

110TH CONGRESS
1ST SESSION

H. R. 556

To ensure national security while promoting foreign investment and the creation and maintenance of jobs, to reform the process by which such investments are examined for any effect they may have on national security, to establish the Committee on Foreign Investment in the United States, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

JANUARY 18, 2007

Mrs. MALONEY of New York (for herself, Ms. PRYCE of Ohio, Mr. CROWLEY, Mr. BLUNT, Mr. FRANK of Massachusetts, Mr. BACHUS, Mr. GUTIERREZ, Mr. PAUL, Mr. ACKERMAN, Mr. BAKER, Ms. BEAN, Mrs. BIGGERT, Mr. CLEAVER, Mr. CUMMINGS, Mr. FOSSELLA, Mr. GARRETT of New Jersey, Mr. GILLMOR, Mr. AL GREEN of Texas, Mr. HINOJOSA, Ms. HOOLEY, Mr. KING of New York, Mr. KLEIN of Florida, Mr. LANGEVIN, Mr. LYNCH, Mr. MANZULLO, Mr. MCCOTTER, Mr. MEEKS of New York, Mr. GARY G. MILLER of California, Mr. MOORE of Kansas, Ms. MOORE of Wisconsin, Mrs. MYRICK, Mr. REYNOLDS, Ms. ROS-LEHTINEN, Mr. SCOTT of Georgia, Mr. SMITH of Texas, Mr. REICHERT, and Ms. WATSON) introduced the following bill; which was referred to the Committee on Financial Services, and in addition to the Committees on Energy and Commerce and Foreign Affairs, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned

A BILL

To ensure national security while promoting foreign investment and the creation and maintenance of jobs, to reform the process by which such investments are examined for any effect they may have on national security,

to establish the Committee on Foreign Investment in the United States, 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 "National Security For-
5 eign Investment Reform and Strengthened Transparency
6 Act of 2007".

7 **SEC. 2. UNITED STATES SECURITY IMPROVEMENT AMEND-**
8 **MENTS; CLARIFICATION OF REVIEW AND IN-**
9 **VESTIGATION PROCESS.**

10 Section 721 of the Defense Production Act of 1950
11 (50 U.S.C. App. 2170) is amended by striking subsections
12 (a) and (b) and inserting the following new subsections:

13 "(a) **DEFINITIONS.**—For purposes of this section, the
14 following definitions shall apply:

15 "(1) **COMMITTEE.**—The term 'Committee'
16 means the Committee on Foreign Investment in the
17 United States.

18 "(2) **CONTROL.**—The term 'control' has the
19 meaning given to such term in regulations which the
20 Committee shall prescribe.

21 "(3) **COVERED TRANSACTION.**—The term 'cov-
22 ered transaction' means any merger, acquisition, or
23 takeover by or with any foreign person which could

1 result in foreign control of any person engaged in
2 interstate commerce in the United States.

3 “(4) FOREIGN GOVERNMENT-CONTROLLED
4 TRANSACTION.—The term ‘foreign government-con-
5 trolled transaction’ means any covered transaction
6 that could result in the control of any person en-
7 gaged in interstate commerce in the United States
8 by a foreign government or an entity controlled by
9 or acting on behalf of a foreign government.

10 “(5) CLARIFICATION.—The term ‘national secu-
11 rity’ shall be construed so as to include those issues
12 relating to ‘homeland security’, including its applica-
13 tion to critical infrastructure.

14 “(b) NATIONAL SECURITY REVIEWS AND INVESTIGA-
15 TIONS.—

16 “(1) NATIONAL SECURITY REVIEWS.—

17 “(A) IN GENERAL.—Upon receiving writ-
18 ten notification under subparagraph (C) of any
19 covered transaction, or on a motion made under
20 subparagraph (D) with respect to any covered
21 transaction, the President, acting through the
22 Committee, shall review the covered transaction
23 to determine the effects on the national security
24 of the United States.

1 “(B) CONTROL BY FOREIGN GOVERN-
2 MENT.—If the Committee determines that the
3 covered transaction is a foreign government-
4 controlled transaction, the Committee shall con-
5 duct an investigation of the transaction under
6 paragraph (2).

7 “(C) WRITTEN NOTICE.—

8 “(i) IN GENERAL.—Any party to any
9 covered transaction may initiate a review
10 of the transaction under this paragraph by
11 submitting a written notice of the trans-
12 action to the Chairperson of the Com-
13 mittee.

