

107<sup>TH</sup> CONGRESS  
1<sup>ST</sup> SESSION

# H. R. 2394

To amend the Defense Production Act of 1950 to establish the National Defense Preparedness Domestic Industrial Base Board, and for other purposes.

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## IN THE HOUSE OF REPRESENTATIVES

JUNE 28, 2001

Mr. KUCINICH (for himself, Mr. BROWN of Ohio, Mr. LATOURETTE, and Mrs. JONES of Ohio) introduced the following bill; which was referred to the Committee on Financial Services

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## A BILL

To amend the Defense Production Act of 1950 to establish the National Defense Preparedness Domestic Industrial Base Board, 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,*

3        **SECTION 1. SHORT TITLE.**

4        This Act may be cited as the “Steel and National  
5        Security Act”.

6        **SEC. 2. FINDINGS.**

7        The Congress finds as follows:

1           (1) Domestic steel capacity is an essential part  
2 of the domestic industrial and technological base, as  
3 described in Executive Order Numbered 12919.

4           (2) Executive Order Numbered 12919—

5           (A) designates the Nation’s domestic in-  
6 dustrial and technological base as the founda-  
7 tion for national defense preparedness; and

8           (B) directs that authority provided under  
9 the Defense Production Act of 1950 be used to  
10 strengthen the domestic industrial and techno-  
11 logical base to ensure that such base is capable  
12 of responding to all threats to the national se-  
13 curity of the United States.

14           (3) The influx of cheap imported steel illegally  
15 dumped on the United States has brought about a  
16 crisis in the United States’ steel industry that  
17 threatens the viability of domestic steel production.

18 **SEC. 3. PRODUCTIVE CAPACITY AND SUPPLY.**

19           (a) AUTHORIZATION OF APPROPRIATION.—Section  
20 711(b) of the Defense Production Act of 1950 (50 U.S.C.  
21 App. 2161(b)) is amended to read as follows:

22           “(b) TITLE III AUTHORIZATION.—

23           “(1) IN GENERAL.—There are authorized to be  
24 appropriated for each of fiscal years 2002, 2003,  
25 and 2004 not to exceed \$1,000,000,000.

1           “(2) PURCHASE COMMITMENTS.—Not less than  
2           50 percent of the amount appropriated under para-  
3           graph (1) for any fiscal year is authorized to be ap-  
4           propriated solely for purchase commitments.”.

5           (b) NATIONAL DEFENSE PREPAREDNESS DOMESTIC  
6 INDUSTRIAL BASE BOARD.—Title III of the Defense Pro-  
7 duction Act of 1950 (50 U.S.C. App. 2091 et seq.) is  
8 amended by adding at the end the following new section:  
9 **“SEC. 311. NATIONAL DEFENSE PREPAREDNESS DOMESTIC**  
10 **INDUSTRIAL BASE BOARD.**

11           “(a) ESTABLISHMENT.—There is hereby established  
12 a board to be known as the National Defense Prepared-  
13 ness Domestic Industrial Base Board (hereafter in this  
14 section referred to as the ‘Board’).

15           “(b) MEMBERSHIP.—

16           “(1) NUMBER AND APPOINTMENT.—The Board  
17 shall consist of 5 members appointed by the Presi-  
18 dent, from among individuals who—

19           “(A) are or have been affiliated with the  
20 Department of Defense or a military depart-  
21 ment (as defined in section 101 of title 10,  
22 United States Code; and

23           “(B) have experience preparing the United  
24 States for a national security emergency or

1 managing the development and acquisition of  
2 weapons or other defense products.

3 “(2) POLITICAL AFFILIATION.—Not more than  
4 3 members may be of the same political party.

5 “(3) TERMS.—

6 “(A) IN GENERAL.—Each member shall be  
7 appointed a term of 5 years, except as provided  
8 in subparagraphs (A) and (B)

9 “(B) TERMS OF INITIAL APPOINTEES.—As  
10 designated by the President at the time of ap-  
11 pointment, of the members first appointed—

12 “(i) 1 shall be appointed for a term of  
13 5 years;

14 “(ii) 1 shall be appointed for a term  
15 of 4 years;

16 “(iii) 1 shall be appointed for a term  
17 of 3 years;

18 “(iv) 1 shall be appointed for a term  
19 of 2 years; and

20 “(v) 1 shall be appointed for a term  
21 of 1 year.

22 “(4) VACANCIES.—

23 “(A) APPOINTMENT FOR BALANCE OF  
24 TERM.—Any member appointed to fill a va-  
25 cancy occurring before the expiration of the

1 term for which the member's predecessor was  
2 appointed shall be appointed only for the re-  
3 mainder of that term.

4 “(B) CONTINUATION OF SERVICE.—A  
5 member may serve after the expiration of that  
6 member's term until a successor has taken of-  
7 fice.

8 “(C) APPOINTMENT TO VACANCY.—A va-  
9 cancy in the Board shall be filled in the manner  
10 in which the original appointment was made.

11 “(5) PROHIBITION OF COMPENSATION OF FED-  
12 ERAL EMPLOYEES.—Members of the Board who are  
13 full-time officers or employees of the United States  
14 may not receive additional pay, allowances, or bene-  
15 fits by reason of their service on the Board.

16 “(6) TRAVEL EXPENSES.—Each member shall  
17 receive travel expenses, including per diem in lieu of  
18 subsistence, in accordance with sections 5702 and  
19 5703 of title 5, United States Code.

20 “(7) QUORUM.—3 members of the Board shall  
21 constitute a quorum but a lesser number may hold  
22 hearings.

