

“(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 review 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.

(2) Duties of the Secretary of Commerce

The Secretary of Commerce (hereafter in this subsection referred to as the “Secretary”) shall—

(A) prepare the report required by paragraph (1);

(B) consult with the Secretary of Defense, the Secretary of the Treasury, the Secretary of State, and the United States Trade Representative in connection with the preparation of such report; and

(C) function as the President’s Executive Agent for carrying out this section.

(b) Interagency studies and related data

(1) Purpose of report

Each report required under subsection (a) shall identify the cumulative effects of offset agreements on—

(A) the full range of domestic defense productive capability (with special attention paid to the firms serving as lower-tier subcontractors or suppliers); and

(B) the domestic defense technology base as a consequence of the technology transfers associated with such offset agreements.

(2) Use of data

Data developed or compiled by any agency while conducting any interagency study or other independent study or analysis shall be made available to the Secretary to facilitate the execution of the Secretary’s responsibilities with respect to trade offset and countertrade policy development.

(c) Notice of offset agreements

(1) In general

If a United States firm enters into a contract for the sale of a weapon system or defense-related item to a foreign country or foreign firm and such contract is subject to an offset agreement exceeding \$5,000,000 in value, such firm shall furnish to the official designated in the regulations promulgated pursuant to paragraph (2) information concerning such sale.

(2) Regulations

The information to be furnished under paragraph (1) shall be prescribed in regulations promulgated by the Secretary. Such regula-

tions shall provide protection from public disclosure for such information, unless public disclosure is subsequently specifically authorized by the firm furnishing the information.

(d) Contents of report

(1) In general

Each report under subsection (a) shall include—

(A) a net assessment of the elements of the industrial base and technology base covered by the report;

(B) recommendations for appropriate remedial action under the authority of this chapter, or other law or regulations;

(C) a summary of the findings and recommendations of any interagency studies conducted during the reporting period under subsection (b);

(D) a summary of offset arrangements concluded during the reporting period for which information has been furnished pursuant to subsection (c); and

(E) a summary and analysis of any bilateral and multilateral negotiations relating to the use of offsets completed during the reporting period.

(2) Alternative findings or recommendations

Each report required under this section shall include any alternative findings or recommendations offered by any departmental Secretary, agency head, or the United States Trade Representative to the Secretary.

(e) Utilization of annual report in negotiations

The findings and recommendations of the reports required by subsection (a), and any interagency reports and analyses shall be considered by representatives of the United States during bilateral and multilateral negotiations to minimize the adverse effects of offsets.

(Sept. 8, 1950, ch. 932, title VII, § 723, as added Pub. L. 111-67, § 12(a), Sept. 30, 2009, 123 Stat. 2020.)

TERMINATION OF SECTION

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

REFERENCES IN TEXT

This chapter, referred to in subsec. (d)(1)(B), 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.

CODIFICATION

Section was formerly classified to section 2172 of the former Appendix to this title prior to editorial reclassification and renumbering as this section.

REPORT ON IMPACT OF OFFSETS ON DOMESTIC CONTRACTORS AND LOWER TIER SUBCONTRACTORS

Pub. L. 108-195, § 7(a), Dec. 19, 2003, 117 Stat. 2894, as amended by Pub. L. 111-67, § 12(b)(3), Sept. 30, 2009, 123 Stat. 2022, provided that:

“(1) IN GENERAL.—As part of the annual report required under section 723(a) of the Defense Production Act of 1950 [50 U.S.C. 4568(a)], the Secretary of Commerce (in this section referred to as the ‘Secretary’) shall—

“(A) detail the number of foreign contracts involving domestic contractors that use offsets, industrial participation agreements, or similar arrangements during the preceding 5-year period;

“(B) calculate the aggregate, median, and mean values of the contracts and the offsets, industrial participation agreements, and similar arrangements during the preceding 5-year period; and

“(C) describe the impact of international or foreign sales of United States defense products and related offsets, industrial participation agreements, and similar arrangements on domestic prime contractors and, to the extent practicable, the first 3 tiers of domestic contractors and subcontractors during the preceding 5-year period in terms of domestic employment, including any job losses, on an annual basis.

