

115TH CONGRESS
2D SESSION

S. 3348

To establish the obligations of certain large business entities in the United States, and for other purposes.

IN THE SENATE OF THE UNITED STATES

AUGUST 15, 2018

Ms. WARREN introduced the following bill; which was read twice and referred to the Committee on Commerce, Science, and Transportation

A BILL

To establish the obligations of certain large business entities 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 “Accountable Cap-
5 italism Act”.

6 **SEC. 2. DEFINITIONS.**

7 In this Act:

8 (1) DIRECTOR.—The term “Director” means
9 the Director of the Office.

10 (2) LARGE ENTITY.—

(A) IN GENERAL.—The term “large entity” means an entity that—

(i) is organized under the laws of a State as a corporation, body corporate, body politic, joint stock company, or limited liability company;

(ii) engages in interstate commerce; and

(iii) in a taxable year, according to information provided by the entity to the Internal Revenue Service, has more than \$1,000,000,000 in gross receipts.

(B) AGGREGATION RULES.—All entities treated as a single employer under subsection (a) or (b) of section 52 of the Internal Revenue Code of 1986, or subsection (m) or (o) of section 414 of such Code, shall be treated as 1 entity for the purposes of subparagraph (A).

(3) OFFICE.—The term “Office” means the Office of United States Corporations established under section 3.

(4) OFFICER.—The term “officer” means, with respect to a United States corporation—

(A) the president of the United States corporation;

1 (B) the principal operating officer of the
2 United States corporation;

3 (C) the principal accounting officer of the
4 United States corporation or, if the United
5 States corporation does not have such an ac-
6 counting officer, the controller of the United
7 States corporation; and

8 (D) any vice president in charge of a prin-
9 cipal business unit, division, or function of the
10 United States corporation.

11 (5) STATE.—The term “State” means—

12 (A) each of the several States of the
13 United States;

14 (B) the District of Columbia;

15 (C) the Commonwealth of Puerto Rico;

16 (D) Guam;

17 (E) the United States Virgin Islands;

18 (F) American Samoa; and

19 (G) the Commonwealth of the Northern
20 Mariana Islands.

21 (6) UNITED STATES CORPORATION.—The term
22 “United States corporation” means a large entity
23 with respect to which the Office has granted a char-
24 ter under section 3.

1 **SEC. 3. OFFICE OF UNITED STATES CORPORATIONS.**

2 (a) ESTABLISHMENT.—There is established within
3 the Department of Commerce the Office of United States
4 Corporations.

5 (b) DIRECTOR.—

6 (1) ESTABLISHMENT OF POSITION.—There is
7 established the position of Director of the Office,
8 who shall be the head of the Office.

9 (2) APPOINTMENT; TERM.—

10 (A) APPOINTMENT.—Except as provided in
11 subparagraph (E), the Director shall be ap-
12 pointed by the President, by and with the ad-
13 vice and consent of the Senate, from among in-
14 dividuals who are citizens of the United States.

15 (B) TERM.—The Director shall be ap-
16 pointed for a term of 4 years, unless removed
17 before the end of that term by the President.

18 (C) VACANCY.—A vacancy in the position
19 of Director that occurs before the expiration of
20 the term for which a Director was appointed
21 shall be filled in the manner established under
22 subparagraph (A), and the Director appointed
23 to fill that vacancy shall be appointed only for
24 the remainder of that term.

25 (D) SERVICE AFTER END OF TERM.—An
26 individual may serve as the Director after the

1 expiration of the term for which the individual
2 was appointed until a successor has been ap-
3 pointed.

4 (E) INITIAL DIRECTOR.—The Secretary of
5 Commerce shall appoint an individual to serve
6 as the Director until an individual is appointed
7 to serve as the Director in accordance with sub-
8 paragraph (A).

