Neal	Rosen	Tenney
Newhouse	Roskam	Thompson (CA)
Noem	Ross	Thompson (PA)
Nolan	Rothfus	Thornberry
Norcross	Rouzer	Tipton
Norman	Roybal-Allard	Titus
Nunes	Royce (CA)	Tonko
O'Halleran	Ruiz	Torres
O'Rourke	Ruppersberger	Trott
Olson	Russell	Tsongas
Palazzo	Rutherford	Turner
Pallone	Ryan (OH)	Upton
Palmer	Sánchez	Valadao
Panetta	Sanford	Vargas
Pascrell	Sarbanes	Veasey
Paulsen	Scalise	Vela
Pearce	Schakowsky	Velázquez
Pelosi	Schiff	Visclosky
Perlmutter	Schneider	Wagner
Perry	Schrader	Walberg
Peters	Schweikert	Walden
Peterson	Scott (VA)	Walker
Pingree	Scott, Austin	Walorski
Pittenger	Scott, David	Walters, Mimi
Pocan	Sensenbrenner	Walz
Poe (TX)	Serrano	Wasserman Schultz
Poliquin	Sessions	Waters, Maxine
Posey	Sherman	Watson Coleman
Price (NC)	Shuster	Weber (TX)
Quigley	Simpson	Webster (FL)
Raskin	Sinema	Welch
Ratcliffe	Sires	Wenstrup
Reed	Smith (MO)	Westerman
Reichert	Smith (NE)	Williams
Renacci	Smith (NJ)	Wilson (FL)
Rice (NY)	Smith (TX)	Wittman
Rice (SC)	Smith (WA)	Womack
Richmond	Smucker	Woodall
Roe (TN)	Soto	Yarmuth
Rogers (AL)	Speier	Yoho
Rohrabacher	Stefanik	Young (AK)
Rokita	Stewart	Young (IA)
Rooney, Francis	Stivers	Zeldin
Rooney, Thomas J.	Suozzi	
Ros-Lehtinen	Swalwell (CA)	
	Takano	

NAYS—2

Amash	Massie

NOT VOTING—33

Aderholt	Frelinghuysen	Polis
Black	Gowdy	Roby
Clarke (NY)	Graves (GA)	Rogers (KY)
Cole	Gutiérrez	Rush
Crowley	Hoyer	Sewell (AL)
Curtis	Johnson, Sam	Shea-Porter
DeGette	Lujan Grisham, M.	Shimkus
Delaney	Maloney, Carolyn B.	Taylor
Diaz-Balart	Meeks	Thompson (MS)
Donovan	Payne	Wilson (SC)
Ellison		Yoder
Engel		

□ 1339

So (two-thirds being in the affirmative) the rules were suspended and the bill, as amended, was passed.

The result of the vote was announced as above recorded.

The title of the bill was amended so as to read: ''A bill to amend the Financial Stability Act of 2010 to provide a criminal penalty for unauthorized disclosures by officers or employees of a Federal agency of certain living will and stress test determinations.''.

A motion to reconsider was laid on the table.

PERSONAL EXPLANATION

Mr. COLE. Mr. Speaker, I was unavoidably detained and missed recorded votes on rollcalls Nos. 291, 292, and 293 on June 26, 2018. Had I been present, I would have voted ''yea'' on rollcall No. 291, ''yea'' on rollcall No. 292, and ''yea'' on rollcall No. 293.

PERSONAL EXPLANATION

Mr. FRELINGHUYSEN. Mr. Speaker, on rollcalls 291, 292, and 293, I am not recorded. Had I been present, I would have voted ''yea'' on rollcall No. 291, ''yea'' on rollcall No. 292, and ''yea'' on rollcall No. 293.

PERSONAL EXPLANATION

Mrs. ROBY. Mr. Speaker, I was unavoidably detained. Had I been present, I would have voted ''Yea'' on rollcall No. 291, ''Yea'' on rollcall No. 292, and ''Yea'' on rollcall No. 293.

PERSONAL EXPLANATION

Mr. DELANEY. Mr. Speaker, I was unable to cast my vote on rollcall No. 289 through No. 293.

Had I been present to vote on rollcall No. 289, I would have voted ''yea.''

Had I been present to vote on rollcall No. 290, I would have voted ''yea.''

Had I been present to vote on rollcall No. 291, I would have voted ''nay.''

Had I been present to vote on rollcall No. 292, I would have voted ''nay.''

Had I been present to vote on rollcall No. 293, I would have voted ''yea.''

ELECTING A MEMBER TO A CERTAIN STANDING COMMITTEE OF THE HOUSE OF REPRESENTATIVES

Mrs. MCMORRIS RODGERS. Mr. Speaker, by direction of the House Republican Conference, I offer a privileged resolution and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. RES. 963

Resolved, That the following named Member be, and is hereby, elected to the following standing committee of the House of Representatives:

COMMITTEE ON VETERANS' AFFAIRS: Mr. Flores, to rank immediately after Mr. Coffman.

Mrs. MCMORRIS RODGERS (during the reading). Mr. Speaker, I ask unanimous consent that the resolution be considered as read.

The SPEAKER pro tempore. Is there objection to the request of the gentlewoman from Washington?

There was no objection.

The resolution was agreed to.

A motion to reconsider was laid on the table.

REMOVAL OF NAME OF MEMBER AS COSPONSOR OF H.R. 2069

Mr. RASKIN. Mr. Speaker, I ask unanimous consent to have my name removed as a cosponsor of H.R. 2069.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Maryland?

There was no objection.

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore. Pursuant to clause 8 of rule XX, the Chair will postpone further proceedings today on motions to suspend the rules on which a recorded vote or the yeas and nays are ordered, or on which the vote incurs objection under clause 6 of rule XX.

The House will resume proceedings on postponed questions at a later time.

FOREIGN INVESTMENT RISK REVIEW MODERNIZATION ACT OF 2018

Mr. ROYCE of California. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 5841) to modernize and strengthen the Committee on Foreign Investment in the United States to more effectively guard against the risk to the national security of the United States posed by certain types of foreign investment, and for other purposes, as amended.

The Clerk read the title of the bill.

The text of the bill is as follows:

H.R. 5841

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE; TABLE OF CONTENTS.

(a) SHORT TITLE.—This Act may be cited as the ''Foreign Investment Risk Review Modernization Act of 2018''.

(b) TABLE OF CONTENTS.—The table of contents for this Act is as follows:

TITLE I—FINDINGS AND SENSE OF CONGRESS

SEC. 101. FINDINGS AND SENSE OF CONGRESS.

(a) FINDINGS.—The Congress finds the following:

(1) According to a February 2016 report by the Department of Commerce's International Trade Administration, 12 million United States workers, equivalent to 8.5 percent of the labor force, have jobs resulting from foreign investment, including 3.5 million jobs in the manufacturing sector alone.

(2) In 2016, new foreign direct investment in U.S. manufacturing totaled $129.4 billion.

(3) The Department of Commerce's Bureau of Economic Analysis concluded that in 2015, foreign-owned affiliates in the United States—

(A) Contributed $894.5 billion in value added to the U.S. economy;

(B) exported goods valued at $352.8 billion, accounting for nearly a quarter of total U.S. goods exports;

(C) undertook $56.7 billion in research and development; and

(D) the seven largest investing countries, all of which are United States allies – the United Kingdom, Japan, Germany, France, Canada, Switzerland, and the Netherlands – accounted for 72.1 percent of U.S. affiliate value added and over 80 percent of affiliates' R&D expenditures.

(4) According to the Government Accountability Office (GAO), from 2011 to 2016, the number of transactions reviewed by the Committee on Foreign Investment in the United States (CFIUS) grew by 55 percent, while agency staff assigned to the reviews increased by 11 percent.

(5) According to a February 2018 report (GAO-18-249), GAO noted: ''Officials from Treasury and other member agencies are aware of pressures on their CFIUS staff given the current workload and have expressed concerns about possible workload increases.''. GAO concluded: ''Without attaining an understanding of the staffing levels needed to address the current and future CFIUS workload, particularly if legislative changes to CFIUS's authorities further expand its workload, CFIUS may be limited in its ability to fulfill its objectives and address threats to the national security of the United States.''.

(6) On March 30, 1954, Dwight David Eisenhower – five-star general, Supreme Allied Commander, and 34th President of the United States – in his ''Special Message to the Congress on Foreign Economic Policy'', counseled: ''Great mutual advantages to buyer and seller, to producer and consumer, to investor and to the community where investment is made, accrue from high levels of trade and investment.''. He continued: ''The internal strength of the American economy has evolved from such a system of mutual advantage. In the press of other problems and in the haste to meet emergencies, this nation – and many other nations of the free world – have all too often lost sight of this central fact.''. President Eisenhower concluded: ''If we fail in our trade policy, we may fail in all. Our domestic employment, our standard of living, our security, and the solidarity of the free world – all are involved.''.

(b) SENSE OF CONGRESS.—It is the sense of Congress that—

(1) foreign investment provides substantial benefits to the United States, including the promotion of economic growth, productivity, innovation, competitiveness, and job creation, thereby enhancing U.S. national security;

(2) maintaining the commitment of the United States to an open investment policy encourages other countries to act similarly and helps expand foreign markets for U.S. businesses;

(3) at the same time, national security risks related to foreign investment, particularly those emanating from countries such as China and Russia, warrant an appropriate modernization of the processes and authorities of the Committee on Foreign Investment in the United States;

(4) the Committee on Foreign Investment in the United States, as a complement to domestic and multilateral export control regimes, plays a critical role in protecting the national security of the United States;

(5) in order to maintain the Committee's effectiveness and guard against mission creep, CFIUS should remain narrowly focused on confronting risks related to national security;

(6) it is essential that the member agencies of the Committee are adequately resourced and able to hire appropriately qualified individuals in a timely manner so that CFIUS may promptly complete transaction reviews, identify and respond to evolving national security risks, and enforce mitigation agreements effectively;

(7) the President should carry out international outreach to promote the benefits of foreign investment for global economic growth, while also assisting United States partners to address national security risks; and

(8) it is the policy of the United States to enthusiastically welcome and support foreign investment, consistent with national security considerations.

TITLE II—DEFINITIONS

SEC. 201. DEFINITIONS.

Section 721(a) of the Defense Production Act of 1950 (50 U.S.C. 4565(a)) is amended—

(1) by striking paragraphs (2), (3), and (4) and inserting the following:

''(2) CONTROL.—The term 'control' means the power, direct or indirect, whether or not exercised, to determine, direct, or decide important matters affecting an entity, subject to regulations prescribed by the Committee.

''(3) COVERED TRANSACTION.—

''(A) IN GENERAL.—The term 'covered transaction' means any transaction described in subparagraph (B) or (C) that is proposed, pending, or completed on or after the date of the enactment of the Foreign Investment Risk Review Modernization Act of 2018.

''(B) TRANSACTIONS DESCRIBED.—A transaction described in this subparagraph is any of the following:

''(i) Any merger, acquisition, takeover, or joint venture that is proposed or pending after August 23, 1988, by or with any foreign person that could result in foreign control of any United States business.

''(ii) The purchase or lease by, or concession to, a foreign person of private or public real estate that—

''(I) is located in the United States and—

''(aa) is, or is in close proximity to, a United States military installation or another facility or property of the United States Government that is sensitive for reasons relating to national security and—

''(AA) could reasonably provide the foreign person the ability to collect intelligence on activities being conducted at such an installation, facility, or property; or

''(BB) could otherwise expose national security activities at such an installation, facility, or property to the risk of foreign surveillance; or

''(bb) is itself, or is located at and could function as part of, an air or sea port;

''(II) is not a single housing unit, as defined by the Bureau of the Census;

''(III) is not in an urbanized area, as set forth by the Bureau of the Census in its most recent census, except as otherwise prescribed by the Committee in regulations in consultation with the Secretary of Defense; and

''(IV) meets such other criteria as the Committee prescribes by regulation, except that such criteria may not expand the categories of real estate to which this clause applies beyond the categories described in this clause.

''(iii) Any change in the rights that a foreign person has with respect to a United States business in which the foreign person has an investment, if that change could result in—

''(I) foreign control of the United States business; or

''(II) an investment described in subparagraph (C).

''(iv) Any transaction or other device entered into or employed for the purpose of evading this section, subject to regulations prescribed by the Committee.

''(C) SENSITIVE TRANSACTIONS INVOLVING COUNTRIES OF SPECIAL CONCERN.—

''(i) IN GENERAL.—A transaction described in this subparagraph is any investment in an unaffiliated United States business by a foreign person that—

''(I) is—

''(aa) a national or a government of, or a foreign entity organized under the laws of, a country of special concern; or

''(bb) a foreign entity—

''(AA) over which control is exercised or exercisable by a national or a government of, or by a foreign entity organized under the laws of, a country of special concern; or

''(BB) in which the government of a country of special concern has a substantial interest; and

''(II) as a result of the transaction, could obtain—

''(aa) sensitive personal data, as defined by regulations prescribed by the Committee, of

United States citizens, if such data may be exploited in a manner that threatens national security;

''(bb) involvement, other than through voting of shares, in substantive decisionmaking of the United States business regarding—

''(AA) the use, development, acquisition, or release of sensitive personal data of United States citizens (as described in item (aa));

''(BB) the use, development, acquisition, or release of critical technologies; or

''(CC) the management or operations of United States critical infrastructure, as specified in regulations prescribed by the Committee; or

''(cc) material nonpublic technical information in the possession of the United States business.

''(ii) COUNTRY OF SPECIAL CONCERN.—For the purposes of this subparagraph, the term 'country of special concern' means—

''(I) any foreign country that is subject to export restrictions pursuant to section 744.21 of title 15, Code of Federal Regulations;

''(II) any country determined by the Secretary of State to be a state sponsor of terrorism; and

''(III) any country that—

''(aa) is subject to a United States arms embargo, as specified in list D:5 of Country Group D in Supplement No. 1 to part 740 of title 15, Code of Federal Regulations; and

''(bb) is specified in regulations prescribed by the Committee.

''(iii) INVESTMENT DEFINED.—For the purposes of this subparagraph, the term 'investment' means the acquisition of an equity interest, including contingent equity interest, as further defined in regulations prescribed by the Committee.

''(iv) MATERIAL NONPUBLIC TECHNICAL INFORMATION DEFINED.—

''(I) IN GENERAL.—For the purposes of this subparagraph, and subject to regulations prescribed by the Committee, the term 'material nonpublic technical information' means information that—

''(aa) could create or reveal significant vulnerabilities in United States critical infrastructure, as specified in regulations prescribed by the Committee; or

''(bb) could be essential to design, develop, test, produce, or manufacture critical technologies, as specified in regulations prescribed by the Committee.

