Once an agency has received both a presidential determination and congressional appropriations, the DPA does not dictate which contract mechanism should be used. For example, we found that DOD used a variety of contract vehicles in awarding its Title III investments, including FAR-based contracts and Other Transaction Agreements.

In our recent report, we found that DOD invested Title III funds in a number of its high priority areas including, shipbuilding and critical materials. For example, in February 2025 we reported that DOD invested \$301 million DPA Title III funds to the shipbuilding industrial base from fiscal years 2014 to 2023. Additionally, in June 2025 we reported that

DOD invested nearly \$670 million DPA Title III funds for strategic, critical, and advanced materials.

4. When we think about supply chain and industrial production issues that affect the *national defense*, as we define it for the Defense Production Act (DPA), many of the goods that we would need may take years to produce. For example, parts that are needed for shipbuilding cannot be produced as quickly as masks or ventilators were during the pandemic and in an emergency, we cannot turn on a dime to rate a contract and simply get access to the items needed. Further, there may be competition for these long-lead items, if not among agencies, then between the public and private sectors and among governments. **Given the many challenges in obtaining the items needed, how can DPA authorities be used to address long-lead challenges, for example for Defense Department shipbuilding or weapon acquisition programs? Is stockpiling an option for these items?**

Placing a priority rating through Title I is a way to direct the capacity that already exists in the industrial base to the federal government to support national defense. Title III, has been an effective tool for establishing production, including for long lead items. In June 2025, for example, we found that DOD's Title III investments have helped establish a domestic company that produces explosives and expanded capacity for an existing U.S. company to manufacture parts of a military aircraft.

Additionally, we recently reported on DOD's efforts to address risks of foreign dependency in its supply chains (GAO-25-107283) and found that DOD is engaging in stockpiling efforts for some at risk items. For example, DOD is stockpiling certain types of lithium batteries to reduce reliance on foreign sources.

5. **Do agencies utilizing DPA authority engage in after-action reporting to review previous actions for efficacy, speed to completion, return on investment, and lessons-learned? If so, is there a mechanism by which they would share these findings with one another and with Congress to collectively improve the processes behind the authorities granted in each of the three DPA titles?**

Agencies leveraging DPA authorities use a variety of formal and informal reporting mechanisms to track usage, outcomes, and, in some cases, lessons learned. For example—

- **Title I.** The DPA requires the DPAC to submit an annual report to Congress on use and coordination of Title I.
 - **Title III.** DOD maintains internal status reports on its Title III investments that tracks performance towards established metrics and completion. In June, we recommended that agencies collect and share lessons learned related to Title III investments.
 - **Title VII.** FEMA informally collected lessons learned regarding its use of the voluntary agreement authority during the COVID-19 response.
6. Some observers have suggested that the executive branch make broader use of DPA Title III's authorities providing for the ability to make loan guarantees and direct loans, respectively. **What additional resources and capacity-building would be helpful for the**

Department of Defense or other agencies to carry out these activities in a more robust manner?

We reported in June 2025 that DOD lacks the internal expertise to manage a robust Title III loan program. This may limit the department's ability to fully utilize Title III mechanisms to pursue loans where appropriate to bolster supply chains. For example, in our June report we found that DOD has only used 1 loan since the DPA was last reauthorized in 2018. We would be glad to work with your staff as needed to assist the DPA reauthorization efforts.

7. The President can author a Presidential Determination for Title III projects without Congressional notification, with potentially significant implications for national security, supply chains, and the United States economy. **Understanding that this would differ by specifics, what might be the positive or negative effects of imposing additional Congressional notification or authorization requirements for the Title III activities?**

The DPA currently requires direct appropriations from Congress for every Title III investment or loan. Congressional notification and approval are also required for Title III awards that exceed \$50 million. Additional notification or authorization may slow the Title III award process down but potentially offers additional congressional oversight in the process. If Congress wishes to impose additional requirements for Title III activities, we would be glad to assist your staff as needed.

8. The maximum balance of unobligated funds for DPA Title III activities at the end of a given fiscal year is limited to \$750 million. This limit was established by the Defense Production Act Reauthorization Act of 2009. My understanding is that the Department of Defense during the Biden Administration asked that the maximum balance be increased to \$1 billion. **If we were to grant this increase via statute, how would agencies ensure that projects were still being executed in a timely manner if the maximum unobligated balance were to be increased?**

Congress has a couple of options to ensure agencies execute funding in a timely manner. For example, Congress can appropriate funds with a specific period of availability to ensure obligations are made by a given date. Alternatively, as currently exists in the DPA, Congress can impose a balance limitation to ensure funds are obligated. According to DOD, increasing the balance limitation could help better manage supplemental funding appropriated late in a fiscal year and award loans or investments. We would be glad to work with your staff as needed to assist the DPA reauthorization efforts.

9. Regarding voluntary agreements under the DPA, there is only one currently in effect, tied to public-private collaboration at the height of the pandemic. This collaboration brought together the best minds, on a volunteer basis, to collaborate and coordinate what was needed to get the United States, its people, and its economy through the COVID-19 crisis. The group wraps up its work this summer, when the five-year period of the Agreement expires. President Trump has also called for voluntary agreements related to nuclear energy. **How could voluntary agreements be leveraged to plan ahead for a future pandemic or to build stand-by industrial capacity for a potential surge of use during conflict?** It has been suggested that voluntary agreements under the DPA could be the ideal way to prepare for these kinds of contingencies – rather than solely as a response.

Voluntary agreements have been used to foster public-private collaboration to plan for future emergencies. For example, the Department of Transportation has two established voluntary agreements with the maritime industry to ensure access to state-of-the-art cargo transport equipment and refueling vessels in case of mass mobilization for war. The agreements were established in the 1980s and 1990s and have been renewed every 5 years.

Transportation officials told us that these agreements have been useful in regularly bringing together representatives from industry, DOD, and Transportation to strategically plan. Following this model, agencies could establish additional voluntary agreements as appropriate.

10. **Once DPA agencies identify the events that might trigger activation of Title I authorities, such as a war or pandemic or a massive failure of critical infrastructure, what do they do? What I mean is do they tease out what is needed to address each of the threats? Do they red team the events, down to the labor, internal contracting capacity, examination of competing needs among parties, including their own agencies? Do they create and practice detailed mobilization plans and design voluntary agreements and executive reserve actions in line with those findings? If not, why not?**

In our June 2025 report, we found that a key aspect of using the various DPA authorities effectively, according to FEMA, is to assess shortfalls across the industrial base.

According to FEMA officials, industrial base assessments carried out to date have been too narrowly scoped to address this. FEMA established a new interagency working group in late 2024 with one of their goals being to collaboratively identify areas of shortfall across the industrial base. The new working group also plans to help guide the effective application of the DPA authorities including voluntary agreements and executive reserves by fostering interagency coordination on its strategic use.



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MEMORANDUM

August 7, 2025

To: House Committee on Financial Services
Attention: Chairman French Hill

From: Adam G. Levin, Analyst in Economic Development Policy, aglevin@crs.loc.gov, 7-7109

Subject: Evaluating the Defense Production Act: Questions for the Record

This memorandum responds to questions for the record from Members of the Subcommittee on National Security, Illicit Finance, and International Financial Institutions of the House Committee on Financial Services. These questions for the record stem from Congressional Research Service testimony at a subcommittee hearing entitled, “Evaluating the Defense Production Act,” held on June 12, 2025.

Questions for the Record

Questions from Representative Kim

How does the statutory framework of the DPA enable or limit its use for advancing AI-related industrial base policies, particularly compared to other tools like the CHIPS Act or IIJA funds?

The DPA has a number of provisions that could, at least in theory, be used to advance AI-related industrial base policies. For example, should the President determine that AI, or specific AI-related goods or materials, are essential for U.S. national defense, executive agencies delegated DPA Title I authority could place priority rated orders for AI-related goods or materials. This would allow those orders to be filled ahead of other, non-priority rated orders. Similarly, the President could issue a Presidential Determination that AI, or AI-related goods or materials, are essential for U.S. national defense and allow executive agencies with delegated DPA Title III authority to provide financial assistance to private companies that could provide those goods or materials.

Other DPA authorities may also be applicable for AI-related industrial base policies. For example, DPA Title VII allows the President to collect information on domestic industrial capabilities by obtaining extensive information from private industries. The DPA states that the President may “by regulation, subpoena, or otherwise obtain such information from ... any person as may be necessary or appropriate, in his discretion, to the enforcement or the administration of [the DPA].”¹ The authority is most commonly associated with what the U.S. Department of Commerce’s Bureau of Industry and Security calls

¹ 50 U.S.C. §4555(a).

“industrial base assessments.”² These assessments could potentially be used to gather information about the U.S. AI industry with the intent of developing an AI-related industrial base policy. There is some precedent for this. The Biden Administration issued Executive Order (E.O.) 14110, entitled “Safe, Secure, and Trustworthy Development and Use of Artificial Intelligence,” in October 2023.³ Among other things, E.O. 14110 invoked the DPA, in particular the DPA’s Title VII authorities, to allow the federal government to compel companies to provide certain information to the government. E.O. 14110 delegated DPA authorities to the Secretary of Commerce to require “companies developing or demonstrating an intent to develop potential dual-use foundation models” to submit certain information to the government, including information from red-teaming. (Section 3(d) of E.O. 14110 defined red-teaming as “a structured testing effort to find flaws and vulnerabilities in an AI system, often in a controlled environment and in collaboration with developers of AI.”) The Trump Administration revoked E.O. 14110 in January 2025.⁴

Are there recommended changes Congress could consider to modernize the DPA for strategic competition in emerging technologies?