14 “(ii) WITHDRAWAL OF NOTICE.—No
15 covered transaction for which a notice was
16 submitted under clause (i) may be with-
17 drawn from review unless—

18 “(I) a written request for such
19 withdrawal is submitted by any party
20 to the transaction; and

21 “(II) the request is approved in
22 writing by the Chairperson, in con-
23 sultation with the Vice Chairpersons,
24 of the Committee.

1 “(iii) CONTINUING DISCUSSIONS.—

2 The approval of a withdrawal request
3 under clause (ii) shall not be construed as
4 precluding any party to the covered trans-
5 action from continuing informal discus-
6 sions with the Committee or any Com-
7 mittee member regarding possible resub-
8 mission for review pursuant to this para-
9 graph.

10 “(D) UNILATERAL INITIATION OF RE-
11 VIEW.—The President, the Committee, or any
12 member of the Committee may move to initiate
13 a review under subparagraph (A) of—

14 “(i) any covered transaction;

15 “(ii) any covered transaction that has
16 previously been reviewed or investigated
17 under this section, if any party to the
18 transaction submitted false or misleading
19 material information to the Committee in
20 connection with the review or investigation
21 or omitted material information, including
22 material documents, from information sub-
23 mitted to the Committee; or

24 “(iii) any covered transaction that has
25 previously been reviewed or investigated

1 under this section, if any party to the
2 transaction or the entity resulting from
3 consummation of the transaction inten-
4 tionally materially breaches a mitigation
5 agreement or condition described in sub-
6 section (l)(1)(A), and—

7 “(I) such breach is certified by
8 the lead department or agency moni-
9 toring and enforcing such agreement
10 or condition as an intentional material
11 breach; and

12 “(II) such department or agency
13 certifies that there is no other remedy
14 or enforcement tool available to ad-
15 dress such breach.

16 “(E) TIMING.—Any review under this
17 paragraph shall be completed before the end of
18 the 30-day period beginning on the date of the
19 receipt of written notice under subparagraph
20 (C) by the Chairperson of the Committee, or
21 the date of the initiation of the review in ac-
22 cordance with a motion under subparagraph
23 (D).

24 “(2) NATIONAL SECURITY INVESTIGATIONS.—

1 “(A) IN GENERAL.—In each case in
2 which—

3 “(i) a review of a covered transaction
4 under paragraph (1) results in a deter-
5 mination that—

6 “(I) the transaction threatens to
7 impair the national security of the
8 United States and that threat has not
9 been mitigated during or prior to the
10 review of a covered transaction under
11 paragraph (1); or

12 “(II) the transaction is a foreign
13 government-controlled transaction;

14 “(ii) a roll call vote pursuant to para-
15 graph (3)(A) in connection with a review
16 under paragraph (1) of any covered trans-
17 action results in at least 1 vote by a Com-
18 mittee member against approving the
19 transaction; or

20 “(iii) the Director of National Intel-
21 ligence identifies particularly complex intel-
22 ligence concerns that could threaten to im-
23 pair the national security of the United
24 States and Committee members were not
25 able to develop and agree upon measures

1 to mitigate satisfactorily those threats dur-
2 ing the initial review period under para-
3 graph (1),
4 the President, acting through the Committee,
5 shall immediately conduct an investigation of
6 the effects of the transaction on the national se-
7 curity of the United States and take any nec-
8 essary actions in connection with the trans-
9 action to protect the national security of the
10 United States.

11 “(B) TIMING.—

12 “(i) IN GENERAL.—Any investigation
13 under subparagraph (A) shall be completed
14 before the end of the 45-day period begin-
15 ning on the date of the investigation com-
16 menced.

17 “(ii) EXTENSIONS OF TIME.—The pe-
18 riod established under subparagraph (B)
19 for any investigation of a covered trans-
20 action may be extended with respect to any
21 particular investigation by the President or
22 by a rollcall vote of at least 2/3 of the
23 members of the Committee involved in the
24 investigation by the amount of time speci-
25 fied by the President or the Committee at

1 the time of the extension, not to exceed 45
2 days, as necessary to collect and fully
3 evaluate information relating to—

4 “(I) the covered transaction or
5 parties to the transaction; and

6 “(II) any effect of the trans-
7 action that could threaten to impair
8 the national security of the United
9 States.

