

# Reauthorizing the Defense Production Act

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The Defense Production Act of 1950, or 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.” From its inception, the DPA has contained a *sunset clause*, requiring periodic reauthorization to retain effect. Without congressional action, all of its provisions except for 50 U.S.C. §§[4514](#), [4557](#), [4558](#), and [4565](#) are set to expire on September 30, 2025.

## Background

Congress enacted the DPA in September 1950, to enable the Truman Administration to respond to the industrial and economic requirements of the Korean War. Since then, successive administrations have used it for a wide variety of purposes, from expanding missile production to prioritizing baby formula deliveries (for more information, see CRS Testimony TE10112, *Evaluating the Defense Production Act*).

Congress has enacted dozens of DPA reauthorizations, most recently in 2018. Congress has also amended many DPA provisions over time, including the statute’s scope, funding, and notification requirements.

## DPA Titles

The authorities granted by the DPA are grouped into *titles*. Originally, there were seven titles; today, three are extant. These are Title I (Priorities and Allocations), Title III (Expansion of Productive Capacity and Supply), and Title VII (General Provisions).

### Title I

Title I authorizes the President to require industry to accept and prioritize contracts and orders to promote the national defense. Title I use is coordinated by an interagency body known as the [Defense Production Act Committee](#) (DPAC), under a body of regulations that enables the U.S. government to place priority ratings on, and specify delivery dates for, contracts and purchase orders. The most frequently used of these regulations is the [Defense Priorities and Allocations System](#) (DPAS).

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## Title III

Title III authorizes the President to provide loan guarantees, loans, purchase commitments, grants, and other financial assistance to certain U.S., Canadian, British, and Australian businesses to expand productive capacity and supply for national defense purposes. The Department of Defense (DOD) administers the majority of this assistance, although the President has also delegated Title III authorities to other executive departments. Congress funds activities under this title by making appropriations to the DPA Fund.

## Title VII

Title VII provides the President a variety of authorities, including the powers to obtain information from businesses, form agreements with industry, and block certain corporate transactions. It also defines key terms and provides for the DPA's termination.

# Questions Facing Congress

## Should Congress reauthorize the DPA?

The most fundamental question facing Congress is whether or not to reauthorize the DPA's expiring provisions. 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.

Recent Congresses have expressed support for the DPA's broad purposes and authorities, although some Members have criticized certain elements of the statute as well as aspects of its usage and interpretation. For example, some [Members opposed](#) the Biden Administration's use of Title III authorities to expand production of clean energy technologies, while others [urged](#) the Trump Administration to invoke the DPA more quickly during the COVID-19 pandemic. Some commentators see the DPA as an important tool for bolstering the defense industrial base, [arguing](#) for its centrality to the capacity and supply outcomes they see as necessary for national security. Others have made [broad criticisms](#) of the way the DPA impacts the operation of market forces.

## If so, how?

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 (FY2019 NDAA, P.L. 115-232).

Another question is how long a DPA reauthorization should last. The 2014 and 2019 reauthorizations extended expiring DPA provisions for five and six years, respectively; [some previous reauthorizations](#) featured shorter extensions. An extension of five to six years 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 has been introduced in the 119<sup>th</sup> Congress as a standalone reauthorization bill. 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.

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## If so, what changes might it make?

While Congress has at times amended the DPA outside the context of a reauthorization measure, such bills are frequently a vehicle for other changes.

Recently, Members, executive branch officials, and other stakeholders have proposed specific, substantive amendments to the DPA. During the 118<sup>th</sup> Congress, for instance, bills were introduced that, among other things, would have

- expedited federal permitting for DPA projects (H.R. 8313);
- prohibited the use of DPA authorities for projects relating to electric vehicles (H.R. 7601); and
- prohibited the use of DPA authorities for projects relating to solar panels (H.R. 7602).

In April 2024, DOD [proposed](#) that Congress increase the carryover limit for the DPA Fund. Other changes—expanding Title III loan and loan guarantee authorities, for example—have also been [suggested](#) by commentators outside of government.

Congress may consider whether to make these or other changes as part of DPA reauthorization.

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