

**AMENDMENT**

**[DEFENSE PRODUCTION ACT REAUTHORIZATION]**

**OFFERED BY MS. WATERS OF CALIFORNIA**

Add at the end of the bill the following:

1 **SEC. 5. STATEMENT OF POLICY.**

2 Section 2(b) of the Defense Production Act of 1950  
3 (50 U.S.C. App. 2062(b)) is amended—

4 (1) in paragraph (7), by striking “and” at the  
5 end;

6 (2) in paragraph (8), by striking the period and  
7 inserting “; and”; and

8 (3) by adding at the end the following:

9 “(9) to strengthen the economic and techno-  
10 logical competitiveness of the U. S. defense indus-  
11 trial base, it is critical to fully utilize and access the  
12 talent pool available in this country, including by  
13 promoting, to the maximum extent possible, the fair  
14 inclusion and involvement of minorities, women, mi-  
15 nority-owned businesses, women-owned businesses,  
16 veteran-owned businesses, service-disabled veteran-  
17 owned businesses, businesses that demonstrate the  
18 inclusion of minorities, women, and veterans at all  
19 levels of their business and activities, and small busi-

1           ness concerns, in the plans, programs, and contracts  
2           necessary to carry out the purposes of this Act.”.

3 **SEC. 6. ANNUAL REPORT ON TITLE III CONTRACTING.**

4           Title III of the Defense Production Act of 1950 (50  
5 U.S.C. App. 2091 et seq.) is amended by adding at the  
6 end the following:

7 **“SEC. 305. ANNUAL REPORT ON CONTRACTING.**

8           “(a) **REPORT REQUIRED.**—Each Federal department  
9 or agency that utilizes authorities provided under this title  
10 shall submit an annual report, no later than March 31st  
11 of each year, to the Committee on Financial Services of  
12 the House of Representatives and the Committee on  
13 Banking, Housing, and Urban Affairs of the Senate, on  
14 the extent to which contracts entered into during the pre-  
15 vious fiscal year have been contracts with minority-owned  
16 businesses, women-owned businesses, veteran-owned busi-  
17 ness, service-disabled veteran-owned businesses, and busi-  
18 nesses that demonstrate the inclusion of minorities,  
19 women, veterans, and service-disabled veterans at all levels  
20 of their business and activities.

21           “(b) **CONTENTS OF REPORT.**—The report submitted  
22 under subsection (a) shall include the following:

23           “(1) The types of goods and services obtained  
24           under contracts with minority-owned businesses,  
25           women-owned businesses, veteran-owned businesses,

1 service-disabled veteran-owned businesses, and with  
2 businesses that demonstrate the inclusion of minori-  
3 ties, women, veterans, and service-disabled veterans  
4 at all levels of their business and activities under  
5 this Act in the fiscal year covered in the report.

6 “(2) The dollar amount, and percentage of total  
7 dollar amounts, of such contracts awarded under  
8 this Act in the fiscal year covered in the report by  
9 such Federal department or agency to minority-  
10 owned businesses, women-owned businesses, veteran-  
11 owned businesses, service-disabled veteran-owned  
12 businesses, and businesses that demonstrate the in-  
13 clusion of minorities, women, veterans, and service-  
14 disabled veterans at all levels of their business and  
15 activities.

16 “(3) The race, ethnicity, gender, and veteran  
17 status of the majority owners of such businesses.

18 “(4) A summary of how, with respect to each  
19 such contract, the company receiving such contract  
20 has demonstrated the inclusion of minorities,  
21 women, veterans, and service-disabled veterans at all  
22 levels of the company’s business and activities.”.

23 **SEC. 7. MODERNIZATION OF SUPPLIERS.**

24 Section 701 of the Defense Production Act of 1950  
25 (50 U.S.C. App. 2151) is amended—

1           (1) by amending the heading of such section to  
2 read as follows: “**SMALL BUSINESS PARTICIPA-**  
3 **TION AND FAIR INCLUSION**”;

4           (2) in subsection (a), by inserting after “Small  
5 business concerns” the following: “, minority-owned  
6 businesses, women-owned businesses, veteran-owned  
7 businesses, service-disabled veteran-owned busi-  
8 nesses, and businesses that demonstrate the inclu-  
9 sion of minorities, women, veterans, and service-dis-  
10 abled veterans at all levels of their business and ac-  
11 tivities”;

