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113TH CONGRESS }
2d Session }

SENATE

{ REPORT
{ 113-252

GLOBAL INVESTMENT IN AMERICAN JOBS
ACT OF 2013

R E P O R T

OF THE

COMMITTEE ON COMMERCE, SCIENCE, AND
TRANSPORTATION

ON

H. R. 2052



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SENATE COMMITTEE ON COMMERCE, SCIENCE, AND TRANSPORTATION

ONE HUNDRED THIRTEENTH CONGRESS

SECOND SESSION

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Mr. ROCKEFELLER, from the Committee on Commerce, Science, and
Transportation, submitted the following

R E P O R T

[To accompany H. R. 2052]

The Committee on Commerce, Science, and Transportation, to which was referred the bill (H.R. 2052) to direct the Secretary of Commerce, in coordination with the heads of other relevant Federal departments and agencies, to conduct an interagency review of and report to Congress on ways to increase the global competitiveness of the United States in attracting foreign direct investment, having considered the same, reports favorably thereon without amendment and recommends that the bill do pass.

PURPOSE OF THE BILL

The purpose of H.R. 2052, the Global Investment in American Jobs Act of 2013, is to encourage foreign direct investment (FDI) in the United States by directing the Department of Commerce, in conjunction with other Federal agencies and departments, to conduct an interagency review of ways to increase the country's competitiveness in attracting FDI from businesses around the world.

BACKGROUND AND NEEDS

FDI is investment by a foreign company in an affiliate company located in the United States. Such investment is a key component of the American economy. The American subsidiaries of companies headquartered abroad employ over 5 million American workers, including more than 2 million manufacturing workers, and produce nearly 18 percent of U.S. exports. However, from 1999 to 2009, the U.S. share of global investment declined substantially as other countries began to attract investment at higher rates.

The Global Investment in American Jobs Act of 2013 would aim to increase FDI and regain this lost ground by recognizing the intense global competition for FDI and the United States' declining share of the world's invested capital. The bill would express the Sense of Congress that it is a top priority to enhance the Nation's competitiveness, prosperity, and security by ensuring the United States remains the premier global destination in which to invest, hire, innovate, and manufacture. The legislation would also task the Department of Commerce with assessing U.S. competitiveness for attracting FDI, producing a review of policies at the Federal level that are closely linked to the ability to attract FDI, and making recommendations to ensure that the laws, regulations, and policies of the United States are properly aligned to give confidence to investors to create American jobs. The review would be conducted in coordination with the Federal Interagency Investment Working Group, established by section 2(d) of Executive Order 13577, and the heads of other relevant Federal departments and agencies.

SUMMARY OF PROVISIONS

H.R. 2052 would direct the Secretary of Commerce, in coordination with other Federal agencies and departments, to conduct an interagency review of ways to increase the country's competitiveness in attracting FDI from businesses around the world. The legislation would allow opportunity for public comment and would require the Department of Commerce to issue a report to Congress on its findings and recommendations for increasing FDI without weakening labor, consumer, financial, or environmental protections.

LEGISLATIVE HISTORY

Representative Lee Terry introduced H.R. 2052 on May 20, 2013, with Representatives John Barrow, Peter J. Roskam, and Janice D. Schakowsky as original cosponsors. Senators Corker, Blunt, Hagan, and Klobuchar introduced a Senate companion, S. 1023, on May 22, 2013. The House Energy and Commerce Committee ordered H.R. 2052 to be reported as amended by unanimous consent on July 17, 2013, and the full House of Representatives passed the bill on September 9, 2013, by a vote of 379 to 32.

On April 9, 2014, in an open Executive Session, the Committee considered the bill and reported H.R. 2052 favorably by voice vote.

ESTIMATED COSTS

In accordance with paragraph 11(a) of rule XXVI of the Standing Rules of the Senate and section 403 of the Congressional Budget Act of 1974, the Committee provides the following cost estimate, prepared by the Congressional Budget Office:

H.R. 2052—Global Investment in American Jobs Act of 2013

H.R. 2052 would direct the Secretary of Commerce, in coordination with other relevant agencies, to review the competitiveness of the United States in attracting investment by foreign businesses. Within one year of enactment of the bill, the Secretary would be required to report to the Congress the results of the review as well

as recommendations for increasing the United States' ability to attract foreign investment.

