

## S 1677

Defense Production Act Reauthorization of 2009

**Congress:** 111 (2009–2011, Ended)

**Chamber:** Senate

**Policy Area:** Armed Forces and National Security

**Introduced:** Sep 16, 2009

**Current Status:** Became Public Law No: 111-67.

**Latest Action:** Became Public Law No: 111-67. (Sep 30, 2009)

**Law:** 111-67 (Enacted Sep 30, 2009)

**Official Text:** <https://www.congress.gov/bill/111th-congress/senate-bill/1677>

### Sponsor

**Name:** Sen. Dodd, Christopher J. [D-CT]

**Party:** Democratic • **State:** CT • **Chamber:** Senate

### Cosponsors (1 total)

Cosponsor	Party / State	Role	Date Joined
Sen. Shelby, Richard C. [R-AL]	R · AL		Sep 16, 2009

### Committee Activity

Committee	Chamber	Activity	Date
Financial Services Committee	House	Referred To	Sep 17, 2009

### Subjects & Policy Tags

**Policy Area:**

Armed Forces and National Security

### Related Bills

*No related bills are listed.*

**(This measure has not been amended since it was introduced. The expanded summary of the Senate passed version is repeated here.)**

Defense Production Act Reauthorization of 2009 - (Sec. 2) Amends the Defense Production Act of 1950 (the Act) to reauthorize through FY2014 the following titles (with the exception of specified sections) of the Act: (1) Title I (Priorities and Allocations); (2) Title III (Expansion of Productive Capacity and Supply); and (3) Title VII (General Provisions). Requires, with respect to the continuance of Title III, that all authority extended under such Title on or after the date of enactment shall be effective for any fiscal year only to such extent as provided in advance in appropriations Acts. Allows any agency created under a provision of law so terminated to continue for six months for purposes of liquidation.

Repeals the following titles of the Act: (1) Title II (Authority to Requisition and Condemn); (2) Title IV (Price and Wage Stabilization); (3) Title V (Settlement of Labor Disputes); and (4) Title VI (Control of Real Estate Credit).

(Sec. 3) Restates the policy of the United States with respect to the domestic industrial base.

(Sec. 4) Amends the Act to require the head of each federal agency to which the President delegates authority to prioritize contracts and orders in order to meet the needs of national defense to: (1) issue final rules that establish standards and procedures by which contracts and orders priorities allocations are used to promote the national defense under both emergency and nonemergency conditions; and (2) consult with the heads of other federal agencies to develop a consistent and unified federal priorities and allocations system.

(Sec. 5) Removes a limitation on the authority of the President to engage in the production of energy other than synthetic fuel.

(Sec. 6) Repeals the requirement that the President identify critical components and technology items for each item on the Critical Items List.

(Sec. 7) Authorizes the President to: (1) allow a guaranteeing federal agency to guarantee private loans in support of production capabilities or supplies determined necessary to create, maintain, expedite, expand, protect, or restore production and deliveries or services essential to the national defense. Outlines conditions under which a loan guarantee may be entered for such purposes, including that the guarantee is for an activity that supports the production or supply of an industrial resource, critical technology item, or other material essential for national defense purposes. Requires that, if the making of any loan guarantee relating to a domestic industrial base shortfall would cause the aggregate outstanding amount of all guarantees for such shortfall to exceed \$50 million, such guarantee may be made only if the President notifies the congressional finance committees of the proposed guarantee and 30 days have elapsed. Authorizes the President to waive such notification requirement: (1) during a period of national emergency; or (2) upon determining that such guarantee is necessary to avert a shortfall that would severely impair national defense capability.

Authorizes the President to provide for loans to private businesses for activities, including the exploration, development, and mining of strategic and critical metals and minerals, which would reduce current or projected shortfalls of industrial resources, critical technology items, or materials essential for the national defense. Provides: (1) specific limitations on any such loans made during periods of national emergency; and (2) the same notification requirement as above with respect to aggregate loans in excess of \$50 million for a single shortfall (with the same authorized presidential waiver).