''(II) EXEMPTION FOR FINANCIAL INFORMATION.—Notwithstanding subclause (I), for the purposes of this subparagraph, the term 'material nonpublic technical information' does not include financial information regarding the performance of a United States business.

''(v) REGULATIONS WITH RESPECT TO CRITICAL INFRASTRUCTURE.—For purposes of this subparagraph, regulations prescribed by the Committee regarding United States critical infrastructure shall include criteria to limit application to critical infrastructure that is likely to be of importance to the national security of the United States.

''(vi) UNAFFILIATED UNITED STATES BUSINESS DEFINED.—For the purposes of this subparagraph, with respect to an investment described under clause (i), and as further defined in regulations prescribed by the Committee, the term 'unaffiliated United States business' means a United States business that is not subject to the same ultimate ownership of the foreign person undertaking the investment.

''(vii) EXEMPTION.—The President may exempt a country from the definition of a country of special concern under clause (ii), for up to one year at a time, upon reporting to the Committees on Financial Services and Foreign Affairs of the House of Representatives and the Committees on Banking, Housing, and Urban Affairs and Foreign Relations of the Senate that the exemption is important to the national interest of the United States, with a detailed explanation of the reasons therefor.

''(D) EXCEPTION FOR AIR CARRIERS.—Subparagraph (B)(iii) shall not apply to a change in the rights of a person with respect to an investment involving an air carrier, as defined in section 40102(a)(2) of title 49, United States Code, that holds a certificate issued under section 41102 of that title.

''(E) TRANSFERS OF CERTAIN ASSETS PURSUANT TO BANKRUPTCY PROCEEDINGS OR OTHER DEFAULTS.—The Committee shall prescribe regulations to clarify that the term 'covered transaction' includes any transaction described in subparagraph (B) or (C) that arises pursuant to a bankruptcy proceeding or other form of default on debt.

''(F) DEFINITION OF CLOSE PROXIMITY.—In prescribing regulations with respect to subparagraph (B)(ii)(I)(aa), the Committee shall ensure that the term 'close proximity' only applies to a distance or distances within which the purchase, lease, or concession of real estate could pose a national security risk in connection with a United States military installation or another facility or property of the United States Government.

''(4) FOREIGN GOVERNMENT-CONTROLLED TRANSACTION.—The term 'foreign government-controlled transaction' means any covered transaction that could result in control of a United States business by—

''(A) a foreign government;

''(B) a person controlled by or acting on behalf of a foreign government; or

''(C) a foreign company or entity of a country of special concern (as defined under paragraph (3)(C)(ii)) domiciled or having its principal place of business in a county of special concern that is a non-market economy, except to the extent the Committee promulgates regulations exempting any such company, entity, or country from this presumption.'';

(2) by amending paragraph (7) to read as follows:

''(7) CRITICAL TECHNOLOGIES.—The term 'critical technologies' means—

''(A) defense articles or defense services covered by the United States Munitions List (USML), which is set forth in the International Traffic in Arms Regulations (ITAR) (22 C.F.R. parts 120–130);

''(B) those items specified on the Commerce Control List (CCL) set forth in Supplement No. 1 to part 774 of the Export Administration Regulations (EAR) (15 C.F.R. parts 730–774) that are controlled pursuant to multilateral regimes (i.e. for reasons of national security, chemical and biological weapons proliferation, nuclear nonproliferation, or missile technology), as well as those that are controlled for reasons of regional stability or surreptitious listening;

''(C) specially designed and prepared nuclear equipment, parts and components, materials, software, and technology specified in the Assistance to Foreign Atomic Energy Activities regulations (10 C.F.R. part 810), and nuclear facilities, equipment, and material specified in the Export and Import of Nuclear Equipment and Material regulations (10 C.F.R. part 110);

''(D) select agents and toxins specified in the Select Agents and Toxins regulations (7 C.F.R. part 331, 9 C.F.R. part 121, and 42 C.F.R. part 73); and

''(E) emerging, foundational, or other critical technologies that are controlled pursuant to section 818 of the Foreign Investment Risk Review Modernization Act of 2018.''; and

(3) by adding at the end the following:

''(9) FOREIGN PERSON.—The term 'foreign person' means—

''(A) any foreign national, foreign government, or foreign entity; or

''(B) any entity over which control is exercised or exercisable by a foreign national, foreign government, or foreign entity.

''(10) SUBSTANTIAL INTEREST.—The term 'substantial interest' has the meaning given to such term in regulations prescribed by the Committee, but does not include a voting interest of less than ten percent or ownership interests held or acquired solely for the purpose of passive investment.

''(11) UNITED STATES BUSINESS.—The term 'United States business' means any entity, irrespective of the nationality of the persons that control it, engaged in interstate commerce in the United States, but only to the extent of its activities in interstate commerce.''.

TITLE III—IMPROVEMENTS TO THE OPERATIONS OF THE COMMITTEE ON FOREIGN INVESTMENT IN THE UNITED STATES

SEC. 301. INCLUSION OF PARTNERSHIP AND SIDE AGREEMENTS IN NOTICE.

Section 721(b)(1)(C) of the Defense Production Act of 1950 (50 U.S.C. 4565(b)(1)(C)) is amended by adding at the end the following:

''(iv) INCLUSION OF PARTNERSHIP AND SIDE AGREEMENTS.—Subject to regulations prescribed by the Committee, the Committee may require a written notice submitted under clause (i) by a party to a covered transaction to include a copy of any partnership agreements, integration agreements, or other side agreements relating to the transaction.''.

SEC. 302. DECLARATIONS RELATING TO CERTAIN COVERED TRANSACTIONS.

(a) IN GENERAL.—Section 721(b)(1)(C) of the Defense Production Act of 1950 (50 U.S.C. 4565(b)(1)(C)), as amended by section 301, is further amended by adding at the end the following:

''(v) DECLARATIONS WITH RESPECT TO CERTAIN COVERED TRANSACTIONS.—

''(I) VOLUNTARY DECLARATIONS.—For the purpose of expediting the review of certain covered transactions that the Committee determines are likely to pose limited risk, the Committee may prescribe regulations to permit parties to the transaction to submit a declaration with basic information regarding the transaction, unless the parties submit a written notice under clause (i).

''(II) MANDATORY DECLARATIONS.—

''(aa) IN GENERAL.—The Committee shall prescribe regulations to require the parties to a covered transaction to submit a declaration described in subclause (I) with respect to the transaction if the transaction involves an investment that results in the release of critical technologies by an unaffiliated United States business (as defined under subsection (a)(3)(C)(vi)) to a foreign person in which a foreign government has, directly or indirectly, a substantial interest.

''(bb) SUBMISSION OF WRITTEN NOTICE AS AN ALTERNATIVE.—Parties to a covered transaction for which a declaration is required under this clause may instead elect to submit a written notice under clause (i).

''(cc) TIMING OF SUBMISSION.—With respect to the regulations described under subclause (I), the Committee may not require a declaration to be submitted more than 45 days in advance of the completion of the transaction.

''(III) PENALTIES.—The Committee may impose a penalty pursuant to subsection (h)(3)(A) with respect to a party that fails to comply with this clause.

''(IV) COMMITTEE RESPONSE TO DECLARATION.—

''(aa) IN GENERAL.—Upon receiving a declaration under this clause with respect to a transaction, the Committee may, at its discretion—

''(AA) request that the parties to the transaction file a written notice under

clause (i), provided that the Committee includes an explanation of the reasons for the request;

''(BB) inform the parties to the transaction that the Committee is not able to complete action under this section with respect to the transaction on the basis of the declaration and that the parties may file a written notice under clause (i) to seek written notification from the Committee that the Committee has completed all action under this section with respect to the transaction;

''(CC) initiate a unilateral review of the transaction under subparagraph (D); or

''(DD) notify the parties in writing that the Committee has completed all action under this section with respect to the transaction.

''(bb) TIMING.—The Committee shall take action under item (aa) within 30 days of receiving a declaration under this clause.

''(cc) REFILING OF DECLARATION.—The Committee may not request or recommend that a declaration be withdrawn and refiled, except to permit parties to a transaction to correct material errors or omissions.

''(V) REGULATIONS.—In prescribing regulations establishing requirements for declarations submitted under this clause, the Committee shall ensure that such declarations are submitted as abbreviated notifications that do not generally exceed 5 pages in length.

''(VI) INVESTMENT DEFINED.—For the purposes of this clause, the term 'investment' means the acquisition of an equity interest, including contingent equity interest, as further defined in regulations prescribed by the Committee.''.

(b) STIPULATIONS REGARDING TRANSACTIONS.—Section 721(b)(1)(C) of the Defense Production Act of 1950 (50 U.S.C. 4565(b)(1)(C)), as amended by this section, is further amended by adding at the end the following:

''(vi) STIPULATIONS REGARDING TRANSACTIONS.—

''(I) IN GENERAL.—In a written notice submitted under clause (i) or a declaration submitted under clause (v) with respect to a transaction, a party to the transaction may—

''(aa) stipulate that the transaction is a covered transaction; and

''(bb) if the party stipulates that the transaction is a covered transaction under item (aa), stipulate that the transaction is a foreign government-controlled transaction.

''(II) BASIS FOR STIPULATION.—A written notice submitted under clause (i) or a declaration submitted under clause (v) that includes a stipulation under subclause (I) shall include a description of the basis for the stipulation.''.

SEC. 303. TIMING FOR REVIEWS AND INVESTIGATIONS.

Section 721(b) of the Defense Production Act of 1950 (50 U.S.C. 4565(b)) is amended—

(1) in paragraph (1)(E), by striking ''30-day'' and inserting ''45-day'';

(2) in paragraph (2), by striking subparagraph (C) and inserting the following:

''(C) TIMING.—

''(i) IN GENERAL.—Except as provided in clause (ii), any investigation under subparagraph (A) shall be completed before the end of the 45-day period beginning on the date on which the investigation commenced.

''(ii) EXTENSION FOR EXTRAORDINARY CIRCUMSTANCES.—

''(I) IN GENERAL.—In extraordinary circumstances (as defined by the Committee in regulations), the chairperson may, at the request of the head of the lead agency, extend an investigation under subparagraph (A) for not more than one 15-day period.

''(II) NONDELEGATION.—The authority of the chairperson and the head of the lead agency referred to in subclause (I) may not be delegated to any person other than the Deputy Secretary of the Treasury or the deputy head (or equivalent thereof) of the lead agency, as the case may be.

''(III) NOTIFICATION TO PARTIES.—If the Committee extends the deadline under subclause (I) with respect to a covered transaction, the Committee shall notify the parties to the transaction of the extension.''; and

(3) by adding at the end the following:

''(8) TOLLING OF DEADLINES DURING LAPSE IN APPROPRIATIONS.—Any deadline or time limitation under this subsection shall be tolled during a lapse in appropriations.''.

SEC. 304. SUBMISSION OF CERTIFICATIONS TO CONGRESS.

Section 721(b)(3)(C) of the Defense Production Act of 1950 (50 U.S.C. 4565(b)(3)(C)) is amended—

(1) in clause (i), by amending subclause (II) to read as follows:

''(II) a certification that all relevant national security factors, including factors enumerated in subsection (f), have received full consideration.''; and

(2) by adding at the end the following:

''(v) AUTHORITY TO CONSOLIDATE DOCUMENTS.—Instead of transmitting a separate certified notice or certified report under subparagraph (A) or (B) with respect to each covered transaction, the Committee may, on a monthly basis, transmit such notices and reports in a consolidated document to the Members of Congress specified in clause (iii).''.

SEC. 305. ANALYSIS BY DIRECTOR OF NATIONAL INTELLIGENCE.

Section 721(b)(4) of the Defense Production Act of 1950 (50 U.S.C. 4565(b)(4)) is amended—

(1) by striking subparagraph (A) and inserting the following:

''(A) ANALYSIS REQUIRED.—

''(i) IN GENERAL.—The Director of National Intelligence shall expeditiously carry out a thorough analysis of any threat to the national security of the United States posed by any covered transaction, which shall include the identification of any recognized gaps in the collection of intelligence relevant to the analysis.

''(ii) VIEWS OF INTELLIGENCE AGENCIES.—The Director shall seek and incorporate into the analysis required by clause (i) the views of all affected or appropriate intelligence agencies with respect to the transaction.

''(iii) UPDATES.—At the request of the lead agency, the Director shall update the analysis conducted under clause (i) with respect to a covered transaction with respect to which an agreement was entered into under subsection (l)(3)(A).

''(iv) INDEPENDENCE AND OBJECTIVITY.—The Committee shall ensure that its processes under this section preserve the ability of the Director to conduct an analysis under clause (i) that is independent, objective, and consistent with all applicable directives, policies, and analytic tradecraft standards of the intelligence community.''.

(2) by redesignating subparagraphs (B), (C), and (D) as subparagraphs (C), (D), and (E), respectively;

(3) by inserting after subparagraph (A) the following:

''(B) BASIC THREAT INFORMATION.—

''(i) IN GENERAL.—The Director of National Intelligence may provide the Committee with basic information regarding any threat to the national security of the United States posed by a covered transaction described in clause (ii) instead of conducting the analysis required by subparagraph (A).

''(ii) COVERED TRANSACTION DESCRIBED.—A covered transaction is described in this clause if—

''(I) the transaction is described in subsection (a)(3)(B)(ii);

''(II) the Director of National Intelligence has completed an analysis pursuant to subparagraph (A) involving each foreign person that is a party to the transaction during the 12 months preceding the review or investigation of the transaction under this section; or

''(III) the transaction otherwise meets criteria agreed upon by the Committee and the Director of National Intelligence for purposes of this subparagraph.'';

(4) in subparagraph (C), as so redesignated, by striking ''20 days'' and inserting ''30 days''; and

(5) by adding at the end the following:

''(F) ASSESSMENT OF OPERATIONAL IMPACT.—The Director may provide to the Committee an assessment, separate from the analyses under subparagraphs (A) and (B), of any operational impact of a covered transaction on the intelligence community and a description of any actions that have been or will be taken to mitigate any such impact.

''(G) SUBMISSION TO CONGRESS.—The Committee shall include the analysis required by subparagraph (A) with respect to a covered transaction in the report required under subsection (m)(1), subject to the requirements of subsection (m)(5).''.

SEC. 306. INFORMATION SHARING.

Section 721(c) of the Defense Production Act of 1950 (50 U.S.C. 4565(c)) is amended—

(1) by striking ''Any information'' and inserting the following:

''(1) IN GENERAL.—Any information''; and

(2) by adding at the end the following:

''(2) EXCEPTION.—Paragraph (1) shall not prohibit the disclosure of information or documentary material that the party filing such information or material consented to be disclosed to third parties.''.