9 (c) DUTIES.—The Office shall—

10 (1) review and grant charter applications for
11 large entities;

12 (2) monitor whether large entities have ob-
13 tained a charter in accordance with this Act;

14 (3) except as provided in paragraph (4)(B),
15 refer any violation of this Act to the appropriate
16 Federal agency for enforcement with respect to that
17 violation; and

18 (4) when appropriate—

19 (A) rescind the charters of United States
20 corporations under section 4(b);

21 (B) revoke the charters of United States
22 corporations under sections 6(c)(2)(B)(ii),
23 8(c)(2), and 9; and

1 (C) issue rules to prevent entities from
 2 taking action to intentionally avoid qualifying
 3 as large entities.

4 (d) DISCLOSURE OF TAXPAYER IDENTITY INFORMA-
 5 TION FOR USE BY OFFICE.—

6 (1) IN GENERAL.—Section 6103(m) of the In-
 7 ternal Revenue Code of 1986 is amended by adding
 8 at the end the following:

9 “(8) OFFICE OF UNITED STATES CORPORA-
 10 TIONS.—Upon written request by the Director of the
 11 Office of United States Corporations, the Secretary
 12 shall disclose taxpayer identity information to offi-
 13 cers and employees of the Office of United States
 14 Corporations solely for purposes of identifying any
 15 taxpayer that satisfies the requirement under section
 16 2(2)(A)(iii) or 4(b) of the Accountable Capitalism
 17 Act for the most recent taxable year for which infor-
 18 mation is available.”.

19 (2) EFFECTIVE DATE.—The amendment made
 20 by this subsection shall take effect on the date of en-
 21 actment of this Act.

22 **SEC. 4. REQUIREMENT FOR LARGE ENTITIES TO OBTAIN**
 23 **CHARTERS.**

24 (a) LARGE ENTITIES.—

1 (1) IN GENERAL.—An entity that is organized
2 as a corporation, body corporate, body politic, joint
3 stock company, or limited liability company in a
4 State shall obtain a charter from the Office as fol-
5 lows:

6 (A) If the entity is a large entity with re-
7 spect to the most recently completed taxable
8 year of the entity before the date of enactment
9 of this Act, the entity shall obtain the charter
10 not later than 2 years after the date of enact-
11 ment of this Act.

12 (B) If the entity is a large entity with re-
13 spect to any taxable year of the entity that be-
14 gins after the date of enactment of this Act, the
15 entity shall obtain the charter not later than 1
16 year after the last day of that taxable year.

17 (2) FAILURE TO OBTAIN CHARTER.—An entity
18 to which paragraph (1) applies and that fails to ob-
19 tain a charter from the Office as required under
20 that paragraph shall not be treated as a corporation,
21 body corporate, body politic, joint-stock company, or
22 limited liability company, as applicable, for the pur-
23 poses of Federal law during the period beginning on
24 the date on which the entity is required to obtain a

1 charter under that paragraph and ending on the
 2 date on which the entity obtains the charter.

3 (b) RESCISSIONS.—

4 (1) IN GENERAL.—An entity that has obtained
 5 a charter as a United States corporation and, with
 6 respect to a subsequent taxable year of the entity,
 7 is not a large entity may file a petition with the Of-
 8 fice to rescind the charter of the United States cor-
 9 poration.

10 (2) DETERMINATION.—Not later than 180 days
 11 after the date on which the Office receives a petition
 12 that an entity files under paragraph (1), the Office
 13 shall grant the petition if the Office determines that
 14 the entity, with respect to the most recently com-
 15 pleted taxable year of the entity preceding the date
 16 on which the petition was filed, was not a large enti-
 17 ty.

18 **SEC. 5. RESPONSIBILITIES OF UNITED STATES CORPORA-**
 19 **TIONS.**

20 (a) DEFINITIONS.—In this section:

21 (1) GENERAL PUBLIC BENEFIT.—The term
 22 “general public benefit” means a material positive
 23 impact on society resulting from the business and
 24 operations of a United States corporation, when
 25 taken as a whole.

1 (2) SUBSIDIARY.—The term “subsidiary”
 2 means, with respect to a person, an entity in which
 3 the person owns beneficially or of record not less
 4 than 50 percent of the outstanding equity interests
 5 of the entity, calculated as if all outstanding rights
 6 to acquire equity interests in the entity had been ex-
 7 ercised.