CRS does not advocate for particular policy outcomes. Options Congress could consider include expanding the DPA’s definition of *national defense* to encompass some of these emerging technologies, thereby allowing the DPA to be more easily used with regard to such technologies. Congress has expanded the DPA’s definition of national defense multiple times since the law’s enactment. For example, in 2009, P.L. 111-67 added “critical infrastructure assistance to any foreign nation” and “homeland security” to the definition.⁵ Also, Congress could add specific emerging technologies to the DPA’s definition of national defense. Similarly, Congress could amend the DPA’s declaration of policy to include specific emerging technologies. This may send a signal that Congress intends for the DPA to address the development of and defense against emerging technologies and/or threat types.

Another option is to encourage greater interagency coordination among executive agencies with delegation to invoke the DPA. Some observers have argued that interagency coordination with regard to the DPA has not worked as well as possible.⁶ For instance, some executive agencies may have more expertise with using the DPA to address emerging technologies than others. Congress could encourage those relatively more expert agencies to share information with less knowledgeable agencies.

How does China’s industrial policy toolkit (e.g. state-directed capital, subsidies, export restrictions) compare to the U.S. government’s use of the DPA in the context of strategic competition in AI hardware and infrastructure?

It may be difficult to compare the People’s Republic of China’s (PRC’s) entire industrial policy toolkit with the DPA. The DPA represents one tool among others within the U.S.’s potential industrial policy toolkit. That said, it is possible to make some observations.

The PRC’s industrial policy toolkit with regard to artificial intelligence (AI) appears to encompass a variety of approaches. These include state-led AI investment funds and a National Integrated Computing

² U.S. Department of Commerce, Bureau of Industry and Security, *Industrial Base Assessments*, <https://www.bis.doc.gov/index.php/other-areas/office-of-technology-evaluation-ote/industrial-base-assessments>.

³ Executive Order 14110, “Safe, Secure, and Trustworthy Development and Use of Artificial Intelligence,” 88 *Federal Register* 75191, October 30, 2023.

⁴ Executive Office of the President, “Initial Rescissions of Harmful Executive Orders and Actions,” 90 *Federal Register* 8237, January 20, 2025.

⁵ 123 Stat. 2017.

⁶ For example, see Michael Hikari Cecire, “Reauthorizing the Defense Production Act in the Era of Defense Mobilization and Supply-Side Industrial Policy,” *Journal of Advanced Military Studies*, vol. 16, no. 1 (Spring 2025).

Network to collect computing resources from public and private data centers, in addition to state-supported AI research labs that have been implemented by local governments across China.⁷ More broadly, China's industrial policies include government subsidies, foreign acquisitions, forced joint ventures and partnerships, and talent recruitment and training, including encouraging the return of PRC expatriates and hiring foreign talent.⁸

The DPA allows the United States to engage in certain similar activities. For example, Title III allows the President to provide subsidies to private companies for domestically produced materials that the President has determined are essential to national defense.⁹ In theory, this could include AI applications. No President to date has issued a determination that AI development is essential to national defense, and the DPA has thus far had limited use for AI.

As mentioned, the Biden Administration issued E.O. 14110, entitled "Safe, Secure, and Trustworthy Development and Use of Artificial Intelligence," in October 2023.¹⁰ Among other things, E.O. 14110 invoked the DPA, in particular the DPA's Title VII authorities, which allow the federal government to compel companies to provide certain information to the government. E.O. 14110 delegated DPA authorities to the Secretary of Commerce to require "companies developing or demonstrating an intent to develop potential dual-use foundation models" to submit certain information to the government, including information from red-teaming. (Section 3(d) of E.O. 14110 defined red-teaming as "a structured testing effort to find flaws and vulnerabilities in an AI system, often in a controlled environment and in collaboration with developers of AI.") The Trump Administration revoked E.O. 14110 in January 2025.¹¹

Questions from Representative Nunn

Under the DPA, agencies like the Department of Health and Human Services (HHS) are given acquisition authorities to secure critical public health supply chains. The National Security Commission on Emerging Biotechnology recently released a report warning against China's current supply chain grip on critical biotechnologies, including those for life-saving medicines. Why are HHS's delegated authorities under DPA Title III essential to ensuring that the United States can scale emerging biotechnologies and manufacture these technologies at home?

Some executive agencies have specifically asserted the importance of biotechnology to national security. For example, the Department of Defense's (DOD's) Office of Strategic Capital has identified biotechnology as a "critical technology area."¹² Title III of the DPA specifically mentions the production of critical technology items as something for which the President may invoke the law.¹³ Further, inasmuch as critical biotechnologies can enable the manufacture of medical countermeasures for future threats (e.g.,

⁷ Kyle Chan, Gregory Smith, and Jimmy Goodrich, et al., *Full Stack: China's Evolving Industrial Policy for AI*, RAND Corporation, June 26, 2025, <https://www.rand.org/pubs/perspectives/PEA4012-1.html>.

⁸ For more information on PRC industrial policy, see CRS In Focus IF10964, *Made in China 2025 and Industrial Policies: Issues for Congress*.

⁹ 50 U.S.C. §4533(c).

¹⁰ Executive Order 14110, "Safe, Secure, and Trustworthy Development and Use of Artificial Intelligence," 88 *Federal Register* 75191, October 30, 2023.

¹¹ Executive Office of the President, "Initial Rescissions of Harmful Executive Orders and Actions," 90 *Federal Register* 8237, January 20, 2025.

¹² U.S. Department of Defense, Office of Strategic Capital, *DoD Critical Technology Areas*, <https://www.cto.mil/osc/critical-technologies/>.

¹³ For example, see 50 U.S.C. §4531(a) and 50 U.S.C. §4532(a).

from infectious diseases), HHS would appear to possess delegated authority to utilize Title III either under current or future presidential determinations as to their importance for national defense. According to HHS, Title III can be used to commercialize research and development investments, for example, and scale emerging technologies.¹⁴

As alluded to in the question, HHS has been delegated general authority to implement DPA Title III.¹⁵ More recently, HHS has been granted authority to use Title III for certain specific purposes. For example, the Biden Administration delegated the Secretary of Health and Human Services the authority to use Title III to respond to the COVID-19 pandemic.¹⁶ HHS used this authority to make investments related to COVID-19 response. For example, in May 2021, HHS and DOD signed a \$27.3 million contract with a private company to produce needles and syringes to be used in administering COVID-19 vaccines.¹⁷

HHS has also used its delegated Title III authorities in other contexts. In December 2023, the Biden Administration issued a Presidential Determination stating that essential medicines and medical countermeasures were essential to national defense and therefore eligible for Title III financial assistance.¹⁸ HHS has reportedly identified \$35 million of investments in starting materials for sterile injectable medicines to be made as a result of the Presidential Determination.¹⁹

Are there ways through the DPA that private financial institutions, such as private equity firms, can partner with government organizations, such as the Office of Strategic Capital, to shore up munition shortages, alleviate supply chain constraints, and support defense technology innovation?

One way the federal government may use DPA investment is as one tool, among others, to try to draw private capital to certain areas, for example by potentially reducing interest rates on private loans. In that light, the DPA could be considered an investment mechanism in the broader context of the federal government efforts to engage private capital. There are other avenues in which the federal government has sought to accomplish this. For example, the Servicemember Quality of Life Improvement and National Defense Authorization Act for Fiscal Year 2025 (P.L. 118-159) authorized the establishment of a National Security Capital Forum headed by the director of DOD's Office of Strategic Capital. DPA authorities may be relevant to discussions in such venues.

As the DPA is currently constructed, private financial institutions do not have the capacity to directly provide Title III financial assistance. Title VII of the DPA does provide for voluntary agreements, whereby the President may "consult with representatives of industry, business, financing, agriculture, labor, and other interests in order to provide for the making by such persons, with the approval of the

¹⁴ U.S. Department of Health and Human Services, Administration for Strategic Preparedness and Response, *Title III—Expansion of Productive Capacity and Supply*, <https://aspr.hhs.gov/legal/DPA/Pages/Title-III.aspx>.

¹⁵ Such delegation was granted under Executive Order 13603, "National Defense Resources Preparedness," 77 *Federal Register* 16651, March 16, 2012.

¹⁶ Executive Office of the President, "Delegating Additional Authority Under the Defense Production Act With Respect to Health and Medical Resources To Respond to the Spread of COVID-19," 85 *Federal Register* 18403, March 27, 2020.

¹⁷ Joint Program Executive Office of Chemical, Biological, Radiological and Nuclear Defense, "DOD & HHS Announce DPA Title III Agreement With Retractable Technologies, Inc. to Expand Domestic Production Capacity for Low Dead-Space Safety Syringes and Needles," press release, May 24, 2021, <https://www.jpeocbrnd.osd.mil/Media/News-Tito/Article/2631936/dod-hhs-announce-dpa-title-iii-agreement-with-retractable-technologies-inc-to-el/>.

¹⁸ Executive Office of the President, "Presidential Determination and Waiver Pursuant to Section 303 of the Defense Production Act of 1950, as Amended, on Essential Medicines, Medical Countermeasures, and Critical Inputs," 89 *Federal Register* 3, December 27, 2023.

¹⁹ American Hospital Association, "HHS to invest in domestic production of essential medical supplies," press release, November 27, 2023, <https://www.aha.org/news/headline/2023-11-27-hhs-invest-domestic-production-essential-medical-supplies>.

President, of voluntary agreements and plans of action to help provide for the national defense.”²⁰ Such voluntary agreements could include employees of private financial institutions. According to the U.S. Government Accountability Office (GAO), three such voluntary agreements were implemented between FY2018 and FY2024.²¹ The U.S. Department of Transportation had two voluntary agreements, which were intended to assure access to cargo transport equipment and refueling vessels in case of mass mobilization. The Federal Emergency Management Agency (FEMA) had one voluntary agreement to work with industry on manufacturing and distributing selected medical supplies and equipment during the COVID-19 pandemic.