12           (3) in subsection (b), by inserting after “small  
13 business concerns” the following: “, minority-owned  
14 businesses, women-owned businesses, veteran-owned  
15 businesses, service-disabled veteran-owned busi-  
16 nesses, and businesses that demonstrate the inclu-  
17 sion of minorities, women, veterans, and service-dis-  
18 abled veterans at all levels of their business and ac-  
19 tivities”;

20           (4) in subsection (c), by inserting after “small  
21 business concerns” the following: “, minority-owned  
22 businesses, women-owned businesses, veteran-owned  
23 businesses, service-disabled veteran-owned busi-  
24 nesses, and businesses that demonstrate the inclu-  
25 sion of minorities, women, veterans, and service-dis-

1       abled veterans at all levels of their business and ac-  
2       tivities”;

3               (5) in subsection (d)—

4                       (A) by inserting after “with this Act” the  
5                       following: “and outreach and technical assist-  
6                       ance”; and

7                       (B) by inserting after “small business con-  
8                       cerns” the following: “, minority-owned busi-  
9                       nesses, women-owned businesses, veteran-owned  
10                      businesses, service-disabled veteran-owned busi-  
11                      nesses, and businesses that demonstrate the in-  
12                      clusion of minorities, women, veterans, and  
13                      service-disabled veterans at all levels of their  
14                      business and activities”; and

15               (6) by adding at the end the following:

16               “(f) GOOD FAITH EFFORT.—Each Federal depart-  
17       ment and agency shall develop procedures for reviewing  
18       and evaluating contract proposals made pursuant to this  
19       Act that include, to the extent consistent with the provi-  
20       sion under which such proposal is being made, a compo-  
21       nent that gives consideration to the diversity of the appli-  
22       cant. Such procedures shall include a written statement,  
23       in such form and with such content as the head of the  
24       department or agency prescribes, that a contractor shall  
25       ensure, to the maximum extent possible, the fair inclusion

1 of minorities, women, veterans, and service-disabled vet-  
2 erans in the workforce of the contractor and, as applicable,  
3 subcontractors or suppliers.”.

4 **SEC. 8. DEFINITIONS.**

5 Section 702 of the Defense Production Act of 1950  
6 (50 U.S.C. App. 2152) is amended by adding at the end  
7 the following:

8 “(18) **MINORITY.**—The term ‘minority’ has the  
9 meaning given such term in section 1204(c)(3) of  
10 the Financial Institutions Reform, Recovery, and  
11 Enforcement Act of 1989.

12 “(19) **MINORITY-OWNED BUSINESS.**—The term  
13 ‘minority-owned business’ means a business—

14 “(A) more than 50 percent of the owner-  
15 ship or control of which is held by 1 or more  
16 minority individuals; and

17 “(B) more than 50 percent of the net prof-  
18 it or loss of which accrues to 1 or more minor-  
19 ity individuals.

20 “(20) **SERVICE-DISABLED VETERAN.**—The term  
21 ‘service-disabled veteran’ means a veteran with a  
22 disability that is service-connected (as defined in sec-  
23 tion 101(16) of title 38, United States Code).

1           “(21) SERVICE-DISABLED VETERAN-OWNED  
2 BUSINESS.—The term ‘service-disabled veteran-  
3 owned business’ means a business—

4           “(A) more than 50 percent of the owner-  
5 ship or control of which is held by 1 or more  
6 service-disabled veterans; and

7           “(B) more than 50 percent of the net prof-  
8 it or loss of which accrues to 1 or more service-  
9 disabled veterans.

10           “(22) VETERAN.—The term ‘veteran’ has the  
11 meaning given the term in section 101(2) of title 38,  
12 United States Code.

13           “(23) VETERAN-OWNED BUSINESS.—The term  
14 ‘veteran-owned business’ means a business—

15           “(A) more than 50 percent of the owner-  
16 ship or control of which is held by 1 or more  
17 veterans; and

18           “(B) more than 50 percent of the net prof-  
19 it or loss of which accrues to 1 or more vet-  
20 erans.

21           “(24) WOMEN-OWNED BUSINESS.—The term  
22 ‘women-owned business’ means a business—

23           “(A) more than 50 percent of the owner-  
24 ship or control of which is held by 1 or more  
25 women;

1                   “(B) more than 50 percent of the net prof-  
2                   it or loss of which accrues to 1 or more women;  
3                   and  
4                   “(C) a significant percentage of senior  
5                   management positions of which are held by  
6                   women.”.