8 (b) CHARTER REQUIREMENTS.—

9 (1) IN GENERAL.—The charter of a large entity
 10 that is filed with the Office shall state that the enti-
 11 ty is a United States corporation.

12 (2) CORPORATE PURPOSES.—A United States
 13 corporation shall have the purpose of creating a gen-
 14 eral public benefit, which shall be—

15 (A) identified in the charter of the United
 16 States corporation; and

17 (B) in addition to the purpose of the
 18 United States corporation under the articles of
 19 incorporation in the State in which the United
 20 States corporation is incorporated, if applicable.

21 (c) STANDARD OF CONDUCT FOR DIRECTORS AND
 22 OFFICERS.—

23 (1) CONSIDERATION OF INTERESTS.—In dis-
 24 charging the duties of their respective positions, and
 25 in considering the best interests of a United States

1 corporation, the board of directors, committees of
2 the board of directors, and individual directors of a
3 United States corporation—

4 (A) shall manage or direct the business
5 and affairs of the United States corporation in
6 a manner that—

7 (i) seeks to create a general public
8 benefit; and

9 (ii) balances the pecuniary interests of
10 the shareholders of the United States cor-
11 poration with the best interests of persons
12 that are materially affected by the conduct
13 of the United States corporation; and

14 (B) in carrying out subparagraph (A)—

15 (i) shall consider the effects of any ac-
16 tion or inaction on—

17 (I) the shareholders of the
18 United States corporation;

19 (II) the employees and workforce
20 of—

21 (aa) the United States cor-
22 poration;

23 (bb) the subsidiaries of the
24 United States corporation; and

1 (cc) the suppliers of the
2 United States corporation;

3 (III) the interests of customers
4 and subsidiaries of the United States
5 corporation as beneficiaries of the
6 general public benefit purpose of the
7 United States corporation;

8 (IV) community and societal fac-
9 tors, including those of each commu-
10 nity in which offices or facilities of the
11 United States corporation, subsidi-
12 aries of the United States corporation,
13 or suppliers of the United States cor-
14 poration are located;

15 (V) the local and global environ-
16 ment;

17 (VI) the short-term and long-
18 term interests of the United States
19 corporation, including—

20 (aa) benefits that may ac-
21 crue to the United States cor-
22 poration from the long-term
23 plans of the United States cor-
24 poration; and

1 (bb) the possibility that
2 those interests may be best
3 served by the continued inde-
4 pendence of the United States
5 corporation; and

6 (VII) the ability of the United
7 States corporation to accomplish the
8 general public benefit purpose of the
9 United States corporation;

10 (ii) may consider—

11 (I) other pertinent factors; or

12 (II) the interests of any other
13 group that are identified in the arti-
14 cles of incorporation in the State in
15 which the United States corporation is
16 incorporated, if applicable; and

17 (iii) shall not be required to give pri-
18 ority to a particular interest or factor de-
19 scribed in clause (i) or (ii) over any other
20 interest or factor.

21 (2) STANDARD OF CONDUCT FOR OFFICERS.—

22 Each officer of a United States corporation shall
23 balance and consider the interests and factors de-
24 scribed in paragraph (1)(B)(i) in the manner de-
25 scribed in paragraph (1)(B)(iii) if—

1 (A) the officer has discretion to act with
 2 respect to a matter; and

3 (B) it reasonably appears to the officer
 4 that the matter may have a material effect on
 5 the creation by the United States corporation of
 6 a general public benefit identified in the charter
 7 of the United States corporation.

8 (3) EXONERATION FROM PERSONAL LIABIL-
 9 ITY.—Except as provided in the charter of a United
 10 States corporation, neither a director nor an officer
 11 of a United States corporation may be held person-
 12 ally liable for monetary damages for—

13 (A) any action or inaction in the course of
 14 performing the duties of a director under para-
 15 graph (1) or an officer under paragraph (2), as
 16 applicable, if the director or officer was not in-
 17 terested with respect to the action or inaction;
 18 or

19 (B) the failure of the United States cor-
 20 poration to pursue or create a general public
 21 benefit.