Questions from Representative Waters

The Defense Production Act includes the United States and Canada as domestic sources under the law. A couple of years ago, we also added the United Kingdom and Australia as domestic sources for certain purposes. Can you please discuss what those purposes are and any examples of how this works? Also, are there any mechanisms in statute or practice to ensure that the interests of the four governments are aligned and deconflicted, meaning that they talk to one another, so the priority for one does not cause a problem for another?

The DPA states that, “Utilizing the authority of Title III of this Act...or any other provision of law, the president may provide appropriate incentives to develop, maintain, modernize, restore, and expand the productive capacities of domestic sources for critical components, critical technology items, materials, and industrial resources essential for the execution of the national security strategy of the United States.”²² This means that domestic sources—which the DPA defines as businesses in the United States and Canada for all DPA titles, as well as businesses in the United Kingdom and Australia for Title III—are eligible for financial assistance as authorized by Title III to help address national defense needs (such forms of financial assistance include loans, loan agreements, purchase commitments, and subsidies).

There are certain restrictions on Title III assistance for businesses in the United Kingdom and Australia. The DPA currently states that such businesses may only be treated as domestic sources “for purposes of the exercise of authorities under [Title III] relating to national defense that cannot be fully addressed with business concerns” in the United States or Canada.²³

There are currently no mechanisms in the DPA to coordinate the interests of the governments of the four nations whose businesses are defined as domestic sources.

²⁰ 50 U.S.C. §4558(c)(1).

²¹ U.S. Government Accountability Office, *Defense Production Act: Use and Challenges from Fiscal Years 2018 to 2024*, GAO-25-108497, June 12, 2025, <https://www.gao.gov/products/gao-25-108497>.

²² 50 U.S.C. §4517(a).

²³ 50 U.S.C. §4552(7)(B)(ii)(I).

With the rapid development of emerging technologies such as biotechnology and synthetic biology, artificial intelligence, and materials science, we have at our disposal technology that can save money, time, and effort to help us to build better and faster to meet our needs. As the recent “National Security Commission on Emerging Biotechnology” report demonstrated, this is not limited to individual sectors. It explained how biotechnology could be used not only for food and medicine, but also energetics and manufacturing of all kinds. Is there anything in the DPA statute or practices that prevents or limits the DPA agencies from examining how emerging technologies could be used to enhance DPA requirements, especially in a way that allows our limited DPA resources to be used more effectively? What possible drafting options might be available were we to amend the Act to include such a requirement in the different DPA activities such as the DPA Committee, Title III grants or loans, or voluntary agreements?

One factor which may inhibit executive agencies from using delegated DPA authority more effectively may be the lack of specific provisions requiring different agencies doing similar work on emerging technologies to coordinate. The DPA does include provisions which may help or encourage executive agencies to assess whether and how emerging technologies could be used relative to the DPA. For example, Title VII of the DPA allows the President to collect information on domestic industrial capabilities by obtaining extensive information from private industries. (See “How does the statutory framework of the DPA enable or limit its use for advancing AI-related industrial base policies, particularly compared to other tools like the CHIPS Act or IJIA funds?”) E.O. 13603 delegated this authority to the Secretary of Commerce.²⁴ The authority is most commonly associated with what the U.S. Department of Commerce’s Bureau of Industry and Security calls “industrial base assessments.”²⁵ While the assessments may be done in coordination with other federal agencies and the private sector, the DPA does not require this to be the case.

Congress could consider whether it wants to include language requiring that industrial base assessments be coordinated across any executive agencies that may have expertise or interest in the topic or industry being analyzed. Congress could also consider language that may require an executive agency conducting an industrial base assessment to share the results of such an analysis with the other executive agencies with delegated DPA authority. Such a responsibility could also be given to a designated entity. This may include the Defense Production Act Committee (DPAC) or an executive branch agency such as FEMA, which currently has responsibility for government-wide DPA coordination.²⁶

²⁴ Section 104(d) of E.O. 13603.

²⁵ U.S. Department of Commerce, Bureau of Industry and Security, *Industrial Base Assessments*, <https://www.bis.doc.gov/index.php/other-areas/office-of-technology-evaluation-ote/industrial-base-assessments>.

²⁶ For more information, see CRS In Focus IF11767, *The Defense Production Act Committee (DPAC): A Primer*.

The Defense Production Act Committee (DPAC) is intended to coordinate—but not direct—across the DPA agencies, but by most accounts, the DPAC is not terribly effective in doing so. Could you please comment on what some of these deficiencies might be? Are they caused by the way in which the statute is drafted, appropriations or authorization issues, stovepipes, policies, or other factors (and if so, what?) Also, in what ways can the DPAC be improved, especially to improve DPA coordination across government agencies (and for all DPA titles?)

DPAC was authorized in the Defense Production Act Reauthorization of 2009 (P.L. 111-67), and, according to one Member of Congress, was envisioned at the time to be a body that would “elevate DPA policy discussions to Cabinet-level posts.”²⁷ P.L. 111-67 also required the President to appoint an executive director of DPAC, and for DPAC to submit an annual report to Congress detailing executive agency use of the DPA, recommendations for effective use of DPA authorities, and proposed reforms to the DPA.

These provisions were not entirely fulfilled. For example, to date, no President has appointed a DPAC executive director. E.O. 13603 designated the Secretary of Homeland Security as DPAC chair. The position was subsequently delegated to the FEMA administrator, and some have argued that DPAC has subsequently never risen to the “Cabinet-level” forum that some initially envisioned.²⁸ Further, DPAC’s annual report has generally not contained recommendations or reforms for the DPA.

Congress has also reduced DPAC’s purview. P.L. 111-67 gave DPAC reporting and coordination responsibilities for all DPA titles. But in 2014, the 113th Congress reduced DPAC’s responsibilities to only Title I.²⁹ The same law also removed the requirement for a DPAC executive director, replacing it with a coordinator that reported to the DPAC chair.

Congress may have a few options should it want to address DPAC. Congress could attempt to restore DPAC to the “Cabinet-level” forum that some originally intended. To do so, Congress could mandate specific positions that would be required to serve on DPAC, or mandate some form of leadership position. Congress could also again expand DPAC’s reporting requirements and responsibilities to encompass all of the DPA’s titles. Congress could also consider providing appropriations directly to DPAC to help it expand the scope of its work. Congress has not previously provided appropriations directly to DPAC.

²⁷ Sen. Christopher Dodd, “Defense Production Act Reauthorization of 2009,” Remarks in the Senate, *Congressional Record*, vol. 155, part 131 (September 16, 2009), p. S9480.

²⁸ For example, see Joel Dodge, *Revitalizing the Defense Production Act Committee*, Vanderbilt Policy Accelerator, November 2024, <https://cdn.vanderbilt.edu/vu-URL/wp-content/uploads/sites/412/2024/11/01215220/VPA-Revitalizing-DPAC-Nov.-2024-final-text.pdf>.

²⁹ P.L. 113-172.

When we think about supply chain and industrial production issues that affect the national defense, as we define it for the DPA, many of the goods that we would need may take years to produce. For example, parts that are needed for shipbuilding cannot be produced as quickly as masks or ventilators were during the pandemic and in an emergency, we cannot turn on a dime to rate a contract and simply get access to the items needed. Further, there may be competition for these long-lead items, if not among agencies, then between the public and private sectors and among governments. Given the many challenges in obtaining the items needed, how can DPA authorities be used to address long-lead challenges, for example for Defense Department shipbuilding or weapons acquisition programs? Is stockpiling an option for these items?

One option for employing DPA authorities for long-lead items may be to tie the law more closely to various mobilization efforts that may be performed by executive agencies, or to encourage executive agencies to engage in mobilization planning with the DPA in mind. For example, if an executive agency uses mobilization planning to determine that a certain good will be necessary for national defense purposes in coming years, that may better allow the agency to plan for how they may be able to use DPA authorities to increase access to that good on a non-emergency basis. Similarly, there may be opportunities to tie the DPA more closely to other defense acquisition procedures. This may include the Defense Acquisition System, the process through which DOD develops and buys goods and services from contractors.³⁰ Such procedures may be designed more for long-leads items, whereas the DPA's authorities have generally been broadly intended to address emergency or time-limited situations.

Another option may be encouraging or allowing the DPA to be used for the baseline components that are necessary precursors to bolstering the domestic industrial base. That could include fields such as workforce development, facilities construction and/or maintenance, or manufacturing process development. For example, DPA Title III may generally only be invoked to provide financial assistance to a company to produce a specific good or material. However, Congress could amend the DPA to more explicitly allow it to be invoked for some of the other uses mentioned above, which may enable industry to be more able to react quickly at a later time.

Stockpiling is allowed under the DPA. It is specifically mentioned under the law's definition of *national defense*.³¹

Do agencies utilizing DPA authority engage in after-action reporting to review previous actions for efficacy, speed to completion, return on investment, and lessons-learned? If so, is there a mechanism by which they would share these findings with one another and with Congress to collectively improve the processes behind the authorities granted in each of the three DPA titles?

CRS is not aware of executive agencies engaging in this type of after-action reporting. It is possible that some executive agencies do undertake these actions, but if so, any such reports do not appear to be publicly available.

³⁰ For more information on the Defense Acquisition System, see CRS In Focus IF10600, *Defense Primer: Department of Defense Contractors*.

³¹ 50 U.S.C. §4552(14).

