

118TH CONGRESS
2D SESSION

S. 3944

To establish the William S. Knudsen Commission for American Defense-Industrial Mobilization, and for other purposes.

IN THE SENATE OF THE UNITED STATES

MARCH 14, 2024

Mr. VANCE (for himself, Mr. RUBIO, Mr. SCHMITT, Mr. HAWLEY, and Mr. COTTON) introduced the following bill; which was read twice and referred to the Committee on Armed Services

A BILL

To establish the William S. Knudsen Commission for American Defense-Industrial Mobilization, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “William S. Knudsen
5 Defense Remobilization Act”.

6 **SEC. 2. FINDINGS.**

7 Congress makes the following findings:

8 (1) The United States faces a critical lack of
9 domestic industrial capacity necessary to support

1 and maintain its defense, particularly in the event of
2 a major conflict.

3 (2) Current and building shortages of muni-
4 tions and materiel are estimated to require years to
5 replenish sufficiently.

6 (3) The domestic industrial base is shaped by
7 Federal Government policies, including by a raft of
8 regulations that often inhibit production and expan-
9 sion.

10 (4) The lack of industrial capacity now con-
11 stituted a major threat to the national security as
12 conflicts supplied with United States arms escalate
13 around the globe and imminent threats to United
14 States interests have emerged.

15 (5) Before entering World War II, the United
16 States faced a similar crisis of adequate defense pro-
17 duction as it supplied its allies in Europe and pre-
18 pared for the event of war.

19 (6) In 1940, William S. Knudsen, an American
20 automotive executive, was tasked with coordinating
21 and spearheading the nation's war production by
22 serving as the chairman of the Office of Production
23 Management and as a member of the National De-
24 fense Advisory Commission.

1 (7) As a result of Mr. Knudsen's efforts, the
2 United States mobilized an unprecedented industrial
3 war production network, renowned as the "Arsenal
4 of Democracy," that enabled Allied victory.

5 **SEC. 3. ESTABLISHMENT OF THE WILLIAM S. KNUDSEN**
6 **COMMISSION FOR AMERICAN DEFENSE-IN-**
7 **DUSTRIAL MOBILIZATION.**

8 (a) **ESTABLISHMENT.**—There is established in the
9 legislative branch the William S. Knudsen Commission for
10 American Defense-Industrial Mobilization (referred to in
11 this Act as the "Commission").

12 (b) **PURPOSE.**—The purpose of the Commission is to
13 examine and make recommendations to the President and
14 Congress with respect to the defense-industrial base of the
15 United States.

16 (c) **MEMBERSHIP.**—

17 (1) **COMPOSITION.**—The Commission shall be
18 composed of 12 members of whom—

19 (A) 1 member shall be appointed by the
20 majority leader of the Senate;

21 (B) 1 member shall be appointed by the
22 minority leader of the Senate;

23 (C) 1 member shall be appointed by the
24 Speaker of the House of Representatives;

1 (D) 1 member shall be appointed by the
2 minority leader of the House of Representa-
3 tives;

4 (E) 2 members shall be appointed by the
5 chair of the Committee on Armed Services of
6 the Senate;

7 (F) 2 members shall be appointed by the
8 ranking minority member of the Committee on
9 Armed Services of the Senate;

10 (G) 2 members shall be appointed by the
11 chair of the Committee on Armed Services of
12 the House of Representatives; and

13 (H) 2 members shall be appointed by the
14 ranking minority member of the Committee on
15 Armed Services of the House of Representa-
16 tives.

17 (2) QUALIFICATIONS.—the members appointed
18 under paragraph (1) shall be from among individ-
19 uals who—

20 (A) are United States citizens; and

21 (B) have significant professional experience
22 or expertise in—

23 (i) the manufacturing sector;

24 (ii) defense procurement;

1 (iii) defense technology and innova-
2 tion; and

3 (iv) industrial policy.

4 (3) DEADLINE FOR APPOINTMENT.—

5 (A) IN GENERAL.—All members of the
6 Commission shall be appointed under paragraph
7 (1) not later than 45 days after the date of the
8 enactment of this Act.

9 (B) EFFECT OF LACK OF APPOINTMENTS
10 BY APPOINTMENT DATE.—If one or more ap-
11 pointments under paragraph (1) is not made by
12 the date specified in subparagraph (A)—

13 (i) the authority to make such ap-
14 pointment or appointments shall expire;
15 and

16 (ii) the number of members of the
17 Commission shall be reduced by the num-
18 ber of appointments not made by that
19 date.

20 (4) CHAIR; VICE CHAIR.—

21 (A) CHAIR.—The chairs of the appropriate
22 congressional committees shall jointly designate
23 one member of the Commission to serve as
24 chair of the Commission.

