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To prohibit entities integral to the national interests of the United States from participating in any foreign sustainability due diligence regulation, including the Corporate Sustainability Due Diligence Directive of the European Union, and for other purposes.

IN THE SENATE OF THE UNITED STATES

MARCH 12, 2025

Mr. HAGERTY introduced the following bill; which was read twice and referred to the Committee on Foreign Relations

A BILL

To prohibit entities integral to the national interests of the United States from participating in any foreign sustainability due diligence regulation, including the Corporate Sustainability Due Diligence Directive of the European Union, 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 “Prevent Regulatory
5 Overreach from Turning Essential Companies into Tar-
6 gets Act of 2025” or the “PROTECT USA Act of 2025”.

1 **SEC. 2. FINDINGS.**

2 Congress makes the following findings:

3 (1) The ability of citizens of the United States
4 to engage in international commerce is a funda-
5 mental concern of the policy of the United States.

6 (2) Entities in the extractive and manufac-
7 turing sectors contribute significantly to the pros-
8 perity of the United States and the growth of the
9 world economy.

10 (3) Maintaining and, in some cases, increasing
11 access to certain supplies and materials from the ex-
12 tractive sector, including agriculture, energy, mining,
13 and timber, and access to materials from the manu-
14 facturing sector, are critically important for pro-
15 moting economic development and human progress
16 in the United States and around the world.

17 (4) Restrictions, particularly restrictions adopt-
18 ed unilaterally by foreign countries that are substan-
19 tially different from restrictions applied by the
20 United States, that unreasonably hinder the ability
21 of entities integral to the national interests of the
22 United States to pursue their commercial activities
23 can have serious adverse effects on employment, eco-
24 nomic stability, scientific progress, and international
25 trade, with the potential to impede domestic and for-
26 eign policy goals.

1 **SEC. 3. DEFINITIONS.**

2 In this Act:

3 (1) ENTITY INTEGRAL TO THE NATIONAL IN-
4 TERESTS OF THE UNITED STATES.—The term “enti-
5 ty integral to the national interests of the United
6 States” means any partnership, corporation, limited
7 liability company, or other business entity that—

8 (A) does business with any part of the
9 Federal Government, including Federal contract
10 awards or leases;

11 (B) is organized under the laws of any
12 State or territory within the United States, or
13 of the District of Columbia, or under any Act
14 of Congress or a foreign subsidiary of any such
15 entity that—

16 (i) derives not less than 25 percent of
17 its revenue from activities related to the
18 extraction or production of raw materials
19 from the earth, including—

20 (I) cultivating biomass (whether
21 or not for human consumption);

22 (II) exploring or producing fossil
23 fuels;

24 (III) mining; and

25 (IV) processing any material de-
26 rived from an activity described in

1 subclause (I), (II), or (III) for human
2 use or benefit;

3 (ii) has a primary North American In-
4 dustry Classification System code or for-
5 eign equivalent associated with the manu-
6 facturing sector;

7 (iii) derives not less than 25 percent
8 of its revenue from activities related to the
9 mechanical, physical, or chemical trans-
10 formation of materials, substances, or com-
11 ponents into new products; or

12 (iv) is engaged in—

13 (I) the production of arms or
14 other products integral to the national
15 defense of the United States; or

16 (II) the production, mining, or
17 processing of any critical mineral; or

18 (C) the President otherwise identifies as
19 integral to the national interests of the United
20 States.

21 (2) CRITICAL MINERAL.—The term “critical
22 mineral” includes—

23 (A) any mineral identified as a critical
24 mineral in section 7002(a) of the Energy Act of
25 2020 (30 U.S.C. 1606(a)); or

1 (B) any fuel mineral, including fossil fuels
2 and any fraction, distillate, or other by-product
3 of a fuel mineral.

4 (3) FOREIGN SUSTAINABILITY DUE DILIGENCE
5 REGULATION.—

6 (A) IN GENERAL.—Except as provided in
7 subparagraph (B), the term “foreign sustain-
8 ability due diligence regulation” means any law,
9 regulation, or other legal instrument adopted by
10 a foreign government that requires any person
11 to undertake—

12 (i) an assessment of the environ-
13 mental or social impacts of its operations
14 or value chain;

15 (ii) action to address any impacts
16 identified in the assessment described in
17 clause (i); and

18 (iii) reporting of the impacts and ac-
19 tions described in clauses (i) and (ii).

20 (B) EXCEPTION.—The term “foreign sus-
21 tainability due diligence regulation” does not
22 apply to any law, regulation, or other legal in-
23 strument that is substantively similar to a law,
24 regulation, or other legal instrument that has

1 been adopted or approved by an Act of Con-
2 gress.

3 (C) INCLUSION OF CORPORATE SUSTAIN-
4 ABILITY DUE DILIGENCE DIRECTIVE.—The
5 term “foreign sustainability due diligence regu-
6 lation” includes—

7 (i) the entirety of the Corporate Sus-
8 tainability Due Diligence Directive adopted
9 by the European Union;

10 (ii) any successor directive adopted by
11 the European Union or any member coun-
12 try of the European Union; and

13 (iii) any precursor directive adopted
14 by any member country of the European
15 Union.