10 “(3) APPROVAL OF CHAIRPERSON AND VICE
11 CHAIRPERSONS REQUIRED.—

12 “(A) IN GENERAL.—A review or investiga-
13 tion under this subsection of a covered trans-
14 action shall not be treated as final or complete
15 until the findings and the report resulting from
16 such review or investigation are approved by a
17 majority of the members of the Committee in a
18 roll call vote and signed by the Secretary of the
19 Treasury, the Secretary of Homeland Security,
20 and the Secretary of Commerce (and such au-
21 thority of each such Secretary may not be dele-
22 gated to any person other than the Deputy Sec-
23 retary of the Treasury, the Deputy Secretary of
24 Homeland Security, or the Deputy Secretary of
25 Commerce, respectively).

1 “(B) ADDITIONAL ACTION REQUIRED IN
2 CERTAIN CASES.—In the case of any roll call
3 vote pursuant to subparagraph (A) in connec-
4 tion with an investigation under paragraph (2)
5 of any foreign government-controlled trans-
6 action in which there is at least 1 vote by a
7 Committee member against approving the
8 transaction, the investigation shall not be treat-
9 ed as final or complete until the findings and
10 report resulting from such investigation are
11 signed by the President (in addition to the
12 Chairperson and the Vice Chairpersons of the
13 Committee under subparagraph (A)).

14 “(4) ANALYSIS BY DIRECTOR OF NATIONAL IN-
15 TELLIGENCE.—

16 “(A) IN GENERAL.—The Director of Na-
17 tional Intelligence shall expeditiously carry out
18 a thorough analysis of any threat to the na-
19 tional security of the United States of any cov-
20 ered transaction, including making requests for
21 information to the Director of the Office of
22 Foreign Assets Control within the Department
23 of the Treasury and the Director of the Finan-
24 cial Crimes Enforcement Network. The Direc-
25 tor of National Intelligence also shall seek and

1 incorporate the views of all affected or appro-
2 priate intelligence agencies.

3 “(B) 30-DAY MINIMUM.—The Director of
4 National Intelligence shall be provided no less
5 than 30 days to complete the analysis required
6 under subparagraph (A), except in any instance
7 described in paragraph (2)(A)(iii).

8 “(C) INDEPENDENT ROLE OF DIRECTOR.—
9 The Director of National Intelligence shall not
10 be a member of the Committee and shall serve
11 no policy role with the Committee other than to
12 provide analysis under subparagraph (A) in
13 connection with a covered transaction.

14 “(5) RESUBMITTALS OF NOTICE AND REQUESTS
15 FOR ADDITIONAL REVIEW OR INVESTIGATION.—

16 “(A) IN GENERAL.—No provision of this
17 subsection shall be construed as prohibiting any
18 party to a covered transaction from—

19 “(i) submitting additional information
20 concerning the transaction, including any
21 proposed restructuring of the transaction
22 or any modifications to any agreements in
23 connection with the transaction, while any
24 review or investigation of the transaction is
25 on-going; or

1 “(ii) requesting a review or investiga-
2 tion of the transaction after any previous
3 review or investigation of the same or a
4 similar transaction has become final if in-
5 formation material to the prior review or
6 investigation and not previously submitted
7 to the Committee becomes known or if any
8 material change in circumstances to the
9 covered transaction has occurred since the
10 review or investigation.

11 “(B) APPROVAL OF REQUEST.—In the
12 case of a request referred to in subparagraph
13 (A)(ii), the Committee shall determine by con-
14 sensus whether to grant a request.

15 “(6) REGULATIONS.—Regulations prescribed
16 under this section shall include standard procedures
17 for—

18 “(A) submitting any notice of a proposed
19 or pending covered transaction to the Com-
20 mittee;

21 “(B) submitting a request to withdraw a
22 proposed or pending covered transaction from
23 review; and

1 “(C) resubmitting a notice of proposed or
2 pending covered transaction that was previously
3 withdrawn from review.”.