Authorizes the President to take certain actions to create, maintain, protect, expand, or restore domestic industrial base

capabilities necessary for the national defense, including: (1) purchases of industrial resources or critical technology items; and (2) the encouragement of exploration, development, and mining of critical, strategic, and other materials. Directs the President to notify the finance committees of a domestic industrial base shortfall prior to taking actions authorized under this section to remedy the shortfall. Provides the same notification requirement as above with respect to a shortfall whose total actions remedy exceeds \$50 million, with the same authorized presidential waiver.

Authorizes the President to provide subsidy payments on any domestically produced material other than an agricultural commodity as necessary to ensure that supplies are continued or that maximum production or supply is maintained. Allows the President, in order to aid the national defense, to provide for the procurement and installation of additional equipment, facilities, or processes to industrial facilities owned by the government. Requires excess metals, minerals, and materials produced or acquired to be transferred to the National Defense Stockpile when in the public interest. Authorizes the President to develop substitutes for strategic and critical materials, critical components, critical technology items, and other industrial resources.

Establishes in the Treasury the Defense Production Act Fund to carry out authorities under this section. Designates a Fund Manager, with specified duties.

(Sec. 9) Extends from two to five years the maximum period of voluntary agreements and plans of action entered into by business and industry leaders to help provide for the defense of the United States through the development of preparedness programs and the expansion of productive capacity and supply beyond the levels needed to meet essential civilian demand. Exempts an individual delegated authority with respect to such an agreement or plan from consulting with the Attorney General or Federal Trade Commission (FTC) with respect to actions taken if the President determines that such agreement or plan is necessary to meet national defense requirements resulting from an event that degrades or destroys critical infrastructure.

(Sec. 10) Removes a requirement that the head of a federal department or agency involved in the appointment and employment of individuals hired for purposes described in the Act take steps to avoid any conflict between governmental duties and private interests of such individuals. Requires the Director of the Office of Management and Budget (OMB) to survey such appointments biennially (currently, every three months).

(Sec. 11) Establishes the Defense Production Act Committee to advise the President on the effective use of authority under the Act by the departments, agencies, and independent establishments of the federal government to which the President has delegated authority. Designates a Committee Executive Director. Requires quarterly reports from the Committee to the finance committees.

(Sec. 12) Requires an annual report from the President to the finance committees on the impact of offsets on U.S. defense preparedness, industrial competitiveness, employment, and trade.

## Actions Timeline

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- **Sep 30, 2009:** Signed by President.
- **Sep 30, 2009:** Became Public Law No: 111-67.
- **Sep 24, 2009:** Presented to President.
- **Sep 23, 2009:** Mr. Watt moved to suspend the rules and pass the bill.
- **Sep 23, 2009:** Considered under suspension of the rules. (consideration: CR H9813-9819)
- **Sep 23, 2009:** DEBATE - The House proceeded with forty minutes of debate on S. 1677.
- **Sep 23, 2009:** Passed/agreed to in House: On motion to suspend the rules and pass the bill Agreed to by voice vote.(text: CR H9813-9817)
- **Sep 23, 2009:** On motion to suspend the rules and pass the bill Agreed to by voice vote. (text: CR H9813-9817)
- **Sep 23, 2009:** Motion to reconsider laid on the table Agreed to without objection.
- **Sep 23, 2009:** Cleared for White House.
- **Sep 17, 2009:** Received in the House.
- **Sep 17, 2009:** Message on Senate action sent to the House.
- **Sep 17, 2009:** Referred to the House Committee on Financial Services.
- **Sep 16, 2009:** Introduced in Senate
- **Sep 16, 2009:** Passed/agreed to in Senate: Introduced in the Senate, read twice, considered, read the third time, and passed without amendment by Unanimous Consent.(consideration: CR S9480-9486; text as passed Senate: CR S9482-9486)
- **Sep 16, 2009:** Introduced in the Senate, read twice, considered, read the third time, and passed without amendment by Unanimous Consent. (consideration: CR S9480-9486; text as passed Senate: CR S9482-9486)