22 (4) LIMITATION ON STANDING.—Neither a di-
 23 rector nor an officer of a United States corporation
 24 shall have any duty to a person that is a beneficiary
 25 of the general public benefit purpose of the United

1 States corporation because of the status of the per-
2 son as such a beneficiary.

3 (5) BUSINESS JUDGMENTS.—A director or an
4 officer of a United States corporation who makes a
5 business judgment in good faith shall be deemed to
6 have fulfilled the duty of the director under para-
7 graph (1) or the officer under paragraph (2), as ap-
8 plicable, if the director or officer—

9 (A) is not interested in the subject of the
10 business judgment;

11 (B) is informed with respect to the subject
12 of the business judgment to an extent that the
13 director reasonably believes to be appropriate
14 under the circumstances; and

15 (C) rationally believes that the business
16 judgment is in the best interests of the United
17 States corporation.

18 (d) RIGHT OF ACTION.—

19 (1) LIMITATION ON LIABILITY OF CORPORA-
20 TION.—A United States corporation shall not be lia-
21 ble for monetary damages under this section for any
22 failure of the United States corporation to pursue or
23 create a general public benefit.

1 (2) STANDING.—A proceeding to enforce the re-
2 quirements of this section may be commenced or
3 maintained only—

4 (A) directly by the United States corpora-
5 tion to which the proceeding applies; or

6 (B) derivatively, under the laws of the
7 State in which the United States corporation is
8 organized, by a person, or a group of persons,
9 that own—

10 (i) beneficially or of record not less
11 than 2 percent of the total number of
12 shares of a class or series outstanding at
13 the time of the act or omission that is the
14 subject of the proceeding; or

15 (ii) beneficially or of record not less
16 than 5 percent of the outstanding equity
17 interests in an entity of which the United
18 States corporation is a subsidiary at the
19 time of the act or omission that is the sub-
20 ject of the proceeding.

21 (3) RULE OF CONSTRUCTION REGARDING BEN-
22 EFICIAL OWNERSHIP.—For the purposes of this sub-
23 section, a person shall be construed to be the bene-
24 ficial owner of shares or equity interests if the

1 shares or equity interests are held in a voting trust
2 or by a nominee on behalf of the person.

3 (e) APPLICATION.—

4 (1) RULE OF CONSTRUCTION REGARDING GEN-
5 ERAL CORPORATE LAW.—Nothing in this section
6 may be construed to affect any provision of law that
7 is applicable to a corporation, body corporate, body
8 politic, joint stock company, or limited liability com-
9 pany, as applicable, that is not a United States cor-
10 poration.

11 (2) APPLICABILITY OF OTHER LAWS.—

12 (A) STATE LAW.—Except as otherwise pro-
13 vided in this section, the law of the State in
14 which a United States corporation is organized
15 shall apply with respect to the United States
16 corporation.

17 (B) FEDERAL LAW.—If any provision of
18 Federal law is inconsistent with the require-
19 ments of this section with respect to a United
20 States corporation, the requirements of this sec-
21 tion shall supersede that provision.

22 (3) ORGANIC RECORDS.—A provision of the ar-
23 ticles of incorporation in the State in which a United
24 States corporation is incorporated, if applicable, or
25 in the bylaws of a United States corporation may

1 not limit, be inconsistent with, or supersede a provi-
2 sion of this section.

3 **SEC. 6. BOARD REPRESENTATION.**

4 (a) RULEMAKING.—Not later than 1 year after the
5 date of enactment of this Act, the Securities and Ex-
6 change Commission, in consultation with the National
7 Labor Relations Board, shall issue rules to ensure that
8 director elections at United States corporations are fair
9 and democratic.

10 (b) UNITED STATES CORPORATION ELECTIONS.—

11 (1) IN GENERAL.—Not less than $\frac{2}{5}$ of the di-
12 rectors of a United States corporation shall be elect-
13 ed by the employees of the United States corpora-
14 tion using an election process that complies with the
15 requirements of the rules issued under subsection
16 (a).