4 **SEC. 3. STATUTORY ESTABLISHMENT OF THE COMMITTEE**
5 **ON FOREIGN INVESTMENT IN THE UNITED**
6 **STATES.**

7 (a) IN GENERAL.—Section 721 of the Defense Pro-
8 duction Act of 1950 (50 U.S.C. App. 2170) is amended
9 by striking subsection (k) and inserting the following new
10 subsection:

11 “(k) COMMITTEE ON FOREIGN INVESTMENT IN THE
12 UNITED STATES.—

13 “(1) ESTABLISHMENT.—The Committee on
14 Foreign Investment in the United States established
15 pursuant to Executive Order No. 11858 shall be a
16 multi-agency committee to carry out this section and
17 such other assignments as the President may des-
18 ignate.

19 “(2) MEMBERSHIP.—The Committee shall be
20 comprised of the following members or the designee
21 of any such member:

22 “(A) The Secretary of the Treasury.

23 “(B) The Secretary of Homeland Security.

24 “(C) The Secretary of Commerce.

25 “(D) The Secretary of Defense.

1 “(E) The Secretary of State.

2 “(F) The Attorney General.

3 “(G) The Secretary of Energy.

4 “(H) The Chairman of the Council of Eco-
5 nomic Advisors.

6 “(I) The United States Trade Representa-
7 tive.

8 “(J) The Director of the Office of Manage-
9 ment and Budget.

10 “(K) The Director of the National Eco-
11 nomic Council.

12 “(L) The Director of the Office of Science
13 and Technology Policy.

14 “(M) The President’s Assistant for Na-
15 tional Security Affairs.

16 “(N) Any other designee of the President
17 from the Executive Office of the President.

18 “(3) CHAIRPERSON; VICE CHAIRPERSONS.—The
19 Secretary of the Treasury shall be the Chairperson
20 of the Committee. The Secretary of Homeland Secu-
21 rity and the Secretary of Commerce shall be the Vice
22 Chairpersons of the Committee.

23 “(4) OTHER MEMBERS.—Subject to subsection
24 (b)(4)(B), the Chairperson of the Committee shall
25 involve the heads of such other Federal departments,

1 agencies, and independent establishments in any re-
2 view or investigation under subsection (b) as the
3 Chairperson, after consulting with the Vice Chair-
4 persons, determines to be appropriate on the basis
5 of the facts and circumstances of the transaction
6 under investigation (or the designee of any such de-
7 partment or agency head).

8 “(5) MEETINGS.—The Committee shall meet
9 upon the direction of the President or upon the call
10 of the Chairperson of the Committee without regard
11 to section 552b of title 5, United States Code (if
12 otherwise applicable).

13 “(6) COLLECTION OF EVIDENCE.—Subject to
14 subsection (c), the Committee may, for the purpose
15 of carrying out this section—

16 “(A) sit and act at such times and places,
17 take such testimony, receive such evidence, ad-
18 minister such oaths; and

19 “(B) require the attendance and testimony
20 of such witnesses and the production of such
21 books, records, correspondence, memoranda, pa-
22 pers, and documents as the Chairperson of the
23 Committee may determine advisable.

24 “(7) AUTHORIZATION OF APPROPRIATIONS.—
25 There are authorized to be appropriated to the Sec-

1 retary of the Treasury for each of fiscal years 2007,
2 2008, 2009, and 2010, expressly and solely for the
3 operations of the Committee that are conducted by
4 the Secretary, the sum of \$10,000,000.”.

5 (b) TECHNICAL AND CONFORMING AMENDMENT.—

6 The first sentence of section 721(c) of the Defense Pro-
7 duction Act of 1950 (50 U.S.C. App. 2170(c)) is amend-
8 ed—

9 (1) by striking “material filed with” and insert-
10 ing “material, including proprietary business infor-
11 mation, filed with, or testimony presented to,”; and

12 (2) by striking “or documentary material” the
13 second place such term appears and inserting “, doc-
14 umentary material, or testimony”.

15 **SEC. 4. ADDITIONAL FACTORS REQUIRED TO BE CONSID-**
16 **ERED.**

17 Section 721(f) of the Defense Production Act of 1950
18 (50 U.S.C. App. 2170(f)) is amended—

19 (1) in the matter preceding paragraph (1)—

20 (A) by striking “may” and inserting
21 “shall”; and

22 (B) by striking “among other factors”;

23 (2) by striking “and” at the end of paragraph

24 (4);

1 (3) by striking the period at the end of para-
2 graph (5) and inserting a semicolon; and

3 (4) by adding at the end the following new
4 paragraphs:

5 “(6) whether the covered transaction has a se-
6 curity-related impact on critical infrastructure in the
7 United States;

8 “(7) whether the covered transaction is a for-
9 eign government-controlled transaction; and

10 “(8) such other factors as the President or the
11 President’s designee may determine to be appro-
12 priate, generally or in connection with a specific re-
13 view or investigation.”.