The DPA does include a number of reporting requirements. For example, the fund manager for the Defense Production Act Fund (DPA Fund), which is a Department of the Treasury account available to carry out Title III activities, is required to annually report to Congress on activities of the DPA Fund during the previous year.³² (The Secretary of Defense has been designated the DPA Fund manager.)³³ Further, the President (or head of an executive agency invoking the DPA) is required to submit a report to the Senate Committee on Banking, Housing, and Urban Affairs and the House Committee on Financial Services about any DPA Title III actions.³⁴ Congress could consider amending the DPA to include additional analytical requirements to these or any other already-required reports.

Some observers have suggested that the executive branch make broader use of DPA Title III's authorities providing for the ability to make loan guarantees and direct loans, respectively. What additional resources and capacity-building would be helpful for the Department of Defense or other agencies to carry out these activities in a more robust manner?

Title III's authority providing for loans and loan guarantees has been used infrequently in recent years. According to GAO, executive agencies made one loan under Title III between FY2018 and FY2024.³⁵

The DPA places certain conditions on executive agencies prior to making loans and loan guarantees under Title III. For example, the budget authority for guarantees and direct loans must be specifically included in appropriations passed by Congress and enacted by the President before such mechanisms can be issued.³⁶ There must also be a "reasonable assurance" that a recipient of a loan or loan guarantee will be able to repay the loan.³⁷ These requirements may make it more difficult for executive agencies to approve loans and loan guarantees than other forms of financial assistance authorized under Title III. Additionally, the financial analysis needed to make loans may be more complex than for the other forms of financial assistance authorized under Title III. Some executive agencies—particularly those without extensive Title III experience—may lack sufficient resources and/or expertise to undertake these types of analysis. GAO cited this as one reason why DOD has not made more Title III loans.³⁸

The President can authorize a Presidential Determination for Title III projects without Congressional notification, with potentially significant implications for national security, supply chains, and the U.S. economy. Understanding that this would differ by specifics, what might be the positive or negative effects of imposing additional Congressional notification or authorization requirements for Title III activities?

The DPA does impose some restrictions on Title III use. For example, projects that cumulatively cost more than \$50 million to address an industrial base shortfall must first be authorized by an act of Congress. Additionally, the President is required to notify the Senate Committee on Banking, Housing, and Urban Affairs and the House Committee on Financial Services, and give the committees 30 days to

³² 50 U.S.C. §4534(f)(3).

³³ Section 309 of E.O. 13603.

³⁴ 50 U.S.C. §4535(a).

³⁵ U.S. Government Accountability Office, *Defense Production Act: Use and Challenges from Fiscal Years 2018 to 2024*, GAO-25-108497, June 12, 2025, <https://www.gao.gov/products/gao-25-108497>.

³⁶ 50 U.S.C. §4531(a)(3).

³⁷ 50 U.S.C. §4531(a)(2)(D).

³⁸ U.S. Government Accountability Office, *Defense Production Act: Information Sharing Needed to Improve Use of Authorities*, GAO-25-107688, June 12, 2025, p. 10, <https://www.gao.gov/products/gao-25-107688>.

comment, when actions to remedy the shortfall are expected to exceed \$50 million.³⁹ However, the President may waive these requirements in periods of national emergency or in situations that the President, on a nondelegable basis, determines the industrial base shortfall would severely impair national defense.⁴⁰

Imposing additional notification or authorization requirements could have several outcomes. For example, additional requirements could give Congress greater input over how and for what purposes the DPA is used. Conversely, additional notification or authorization requirements could potentially result in slower responses when the DPA is invoked.

The maximum balance of unobligated funds for DPA Title III activities at the end of a given fiscal year is limited to \$750 million. This limit was established by the Defense Production Act Reauthorization of 2009. My understanding is that the Department of Defense during the Biden Administration asked that the maximum balance be increased to \$1 billion. If we were to grant this increase via statute, how would agencies ensure that projects were still being executed in a timely manner if the maximum unobligated balance were to be increased?

In the past, many appropriations to the DPA Fund were made as “no-year” money, meaning that the funds were available until expended. Should Congress seek to guarantee that any funds appropriated to the DPA Fund or for other DPA purposes are used expeditiously, it could place deadlines for spending such funds. Congress has done this previously. For example, P.L. 117-169, sometimes referred to as the Inflation Reduction Act, appropriated \$500 million for DPA uses. The law specified that the funds were to remain available only until September 30, 2024.⁴¹

Regarding voluntary agreements under the DPA, there is only one currently in effect, tied to public-private collaboration at the height of the pandemic. This collaboration brought together the best minds, on a volunteer basis, to collaborate and coordinate what was needed to get the United States, its people, and its economy through the COVID-19 crisis. The group wraps up its work this summer, when the five-year period of the Agreement expires. President Trump has also called for voluntary agreements related to nuclear energy. How could voluntary agreements be leveraged to plan ahead for a future pandemic or to build standby industrial capacity for a potential surge of use during conflict? It has been suggested that voluntary agreements under the DPA could be the ideal way to prepare for these kinds of contingencies—rather than solely as a response.

The DPA requires certain waiting periods with regard to voluntary agreements. For example, individuals which the President has delegated the authority to develop a voluntary agreement must consult with the U.S. Attorney General and with the U.S. Federal Trade Commission at least 10 days before consulting with any individuals included in a voluntary agreement.⁴² Also, individuals developing a voluntary

³⁹ 50 U.S.C. §4533(a)(6).

⁴⁰ 50 U.S.C. §4533(a)(7).

⁴¹ 136 Stat. 2027.

⁴² 50 U.S.C. §45588(c).

agreement must promulgate rules by which the voluntary agreement may be developed and carried out. However, these rules must be published at least 30 days before their effective date.⁴³ Additionally, in order for a voluntary agreement to be formed, the President must determine that a “condition exists which may pose a direct threat to the national defense or its preparedness programs” prior to engaging in the voluntary agreement process.⁴⁴

Congress could consider whether amending any of these requirements may result in voluntary agreements being more effectively used to plan ahead. For example, GAO reported that FEMA noted that the required waiting periods for voluntary agreements were detrimental to the agency’s ability to respond to the COVID-19 pandemic.⁴⁵ However, should Congress consider such changes, it may also assess whether amending the waiting requirements pose any complications. For example, this may include weakening safeguards against the appearance of anti-competitive behavior that the existing waiting periods may provide. Congress may weigh how to ensure that any new sets of rules contain similar protections while at the same time enhancing DPA responsiveness to emergency situations.

Once DPA agencies identify the events that might trigger activation of Title I authorities, such as a war or pandemic or a massive failure of critical infrastructure, what do they do? What I mean is do they tease out what is needed to address each of the threats? Do they red team the events, down to the labor, internal contracting capacity, examination of competing needs among parties, including their own agencies? Do they create and practice detailed mobilization plans and design voluntary agreements and executive reserve actions in line with those findings? If not, why not?

The complete extent of executive agencies’ preparations to use Title I is unclear. However, there does not appear to be evidence of widespread use of voluntary agreements and executive reserve actions with regard to Title I. For example, GAO found that two agencies—the U.S. Department of Transportation and FEMA—used the DPA’s voluntary agreement authority between FY2018 and FY2024, operating a total of three voluntary agreements during that time.⁴⁶ As noted, some of the difficulties involved in implementing voluntary agreements included the required waiting periods. According to GAO, no executive agencies established an executive reserve between FY2018 and FY2024.⁴⁷

DOD is the most frequent user of Title I. Between FY2018 and FY2024, all agencies delegated authority to invoke Title I placed approximately 2.5 million priority rated orders under Title I. Of those, DOD placed approximately 2.1 million priority rated orders. Conversely, the Department of Health and Human Services placed 82 priority rated orders during this period.⁴⁸ While DOD may have the greatest need for Title I, the disparity in the number of priority rated orders between the various agencies delegated Title I authority may also suggest some lack of experience and/or expertise among certain executive agencies in using Title I.

⁴³ 50 U.S.C. §4558(e).

⁴⁴ 50 U.S.C. §4558(c)(1).

⁴⁵ U.S. Government Accountability Office, *Defense Production Act: Use and Challenges from Fiscal Years 2018 to 2024*, GAO-25-108497, June 12, 2025, p. 11, <https://www.gao.gov/products/gao-25-108497>.

⁴⁶ U.S. Government Accountability Office, *Defense Production Act: Use and Challenges from Fiscal Years 2018 to 2024*, GAO-25-108497, June 12, 2025, p. 9, <https://www.gao.gov/products/gao-25-108497>.

⁴⁷ U.S. Government Accountability Office, *Defense Production Act: Information Sharing Needed to Improve Use of Authorities*, GAO-25-107688, June 12, 2025, p. 12, <https://www.gao.gov/products/gao-25-107688>.

⁴⁸ U.S. Government Accountability Office, *Defense Production Act: Use and Challenges from Fiscal Years 2018 to 2024*, GAO-25-108497, June 12, 2025, p. 6, <https://www.gao.gov/products/gao-25-108497>.

.....
(Original Signature of Member)

119TH CONGRESS
1ST SESSION

H. R. _____

To modify sanctions with respect to the Government of Syria, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

M_. _____ introduced the following bill; which was referred to the
Committee on _____

A BILL

To modify sanctions with respect to the Government of Syria,
and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Syria Sanctions Ac-
5 countability Act of 2025”.

