

In the Senate of the United States,

November 21, 2003.

Resolved, That the Senate agree to the amendment of the House of Representatives to the bill (S. 1680) entitled “An Act to reauthorize the Defense Production Act of 1950, and for other purposes.” with the following

SENATE AMENDMENT TO HOUSE AMENDMENT:

1 Page 6, strike line 1 and all that follows over to and
2 including line 2 on page 7, of the House engrossed amend-
3 ment, and insert:

4 ***SEC. 7. REPORT ON IMPACT OF OFFSETS ON DOMESTIC***
5 ***CONTRACTORS AND LOWER TIER SUB-***
6 ***CONTRACTORS.***

7 (a) *EXAMINATION OF IMPACT REQUIRED.*—

8 (1) *IN GENERAL.*—*As part of the annual report*
9 *required under section 309(a) of the Defense Produc-*
10 *tion Act of 1950 (50 U.S.C. App. 2099(a)), the Sec-*
11 *retary of Commerce (in this section referred to as the*
12 *“Secretary”)* shall—

1 (A) detail the number of foreign contracts
2 involving domestic contractors that use offsets,
3 industrial participation agreements, or similar
4 arrangements during the preceding 5-year pe-
5 riod;

6 (B) calculate the aggregate, median, and
7 mean values of the contracts and the offsets, in-
8 dustrial participation agreements, and similar
9 arrangements during the preceding 5-year pe-
10 riod; and

11 (C) describe the impact of international or
12 foreign sales of United States defense products
13 and related offsets, industrial participation
14 agreements, and similar arrangements on domes-
15 tic prime contractors and, to the extent prac-
16 ticable, the first 3 tiers of domestic contractors
17 and subcontractors during the preceding 5-year
18 period in terms of domestic employment, includ-
19 ing any job losses, on an annual basis.

20 (2) *USE OF INTERNAL DOCUMENTS.*—*To the ex-*
21 *tent that the Department of Commerce is already in*
22 *possession of relevant data, the Department shall use*
23 *internal documents or existing departmental records*
24 *to carry out paragraph (1).*

1 (3) *INFORMATION FROM NON-FEDERAL ENTI-*
2 *TIES.—*

3 (A) *EXISTING INFORMATION.—In carrying*
4 *out paragraph (1), the Secretary shall only re-*
5 *quire a non-Federal entity to provide informa-*
6 *tion that is available through the existing data*
7 *collection and reporting systems of that non-Fed-*
8 *eral entity.*

9 (B) *FORMAT.—The Secretary may require a*
10 *non-Federal entity to provide information to the*
11 *Secretary in the same form that is already pro-*
12 *vided to a foreign government in fulfilling an*
13 *offset arrangement, industrial participation*
14 *agreement, or similar arrangement.*

15 (b) *REPORT.—*

16 (1) *IN GENERAL.—Before the end of the 8-month*
17 *period beginning on the date of enactment of this Act,*
18 *the Secretary shall submit to Congress a report con-*
19 *taining the findings and conclusions of the Secretary*
20 *with regard to the examination made pursuant to*
21 *subsection (a).*

22 (2) *COPIES OF REPORT.—The Secretary shall*
23 *also transmit copies of the report prepared under*
24 *paragraph (1) to the United States Trade Representa-*
25 *tive and the interagency team established pursuant to*

1 *section 123(c) of the Defense Production Act Amend-*
2 *ments of 1992 (50 U.S.C. App. 2099 note).*

3 *(c) RESPONSIBILITIES REGARDING CONSULTATION*
4 *WITH FOREIGN NATIONS.—Section 123(c) of the Defense*
5 *Production Act Amendments of 1992 (50 U.S.C. App. 2099*
6 *note) is amended to read as follows:*

7 *“(c) NEGOTIATIONS.—*

8 *“(1) INTERAGENCY TEAM.—*

9 *“(A) IN GENERAL.—It is the policy of Con-*
10 *gress that the President shall designate a chair-*
11 *man of an interagency team comprised of the*
12 *Secretary of Commerce, Secretary of Defense,*
13 *United States Trade Representative, Secretary of*
14 *Labor, and Secretary of State to consult with*
15 *foreign nations on limiting the adverse effects of*
16 *offsets in defense procurement without damaging*
17 *the economy or the defense industrial base of the*
18 *United States or United States defense produc-*
19 *tion or defense preparedness.*

20 *“(B) MEETINGS.—The President shall di-*
21 *rect the interagency team to meet on a quarterly*
22 *basis.*

23 *“(C) REPORTS.—The President shall direct*
24 *the interagency team to submit to Congress an*
25 *annual report, to be included as part of the re-*

1 *port required under section 309(a) of the Defense*
2 *Production Act of 1950 (50 U.S.C. App.*
3 *2099(a)), that describes the results of the con-*
4 *sultations of the interagency team under sub-*
5 *paragraph (A) and the meetings of the inter-*
6 *agency team under subparagraph (B).*

7 “(2) *RECOMMENDATIONS FOR MODIFICATIONS.—*
8 *The interagency team shall submit to the President*
9 *any recommendations for modifications of any exist-*
10 *ing or proposed memorandum of understanding be-*
11 *tween officials acting on behalf of the United States*
12 *and 1 or more foreign countries (or any instrumen-*
13 *tality of a foreign country) relating to—*

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

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

Attest:

Secretary.

108TH CONGRESS
1ST SESSION

S. 1680

**SENATE AMENDMENT TO
HOUSE AMENDMENT**