

Public Law 98-265
98th Congress

An Act

To extend the expiration date of the Defense Production Act of 1950.

Apr. 17, 1984
[S. 1852]

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

Defense
Production Act
Amendments of
1984.

SHORT TITLE

SECTION 1. This Act may be cited as the "Defense Production Act Amendments of 1984".

50 USC app.
2061 note.

EXTENSION OF THE DEFENSE PRODUCTION ACT OF 1950

SEC. 2. The first sentence of section 717(a) of the Defense Production Act of 1950 (50 U.S.C. App. 2166(a)) is amended by striking out "March 30, 1984" and inserting in lieu thereof "September 30, 1986".

97 Stat. 1267.

DETERMINATIONS REQUIRED BEFORE THE AWARDING OF FINANCIAL ASSISTANCE

SEC. 3. (a) Section 301(a) of the Defense Production Act of 1950 (50 U.S.C. App. 2091(a)) is amended by adding at the end thereof the following:

"(3) Except during periods of national emergency declared by the Congress or the President, a guarantee may be entered into under this section only if the President determines that—

President of U.S.

"(A) the guaranteed contract or operation is for a material, or the performance of a service, which is essential to the national defense;

"(B) Without the guarantee, United States industry cannot reasonably be expected to provide the capability for the needed material or service in a timely manner;

"(C) the guarantee is the most cost-effective, expedient, and practical alternative for meeting the need involved; and

"(D) the United States national defense demand is equal to, or greater than, the output of domestic industrial capability which the President reasonably determines to be available for national defense, including the output to be established through the guarantee."

(b) Section 302 of the Defense Production Act of 1950 (50 U.S.C. App. 2092) is amended—

(1) by redesignating the first sentence as subsection (a); and

(2) by striking out the second and third sentences and inserting in lieu thereof the following:

Loans.

"(b) Such loans may be made without regard to the limitations of existing law and on such terms and conditions as the President deems necessary, except that—

"(1) financial assistance may be extended only to the extent that it is not otherwise available on reasonable terms; and

"(2) except during periods of national emergency declared by the Congress or the President, no such loan may be made unless the President determines that—

"(A) the loan is for the expansion of capacity, the development of a technological process, or the production of materials essential to the national defense;

"(B) without the loan, United States industry cannot reasonably be expected to provide the needed capacity, technological processes, or materials in a timely manner;

"(C) the loan is the most cost-effective, expedient, and practical alternative method for meeting the need; and

"(D) the United States national defense demand is equal to, or greater than, domestic industrial capability which the President reasonably determines to be available for national defense, including the output to be established through the loan."

President of U.S.
Prohibition.
Contracts.

(c) Section 303(a) of the Defense Production Act of 1950 (50 U.S.C. App. 2093(a)) is amended by adding at the end thereof the following: "Except during periods of national emergency declared by the Congress or the President, the President may not execute a contract under this subsection unless the President determines that—

"(1) the mineral, metal, or material is essential to the national defense;

"(2) without Presidential action under authority of this section, United States industry cannot reasonably be expected to provide the capability for the needed mineral, metal, or material in a timely manner;

"(3) purchases, purchase commitments, or other action pursuant to this section are the most cost-effective, expedient, and practical alternative method for meeting the need; and

"(4) the United States national defense demand for the mineral, metal, or material is equal to, or greater than, the output of domestic industrial capability which the President reasonably determines to be available for national defense, including the output to be established through the purchase, purchase commitment, or other action."

LIMITATIONS ON THE AWARDING OF FINANCIAL ASSISTANCE

SEC. 4. (a) Section 301(e)(1) of the Defense Production Act of 1950 (50 U.S.C. App. 2091(e)(1)) is amended to read as follows:

"(e)(1)(A) Except during periods of national emergency declared by the Congress or the President, a guarantee may be made under this section only if the industrial resource shortfall which such guarantee is intended to correct has been identified in the Budget of the United States, or amendments thereto, submitted to the Congress, accompanied by a statement from the President demonstrating that the budget submission is in accordance with the provisions of subsection (a)(3) of this section.

"(B) Any such guarantee may be made only after 60 days have elapsed after such industrial resource shortfall has been identified pursuant to subparagraph (A).

