



# The Defense Production Act

Center Forward Basics  
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## Overview

On March 18, 2020, President Donald Trump announced he was invoking the Defense Production Act (DPA) in response to COVID-19. With the spread of the novel coronavirus and the DPA's requirement to prioritize medical supplies and accept various contracts, American industries will be forced to ramp up production of critical equipment and supplies such as ventilators, respirators, and personal protective equipment for health care workers.

The Defense Production Act was enacted on September 8, 1950 at the start of the Korean War. The DPA contains three major sections that allows the federal government to take extraordinary actions to compel companies to prioritize and expedite development of supplies and resources to support national defense. The DPA is implemented and enforced through loans, loan guarantees, purchases and purchase commitments. The administration can force industries to expand production and the supply of basic resources, impose wage and price controls, settle labor disputes, control consumer and real estate credit, establish contractual priorities, and allocate raw materials towards the national defense.

## Historical Uses

Since the 1950s, the Defense Production Act has been reauthorized over 50

times and expanded to include domestic preparedness and national emergencies. For example, the president can make direct loans and purchase commitments, subsidies, or other incentives to influence industry to help in times of crisis. The DPA was first used during the Korean War to establish a large defense mobilization infrastructure and bureaucracy. It helped grow the United States' aluminum and titanium industries by providing capital and interest free loans. In the 1980s, the Department of Defense used the DPA to develop new technologies and materials. President Clinton supplied California utilities with emergency electric power and natural gas during electric blackouts in the early 2000s. In 2011, President Obama used the DPA to force telecommunications companies to provide network and equipment information in order to combat Chinese cyber-spying. In June of 2017, President Trump used the DPA to authorize the Department of Defense to research items related to the space industrial base such as aerospace structures and fibers.

## COVID-19

Across the United States, many hospitals and health workers have reported personal protective equipment shortages such as masks and gowns. Currently, the medical system has about 30 million N95 respirators for medical workers, but it is estimated that up to 300 million masks will be needed. Additionally, hospitals currently do not have enough ventilators to meet the expected demand in the upcoming weeks and months. There are only about 160,000 ventilators in the US, but as many as 740,000 could be needed if the coronavirus continues to spread as predicted. The supply chains are currently strained due to United States' tariffs on China, the main supplier of medical goods to the United States. The Defense Production Act has the ability to ensure that the private sector will increase the production of emergency medical supplies to ensure that hospitals and medical professionals will have the supplies they need to treat the coronavirus.

## Center Forward Basics

Center Forward brings together members of Congress, not-for profits, academic experts, trade associations, corporations and unions to find common ground. Our mission: to give centrist allies the information they need to craft common sense solutions, and provide those allies the support they need to turn those ideas into results.

In order to meet our challenges we need to put aside the partisan bickering that has gridlocked Washington and come together to find common sense solutions.

For more information, please visit [www.center-forward.org](http://www.center-forward.org)

## Links to Other Resources

- Andy Levin - [57 House Members Urge President to Invoke Defense Production Act Authority to Increase Availability of Vital Medical Supplies](#)
- Bloomberg - [Obama Invokes Cold-War Law to Unmask Chinese Telecom Spyware](#)
- CDC - [Healthcare Supply of Personal Protective Equipment](#)
- The Hill - [Trump invokes Defense Production Act as coronavirus response](#)
- The New York Times - [U.S. Virus Plan Anticipates 18-Month Pandemic and Widespread Shortages](#)
- The Washington Post - [Trump says he will invoke Defense Production Act to marshal private sector in response to coronavirus pandemic](#)
- The White House - [Letter from the President -- Defense Production Act of 1950](#)
- Yahoo News - [Pressure grows on Trump to invoke Defense Production Act for coronavirus response](#)