

A testimony before the Subcommittee on National Security, Illicit Finance, and International Financial Institutions, House of Representatives

For more information, contact: William Russell at [russellw@gao.gov](mailto:russellw@gao.gov).

### What GAO Found

Congress enacted the Defense Production Act (DPA) in 1950 to grant the President expanded authority over critical production and economic policy to ensure the availability of industrial resources for national defense, particularly during times of emergency. Three DPA title authorities are currently in effect:

**Title I Priorities and Allocations.** Allows delegated agencies and others to require companies in the U.S. to prioritize certain contracts or orders and allocate materials, services, and facilities to promote national defense.

**Title III Expansion of Productive Capacity and Supply.** Allows delegated agencies to provide investments such as purchases and purchase commitments, as well as loans to suppliers, to sustain or expand production for national defense.

**Title VII General Provisions.** Allows delegated agencies to assess the industrial base, establish voluntary agreements with industry to foster collaboration, and create an executive reserve to aid federal agencies in times of national emergency, among other things.

#### Selected Agencies' Use of DPA Authorities, Fiscal Years 2018 to 2024

TITLE I	TITLE III	TITLE VII
Priorities and allocations	Expansion of productive capacity and supply	General provisions
 Over 2.5 million priority rated orders  1 allocation order	 222 investments  1 loan	 17 industrial base assessments  3 voluntary agreements  0 national defense executive reserves

Source: GAO analysis of the Departments of Agriculture, Commerce, Defense, Energy, Health and Human Services, Homeland Security, and Transportation provided Defense Production Act (DPA) data; GAO (icons). | GAO-25-108497

GAO's prior work found that agencies experienced a number of challenges when using the DPA authorities, such as difficulties tracking Title I priority rated contracts during the COVID-19 response. GAO made four recommendations in 2020 and 2021. The agencies have taken action to address all but one of the recommendations, which was for the U.S. International Development Finance Corporation to evaluate the effectiveness of its Title III loan program.

GAO's report that publicly released today found additional challenges. For example, the Department of Defense (DOD) found that industry partners did not always understand how to apply priority ratings throughout the supply chain. DOD is conducting outreach to ensure an understanding of these Title I responsibilities. Additionally, the DPA government-wide coordinator, currently the Federal Emergency Management Agency, has not collected and shared lessons learned from DOD's extensive use of Title III over multiple decades, but doing so could benefit other agencies.

### Why GAO Did This Study

The DPA is a key tool to enable the domestic industrial base—including companies in the U.S. and certain allied nations—to maintain or increase production of defense resources.

Since the DPA was last authorized in 2018, Congress has appropriated at least \$3.8 billion for DPA-related activities. Federal agencies have used DPA authorities for a variety of reasons, including to secure access to personal protective equipment like gloves and masks during the COVID-19 response.

This testimony is based on GAO's DPA-related reports issued in November 2020 ([GAO-21-108](#)) and November 2021 ([GAO-22-104511](#)), and a report being issued today ([GAO-25-107688](#)). This testimony focuses on federal agencies' use of the DPA authorities and the challenges these agencies faced.

GAO collected data from fiscal years 2018 through 2024 from the seven federal agencies that are delegated responsibility for implementing the DPA authorities, as identified in Executive Order 13603 issued in March 2012. These agencies are the Departments of Agriculture, Commerce, Defense, Energy, Health and Human Services, Homeland Security, and Transportation.

Additional details about the scope and methodology for GAO's reports are included in those products.

### What GAO Recommends

In its report issued today, GAO is recommending that the Federal Emergency Management Agency, a component of the Department of Homeland Security, collects and shares Title III lessons learned. The Department of Homeland Security concurred with this recommendation.