

109TH CONGRESS
2^D SESSION

H. R. 4813

To amend the Defense Production Act of 1950 to improve national security and clarify congressional intent with respect to the review process for certain mergers and acquisitions, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

FEBRUARY 28, 2006

Mr. FOLEY (for himself, Mr. THOMPSON of Mississippi, Mr. BROWN of Ohio, Mrs. BONO, Mr. MCCOTTER, Mr. RUPPERSBERGER, Mr. FOSSELLA, Mr. BERRY, Mr. SAM JOHNSON of Texas, Mr. MICHAUD, Mr. WU, Mr. TIBERI, Mr. SHAYS, Mr. FEENEY, Mr. DAVIS of Tennessee, Mr. LOBIONDO, Mr. WOLF, Mr. RYAN of Wisconsin, Mr. WAMP, Mr. WEXLER, Mr. DEFAZIO, Mr. TERRY, Mr. HOLDEN, Mr. SIMMONS, Mr. SANDERS, Mr. ROSS, Mrs. EMERSON, Mr. BROWN of South Carolina, Mr. MCGOVERN, Ms. HARRIS, and Mr. DAVIS of Kentucky) introduced the following bill; which was referred to the Committee on Financial Services, and in addition to the Committees on Energy and Commerce and International Relations, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned

A BILL

To amend the Defense Production Act of 1950 to improve national security and clarify congressional intent with respect to the review process for certain mergers and acquisitions, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

1 **SECTION 1. SHORT TITLE.**

2 This Act may be cited as the “United States Security
3 Improvement Act of 2006”.

4 **SEC. 2. AMENDMENTS TO DEFENSE PRODUCTION ACT OF**
5 **1950 RELATING TO MANDATORY INVESTIGA-**
6 **TIONS.**

7 Section 721(b) of the Defense Production Act of
8 1950 (50 U.S.C. App. 2170(b)) is amended—

9 (1) by redesignating paragraphs (1) and (2) as
10 subparagraphs (A) and (B), respectively, and mov-
11 ing the left margin of such provisions 4 ems to the
12 right;

13 (2) by striking “MANDATORY INVESTIGA-
14 TIONS.—The President” and inserting “MANDATORY
15 INVESTIGATIONS.—

16 “(1) IN GENERAL.—The President”;

17 (3) by striking “that could affect the national
18 security of the United States” at the end of the 1st
19 sentence;

20 (4) by inserting after the 1st sentence the fol-
21 lowing new paragraph:

22 “(2) PURPOSE OF INVESTIGATION.—The pur-
23 pose of a mandatory investigation under this section
24 shall be to determine whether the merger, acquisi-
25 tion, or takeover referred to in paragraph (1) could
26 affect the national security of the United States.”;

1 (5) by striking “Such investigation shall—”
2 and inserting the following:

3 “(3) TIMING OF INVESTIGATION.—Subject to
4 paragraph (4), a mandatory investigation under this
5 section shall—”; and

6 (6) by adding at the end the following new
7 paragraph:

8 “(4) NOTICE AND WAIT REQUIREMENTS.—

9 “(A) NOTICE TO THE CONGRESS.—

10 “(i) IN GENERAL.—Within 5 days
11 after initiating a mandatory investigation
12 under paragraph (1), the President or the
13 President’s designee shall transmit a notice
14 of the transaction being investigated to
15 each House of the Congress.

16 “(ii) DISTRIBUTION.—Any notice re-
17 ceived under clause (i) shall be promptly
18 transmitted to the appropriate committees
19 of the House of Representatives and the
20 Senate, including the Permanent Select
21 Committee on Intelligence, the Committee
22 on Homeland Security, and the Committee
23 on Financial Services of the House of Rep-
24 resentatives and the Select Committee on
25 Intelligence, the Committee on Homeland

1 Security and Governmental Affairs, and
2 the Committee on Banking, Housing, and
3 Urban Affairs of the Senate.

4 “(iii) CONTENTS OF NOTICE.—The
5 notice shall include such details of the
6 transaction as will enable committees of
7 the House of Representatives and the Sen-
8 ate to deliberate on the transaction.

9 “(B) DELAYED PERIOD FOR ACTION.—
10 The President shall not make a determination
11 to take action or not take action under sub-
12 section (d) with respect to a transaction for
13 which notice to the Congress is required under
14 subparagraph (A), other than to suspend the
15 proposed transaction pending the outcome of
16 the investigation, until 14 days after such no-
17 tice is transmitted to the Congress in accord-
18 ance with such subparagraph.

19 “(C) CONSIDERATION OF CONGRESSIONAL
20 RESPONSE.—Any comments on the transaction
21 provided by any committee of the House of
22 Representatives or the Senate to which a notice
23 was transmitted under subparagraph (A) shall
24 be considered and taken into account by the

1 President in making any determination under
2 this section.”.

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