1 **SEC. 2. MODIFICATION OF SANCTIONS WITH RESPECT TO**
2 **THE GOVERNMENT OF SYRIA.**

3 The Caesar Syria Civilian Protection Act of 2019
4 (title LXXIV of division F of Public Law 116–92; 22
5 U.S.C. 8791 note) is amended—

6 (1) in section 7431(a)—

7 (A) in the matter preceding paragraph (1),
8 by striking “for renewable periods of not more
9 than 180 days”; and

10 (B) by adding after paragraph (7) the fol-
11 lowing:

12 “(8) The Government of Syria is taking mean-
13 ingful steps to combat the illicit production and
14 international illicit proliferation of Captagon.”;

15 (2) in section 7432—

16 (A) in subsection (b)—

17 (i) in paragraph (1), by striking “, for
18 renewable periods not to exceed 180
19 days,”; and

20 (ii) in paragraph (2), by striking “and
21 every 180 days thereafter while the waiver
22 remains in effect,”; and

23 (B) in subsection (c)—

24 (i) in paragraph (1), by striking “, for
25 renewable periods not to exceed 2 years,”;
26 and

1 (ii) in paragraph (2), by striking “and
2 every 180 days thereafter while the waiver
3 remains in effect,”; and
4 (3) in section 7438 to read as follows:

5 **“SEC. 7438. SUNSET.**

6 “This title shall cease to be effective on the earlier
7 of—

8 “(1) the date that is 30 days after the date that
9 the President reports to Congress that the Govern-
10 ment of Syria has met the criteria described in para-
11 graphs (1) through (8) of section 7431(a) for 2 con-
12 secutive years; or

13 “(2) December 31, 2029.”.

14 **SEC. 3. ACTIONS AT THE INTERNATIONAL MONETARY**
15 **FUND AND THE WORLD BANK.**

16 (a) IN GENERAL.—The Secretary of the Treasury
17 shall instruct the United States Executive Directors at the
18 International Monetary Fund and the International Bank
19 for Reconstruction and Development to use the voice and
20 vote of the United States to support the following;

21 (1) The restoration of sound data reporting and
22 regular economic monitoring in Syria.

23 (2) Technical assistance to strengthen anti-
24 money laundering measures taken by the Govern-
25 ment of Syria.

1 (3) A strategy to address humanitarian needs
2 in the civilian population of Syria.

3 (b) CONGRESSIONAL BRIEFINGS.—Within 180 days
4 after the date of the enactment of this Act, and 1 year
5 thereafter, the Secretary of the Treasury shall provide a
6 briefing to the Committee on Financial Services of the
7 House of Representatives and the Committee on Foreign
8 Relations of the Senate on the activities described in sub-
9 section (a).

10 (c) SUNSET.—The preceding provisions of this sec-
11 tion shall have no force or effect beginning on the date
12 that is 2 years after the date of the enactment of this
13 Act.

119TH CONGRESS
1ST SESSION

H. R. 3074

To direct the Secretary of the Treasury to stop minting the penny, to require cash transactions to be rounded up or down to the nearest five cents, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

APRIL 29, 2025

Mrs. MCCLAIN (for herself and Mr. GARCIA of California) introduced the following bill; which was referred to the Committee on Financial Services

A BILL

To direct the Secretary of the Treasury to stop minting the penny, to require cash transactions to be rounded up or down to the nearest five cents, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Common Cents Act”.

5 **SEC. 2. ELIMINATION OF PRODUCTION OF ONE-CENT COIN.**

6 (a) ELIMINATION.—Not later than 1 year after the
7 date of enactment of this Act, except as provided in sub-
8 section (b) and notwithstanding any other provision of law

1 (including section 5112(a)(6) of title 31, United States
2 Code), the Secretary of the Treasury shall cease produc-
3 tion of one-cent coins.

4 (b) EXCEPTION.—

5 (1) IN GENERAL.—The Secretary of the Treas-
6 ury shall continue to produce one-cent coins as ap-
7 propriate solely to meet the needs of numismatic col-
8 lectors of the one-cent coin.

9 (2) SALE.—Any one-cent coin produced under
10 this subsection shall be sold in accordance with sec-
11 tion 5132(a) of title 31 United States Code, and any
12 other provisions of law governing numismatic coins.

13 (3) NET RECEIPTS.—The net receipts from the
14 sale of any one-cent coin produced under this sub-
15 section shall equal or exceed the total cost of produc-
16 tion, including variable costs and the appropriate
17 share of fixed costs of production, as determined by
18 the Secretary of the Treasury.

19 (c) NO EFFECT ON LEGAL TENDER.—All coins and
20 currencies of the United States, regardless of when coined,
21 printed, or issued, and including one-cent coins, shall con-
22 tinue to be legal tender for all debts, public and private,
23 public charges, taxes, duties, and dues, in accordance with
24 law.

1 **SEC. 3. CASH TRANSACTION ROUNDING.**

2 (a) IN GENERAL.—Notwithstanding any other provi-
3 sion of law, any person selling goods or services in a cash
4 transaction, entering into any other transaction that re-
5 sults in a payment or transfer of cash between the parties
6 to the transaction, or paying cash wages to an employee
7 as compensation, shall round the payment in the following
8 manner:

9 (1) ROUNDING DOWN.—In any case in which
10 the total transaction amount, including any taxes,
11 ends with 1 cent, 2 cents, 6 cents, or 7 cents as the
12 final digit, the amount of cents in the sum shall be
13 rounded down to the nearest amount divisible by 5
14 for any person seeking to make payment with legal
15 tender.

16 (2) ROUNDING UP.—In any case in which the
17 total transaction amount, including any taxes, ends
18 with 3 cents, 4 cents, 8 cents, or 9 cents as the final
19 digit, the amount of cents in the sum shall be round-
20 ed up to the nearest amount divisible by 5 for any
21 person seeking to make payment with legal tender.

22 (b) EXCEPTION.—Subsection (a) shall not apply to—

23 (1) transactions in which the total transaction
24 amount, including any taxes, totals \$0.01 or \$0.02,
25 where such transactions shall be rounded up to \$.05

1 for any person seeking to make payment with legal
2 tender; or

3 (2) any transaction for which payment is made
4 by any demand or negotiable instrument, electronic
5 fund transfer, check, gift card, money order, credit
6 card, or other like instrument or method.

7 (c) EFFECTIVE DATE.—This section shall take effect
8 1 year after the date of enactment of this Act.

○

[DISCUSSION DRAFT]

119TH CONGRESS
1ST SESSION

H. R. _____

To modernize and reauthorize the Defense Production Act of 1950, and
for other purposes.

IN THE HOUSE OF REPRESENTATIVES

M. _____ introduced the following bill; which was referred to the
Committee on _____

A BILL

To modernize and reauthorize the Defense Production Act
of 1950, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. DECLARATION OF POLICY.**

4 Section 2 of the Defense Production Act of 1950 (50
5 U.S.C. 4502) is amended to read as follows:

6 **“SEC. 2. DECLARATION OF POLICY.**

7 “The objectives of this Act are—

8 “(1) to strengthen national defense through an
9 effective and resilient industrial base;

1 (ii) in paragraph (3), by striking
2 “President” and inserting “Chairperson of
3 the Defense Production Act Committee”;

4 (C) in subsection (d)—

5 (i) strike “section shall” and all that
6 follows through “issue, and annually re-
7 view and update” and insert the following:
8 “section, in consultation with the Defense
9 Production Act Committee—

10 “(1) shall—

11 “(A) issue and”;

12 (ii) by redesignating paragraph (2) as
13 subparagraph (B), and adjusting the mar-
14 gin of such subparagraph accordingly;

15 (iii) in subparagraph (B), as so redes-
16 ignated, by striking the period at the end
17 and inserting “; and”; and

18 (iv) by adding at the end the fol-
19 lowing:

20 “(2) may waive or revise relevant regulations
21 for the sole purpose of expediting the procurement
22 of critical technologies (as defined under section
23 316(a)) or critical minerals subject to the priorities
24 and allocations.”; and

25 (D) by adding at the end the following:

1 “(e) REPORTING REQUIREMENT.—Not less fre-
2 quently than annually, the head of each Federal agency
3 to which the President delegates authority under this sec-
4 tion shall submit a summary of each waiver or revision
5 described in subsection (d)(2) to the Committee on Finan-
6 cial Services of the House of Representatives, the Com-
7 mittee on Banking, Housing, and Urban Affairs of the
8 Senate, and the Chairperson of the Defense Production
9 Act Committee.”;

10 (2) by redesignating section 107 as section 205
11 and transferring such section so as to appear after
12 section 303; and

13 (3) by redesignating section 108 as section 208
14 and transferring such section so as to appear after
15 section 305.

