

§ 4566. Prohibition on purchase of United States defense contractors by entities controlled by foreign governments

(a) In general

No entity controlled by a foreign government may merge with, acquire, or take over a company engaged in interstate commerce in the United States that—

(1) is performing a Department of Defense contract, or a Department of Energy contract under a national security program, that cannot be performed satisfactorily unless that company is given access to information in a proscribed category of information; or

(2) during the previous fiscal year, was awarded—

(A) Department of Defense prime contracts in an aggregate amount in excess of \$500,000,000; or

(B) Department of Energy prime contracts under national security programs in an aggregate amount in excess of \$500,000,000.

(b) Inapplicability to certain cases

The limitation in subsection (a) shall not apply if a merger, acquisition, or takeover is not suspended or prohibited pursuant to section 4565 of this title.

(c) Definitions

In this section:

(1) The term “entity controlled by a foreign government” includes—

(A) any domestic or foreign organization or corporation that is effectively owned or controlled by a foreign government; and

(B) any individual acting on behalf of a foreign government,

as determined by the President.

(2) The term “proscribed category of information” means a category of information that—

(A) with respect to Department of Defense contracts—

(i) includes special access information;

(ii) is determined by the Secretary of Defense to include information the disclosure of which to an entity controlled by a foreign government is not in the national security interests of the United States; and

(iii) is defined in regulations prescribed by the Secretary of Defense for the purposes of this section; and

(B) with respect to Department of Energy contracts—

(i) is determined by the Secretary of Energy to include information described in subparagraph (A)(ii); and

(ii) is defined in regulations prescribed by the Secretary of Energy for the purposes of this section.

(Pub. L. 102-484, div. A, title VIII, §835, Oct. 23, 1992, 106 Stat. 2461.)

CODIFICATION

Section was formerly classified to section 2170a of the former Appendix to this title prior to editorial reclassification and renumbering as this section.

Section was enacted as part of the National Defense Authorization Act for Fiscal Year 1993, and not as part

of the Defense Production Act of 1950 which comprises this chapter.

§ 4567. Defense Production Act Committee

(a) Committee established

There is established the Defense Production Act Committee (in this section referred to as the “Committee”), which shall coordinate and plan for on¹ the effective use of the priorities and allocations authorities under this chapter by the departments, agencies, and independent establishments of the Federal Government to which the President has delegated authority under this chapter.

(b) Membership

(1) IN GENERAL.—The members of the Committee shall be—

(A) the head of each Federal agency to which the President has delegated authority under this chapter; and

(B) the Chairperson of the Council of Economic Advisors.

(2) The Chairperson of the Committee shall be the head of the agency to which the President has delegated primary responsibility for government-wide coordination of the authorities in this chapter.

(c) Coordination of Committee activities

The Chairperson shall appoint one person to coordinate all of the activities of the Committee, and such person shall—

(1) be a full-time employee of the Federal Government;

(2) report to the Chairperson; and

(3) carry out such activities relating to the Committee as the Chairperson may determine appropriate.

(d) Report

The Committee shall issue a report each year by March 31 to the Committee on Banking, Housing, and Urban Affairs of the Senate and the Committee on Financial Services of the House of Representatives a report signed by the Chairperson that contains—

(1) a description of the contingency planning by each department, agency, or independent establishment of the Federal Government to which the President has delegated authority under this chapter for events that might require the use of the priorities and allocations authorities;

(2) recommendations for the effective use of the priorities and allocations authorities in this chapter in a manner consistent with the statement of policy under section 4502(b) of this title;

(3) recommendations for legislation actions, as appropriate, to support the effective use of the priorities and allocations authorities in this chapter;

(4) recommendations for improving information sharing between departments, agencies, and independent establishments of the Federal Government relating to the use of the priorities and allocations authorities in this chapter;

¹ So in original. The word “on” probably should not appear.

(5) up-to-date copies of the rules described under section 4511(d)(1) of this title; and

(6) short attestations signed by each member of the Committee stating their concurrence in the report.

(e) Federal Advisory Committee Act

The provisions of the Federal Advisory Committee Act (5 U.S.C. App.) shall not apply to the Committee.

(Sept. 8, 1950, ch. 932, title VII, § 722, as added Pub. L. 102-558, title I, § 135, Oct. 28, 1992, 106 Stat. 4212; amended Pub. L. 109-295, title VI, § 612(c), Oct. 4, 2006, 120 Stat. 1410; Pub. L. 111-67, § 11, Sept. 30, 2009, 123 Stat. 2019; Pub. L. 113-172, § 2, Sept. 26, 2014, 128 Stat. 1896.)

TERMINATION OF SECTION

For termination of section, see section 4564(a) of this title.

REFERENCES IN TEXT

This chapter, referred to in subsecs. (a), (b), and (d), was in the original “this Act”, meaning act Sept. 8, 1950, ch. 932, 64 Stat. 798, known as the Defense Production Act of 1950, which is classified principally to this chapter. For complete classification of this Act to the Code, see section 4501 of this title and Tables.