“(2) USE OF INTERNAL DOCUMENTS.—To the extent that the Department of Commerce is already in possession of relevant data, the Department shall use internal documents or existing departmental records to carry out paragraph (1).

“(3) INFORMATION FROM NON-FEDERAL ENTITIES.—

“(A) EXISTING INFORMATION.—In carrying out paragraph (1), the Secretary shall only require a non-Federal entity to provide information that is available through the existing data collection and reporting systems of that non-Federal entity.

“(B) FORMAT.—The Secretary may require a non-Federal entity to provide information to the Secretary in the same form that is already provided to a foreign government in fulfilling an offset arrangement, industrial participation agreement, or similar arrangement.”

[Pub. L. 111-67, § 12(b)(3), which directed amendment of section 7(a) of the “Defense Production Act Amendments of 2003 (50 U.S.C. App. 2099 note)” by striking “section 309(a) of the Defense Production Act of 1950 (50 U.S.C. App. 2099(a))” and inserting “section 723(a) of the Defense Production Act of 1950”, was executed to section 7(a) of Pub. L. 108-195, the Defense Production Act Reauthorization of 2003, set out above, to reflect the probable intent of Congress.]

DEFENSE OFFSETS DISCLOSURE

Pub. L. 106-113, div. B, § 1000(a)(7) [div. B, title XII, subtitle D], Nov. 29, 1999, 113 Stat. 1536, 1501A-500, provided that:

“SEC. 1241. SHORT TITLE.

“This subtitle may be cited as the ‘Defense Offsets Disclosure Act of 1999’.

“SEC. 1242. FINDINGS AND DECLARATION OF POLICY.

“(a) FINDINGS.—Congress makes the following findings:

“(1) A fair business environment is necessary to advance international trade, economic stability, and development worldwide, is beneficial for American workers and businesses, and is in the United States national interest.

“(2) In some cases, mandated offset requirements can cause economic distortions in international defense trade and undermine fairness and competitiveness, and may cause particular harm to small- and medium-sized businesses.

“(3) The use of offsets may lead to increasing dependence on foreign suppliers for the production of United States weapons systems.

“(4) The offset demands required by some purchasing countries, including some close allies of the United States, equal or exceed the value of the base contract they are intended to offset, mitigating much of the potential economic benefit of the exports.

“(5) Offset demands often unduly distort the prices of defense contracts.

“(6) In some cases, United States contractors are required to provide indirect offsets which can negatively impact nondefense industrial sectors.

“(7) Unilateral efforts by the United States to prohibit offsets may be impractical in the current era of

globalization and would severely hinder the competitiveness of the United States defense industry in the global market.

“(8) The development of global standards to manage and restrict demands for offsets would enhance United States efforts to mitigate the negative impact of offsets.

“(b) DECLARATION OF POLICY.—It is the policy of the United States to monitor the use of offsets in international defense trade, to promote fairness in such trade, and to ensure that foreign participation in the production of United States weapons systems does not harm the economy of the United States.

“SEC. 1243. DEFINITIONS.

“In this subtitle:

“(1) APPROPRIATE CONGRESSIONAL COMMITTEES.—The term ‘appropriate congressional committees’ means—

“(A) the Committee on Foreign Relations of the Senate; and

“(B) the Committee on International Relations [now Committee on Foreign Affairs] of the House of Representatives.

“(2) G-8.—The term ‘G-8’ means the group consisting of France, Germany, Japan, the United Kingdom, the United States, Canada, Italy, and Russia established to facilitate economic cooperation among the eight major economic powers.

“(3) OFFSET.—The term ‘offset’ means the entire range of industrial and commercial benefits provided to foreign governments as an inducement or condition to purchase military goods or services, including benefits such as coproduction, licensed production, subcontracting, technology transfer, in-country procurement, marketing and financial assistance, and joint ventures.

“(4) TRANSATLANTIC ECONOMIC PARTNERSHIP.—The term ‘Transatlantic Economic Partnership’ means the joint commitment made by the United States and the European Union to reinforce their close relationship through an initiative involving the intensification and extension of multilateral and bilateral cooperation and common actions in the areas of trade and investment.

