

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.

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## 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

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## 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 rolleall 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 rolleall 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,

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

“(C) RELEASE OF UNCLASSIFIED STUDY.—That portion of the semi-annual report under paragraph (1) that is required by this paragraph may be classified. An unclassified version of that portion of the report shall be made available to the public.”.

(c) INVESTIGATION BY INSPECTOR GENERAL.—

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

(2) REPORT TO THE CONGRESS.—Before the end of the 270-day period beginning on the date of the enactment of this Act, the Inspector General of the Department of the Treasury shall submit a report to the chairman and ranking member of each 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 (l) 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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