23 “(c) CHAIRPERSON.—The Chairperson of the Board  
24 shall be designated by the President at the time of the  
25 appointment.

1 “(d) DUTIES.—

2 “(1) IN GENERAL.—The Board shall take such  
3 action as may be necessary to ensure uninterrupted  
4 availability of national defense-related products,  
5 services, and industrial resources through long-term  
6 purchase agreements with domestic sources.

7 “(2) ONE-TIME EN MASSE PURCHASES.—

8 “(A) IN GENERAL.—The Board may, in  
9 the Board’s discretion, purchase domestic prod-  
10 ucts, materials, or industrial resources from a  
11 domestic concern that is at risk of bankruptcy  
12 and whose failure would threaten a critical in-  
13 dustry for national security, including the steel  
14 industry, in which such concern is involved.

15 “(B) STORAGE FOR USE.—Any product or  
16 material purchased by the Board under sub-  
17 paragraph (A) shall be kept in storage for use  
18 in the event of a national emergency, in accord-  
19 ance with the Strategic and Critical Materials  
20 Stock Piling Act, or as the Secretary of Defense  
21 or the Secretary of Energy may otherwise pro-  
22 vide.

23 “(3) STUDY AND MONITOR CRITICAL INDUS-  
24 TRIES.—The Board shall study and monitor critical  
25 industries, including the steel industry, for national

1 security and domestic concerns involved in any such  
2 industry to determine which are in danger of failing  
3 or otherwise losing the capacity to provide for na-  
4 tional security.

5 “(4) DEFINITIONS.—For purposes of this sub-  
6 section, the following definitions shall apply:

7 “(A) DOMESTIC CONCERN.—The term ‘do-  
8 mestic concern’ has the same meaning given in  
9 section 104(h)(1) of the Foreign Corrupt Prac-  
10 tices Act of 1977.

11 “(B) DOMESTIC PRODUCT, MATERIAL, OR  
12 INDUSTRIAL RESOURCE.—The term ‘domestic  
13 products, materials, or industrial resources’  
14 means—

15 “(i) in the case of unmanufactured  
16 products, materials, or industrial re-  
17 sources, products, materials, or resources  
18 all or substantially all of which were mined  
19 or produced in the United States; and

20 “(ii) in the case of manufactured or  
21 processed products, materials and indus-  
22 trial resources—

23 “(I) all or substantially all of the  
24 component products, materials, or re-

1 sources were mined or produced in the  
2 United States; and

3 “(II) all or substantially all of  
4 the manufacturing, processing, fab-  
5 rication, or assembly of such product,  
6 material or resource was conducted  
7 within the United States.

8 “(e) POWERS OF THE BOARD.—

9 “(1) HEARINGS AND SESSIONS.—

10 “(A) IN GENERAL.—The Board may, for  
11 the purpose of carrying out this Act, hold hear-  
12 ings, sit and act at times and places, take testi-  
13 mony, and receive evidence as the Board con-  
14 siders appropriate.

15 “(B) OATHS AND AFFIRMATIONS.—The  
16 Board may administer oaths or affirmations to  
17 witnesses appearing before it.

18 “(2) OBTAINING OFFICIAL DATA.—

19 “(A) IN GENERAL.—Notwithstanding any  
20 other provision of law, the Board may secure  
21 directly from any department or agency of the  
22 United States information necessary to enable  
23 it to carry out this section.

24 “(B) REQUEST FOR INFORMATION.—Upon  
25 request of the Chairperson of the Board, the

1 head of the department or agency receiving the  
2 request for information under subparagraph (A)  
3 shall furnish that information to the Board.

4 “(3) **MAILS.**—The Board may use the United  
5 States mails in the same manner and under the  
6 same conditions as other departments and agencies  
7 of the United States.

8 “(4) **ADMINISTRATIVE SUPPORT SERVICES.**—  
9 Upon the request of the Board, the Administrator of  
10 General Services shall provide to the Board, on a re-  
11 imburseable basis, the administrative support services  
12 necessary for the Board to carry out this section.

13 “(f) **STAFF.**—

14 “(1) **APPOINTMENT.**—The Board may appoint  
15 and fix the pay of a Director and such additional  
16 personnel as the Board considers appropriate.

17 “(2) **EXPERTS AND CONSULTANTS.**—The Board  
18 may procure temporary and intermittent services  
19 under section 3109(b) of title 5, United States Code.

20 “(3) **STAFF OF FEDERAL AGENCIES.**—Upon re-  
21 quest of the Board, the head of any Federal depart-  
22 ment or agency may detail, on a reimbursable basis,  
23 any of the personnel of that department or agency  
24 to the Board to assist the Board in carrying out this  
25 section.”.

1 **SEC. 4. MANDATORY REVIEW OF MERGERS, ACQUISITIONS,**  
2 **AND TAKEOVERS OF DOMESTIC STEEL COM-**  
3 **PANIES BY FOREIGN COMPANIES.**

4 Section 721(b) of the Defense Production Act of  
5 1950 (50 U.S.C. App. 2170(b)) is amended by inserting  
6 before the period at the end of the 1st sentence “or in  
7 any instance in which a person of a foreign country (as  
8 defined in section 3502(d) of the Omnibus Trade and  
9 Competitiveness Act of 1988) seeks to engage in any  
10 merger, acquisition, or takeover that could result in the  
11 control by such person of a domestic steel company”.

12 **SEC. 5. EXTENSION OF DEFENSE PRODUCTION ACT OF 1950.**

13 Section 717(a) of the Defense Production Act of  
14 1950 (50 U.S.C. App. 2166(a)) is amended by striking  
15 “September 30, 2001” and inserting “September 30,  
16 2004”.

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