17 (2) EFFECTIVE DATE.—Paragraph (1) shall
18 take effect on the date that is 1 year after the date
19 on which the Securities and Exchange Commission
20 issues the rules required under subsection (a).

21 (c) ENFORCEMENT.—

22 (1) SECURITIES AND EXCHANGE COMMIS-
23 SION.—The Securities and Exchange Commission, in
24 consultation with the National Labor Relations
25 Board, shall ensure that the elections described in

1 subsection (b)(1) comply with the requirements of
2 the rules issued by the Commission under subsection
3 (a).

4 (2) DEPARTMENT OF LABOR.—

5 (A) IN GENERAL.—The Secretary of Labor
6 shall coordinate with the Office to ensure that
7 the representation of the boards of directors of
8 United States corporations comply with the re-
9 quirements under subsection (b).

10 (B) PENALTIES.—If the representation
11 with respect to the board of directors of a
12 United States corporation fails to comply with
13 the requirements under subsection (b) for a pe-
14 riod that is not less than 180 consecutive
15 days—

16 (i) the Secretary of Labor—

17 (I) shall assess a civil money pen-
18 alty against the United States cor-
19 poration in an amount that is not less
20 than \$50,000 and not more than
21 \$100,000 for each day that such rep-
22 resentation is not in compliance with
23 those requirements, including for each
24 day during that 180-day period; and

1 (II) may collect the penalty de-
 2 scribed in subclause (I) beginning on
 3 the day after the date on which that
 4 180-day period ends; and
 5 (ii) the Office may revoke the charter
 6 of the United States corporation.

7 **SEC. 7. EXECUTIVE COMPENSATION.**

8 (a) DEFINITIONS.—In this section:

9 (1) COVERED PERSON.—The term “covered
 10 person” means an officer or a director of a United
 11 States corporation.

12 (2) EQUITY SECURITY.—The term “equity secu-
 13 rity” has the meaning given the term in section 3(a)
 14 of the Securities Exchange Act of 1934 (15 U.S.C.
 15 78c(a)).

16 (3) RULE 10B–18 PURCHASE.—The term “Rule
 17 10b–18 purchase” has the meaning given the term
 18 in section 240.10b–18(a) of title 17, Code of Federal
 19 Regulations, as in effect on the date of enactment of
 20 this Act.

21 (4) SUBJECT SECURITY.—The term “subject
 22 security” means any—

23 (A) equity security of a United States cor-
 24 poration; or

1 (B) security, the value of which is derived
 2 from, or that otherwise relates to, an equity se-
 3 curity described in subparagraph (A).

4 (b) SALE OF SUBJECT SECURITIES.—

5 (1) PROHIBITIONS.—Subject to paragraph (2),
 6 no covered person with respect to a United States
 7 corporation may—

8 (A) during the 5-year period that begins
 9 on the date on which the covered person first
 10 owns or beneficially owns a subject security
 11 with respect to that United States corporation
 12 (or an affiliate of that United States corpora-
 13 tion), sell, transfer, pledge, assign, alienate, or
 14 hypothecate, in exchange for value, that subject
 15 security, other than—

16 (i) in connection with the sale of the
 17 United States corporation or the affiliate,
 18 as applicable; or

19 (ii) through—

20 (I) a will; or

21 (II) the laws of descent or dis-
 22 tribution; or

23 (B) during the 3-year period that begins
 24 on the date on which that United States cor-
 25 poration, or an affiliate of that United States

1 corporation, effects a Rule 10b–18 purchase,
2 sell any subject security with respect to that
3 United States corporation.

4 (2) APPLICATION.—The prohibition under para-
5 graph (1) shall not apply with respect to any subject
6 security that a covered person owns or beneficially
7 owns on the day before the date of enactment of this
8 Act.

