

# PUBLICATION

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## Use of the Defense Production Act Title III Expected to Increase Under President Trump to Support U.S. Defense Industrial Base

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**The Defense Production Act Title III (DPA Title III) was utilized during President Trump's first term to support certain materials critical to national defense and in response to the COVID-19 pandemic. President Biden utilized DPA Title III to support critical mineral supplies, Virginia-class submarines, and to accelerate domestic production of green energy technology. Given the current geopolitical climate, an even stronger focus on the U.S. supply chain, and concerns surrounding the National Stockpile, DPA Title III likely will be invoked often but also early into President Trump's second term providing funding opportunities to companies operating in the identified industries.**

This supposition is supported by testimony from the nominee for Secretary of Defense, Pete Hegseth as well as an Executive Order signed on the first day of President Trump's term. During his Senate Armed Services Committee confirmation hearing, Mr. Hegseth stated that, if confirmed, his intent is to utilize the Defense Production Act to secure America's defense and ensure a secure supply chain for the Nuclear Triad. Additionally, in a signed Executive Order declaring a national energy emergency, the President has instructed agencies to utilize the DPA to secure domestic energy sources. Similarly, the Executive Order for the America First Trade Policy requires a "full economic and security review of the United States' industrial and manufacturing base" which could lead to DPA use. Companies operating in industries where DPA is invoked should consider whether applying for funding aligns with their growth plans.

### Background

The Defense Production Act of 1950 is a federal law granting presidential powers to support national security by securing the United States supply chain and services critical for defense. Title III of the Defense Production Act specifically focuses on working to reduce the United States' reliance on foreign supply chains while simultaneously growing the domestic supply chain.

The President signs executive orders prioritizing DPA Title III funding towards specific efforts identified by DPA Title III staff, the Department of Commerce, and other stakeholders. These announcements can include broad categories of effort, such as critical minerals generally, or more specific efforts, such as lithium processing and production. The DPA Title III budget fluctuates each fiscal year but, in general, averages roughly \$400-500 million in recent years.

### Opportunities and Next Steps

Companies with solutions, products, or services to identified supply chain needs can respond to solicitations or open windows welcoming unsolicited proposals. If chosen, companies can receive grants, loans, purchase commitments, and loan guarantees throughout the process. However, if applying for a grant for a project, the Title III office typically requires a 50 percent cost match.

If pursuing funding through a grant, loan, or loan guarantee, money can be requested for facility expansion, the purchase of new equipment, or other improvements that will facilitate securing the domestic supply chain or reducing reliance on foreign supply chains.

In order to identify open opportunities and windows to submit unsolicited proposals, companies can submit an application to join the Defense Industrial Base Consortium (DIBC) [here](#). The DIBC also posts forecasts on the website so companies can anticipate when the appropriate window to submit a desired unsolicited proposal is.

Our [International Trade and National Security](#) team and our [Government Relations and Public Policy](#) team will continue to monitor developments and provide updates as warranted. If you have any questions or would like to discuss in further detail, please reach out to [P. Lee Smith](#) or [Tom Shaw](#).