14 **SEC. 5. NONWAIVER OF SOVEREIGN IMMUNITY.**

15 Section 721(d) of the Defense Production Act of
16 1950 (50 U.S.C. App. 2170(d)) is amended by adding at
17 the end the following new sentence: “The United States
18 shall not be held liable for any losses or other expenses
19 incurred by any party to a covered transaction as a result
20 of actions taken under this section after a covered trans-
21 action has been consummated if the party did not submit
22 a written notice of the transaction to the Chairperson of
23 the Committee under subsection (b)(1)(C) or did not wait
24 until the completion of any review or investigation under
25 subsection (b), or the end of the 15-day period referred

1 to in this subsection, before consummating the trans-
2 action.”.

3 **SEC. 6. MITIGATION, TRACKING, AND POST-CONSUMMA-**
4 **TION MONITORING AND ENFORCEMENT.**

5 Section 721 of the Defense Production Act of 1950
6 (50 U.S.C. App. 2170) is amended by inserting after sub-
7 section (k) (as amended by section 3 of this Act) the fol-
8 lowing new subsection:

9 “(l) MITIGATION, TRACKING, AND
10 POSTCONSUMMATION MONITORING AND ENFORCE-
11 MENT.—

12 “(1) MITIGATION.—

13 “(A) IN GENERAL.—The Committee or any
14 agency designated by the Chairperson and Vice
15 Chairpersons may negotiate, enter into or im-
16 pose, and enforce any agreement or condition
17 with any party to a covered transaction in order
18 to mitigate any threat to the national security
19 of the United States.

20 “(B) RISK-BASED ANALYSIS REQUIRED.—
21 Any agreement entered into or condition im-
22 posed under subparagraph (A) shall be based
23 on a risk-based analysis of the threat to na-
24 tional security of the covered transaction.

1 “(2) TRACKING AUTHORITY FOR WITHDRAWN
2 NOTICES.—

3 “(A) IN GENERAL.—If any written notice
4 of a covered transaction that was submitted to
5 the Committee under this section is withdrawn
6 before any review or investigation by the Com-
7 mittee under subsection (b) is completed, the
8 Committee shall establish, as appropriate—

9 “(i) interim protections to address
10 specific concerns with such transaction
11 that have been raised in connection with
12 any such review or investigation pending
13 any resubmission of any written notice
14 under this section with respect to such
15 transaction and further action by the
16 President under this section;

17 “(ii) specific timeframes for resubmit-
18 ting any such written notice; and

19 “(iii) a process for tracking any ac-
20 tions that may be taken by any party to
21 the transaction, in connection with the
22 transaction, before the notice referred to in
23 clause (ii) is resubmitted.

24 “(B) DESIGNATION OF AGENCY.—The
25 Committee may designate an appropriate Fed-

1 eral department or agency, other than any enti-
2 ty of the intelligence community (as defined in
3 the National Security Act of 1947), as the lead
4 agency to carry out the requirements of sub-
5 paragraph (A) with respect to any covered
6 transaction that is subject to such subpara-
7 graph.

8 “(3) NEGOTIATION, MODIFICATION, MONI-
9 TORING, AND ENFORCEMENT.—

10 “(A) DESIGNATION OF AGENCY.—The
11 Committee shall designate a Federal depart-
12 ment or agency as the lead agency to negotiate,
13 modify, monitor, and enforce any agreement en-
14 tered into or condition imposed under para-
15 graph (1) with respect to a covered transaction
16 based on the expertise with and knowledge of
17 the issues related to such transaction on the
18 part of the designated department or agency.

19 “(B) REPORTING BY DESIGNATED AGEN-
20 CY.—

21 “(i) IMPLEMENTATION REPORTS.—

22 The Federal department or agency des-
23 ignated by the Committee as a lead agency
24 under subparagraph (A) in connection with
25 any agreement entered into or condition

1 imposed under paragraph (1) with respect
2 to a covered transaction shall—

3 “(I) provide periodic reports to
4 the Chairperson and Vice Chair-
5 persons of the Committee on the im-
6 plementation of such agreement or
7 condition; and

8 “(II) require, as appropriate, any
9 party to the covered transaction to re-
10 port to the head of such department
11 or agency (or the designee of such de-
12 partment or agency head) on the im-
13 plementation or any material change
14 in circumstances.