16 **SEC. 4. PROHIBITION ON COMPLIANCE WITH FOREIGN SUS-**
17 **TAINABILITY DUE DILIGENCE REGULATIONS.**

18 (a) IN GENERAL.—Except as provided in subsection
19 (b), no entity integral to the national interests of the
20 United States may comply with any foreign sustainability
21 due diligence regulation.

22 (b) EXCEPTION FOR ORDINARY BUSINESS ACTIVI-
23 TIES.—Subsection (a) does not prohibit an entity from un-
24 dertaking actions that it may lawfully take—

1 (1) to comply with a statute of the United
2 States; or

3 (2) in the ordinary course of business.

4 (c) HARDSHIP RELIEF PROCESS.—

5 (1) PETITION FOR RELIEF.—Any entity inte-
6 gral to the national interests of the United States
7 that believes it will experience particular hardship in
8 connection with the prohibition described in sub-
9 section (a) may petition the President for an exemp-
10 tion from such prohibition.

11 (2) DECISION.—Not later than 30 days after
12 the date on which the President receives a petition
13 from an entity submitted under paragraph (1), the
14 President shall provide a written decision to the en-
15 tity that—

16 (A) grants or denies the requested exemp-
17 tion;

18 (B) contains a statement setting forth the
19 basis for the decision; and

20 (C) in the case of a granted exemption, de-
21 scribes any condition that the exemption is sub-
22 ject to, as determined by the President.

23 (3) FACTORS TO BE CONSIDERED.—In making
24 the decision required by paragraph (2), the Presi-
25 dent shall consider—

1 (A) the extent to which the denial of a pe-
2 tition submitted under paragraph (1) by an en-
3 tity would result in the inability of the entity to
4 participate in value chains associated with prod-
5 ucts essential for domestic use in the United
6 States;

7 (B) possible adverse effects on the econ-
8 omy in any locality or region of the United
9 States, including adverse effects on employ-
10 ment;

11 (C) the degree to which granting the peti-
12 tion would impact, directly or indirectly, the
13 United States; and

14 (D) the extent to which denial of the peti-
15 tion would prevent the entity from divesting in
16 a business formed under the laws of a jurisdic-
17 tion subject to a foreign sustainability due dili-
18 gence regulation.

19 **SEC. 5. PROHIBITION AGAINST ADVERSE ACTION FOR COM-**
20 **PLIANCE WITH THIS ACT.**

21 (a) IN GENERAL.—No person may take any adverse
22 action towards an entity integral to the national interests
23 of the United States for action or inaction related to a
24 foreign sustainability due diligence regulation.

1 (b) JUDGMENTS FOR FOREIGN SUSTAINABILITY DUE
2 DILIGENCE REGULATIONS.—No judgment by a foreign
3 court brought against an entity integral to the national
4 interests of the United States in relation to any foreign
5 sustainability due diligence regulation shall be recognized
6 in the courts of the United States or of the States, unless
7 otherwise provided by an Act of Congress.

8 (c) ENFORCEMENT.—

9 (1) ACTIONS BY THE PRESIDENT.—

10 (A) IN GENERAL.—The President shall
11 take any action the President determines is in
12 the public interest to protect an entity integral
13 to the national interests of the United States
14 from an adverse action related to a foreign sus-
15 tainability due diligence regulation.

16 (B) DETERMINATION OF PUBLIC INTER-
17 EST.—In determining under subparagraph (A)
18 whether an action by the President is in the
19 public interest, the President shall take into ac-
20 count the impact of the adverse action de-
21 scribed in that subparagraph on—

22 (i) consumers and businesses in the
23 United States;

24 (ii) the economic, energy, and environ-
25 mental security of the United States; and

1 (iii) foreign relations of the United
2 States, including existing international
3 commitments.

4 (2) PRIVATE RIGHT OF ACTION.—

5 (A) IN GENERAL.—Any entity integral to
6 the national interests of the United States ag-
7 grieved by a violation of subsection (a) may
8 bring a civil action against the person that vio-
9 lated subsection (a) in an appropriate district
10 court of the United States.

11 (B) RELIEF.—In a civil action brought
12 under subparagraph (A) in which the plaintiff
13 prevails, the court may award—

14 (i) a writ of mandamus or other equi-
15 table or declaratory relief;

16 (ii) punitive damages not to exceed
17 the maximum penalty described in para-
18 graph (3)(A);

19 (iii) reasonable attorney fees and liti-
20 gation costs;

21 (iv) compensatory damages, including
22 any amount paid by the entity pursuant to
23 the applicable foreign sustainability due
24 diligence regulation; and

25 (v) all other appropriate relief.

1 (3) PENALTIES.—A person that violates sub-
2 section (a) or a regulation issued pursuant to this
3 Act—

4 (A) shall be subject to a civil penalty of
5 not more than \$1,000,000; and

6 (B) may, at the discretion of the Presi-
7 dent, for a period of not longer than 3 years
8 from the date on which the person is found in
9 violation, be deemed ineligible to submit a bid
10 for any Federal award or contract.

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