






VIRTUAL UPDATE
CONFERENCE ON
**EXPORT
CONTROLS
& POLICY**

Partnering to Address 21st Century
Export Control Challenges

Defense Priorities and Allocations System (DPAS) and COVID-19 Response

ERIC LONGNECKER
DIRECTOR, DEFENSE PROGRAMS
DIVISION

BIS 2021 | VIRTUAL UPDATE CONFERENCE:
EXPORT CONTROLS & POLICY

Defense Production Act of 1950

- Under Title I of the Defense Production Act of 1950 (DPA), the President is authorized to require:
 - Preferential acceptance and performance of contracts or orders (other than contracts of employment) supporting certain approved national defense and energy programs.
 - The allocation of materials, services, and facilities in such a manner as to promote these approved programs.
 - Congress extended the non-permanent provisions of the DPA (Title I) through September 30, 2025.

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Defense Production Act of 1950

- The DPA's definition of "national defense" includes programs for:
 - Military and energy production or construction.
 - Military or critical infrastructure assistance to any foreign nation, homeland security, stockpiling, space, and any directly related activity.
 - The definition also includes emergency preparedness activities conducted pursuant to Title VI of The Robert T. Stafford Disaster Relief and Emergency Assistance Act (42 U.S.C. 5195, et seq.) and critical infrastructure protection and restoration (CIPR).
 - National defense is broadly defined and can include CIPR, emergency preparedness, and preparation for and recovery from natural disasters.



Agency Priorities and Allocations Rules

- **Agriculture – (APAS):** Food resources (includes meals-ready-to-eat, bottled water)
- **Energy – (EPAS):** Includes all forms of energy other than authority in DPA Section 101(c); maximization of domestic energy supplies
- **Health and Human Services – (HRPAS):** Health resources (includes vaccines and ancillary medical devices and equipment)
- **Transportation – (TPAS):** Includes priority use and allocation of shipping services, chassis, and port facilities, and services for national security and national defense related operations
- **Commerce – (DPAS):** All other materials not delegated above in E.O. 13603 (industrial resources)



What is the DPAS?

- The DPAS implements the Title I priorities and allocations authority contained in the DPA that has been delegated to the Secretary of Commerce.
- The DPAS establishes procedures for the placement, acceptance and priority performance of priority-rated contracts and purchase orders, called “rated orders.”
- The DOC has managed an operational priorities and allocations system since 1950.
- Historically, the DPAS has predominately been used to support military programs, but has been used more regularly in recent years for homeland security and emergency preparedness/response programs.



Key Features of the DPAS

- Mandatory Acceptance
- Mandatory and Optional Rejection
- Customer Notification Requirements
- Preferential Scheduling
- Extension of Priority Ratings
- Protection Against Claims



DPAS Use in Response to COVID-19

- Most of the rated orders issued under DPA Title I were issued under HHS's HRPAS regulation, but BIS issued seven DPAS rating authorizations to support the Federal response to COVID-19.
 - Three of BIS's authorizations were issued to USG agencies for cleaning supplies and IT equipment.
 - Two were issued to private companies that received USG support to expand production capacity for medical resources that were experiencing delays in procuring production equipment.
 - Two were issued to DOD and HHS to allow those agencies to give DPAS rating authority for production equipment to all companies that received USG support to expand production capacity.
- BIS continues to work closely with all agencies with DPA Title I authorities to ensure they are being best utilized to support COVID-19 response.



DPAS Resources

- Additional information on the DPAS can be found on our website: <https://www.bis.doc.gov/index.php/other-areas/strategic-industries-and-economic-security-sies/defense-priorities-a-allocations-system-program-dpas>
 - This page includes a training course to assist industry to comply with the DPAS
 - You can also email us at DPAS@bis.doc.gov