Based on information from the Department of Commerce, CBO estimates that, assuming the availability of appropriated funds, implementing H.R. 2052 would cost about \$1 million over the 2015–2019 period to conduct the review and prepare the report. Enacting H.R. 2052 would not affect direct spending or revenues; therefore, pay-as-you-go procedures do not apply.

H.R. 2052 contains no intergovernmental or private-sector mandates as defined in the Unfunded Mandates Reform Act and would not affect the budgets of state, local, or tribal governments.

On July 24, 2013, CBO transmitted a cost estimate for H.R. 2052 as ordered reported by the House Committee on Energy and Commerce on July 17, 2013. The House and Senate versions of the legislation are identical and the CBO cost estimates are the same.

The CBO staff contact for this estimate is Susan Willie. The estimate was approved by Theresa Gullo, Deputy Assistant Direct for Budget Analysis.

REGULATORY IMPACT

In accordance with paragraph 11(b) of rule XXVI of the Standing Rules of the Senate, the Committee provides the following evaluation of the regulatory impact of the legislation, as reported:

NUMBER OF PERSONS COVERED

H.R. 2052 would direct the Department of Commerce to work with other Federal agencies and departments to report on ways to increase FDI to the United States, and it would not impact any additional entities.

ECONOMIC IMPACT

This legislation is not expected to have an adverse economic impact on the Nation.

PRIVACY

H.R. 2052 would not have a negative impact on the personal privacy of individuals.

PAPERWORK

H.R. 2052 would create new reporting requirements for the Department of Commerce. Not later than one year after the date of enactment, the Secretary of Commerce would be required to submit to Congress a report of the findings of the interagency review and of recommendations for increasing the global competitiveness of the United States in attracting FDI without weakening labor, consumer, financial, or environmental protections.

CONGRESSIONALLY DIRECTED SPENDING

In compliance with paragraph 4(b) of rule XLIV of the Standing Rules of the Senate, the Committee provides that no provisions contained in the bill, as reported, meet the definition of congressionally directed spending items under the rule.

SECTION-BY-SECTION ANALYSIS

Section 1. Short title

This section would establish the title of the bill as the Global Investment in American Jobs Act of 2013.

Section 2. Findings

This section would include findings on the urgent nature of the need to improve economic growth and create jobs, as well as the potential for FDI to play a role in accomplishing these goals.

Section 3. Sense of Congress

This section would provide the Sense of Congress in support of the need to attract FDI to enhance the country's economic security and global competitiveness.

Section 4. Foreign direct investment review

Subsection (a) would require the Secretary of Commerce to conduct an interagency review of the global competitiveness of the United States in attracting FDI. The review would be conducted in coordination with the Federal Interagency Investment Working Group and the heads of other relevant Federal departments and agencies.

Subsection (b) would mandate that the review include several specific facets of FDI. The review would be required to include assessments of: (1) the current economic impact of FDI in the United States; (2) trends in global cross-border investment flows; (3) Federal policies that are closely linked to the ability to attract FDI; (4) FDI as compared to direct investment by domestic entities; (5) "greenfield" FDI, in which foreign investors create a new, productive unit, as compared to FDI reflecting merger-and-acquisition activity; (6) the unique challenges posed by FDI by state-owned enterprises; (7) ongoing Federal efforts to facilitate greater levels of FDI; (8) innovative State, regional, and local efforts to attract FDI; and (9) initiatives by other countries to attract FDI in order to identify best practices.

Subsection (c) would limit the scope of the review to exclude any consideration of laws or policies relating to the Committee on Foreign Investment in the United States (CFIUS). CFIUS is the interagency committee chaired by the Secretary of the Treasury that is responsible for assessing the national security consequences of transactions that could result in control of a U.S. business by a foreign person.

Subsection (d) would call on the Secretary of Commerce to provide opportunity for public comment on the matters covered by the review.

Subsection (e) would require the Secretary of Commerce to report to Congress the findings of the review and submit recommendations for making the United States more competitive in attracting FDI without weakening labor, consumer, financial, or environmental protections.

CHANGES IN EXISTING LAW

In compliance with paragraph 12 of rule XXVI of the Standing Rules of the Senate, the Committee states that the bill as reported would make no change to existing law.