SEC. 307. ACTION BY THE PRESIDENT.

(a) IN GENERAL.—Section 721(d)(2) of the Defense Production Act of 1950 (50 U.S.C. 4565(d)(2)) is amended by striking ''not later than 15 days'' and all that follows and inserting the following: ''with respect to a covered transaction not later than 15 days after the earlier of—

''(A) the date on which the investigation of the transaction under subsection (b) is completed; or

''(B) the date on which the Committee otherwise refers the transaction to the President under subsection (l)(4).''.

(b) CIVIL PENALTIES.—Section 721(h)(3)(A) of the Defense Production Act of 1950 (50 U.S.C. 4565(h)(3)(A)) is amended by striking ''including any mitigation'' and all that follows through ''subsection (l)'' and inserting ''including any mitigation agreement entered into, conditions imposed, or order issued pursuant to this section''.

SEC. 308. FACTORS TO BE CONSIDERED.

Section 721(f) of the Defense Production Act of 1950 (50 U.S.C. 4565(f)) is amended—

(1) in paragraph (3), by striking the comma at the end and inserting the following: '', including the availability of human resources, products, technology, materials, and other supplies and services;'';

(2) in paragraph (4), by striking ''proposed or pending'';

(3) by striking paragraph (5);

(4) by redesignating paragraphs (6), (7), (8), (9), (10), and (11) as paragraphs (5), (6), (7), (8), (9), and (16), respectively;

(5) in paragraph (9), as so redesignated, by striking ''and'' at the end;

(6) by inserting after paragraph (9), as so redesignated, the following:

''(10) the degree to which the covered transaction is likely to threaten the ability of the United States Government to acquire or maintain the equipment and systems that are necessary for defense, intelligence, or other national security functions;

''(11) the potential national security-related effects of the cumulative control of any one type of critical infrastructure, energy asset, material, or critical technology by a foreign person;

''(12) whether any foreign person that would acquire control of a United States business as a result of the covered transaction has a history of—

''(A) complying with United States laws and regulations and prior adherence, if applicable, to any agreement or condition, as described under (l)(1)(A); and

''(B) adhering to contracts or other agreements with entities of the United States Government;

''(13) the extent to which the covered transaction is likely to release, either directly or indirectly, sensitive personal data of United States citizens to a foreign person that may exploit that information in a manner that threatens national security;

''(14) whether the covered transaction is likely to exacerbate cybersecurity vulnerabilities or is likely to result in a foreign government gaining a significant new capability to engage in malicious cyber-enabled activities against the United States, including such activities designed to affect the outcome of any election for Federal office;

''(15) whether the covered transaction is likely to expose any information regarding sensitive national security matters or sensitive procedures or operations of a Federal law enforcement agency with national security responsibilities to a foreign person not authorized to receive that information; and''; and

(7) by adding at the end the following flush-left text:

''For purposes of this subsection, the phrase 'the availability of human resources' shall be construed to consider potential losses of such availability resulting from reductions in the employment of United States persons whose knowledge or skills are critical to national security, including the continued production in the United States of items that are likely to be acquired by the Department of Defense or other Federal departments or agencies for the advancement of the national security of the United States.''.

SEC. 309. MITIGATION AND OTHER ACTIONS BY THE COMMITTEE TO ADDRESS NATIONAL SECURITY RISKS.

Section 721(l) of the Defense Production Act of 1950 (50 U.S.C. 4565(l)) is amended—

(1) in paragraph (1)—

(A) in subparagraph (A)—

(i) in the heading, by striking ''IN GENERAL'' and inserting ''AGREEMENTS AND CONDITIONS'';

(ii) by striking ''The Committee'' and inserting the following:

''(i) IN GENERAL.—The Committee'';

(iii) by adding at the end the following:

''(ii) ABANDONMENT OF TRANSACTIONS.—If a party to a covered transaction has voluntarily chosen to abandon the transaction, the Committee or lead agency, as the case may be, may negotiate, enter into or impose, and enforce any agreement or condition with any party to the covered transaction for purposes of effectuating such abandonment and mitigating any threat to the national security of the United States that arises as a result of the covered transaction.

''(iii) AGREEMENTS AND CONDITIONS RELATING TO COMPLETED TRANSACTIONS.—The Committee or lead agency, as the case may be, may negotiate, enter into or impose, and enforce any agreement or condition with any party to a completed covered transaction in order to mitigate any interim threat to the national security of the United States that may arise as a result of the covered transaction until such time that the Committee has completed action pursuant to subsection (b) or the President has taken action pursuant to subsection (d) with respect to the transaction.'';

(B) by amending subparagraph (B) to read as follows:

''(B) TREATMENT OF OUTDATED AGREEMENTS OR CONDITIONS.—The chairperson and the head of any applicable lead agency shall periodically review the appropriateness of an agreement or condition described under subparagraph (A) and terminate, phase out, or otherwise amend any agreement or condition if a threat no longer requires mitigation through the agreement or condition.''; and

(C) by adding at the end the following:

''(C) LIMITATIONS.—An agreement may not be entered into or condition imposed under subparagraph (A) with respect to a covered transaction unless the Committee determines that the agreement or condition resolves the national security concerns posed by the transaction, taking into consideration whether the agreement or condition is reasonably calculated to—

''(i) be effective;

''(ii) allow for compliance with the terms of the agreement or condition in an appropriately verifiable way; and

''(iii) enable effective monitoring of compliance with and enforcement of the terms of the agreement or condition.

''(D) JURISDICTION.—The provisions of section 706(b) shall apply to any mitigation agreement entered into or condition imposed under subparagraph (A).''; and

(2) by adding at the end the following:

''(4) REFERRAL TO PRESIDENT.—The Committee may, at any time during the review or investigation of a covered transaction under subsection (b), complete the action of the Committee with respect to the transaction and refer the transaction to the President for action pursuant to subsection (d).

''(5) RISK-BASED ANALYSIS REQUIRED.—

''(A) IN GENERAL.—Any determination of the Committee to refer a covered transaction to the President under paragraph (4), to suspend a covered transaction under paragraph (6), or to negotiate, enter into, impose, or enforce any agreement or condition under paragraph (1)(A) with respect to a covered transaction, shall be based on a risk-based analysis, conducted by the Committee, of the effects on the national security of the United States of the covered transaction, which shall include—

''(i) an assessment of the threat, vulnerabilities, and consequences to national security resulting from the transaction, as these terms are defined or clarified in guidance and regulations issued by the Committee; and

''(ii) an identification of each relevant factor described in subsection (f) that the transaction may substantially implicate.

''(B) COMPLIANCE PLANS.—

''(i) IN GENERAL.—In the case of a covered transaction with respect to which an agreement or condition is entered into under paragraph (1)(A), the Committee or lead agency, as the case may be, shall formulate, adhere to, and keep updated a plan for monitoring compliance with the agreement or condition.

''(ii) ELEMENTS.—Each plan required by clause (i) with respect to an agreement or condition entered into under paragraph (1)(A) shall include an explanation of—

''(I) which member of the Committee will have primary responsibility for monitoring compliance with the agreement or condition;

''(II) how compliance with the agreement or condition will be monitored;

''(III) how frequently compliance reviews will be conducted;

''(IV) whether an independent entity will be utilized under subparagraph (D) to conduct compliance reviews; and

''(V) what actions will be taken if the parties fail to cooperate regarding monitoring compliance with the agreement or condition.

''(C) EFFECT OF LACK OF COMPLIANCE.—If, at any time after a mitigation agreement or condition is entered into or imposed under paragraph (1)(A), the Committee or lead agency, as the case may be, determines that a party or parties to the agreement or condition are not in compliance with the terms of the agreement or condition, the Committee or lead agency may, in addition to the authority of the Committee to impose penalties pursuant to subsection (h)(3)(A) and to unilaterally initiate a review of any covered transaction under subsection (b)(1)(D)(iii)(I)—

''(i) negotiate a plan of action for the party or parties to remediate the lack of compliance, with failure to abide by the plan or otherwise remediate the lack of compliance serving as the basis for the Committee to find a material breach of the agreement or condition;

''(ii) require that the party or parties submit any covered transaction initiated after the date of the determination of noncompliance and before the date that is 5 years after the date of the determination to the Committee for review under subsection (b); or

''(iii) seek injunctive relief.

''(D) USE OF INDEPENDENT ENTITIES TO MONITOR COMPLIANCE.—If the parties to an agreement or condition entered into under paragraph (1)(A) enter into a contract with an independent entity from outside the United States Government for the purpose of monitoring compliance with the agreement or condition, the Committee shall take such action as is necessary to prevent any significant conflict of interest from arising with respect to the entity and the parties to the transaction.

''(E) SUCCESSORS AND ASSIGNS.—Any agreement or condition entered or imposed under paragraph (1)(A) shall be considered binding on all successors and assigns, unless and until the agreement or condition terminates on its own terms or is otherwise terminated by the Committee in the Committee's sole discretion.

''(F) ADDITIONAL COMPLIANCE MEASURES.—Subject to subparagraphs (A) through (D), the Committee shall develop and agree upon methods for evaluating compliance with any agreement entered into or condition imposed with respect to a covered transaction that will allow the Committee to adequately ensure compliance without unnecessarily diverting Committee resources from assessing any new covered transaction for which a written notice under clause (i) of subsection (b)(1)(C) has been filed or for which a declaration has been submitted under clause (v) of subsection (b)(1)(C), and if necessary, reaching a mitigation agreement with or imposing a condition on a party to such covered transaction or any covered transaction for which a review has been reopened for any reason.

''(6) SUSPENSION OF TRANSACTIONS.—The Committee, acting through the chairperson, may suspend a proposed or pending covered transaction that may pose a risk to the national security of the United States for such time as the covered transaction is under review or investigation under subsection (b).''.

SEC. 310. CERTIFICATION OF NOTICES AND INFORMATION.

Section 721(n) of the Defense Production Act of 1950 (50 U.S.C. 4565(n)) is amended—

(1) by redesignating paragraphs (1) and (2) as subparagraphs (A) and (B), respectively, and by moving such subparagraphs, as so redesignated, 2 ems to the right;

(2) by striking ''Each notice'' and inserting the following:

''(1) IN GENERAL.—Each notice''; and

(3) by adding at the end the following:

''(2) EFFECT OF FAILURE TO SUBMIT.—The Committee may not complete a review under this section of a covered transaction and may recommend to the President that the President suspend or prohibit the transaction or require divestment under subsection (d) if the Committee determines that a party to the transaction has—

''(A) failed to submit a statement required by paragraph (1); or

''(B) included false or misleading information in a notice or information described in paragraph (1) or omitted material information from such notice or information.

''(3) APPLICABILITY OF LAW ON FRAUD AND FALSE STATEMENTS.—The Committee shall prescribe regulations expressly providing for the application of section 1001 of title 18, United States Code, to all information provided to the Committee under this section by any party to a covered transaction.''.

SEC. 311. ADDITIONAL REGULATIONS.

Section 721(h)(3) of the Defense Production Act of 1950 (50 U.S.C. 4565(h)(3)) is amended—

(1) in subparagraph (B)(ii), by striking ''and'' at the end;

(2) in subparagraph (C), by striking the period at the end and inserting ''; and''; and

(3) by adding at the end the following:

''(D) provide that in connection with any national security review or investigation of a covered transaction conducted by the Committee, the Committee should—

''(i) consider the factors described in paragraphs (2) and (3) of subsection (f); and

''(ii) as appropriate, require parties to provide the information necessary to consider such factors.''.

TITLE IV—MODIFICATION OF ANNUAL REPORT

SEC. 401. MODIFICATION OF ANNUAL REPORT.

Section 721(m) of the Defense Production Act of 1950 (50 U.S.C. 4565(m)) is amended—

(1) in paragraph (2), by amending subparagraph (A) to read as follows:

''(A) A list of all notices filed and all reviews or investigations of covered transactions completed during the period, with—

''(i) a description of the outcome of each review or investigation, including whether an agreement was entered into or condition was imposed under subsection (l)(3)(A) with respect to the transaction being reviewed or investigated, and whether the President took any action under this section with respect to that transaction;

''(ii) the nature of the business activities or products of the United States business with which the transaction was entered into or intended to be entered into;

''(iii) information about any withdrawal from the process; and

''(iv) the mean and median number of days required to complete reviews and investigations during the period.'';

(2) in paragraph (3)—

(A) by striking ''CRITICAL TECHNOLOGIES'' and all that follows through ''In order to assist'' and inserting ''CRITICAL TECHNOLOGIES.—In order to assist'';

(B) by striking subparagraph (B); and

(C) by redesignating clauses (i) and (ii) as subparagraphs (A) and (B), respectively, and by moving such subparagraphs, as so redesignated, 2 ems to the left; and

(3) by adding at the end the following:

''(4) ADDITIONAL CONTENTS OF REPORT.—Each annual report required under paragraph (1) shall contain the following additional information:

''(A) Statistics on compliance reviews conducted and actions taken by the Committee under subsection (l)(6), including subparagraph (D) of that subsection (l)(6), during that period and a description of any actions taken by the Committee to impose penalties or initiate a unilateral review pursuant to subsection (b)(1)(D)(iii)(I).

''(B) Cumulative and trend information on the number of declarations filed under subsection (b)(1)(C)(v), the actions taken by the Committee in response to declarations, the business sectors involved in the declarations which have been made, the countries involved in such declarations, and the mean and median number of days required to respond to such declarations, as described in subsection (b)(1)(C)(v)(IV), during that period.

''(C) The number of new hires made since the preceding report through the authorities described under subsection (q), along with summary statistics, position titles, and associated pay grades for such hires and a summary of such hires' responsibilities in administering this section.

''(5) CLASSIFICATION; AVAILABILITY OF REPORT.—

''(A) CLASSIFICATION.—All appropriate portions of the annual report required by paragraph (1) may be classified.

''(B) PUBLIC AVAILABILITY OF UNCLASSIFIED VERSION.—An unclassified version of the report required by paragraph (1), as appropriate and consistent with safeguarding national security and privacy, shall be made available to the public. Information regarding trade secrets or business confidential information may be included in the classified version and may not be made available to the public in the unclassified version.

''(C) EXCEPTIONS TO FREEDOM OF INFORMATION ACT.—The exceptions to subsection (a) of section 552 of title 5, United States Code, provided for under subsection (b) of that section shall apply with respect to the report required by paragraph (1).''.

SEC. 402. REPORT ON TRANSACTIONS WITH CENSORSHIP IMPLICATIONS.

