

# DEFENSE PRIORITIES AND ALLOCATIONS SYSTEM (DPAS): FREQUENTLY ASKED QUESTIONS



U.S. DEPARTMENT OF COMMERCE  
BUREAU OF INDUSTRY AND SECURITY

## Questions Table of Contents

Q1: Who does the DPAS regulation apply to? .....	3
Q2: My company is physically located in the United States and is in receipt of DPAS rated orders. My company needs items from our subsidiary, which is physically located in another country, to fulfill the DPAS rated orders. May my company place DPAS priority rated orders with our subsidiary located in the other country to fulfill the DPAS rated orders my company received and accepted? .....	3
Q3: Who is authorized to include DPAS priority ratings on contracts and purchase orders? .....	3
Q4: May foreign entities (government agencies, companies, and international organizations) place DPAS rated orders with U.S. suppliers? .....	4
Q5: My program appears to fall under one of the Approved Program categories listed in Schedule I of the DPAS regulation. Is my program automatically authorized to use DPAS priority rating authority? .....	4
Q6: Who may request special priorities assistance (SPA) under the DPAS regulation? .....	4
Q7: What safeguards does DOC/BIS have in place to safeguard my business confidential or proprietary information obtained under section 700.91 of the DPAS regulation? .....	5
Q8: I've received a written letter from DOC/BIS that authorizes me to include DPAS priority ratings on my contracts and purchase orders in support of a particular program. Are my contracts and purchase orders in support of that program now DPAS priority rated? .....	5
Q9: I've received a contract or order that is missing one or more of the required elements of a DPAS rated order outlined in section 700.12. What do I do? .....	5
Q10: A supplier is demanding that I provide a prime contract number related to a DPAS priority rated purchase order. Is there a requirement in the DPAS regulation to provide the supplier with a prime contract number? .....	6
Q11: I've placed a DPAS priority rated contract under a DPAS rating authorization I received. If my DPAS rating authorization expires before my supplier is able to perform on the DPAS priority rated contract I placed, does the DPAS priority rating on the contract I placed expire? What if after my DPAS rating authorization expires I subsequently find that I need to modify the DPAS priority rated contract I placed. May I do so? .....	6
Q12: I've received a DPAS rated order, but need more time than the number of working days specified in section 700.13(d)(1) of the DPAS regulation to determine whether I can meet my customer's requested delivery/performance date. What notification should I provide my customer? .....	6
Q13: May I accept a rated order contingent upon obtaining necessary production materials or equipment? .....	7
Q14: I received and accepted a DPAS priority rated order. I subsequently found that I am only able to deliver a portion of the items required under the DPAS priority rated order I accepted. Does the DPAS regulation require that I partially perform on the DPAS priority rated order I accepted? .....	7
Q15: If I encounter production or shipment conflicts following acceptance of several DPAS rated orders of equal priority status that will result in delayed delivery or performance against one or more orders, which of the conflicting orders should be given delivery or performance preference? .....	7
Q16: Can my suppliers charge a higher price to produce, deliver, or perform against my DPAS rated order? .....	8