16 **SEC. 3. EXPANSION OF PRODUCTIVE CAPACITY AND SUP-**
17 **PLY.**

18 The Defense Production Act of 1950 (50 U.S.C.
19 4501 et seq.) is amended—

20 (1) by redesignating title III as title II;

21 (2) by redesignating sections 301, 302, 303,
22 304, and 305 as sections 201, 202, 203, 205, and
23 206, respectively;

24 (3) in section 201, as so redesignated—

1 (A) in the heading, by striking “**PRESI-**
2 **DENTIAL AUTHORIZATION FOR THE NA-**
3 **TIONAL DEFENSE**” and inserting “**LOAN**
4 **GUARANTEES**”;

5 (B) in subsection (a)—

6 (i) in paragraph (1), by inserting “, in
7 consultation with the Fund manager of the
8 Defense Production Act Fund,” before “to
9 provide”; and

10 (ii) in paragraph (2)—

11 (I) in the heading, by striking
12 “**PRESIDENTIAL DETERMINATIONS**”
13 and inserting “**DETERMINATIONS**”;

14 (II) by striking “during a period
15 of” and inserting “With respect to a”;

16 (III) by striking “if the Presi-
17 dent” and inserting “if the guaran-
18 teeing agency, in coordination with
19 the Fund manager of the Defense
20 Production Act Fund and relevant
21 members of the Defense Production
22 Act Committee,”; and

23 (IV) in subparagraph (G)(i), by
24 striking “the President” and inserting

1 “Fund manager of the Defense Pro-
2 duction Act Fund”;

3 (C) in subsection (b)(1), by striking
4 “President” and inserting “Fund manager of
5 the Defense Production Act Fund”;

6 (D) in subsection (c), by striking “Presi-
7 dent” each place such term appears and insert-
8 ing “Fund manager of the Defense Production
9 Act Fund”; and

10 (E) in subsection (d)—

11 (i) in paragraph (1)—

12 (I) by striking “SHORTFALLS.—”
13 and all that follows through “If the
14 making” and inserting “SHORT-
15 FALLS.—If the making”;

16 (II) by striking “\$50,000,000”
17 and inserting “\$100,000,000”;

18 (III) by striking “only—” and all
19 that follows through “if the Presi-
20 dent” and inserting “only if the
21 Chairperson of the Defense Produc-
22 tion Act Committee”;

23 (IV) by striking “guarantee;
24 and” and inserting “guarantee.”;

1 (V) in subparagraph (A), by
2 striking clause (ii); and

3 (VI) by striking subparagraph
4 (B); and

5 (ii) in paragraph (2)(B), by striking
6 “not later than 10 days”;

7 (4) in section 202, as so redesignated—

8 (A) in subsection (a), by inserting “author-
9 ize a lending agency, in consultation with the
10 Fund manager of the Defense Production Act
11 Fund and relevant members of the Defense
12 Production Act Committee, to” after “President
13 may”;

14 (B) in subsection (b)(2)—

15 (i) by inserting “except” before “dur-
16 ing”; and

17 (ii) by striking “no such loan may be
18 made unless the President” and inserting
19 “no such loan may be made with respect to
20 the national emergency unless the lending
21 agency, in consultation with the Fund
22 manager of the Defense Production Act
23 Fund and relevant members of the Defense
24 Production Act Committee,”;

25 (C) in subsection (d)—

1 (i) in paragraph (1)—

2 (I) by striking “\$50,000,000”
3 and inserting “\$100,000,000”;

4 (II) by striking “only—” and all
5 that follows through “if the Presi-
6 dent” and inserting “only if the
7 Chairperson of the Defense Produc-
8 tion Act Committee”;

9 (III) in subparagraph (A), by
10 striking “; and” at the end and in-
11 serting a period; and

12 (IV) by striking subparagraph
13 (B); and

14 (ii) by striking paragraph (2);

15 (5) in section 203, as so redesignated—

16 (A) in the heading, by striking “**OTHER**
17 **PRESIDENTIAL ACTION AUTHORIZED**” and
18 inserting “**PURCHASES, COMMITMENTS TO**
19 **PURCHASE, AND SUBSIDY PAYMENTS**”;

20 (B) in subsection (a)—

21 (i) in paragraph (1) by striking “the
22 President” and inserting “a member of the
23 Defense Production Act Committee de-
24 scribed under section 317(b)(1)(A), in con-

1 sultation with the Chairperson of the De-
2 fense Production Act Committee”;

3 (ii) in paragraph (5)—

4 (I) in the heading, by striking
5 “Presidential” and inserting “Federal
6 agency”;

7 (II) by striking “Except as pro-
8 vided in paragraph (7), the Presi-
9 dent” and inserting “The member de-
10 scribed under paragraph (1)”;

11 (III) by striking “the President,
12 on a non-delegable basis,” and insert-
13 ing “member, on a non-delegable
14 basis, and in consultation with the
15 Chairperson of the Defense Produc-
16 tion Act Committee,”; and

17 (IV) in subparagraph (B), by
18 striking “Presidential”;

19 (iii) in paragraph (6)—

20 (I) in subparagraph (A)—

21 (aa) by striking “Except as
22 provided in paragraph (7), the
23 President” and inserting “The
24 member described under para-
25 graph (1)”;

1 (bb) by striking “by the
2 President” and inserting “by the
3 member”;

4 (II) in subparagraph (B)—

5 (aa) by striking
6 “\$50,000,000” and inserting
7 “\$100,000,000”;

8 (bb) by striking “the 30-day
9 period following”; and

10 (cc) by inserting “by the
11 Chairperson of the Defense Pro-
12 duction Act Committee” after “in
13 writing”; and

14 (III) by striking subparagraph
15 (C); and

16 (iv) by striking paragraph (7);

17 (C) in subsection (b), by striking “not
18 more than 10 years” and inserting “more than
19 3 years (or, in the case of critical technologies,
20 as defined under section 316(a), or critical min-
21 erals, 10 years)”;

22 (D) in subsection (c)—

23 (i) in paragraph (1)(A), by striking
24 “necessary to carry out the objectives of

1 this title” and inserting “essential for na-
2 tional defense requirements”;

3 (ii) in paragraph (2)—

4 (I) by striking “President may
5 make provision for subsidy payments”
6 and inserting “President, in consulta-
7 tion with the Chairperson of the De-
8 fense Production Act Committee and
9 the Fund manager of the Defense
10 Production Act Fund, may make pro-
11 vision for subsidy payments, for a pe-
12 riod not to exceed 1 year,”; and

13 (II) by striking “President deter-
14 mines” and inserting “Fund manager
15 determines”; and

16 (iii) by adding at the end the fol-
17 lowing:

18 “(3) RENEWAL OF SUBSIDY.—The President
19 may renew subsidy payments authorized under para-
20 graph (2) for up to 180 days after submitting a re-
21 port to the Committee on Financial Services of the
22 House of Representatives and the Committee on
23 Banking, Housing, and Urban Affairs of the Senate
24 that—

1 “(A) certifies that the subsidy payment is
2 the most efficient means to ensure objectives
3 described under paragraph (2); and

4 “(B) explains why market conditions do
5 not allow for the achievement of the objec-
6 tives.”.

7 (E) in subsection (e)(1)(C), by striking
8 “section 301, 302” and inserting “section 201,
9 202”;

10 (F) in subsection (g), by striking “make
11 provision” and inserting “exercise the authori-
12 ties under title I and this title”; and

13 (G) by adding at the end the following:

14 “(h) WAIVER TO EXPEDITE PROCUREMENT.—In ex-
15 ercising the authorities under section 201, section 202, or
16 this section, the President may waive or revise relevant
17 regulations for the sole purpose of expediting—

18 “(1) the procurement of critical technologies (as
19 defined under section 316(a)) or critical minerals
20 subject to the loans, loan guarantees, purchases or
21 commitments to purchase, or subsidy payments de-
22 scribed therein; or

23 “(2) the permitting of critical infrastructure re-
24 quired to produce or refine the critical technologies
25 or critical minerals described in paragraph (1).”;

1 (6) in section 204, as redesignated and moved
2 by section 3(2)—

3 (A) in subsection (a)—

4 (i) by striking “title III of this Act or
5 any other provision of law, the President
6 may” and inserting “this title, a member
7 of the Defense Production Act Committee
8 may, in consultation with the Chairperson
9 of the Defense Production Act Com-
10 mittee,”; and

11 (ii) by inserting “essential” before
12 “materials”;

13 (B) in subsection (b)(1), by striking “as-
14 sure” and inserting “ensure”; and

15 (C) by adding at the end the following:

16 “(e) WAIVER TO EXPEDITE PROCUREMENT.—The
17 President may waive or revise relevant regulations for the
18 sole purpose of expediting—

19 “(1) the procurement of critical technologies (as
20 defined under section 316(a)) or critical minerals
21 subject to the incentives described in subsection (a);
22 or

23 “(2) the permitting of critical infrastructure re-
24 quired to produce or refine the critical technologies
25 or critical minerals described in paragraph (1).”.

1 (7) in section 205, as so redesignated—

2 (A) in subsection (a), insert before the pe-
3 riod at the end the following: “, to be adminis-
4 tered by the Secretary of the Treasury”;

5 (B) in subsection (b)—

6 (i) in paragraph (1)—

7 (I) by striking “section 711” and
8 inserting “section 311”; and

9 (II) by striking “and” at the end;

10 (ii) by redesignating paragraph (2) as
11 paragraph (3);

12 (iii) by inserting after paragraph (1)
13 the following:

14 “(1) all moneys appropriated for activities pur-
15 suant to this title; and”; and

16 (iv) in paragraph (3), as so redesign-
17 ated, by striking “section 303” and in-
18 serting “this title”;

19 (C) in subsection (e), by striking
20 “\$750,000,000” each place such term appears
21 and inserting “\$2,000,000,000”;

22 (D) by redesignating subsections (f) and
23 (g) as subsections (g) and (h), respectively;

24 (E) by inserting after subsection (e) the
25 following:

1 “(f) WAIVER.—The Chairperson of the Defense Pro-
2 duction Act Committee may waive the requirement de-
3 scribed under subsection (e) for up to 1 year at a time
4 upon notifying the Committee on Financial Services of the
5 House of Representatives and the Committee on Banking,
6 Housing, and Urban Affairs of the Senate in writing that
7 the waiver is in the national security interests of the
8 United States.”; and

9 (F) by adding at the end the following:

10 “(i) WITHHOLDING.—The Chairperson of the De-
11 fense Production Act Committee, acting through the Fund
12 Manager of the Defense Production Act Fund, shall with-
13 hold resources of the Fund from an agency that has re-
14 peatedly failed to submit complete reports described under
15 section 101(e) and 206(a), until such time as the agency
16 has submitted the reports.”; and

17 (8) in section 208, as redesignated and moved
18 by section 3(3)—

19 (A) in subsection (a)—

20 (i) by inserting “, to the extent re-
21 quired for national defense purposes,”
22 after “President shall”; and

23 (ii) by striking “, and, to the max-
24 imum extent practicable, to such small
25 business concerns located in areas of high

1 unemployment or areas that have dem-
2 onstrated a continuing pattern of economic
3 decline, as identified by the Secretary of
4 Labor”; and

5 (B) in subsection (b)—

6 (i) in paragraph (1)—

7 (I) by striking “title III” and in-
8 serting “this title”; and

9 (II) by striking “advance” and
10 inserting “advanced”; and

11 (ii) in paragraph (2)—

12 (I) by striking “title III” and in-
13 serting “this title”; and

14 (II) in subparagraph (C), by
15 striking “section 301, 302, or 303”
16 and inserting “section 201, 202, or
17 203”.