Not later than one year from the date of enactment of this Act, the Committee on Foreign Investment in the United States shall issue a report to the Congress, appropriate portions of which may be classified, on investments by foreign persons into the entertainment and information sectors of the United States, which shall include analysis of the extent to which such investments have resulted in or could result in direct or indirect censorship, including self-censorship, within the United States.

SEC. 403. NOTICE TO CONGRESS BY THE COMMITTEE.

Section 721 of the Defense Production Act of 1950 (50 U.S.C. 4565), as amended by section 503, is further amended by adding at the end the following:

''(v) NOTICE TO CONGRESS BY THE COMMITTEE.—If the Committee recommends that the President suspend or prohibit a covered transaction because such transaction threatens to impair the national security of the United States, the Committee shall, in the classified version of the annual report described under subsection (m), notify Congress of each such recommendation and, upon request, provide a classified briefing on the recommendation.''.

TITLE V—RESOURCES, SPECIAL HIRING AUTHORITY, AND OUTREACH

SEC. 501. CENTRALIZATION OF CERTAIN COMMITTEE FUNCTIONS.

Section 721 of the Defense Production Act of 1950 (50 U.S.C. 4565) is amended by adding at the end the following:

''(o) CENTRALIZATION OF CERTAIN COMMITTEE FUNCTIONS.—

''(1) IN GENERAL.—The chairperson, in consultation with the Committee, may centralize certain functions of the Committee within the Department of the Treasury for the purpose of enhancing interagency coordination and collaboration in carrying out the functions of the Committee under this section.

''(2) RULE OF CONSTRUCTION.—Nothing in this subsection shall be construed as limiting the authority of any department or agency represented on the Committee to represent its own interests before the Committee.''.

SEC. 502. CFIUS RESOURCE NEEDS.

(a) UNIFIED BUDGET REQUEST.—Section 721 of the Defense Production Act of 1950 (50 U.S.C. 4565), as amended by section 501, is further amended by adding at the end the following:

''(p) UNIFIED BUDGET REQUEST; ANNUAL SPENDING PLAN.—

''(1) UNIFIED BUDGET REQUEST.—

''(A) IN GENERAL.—The President may include, in the budget of the Department of the Treasury for a fiscal year (as submitted to Congress with the budget of the President under section 1105(a) of title 31, United States Code), a unified request for funding of all operations under this section conducted by all of the departments and agencies represented on the Committee.

''(B) FORM OF BUDGET REQUEST.—A unified request under subparagraph (A) shall be detailed and include the amounts and staffing levels requested for each department or agency represented on the Committee to carry out the functions of that department or agency under this section.

''(2) ANNUAL SPENDING PLAN.—Not later than 90 days following the date of enactment of this subsection, and annually thereafter, the chairperson of the Committee shall transmit to the Committees on Appropriations and Financial Services of the House of Representatives and the Committees on Appropriations and Banking, Housing, and Urban Affairs of the Senate a detailed spending plan to expeditiously meet the requirements of subsections (b), (l), and (m), including estimated expenditures and staffing levels required by operations of the Committee for not less than the following fiscal year at each of the Committee's member agencies.

''(3) WAIVER.—The chairperson may waive the reporting requirement under paragraph (2) with respect to a fiscal year for which a unified budget request described under paragraph (1) has been submitted.''.

(b) SPECIAL HIRING AUTHORITY.—Section 721 of the Defense Production Act of 1950 (50 U.S.C. 4565), as amended by subsection (a), is further amended by adding at the end the following:

''(q) SPECIAL HIRING AUTHORITY.—The heads of the departments and agencies represented on the Committee may appoint, without regard to the provisions of sections 3309 through 3318 of title 5, United States Code, candidates directly to positions in the competitive service (as defined in section 2102 of that title) in their respective departments and agencies to administer this section.''.

(c) TESTIMONY REQUIRED.—Section 721 of the Defense Production Act of 1950 (50 U.S.C. 4565), as amended by subsection (d), is further amended by adding at the end the following:

''(r) TESTIMONY.—

''(1) IN GENERAL.—After submitting the unified budget request described under subsection (p)(1), or the spending plan described under subsection (p)(2), as the case may be, but not later than March 31 of each year, the chairperson, or the chairperson's designee, shall appear before the Committee on Financial Services of the House of Representatives and present testimony on—

''(A) anticipated resources necessary for operations of the Committee in the following fiscal year at each of the Committee's member agencies;

''(B) the adequacy of appropriations for the Committee in the current and the previous fiscal year to—

''(i) ensure that thorough reviews and investigations are completed as expeditiously as possible;

''(ii) monitor and enforce mitigation agreements; and

''(iii) identify covered transactions for which a notice under clause (i) of subsection (b)(1)(C) or a declaration under clause (v) of subsection (b)(1)(C) was not submitted to the Committee;

''(C) management efforts to strengthen the ability of the Committee to meet the requirements of this section; and

''(D) activities of the Committee undertaken in order to—

''(i) educate the business community, with a particular focus on the technology sector and other sectors of importance to national security, on the goals and operations of the Committee;

''(ii) disseminate to the governments of United States allies best practices of the Committee that—

''(I) strengthen national security reviews of relevant investment transactions; and

''(II) expedite such reviews when appropriate; and

''(iii) promote openness to foreign investment, consistent with national security considerations.

''(2) SUNSET.—This subsection shall have no force or effect on the date that is 7 years following the date of enactment of the Foreign Investment Risk Review Modernization Act of 2018.''.

SEC. 503. FUNDING.

Section 721 of the Defense Production Act of 1950 (50 U.S.C. 4565), as amended by section 603, is further amended by adding at the end the following:

''(u) FUNDING.—

''(1) ESTABLISHMENT OF FUND.—There is established in the Treasury of the United States a fund, to be known as the 'Committee on Foreign Investment in the United States Fund' (in this subsection referred to as the 'Fund'), to be administered by the chairperson.

''(2) AUTHORIZATION OF APPROPRIATIONS FOR THE COMMITTEE.—There are authorized to be appropriated to the Fund for each of fiscal years 2019 through 2023 $20,000,000 to perform the functions of the Committee.

''(3) FILING FEES.—

''(A) IN GENERAL.—The Committee may assess and collect a fee in an amount determined by the Committee in regulations, without regard to section 9701 of title 31, United States Code, and subject to subparagraph (B), with respect to each covered transaction for which a written notice is submitted to the Committee under subsection (b)(1)(C)(i) or a declaration is submitted to the Committee under subsection (b)(1)(C)(v).

''(B) DETERMINATION OF AMOUNT OF FEE.—

''(i) IN GENERAL.—The amount of the fee to be assessed under subparagraph (A) with respect to a covered transaction—

''(I) may not exceed an amount equal to the lesser of—

''(aa) 1 percent of the value of the transaction; or

''(bb) $300,000, as such amount is adjusted annually for inflation pursuant to regulations prescribed by the Committee; and

''(II) shall be determined by the Committee after taking into consideration—

''(aa) the effect of the fee on small business concerns (as defined in section 3 of the Small Business Act (15 U.S.C. 632));

''(bb) the expenses of the Committee associated with conducting activities under this section;

''(cc) the effect of the fee on foreign investment;

''(dd) the unified budget request or annual spending plan, as appropriate, described in section 502 of the Foreign Investment Risk Review Modernization Act of 2018; and

''(ee) such other matters as the Committee considers appropriate.

''(ii) UPDATES.—The Committee shall periodically reconsider and adjust the amount of the fee to be assessed under subparagraph (A) with respect to a covered transaction to ensure that the amount of the fee remains appropriate.

''(C) DEPOSIT AND AVAILABILITY OF FEES.—Notwithstanding section 3302 of title 31, United States Code, fees collected under subparagraph (A) shall—

''(i) be deposited into the Fund for use in carrying out activities under this section;

''(ii) to the extent and in the amounts provided in advance in appropriations Acts, be available to the chairperson;

''(iii) remain available until expended; and

''(iv) be in addition to any appropriations made available to the members of the Committee.

''(4) TRANSFER OF FUNDS.—To the extent provided in advance in appropriations Acts, the chairperson may transfer any amounts in the Fund to any other department or agency represented on the Committee for the purpose of addressing emerging needs in carrying out activities under this section. Amounts so transferred shall be in addition to any other amounts available to that department or agency for that purpose.''.

TITLE VI—MISCELLANEOUS FIRRMA PROVISIONS

SEC. 601. CONFORMING AMENDMENT.

Section 721(d)(4)(A) of the Defense Production Act of 1950 (50 U.S.C. 4565(d)(4)(A)) is amended by striking ''the foreign interest exercising control'' and inserting ''a foreign person that would acquire an interest in a United States business or its assets as a result of the covered transaction''.

SEC. 602. REGULATORY CERTAINTY FOR UNITED STATES BUSINESSES.

Section 721 of the Defense Production Act of 1950 (50 U.S.C. 4565), as amended by section 502, is further amended by adding at the end the following:

''(s) REGULATORY CERTAINTY FOR UNITED STATES BUSINESSES.—

''(1) IN GENERAL.—With respect to mitigating a national security risk that results from a foreign person's investment in, or joint venture with, a United States business, a member agency of the Committee may not prescribe or implement regulations to require divestment by, or of, the United States business, unless—

''(A) the regulations are prescribed under this section or pursuant to authorities of the President under the International Emergency Economic Powers Act; or

''(B) the President reports to Congress in writing that the regulations—

''(i) are, wherever applicable, consistent with regulations prescribed under this section, including any such regulations pertaining to—

''(I) foreign control or influence over a United States business;

''(II) the identification of emerging, foundational, or other critical technologies; and

''(III) confidentiality requirements with respect to information and documentary material regarding United States businesses; and

''(ii) in the case of regulations prescribed or finalized following the effective date of this subsection, were prescribed in consultation with the chairperson of the Committee and with the head of any member agency determined by the President to be affected by the regulations.

''(2) EXCEPTION FOR PROCUREMENT AUTHORITY.—Paragraph (1) shall not apply to an action by a member agency if the head of the member agency determines that such action is necessary for procurement purposes of the agency or for matters related to the management of the agency's supply chain.''.

SEC. 603. COOPERATION WITH UNITED STATES ALLIES AND PARTNERS.

Section 721 of the Defense Production Act of 1950 (50 U.S.C. 4565), as amended by section 602, is further amended by adding at the end the following:

''(t) COOPERATION WITH UNITED STATES ALLIES AND PARTNERS.—

''(1) IN GENERAL.—The chairperson, in consultation with other members of the Committee, is authorized to lead a formal process for the regular exchange of information with governments of countries that are allies or partners of the United States, in the discretion of the chairperson, to protect the national security of the United States and those countries.

''(2) REQUIREMENTS.—The process described under paragraph (1) shall, in the discretion of the chairperson—

''(A) be designed to facilitate the harmonization of action with respect to trends in investment and technology that could pose risks to the national security of the United States and countries that are allies or partners of the United States;

''(B) provide for the sharing of information with respect to specific technologies and entities acquiring such technologies as appropriate to ensure national security; and

''(C) include consultations and meetings with representatives of the governments of such countries on a recurring basis.''.

TITLE VII—COMMON SENSE CREDIT UNION CAPITAL RELIEF

SEC. 701. DELAY IN EFFECTIVE DATE.

Notwithstanding any effective date set forth in the rule issued by the National Credit Union Administration titled ''Risk-Based Capital'' (published at 80 Fed. Reg. 66626 (October 29, 2015)), such final rule shall take effect on January 1, 2021.

TITLE VIII—EXPORT CONTROL REFORM

SEC. 801. SHORT TITLE.

This title may be cited as the ''Export Control Reform Act of 2018''.

SEC. 802. DEFINITIONS.

In this title:

(1) CONTROLLED.—The term ''controlled'' refers to an item subject to the jurisdiction of the United States under subtitle A.

(2) DUAL-USE.—The term ''dual-use'', with respect to an item, means the item has civilian applications and military, terrorism, weapons of mass destruction, or law-enforcement-related applications.

(3) EXPORT.—The term ''export'', with respect to an item subject to controls under subtitle A, includes—

(A) the shipment or transmission of the item out of the United States, including the sending or taking of the item out of the United States, in any manner; and

(B) the release or transfer of technology or source code relating to the item to a foreign person in the United States.

(4) EXPORT ADMINISTRATION REGULATIONS.—The term ''Export Administration Regulations'' means—

(A) the Export Administration Regulations as promulgated, maintained, and amended under the authority of the International Emergency Economic Powers Act and codified, as of the date of the enactment of this Act, in subchapter C of chapter VII of title 15, Code of Federal Regulations; or

(B) regulations that are promulgated, maintained, and amended under the authority of subtitle A on or after the date of the enactment of this Act.

(5) FOREIGN PERSON.—The term ''foreign person'' means—

(A) any natural person who is not a lawful permanent resident of the United States, citizen of the United States, or any other protected individual (as such term is defined in section 274B(a)(3) of the Immigration and Nationality Act (8 U.S.C. 1324b(a)(3));

(B) any corporation, business association, partnership, trust, society or any other entity or group that is not incorporated in the United States or organized to do business in the United States, as well as international organizations, foreign governments and any agency or subdivision of a foreign government (e.g., diplomatic mission).

(6) ITEM.—The term ''item'' means a commodity, software, or technology.

(7) PERSON.—The term ''person'' means—

(A) a natural person;

(B) a corporation, business association, partnership, society, trust, financial institution, insurer, underwriter, guarantor, and any other business organization, any other nongovernmental entity, organization, or group, or any government or agency thereof; and

(C) any successor to any entity described in subparagraph (B).

(8) REEXPORT.—The term ''reexport'', with respect to an item subject to controls under subtitle A, includes—

(A) the shipment or transmission of the item from a foreign country to another foreign country, including the sending or taking of the item from the foreign country to the other foreign country, in any manner; and

(B) the release or transfer of technology or source code relating to the item to a foreign person outside the United States.

(9) SECRETARY.—Except as otherwise provided, the term ''Secretary'' means the Secretary of Commerce.

(10) TECHNOLOGY.—The term ''technology'' includes foundational information and information and know-how necessary for the development (at all stages prior to serial production), production, use, operation, installation, maintenance, repair, overhaul or refurbishing of an item.

(11) TRANSFER.—The term ''transfer'', with respect to an item subject to controls under title I, means a change in the end-use or end user of the item within the same foreign country.

(12) UNITED STATES.—The term ''United States'' means the several States, the District of Columbia, the Commonwealth of Puerto Rico, the Commonwealth of the Northern Mariana Islands, American Samoa, Guam, the United States Virgin Islands, and any other territory or possession of the United States.