# DEFENSE PRIORITIES AND ALLOCATIONS SYSTEM (DPAS): FREQUENTLY ASKED QUESTIONS



U.S. DEPARTMENT OF COMMERCE  
BUREAU OF INDUSTRY AND SECURITY

<b>Q17: May I use a DPAS rated order to purchase finished items, components, or production materials from a foreign supplier? .....</b>	<b>8</b>
<b>Q18: If my supplier refuses to accept or comply with a DPAS rated order, what should I do? .....</b>	<b>9</b>
<b>Q19: Must I accept a DPAS rated contract or order from a customer with whom I have never done business? .....</b>	<b>9</b>
<b>Q20: If by accepting a DPAS rated order I must delay delivery against unrated orders, am I protected against claims from my customers for damages caused by this delay? .....</b>	<b>9</b>
<b>Q21: If I use inventoried items to fill a DPAS rated order, may I replace those items by using a rated order? .....</b>	<b>9</b>
<b>Q22: To fill a DPAS rated order, I need to purchase a quantity of items that is less than my supplier's minimum (commercially procurable) quantity. Is my supplier obligated to accept and fill a DPAS rated order for such quantity? .....</b>	<b>10</b>
<b>Q23: Must a DPAS rated order be in writing, or may I give it verbally to my supplier over the phone? May it be placed electronically? .....</b>	<b>10</b>
<b>Q24: I acquired raw materials for a DPAS rated contract from a supplier. My supplier changed the specifications that have historically been used to manufacture the raw material last year and is no longer willing to support the legacy specifications. While the new raw material appears to be consistent with the legacy material, the modified specifications fall outside what is acceptable for the prime contractor. Can the DPAS be used to compel my raw material supplier to manufacture the raw material consistent with the legacy specifications? .....</b>	<b>10</b>
<b>Q25: How do I combine DPAS priority ratings on rated orders with suppliers? .....</b>	<b>10</b>
<b>Q26: My facility has two production lines, Line A and Line B. Each line manufactures a different product, requires different production items, and has different manufacturing cycle-times and assembly and test processes. Products manufactured on Line A cannot be manufactured on Line B, and products manufactured on Line B cannot be manufactured on Line A. If I receive a DPAS rated order for a product manufactured on Line A, how should I schedule operations? .....</b>	<b>12</b>
<b>Q27: Can a DPAS rated order be placed with a foreign-owned company located in the United States? .....</b>	<b>12</b>
<b>Q28: If I receive a DPAS rated order, do I need to flow down the DPAS rating to my suppliers? .....</b>	<b>12</b>
<b>Q29: Can I use a DPAS rated order for maintenance or repair supplies? .....</b>	<b>13</b>

# DEFENSE PRIORITIES AND ALLOCATIONS SYSTEM (DPAS): FREQUENTLY ASKED QUESTIONS



U.S. DEPARTMENT OF COMMERCE  
BUREAU OF INDUSTRY AND SECURITY

## **Q1: Who does the DPAS regulation apply to?**

**A:** The DPAS regulation applies to all entities physically located in the United States, regardless of ownership. This includes foreign owned companies physically located in the United States. The DPAS is not extraterritorial and therefore has no legal authority outside the United States. Foreign companies or foreign subsidiaries of U.S. companies that are located outside of the United States are not subject to the DPAS regulation.

See [slide 60, Introduction to the Defense Priorities and Allocations System Training](#)

## **Q2: My company is physically located in the United States and is in receipt of DPAS rated orders. My company needs items from our subsidiary, which is physically located in another country, to fulfill the DPAS rated orders. May my company place DPAS priority rated orders with our subsidiary located in the other country to fulfill the DPAS rated orders my company received and accepted?**

**A:** As a general matter, the DPAS regulation does not have legal authority outside the United States. Therefore, if your company's subsidiary that is physically located in another country were to receive a DPAS rated order, it would not be required to follow the provisions of the DPAS regulation. If your company's subsidiary that is located in another country decides to honor the DPAS rated orders as part of your company's internal corporate policy, that is a business decision, not a requirement under the DPAS regulation. It is important to note that because the DPAS regulation has no legal authority outside of the United States, the DPAS regulation's protection against claims provisions would not apply to the subsidiary located in another country.

See [slide 60, Introduction to the Defense Priorities and Allocations System Training](#)

## **Q3: Who is authorized to include DPAS priority ratings on contracts and purchase orders?**

**A:** Any U.S. Government Agency or entity, including companies located in the United States and foreign government agencies, companies, and international organizations, that has received written authorization from the Department of Commerce (DOC)/Bureau of Industry and Security (BIS) or one of the Delegate Agencies may include DPAS priority ratings on contracts and purchase orders in support of programs that have been authorized for priorities support. Any U.S. entity in receipt of a properly DPAS rated contract or purchase order may in turn include the applicable DPAS priority rating on its contracts and purchase orders with suppliers located in the United States for items needed to fulfill the rated contract or purchase order it received.

# DEFENSE PRIORITIES AND ALLOCATIONS SYSTEM (DPAS): FREQUENTLY ASKED QUESTIONS



U.S. DEPARTMENT OF COMMERCE  
BUREAU OF INDUSTRY AND SECURITY

See [slide 19, Introduction to the Defense Priorities and Allocations System Training](#)

## **Q4: May foreign entities (government agencies, companies, and international organizations) place DPAS rated orders with U.S. suppliers?**

**A:** Yes. Foreign entities may place rated orders with U.S. suppliers only with express written authorization of DOC/BIS on a case-by-case basis if the procurement is determined as necessary or appropriate to promote the U.S. national defense. Canadian entities should refer to section [700.56](#) of the DPAS regulation for more information. All other foreign entities should refer to section [700.57](#) of the DPAS regulation for more information.