18 **SEC. 4. GENERAL PROVISIONS.**

19 The Defense Production Act of 1950 (50 U.S.C.
20 4501 et seq.) is amended—

21 (1) by redesignating title VII as title III;

22 (2) by striking section 714 [and 723];

23 (3) by redesignating sections 701 through 711,
24 section 713, sections 715 through 717, and sections

1 721 through **[723]** as sections 301 through **[318]**,
2 respectively;

3 (4) in section 301, as so redesignated, in sub-
4 section (e), by inserting “and consistent with na-
5 tional defense requirements” after “practicable”;

6 (5) in section 302, as so redesignated—

7 (A) in paragraph (7)(B), by striking “title
8 III” each place such term appears in a heading
9 or text, and inserting “title II”; and

10 (B) in paragraph (14), by inserting “or
11 section 319 of the Public Health Service Act,”
12 after “Assistance Act”;

13 (6) in section 303, as so redesignated, by strik-
14 ing “GS–18 of the General Schedule, as the Presi-
15 dent deems appropriate to carry out this Act” and
16 inserting “senior-level positions described under sec-
17 tion 5376 of title 5, United States Code, as the
18 President deems appropriate to carry out title I or
19 title II”;

20 (7) in section 304, as so redesignated—

21 (A) by striking “(A) **IN GENERAL.**—”;

22 (B) by striking “President may prescribe”
23 and inserting “President, not later than 360
24 days after the date of enactment of the DPA
25 Modernization Act of 2025, shall issue”; and

- 1 (C) by striking subsection (b);
- 2 (8) in section 305, as so redesignated—
- 3 (A) in subsection (a)—
- 4 (i) by striking “or appropriate, in his
- 5 discretion,”; and
- 6 (ii) by striking “in order” and insert-
- 7 ing “essential”;
- 8 (B) in subsection (c), by striking “\$10,000
- 9 or imprisoned for not more than one year or
- 10 both” and inserting “\$100,000”; and
- 11 (C) in subsection (d), by striking
- 12 “\$10,000” and inserting “\$100,000”;
- 13 (9) in section 306, as so redesignated, in sub-
- 14 section (b), by striking “subpena” each place such
- 15 term appears and inserting “subpoena”;
- 16 (10) in section 308, as so redesignated—
- 17 (A) in subsection (c)(2), by striking “not
- 18 less than ten days”;
- 19 (B) in subsection (e)—
- 20 (i) by striking “(1) The individual”
- 21 and inserting “The individual”; and
- 22 (ii) by striking “section 553 of title 5,
- 23 United States Code” and inserting “sec-
- 24 tion 309”;

1 (iii) by striking paragraphs (2) and
2 (3); and

3 (C) in subsection (f)—

4 (i) by striking paragraph (1); and

5 (ii) by striking “(2) Each” and insert-
6 ing “Each”;

7 (11) in section 309, as so redesignated—

8 (A) in subsection (a), by striking “sections
9 551 through 559” and inserting “sections 552
10 through 552b and sections 554 through 559”;
11 and

12 (B) by striking subsection (c);

13 (12) in section 310, as so redesignated—

14 (A) be redesignating subsections (b)
15 through (g) as subsections (a) through (f), re-
16 spectively;

17 (B) in subsection (b), as so redesignated,
18 by striking “section 55a of title 5 of the United
19 States Code. Individuals so employed may be
20 compensated at rates not in excess of \$50 per
21 diem and while away from their homes or reg-
22 ular places of business they may be allowed
23 transportation and not to exceed \$15 per diem
24 in lieu of subsistence and other expenses while

1 so employed” and inserting “section 3109 of
2 title 5, the United States Code”; and

3 (C) in subsection (e), as so redesignated,
4 by striking “\$10,000” and inserting
5 “\$100,000”;

6 (13) in section 311, as so redesignated—

7 (A) by striking “\$133,000,000 for fiscal
8 year 2015” and inserting “\$250,000,000 for
9 fiscal year 2025”; and

10 (B) by striking “In addition to the appro-
11 priations authorized by the previous sentence,
12 there is authorized to be appropriated
13 \$117,000,000 for each of fiscal years 2020
14 through 2024 to carry out title III.”;

15 (14) in section 315, as so redesignated—

16 (A) in subsection (a)—

17 (i) by striking “title II, and title III
18 (except sections 307, 308, and 316)”;

19 (ii) by striking “2025” and inserting
20 “2030”; and

21 (iii) by striking “under title III” and
22 inserting “under title II”; and

23 (B) by striking subsection (d);

24 (15) in section 317, as so redesignated—

1 (A) in subsection (a), by striking “plan for
2 on” and inserting “plan for”;

3 (B) in subsection (b)—

4 (i) in paragraph (1)—

5 (I) in subparagraph (A), by strik-
6 ing “and” at the end;

7 (II) in subparagraph (B), by
8 striking the period at the end and in-
9 serting a semicolon; and

10 (III) by adding at the end the
11 following:

12 “(C) the Fund manager of the Defense
13 Production Act Fund; and

14 “(D) the Director of the Office of Manage-
15 ment and Budget.”; and

16 (ii) in paragraph (2), by striking
17 “head of the agency to which the President
18 has delegated primary responsibility for
19 government-wide coordination of the au-
20 thorities in this Act” and inserting “Direc-
21 tor of the Office of Management and
22 Budget”;

23 (C) in subsection (c)—

24 (i) by inserting “or more” after
25 “one”;

1 (ii) by striking “person” each place
2 such term appears and inserting “per-
3 sons”; and

4 (iii) in paragraph (1), by striking “a
5 full-time employee” and inserting “full-
6 time employees”;

7 (D) in subsection (d)—

8 (i) by inserting “Chairperson of the”
9 before “Committee shall”;

10 (ii) by striking “signed by the Chair-
11 person”;

12 (iii) by striking paragraphs (1) and
13 (2) and inserting the following:

14 “(1) the most recent reports submitted pursu-
15 ant to section 206;”;

16 (iv) by striking paragraph (5);

17 (v) by redesignating paragraphs (3),
18 (4), and (6) as paragraphs (2), (3), and
19 (4), respectively;

20 (vi) in paragraph (2), as so redesign-
21 ated, by striking “legislation” and insert-
22 ing “legislative”;

23 (vii) in paragraph (3), as so redesign-
24 ated, by striking “recommendations for

1 improving” and inserting “actions taken to
2 improve”;

3 (viii) by inserting after paragraph (3),
4 as so redesignated, the following:

5 “(4) an evaluation of the effectiveness of each
6 relevant Federal agency in deploying the authorities
7 under title I and title II to address the needs de-
8 scribed under section 206(b)(2); and”; and

9 (ix) in paragraph (4), as so redesign-
10 ated, by striking “each” and inserting
11 “any”; and

12 (E) by redesignating subsection (e) as sub-
13 section (f).

14 **SEC. 5. CONFORMING AMENDMENTS.**

15 (a) FURTHER CONSOLIDATED APPROPRIATIONS ACT,
16 2020.—Section 402(c) of the Further Consolidated Ap-
17 propriations Act, 2020 (12 U.S.C. 635 note) is amended
18 by striking “section 721(a)(6)(A)” and inserting “section
19 316(a)(6)(A)”.

20 (b) JOHN S. MCCAIN NATIONAL DEFENSE AUTHOR-
21 IZATION ACT FOR FISCAL YEAR 2019.—Section 1792 of
22 the John S. McCain National Defense Authorization Act
23 for Fiscal Year 2019 (50 U.S.C. 4531 note) is hereby re-
24 pealed.

1 (c) NATIONAL DEFENSE AUTHORIZATION ACT FOR
2 FISCAL YEARS 1988 AND 1989 .—Section 272 of the Na-
3 tional Defense Authorization Act for Fiscal Years 1988
4 and 1989 (15 U.S.C. 4602(c)) is amended by striking
5 “section 719 of the Defense Production Act of 1950 (50
6 U.S.C. App. 2168),”.

7 (d) NATIONAL DEFENSE AUTHORIZATION ACT FOR
8 FISCAL YEAR 2018.—Section 226 of the National Defense
9 Authorization Act for Fiscal Year 2018 (50 U.S.C. 4531
10 note) is amended—

11 (1) by striking subsection (e); and

12 (2) by redesignating subsection (f) as sub-
13 section (e).

14 (e) NATIONAL DEFENSE AUTHORIZATION ACT FOR
15 FISCAL YEAR 2020.—Section 847(e) of the National De-
16 fense Authorization Act for Fiscal Year 2020 is amended
17 by striking “section 721” and inserting “section 316”.

18 (f) NATIONAL DEFENSE AUTHORIZATION ACT FOR
19 FISCAL YEAR 2022.—Effective on the date of enactment
20 of the National Defense Authorization Act for Fiscal Year
21 2022, section 1702(k)(4) of such Act is amended by strik-
22 ing “Defense Production Act” and inserting “Defense
23 Production Act of 1950”.