15 “(ii) MODIFICATION REPORTS.—The
16 Federal department or agency designated
17 by the Committee as a lead agency under
18 subparagraph (A) in connection with any
19 agreement entered into or condition im-
20 posed with respect to a covered transaction
21 shall—

22 “(I) provide periodic reports to
23 the Chairperson and Vice Chair-
24 persons of the Committee on any
25 modification to any such agreement or

1 condition imposed with respect to the
2 transaction; and

3 “(II) ensure that any significant
4 modification to any such agreement or
5 condition is reported to the Director
6 of National Intelligence and to any
7 other Federal department or agency
8 that may have a material interest in
9 such modification.”.

10 **SEC. 7. INCREASED OVERSIGHT BY THE CONGRESS.**

11 (a) **REPORT ON ACTIONS.**—Section 721(g) of the De-
12 fense Production Act of 1950 (50 U.S.C. App. 2170) is
13 amended to read as follows:

14 “(g) **REPORTS TO THE CONGRESS.**—

15 “(1) **REPORTS ON COMPLETED COMMITTEE IN-**
16 **VESTIGATIONS.**—

17 “(A) **IN GENERAL.**—Not later than 5 days
18 after the completion of a Committee investiga-
19 tion of a covered transaction under subsection
20 (b)(2), or, if the President indicates an intent
21 to take any action authorized under subsection
22 (d) with respect to the transaction, after the
23 end of 15-day period referred to in subsection
24 (d), the Chairperson or a Vice Chairperson of
25 the Committee shall submit a written report on

1 the findings or actions of the Committee with
2 respect to such investigation, the determination
3 of whether or not to take action under sub-
4 section (d), an explanation of the findings
5 under subsection (e), and the factors considered
6 under subsection (f), with respect to such trans-
7 action, to—

8 “(i) the Majority Leader and the Mi-
9 nority Leader of the Senate;

10 “(ii) the Speaker and the Minority
11 Leader of the House of Representatives;
12 and

13 “(iii) the chairman and ranking mem-
14 ber of each committee of the House of
15 Representatives and the Senate with juris-
16 diction over any aspect of the covered
17 transaction and its possible effects on na-
18 tional security, including the Committee on
19 International Relations, the Committee on
20 Financial Services, and the Committee on
21 Energy and Commerce of the House of
22 Representatives.

23 “(B) NOTICE AND BRIEFING REQUIRE-
24 MENT.—If a written request for a briefing on a
25 covered transaction is submitted to the Com-

mittee by any Senator or Member of Congress who receives a report on the transaction under subparagraph (A), the Chairperson or a Vice Chairperson (or such other person as the Chairperson or a Vice Chairperson may designate) shall provide 1 classified briefing to each House of the Congress from which any such briefing request originates in a secure facility of appropriate size and location that shall be open only to the Majority Leader and the Minority Leader of the Senate, the Speaker and the Minority Leader of the House of Representatives, (as the case may be) the chairman and ranking member of each committee of the House of Representatives or the Senate (as the case may be) with jurisdiction over any aspect of the covered transaction and its possible effects on national security, including the Committee on International Relations, the Committee on Financial Services, and the Committee on Energy and Commerce of the House of Representatives, and appropriate staff members who have security clearance.

“(2) APPLICATION OF OTHER PROVISION.—

1 “(A) IN GENERAL.—The disclosure of in-
 2 formation under this subsection shall be con-
 3 sistent with the requirements of subsection (c).
 4 Members of Congress and staff of either House
 5 or any committee of the Congress shall be sub-
 6 ject to the same limitations on disclosure of in-
 7 formation as are applicable under such sub-
 8 section.

9 “(B) PROPRIETARY INFORMATION.—Pro-
 10 prietary information which can be associated
 11 with a particular party to a covered transaction
 12 shall be furnished in accordance with subpara-
 13 graph (A) only to a committee of the Congress
 14 and only when the committee provides assur-
 15 ances of confidentiality, unless such party oth-
 16 erwise consents in writing to such disclosure.”.