See [slide 19, Introduction to the Defense Priorities and Allocations System Training](#)  
[slides 13 – 16, Introduction to Special Priorities Assistance](#)

## **Q5: My program appears to fall under one of the Approved Program categories listed in Schedule I of the DPAS regulation. Is my program automatically authorized to use DPAS priority rating authority?**

**A:** No. An approved program is a program that has been determined in writing as necessary or appropriate for priorities and allocations support to promote the national defense by the Secretary of Defense, the Secretary of Energy, or the Secretary of Homeland Security. DPAS priority rating authority may not be self-assigned. Instead, it requires the written authorization of DOC/BIS.

See [slides 19 and 27, Introduction to the Defense Priorities and Allocations System Training](#)

## **Q6: Who may request special priorities assistance (SPA) under the DPAS regulation?**

**A:** Any person may request SPA. The DPAS defines the term “person” as any individual, corporation, partnership, association, or any other organized group of persons, or legal successor or representative thereof; or any authorized State or local government or agency thereof; and for purposes of administration of the DPAS regulation, includes the United States Government and any authorized foreign government or international organization or agency thereof, delegated authority as provided in the DPAS regulation.

See [slide 3, Introduction to Special Priorities Assistance](#)

# DEFENSE PRIORITIES AND ALLOCATIONS SYSTEM (DPAS): FREQUENTLY ASKED QUESTIONS



U.S. DEPARTMENT OF COMMERCE  
BUREAU OF INDUSTRY AND SECURITY

## **Q7: What safeguards does DOC/BIS have in place to safeguard my business confidential or proprietary information obtained under section 700.91 of the DPAS regulation?**

**A:** Information obtained under section 700.91 of the DPAS regulation is deemed confidential under section 705(d) of the DPA which prohibits publication or disclosure of information unless the President determines that withholding it is contrary to the interest of the national defense. DOC/BIS will assert the appropriate Freedom of Information Act (FOIA) exemptions if such information is the subject of FOIA requests.

## **Q8: I've received a written letter from DOC/BIS that authorizes me to include DPAS priority ratings on my contracts and purchase orders in support of a particular program. Are my contracts and purchase orders in support of that program now DPAS priority rated?**

**A:** No. The written letter from DOC/BIS does not automatically make an authorized person's contract(s) and/or purchase order(s) DPAS priority rated under the DPAS regulation. The authorized person must place or amend their existing contract(s) and/or purchase order(s) to include the priority rating authorized by DOC/BIS as well as the other required elements of a DPAS rated order outlined in sections [700.12](#) and [700.16](#) of the DPAS regulation.

If the authorized person fails to place or amend their contract(s) and/or purchase order(s) in accordance with the DPAS regulation, they are placing an unrated contract(s) and/or purchase order(s), and their suppliers may not provide preferential scheduling to those contract(s) and/or purchase order(s) under the DPAS regulation.

See [slide 23, Introduction to the Defense Priorities and Allocations System Training](#)

## **Q9: I've received a contract or order that is missing one or more of the required elements of a DPAS rated order outlined in section 700.12. What do I do?**

**A:** There are four required elements of a DPAS rated order outlined in section [700.12](#) of the DPAS regulation:

1. Priority Rating;
2. Required Delivery Date(s);
3. Authorized Written or Digital Signature; and
4. A Certification Statement.

These four elements must appear on every contract, purchase order, or delivery order in order to be treated as a DPAS rated order. If any of the above four elements are missing from a contract or order, the contract or order is not considered priority rated, and must not be treated as such. You should notify the customer that if this order is to be treated as a DPAS rated order, then they should amend it to include the required four elements.



# DEFENSE PRIORITIES AND ALLOCATIONS SYSTEM (DPAS): FREQUENTLY ASKED QUESTIONS



U.S. DEPARTMENT OF COMMERCE  
BUREAU OF INDUSTRY AND SECURITY

See [slide 23, Introduction to the Defense Priorities and Allocations System Training](#)

**Q10: A supplier is demanding that I provide a prime contract number related to a DPAS priority rated purchase order. Is there a requirement in the DPAS regulation to provide the supplier with a prime contract number?**

**A:** No. The DPAS regulation does not require a company to provide their suppliers with a prime contract number. Only the four elements outlined in section [700.12](#) of the DPAS regulation are required for an order to be treated as a DPAS rated order.