The Federal Advisory Committee Act, referred to in subsec. (e), is Pub. L. 92-463, Oct. 6, 1972, 86 Stat. 770, which is set out in the Appendix to Title 5, Government Organization and Employees.

CODIFICATION

Section was formerly classified to section 2171 of the former Appendix to this title prior to editorial reclassification and renumbering as this section.

AMENDMENTS

2014—Subsec. (a). Pub. L. 113-172, § 2(1), substituted “coordinate and plan for” for “advise the President” and “the priorities and allocations authorities” for “the authority”.

Subsec. (b)(2). Pub. L. 113-172, § 2(2), amended par. (2) generally. Prior to amendment, text read as follows: “The President shall designate 1 member of the Committee as the Chairperson of the Committee.”

Subsec. (c). Pub. L. 113-172, § 2(3), amended subsec. (c) generally. Prior to amendment, text read as follows:

“(1) IN GENERAL.—The President shall appoint an Executive Director of the Defense Production Act Committee (in this section referred to as the ‘Executive Director’), who shall—

“(A) be responsible to the Chairperson of the Committee; and

“(B) carry out such activities relating to the Committee as the Chairperson may determine.

“(2) APPOINTMENT.—The appointment by the President shall not be subject to the advice and consent of the Senate.

“(3) COMPENSATION.—For pay periods beginning on or after the date on which each Chairperson is appointed, funds for the pay of the Executive Director shall be paid from appropriations to the salaries and expenses account of the department or agency of the Chairperson of the Committee. The Executive Director shall be compensated at a rate of pay equivalent to that of a Deputy Assistant Secretary (or a comparable position) of the Federal agency of the Chairperson of the Committee.”

Subsec. (d). Pub. L. 113-172, § 2(4)(A), (B), in introductory provisions, substituted “The Committee shall issue a report each year by March 31” for “Not later than the end of the first quarter of each calendar year, the Committee shall submit” and “the Chairperson” for “each member of the Committee”.

Subsec. (d)(1). Pub. L. 113-172, § 2(4)(C), substituted “a description of the contingency planning by” for “a re-

view of the authority under this chapter of” and inserted before semicolon at end “for events that might require the use of the priorities and allocations authorities”.

Subsec. (d)(2). Pub. L. 113-172, § 2(4)(D), substituted “priorities and allocations authorities in this chapter” for “authority described in paragraph (1)”.

Subsec. (d)(3). Pub. L. 113-172, § 2(4)(E), amended par. (3) generally. Prior to amendment, par. (3) read as follows: “recommendations for legislation, regulations, executive orders, or other action by the Federal Government necessary to improve the use of the authority described in paragraph (1); and”.

Subsec. (d)(4). Pub. L. 113-172, § 2(4)(F), substituted “the use of the priorities and allocations authorities in this chapter;” for “all aspects of the authority described in paragraph (1).”

Subsec. (d)(5), (6). Pub. L. 113-172, § 2(4)(G), added pars. (5) and (6).

2009—Pub. L. 111-67 amended section generally. Prior to amendment, section related to defense industrial base information system with regard to its establishment, sources of information, strategic plan for developing comprehensive system, capabilities, and required report on subcontractor and supplier base.

EFFECTIVE DATE

Section deemed to have become effective Mar. 1, 1992, see section 304 of Pub. L. 102-558, set out as an Effective Date of 1992 Amendment note under section 4502 of this title.

DESIGNATING THE CHAIRPERSON OF THE DEFENSE PRODUCTION ACT COMMITTEE

Memorandum of President of the United States, May 19, 2010, 75 F.R. 32087, provided:

Memorandum for the Secretary of Defense [and] the Secretary of Homeland Security

Pursuant to the authority vested in me by section 722(b)(2) of the Defense Production Act of 1950, as amended (section 11 of Public Law 111-67; 50 App. U.S.C. 2171) [now 50 U.S.C. 4567(b)(2)] (the “Act”), I hereby designate the Secretary of Homeland Security and the Secretary of Defense as rotating Chairpersons of the Defense Production Act Committee (the “Committee”). The Chair shall rotate annually on April 1 of each year, with the Secretary of Homeland Security hereby designated to serve as Chairperson of the Committee for the remainder of this first term. The Secretary of Homeland Security and the Secretary of Defense are directed to formalize responsibilities for funding and administratively supporting the Committee through interagency agreement.

Furthermore, the Chairperson shall invite to each meeting of the Committee all Members of the Committee as defined in section 722(b) of the Act [50 U.S.C. 4567(b)], and shall ensure that the reporting requirements of section 722(d) of the Act [50 U.S.C. 4567(d)] are fulfilled.

The Secretary of Homeland Security is hereby authorized and directed to publish this memorandum in the Federal Register.

BARACK OBAMA.

§ 4568. Annual report on impact of offsets

(a) Report required

(1) In general

The President shall submit to the Committee on Banking, Housing, and Urban Affairs of the Senate and the Committee on Financial Services of the House of Representatives, a detailed annual report on the impact of offsets on the defense preparedness, industrial competitiveness, employment, and trade of the United States.