“(5) WASSENAAR ARRANGEMENT.—The term ‘Wassenaar Arrangement’ means the multilateral export control regime in which the United States participates that seeks to promote transparency and responsibility with regard to transfers of conventional armaments and sensitive dual-use items.

“(6) WORLD TRADE ORGANIZATION.—The term ‘World Trade Organization’ means the organization established pursuant to the WTO Agreement.

“(7) WTO AGREEMENT.—The term ‘WTO Agreement’ means the Agreement Establishing the World Trade Organization entered into on April 15, 1994.

“SEC. 1244. SENSE OF CONGRESS.

“It is the sense of Congress that—

“(1) the executive branch should pursue efforts to address trade fairness by establishing reasonable, business-friendly standards for the use of offsets in international business transactions between the United States and its trading partners and competitors;

“(2) the Secretary of Defense, the Secretary of State, the Secretary of Commerce, and the United States Trade Representative, or their designees, should raise with other industrialized nations at every suitable venue the need for transparency and reasonable standards to govern the role of offsets in international defense trade;

“(3) the United States Government should enter into discussions regarding the establishment of multilateral standards for the use of offsets in international defense trade through the appropriate multilateral fora, including such organizations as the Transatlantic Economic Partnership, the Wassenaar Arrangement, the G-8, and the World Trade Organization; and

“(4) the United States Government, in entering into the discussions described in paragraph (3), should

take into account the distortions produced by the provision of other benefits and subsidies, such as export financing, by various countries to support defense trade.

“SEC. 1245. REPORTING OF OFFSET AGREEMENTS.
“[Amended section 2776 of title 22.]

“SEC. 1246. EXPANDED PROHIBITION ON INCENTIVE PAYMENTS.
“[Amended section 2779a of title 22.]

“SEC. 1247. ESTABLISHMENT OF REVIEW COMMISSION.

“(a) IN GENERAL.—There is established a National Commission on the Use of Offsets in Defense Trade (in this section referred to as the ‘Commission’) to address all aspects of the use of offsets in international defense trade.

“(b) COMMISSION MEMBERSHIP.—Not later than 120 days after the date of enactment of this Act [Nov. 29, 1999], the President, with the concurrence of the Majority and Minority Leaders of the Senate and the Speaker and Minority Leader of the House of Representatives, shall appoint 11 individuals to serve as members of the Commission. Commission membership shall include—

“(1) representatives from the private sector, including—

“(A) one each from—

“(i) a labor organization,

“(ii) a United States defense manufacturing company dependent on foreign sales,

“(iii) a United States company dependent on foreign sales that is not a defense manufacturer, and

“(iv) a United States company that specializes in international investment, and

“(B) two members from academia with widely recognized expertise in international economics; and

“(2) five members from the executive branch, including a member from—

“(A) the Office of Management and Budget,

“(B) the Department of Commerce,

“(C) the Department of Defense,

“(D) the Department of State, and

“(E) the Department of Labor.

The member designated from the Office of Management and Budget shall serve as Chairperson of the Commission. The President shall ensure that the Commission is nonpartisan and that the full range of perspectives on the subject of offsets in the defense industry is adequately represented.

“(c) DUTIES.—The Commission shall be responsible for reviewing and reporting on—

“(1) the full range of current practices by foreign governments in requiring offsets in purchasing agreements and the extent and nature of offsets offered by United States and foreign defense industry contractors;

“(2) the impact of the use of offsets on defense subcontractors and nondefense industrial sectors affected by indirect offsets; and

“(3) the role of offsets, both direct and indirect, on domestic industry stability, United States trade competitiveness and national security.

“(d) COMMISSION REPORT.—Not later than 12 months after the Commission is established, the Commission shall submit a report to the appropriate congressional committees. In addition to the items described under subsection (c), the report shall include—

“(1) an analysis of—

“(A) the collateral impact of offsets on industry sectors that may be different than those of the contractor providing the offsets, including estimates of contracts and jobs lost as well as an assessment of damage to industrial sectors;

“(B) the role of offsets with respect to competitiveness of the United States defense industry in international trade and the potential damage to the

ability of United States contractors to compete if offsets were prohibited or limited; and

“(C) the impact on United States national security, and upon United States nonproliferation objectives, of the use of coproduction, subcontracting, and technology transfer with foreign governments or companies that results from fulfilling offset requirements, with particular emphasis on the question of dependency upon foreign nations for the supply of critical components or technology;

“(2) proposals for unilateral, bilateral, or multilateral measures aimed at reducing any detrimental effects of offsets; and

“(3) an identification of the appropriate executive branch agencies to be responsible for monitoring the use of offsets in international defense trade.

