

[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 “(2) to provide authorities that support the in-
2 dustrial base for the exclusive purpose of meeting
3 national defense requirements;

4 “(3) to improve the coordination of activities
5 under this Act across relevant Federal agencies and
6 the Executive Office of the President;

7 “(4) to ensure that priorities, allocations, and
8 assistance authorized by this Act do not impede pri-
9 vate sector dynamism; and

10 “(5) to promote cooperation with allies and
11 partners of the United States to ensure that supply
12 chains essential for national defense are not under
13 the control of any foreign adversary.”.

14 **SEC. 2. PRIORITIES AND ALLOCATIONS.**

15 Title I of the Defense Production Act of 1950 (50
16 U.S.C. 4511 et seq.) is amended—

17 (1) in section 101—

18 (A) in subsection (a), by striking “or ap-
19 propriate” each place such term appears;

20 (B) in subsection (c)—

21 (i) in paragraph (1) by striking “Not-
22 withstanding any other provision of this
23 Act, the” and inserting “The”; and

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 reded-
16 igned, 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 “(c) 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”;

16 (iv) in paragraph (3), as so redesis-
17 gnated, by striking “section 303” and in-
18 sserting “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 (e), 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”;

9 (ix) in paragraph (4), as so redesign-
10 nated, 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(e) 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.】***