1 (B) VICE CHAIR.—The ranking minority
2 members of the appropriate congressional com-
3 mittees shall jointly designate one member of
4 the Commission to serve as vice chair of the
5 Commission.

6 (5) MEETINGS.—

7 (A) INITIAL MEETING.—The Commission
8 shall hold the first meeting as soon as prac-
9 ticable after $\frac{2}{3}$ of the members of the Commis-
10 sion have been appointed under paragraph (1).

11 (B) SUBSEQUENT MEETINGS.—After its
12 initial meeting, the Commission shall meet upon
13 the call of the chair or a majority of its mem-
14 bers.

15 (6) QUORUM.—Eight members of the Commis-
16 sion shall constitute a quorum for purposes of con-
17 ducting business.

18 (7) PERIOD OF APPOINTMENT; VACANCIES.—
19 Members of the Commission shall be appointed for
20 the life of the Commission. A vacancy in the Com-
21 mission does not affect the powers of the Commis-
22 sion and shall (except as provided by paragraph
23 (3)(B)) be filled in the same manner in which the
24 original appointment was made.

25 (8) REMOVAL OF MEMBERS.—

1 (A) IN GENERAL.—A member of the Com-
2 mission may be removed from the Commission
3 for cause by the individual serving in the posi-
4 tion responsible for the original appointment of
5 the member under paragraph (1), provided that
6 notice is first provided to that official of the
7 cause for removal, and removal is voted and
8 agreed upon by $\frac{3}{4}$ of the members of the Com-
9 mission.

10 (B) VACANCIES.—A vacancy created by
11 the removal of a member of the Commission
12 under subparagraph (A) does not affect the
13 powers of the Commission and shall be filled in
14 the same manner in which the original appoint-
15 ment was made.

16 (d) DUTIES.—

17 (1) REVIEW.—The Commission shall conduct a
18 review of the defense industrial base of the United
19 States, including an assessment of the production
20 requirements necessary to wage a major war across
21 multiple theaters.

22 (2) ASSESSMENT.—The Commission shall as-
23 sess the following:

24 (A) Lessons learned from the experience of
25 major war in Ukraine, including a classified

1 annex addressed to whether current operational
2 plans for major war contingency scenarios in
3 Europe, the Middle East, and Asia give due
4 consideration to the lessons learned from that
5 and other recent conflicts around the world.

6 (B) The expected defense production re-
7 quirements necessary to wage a major war
8 across one or more theaters, with attention to
9 minimum production requirements, ordinary
10 production requirements, and requirements in
11 order to scale production quickly and at need.

12 (C) Identification and establishment of
13 minimum and optimal production and stocks of
14 key, critical weapons systems and associated
15 munitions production and maintenance capacity
16 indexed against operational planning for major
17 war in Europe, the Middle East, and Asia.

18 (D) The current, standing capacity of the
19 United States defense industrial base to
20 produce weapons systems, ammunition, and
21 other necessary supplies and maintenance nec-
22 essary for different major war contingency sce-
23 narios, including sub-tier contracting, with a
24 view to identifying supply chain bottlenecks, ob-
25 stacles to competition, and requirements for the

1 conversion of civilian commercial facilities to de-
2 fense production in a national emergency.

3 (E) The policies and programs of the Fed-
4 eral Government that affect domestic industrial
5 capacity that is or can be used for defense pro-
6 duction.

7 (F) The burden imposed on different sec-
8 tors within the defense industrial base as a re-
9 sult of regulations issued by—

- 10 (i) the Department of Energy;
11 (ii) the Environmental Protection
12 Agency;
13 (iii) the Department of Commerce;
14 (iv) the Department of Defense; and
15 (v) the Small Business Administra-
16 tion.

17 (3) RECOMMENDATIONS.—The Commission
18 shall make recommendations with respect to the fol-
19 lowing matters:

20 (A) Reforms to operational planning and
21 defense procurement planning with a view to
22 ensuring United States contingency plans—

- 23 (i) are well suited to likely contin-
24 gency scenarios;

1 (ii) reflect the lessons learned from re-
2 cent wars to include Russia's war in
3 Ukraine; and

4 (iii) reflect the correct balance of new
5 and legacy technology to provide the
6 United States the greatest possible oper-
7 ational advantage in future contingency
8 operations.

9 (B) Reforms to existing Federal programs
10 and policies related to defense production, pro-
11 curement, and innovation.