“(e) PERIOD OF APPOINTMENT; VACANCIES.—Members shall be appointed for the life of the Commission. Any vacancy in the Commission shall not affect its powers, but shall be filled in the same manner as the original appointment.

“(f) INITIAL MEETING.—Not later than 30 days after the date on which all members of the Commission have been appointed, the Commission shall hold its first meeting.

“(g) MEETINGS.—The Commission shall meet at the call of the Chairman.

“(h) COMMISSION PERSONNEL MATTERS.—

“(1) COMPENSATION OF MEMBERS.—Each member of the Commission who is not an officer or employee of the Federal Government shall be compensated at a rate equal to the daily equivalent of the annual rate of basic pay prescribed for level IV of the Executive Schedule under section 5315 of title 5, United States Code, for each day (including travel time) during which such member is engaged in the performance of the duties of the Commission. All members of the Commission who are officers or employees of the United States shall serve without compensation in addition to that received for their services as officers or employees of the United States.

“(2) TRAVEL EXPENSES.—The members of the Commission shall be allowed travel expenses, including per diem in lieu of subsistence, at rates authorized for employees of agencies under subchapter I of chapter 57 of title 5, United States Code, while away from their homes or regular places of business in the performance of services for the Commission.

“(3) STAFF.—

“(A) IN GENERAL.—The Chairman of the Commission may, without regard to the civil service laws and regulations, appoint and terminate an executive director and such other additional personnel as may be necessary to enable the Commission to perform its duties. The employment of an executive director shall be subject to confirmation by the Commission.

“(B) COMPENSATION.—The Chairman of the Commission may fix the compensation of the executive director and other personnel without regard to the provisions of chapter 51 and subchapter III of chapter 53 of title 5, United States Code, relating to classification of positions and General Schedule pay rates, except that the rate of pay for the executive director and other personnel may not exceed the rate payable for level V of the Executive Schedule under section 5316 of such title.

“(4) DETAIL OF GOVERNMENT EMPLOYEES.—Any Federal Government employee may be detailed to the Commission without reimbursement, and such detail shall be without interruption or loss of civil service status or privilege.

“(5) PROCUREMENT OF TEMPORARY AND INTERMITTENT SERVICES.—The Chairman of the Commission may procure temporary and intermittent services under section 3109(b) of title 5, United States Code, at rates for individuals which do not exceed the daily equivalent of the annual rate of basic pay prescribed for level V of the Executive Schedule under section 5316 of such title.

“(i) TERMINATION.—The Commission shall terminate 30 days after the transmission of the report from the President as mandated in section 1248(b).

“SEC. 1248. MULTILATERAL STRATEGY TO ADDRESS OFFSETS.

“(a) IN GENERAL.—The President shall initiate a review to determine the feasibility of establishing, and the most effective means of negotiating, a multilateral treaty on standards for the use of offsets in international defense trade, with a goal of limiting all offset transactions that are considered injurious to the economy of the United States.

“(b) REPORT REQUIRED.—Not later than 90 days after the date on which the Commission submits the report required under section 1247(d), the President shall submit to the appropriate congressional committees a report containing the President's determination pursuant to subsection (a), and, if the President determines a multilateral treaty is feasible or desirable, a strategy for United States negotiation of such a treaty. One year after the date the report is submitted under the preceding sentence, and annually thereafter for 5 years, the President shall submit to the appropriate congressional committees a report detailing the progress toward reaching such a treaty.

“(c) REQUIRED INFORMATION.—The report required by subsection (b) shall include—

“(1) a description of the United States efforts to pursue multilateral negotiations on standards for the use of offsets in international defense trade;

“(2) an evaluation of existing multilateral fora as appropriate venues for establishing such negotiations;

“(3) a description on a country-by-country basis of any United States efforts to engage in negotiations to establish bilateral treaties or agreements with respect to the use of offsets in international defense trade; and

“(4) an evaluation on a country-by-country basis of any foreign government efforts to address the use of offsets in international defense trade.