17 (b) SEMI-ANNUAL REPORT.—Section 721 of the De-
 18 fense Production Act of 1950 (50 U.S.C. App. 2170) is
 19 amended by inserting after subsection (l) (as added by sec-
 20 tion 6 of this Act) the following new subsection:

21 “(m) SEMI-ANNUAL REPORT TO THE CONGRESS.—

22 “(1) IN GENERAL.—The Chairperson of the
 23 Committee shall transmit a report to the chairman
 24 and ranking member of each committee of the
 25 House of Representatives and the Senate with juris-

1 diction over any aspect of the report, including the
2 Committee on International Relations, the Com-
3 mittee on Financial Services, and the Committee on
4 Energy and Commerce of the House of Representa-
5 tives, before January 31 and July 31 of each year
6 on all the reviews and investigations of covered
7 transactions conducted under subsection (b) during
8 the 6-month period covered by the report.

9 “(2) CONTENTS OF REPORT RELATING TO COV-
10 ERED TRANSACTIONS.—The report under paragraph
11 (1) shall contain the following information with re-
12 spect to each covered transaction:

13 “(A) A list of all notices filed and all re-
14 views or investigations conducted during the pe-
15 riod with basic information on each party to the
16 transaction, the nature of the business activities
17 or products of all pertinent persons, along with
18 information about the status of the review or
19 investigation, information on any withdrawal
20 from the process, any rolcall votes by the Com-
21 mittee under this section, any extension of time
22 for any investigation, and any presidential deci-
23 sion or action under this section.

24 “(B) Specific, cumulative, and, as appro-
25 priate, trend information on the numbers of fil-

1 ings, investigations, withdrawals, and presi-
2 dential decisions or actions under this section.

3 “(C) Cumulative and, as appropriate,
4 trend information on the business sectors in-
5 volved in the filings which have been made, and
6 the countries from which the investments have
7 originated.

8 “(D) Information on whether companies
9 that withdrew notices to the Committee in ac-
10 cordance with subsection (b)(1)(C)(ii) have
11 later re-filed such notices, or, alternatively,
12 abandoned the transaction.

13 “(E) The types of security arrangements
14 and conditions the Committee has used to miti-
15 gate national security concerns about a trans-
16 action.

17 “(F) A detailed discussion of all perceived
18 adverse effects of covered transactions on the
19 national security or critical infrastructure of the
20 United States that the Committee will take into
21 account in its deliberations during the period
22 before delivery of the next such report, to the
23 extent possible.

24 “(3) CONTENTS OF REPORT RELATING TO
25 CRITICAL TECHNOLOGIES.—

1 “(A) IN GENERAL.—In order to assist the
2 Congress in its oversight responsibilities with
3 respect to this section, the President and such
4 agencies as the President shall designate shall
5 include in the semi-annual report submitted
6 under paragraph (1) the following:

7 “(i) An evaluation of whether there is
8 credible evidence of a coordinated strategy
9 by 1 or more countries or companies to ac-
10 quire United States companies involved in
11 research, development, or production of
12 critical technologies for which the United
13 States is a leading producer.

14 “(ii) An evaluation of whether there
15 are industrial espionage activities directed
16 or directly assisted by foreign governments
17 against private United States companies
18 aimed at obtaining commercial secrets re-
19 lated to critical technologies.

20 “(B) CRITICAL TECHNOLOGIES DE-
21 FINED.—For purposes of this paragraph, the
22 term ‘critical technologies’ means technologies
23 identified under title VI of the National Science
24 and Technology Policy, Organization, and Pri-
25 orities Act of 1976 or other critical technology,

1 critical components, or critical technology items
2 essential to national defense or national security
3 identified pursuant to this section.

4 “(C) RELEASE OF UNCLASSIFIED
5 STUDY.—That portion of the semi-annual re-
6 port under paragraph (1) that is required by
7 this paragraph may be classified. An unclassi-
8 fied version of that portion of the report shall
9 be made available to the public.”.

10 (c) INVESTIGATION BY INSPECTOR GENERAL.—

11 (1) IN GENERAL.—The Inspector General of
12 the Department of the Treasury shall conduct an
13 independent investigation to determine all of the
14 facts and circumstances concerning each failure of
15 the Department of the Treasury to make any report
16 to the Congress that was required under section
17 721(k) of the Defense Production Act of 1950 (as
18 in effect before the date of the enactment of this
19 Act).