12 (C) Federal regulations that inhibit de-
13 fense production and innovation and their esti-
14 mated burden to producers, including regula-
15 tions issued by—

16 (i) the Department of Energy;

17 (ii) the Environmental Protection
18 Agency;

19 (iii) the Department of Commerce;
20 and

21 (iv) the Department of Defense.

22 (D) Funding levels necessary to support
23 increased domestic industrial capacity.

24 (E) New Federal policies, programs, and
25 offices that can support a defense-industrial

1 mobilization and increased domestic industrial
2 capacity.

3 (e) REPORT AND BRIEFING REQUIRED.—

4 (1) IN GENERAL.—Not later than one year
5 after the date of the enactment of this Act, the
6 Commission shall submit to the President and the
7 appropriate congressional committees a report on
8 the Commission’s findings, conclusions, and rec-
9 ommendations.

10 (2) ELEMENTS.—The report required under
11 paragraph (1) shall include—

12 (A) a proposed strategy for increasing the
13 industrial capacity of the United States for de-
14 fense production;

15 (B) the assessment required by subsection
16 (d)(2);

17 (C) the recommendations required by sub-
18 section (d)(3); and

19 (D) considerations for policymakers, in-
20 cluding members and committees of Congress.

21 (3) INTERIM BRIEFING.—Not later than 180
22 days after the deadline for appointment of members
23 of the Commission specified in subsection (c)(3)(A),
24 the Commission shall provide to the appropriate con-
25 gressional committees a briefing on the status of the

1 review, assessments, and recommendations required
2 by subsection (d), including a discussion of any in-
3 terim recommendations.

4 (f) ADVICE AND INPUT.—The Committee shall seek
5 the advise and input of industry partners, manufacturing
6 policy experts, State and local development officials, and
7 manufacturing worker interests when performing the du-
8 ties described in subsection (d) and producing the report
9 required under subsection (e), including by—

10 (1) holding not less than 4 public hearings per
11 year during which industry representatives, worker
12 groups, and regional representatives can provide in-
13 sight regarding the current state of the defense-in-
14 dustrial base and the requirements for its full mobi-
15 lization; and

16 (2) establishing an Industry Advisory Board of
17 not more than 10 members appointed by the chair,
18 which shall include—

19 (A) an expert industrial competitiveness
20 and national security;

21 (B) a manufacturing trade association rep-
22 resentative;

23 (C) a representative of small business gov-
24 ernment contractors;

1 (D) a manufacturing worker representa-
2 tive;

3 (E) a representative from a private invest-
4 ment firm investing in the defense and indus-
5 trial sectors; and

6 (F) such other representatives as the chair
7 may appoint.

8 (g) ASSISTANCE FROM FEDERAL AGENCIES.—

9 (1) INFORMATION AND SUGGESTIONS.—The
10 Commission may secure directly from the Depart-
11 ment of Defense, the Department of Energy, the
12 Department of Commerce, the Environmental Pro-
13 tection Agency, the Small Business Administration,
14 the Department of the Treasury, and the United
15 States Trade Representative information, sugges-
16 tions, estimates, and statistics for the purposes of
17 this section. Each such agency shall, to the extent
18 authorized by law, furnish such information, sugges-
19 tions, estimates, and statistics directly to the Com-
20 mission upon receiving a request made by—

21 (A) the chair of the Commission;

22 (B) the chair of any subcommittee of the
23 Commission created by a majority of members
24 of the Commission; or

1 (C) any member the Commission des-
2 ignated by a majority of the Commission for
3 purposes of making requests under this para-
4 graph.

5 (2) ADDITIONAL ASSISTANCE.—Departments
6 and agencies of the United States may provide to
7 the Commission such services, funds, facilities, staff,
8 and other support services as those departments and
9 agencies may determine advisable and as may be au-
10 thorized by law.

11 (h) COMPENSATION AND TRAVEL EXPENSES.—

12 (1) STATUS AS FEDERAL EMPLOYEES.—Not-
13 withstanding the requirements of section 2105 of
14 title 5, United States Code, including the require-
15 ments relating to supervision under subsection
16 (a)(3) of such section, the members of the Commis-
17 sion shall be deemed to be Federal employees.

18 (2) COMPENSATION.—Each member of the
19 Commission may be compensated at not to exceed
20 the daily equivalent of the annual rate of basic pay
21 in effect for a position at level IV of the Executive
22 Schedule under section 5315 of title 5, United
23 States Code, for each day during which that member
24 is engages in the actual performance of the duties
25 of the Commission.

1 (3) TRAVEL EXPENSES.—While away from
2 their homes or regular places of business in the per-
3 formance of services for the Commission, members
4 of the Commission shall be allowed travel expenses,
5 including per diem in lieu of subsistence, in the
6 same manner as persons employed intermittently in
7 the Government service are allowed expenses under
8 section 5703 of title 5, United States Code.