(13) UNITED STATES PERSON.—The term ''United States person'' means—

(A) for purposes of subtitles A and C—

(i) any individual who is a citizen or national of the United States or who is an individual described in subparagraph (B) of section 274B(a)(3) of the Immigration and Nationality Act (8 U.S.C. 1324b(a)(3));

(ii) a corporation or other legal entity which is organized under the laws of the United States, any State or territory thereof, or the District of Columbia; and

(iii) any person in the United States; and

(B) for purposes of subtitle B, any United States resident or national (other than an individual resident outside the United States and employed by other than a United States person), any domestic concern (including any permanent domestic establishment of any foreign concern) and any foreign subsidiary or affiliate (including any permanent foreign establishment) of any domestic concern which is controlled in fact by such domestic concern, as determined under regulations by the Secretary.

(14) WEAPONS OF MASS DESTRUCTION.—The term ''weapons of mass destruction'' means nuclear, radiological, chemical, and biological weapons and delivery systems for such weapons.

Subtitle A—Authority and Administration of Controls

SEC. 811. SHORT TITLE.

This subtitle may be cited as the ''Export Controls Act of 2018''.

SEC. 812. STATEMENT OF POLICY.

The following is the policy of the United States:

(1) To use export controls only after full consideration of the impact on the economy of the United States and only to the extent necessary—

(A) to restrict the exports of items which would make a significant contribution to the military potential of any other country or combination of countries which would prove detrimental to the national security of the United States; and

(B) to restrict the export of items if necessary to further significantly the foreign policy of the United States or to fulfill its declared international obligations.

(2) The national security and foreign policy of the United States require that the export, reexport, and transfer of items, and specific activities of United States persons, wherever located, be controlled for the following purposes:

(A) To control the release of items for use in—

(i) the proliferation of weapons of mass destruction or of conventional weapons;

(ii) the acquisition of destabilizing numbers or types of conventional weapons;

(iii) acts of terrorism;

(iv) military programs that could pose a threat to the security of the United States or its allies; or

(v) activities undertaken specifically to cause significant interference with or disruption of critical infrastructure.

(B) To preserve the qualitative military superiority of the United States.

(C) To strengthen the United States industrial base.

(D) To carry out the foreign policy of the United States, including the protection of human rights and the promotion of democracy.

(E) To carry out obligations and commitments under international agreements and arrangements, including multilateral export control regimes.

(F) To facilitate military interoperability between the United States and its North Atlantic Treaty Organization (NATO) and other close allies.

(G) To ensure national security controls are tailored to focus on those core technologies and other items that are capable of being used to pose a serious national security threat to the United States.

(3) The national security of the United States requires that the United States maintain its leadership in the science, technology, engineering, and manufacturing sectors, including foundational technology that is essential to innovation. Such leadership requires that United States persons are competitive in global markets. The impact of the implementation of this subtitle on such leadership and competitiveness must be evaluated on an ongoing basis and applied in imposing controls under sections 813 and 814 to avoid negatively affecting such leadership.

(4) The national security and foreign policy of the United States require that the United States participate in multilateral organizations and agreements regarding export controls on items that are consistent with the policy of the United States, and take all the necessary steps to secure the adoption and consistent enforcement, by the governments of such countries, of export controls on items that are consistent with such policy.

(5) Export controls should be coordinated with the multilateral export control regimes. Export controls that are multilateral are most effective, and should be tailored to focus on those core technologies and other items that are capable of being used to pose a serious national security threat to the United States and its allies.

(6) Export controls applied unilaterally to items widely available from foreign sources generally are less effective in preventing end-users from acquiring those items. Application of unilateral export controls should be limited for purposes of protecting specific United States national security and foreign policy interests.

(7) The effective administration of export controls requires a clear understanding both inside and outside the United States Government of which items are controlled and an efficient process should be created to update the controls, such as by adding or removing such items.

(8) The export control system must ensure that it is transparent, predictable, and timely, has the flexibility to be adapted to address new threats in the future, and allows seamless access to and sharing of export control information among all relevant United States national security and foreign policy agencies.

(9) Implementation and enforcement of United States export controls require robust capabilities in monitoring, intelligence, and investigation, appropriate penalties for violations, and the ability to swiftly interdict unapproved transfers.

(10) Export controls complement and are a critical element of the national security policies underlying the laws and regulations governing foreign direct investment in the United States, including controlling the transfer of critical technologies to certain foreign persons. Thus, the President, in coordination with the Secretary, the Secretary of Defense, the Secretary of State, the Secretary of Energy, and the heads of other Federal agencies, as appropriate, should have a regular and robust process to identify the emerging and other types of critical technologies of concern and regulate their release to foreign persons as warranted regardless of the nature of the underlying transaction. Such identification efforts should draw upon the resources and expertise of all relevant parts of the United States Government, industry, and academia. These efforts should be in addition to traditional efforts to modernize and update the lists of controlled items under the multilateral export control regimes.

(11) The authority under this subtitle may be exercised only in furtherance of all of the objectives set forth in paragraphs (1) through (10).

SEC. 813. AUTHORITY OF THE PRESIDENT.

(a) AUTHORITY.—In order to carry out the policy set forth in paragraphs (1) through (10) of section 812, the President shall control—

(1) the export, reexport, and transfer of items subject to the jurisdiction of the United States, whether by United States persons or by foreign persons; and

(2) the activities of United States persons, wherever located, relating to specific—

(A) nuclear explosive devices;

(B) missiles;

(C) chemical or biological weapons;

(D) whole plants for chemical weapons precursors;

(E) foreign maritime nuclear projects; and

(F) foreign military intelligence services.

(b) REQUIREMENTS.—In exercising authority under this subtitle to carry out the policy set forth in paragraphs (1) through (10) of section 812, the President shall—

(1) regulate the export, reexport, and transfer of items described in subsection (a)(1) of United States persons or foreign persons;

(2) regulate the activities described in subsection (a)(2) of United States persons, wherever located;

(3) secure the cooperation of other governments and multilateral organizations to impose control systems that are consistent, to the extent possible, with the controls imposed under subsection (a);

(4) maintain the leadership of the United States in science, engineering, technology research and development, manufacturing, and foundational technology that is essential to innovation;

(5) protect United States technological advances by prohibiting unauthorized technology transfers to foreign persons in the United States or outside the United States, particularly with respect to countries that may pose a significant threat to the national security of the United States;

(6) strengthen the United States industrial base, both with respect to current and future defense requirements; and

(7) enforce the controls through means such as regulations, requirements for compliance, lists of controlled items, lists of foreign persons who threaten the national security or foreign policy of the United States, and guidance in a form that facilitates compliance by United States persons and foreign persons, in particular academic institutions, scientific and research establishments, and small- and medium-sized businesses.

(c) APPLICATION OF CONTROLS.—The President shall impose controls over the export, reexport, or transfer of items for purposes of the objectives described in subsections (b)(1) or (b)(2) without regard to the nature of the underlying transaction or any circumstances pertaining to the activity, including whether such export, reexport, or transfer occurs pursuant to a purchase order or other contract requirement, voluntary decision, inter-company arrangement, marketing effort, or during a joint venture, joint development agreement, or similar collaborative agreement.

SEC. 814. ADDITIONAL AUTHORITIES.

(a) IN GENERAL.—In carrying out this subtitle on behalf of the President, the Secretary, in consultation with the Secretary of State, the Secretary of Defense, the Secretary of Energy, and the heads of other Federal agencies as appropriate, shall—

(1) establish and maintain a list of items that are controlled under this subtitle;

(2) establish and maintain a list of foreign persons and end-uses that are determined to be a threat to the national security and foreign policy of the United States pursuant to the policy set forth in section 812(2)(A);

(3) prohibit unauthorized exports, reexports, and transfers of controlled items, including to foreign persons in the United States or outside the United States;

(4) restrict exports, reexports, and transfers of any controlled items to any foreign person or end-use listed under paragraph (2);

(5) require licenses or other authorizations, as appropriate, for exports, reexports, and transfers of controlled items, including imposing conditions or restrictions on United States persons and foreign persons with respect to such licenses or other authorizations;

(6) establish a process for an assessment to determine whether a foreign item is comparable in quality to an item controlled under this subtitle, and is available in sufficient quantities to render the United States export control of that item or the denial of a license ineffective, including a mechanism to address that disparity;

(7) require measures for compliance with the export controls established under this subtitle;

(8) require and obtain such information from United States persons and foreign persons as is necessary to carry out this subtitle;

(9) require, to the extent feasible, identification of items subject to controls under this subtitle in order to facilitate the enforcement of such controls;

(10) inspect, search, detain, or seize, or impose temporary denial orders with respect to items, in any form, that are subject to controls under this subtitle, or conveyances on which it is believed that there are items that have been, are being, or are about to be exported, reexported, or transferred in violation of this subtitle;

(11) monitor shipments, or other means of transfer;

(12) keep the public fully apprised of changes in policy, regulations, and procedures established under this subtitle;

(13) appoint technical advisory committees in accordance with the Federal Advisory Committee Act;

(14) create, as warranted, exceptions to licensing requirements in order to further the objectives of this subtitle;

(15) establish and maintain processes to inform persons, either individually by specific notice or through amendment to any regulation or order issued under this subtitle, that a license from the Bureau of Industry and Security of the Department of Commerce is required to export; and

(16) undertake any other action as is necessary to carry out this subtitle that is not otherwise prohibited by law.

(b) RELATIONSHIP TO IEEPA.—The authority under this subtitle may not be used to regulate or prohibit under this subtitle the export, reexport, or transfer of any item that may not be regulated or prohibited under section 203(b) of the International Emergency Economic Powers Act (50 U.S.C. 1702(b)), except to the extent the President has made a determination necessary to impose controls under subparagraph (A), (B), or (C) of paragraph (2) of such section.

(c) COUNTRIES SUPPORTING INTERNATIONAL TERRORISM.—

(1) COMMERCE LICENSE REQUIREMENT.—

(A) IN GENERAL.—A license shall be required for the export, reexport, or transfer of items, the control of which is implemented pursuant to subsection (a) by the Secretary, to a country if the Secretary of State has made the following determinations:

(i) The government of such country has repeatedly provided support for acts of international terrorism.

(ii) The export, reexport, or transfer of such items could make a significant contribution to the military potential of such country, including its military logistics capability, or could enhance the ability of such country to support acts of international terrorism.

(B) DETERMINATION UNDER OTHER PROVISIONS OF LAW.—A determination of the Secretary of State under section 620A of the Foreign Assistance Act of 1961 (22 U.S.C. 2371), section 40 of the Arms Export Control Act (22 U.S.C. 2780), or any other provision of law that the government of a country described in subparagraph (A) has repeatedly provided support for acts of international terrorism shall be deemed to be a determination with respect to such government for purposes of clause (i) of subparagraph (A).

(2) NOTIFICATION TO CONGRESS.—

(A) IN GENERAL.—The Secretary of State and the Secretary shall notify the Committee on Foreign Affairs of the House of Representatives and the Committee on Banking, Housing, and Urban Affairs and the Committee on Foreign Relations of the Senate at least 30 days before any license is issued as required by paragraph (1).

(B) CONTENTS.—The Secretary of State shall include in the notification required under subparagraph (A)—

(i) a detailed description of the items to be offered, including a brief description of the capabilities of any item for which a license to export, reexport, or transfer the items is sought;

(ii) the reasons why the foreign country, person, or entity to which the export, reexport, or transfer is proposed to be made has requested the items under the export, reexport, or transfer, and a description of the manner in which such country, person, or entity intends to use such items;

(iii) the reasons why the proposed export, reexport, or transfer is in the national interest of the United States;

(iv) an analysis of the impact of the proposed export, reexport, or transfer on the military capabilities of the foreign country, person, or entity to which such transfer would be made;

(v) an analysis of the manner in which the proposed export, reexport, or transfer would affect the relative military strengths of countries in the region to which the items that are the subject of such export, reexport, or transfer would be delivered and whether other countries in the region have comparable kinds and amounts of items; and

(vi) an analysis of the impact of the proposed export, reexport, or transfer on the relations of the United States with the countries in the region to which the items that are the subject of such export, reexport, or transfer would be delivered.

(3) PUBLICATION IN FEDERAL REGISTER.—Each determination of the Secretary of State under paragraph (1)(A)(i) shall be published in the Federal Register, except that the Secretary of State may exclude confidential information and trade secrets contained in such determination.

(4) RESCISSION OF DETERMINATION.—A determination of the Secretary of State under paragraph (1)(A)(i) may not be rescinded unless the President submits to the Speaker of the House of Representatives, the chairman of the Committee on Foreign Affairs, and the chairman of the Committee on Banking, Housing, and Urban Affairs and the chairman of the Committee on Foreign Relations of the Senate—

(A) before the proposed rescission would take effect, a report certifying that—

(i) there has been a fundamental change in the leadership and policies of the government of the country concerned;

(ii) that government is not supporting acts of international terrorism; and

(iii) that government has provided assurances that it will not support acts of international terrorism in the future; or

(B) at least 90 days before the proposed rescission would take effect, a report justifying the rescission and certifying that—

(i) the government concerned has not provided any support for acts international terrorism during the preceding 24-month period; and

(ii) the government concerned has provided assurances that it will not support acts of international terrorism in the future.

(5) DISAPPROVAL OF RESCISSION.—No rescission under paragraph (4)(B) of a determination under paragraph (1)(A) with respect to the government of a country may be made if Congress, within 90 days after receipt of a report under paragraph (4)(B), enacts a joint

resolution described in subsection (f)(2) of section 40 of the Arms Export Control Act with respect to a rescission under subsection (f)(1) of such section with respect to the government of such country.

(6) NOTIFICATION AND BRIEFING.—Not later than—

(A) ten days after initiating a review of the activities of the government of the country concerned within the 24-month period referred to in paragraph (4)(B)(i), the Secretary of State shall notify the Committee on Foreign Affairs of the House of Representatives and the Committee on Foreign Relations of the Senate of such initiation; and

(B) 20 days after the notification described in paragraph (1), the Secretary of State shall brief the congressional committees described in paragraph (1) on the status of such review.

(7) WAIVER.—The President may waive the requirement under paragraph (1) that a license shall be required for the export, reexport, or transfer of items, the control of which is implemented pursuant to subsection (a) by the Secretary, to a country if the President—

(A) determines that to do so is essential to the national security interests of the United States; and

(B) consults with the Committee on Foreign Affairs of the House of Representatives and the Committee on Banking, Housing, and Urban Affairs and the Committee on Foreign Relations of the Senate not less than 15 days prior to the waiver taking effect.