See [slide 23, Introduction to the Defense Priorities and Allocations System Training](#)

**Q11: I've placed a DPAS priority rated contract under a DPAS rating authorization I received. If my DPAS rating authorization expires before my supplier is able to perform on the DPAS priority rated contract I placed, does the DPAS priority rating on the contract I placed expire? What if after my DPAS rating authorization expires I subsequently find that I need to modify the DPAS priority rated contract I placed. May I do so?**

**A:** If you place a DPAS priority rated contract under the authority of a DPAS rating authorization issued to you, the DPAS priority rated contract you placed with your supplier does not expire, provided the contract was placed prior to the expiration date provided in the DPAS rating authorization.

If you find that you need to modify a DPAS priority rated contract you placed with your supplier after your DPAS rating authorization expires, or if your contract requires orders to be placed against it after the expiration of the DPAS rating authorization, please contact DOC/BIS at [DPAS@bis.doc.gov](mailto:DPAS@bis.doc.gov) or 202-482-3634 to discuss this issue further and to get additional guidance.

**Q12: I've received a DPAS rated order, but need more time than the number of working days specified in section 700.13(d)(1) of the DPAS regulation to determine whether I can meet my customer's requested delivery/performance date. What notification should I provide my customer?**

**A:** Under section [700.13\(d\)\(1\)](#) of the DPAS regulation, a person must accept or reject a DPAS rated order in writing within fifteen (15) working days after receipt of a DO rated order and within ten (10) working days after receipt of a DX rated order. If the order is rejected, the person must give reasons in writing for the rejection and advise of a new shipment or performance date.

# DEFENSE PRIORITIES AND ALLOCATIONS SYSTEM (DPAS): FREQUENTLY ASKED QUESTIONS



U.S. DEPARTMENT OF COMMERCE  
BUREAU OF INDUSTRY AND SECURITY

If a person is unable to determine whether they can meet a DO rated order within fifteen (15) working days after receipt of a DO rated order, or whether they can meet a DX rated order within ten (10) working days after receipt of a DX rated order, the person must give their customer the best estimate of when shipment or performance can be met within the applicable acceptance/rejection timeframe for the level (DO or DX) of the DPAS rated order they received.

If the person subsequently finds that delivery or performance will be improved or delayed from the date they estimated, per preferential scheduling requirements, the person should notify the customer of the new delivery or performance date. If it is a delay, the person must notify their customer immediately, give the reasons for the delay, and advise of a new shipment or performance date as outlined in section [700.13\(d\)\(3\)](#) of the DPAS regulation.

## **Q13: May I accept a rated order contingent upon obtaining necessary production materials or equipment?**

**A:** No. Rated orders may not be accepted on a contingent basis. If you cannot meet the required delivery date, you must inform your customer of the earliest date on which delivery can be made, and offer to accept the order on the basis of that date.

See [slides 37 and 39, Introduction to the Defense Priorities and Allocations System Training](#)

## **Q14: I received and accepted a DPAS priority rated order. I subsequently found that I am only able to deliver a portion of the items required under the DPAS priority rated order I accepted. Does the DPAS regulation require that I partially perform on the DPAS priority rated order I accepted?**

**A:** Yes. Under section [700.13\(d\)\(3\)](#), if a person has accepted a rated order and subsequently finds that shipment or performance will be delayed in part or in whole, the person must notify the customer immediately, give the reasons for the delay, and advise of a new shipment or performance date for the items or services delayed.

See [slide 41, Introduction to the Defense Priorities and Allocations System Training](#)

## **Q15: If I encounter production or shipment conflicts following acceptance of several DPAS rated orders of equal priority status that will result in delayed delivery or performance against one or more orders, which of the conflicting orders should be given delivery or performance preference?**

**A:** You should give preference to an order or orders in the sequence in which delivery or performance is required. For conflicting rated orders received on the same day, you should give preference to the order or

# DEFENSE PRIORITIES AND ALLOCATIONS SYSTEM (DPAS): FREQUENTLY ASKED QUESTIONS



U.S. DEPARTMENT OF COMMERCE  
BUREAU OF INDUSTRY AND SECURITY

orders with the earliest receipt date. If you cannot otherwise resolve the delivery or performance conflict, or if your customer objects to the rescheduling of the delayed order, you should promptly request special priorities assistance (SPA). For any order that will be delayed, you must notify your customer as provided in section [700.13\(d\)\(3\)](#) of the DPAS regulation. Conflicting rated orders are discussed in section [700.14\(c\)](#) of the DPAS regulation.