9 (i) STAFF.—

10 (1) EXECUTIVE DIRECTOR.—The Commission
11 shall appoint and fix the rate of basic pay for an Ex-
12 ecutive Director in accordance with section 3161 of
13 title 5, United States Code.

14 (2) PAY.—The Executive Director appointed
15 under paragraph (1) may, with the approval of the
16 Commission, appoint and fix the rate of basic pay
17 for additional personnel as staff of the Commission
18 in accordance with section 3161(d) of title 5, United
19 States Code.

20 (j) PERSONAL SERVICES.—

21 (1) AUTHORITY TO PROCURE.—The Commis-
22 sion may—

23 (A) procure the services of experts or con-
24 sultants (or of organizations of experts or con-

1 sultants) in accordance with the provisions of
2 section 3109 of title 5, United States Code; and

3 (B) pay in connection with such services
4 travel expenses of individuals, including trans-
5 portation and per diem in lieu of subsistence,
6 while such individuals are traveling from their
7 homes or places of business to duty stations.

8 (2) MAXIMUM DAILY PAY RATES.—The daily
9 rate paid an expert or consultant procured pursuant
10 to paragraph (1) may not exceed the daily equivalent
11 of the annual rate of basic pay in effect for a posi-
12 tion at level IV of the Executive Schedule under sec-
13 tion 5315 of title 5, United States Code.

14 (k) CONTRACTING AUTHORITY.—The Commission
15 may acquire administrative supplies and equipment for
16 Commission use to the extent funds are available.

17 (l) AUTHORITY TO ACCEPT GIFTS.—

18 (1) IN GENERAL.—The Commission may ac-
19 cept, sue, and dispose of gifts or donations of serv-
20 ices, goods, and property from non-Federal entities
21 for the purposes of aiding and facilitating the work
22 of the Commission. The authority under this para-
23 graph does not extend to gifts of money.

24 (2) DOCUMENTATION; CONFLICTS OF INTER-
25 EST.—The Commission shall document gifts accept-

1 ed under the authority provided by paragraph (1)
2 and shall avoid conflicts of interest or the appear-
3 ance of conflicts of interest.

4 (3) COMPLIANCE WITH CONGRESSIONAL ETHICS
5 RULES.—Except as specifically provided in this sec-
6 tion, a member of the Commission shall comply with
7 rules set forth by the Select Committee on Ethics of
8 the Senate and the Committee on Ethics of the
9 House of Representative governing employees of the
10 Senate and the House of Representatives, respec-
11 tively.

12 (m) POSTAL SERVICES.—The Commission may use
13 the United States mails in the same manner and under
14 the same conditions as departments and agencies of the
15 United States.

16 (n) COMMISSION SUPPORT.—Not later than 60 days
17 after the date of the enactment of this Act, the Secretary
18 of Defense shall seek to enter into a contract with a feder-
19 ally funded research and development center to provide
20 appropriate staff and administrative support for the ac-
21 tivities of the Commission.

22 (o) EXPEDITION OF SECURITY CLEARANCES.—The
23 Office of Senate Security and the Office of House Security
24 shall ensure the expedited processing of appropriate secu-
25 rity clearances for personnel appointed to the Commission

1 by offices of the Senate and House of Representatives, re-
2 spectively, under processes developed for the clearance of
3 legislative branch employees.

4 (p) LEGISLATIVE ADVISORY COMMITTEE.—The
5 Commission shall operate as a legislative advisory com-
6 mittee and shall not be subject to the provisions of the
7 Federal Advisory Committee Act (5 U.S.C. App.).

8 (q) FUNDING.—There is authorized to be appro-
9 priated \$7,000,000 for the Commission to carry out activi-
10 ties under this Act. Such funds shall remain available until
11 expended.

12 (r) TERMINATION.—

13 (1) IN GENERAL.—The Commission shall termi-
14 nate on the date that is 90 days after the Commis-
15 sion submits the final report required by subsection
16 (e).

17 (2) ADMINISTRATIVE ACTIONS BEFORE TERMI-
18 NATION.—The Commission may use the 90-day pe-
19 riod described in paragraph (1) for the purpose of
20 concluding its activities, including providing testi-
21 mony to committees of Congress with respect to and
22 disseminating the report required by subsection (e).

23 (s) APPROPRIATE CONGRESSIONAL COMMITTEES DE-
24 FINED.—In this section, the term “appropriate congres-
25 sional committees” means—

1 (1) the Committee on Armed Services of the
2 Senate; and

3 (2) the Committee on Armed Services of the
4 House of Representatives.

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