20 (2) REPORT TO THE CONGRESS.—Before the
21 end of the 270-day period beginning on the date of
22 the enactment of this Act, the Inspector General of
23 the Department of the Treasury shall submit a re-
24 port to the chairman and ranking member of each
25 committee of the House of Representatives and the

1 Senate with jurisdiction over any aspect of the re-
2 port, including the Committee on International Rela-
3 tions, the Committee on Financial Services, and the
4 Committee on Energy and Commerce of the House
5 of Representatives, on the investigation under para-
6 graph (1) containing the findings and conclusions of
7 the Inspector General.

8 (d) STUDY AND REPORT.—

9 (1) STUDY REQUIRED.—Before the end of the
10 120-day period beginning on the date of the enact-
11 ment of this Act, the Secretary of the Treasury, in
12 consultation with the Secretary of State and the
13 Secretary of Commerce, shall conduct a study on in-
14 vestments in the United States, especially invest-
15 ments in critical infrastructure and industries affect-
16 ing national security, by—

17 (A) foreign governments, entities controlled
18 by or acting on behalf of a foreign government,
19 or persons of foreign countries which comply
20 with any boycott of Israel; or

21 (B) foreign governments, entities con-
22 trolled by or acting on behalf of a foreign gov-
23 ernment, or persons of foreign countries which
24 do not ban organizations designated by the Sec-

1 retary of State as foreign terrorist organiza-
2 tions.

3 (2) REPORT.—Before the end of the 30-day pe-
4 riod beginning upon completion of the study under
5 paragraph (1) or in the next semi-annual report
6 under section 721(m) of the Defense Production Act
7 of 1950 (as added by subsection (b)), the Secretary
8 of the Treasury shall submit a report to the Con-
9 gress, for transmittal to all appropriate committees
10 of the Senate and the House of Representatives,
11 containing the findings and conclusions of the Sec-
12 retary with respect to the study, together with an
13 analysis of the effects of such investment on the na-
14 tional security of the United States and on any ef-
15 forts to address those effects.

16 **SEC. 8. CERTIFICATION OF NOTICES AND ASSURANCES.**

17 Section 721 of the Defense Production Act of 1950
18 (50 U.S.C. App. 2170) is amended by inserting after sub-
19 section (m) (as added by section 7(b) of this Act) the fol-
20 lowing new subsection:

21 “(n) CERTIFICATION OF NOTICES AND ASSUR-
22 ANCES.—Each notice required to be submitted, by a party
23 to a covered transaction, to the President or the Presi-
24 dent’s designee under this section and regulations pre-
25 scribed under such section, and any information submitted

1 by any such party in connection with any action for which
2 a report is required pursuant to paragraph (3)(B)(ii) of
3 subsection (1) with respect to the implementation of any
4 mitigation agreement or condition described in paragraph
5 (1)(A) of such subsection, or any material change in cir-
6 cumstances, shall be accompanied by a written statement
7 by the chief executive officer or the designee of the person
8 required to submit such notice or information certifying
9 that, to the best of the person's knowledge and belief—

10 “(1) the notice or information submitted fully
11 complies with the requirements of this section or
12 such regulation, agreement, or condition; and

13 “(2) the notice or information is accurate and
14 complete in all material respects.”.

15 **SEC. 9. REGULATIONS.**

16 Section 721(h) of the Defense Production Act of
17 1950 (50 U.S.C. App. 2170(h)) is amended to read as
18 follows:

19 “(h) REGULATIONS.—The President shall direct the
20 issuance of regulations to carry out this section. Such reg-
21 ulations shall, to the extent possible, minimize paperwork
22 burdens and shall to the extent possible coordinate report-
23 ing requirements under this section with reporting re-
24 quirements under any other provision of Federal law.”.

1 SEC. 10. EFFECT ON OTHER LAW.

2 Section 721(i) of the Defense Production Act of 1950
3 (50 U.S.C. App. 2170(i)) is amended to read as follows:

4 “(i) EFFECT ON OTHER LAW.—No provision of this
5 section shall be construed as altering or affecting any
6 other authority, process, regulation, investigation, enforce-
7 ment measure, or review provided by or established under
8 any other provision of Federal law, including the Inter-
9 national Emergency Economic Powers Act, or any other
10 authority of the President or the Congress under the Con-
11 stitution of the United States.”.

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