

Working with DPA Title III

Funding Opportunity Announcement (FOA):

In July 2019, DPA Title III issued a hybrid FOA entitled *Defense Production Act Title III Expansion of Domestic Production Capability and Capacity* (# FA8650-19-S-5010). The FOA has two parts: the Open FOA and the FOA with Calls.

Front Door For Industry: Open FOA:

1. Industry submits “white papers” in accordance to the FOA.
2. Government stakeholders will validate whether a government requirement exists, and if approved, offerors may be asked to submit a proposal.

Front Door For Government: FOA with Calls

1. Government requests and submits Application Form with justification for proposed project(s).
2. If approved, Title III issues a Project Announcement as a Call under the FOA.
3. Industry submits technical and cost proposals against the Call.

Access the FOA via our website:

<https://www.businessdefense.gov/DPA-Title-III/Opportunities>



Introduction to the Defense Production Act Title III

For more information, contact:

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And visit our website:

<http://www.businessdefense.gov/Programs/DPA-Title-III/>

***“Expansion of
Productive
Capacity and Supply”***



Introduction to Program Office

The Defense Production Act

The Defense Production Act (DPA), enacted in 1950, provides the President a broad set of authorities to ensure the timely availability of essential domestic industrial resources to support national defense and homeland security requirements.

Oversight

The DPA is a Title 50 authority under the jurisdiction of the House Committee on Financial Services and the Senate Committee on Banking, Housing, and Urban Affairs. The execution of all projects require the President to issue a determination authorizing the use of DPA Title III authorities.

Principal Authorities

DPA Title I

Priorities & Allocations

Provides the authority to order priority performance (delivery) on Government contracts and allocate materials to meet national requirements (DO/DX ratings).

DPA Title III

Expansion of Productive Capacity and Supply

Authorizes the use of special economic incentives to “develop, maintain, modernize, and expand the productive capacities of domestic sources for critical components critical technology items, and industrial resources essential for the execution of the national security strategy of the United States.”

DPA Title VII

General Provisions

Notably includes Committee on Foreign Investment in the United States (CFIUS) authority amongst others

Incentives, Funds & Execution

DPA Title III Incentives

Purchases

- Provide direct subsidies to companies to assist in establishing production capabilities, including:
 - Purchase and installation of production equipment in privately owned or Government owned facilities
 - Engineering support to improve quality and yield of production facility
 - Sample quantities for process validation and customer qualification testing
 - Cost to develop business or marketing plans

Purchase Commitments

- Create a guaranteed demand to reduce the risk for industry to make their own investments.

Loans and Loan Guarantees

- May be extended when private financing is beyond the risk tolerance of the commercial market
- Projected earnings following the loan is sufficient to cover repayment plan
- May be made only to the extent that an appropriations Act provides budget authority for the cost of guarantee and establishes a limitation on the total loan principal that may be guaranteed

DPA Title III Funds & Execution

- Appropriations are non-expiring procurement funds and valid until expended
- The aggregate outstanding amount of all actions to correct a single shortfall may not exceed \$50 million without Congressional notification and authorization
- Where do the DPA Title III funds come from?
 - Base Program Element appropriation
 - Joint or Service Program Offices of Record provide funding offsets for specific DPA Title III efforts
 - Other Government agencies partner with DoD to address needs
 - Congressional adds to the DPA Title III account

Title III Criteria

1. The industrial resource, material, or critical technology item is **essential to the national defense**
2. **Industry cannot reasonably be expected to provide the capability** for the needed industrial resource, material, or critical technology item in a timely manner
3. DPA Title III incentives are the **most cost-effective, expedient, and practical alternative** for meeting the need

Focus Areas of Investment

