

109TH CONGRESS
2^D SESSION

H. R. 4917

To amend the Defense Production Act of 1950 to require notification to Congress after receipt of written notification of proposed or pending mergers, acquisitions, or takeovers subject to investigation under such Act, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

MARCH 9, 2006

Mr. BARROW (for himself, Mr. THOMPSON of Mississippi, and Mr. SKELTON) introduced the following bill; which was referred to the Committee on Financial Services, and in addition to the Committees on International Relations, Energy and Commerce, and Homeland Security, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned

A BILL

To amend the Defense Production Act of 1950 to require notification to Congress after receipt of written notification of proposed or pending mergers, acquisitions, or takeovers subject to investigation under 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. SHORT TITLE.**

4 This Act may be cited as the “Protect America First
5 Act of 2006”.

1 **SEC. 2. AMENDMENTS TO THE DEFENSE PRODUCTION ACT**
2 **OF 1950.**

3 (a) NOTIFICATION TO CONGRESS.—Section 721(c) of
4 the Defense Production Act of 1950 (50 U.S.C. App.
5 2170(c)) is amended—

6 (1) in the heading, by inserting “NOTIFICATION
7 REQUIREMENTS;” before “CONFIDENTIALITY”;

8 (2) by inserting after the heading the following
9 new paragraph:

10 “(1) NOTIFICATION TO CONGRESS.—

11 “(A) RECEIPT OF WRITTEN NOTIFICA-
12 TION.—Not later than five days after receipt of
13 written notification of a proposed or pending
14 merger, acquisition, or takeover that may be
15 subject to an investigation under subsection (a)
16 or is subject to an investigation under sub-
17 section (b), the President or the President’s
18 designee shall provide notice of the receipt of
19 such written notification to the Members of
20 Congress specified in subparagraph (D).

21 “(B) COMMENCEMENT OF INVESTIGA-
22 TION.—Not later than one day after com-
23 mencing an investigation under subsection (a)
24 or (b), the President or the President’s designee
25 shall provide notice of the investigation and rel-
26 evant information regarding the proposed or

1 pending merger, acquisition, or takeover, in-
2 cluding relevant ownership records, to the Mem-
3 bers of Congress specified in subparagraph (D).

4 “(C) ACCESS TO INVESTIGATION.—The
5 President or the President’s designee shall—

6 “(i) provide responses in a timely
7 manner to any inquiries made by the Mem-
8 bers of Congress specified in subparagraph
9 (D) regarding an investigation carried out
10 under subsection (a) or (b); and

11 “(ii) notify such Members of Congress
12 promptly of the decision of the President
13 or the President’s designee upon comple-
14 tion of the investigation.

15 “(D) MEMBERS OF CONGRESS.—The
16 Members of Congress referred to in this para-
17 graph are the following:

18 “(i) The Speaker and Minority Leader
19 of the House of Representatives.

20 “(ii) The Majority and Minority Lead-
21 er of the Senate.

22 “(iii) The Chairmen and Ranking
23 Members of the Committee on Financial
24 Services, the Committee on Homeland Se-
25 curity, the Committee on Armed Services,

1 the Committee on Energy and Commerce,
2 the Committee on Transportation and In-
3 frastructure, and the Permanent Select
4 Committee on Intelligence of the House of
5 Representatives.

6 “(iv) The Chairmen and Ranking
7 Members of the Committee on Finance,
8 the Committee on Homeland Security and
9 Governmental Affairs, the Committee on
10 Armed Services, the Committee on Com-
11 merce, Science, and Transportation, and
12 the Select Committee on Intelligence of the
13 Senate.

14 “(v) The Senators representing States
15 and the Members of Congress representing
16 districts affected by the proposed trans-
17 action.”;

18 (3) by striking “Any information” and inserting
19 the following new paragraph:

20 “(2) CONFIDENTIALITY OF INFORMATION.—
21 Any information”; and

22 (4) by striking “Nothing in this subsection”
23 and inserting “Nothing in this paragraph”.

1 (b) TECHNICAL AMENDMENTS.—Section 721 of the
2 Defense Production Act of 1950 (50 U.S.C. App. 2170)
3 is amended—

4 (1) in subsection (d), by striking “subsection
5 (d)” and inserting “subsection (e)”;

6 (2) in subsection (e), by striking “subsection
7 (e)” and inserting “subsection (d)”; and

8 (3) in subsection (g), by striking “of this Act”
9 and inserting “of this section”.

10 (c) EFFECTIVE DATE.—The requirements of section
11 721(c)(1) of the Defense Production Act of 1950, as
12 added by subsection (a) of this section, apply with respect
13 to any written notification of a proposed or pending merg-
14 er, acquisition, or takeover that may be subject to an in-
15 vestigation under section 721(a) of such Act or is subject
16 to an investigation under section 721(b) of such Act that
17 is received on or after the date of the enactment of this
18 Act.

19 **SEC. 3. SENSE OF CONGRESS.**

20 It is the sense of Congress that—

21 (1) the Committee on Foreign Investment in
22 the United States (CFIUS), established under Exec-
23 utive Order 11858 (40 Fed. Reg. 20263), should be
24 transferred from the Department of the Treasury to
25 the Department of Homeland Security; and

- 1 (2) the Secretary of Homeland Security should
- 2 serve as the Chairman of CFIUS.

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