(d) ENHANCED CONTROLS.—

(1) IN GENERAL.—In furtherance of section 813(a), the President shall, except to the extent authorized by a statute or regulation administered by a Federal department or agency other than the Department of Commerce, require a United States person, wherever located, to apply for and receive a license from the Department of Commerce for—

(A) the export, reexport, or transfer of items described in paragraph (2), including items that are not subject to control under this subtitle; and

(B) other activities that may support the design, development, production, use, operation, installation, maintenance, repair, overhaul, or refurbishing of, or for the performance of services relating to, any such items.

(2) ITEMS DESCRIBED.—The items described in this paragraph include—

(A) nuclear explosive devices;

(B) missiles;

(C) chemical or biological weapons;

(D) whole plants for chemical weapons precursors; and

(E) foreign maritime nuclear projects that would pose a risk to the national security or foreign policy of the United States.

(e) ADDITIONAL PROHIBITIONS.—The Secretary may inform United States persons, either individually by specific notice or through amendment to any regulation or order issued under this subtitle, that a license from the Bureau of Industry and Security of the Department of Commerce is required to engage in any activity if the activity involves the types of movement, service, or support described in subsection (d). The absence of any such notification does not excuse the United States person from compliance with the license requirements of subsection (d), or any regulation or order issued under this subtitle.

(f) LICENSE REVIEW STANDARDS.—The Secretary shall deny an application to engage in any activity described in subsection (d) if the activity would make a material contribution to any of the items described in subsection (d)(2).

SEC. 815. ADMINISTRATION OF EXPORT CONTROLS.

(a) IN GENERAL.—The President shall rely on, including through delegations, as appropriate, to the Secretary, the Secretary of Defense, the Secretary of State, the Secretary of Energy, the Director of National Intelligence, and the heads of other Federal agencies as appropriate, to exercise the authority to carry out the purposes set forth in subsection (b).

(b) PURPOSES.—

(1) IN GENERAL.—The purposes of this section include to—

(A) advise the President with respect to—

(i) identifying specific threats to the national security and foreign policy that the authority of this subtitle may be used to address; and

(ii) exercising the authority under this subtitle to implement policies, regulations, procedures, and actions that are necessary to effectively counteract those threats;

(B) review and approve—

(i) criteria for including items on, and removing such an item from, a list of controlled items established under this subtitle;

(ii) an interagency procedure for compiling and amending any list described in clause (i);

(iii) criteria for including a person on a list of persons to whom exports, reexports, and transfers of items are prohibited or restricted under this subtitle;

(iv) standards for compliance by persons subject to controls under this subtitle; and

(v) policies and procedures for the end-use monitoring of exports, reexports, and transfers of items controlled under this subtitle;

(C) obtain independent evaluations, including from Inspectors General of the relevant departments or agencies, on a periodic basis on the effectiveness of the implementation of this subtitle in carrying out the policy set forth in section 812; and

(D) benefit from the inherent equities, experience, and capabilities of the Federal officials described in subsection (a), including—

(i) the views of the Department of Defense with respect to the national security implications of a particular control or decision;

(ii) the views of the Department of State with respect to foreign policy implications of a particular control or decision, including views relating to national security;

(iii) the views of the Department of Energy with respect to the implications for nuclear proliferation of a particular control or decision;

(iv) the views of the Department of Commerce with respect to the administration of an efficient, coherent, reliable, enforceable, and predictable export control system, including views relating to national security, and the resolution of competing views or policy objectives described in section 812; and

(v) the views of other Federal agencies, including the Department of Homeland Security and the Department of Justice, with respect to enforceability of a particular control or decision.

(2) TRANSMITTAL AND IMPLEMENTATION OF EVALUATIONS.—The results of the independent evaluations conducted pursuant to paragraph (1)(C) shall be transmitted to the President and the Congress, in classified form if necessary. Subject to the delegation of authority by the President, the Federal officials described in subsection (a) shall determine, direct, and ensure that improvements recommended in the evaluations are implemented.

(c) SENSE OF CONGRESS.—It is the sense of Congress that the administration of export controls under this subtitle should be consistent with the procedures relating to export license applications described in Executive Order 12981 (1995).

SEC. 816. LICENSING.

(a) IN GENERAL.—The President shall, as set forth in section 815(a), establish a procedure for the Department of Commerce to license or otherwise authorize the export, reexport, and transfer of items controlled under this subtitle in order to carry out the policy set forth in section 812 and the requirements set forth in section 813(b). The procedure shall ensure that—

(1) license applications and other requests for authorization are considered and decisions made with the participation of appropriate Federal agencies, as appropriate; and

(2) licensing decisions are made in an expeditious manner, with transparency to applicants on the status of license and other authorization processing and the reason for denying any license or request for authorization.

(b) SENSE OF CONGRESS.—It is the sense of Congress that the President should make best efforts to ensure that an accurate, consistent, and timely evaluation and processing of licenses or other requests for authorization to export, reexport, or transfer items controlled under this subtitle is generally accomplished within 30 days from the date of such license request.

(c) FEES.—No fee may be charged in connection with the submission, processing, or consideration of any application for a license or other authorization or other request made in connection with any regulation in effect under the authority of this subtitle.

(d) ADDITIONAL PROCEDURAL REQUIREMENTS.—

(1) IN GENERAL.—The procedure required under subsection (a) shall provide for the assessment of the impact of a proposed export of an item on the United States defense industrial base and the denial of an application for a license or a request for an authorization of any export that would have a significant negative impact on such defense industrial base, as described in paragraph (3).

(2) INFORMATION FROM APPLICANT.—The procedure required under subsection (a) shall also require an applicant for a license to provide the information necessary to make the assessment provided under paragraph (1), including whether the purpose or effect of the export is to allow for the significant production of items relevant for the defense industrial base outside the United States.

(3) SIGNIFICANTLY NEGATIVE IMPACT DEFINED.—A significant negative impact on the United States defense industrial base is the following:

(A) A reduction in the availability of an item produced in the United States that is likely to be acquired by the Department of Defense or other Federal department or agency for the advancement of the national security of the United States, or for the production of an item in the United States for the Department of Defense or other agency for the advancement of the national security of the United States.

(B) A reduction in the production in the United States of an item that is the result of research and development carried out, or funded by, the Department of Defense or other Federal department or agency to advance the national security of the United States, or a federally funded research and development center.

(C) A reduction in the employment of United States persons whose knowledge and skills are necessary for the continued production in the United States of an item that is likely to be acquired by the Department of Defense or other Federal department or agency for the advancement of the national security of the United States.

SEC. 817. COMPLIANCE ASSISTANCE.

(a) SYSTEM FOR SEEKING ASSISTANCE.—The President may authorize the Secretary to establish a system to provide United States persons with assistance in complying with this subtitle, which may include a mechanism for providing information, in classified form as appropriate, who are potential customers, suppliers, or business partners with respect to items controlled under this subtitle, in order to further ensure the prevention of the export, reexport, or transfer of items that may pose a threat to the national security or foreign policy of the United States.

(b) SECURITY CLEARANCES.—In order to carry out subsection (a), the President may issue appropriate security clearances to persons described in that subsection who are responsible for complying with this subtitle.

(c) ASSISTANCE FOR CERTAIN BUSINESSES.—

(1) IN GENERAL.—Not later than 120 days after the date of the enactment of this Act, the President shall develop and submit to Congress a plan to assist small- and medium-sized United States in export licensing and other processes under this subtitle.

(2) CONTENTS.—The plan shall include, among other things, arrangements for the Department of Commerce to provide counseling to businesses described in paragraph (1) on filing applications and identifying items controlled under this subtitle, as well as proposals for seminars and conferences to educate such businesses on export controls, licensing procedures, and related obligations.

SEC. 818. REQUIREMENTS TO IDENTIFY AND CONTROL EMERGING, FOUNDATIONAL, AND OTHER CRITICAL TECHNOLOGIES IN EXPORT CONTROL REGULATIONS.

(a) IDENTIFICATION OF TECHNOLOGIES.—

(1) IN GENERAL.—The President shall establish and, in coordination with the Secretary, the Secretary of Defense, the Secretary of Energy, the Secretary of State, and the heads of other Federal agencies as appropriate, lead a regular, ongoing interagency process to identify emerging and foundational technologies that—

(A) are essential to the national security of the United States; and

(B) are not critical technologies described in subparagraphs (A) through (D) of section 721(a)(7) of the Defense Production Act of 1950 (50 U.S.C. 4565(a)(7)).

(2) INTERAGENCY PROCESS.—The interagency process required under paragraph (1) shall—

(A) be informed by multiple sources of information, including—

(i) publicly available information;

(ii) classified information, including relevant information provided by the Director of National Intelligence;

(iii) information relating to reviews and investigations of transactions by the Committee on Foreign Investment in the United States under section 721 of the Defense Production Act of 1950 (50 U.S.C. 4565); and

(iv) information provided by the advisory committees established by the Secretary to advise the Under Secretary of Commerce for Industry and Security on controls under the Export Administration Regulations, including the Emerging Technology and Research Advisory Committee.

(B) take into account—

(i) the development of emerging and foundational technologies in other countries;

(ii) the effect export controls imposed pursuant to this section may have on the development of the technologies in the United States; and

(iii) the effectiveness of export controls imposed pursuant to this section on limiting the proliferation of emerging and foundational technologies to foreign countries;

(C) provide for the nomination of an emerging or foundational technology to be identified under subsection (a) by the Secretary, the Secretary of Defense, the Secretary of State, the Secretary of Energy, or the heads of other Federal agencies as appropriate;

(D) ensure that, not later than 60 days after the nomination of an emerging or foundational technology under subparagraph (C), the Secretary makes a determination, in coordination with the Secretary of Defense, the Secretary of State, the Secretary of Energy, and the heads of other Federal agencies as appropriate, regarding whether additional or modified controls on the technology under this section are warranted, including through informing a person that a license is required to export the technology, or that more time and input from the sources described in this paragraph is needed before a final determination is made to issue a rule to impose controls over such technology; and

(E) include a notice and comment period.

(b) COMMERCE CONTROLS.—

(1) IN GENERAL.—The Secretary shall, except to the extent inconsistent with the authorities described in subsection (a)(1)(B), establish appropriate controls on the export, reexport, or transfer of technology identified pursuant to subsection (a) and subject to the Export Administration Regulations, including by publishing additional regulations.

(2) LEVELS OF CONTROL.—

(A) IN GENERAL.—The Secretary may, in coordination with the Secretary of Defense, the Secretary of Energy, the Secretary of State, and the heads of other Federal agencies as appropriate, specify the level of control to apply under paragraph (1) with respect to the export of technology described in that paragraph, including a requirement for a license or other authorization, to export, reexport, or transfer of that technology.

(B) CONSIDERATIONS.—In determining under subparagraph (A) the level of control that is appropriate for technology described in paragraph (1), the Secretary shall take into account—

(i) lists of countries to which exports from the United States are restricted; and

(ii) the potential end uses and end users of the technology.

(C) MINIMUM REQUIREMENTS.—The Secretary shall, at a minimum and except as required by paragraph (4), require a license to export, reexport, or transfer technology described in paragraph (1) to or in a country subject to an embargo, including an arms embargo, imposed by the United States.

(3) REVIEW OF LICENSE APPLICATIONS.—

(A) PROCEDURES.—The procedures set forth in Executive Order 12981 (50 U.S.C. 4603 note; relating to the administration of export controls) or any successor order, shall apply to the review of an application for a license for the export, reexport, or transfer of technology described in paragraph (1).

(B) CONSIDERATION OF INFORMATION RELATING TO NATIONAL SECURITY.—In reviewing an application for a license or other authorization for the export, reexport, or transfer of technology described in paragraph (1), the Secretary shall take into account information provided by the Director of National Intelligence regarding any threat to the national security of the United States posed by the proposed export, reexport, or transfer. The Director of National Intelligence shall provide such information on the request of the Secretary.

(C) DISCLOSURE RELATING TO COLLABORATIVE ARRANGEMENTS.—In the case of an application for a license or other authorization for the export, reexport, or transfer of technology described in paragraph (1) submitted by or on behalf of a joint venture, joint development agreement, or similar collaborative arrangement, the Secretary may require the applicant to identify, in addition to any foreign person participating in the arrangement, any foreign person with significant ownership interest in a foreign person participating in the arrangement.

(4) EXCEPTIONS.—

(A) MANDATORY EXCEPTION.—The Secretary may not control under this subsection the export of any technology described in paragraph (1) if the regulation of that technology is prohibited under any other provision of law.

(B) REGULATORY EXEMPTIONS.—In prescribing regulations under paragraph (1), the Secretary may include appropriate regulatory exemptions to the requirements of that paragraph for the export, reexport, or transfer of technology described in paragraph (1).

(c) MULTILATERAL CONTROLS.—

(1) IN GENERAL.—The Secretary of State, in coordination with the Secretary, the Secretary of Defense, the Secretary of Energy, and heads of other Federal agencies as appropriate, shall propose to the relevant multilateral export control regimes in the following year that a technology identified through the interagency process required under subsection (a) be added to the list of technology controlled by such regimes.

(2) REVIEW OF CONTINUED UNILATERAL EXPORT CONTROLS.—The Secretary, with respect to those items on the Commerce Control List maintained under part 774 of title 15, Code of Federal Regulations, and in coordination with the Secretary of Defense, the Secretary of Energy, and the Secretary of State, and the Secretary of State, with respect to those items on the United States Munitions List and in coordination with the Secretary of Defense and the heads of other Federal agencies as appropriate, shall determine whether national security concerns warrant continued unilateral export controls over a technology proposed for multilateral control under paragraph (1) if the relevant multilateral export control regime does not agree to list such technology on its control list within three years of a proposal by the United States.

(d) REPORT.—Not later than 180 days after the date of the enactment of this Act, and not less frequently than every 180 days thereafter, the Secretary, in coordination with the Secretary of Defense, the Secretary of State, the Secretary of Energy, and the heads of other Federal agencies as appropriate, shall submit to the Committee on Foreign Investment in the United States on a semiannual basis a report on updates of any key actions taken pursuant to this section.

(e) RULE OF CONSTRUCTION.—Nothing in this section shall be construed to alter or limit—

(1) the authority of the President and the Secretary of State to designate those items that are considered to be defense articles or defense services for purposes of the Arms Export Control Act (22 U.S.C. 2751 et seq.) or to otherwise regulate such items; or

(2) the authority of the President under the Atomic Energy Act of 1954 (42 U.S.C. 2011 et seq.), the Nuclear Non-Proliferation Act of 1978 (22 U.S.C. 3201 et seq.), the Energy Reorganization Act of 1974 (42 U.S.C. 5801 et seq.), this title, or any other provision of law relating to the control of exports.

