

# DPAS

## DEFENSE PRIORITIES AND ALLOCATIONS SYSTEM

*15 CFR 700*



**Office of Strategic Industries and Economic Security  
Bureau of Export Administration  
U.S. Department of Commerce**

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Questions about the *Defense Priorities and Allocations System* (DPAS), requests for additional copies of this booklet, or requests for any DPAS training materials should be directed to the Office of Strategic Industries and Economic Security, Room 3876, U.S. Department of Commerce, Washington, D.C. 20230, Ref. DPAS; telephone (202) 482-3634; or FAX (202) 482-5650. This booklet, including Form BXA-999 (Request for Special Priorities Assistance), may also be accessed through the Department of Commerce/Bureau of Export Administration Internet web site at: <http://www.bxa.doc.gov>. *This booklet supersedes the booklet first published in October 1994 and all subsequent reprints. Please discard all printings dated prior to August 1998.*

## PREFACE

Under Title I of the Defense Production Act of 1950, as amended (DPA), the President is authorized to require preferential acceptance and performance of contracts or orders supporting certain approved national defense and energy programs, and to allocate materials, services, and facilities in such a manner as to promote these approved programs. Additional priorities authority to require prompt delivery of articles and materials for the exclusive use of the U.S. armed forces is found in Section 18 of the Selective Service Act of 1948, in 10 U.S.C. 2538, and in 50 U.S.C. 82. The DPA priorities and allocations authority has also been extended to support emergency preparedness activities under Title VI of the Robert T. Stafford Disaster Relief and Emergency Assistance Act.

Executive Orders 12919 and 12742 delegate authority to carry out these authorities for industrial resources to the Department of Commerce. Within Commerce, the Office of Strategic Industries and Economic Security (SIES) is assigned the responsibility for administering a system of priorities and allocations with respect to these resources. The Defense Priorities and Allocations System (DPAS) regulation (15 CFR 700) was established for this purpose in August 1984, superseding the rules of the Defense Materials System (DMS) and Defense Priorities System (DPS).

On June 11, 1998, in consideration of numerous comments from industry and government users, termination of the controlled materials (steel, copper, aluminum, and nickel alloys) program, and to make the DPAS more effective and efficient in the post-Cold War era, we published in the Federal Register (63 FR 31918) a revision of the DPAS to update, modify, and clarify a number of its provisions. Changes include removing the controlled materials rules, extending the time for a supplier to accept or reject a rated order, simplifying the rules for combining rated and unrated orders, clarifying the rules for determining the precedence of conflicting rated orders of equal priority after acceptance of these orders, increasing the minimum rated order dollar amount, and various technical and administrative adjustments.

The purpose of the DPAS remains unchanged: (1) to assure the timely availability of industrial resources to meet current national defense and emergency preparedness program requirements; and (2) to provide an operating system to support rapid industrial response in a national emergency. In pursuing these goals, we attempt to minimize disruptions to normal commercial activities. In view of our shrinking domestic defense industrial base, the growing commercialization of defense procurement, the increasing use of dual use products and technologies and just-in-time production and inventory techniques, the consequences of catastrophic natural, accidental, or man-caused disaster events upon our civilian population, and the ongoing requirement for our Nation to maintain a strong defense preparedness and military readiness capability, the DPAS will continue to be a key element of our national security and civil emergency preparedness.

Section A of this publication includes the DPAS regulation, DPAS Schedule 1 (Approved Programs and Delegate Agencies), and DPAS Appendix I: Form BXA-999 (formerly ITA-999); Section B contains questions with answers about the DPAS; and Section C contains the priorities and allocations provisions of the DPA and Selective Service Act, and the civil emergency preparedness provisions of Section 602 of the Stafford Act.

Not included in this publication because they are of limited public interest are: other DPAS appendices which include the DPAS Delegations of Authority from the Department of Commerce to user agencies (Departments of Defense and Energy, the General Services Administration, and the Federal Emergency Management Agency); Interagency Memoranda of Understanding between the Department of Commerce and the Departments of Agriculture, Energy, and the Interior; the Memorandum of Understanding on Priorities and Allocations Support between the Department of Commerce and the Canadian Department of Public Works and Government Services Canada; and DPAS Emergency Delegation 1. Also not included are the priorities provisions of 10 U.S.C. 2538 and 50 U.S.C. 82. Copies of these documents may be obtained from SIES (see section 700.93 of the DPAS for contact information).

A unique feature of the DPAS is the Overview (Subpart B) which contains a summary of the system's major provisions. We suggest that if you are not familiar with the DPAS, you should first review this subpart as an aid to understanding and using the system.

Although following the provisions of the DPAS is a legal requirement incurred by all persons who receive contracts or orders that have been priority rated under the DPAS, it makes good business sense to be fully familiar with the system. For example, because a vendor is required to fill rated orders on a preferential basis, contractors have greater assurance of obtaining materials even in times of scarcity. This can be an important factor in developing competitive bids for defense contracts.

In addition, "special priorities assistance" is available from Commerce and the Delegate Agencies to assist any person who places or receives a rated order. For example, assistance can be provided to expedite deliveries, locate suppliers, obtain production equipment, expand plant facilities, or rebuild or repair damaged or destroyed facilities.

The success of our priorities and allocations program, and ultimately, the continuing strength of our national defense and security, rests upon industry's ability to produce the materials and equipment needed for national defense and energy programs. In turn, this requires a cooperative effort between government and industry to ensure that programs of national importance are given preferential treatment when necessary.

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