"(C) If the making of any guarantee or guarantees to correct an industrial resource shortfall would cause the aggregate outstanding amount of all guarantees for such industrial resource shortfall to exceed \$25,000,000, any such guarantee or guarantees may be made only if specifically authorized by law."

(b) Section 302 of the Defense Production Act of 1950 (50 U.S.C. App. 2092), as amended by section 3(b), is further amended by adding at the end thereof the following: Loans.

“(c)(1) No such loan may be made under this section, except during periods of national emergency declared by the Congress or the President, unless the industrial resource shortfall which such loan is intended to correct has been identified in the Budget of the United States, or amendments thereto, submitted to the Congress, accompanied by a statement from the President demonstrating that the budget submission is in accordance with the provisions of subsection (b)(2) of this section.

“(2) Any such loan may be made only after 60 days have elapsed after such industrial resource shortfall has been identified pursuant to paragraph (1).

“(3) If the making of any loan or loans to correct an industrial resource shortfall would cause the aggregate outstanding amount of all loans for such industrial resource shortfall to exceed \$25,000,000, any such loan or loans may be made only if specifically authorized by law.”.

(c) Section 303(a) of the Defense Production Act of 1950 (50 U.S.C. App. 2093(a)), as amended by section 3(c), is further amended by adding at the end thereof the following: President of U.S. “Except during periods of national emergency declared by the Congress or the President, the President shall take no action under authority of this section unless the industrial resource shortfall which such action is intended to correct has been identified in the Budget of the United States, or amendments thereto, submitted to the Congress, accompanied by a statement from the President demonstrating that the budget submission is in accordance with the provisions of the preceding sentence. Any such action may be taken only after 60 days have elapsed after such industrial resource shortfall has been identified pursuant to the preceding sentence. If the taking of any action or actions under authority of this section to correct an industrial resource shortfall would cause the aggregate outstanding amount of all such actions for such industrial resource shortfall to exceed \$25,000,000, any such action or actions may be taken only if specifically authorized by law.”.

AUTHORIZATION OF APPROPRIATIONS

SEC. 5. (a) The first sentence of section 711(a) of the Defense Production Act of 1950 (50 U.S.C. App. 2161(a)) is amended by inserting “and paragraph (4)” after “paragraph (2)”.

(b) Section 711(a) of the Defense Production Act of 1950 (50 U.S.C. App. 2161(a)) is amended by adding at the end thereof the following:

“(4)(A) There are authorized to be appropriated to carry out the provisions of section 303 not to exceed \$100,000,000 for fiscal years 1985 and 1986, except that not more than \$25,000,000 is authorized to be appropriated for fiscal year 1985. 50 USC app.
2093.

“(B) The aggregate amount of loans, guarantees, purchase agreements, and other actions under sections 301, 302, and 303 during fiscal years 1985 and 1986 may not exceed \$100,000,000.”. 50 USC app.
2091-2093.

REPORTS

SEC. 6. Title III of the Defense Production Act of 1950 (50 U.S.C. App. 2091 et seq.) is amended by adding at the end thereof the following:

50 USC app.
2099.
Ante, p. 149.

"SEC. 309. Not later than 18 months after the date of the enactment of the Defense Production Act Amendments of 1984, and annually thereafter, the President shall submit to the Committee on Banking, Finance and Urban Affairs of the House of Representatives and the Committee on Banking, Housing, and Urban Affairs of the Senate, a report on the impact of offsets on the defense preparedness, industrial competitiveness, employment, and trade of the United States. Each such report also shall include a discussion of bilateral and multilateral negotiations on offsets in international procurement and provide information on the types, terms, and magnitude of the offsets."

Approved April 17, 1984.

LEGISLATIVE HISTORY—S. 1852:

HOUSE REPORT No. 98-651 (Comm. of Conference).
CONGRESSIONAL RECORD:

Vol. 129 (1983): Sept. 30, considered and passed Senate.

Oct. 4, 6, considered and passed House, amended.

Oct. 7, Senate concurred in House amendment with an amendment.

Vol. 130 (1984): Apr. 5, Senate agreed to conference report.

Apr. 10, House agreed to conference report.