



H.R. 6894 – Defense Production Act Extension and Reauthorization Act

FLOOR SITUATION

H.R. 6894 is being considered on the floor under suspension of the rules and will require a two-thirds majority vote for passage. This legislation was introduced by Representative Luis Gutierrez (D-IL) on September 18, 2008. The bill was referred to the Committee on Financial Services, but was not considered.

H.R. 6894 is expected to be considered on the floor of the House on September 23, 2008.

SUMMARY

H.R. 6894 reauthorizes and extends the Defense Production Act through September 30, 2009.

BACKGROUND

The Defense Production Act (DPA) of 1950 gives the President the authority to require private industry to give priority to defense and homeland security contracts and to allocate the necessary resources. President Harry S Truman sent a message to Congress as the United States and the United Nations began to respond to the military invasion of South Korea by North Korea. In his message, he said that the United States was in need of additional military manpower, supplies, and equipment and that the economic and military preparedness of our nation were inseparable.

The DPA has evolved over the last 58 years and currently only three of the original seven titles remain in effect. The first allows the President to demand priority for defense-related products. The second authorizes financial incentives to develop, modernize, and expand defense production capacity. The final title contains a number of general provisions, including one that provides liability protection for companies that are complying with any rule or regulation authorized by the DPA and provides antitrust protection for voluntary industry agreements serving defense interests.

The authorization for the DPA expires on September 30, 2008.

COST

There is no Congressional Budget Office (CBO) cost estimate available for H.R. 6894 as of September 23, 2008.

STAFF CONTACT

For questions or further information contact Brianne Miller at 6-2302.