9 (c) ENFORCEMENT.—The Securities and Exchange
10 Commission may impose on any covered person that vio-
11 lates subsection (b) a civil penalty in an amount that is—

12 (1) not less than the fair market value of the
13 subject securities of which the covered person dis-
14 poses in violation of that subsection, as measured on
15 the date on which the covered person makes the dis-
16 position; and

17 (2) not more than the amount that is 3 times
18 the fair market value of the subject securities of
19 which the covered person disposes in violation of
20 that subsection, as measured on the date on which
21 the covered person makes the disposition.

22 (d) RULE OF CONSTRUCTION.—For the purposes of
23 this section, a subject security is beneficially owned by a
24 covered person if—

1 (1) the subject security is held in the name of
2 a bank, broker, or nominee for the account of the
3 covered person;

4 (2) the subject security is held as a joint ten-
5 ant, tenant in common, or tenant by the entirety or
6 as community property by the covered person; or

7 (3) the covered person has a pecuniary interest,
8 by reason of any contract, understanding, or rela-
9 tionship, including an immediate family relationship
10 or arrangement, in subject securities held in the
11 name of another person.

12 **SEC. 8. POLITICAL SPENDING.**

13 (a) DEFINITIONS.—In this section:

14 (1) ELECTIONEERING COMMUNICATION.—The
15 term “electioneering communication” has the mean-
16 ing given the term in section 304(f)(3) of the Fed-
17 eral Election Campaign Act of 1971 (52 U.S.C.
18 30104(f)(3)), except that the term “any public com-
19 munication” shall be substituted for “any broadcast,
20 cable, or satellite communication” in the matter pre-
21 ceding subclause (I) of subparagraph (A)(i) of such
22 section 304(f)(3).

23 (2) INDEPENDENT EXPENDITURE.—The term
24 “independent expenditure” means an expenditure, as
25 that term is defined in section 301 of the Federal

1 Election Campaign Act of 1971 (52 U.S.C. 30101),
 2 by a person that expressly advocates the election or
 3 defeat of a clearly identified candidate, or is the
 4 functional equivalent of express advocacy because,
 5 when taken as a whole, the expenditure can be inter-
 6 preted by a reasonable person only as advocating the
 7 election or defeat of a candidate, taking into account
 8 whether the communication involved—

9 (A) mentions a candidacy, a political party,
 10 or a challenger to a candidate; or

11 (B) takes a position on character, quali-
 12 fications, or fitness for office of a candidate.

13 (3) POLITICAL EXPENDITURE IN SUPPORT OF
 14 OR IN OPPOSITION TO ANY CANDIDATE FOR FED-
 15 ERAL, STATE, OR LOCAL PUBLIC OFFICE.—The term
 16 “political expenditure in support of or in opposition
 17 to any candidate for Federal, State, or local public
 18 office” means an expenditure or series of expendi-
 19 tures totaling more than \$10,000 for any single can-
 20 didate during any single election that—

21 (A)(i) is an independent expenditure; or

22 (ii) with respect to a candidate for State or
 23 local public office, would be treated as an inde-
 24 pendent expenditure if the candidate were a
 25 candidate for Federal public office;

1 (B)(i) is an electioneering communication;

2 or

3 (ii) with respect to a candidate for State or
4 local public office, would be treated as an elec-
5 tioneering communication if the candidate were
6 a candidate for Federal public office; or

7 (C) are dues or other payments, disburse-
8 ments, or transfers to any other person that—

9 (i) are, or could reasonably be antici-
10 pated to be, used or transferred to another
11 association or organization for the pur-
12 poses described in subparagraph (A) or
13 (B); and

14 (ii) are not investments or payments,
15 disbursements, or transfers made in com-
16 mercial transactions in the ordinary course
17 of any trade or business.