See [slides 43 – 44, Introduction to the Defense Priorities and Allocations System Training](#)

## **Q16: Can my suppliers charge a higher price to produce, deliver, or perform against my DPAS rated order?**

**A:** Your supplier may not discriminate against your rated order in any manner. Nor may the supplier impose any different terms or conditions than for comparable unrated orders. However, the DPAS is not meant to secure a price advantage. If a supplier accrues certain costs to meet the required delivery date of the DPAS rated order, such as an increased cost in production items/materials needed to fill the order, then the expense could be included in the cost of the item the customer would pay.

See [slide 36, Introduction to the Defense Priorities and Allocations System Training](#)

## **Q17: May I use a DPAS rated order to purchase finished items, components, or production materials from a foreign supplier?**

**A:** No. The DPAS regulation, and therefore DPAS priority ratings, has no legal standing outside of the United States. However, if you need assistance to obtain items in Canada, you must submit a request to the DOC/BIS's Office of Strategic Industries and Economic Security (SIES) on Form BIS-999. If you need assistance to obtain items from a supplier in Australia, Denmark, Estonia, Finland, Germany, Israel, Italy, Japan, Latvia, Lithuania, the Netherlands, Norway, Republic of Korea, Singapore, Spain, Sweden, and the United Kingdom, you should contact the Department of Defense DPA Title I Lead in Office of the Assistant Secretary of Defense for Industrial Base Policy. The most current security of supply arrangement information, including an up-to-date list of countries, may be found on the following web site: [www.businessdefense.gov/security-of-supply.html](http://www.businessdefense.gov/security-of-supply.html). Please see sections [700.56](#) and [700.57](#) of the DPAS regulation for more information.

See [slide 47, Introduction to the Defense Priorities and Allocations System Training](#)

For information on assistance needed to obtain items in Canada or other nations, see [slides 13 – 19, Introduction to Special Priorities Assistance](#)



# DEFENSE PRIORITIES AND ALLOCATIONS SYSTEM (DPAS): FREQUENTLY ASKED QUESTIONS



U.S. DEPARTMENT OF COMMERCE  
BUREAU OF INDUSTRY AND SECURITY

## **Q18: If my supplier refuses to accept or comply with a DPAS rated order, what should I do?**

**A:** You should attempt to obtain the reason for the refusal in writing. If the reason conforms to any of the provisions in section [700.13\(b\) or \(c\)](#) of the DPAS regulation, you should first seek an alternative source of supply. If there is no alternative source that can meet your requirements, you should promptly contact your customer or DOC/BIS. If the supplier refuses to give a reason or the reason does not conform to the provisions of section [700.13](#) of the DPAS regulation, you should promptly contact DOC/BIS at [DPAS@bis.doc.gov](mailto:DPAS@bis.doc.gov) or 202-482-3634 to discuss this issue further and to get additional guidance.

See [slides 37 – 39, Introduction to the Defense Priorities and Allocations System Training](#)

## **Q19: Must I accept a DPAS rated contract or order from a customer with whom I have never done business?**

**A:** Yes. Except as provided in section [700.13](#) of the DPAS regulation, you must accept and fill all rated orders you receive.

See [slide 36, Introduction to the Defense Priorities and Allocations System Training](#)

## **Q20: If by accepting a DPAS rated order I must delay delivery against unrated orders, am I protected against claims from my customers for damages caused by this delay?**

**A:** Yes. Such protection is provided under section 707 of the Defense Production Act of 1950 (DPA). See section [700.90](#) of the DPAS regulation. You may not be held liable for damages or penalties for any act or failure to act resulting directly or indirectly from compliance with any provision of the statute, the DPAS, or a Directive issued by DOC/BIS.

See [slide 67, Introduction to the Defense Priorities and Allocations System Training](#)

## **Q21: If I use inventoried items to fill a DPAS rated order, may I replace those items by using a rated order?**

**A:** Yes. You may use a DPAS rated order to replace inventoried items used to fulfill a DPAS rated order if you place the order with your supplier within 90 days of the date of use of the items. However, you may only use the DO rating symbol on the order, even if the customer's order was DX rated.