(f) SENSE OF CONGRESS.—It is the sense of the Congress that the President should request in the annual budget of the President submitted under section 1105(a) of title 31, United States Code, sufficient resources to

enable the relevant departments and agencies to effectively implement this section.

SEC. 819. REVIEW RELATING TO COUNTRIES SUBJECT TO COMPREHENSIVE UNITED STATES ARMS EMBARGO.

(a) IN GENERAL.—The Secretary, the Secretary of Defense, the Secretary of Energy, the Secretary of State, and the heads of other Federal agencies as appropriate, shall conduct a review of—

(1) section 744.21 of title 15, Code of Federal Regulations, including to assess whether the current and anticipated risks of direct or indirect diversion, such as from policies and practices that effectively obscure distinctions between civil and military end-users and end-uses, require that the scope of control under such section should be expanded to apply to exports, reexports, or transfers for military end uses and military end users in countries that are subject to a comprehensive United States arms embargo and countries that are subject to a United Nations arms embargo;

(2) entries on the Commerce Control List maintained under part 774 of title 15, Code of Federal Regulations, that do not impose license requirements for exports, reexports, or transfers of items to countries subject to a comprehensive United States arms embargo;

(3) whether there should be a presumption of denial for an application for a license to export, reexport, or transfer an item on the Commerce Control List subject to national security controls or regional stability controls under part 742 of the Export Administration Regulations if that item is reasonably likely to contribute, directly or indirectly, to the military or intelligence capabilities of any country with respect to which the United States has in place an arms embargo, sanctions, or comparable restrictions, including to or within any country listed in Country Group D:5 in Supplement No. 1 to part 740 of the Export Administration Regulations;

(4) whether there should be a presumption of denial for an application for a license to export, reexport, or transfer an emerging or foundational technology identified in section 818(a) to or within a country identified in section 744.21 of title 15, Code of Federal Regulations or Country Group E in Supplement No. 1 to part 740 of the Export Administration Regulations; and

(5) without limiting the effect of paragraphs (3) and (4), whether there should be a presumption of approval for an application for a license to export, reexport, or transfer an item on the Commerce Control List if that item is for a civil end use.

(b) IMPLEMENTATION OF RESULTS OF REVIEW.—Not later than 270 days after the date of the enactment of this Act, the Secretary shall implement the results of the review conducted under subsection (a).

SEC. 820. PENALTIES.

(a) UNLAWFUL ACTS.—

(1) IN GENERAL.—It shall be unlawful for a person to violate, attempt to violate, conspire to violate, or cause a violation of this subtitle or of any regulation, order, license, or other authorization issued under this subtitle, including any of the unlawful acts described in paragraph (2).

(2) SPECIFIC UNLAWFUL ACTS.—The unlawful acts described in this paragraph are the following:

(A) No person may engage in any conduct prohibited by or contrary to, or refrain from engaging in any conduct required by this subtitle, the Export Administration Regulations, or any order, license or authorization issued thereunder.

(B) No person may cause or aid, abet, counsel, command, induce, procure, permit, or approve the doing of any act prohibited, or the omission of any act required by this subtitle, the Export Administration Regulations, or any order, license or authorization issued thereunder.

(C) No person may solicit or attempt a violation of this subtitle, the Export Administration Regulations, or any order, license or authorization issued thereunder.

(D) No person may conspire or act in concert with one or more other persons in any manner or for any purpose to bring about or to do any act that constitutes a violation of this subtitle, the Export Administration Regulations, or any order, license or authorization issued thereunder.

(E) No person may order, buy, remove, conceal, store, use, sell, loan, dispose of, transfer, transport, finance, forward, or otherwise service, in whole or in part, or conduct negotiations to facilitate such activities for, any item exported or to be exported from the United States, or that is otherwise subject to the Export Administration Regulations, with knowledge that a violation of this subtitle, the Export Administration Regulations, or any order, license or authorization issued thereunder, has occurred, is about to occur, or is intended to occur in connection with the item unless valid authorization is obtained therefor.

(F) No person may make any false or misleading representation, statement, or certification, or falsify or conceal any material fact, either directly to the Department of Commerce, or an official of any other United States agency, including the Department of Homeland Security and the Department of Justice, or indirectly through any other person—

(i) in the course of an investigation or other action subject to the Export Administration Regulations;

(ii) in connection with the preparation, submission, issuance, use, or maintenance of any export control document or any report filed or required to be filed pursuant to the Export Administration Regulations; or

(iii) for the purpose of or in connection with effecting any export, reexport, or transfer of an item subject to the Export Administration Regulations or a service or other activity of a United States person described in section 814.

(G) No person may engage in any transaction or take any other action with intent to evade the provisions of this subtitle, the Export Administration Regulations, or any order, license, or authorization issued thereunder.

(H) No person may fail or refuse to comply with any reporting or recordkeeping requirements of the Export Administration Regulations or of any order, license, or authorization issued thereunder.

(I) Except as specifically authorized in the Export Administration Regulations or in writing by the Department of Commerce, no person may alter any license, authorization, export control document, or order issued under the Export Administration Regulations.

(J) No person may take any action that is prohibited by a denial order issued by the Department of Commerce to prevent imminent violations of this subtitle, the Export Administration Regulations, or any order, license or authorization issued thereunder.

(3) ADDITIONAL REQUIREMENTS.—For purposes of subparagraph (G), any representation, statement, or certification made by any person shall be deemed to be continuing in effect. Each person who has made a representation, statement, or certification to the Department of Commerce relating to any order, license, or other authorization issued under this subtitle shall notify the Department of Commerce, in writing, of any change of any material fact or intention from that previously represented, stated, or certified, immediately upon receipt of any information that would lead a reasonably prudent person to know that a change of material fact or intention had occurred or may occur in the future.

(b) CRIMINAL PENALTY.—A person who willfully commits, willfully attempts to commit, or willfully conspires to commit, or aids and abets in the commission of, an unlawful act described in subsection (a)—

(1) shall be fined not more than $1,000,000; and

(2) in the case of the individual, shall be imprisoned for not more than 20 years, or both.

(c) CIVIL PENALTIES.—

(1) AUTHORITY.—The President may impose the following civil penalties on a person for each violation by that person of this subtitle or any regulation, order, or license issued under this subtitle, for each violation:

(A) A fine of not more than $300,000 or an amount that is twice the value of the transaction that is the basis of the violation with respect to which the penalty is imposed, whichever is greater.

(B) Revocation of a license issued under this subtitle to the person.

(C) A prohibition on the person's ability to export, reexport, or transfer any items, whether or not subject to controls under this subtitle.

(2) PROCEDURES.—Any civil penalty under this subsection may be imposed only after notice and opportunity for an agency hearing on the record in accordance with sections 554 through 557 of title 5, United States Code.

(3) STANDARDS FOR LEVELS OF CIVIL PENALTY.—The Secretary may by regulation provide standards for establishing levels of civil penalty under this subsection based upon factors such as the seriousness of the violation, the culpability of the violator, and such mitigating factors as the violator's record of cooperation with the Government in disclosing the violation.

(d) CRIMINAL FORFEITURE OF PROPERTY INTEREST AND PROCEEDS.—

(1) FORFEITURE.—Any person who is convicted under subsection (b) of a violation of a control imposed under section 813 (or any regulation, order, or license issued with respect to such control) shall, in addition to any other penalty, forfeit to the United States—

(A) any of that person's interest in, security of, claim against, or property or contractual rights of any kind in the tangible items that were the subject of the violation;

(B) any of that person's interest in, security of, claim against, or property or contractual rights of any kind in tangible property that was used in the violation; and

(C) any of that person's property constituting, or derived from, any proceeds obtained directly or indirectly as a result of the violation.

(2) PROCEDURES.—The procedures in any forfeiture under this subsection, and the duties and authority of the courts of the United States and the Attorney General with respect to any forfeiture action under this subsection or with respect to any property that may be subject to forfeiture under this subsection, shall be governed by the provisions of section 1963 of title 18, United States Code.

(e) PRIOR CONVICTIONS.—

(1) LICENSE BAR.—

(A) IN GENERAL.—The Secretary may—

(i) deny the eligibility of any person convicted of a criminal violation described in subparagraph (B) to export, reexport, or transfer outside the United States any item, whether or not subject to controls under this subtitle, for a period of up to 10 years beginning on the date of the conviction; and

(ii) revoke any license or other authorization to export, reexport, or transfer items that was issued under this subtitle and in which such person has an interest at the time of the conviction.

(B) VIOLATIONS.—The violations referred to in subparagraph (A) are any criminal violations of, or criminal attempt or conspiracy to violate—

(i) this subtitle (or any regulation, license, or order issued under this subtitle);

(ii) any regulation, license, or order issued under the International Emergency Economic Powers Act;

(iii) section 371, 554, 793, 794, or 798 of title 18, United States Code;

(iv) section 1001 of title 18, United States Code;

(v) section 4(b) of the Internal Security Act of 1950 (50 U.S.C. 783(b)); or

(vi) section 38 of the Arms Export Control Act (22 U.S.C. 2778).

(2) APPLICATION TO OTHER PARTIES.—The Secretary may exercise the authority under paragraph (1) with respect to any person related, through affiliation, ownership, control, position of responsibility, or other connection in the conduct of trade or business, to any person convicted of any violation of law set forth in paragraph (1), upon a showing of such relationship with the convicted party, and subject to the procedures set forth in subsection (c)(2).

(f) OTHER AUTHORITIES.—Nothing in subsection (c), (d), or (e) limits—

(1) the availability of other administrative or judicial remedies with respect to violations of this subtitle, or any regulation, order, license or other authorization issued under this subtitle;

(2) the authority to compromise and settle administrative proceedings brought with respect to violations of this subtitle, or any regulation, order, license, or other authorization issued under this subtitle; or

(3) the authority to compromise, remit or mitigate seizures and forfeitures pursuant to section 1(b) of title VI of the Act of June 15, 1917 (22 U.S.C. 401(b)).

SEC. 821. ENFORCEMENT.

(a) AUTHORITIES.—In order to enforce this subtitle, the Secretary, on behalf of the President shall exercise, in addition to relevant enforcement authorities of other Federal agencies, the authority to—

(1) issue orders and guidelines;

(2) require, inspect, and obtain books, records, and any other information from any person subject to the provisions of this subtitle;

(3) administer oaths or affirmations and by subpoena require any person to appear and testify or to appear and produce books, records, and other writings, or both;

(4) conduct investigations (including undercover) in the United States and in other countries using all applicable laws of the United States, including intercepting any wire, oral, and electronic communications, conducting electronic surveillance, using pen registers and trap and trace devices, and carrying out acquisitions, to the extent authorized under chapters 119, 121, and 206 of title 18, United States Code;

(5) inspect, search, detain, seize, or issue temporary denial orders with respect to items, in any form, that are subject to controls under this subtitle, or conveyances on which it is believed that there are items that have been, are being, or are about to be exported, reexported, or transferred in violation of this subtitle, or any regulations, order, license, or other authorization issued thereunder;

(6) carry firearms;

(7) conduct prelicense inspections and postshipment verifications; and

(8) execute warrants and make arrests.

(b) ENFORCEMENT OF SUBPOENAS.—In the case of contumacy by, or refusal to obey a subpoena issued to, any person under subsection (a)(3), a district court of the United States, after notice to such person and a hearing, shall have jurisdiction to issue an order requiring such person to appear and give testimony or to appear and produce books, records, and other writings, regardless of format, that are the subject of the subpoena. Any failure to obey such order of the court may be punished by such court as a contempt thereof.

(c) BEST PRACTICE GUIDELINES.—

(1) IN GENERAL.—The Secretary, in consultation with the heads of other appropriate Federal agencies, should publish and update ''best practices'' guidelines to assist persons in developing and implementing, on a voluntary basis, effective export control programs in compliance with the regulations issued under this subtitle.

(2) EXPORT COMPLIANCE PROGRAM.—The implementation by a person of an effective export compliance program and a high quality overall export compliance effort by a person should ordinarily be given weight as mitigating factors in a civil penalty action against the person under this subtitle.

(d) REFERENCE TO ENFORCEMENT.—For purposes of this section, a reference to the enforcement of, or a violation of, this subtitle includes a reference to the enforcement or a violation of any regulation, order, license or other authorization issued pursuant to this subtitle.

(e) IMMUNITY.—A person shall not be excused from complying with any requirements under this section because of the person's privilege against self-incrimination, but the immunity provisions of section 6002 of title 18, United States Code, shall apply with respect to any individual who specifically claims such privilege.

(f) CONFIDENTIALITY OF INFORMATION.—

(1) EXEMPTIONS FROM DISCLOSURE.—

(A) IN GENERAL.—Information obtained under this subtitle may be withheld from disclosure only to the extent permitted by statute, except that information described in subparagraph (B) shall be withheld from public disclosure and shall not be subject to disclosure under section 552(b)(3) of title 5, United States Code, unless the release of such information is determined by the Secretary to be in the national interest.

(B) INFORMATION DESCRIBED.—Information described in this subparagraph is information submitted or obtained in connection with an application for a license or other authorization to export, reexport, or transfer items, engage in other activities, a recordkeeping or reporting requirement, enforcement activity, or other operations under this subtitle, including—

(i) the license application, license, or other authorization itself;

(ii) classification or advisory opinion requests, and the response thereto;

(iii) license determinations, and information pertaining thereto;

(iv) information or evidence obtained in the course of any investigation; and

(v) information obtained or furnished in connection with any international agreement, treaty, or other obligation.

(2) INFORMATION TO THE CONGRESS AND GAO.—

(A) IN GENERAL.—Nothing in this section shall be construed as authorizing the withholding of information from the Congress or from the Government Accountability Office.

(B) AVAILABILITY TO THE CONGRESS.—

(i) IN GENERAL.—Any information obtained at any time under any provision of the Export Administration Act of 1979 (as in effect on the day before the date of the enactment of this Act and as continued in effect pursuant to the International Emergency Economic Powers Act), under the Export Administration Regulations, or under this subtitle, including any report or license application required under any such provision, shall be made available to a committee or subcommittee of Congress of appropriate jurisdiction, upon the request of the chairman or ranking minority member of such committee or subcommittee.

(ii) PROHIBITION ON FURTHER DISCLOSURE.—No such committee or subcommittee, or member thereof, may disclose any information made available under clause (i), that is submitted on a confidential basis unless the full committee determines that the withholding of that information is contrary to the national interest.

(C) AVAILABILITY TO GAO.—

(i) IN GENERAL.—Information described in clause (i) of subparagraph (B) shall be subject to the limitations contained in section 716 of title 31, United States Code.

(ii) PROHIBITION ON FURTHER DISCLOSURE.—An officer or employee of the Government Accountability Office may not disclose, except to the Congress in accordance with this paragraph, any such information that is submitted on a confidential basis or from which any individual can be identified.