1 (g) TITLE 10, UNITED STATES CODE.—Section
2 4891(a) of title 10, United States Code, is amended by
3 striking “section 721(a)” and inserting “section 316(a)”.

4 (h) WILLIAM M. (MAC) THORNBERRY NATIONAL DE-
5 FENSE AUTHORIZATION ACT FOR FISCAL YEAR 2021.—
6 Section 848(b)(2)(C) of the William M. (Mac) Thornberry
7 National Defense Authorization Act for Fiscal Year 2021
8 (10 U.S.C. 4811 note) is amended by striking “title III”
9 and inserting “title II”.

10 (i) **【TO BE ADDED】**.—**【***There are additional con-*
11 *forming amendments needed to correct cross-references in*
12 *other laws that will be broken due to the redesignation of*
13 *the titles and sections within the DPA’50.***】**

[DISCUSSION DRAFT]119TH CONGRESS
1ST SESSION**H. R.** _____

To amend the Defense Production Act of 1950 to require the President to declare a national emergency before using certain authorities under title I of that Act, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

M____ introduced the following bill; which was referred to the Committee on _____

A BILL

To amend the Defense Production Act of 1950 to require the President to declare a national emergency before using certain authorities under title I of that Act, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SECTION 101 REQUIREMENTS.**

4 Section 101(b) of the Defense Production Act of
5 1950 (50 U.S.C. 4511(b)) is amended—

6 (1) by striking “unless the President finds (1)
7 that such” and inserting the following: “unless—

1 “(1) the President finds that—

2 “(A) such”;

3 (2) by striking “defense, and (2) that” and in-
4 serting the following: “defense; and

5 “(B) that”;

6 (3) by striking the period at the end and insert-
7 ing “; and”; and

8 (4) by adding at the end the following:

9 “(2) the powers are used to address—

10 “(A) a national emergency declared by the
11 President;

12 “(B) a natural disaster declared by the
13 President pursuant to the Robert T. Stafford
14 Disaster Relief and Emergency Assistance Act;
15 or

16 “(C) a public health emergency, as deter-
17 mined by the Secretary of Health and Human
18 Services pursuant to section 319 of the Public
19 Health Service Act.”.

[DISCUSSION DRAFT]119TH CONGRESS
1ST SESSION**H. R.** _____

To amend the Defense Production Act of 1950 to prohibit discrimination based on energy source in the use of certain authorities under title I and title III of such Act, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

M____ introduced the following bill; which was referred to the Committee on _____

A BILL

To amend the Defense Production Act of 1950 to prohibit discrimination based on energy source in the use of certain authorities under title I and title III of such Act, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. LIMITATIONS ON CERTAIN AUTHORITIES**

4 **UNDER THE DEFENSE PRODUCTION ACT OF**

5 **1950.**

6 (a) DOMESTIC ENERGY SUPPLIES.—Section

7 101(c)(1) of the Defense Production Act of 1950 (50

1 U.S.C. 4511(c)(1)) is amended by inserting “, other than
2 for purposes of environmental protection,” after “domestic
3 energy supplies”.

4 (b) PROHIBITION ON DISCRIMINATION BASED ON IN-
5 DUSTRY.—Title III of the Defense Production Act of 1950
6 (50 U.S.C. 4531 et seq.) is amended by adding at the end
7 the following:

8 **“SEC. 306. PROHIBITION ON DISCRIMINATION BASED ON**
9 **ENERGY SOURCE.**

10 “In using the authorities under this title, the Presi-
11 dent may not deny financial support pursuant to sections
12 301, 302, or 303, other than for the production of energy,
13 based on engagement by a person in the exploration, devel-
14 opment, production, utilization, transportation, or sale of
15 fossil fuel-based energy.”.

[DISCUSSION DRAFT]119TH CONGRESS
1ST SESSION**H. R.** _____

To amend the Defense Production Act of 1950 to expand the duties of the Fund manager of the Defense Production Act Fund, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

M____ introduced the following bill; which was referred to the Committee on _____

A BILL

To amend the Defense Production Act of 1950 to expand the duties of the Fund manager of the Defense Production Act Fund, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. FUND MANAGER OF THE DEFENSE PRODUC-**
4 **TION ACT FUND.**

5 Section 304(f) of the Defense Production Act of 1950
6 (50 U.S.C. 4534(f)) is amended—

1 (1) by striking “President shall designate a”
2 and inserting “Secretary of the Treasury shall serve
3 as”;

4 (2) in paragraph (2), by striking “and” at the
5 end;

6 (3) in paragraph (3)—

7 (A) by inserting “and the Defense Produc-
8 tion Act Committee” after “Congress”; and

9 (B) by striking the period at the end and
10 inserting a semicolon; and

11 (4) by adding at the end the following:

12 “(4) designating financial institutions as finan-
13 cial agents of the Federal Government, as appro-
14 priate, for the purposes of this title;

15 “(5) delegating authorities, as the Fund man-
16 ager finds appropriate, to members of the Defense
17 Production Act Committee; and

18 “(6) issuing rules and guidance regarding fi-
19 nancing activities authorized by this title.”.

[DISCUSSION DRAFT]119TH CONGRESS
1ST SESSION**H. R.** _____

To amend the Defense Production Act of 1950 to require certain agencies to prepare an industrial base strategy report, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

M. _____ introduced the following bill; which was referred to the Committee on _____

A BILL

To amend the Defense Production Act of 1950 to require certain agencies to prepare an industrial base strategy report, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. DPA INDUSTRIAL BASE STRATEGY.**

4 Section 305 of the Defense Production Act of 1950
5 (50 U.S.C. 4535) is amended—

6 (1) in the heading, by striking “**REPORTS ON**
7 **EXERCISE OF AUTHORITIES**” and inserting “**DPA**
8 **INDUSTRIAL BASE STRATEGY**”;

1 (2) by striking subsections (a) and (b) and in-
2 serting the following:

3 “(a) IN GENERAL.—Not later than 180 days after
4 the effective date of this subsection, and annually there-
5 after, the head of each agency to which the President has
6 delegated authorities under title I or this title shall submit
7 the report described under subsection (b) to the Chair-
8 person of the Defense Production Act Committee and the
9 Fund manager of the Defense Production Act Fund.

10 “(b) DPA INDUSTRIAL BASE STRATEGY.—A report
11 described under this subsection is a report that includes—

12 “(1) an assessment, in consultation with the
13 Defense Production Act Committee and the private
14 sector, of industrial base needs required by the head
15 of the agency to meet the highest priorities arising
16 from national defense requirements, as determined
17 by the President;

18 “(2) a detailed strategy, timeline, and spending
19 plan, in coordination with the Defense Production
20 Act Committee, to deploy the authorities under title
21 I and this title to address the needs identified under
22 paragraph (1);

23 “(3) a comprehensive list of actions (including
24 all priority ratings, the exercise or non-exercise of
25 such ratings and any allocations or financing) taken

1 by the agency pursuant to the authorities since the
2 previous report, and an explanation of how the ac-
3 tions support the strategy described under para-
4 graph (2);

5 “(4) any use of authorities under section 308 or
6 section 310 in support of the strategy described
7 under paragraph (2); and

8 “(5) in the case of an action taken pursuant to
9 title I or this title involving a business concern in
10 Canada, the United Kingdom, or Australia, a jus-
11 tification of the necessity of the use of authorities
12 under the applicable title.”; and

13 (3) by adding at the end the following:

14 “(d) STRATEGY ON SECURING SUPPLY CHAINS FOR
15 MEDICAL MATERIALS ESSENTIAL TO NATIONAL DE-
16 FENSE.—The head of an agency submitting a report
17 under subsection (a) shall, in the first such report sub-
18 mitted after the date of enactment of this subsection, in-
19 clude in such report the following:

20 “(1) A detailed plan to ensure the supply of
21 medical materials (including drugs, devices, and bio-
22 logical products (as that term is defined in section
23 351 of the Public Health Service Act (42 U.S.C.
24 262)) to diagnose, cure, mitigate, treat, or prevent
25 disease) essential to national defense.

1 “(2) An analysis of vulnerabilities to existing
2 supply chains for such medical materials, and rec-
3 ommendations to address the vulnerabilities.

4 “(3) Measures to be undertaken by the agency
5 to diversify such supply chains, as appropriate and
6 as required for national defense, to ensure that es-
7 sential components of the supply chain for medical
8 materials are not under the control of any foreign
9 adversary.”.

[DISCUSSION DRAFT]119TH CONGRESS
1ST SESSION**H. R.** _____

To amend the Defense Production Act of 1950 to require the Chairperson of the Defense Production Act Committee to maintain a database for use by the members of the Defense Production Act Committee, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

M____ introduced the following bill; which was referred to the Committee on _____

A BILL

To amend the Defense Production Act of 1950 to require the Chairperson of the Defense Production Act Committee to maintain a database for use by the members of the Defense Production Act Committee, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. DEFENSE PRODUCTION ACT DASHBOARD.**

4 Section 722 of the Defense Production Act of 1950
5 (50 U.S.C. 4567) is amended by adding at the end the
6 following:

1 “(f) DEFENSE PRODUCTION ACT DASHBOARD.—The
2 Chairperson of the Defense Production Act Committee
3 shall maintain a database that—

4 “(1) compiles and categorizes the actions re-
5 ported under section 305(a);

6 “(2) is available to all members of the Defense
7 Production Act Committee, for the purpose of more
8 effective coordination of actions authorized this Act;

9 “(3) allows for real-time updates by the mem-
10 bers of the Committee; and

11 “(4) is subject to appropriate information secu-
12 rity, confidentiality, and classification require-
13 ments.”.