See [slide 55, Introduction to the Defense Priorities and Allocations System Training](#)

# DEFENSE PRIORITIES AND ALLOCATIONS SYSTEM (DPAS): FREQUENTLY ASKED QUESTIONS



U.S. DEPARTMENT OF COMMERCE  
BUREAU OF INDUSTRY AND SECURITY

**Q22: To fill a DPAS rated order, I need to purchase a quantity of items that is less than my supplier's minimum (commercially procurable) quantity. Is my supplier obligated to accept and fill a DPAS rated order for such quantity?**

**A:** Section [700.17\(e\)](#) of the DPAS regulation states that you may place a DPAS rated order for the minimum commercially procurable quantity. However, if possible, you must combine DPAS rated orders to the supplier as provided in section [700.17\(c\) and \(d\)](#) of the DPAS regulation.

**Q23: Must a DPAS rated order be in writing, or may I give it verbally to my supplier over the phone? May it be placed electronically?**

**A:** DPAS rated orders may be placed with suppliers either in writing or electronically. Regardless of common industry practice, if the order is given verbally, it must be followed-up immediately either in writing or electronically. The required elements of a DPAS rated order are discussed in section [700.12](#) of the DPAS regulation.

See [slide 23, Introduction to the Defense Priorities and Allocations System Training](#)

**Q24: I acquired raw materials for a DPAS rated contract from a supplier. My supplier changed the specifications that have historically been used to manufacture the raw material last year and is no longer willing to support the legacy specifications. While the new raw material appears to be consistent with the legacy material, the modified specifications fall outside what is acceptable for the prime contractor. Can the DPAS be used to compel my raw material supplier to manufacture the raw material consistent with the legacy specifications?**

**A:** Under the DPAS regulation, DOC/BIS cannot compel a company to produce an item that it does not supply. Without knowing specific information about the inputs/manufacturing procedures used by the raw material supplier to make the legacy vs. the new material, DOC/BIS cannot say for certain whether the legacy and new materials are the same item or different items. Please contact DOC/BIS at [DPAS@bis.doc.gov](mailto:DPAS@bis.doc.gov) or 202-482-3634 to discuss this issue further and to get additional guidance.

See [slide 38, Introduction to the Defense Priorities and Allocations System Training](#)

**Q25: How do I combine DPAS priority ratings on rated orders with suppliers?**

**A:** When placing DPAS priority rated orders with suppliers, a person may:

- Combine rated and unrated quantities of each item needed to fulfill DPAS rated orders received from one or several customers provided that the DPAS rated quantities are separately and clearly defined

# DEFENSE PRIORITIES AND ALLOCATIONS SYSTEM (DPAS): FREQUENTLY ASKED QUESTIONS



U.S. DEPARTMENT OF COMMERCE  
BUREAU OF INDUSTRY AND SECURITY

and the elements of a DPAS rated order, as required by section [700.12](#), are included on the order with the statement required in section [700.12\(a\)\(4\)](#) modified to read in substance:

*“This purchase order contains rated order quantities certified for national defense use, and you are required to follow all the provisions of the Defense Priorities and Allocations System regulations (15 CFR part 700) as it pertains to the rated quantities.”* See [15 CFR § 700.17\(d\)](#).

- Combine DX and DO rated orders from one customer or several customers if the items covered by each level of priority (DX or DO) are identified separately and clearly. When combining rated orders of equal priority, if different program identification symbols are indicated on those rated orders of equal priority received, the person must use the program identification symbol H1 (i.e., DO-H1 or DX-H1). See 15 CFR § 700.17(c).

For example, if a person chooses to place a DPAS rated order with a supplier to support DO-A1 and DO-C9 DPAS rated orders received from one customer or several customers on one purchase order, the person may:

- List out each item and the needed quantities from the supplier on the purchase order to fulfill the DO-A1 rated order received by separately and clearly applying the DO-A1 to each of the lined itemed quantities. On the same purchase order, a person would list out each item and the needed quantities from the supplier on the purchase order to fulfill the DO-C9 rated order received by separately and clearly applying the DO-C9 to each of the lined itemed quantities.
- Combine the DO-A1 and DO-C9 priority ratings and the appropriate quantities for each item needed to fulfill the DO-A1 and DO-C9 rated orders received on the purchase order with the supplier. If the DO-A1 and DO-C9 rated orders are combined, they must be combined under a priority rating of DO-H1. In this case, the earliest required delivery date of the DPAS rated order received will govern the delivery date(s) for the combined DPAS rated order placed with the supplier.
- For example, if a person has received a DO-A1 rated order that has a delivery date of July 1st as well as a DO-C9 rated order that has a delivery date of July 15th from its customers, and the person is placing a combined rated order with a supplier for items and the quantities needed to fulfill both the DO-A1 and DO-C9 rated orders using the DO-H1 priority rating, then the delivery date on the purchase order placed with the supplier for the items and quantities combined under a DO-H1 rated order would be governed by the need-by-date for the person to fulfill the July 1st delivery date of the DO-A1 rated order with the person's customer.