“(d) COMPTROLLER GENERAL REVIEW.—The Comptroller General of the United States shall monitor and periodically report to Congress on the progress in reaching a multilateral treaty.”

DECLARATION OF OFFSET POLICY

Pub. L. 102-558, title I, § 123, Oct. 28, 1992, 106 Stat. 4206, as amended by Pub. L. 108-195, § 7(c), Dec. 19, 2003, 117 Stat. 2895; Pub. L. 111-67, § 12(b)(1), Sept. 30, 2009, 123 Stat. 2022, provided that:

“(a) IN GENERAL.—Recognizing that certain offsets for military exports are economically inefficient and market distorting, and mindful of the need to minimize the adverse effects of offsets in military exports while ensuring that the ability of United States firms to compete for military export sales is not undermined, it is the policy of the Congress that—

“(1) no agency of the United States Government shall encourage, enter directly into, or commit United States firms to any offset arrangement in connection with the sale of defense goods or services to foreign governments;

“(2) United States Government funds shall not be used to finance offsets in security assistance transactions, except in accordance with policies and procedures that were in existence on March 1, 1992;

“(3) nothing in this section shall prevent agencies of the United States Government from fulfilling obligations incurred through international agreements entered into before March 1, 1992; and

“(4) the decision whether to engage in offsets, and the responsibility for negotiating and implementing offset arrangements, reside with the companies involved.

“(b) PRESIDENTIAL APPROVAL OF EXCEPTIONS.—It is the policy of the Congress that the President may approve an exception to the policy stated in subsection (a) after receiving the recommendation of the National Security Council.

“(c) NEGOTIATIONS.—

“(1) INTERAGENCY TEAM.—

“(A) IN GENERAL.—It is the policy of Congress that the President shall designate a chairman of an interagency team comprised of the Secretary of Commerce, Secretary of Defense, United States Trade Representative, Secretary of Labor, and Secretary of State to consult with foreign nations on limiting the adverse effects of offsets in defense procurement without damaging the economy or the defense industrial base of the United States or United States defense production or defense preparedness.

“(B) MEETINGS.—The President shall direct the interagency team to meet on a quarterly basis.

“(C) REPORTS.—The President shall direct the interagency team to submit to Congress an annual report, to be included as part of the report required under section 723(a) of the Defense Production Act of 1950 [50 U.S.C. 4568(a)], that describes the results of the consultations of the interagency team under subparagraph (A) and the meetings of the interagency team under subparagraph (B).

“(2) RECOMMENDATIONS FOR MODIFICATIONS.—The interagency team shall submit to the President any recommendations for modifications of any existing or proposed memorandum of understanding between officials acting on behalf of the United States and one or more foreign countries (or any instrumentality of a foreign country) relating to—

“(A) research, development, or production of defense equipment; or

“(B) the reciprocal procurement of defense items.”

DELEGATION OF FUNCTIONS

For directive to Secretary of Commerce to prepare and submit annual report required by this section, see section 702 of Ex. Ord. No. 13603, Mar. 16, 2012, 77 F.R. 16658, set out as a note under section 4553 of this title.

EX. ORD. NO. 13177. NATIONAL COMMISSION ON THE USE OF OFFSETS IN DEFENSE TRADE AND PRESIDENT'S COUNCIL ON THE USE OF OFFSETS IN COMMERCIAL TRADE

Ex. Ord. No. 13177, Dec. 4, 2000, 65 F.R. 76558, as amended by Ex. Ord. No. 13316, §3(f), Sept. 17, 2003, 68 F.R. 55256, provided:

By the authority vested in the President by the Constitution and the laws of the United States of America, including Public Law 106–113 [see Tables for classification] and the Federal Advisory Committee Act, as amended (5 U.S.C. App.), and in order to implement section 1247 of Public Law 106–113 (113 Stat. 1501A–502) [set out in a note above] and to create a parallel “President’s Council on the Use of Offsets in Commercial Trade,” it is hereby ordered as follows:

SECTION 1. *Membership.* Pursuant to Public Law 106–113, the “National Commission on the Use of Offsets in Defense Trade” (Commission) comprises 11 members appointed by the President with the concurrence of the Majority and Minority Leaders of the Senate and the Speaker and the Minority Leader of the House of Representatives. The Commission membership includes: (a) representatives from the private sector, including one each from (i) a labor organization, (ii) a United States defense manufacturing company dependent on foreign sales, (iii) a United States company dependent on foreign sales that is not a defense manufacturer, and (iv) a United States company that specializes in international investment; (b) two members from academia with widely recognized expertise in international economics; and (c) five members from the executive branch, including a member from the: (i) Office of Management and Budget, (ii) Department of Commerce, (iii) Department of Defense, (iv) Department of State, and (v) Department of Labor. The member from the Office of Management and Budget will serve as Chairperson of the Commission and will appoint, and fix the compensation of, the Executive Director of the Commission.

SEC. 2. *Duties.* The Commission will be responsible for reviewing and reporting on: (a) current practices by foreign governments in requiring offsets in purchasing agreements and the extent and nature of offsets offered by United States and foreign defense industry contractors; (b) the impact of the use of offsets on defense sub-contractors and nondefense industrial sectors affected by indirect offsets; and (c) the role of offsets, both direct and indirect, on domestic industry stability, United States trade competitiveness, and national security.

SEC. 3. *Commission Report.* Not later than 12 months after the Commission is established, it will report to the appropriate congressional committees. In addition to the items described in section 2 of this order, the report will include: (a) an analysis of (i) the collateral impact of offsets on industry sectors that may be different than those of the contractor paying offsets, including estimates of contracts and jobs lost as well as an assessment of damage to industrial sectors; (ii) the role of offsets with respect to competitiveness of the United States defense industry in international trade and the potential damage to the ability of United States contractors to compete if offsets were prohibited or limited; and (iii) the impact on United States national security, and upon United States nonproliferation objectives, of the use of co-production, subcontracting, and technology transfer with foreign governments or companies, that results from fulfilling offset requirements, with particular emphasis on the question of dependency upon foreign nations for the supply of critical components or technology; (b) proposals for unilateral, bilateral, or multilateral measures aimed at reducing any detrimental effects of offsets; and (c) an identification of the appropriate executive branch agencies to be responsible for monitoring the use of offsets in international defense trade.

SEC. 4. *Administration, Compensation, and Termination.*

(a) The Department of Defense will provide administrative support and funding for the Commission and Federal Government employees may be detailed to the Commission without reimbursement.

(b) Members of the Commission who are not officers or employees of the Federal Government will be compensated at a rate of basic pay prescribed for level IV of the Executive Schedule under section 5315 of title 5, United States Code, for each day (including travel time) during which such member is engaged in performance of the duties of the Commission. Members of the Commission who are officers or employees of the Federal Government will serve without compensation in addition to that received for their services as officers or employees of the Federal Government.

(c) Members of the Commission will be allowed travel expenses, including per diem in lieu of subsistence, under subchapter 1 of chapter 57 of title 5, United States Code, while on business in the performance of services for the Commission.

(d) The Commission will terminate 30 days after transmitting the report required in section 1248(b) of Public Law 106–113 (113 Stat. 1501A–505) [set out in a note above].

[SECS. 5 to 8. Revoked effective Sept. 30, 2003, by Ex. Ord. No. 13316, §3(f), Sept. 17, 2003, 68 F.R. 55256.]

CHAPTER 56—EXPORT ADMINISTRATION

Sec.

4601 to 4610. Repealed.

4611. Multilateral export control violations.

4612. Missile proliferation control violations.

4613. Chemical and biological weapons proliferation sanctions.

4614 to 4623. Repealed.

§ 4601. Repealed. Pub. L. 115–232, div. A, title XVII, § 1766(a), Aug. 13, 2018, 132 Stat. 2232

Section, Pub. L. 96–72, §2, Sept. 29, 1979, 93 Stat. 503; Pub. L. 99–64, title I, §102, July 12, 1985, 99 Stat. 120;