18 (b) SHAREHOLDER AND DIRECTOR APPROVAL.—A
19 United States corporation may not make a political ex-
20 penditure in support of or in opposition to any candidate
21 for Federal, State, or local public office unless—

22 (1) not less than 75 percent of the shareholders
23 of the corporation and not less than 75 percent of
24 the directors of the corporation approve of the ex-
25 penditure; and

1 (2) the approvals required under paragraph (1)
2 occur—

3 (A) before the date on which the expendi-
4 ture is made or obligated; and

5 (B) after the date on which the share-
6 holders and directors described in that para-
7 graph have been informed regarding the precise
8 nature of the proposed expenditure, including—

9 (i) the amount of the proposed ex-
10 penditure; and

11 (ii) the candidate and election to
12 which the proposed expenditure relates.

13 (c) ENFORCEMENT.—

14 (1) SHAREHOLDER SUIT.—A shareholder of a
15 United States corporation may bring a civil action in
16 an appropriate district court of the United States to
17 enjoin a United States corporation from making a
18 political expenditure in support of or in opposition to
19 any candidate for Federal, State, or local public of-
20 fice that violates the requirements under subsection
21 (b).

22 (2) REVOCATION OF CHARTER.—The Office
23 may revoke the charter of a United States corpora-
24 tion that knowingly or repeatedly violates the re-
25 quirements under subsection (b).

1 **SEC. 9. PETITION FOR REVOCATION OF CHARTER.**

2 (a) FILING OF REVOCATION PETITION.—The attor-
 3 ney general of a State may file a petition with the Office
 4 to revoke the charter of a United States corporation that
 5 is organized in that State or that does business in that
 6 State.

7 (b) TIMING OF RESPONSE AND DECISION.—If a rev-
 8 ocation petition is filed under subsection (a) with respect
 9 to a United States corporation—

10 (1) not later than 180 days after the date on
 11 which the petition is filed, the United States cor-
 12 poration may file a response that explains why re-
 13 voking the charter of the United States corporation
 14 is not justified in consideration of the factors de-
 15 scribed in subsection (c)(2); and

16 (2) the Director shall issue a ruling with re-
 17 spect to the petition not later than 180 days after
 18 the earlier of the date that is—

19 (A) 180 days after the date on which the
 20 petition is filed; or

21 (B) the date on which the corporation files
 22 a response under paragraph (1).

23 (c) GRANTING REVOCATION PETITION.—

24 (1) IN GENERAL.—The Director, with the ap-
 25 proval of the Secretary of Commerce, and after con-
 26 sideration of the factors described in paragraph (2),

1 may grant a revocation petition that is filed under
2 subsection (a).

3 (2) FACTORS.—In determining whether to
4 grant a revocation petition under paragraph (1) with
5 respect to a United States corporation, the Director
6 shall consider whether the United States corpora-
7 tion—

8 (A) has engaged in repeated, egregious,
9 and illegal misconduct that has caused signifi-
10 cant harm to—

11 (i) the customers, employees, share-
12 holders, or business partners of the United
13 States corporation; or

14 (ii) the communities in which the
15 United States corporation operates; and

16 (B) has not undertaken measures to ad-
17 dress the causes of the misconduct described in
18 subparagraph (A), such as terminating the em-
19 ployment of any officer or executive of the
20 United States corporation who oversaw that
21 misconduct.

22 (3) REVIEW OF GRANTING OF PETITION.—A
23 decision by the Director to grant a revocation peti-
24 tion under this subsection—

1 (A) shall be subject to judicial review
2 under section 706 of title 5, United States
3 Code; and

4 (B) shall not be subject to the procedure
5 for congressional disapproval under section 802
6 of title 5, United States Code.

7 (d) REVOCATION OF CHARTER.—If the Director
8 grants a revocation petition under subsection (c) with re-
9 spect to a United States corporation, the Office shall re-
10 voke the charter of that corporation, which shall be effec-
11 tive beginning on the date that is 1 year after the date
12 on which the Director grants the petition.

13 (e) RULEMAKING.—The Director may issue any rules
14 that are necessary to carry out this section.

15 **SEC. 10. SEVERABILITY.**

16 If any provision of this Act, or any application of that
17 provision to any person or circumstance, is held to be in-
18 valid, the remainder of the provisions of this Act and the
19 application of any such provision to any other person or
20 circumstance shall not be affected.

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