# DEFENSE PRIORITIES AND ALLOCATIONS SYSTEM (DPAS): FREQUENTLY ASKED QUESTIONS



U.S. DEPARTMENT OF COMMERCE  
BUREAU OF INDUSTRY AND SECURITY

**Q26: My facility has two production lines, Line A and Line B. Each line manufactures a different product, requires different production items, and has different manufacturing cycle-times and assembly and test processes. Products manufactured on Line A cannot be manufactured on Line B, and products manufactured on Line B cannot be manufactured on Line A. If I receive a DPAS rated order for a product manufactured on Line A, how should I schedule operations?**

**A:** Under section [700.14](#) of the DPAS regulation, a person must schedule operations, including the acquisition of all needed production items, in a timely manner to satisfy the delivery requirements of each DPAS rated order. Modifying production or delivery schedules is necessary only when required delivery dates for DPAS rated orders cannot otherwise be met. “DO” rated orders must be given production preference over unrated orders, if necessary to meet required delivery dates, even if this requires the diversion of items being processed or ready for delivery against unrated orders. Similarly, “DX” rated orders must be given preference over DO rated orders and unrated orders.

Therefore, if you are able to meet the delivery date for the DPAS priority rated order for a product manufactured on Line A without having to modify production or delivery schedules of other unrated or lower-rated orders, then no action is necessary. If, however, the performance of an unrated order or lower-rated order conflicts with the performance of the DPAS priority rated order for a product manufactured on Line A, then the unrated or lower rated orders must be rescheduled so as to give preference to the DPAS priority rated order for a product manufactured on Line A. No changes need to be made to the scheduling of products manufactured on Line B, as products manufactured on Lines A and B would not conflict.

See [slide 43, Introduction to the Defense Priorities and Allocations System Training](#)

**Q27: Can a DPAS rated order be placed with a foreign-owned company located in the United States?**

**A:** Yes. If a foreign-owned company or subsidiary physically located in the United States receives a DPAS rated order, it is required to follow the provisions of the DPAS regulation.

See [slide 60, Introduction to the Defense Priorities and Allocations System Training](#)

**Q28: If I receive a DPAS rated order, do I need to flow down the DPAS rating to my suppliers?**

**A:** A company in receipt of a properly DPAS rated contract or purchase order must in turn apply the DPAS priority rating on its contracts and purchase orders with suppliers located in the United States for items needed to fulfill the rated contract or purchase order it received.

# DEFENSE PRIORITIES AND ALLOCATIONS SYSTEM (DPAS): FREQUENTLY ASKED QUESTIONS



U.S. DEPARTMENT OF COMMERCE  
BUREAU OF INDUSTRY AND SECURITY

A person is not required to place a priority rating on an order for less than \$125,000, or one half of the Simplified Acquisition Threshold (SAT) (as established in the Federal Acquisition Regulations (FAR)), whichever amount is greater, provided that delivery can be obtained in a timely fashion without the use of the DPAS priority rating.

This is not an exception to the extension of priority ratings provisions of the DPAS regulation. If an order to be placed with a supplier to fulfill a DPAS rated order is less than \$125,000 or one half of the SAT but delivery cannot be obtained by the required delivery date, a person must place the order as a DPAS rated order. See [15 CFR § 700.15](#).

See [slide 46, Introduction to the Defense Priorities and Allocations System Training](#)

## **Q29: Can I use a DPAS rated order for maintenance or repair supplies?**

**A:** Yes. A DPAS rated order can be used for maintenance and repair and/or operating supplies (MRO) needed to produce the finished items to fill rated orders. However, for MRO, the priority rating used must contain the program identification symbol H7 along with the rating symbol (DX or DO) contained on the customer's rated order. For example, a person in receipt of a DO-A3 rated order, who needs MRO, would place a DO-H7 rated order with the person's supplier. See [15 CFR § 700.17\(a\)\(4\)](#).

See [slide 53, Introduction to the Defense Priorities and Allocations System Training](#)