(3) INFORMATION SHARING.—

(A) IN GENERAL.—Any Federal official described in section 815(a) who obtains information that is relevant to the enforcement of this subtitle, including information pertaining to any investigation, shall furnish such information to each appropriate department, agency, or office with enforcement responsibilities under this section to the extent consistent with the protection of intelligence, counterintelligence, and law enforcement sources, methods, and activities.

(B) EXCEPTIONS.—The provisions of this paragraph shall not apply to information subject to the restrictions set forth in section 9 of title 13, United States Code, and return information, as defined in subsection (b) of section 6103 of the Internal Revenue Code of 1986 (26 U.S.C. 6103(b)), may be disclosed only as authorized by that section.

(C) EXCHANGE OF INFORMATION.—The President shall ensure that the heads of departments, agencies, and offices with enforcement authorities under this subtitle, consistent with protection of law enforcement and its sources and methods—

(i) exchange any licensing and enforcement information with one another that is necessary to facilitate enforcement efforts under this section; and

(ii) consult on a regular basis with one another and with the head of other departments, agencies, and offices that obtain information subject to this paragraph, in order to facilitate the exchange of such information.

(D) INFORMATION SHARING WITH FEDERAL AGENCIES.—Licensing or enforcement information obtained under this subtitle may be shared with departments, agencies, and offices that do not have enforcement authorities under this subtitle on a case-by-case basis.

(g) REPORTING REQUIREMENTS.—In the administration of this section, reporting requirements shall be designed to reduce the cost of reporting, recordkeeping, and documentation to the extent consistent with effective enforcement and compilation of useful trade statistics. Reporting, recordkeeping, and documentation requirements shall be periodically reviewed and revised in the light of developments in the field of information technology.

(h) CIVIL FORFEITURE.—

(1) IN GENERAL.—Any tangible items seized under subsection (a) by designated officers or

employees shall be subject to forfeiture to the United States in accordance with applicable law, except that property seized shall be returned if the property owner is not found guilty of a civil or criminal violation under section 819.

(2) PROCEDURES.—Any seizure or forfeiture under this subsection shall be carried out in accordance with the procedures set forth in section 981 of title 18, United States Code.

(i) RULE OF CONSTRUCTION.—Nothing in this Act shall be construed to limit or otherwise affect the enforcement authorities of the Department of Homeland Security which may also complement those set forth herein.

SEC. 822. ADMINISTRATIVE PROCEDURE.

(a) IN GENERAL.—The functions exercised under this subtitle shall not be subject to sections 551, 553 through 559, and 701 through 706 of title 5, United States Code.

(b) ADMINISTRATIVE LAW JUDGES.—The Secretary is authorized to appoint an administrative law judge, and may designate administrative law judges from other Federal agencies who are provided pursuant to a legally authorized interagency agreement with the Department of Commerce, and consistent with the provisions of section 3105 of title 5, United States Code.

(c) AMENDMENTS TO REGULATIONS.—The President shall notify in advance the Committee on Banking, Housing, and Urban Affairs of the Senate and the Committee on Foreign Affairs of the House of Representatives of any proposed amendments to the Export Administration Regulations with an explanation of the intent and rationale of such amendments.

SEC. 823. REVIEW OF INTERAGENCY DISPUTE RESOLUTION PROCESS.

(a) IN GENERAL.—The President shall review and evaluate the interagency export license referral, review, and escalation processes for dual-use items and munitions under the licensing jurisdiction of the Department of Commerce or any other Federal agency, as appropriate, to determine whether current practices and procedures are consistent with established national security and foreign policy objectives.

(b) REPORT.—Not later than 180 days after the date of the enactment of this Act, the President shall submit to the appropriate congressional committees a report that contains the results of the review carried out under subsection (a).

(c) OPERATING COMMITTEE FOR EXPORT POLICY.—In any case in which the Operating Committee for Export Policy established by Executive Order 12981 (December 5, 1991; relating to Administration of Export Controls) is meeting to conduct an interagency dispute resolution relating to applications for export licenses under the Export Administration Regulations, matters relating to jet engine hot section technology, commercial communication satellites, and emerging or foundational technology shall be decided by majority vote.

(d) APPROPRIATE CONGRESSIONAL COMMITTEES DEFINED.—In this section, the term ''appropriate congressional committees'' means—

(1) the Committee on Armed Services and the Committee on Foreign Affairs of the House of Representatives; and

(2) the Committee on Armed Services and the Committee on Banking, Housing, and Urban Affairs of the Senate.

SEC. 824. COORDINATION WITH OTHER AGENCIES ON COMMODITY CLASSIFICATION AND REMOVAL OF EXPORT CONTROLS.

(a) IN GENERAL.—Notwithstanding any other provision of law, the Secretary shall coordinate with the Secretary of Defense, the Secretary of State, and the Secretary of Energy before taking any of the actions described in subsection (b).

(b) ACTIONS DESCRIBED.—The actions described in this subsection are the following:

(1) Amending the Commerce Control List set forth in Supplement No. 1 to part 774 of the Export Administration Regulations to remove an item from the list.

(2) Providing a commodity classification determination under section 748.3 of the Export Administration Regulations, including with respect to—

(A) ''600 series'' items;

(B) commercial communication satellites (ECCN 9x515);

(C) emerging and foundational technologies identified under section 818(a);

(D) ''specially designed'' items under part 774 of title 15, Code of Federal Regulations; or

(E) any other items that the Secretary, in coordination with the Secretary of Defense, the Secretary of State, and the Secretary of Energy, identifies and mutually determines is materially significant enough to warrant interagency consultation before the Secretary determines to add the item to the Commerce Control List and provide the item with a Export Control Classification Number (ECCN).

(3) Amending the Commerce Control List to remove any control imposed pursuant to subsection (b) of section 818 on the export, reexport, or transfer of an emerging or foundational technology identified under subsection (a) of that section.

(4) Amending the Export Administration Regulations to expand the scope or application of a license exception authorized by section 740 of the Export Administration Regulations.

SEC. 825. ANNUAL REPORT TO CONGRESS.

(a) IN GENERAL.—The President shall submit to Congress, by December 31 of each year, a report on the implementation of this subtitle during the preceding fiscal year. The report shall include a review of—

(1) the effect of controls imposed under this subtitle on exports, reexports, and transfers of items in addressing threats to the national security or foreign policy of the United States, including a description of licensing processing times;

(2) the impact of such controls on the scientific and technological leadership of the United States;

(3) the consistency with such controls of export controls imposed by other countries;

(4) efforts to provide exporters with compliance assistance, including specific actions to assist small- and medium-sized businesses;

(5) a summary of regulatory changes from the prior fiscal year;

(6) a summary of export enforcement actions, including of actions taken to implement end-use monitoring of dual-use, military, and other items subject to the Export Administration Regulations;

(7) a summary of approved license applications to proscribed persons;

(8) efforts undertaken within the previous year to comply with the requirements of section 819, including any critical technologies identified under such section and how or whether such critical technologies were controlled for export; and

(9) a summary of industrial base assessments conducted during the previous year by the Department of Commerce, including with respect to counterfeit electronics, foundational technologies, and other research and analysis of critical technologies and industrial capabilities of key defense-related sectors.

(b) FORM.—The report required under subsection (a) shall be submitted in unclassified form, but may contain a classified annex.

SEC. 826. REPEAL.

(a) IN GENERAL.—The Export Administration Act of 1979 (50 U.S.C. App. 2401 et seq.) (as continued in effect pursuant to the International Emergency Economic Powers Act) is repealed.

(b) IMPLEMENTATION.—The President shall implement the amendment made by subsection (a) by exercising the authorities of the President under the International Emergency Economic Powers Act (50 U.S.C. 1701 et seq.).

SEC. 827. EFFECT ON OTHER ACTS.

(a) IN GENERAL.—Except as otherwise provided in this subtitle, nothing contained in this subtitle shall be construed to modify, repeal, supersede, or otherwise affect the provisions of any other laws authorizing control over exports, reexports, or transfers of any item, or activities of United States persons subject to the Export Administration Regulations.

(b) COORDINATION OF CONTROLS.—

(1) IN GENERAL.—The authority granted to the President under this subtitle shall be exercised in such manner so as to achieve effective coordination with all export control and sanctions authorities exercised by Federal departments and agencies delegated with authority under this subtitle, particularly the Department of State, the Department of the Treasury, and the Department of Energy.

(2) SENSE OF CONGRESS.—It is the sense of Congress that in order to achieve effective coordination described in paragraph (1), such Federal departments and agencies—

(A) should continuously work to create enforceable regulations with respect to the export, reexport, and transfer by United States and foreign persons of commodities, software, technology, and services to various end uses and end users for foreign policy and national security reasons;

(B) should regularly work to reduce complexity in the system, including complexity caused merely by the existence of structural, definitional, and other non-policy based differences between and among different export control and sanctions systems; and

(C) should coordinate controls on items exported, reexported, or transferred in connection with a foreign military sale under chapter 2 of the Arms Export Control Act or a commercial sale under section 38 of the Arms Export Control Act to reduce as much unnecessary administrative burden as possible that is a result of differences between the exercise of those two authorities.

(c) NONPROLIFERATION CONTROLS.—Nothing in this subtitle shall be construed to supersede the procedures published by the President pursuant to section 309(c) of the Nuclear Non-Proliferation Act of 1978.

SEC. 828. TRANSITION PROVISIONS.

(a) IN GENERAL.—All delegations, rules, regulations, orders, determinations, licenses, or other forms of administrative action that have been made, issued, conducted, or allowed to become effective under the Export Administration Act of 1979 (as in effect on the day before the date of the enactment of this Act and as continued in effect pursuant to the International Emergency Economic Powers Act), or the Export Administration Regulations, and are in effect as of the date of the enactment of this Act, shall continue in effect according to their terms until modified, superseded, set aside, or revoked under the authority of this subtitle.

(b) ADMINISTRATIVE AND JUDICIAL PROCEEDINGS.—This subtitle shall not affect any administrative or judicial proceedings commenced, or any applications for licenses made, under the Export Administration Act of 1979 (as in effect on the day before the

date of the enactment of this Act and as continued in effect pursuant to the International Emergency Economic Powers Act), or the Export Administration Regulations.

(c) CERTAIN DETERMINATIONS AND REFERENCES.—

(1) STATE SPONSORS OF TERRORISM.—Any determination that was made under section 6(j) of the Export Administration Act of 1979 (as in effect on the day before the date of the enactment of this Act and as continued in effect pursuant to the International Emergency Economic Powers Act) shall continue in effect as if the determination had been made under section 814(c) of this Act.

(2) REFERENCE.—Any reference in any other provision of law to a country the government of which the Secretary of State has determined, for purposes of section 6(j) of the Export Administration Act of 1979 (as in effect on the day before the date of the enactment of this Act and as continued in effect pursuant to the International Emergency Economic Powers Act), is a government that has repeatedly provided support for acts of international terrorism shall be deemed to refer to a country the government of which the Secretary of State has determined, for purposes of section 814(c), is a government that has repeatedly provided support for acts of international terrorism.

Subtitle B—Anti-Boycott Act of 2018

SEC. 831. SHORT TITLE.

This subtitle may be cited as the ''Anti-Boycott Act of 2018''.

SEC. 832. STATEMENT OF POLICY.

Congress declares it is the policy of the United States—

(1) to oppose restrictive trade practices or boycotts fostered or imposed by any foreign country against other countries friendly to the United States or against any United States person;

(2) to encourage and, in specified cases, require United States persons engaged in the export of goods or technology or other information to refuse to take actions, including furnishing information or entering into or implementing agreements, which have the effect of furthering or supporting the restrictive trade practices or boycotts fostered or imposed by any foreign country against a country friendly to the United States or any United States person; and

(3) to foster international cooperation and the development of international rules and institutions to assure reasonable access to world supplies.

SEC. 833. FOREIGN BOYCOTTS.

(a) PROHIBITIONS AND EXCEPTIONS.—

(1) PROHIBITIONS.—For the purpose of implementing the policies set forth in section 832, the President shall issue regulations prohibiting any United States person, with respect to that person's activities in the interstate or foreign commerce of the United States, from taking or knowingly agreeing to take any of the following actions with intent to comply with, further, or support any boycott fostered or imposed by any foreign country, against a country which is friendly to the United States and which is not itself the object of any form of boycott pursuant to United States law or regulation:

(A) Refusing, or requiring any other person to refuse, to do business with or in the boycotted country, with any business concern organized under the laws of the boycotted country, with any national or resident of the boycotted country, or with any other person, pursuant to an agreement with, a requirement of, or a request from or on behalf of the boycotting country. The mere absence of a business relationship with or in the boycotted country with any business concern organized under the laws of the boycotted country, with any national or resident of the boycotted country, or with any other person, does not indicate the existence of the intent required to establish a violation of regulations issued to carry out this subparagraph.

(B) Refusing, or requiring any other person to refuse, to employ or otherwise discriminating against any United States person on the basis of race, religion, sex, or national origin of that person or of any owner, officer, director, or employee of such person.

(C) Furnishing information with respect to the race, religion, sex, or national origin of any United States person or of any owner, officer, director, or employee of such person.

(D) Furnishing information about whether any person has, has had, or proposes to have any business relationship (including a relationship by way of sale, purchase, legal or commercial representation, shipping or other transport, insurance, investment, or supply) with or in the boycotted country, with any business concern organized under the laws of the boycotted country, with any national or resident of the boycotted country, or with any other person which is known or believed to be restricted from having any business relationship with or in the boycotting country. Nothing in this subparagraph shall prohibit the furnishing of normal business information in a commercial context as defined by the Secretary.

(E) Furnishing information about whether any person is a member of, has made contributions to, or is otherwise associated with or involved in the activities of any charitable or fraternal organization which supports the boycotted country.

(F) Paying, honoring, confirming, or otherwise implementing a letter of credit which contains any condition or requirement compliance with which is prohibited by regulations issued pursuant to this paragraph, and no United States person shall, as a result of the application of this paragraph, be obligated to pay or otherwise honor or implement such letter of credit.

(2) EXCEPTIONS.—Regulations issued pursuant to paragraph (1) shall provide exceptions for—

(A) complying or agreeing to comply with requirements—

(i) prohibiting the import of goods or services from the boycotted country or goods produced or services provided by any business concern organized under the laws of the boycotted country or by nationals or residents of the boycotted country; or

(ii) prohibiting the shipment of goods to the boycotting country on a carrier of the boycotted country, or by a route other than that prescribed by the boycotting country or the recipient of the shipment;

(B) complying or agreeing to comply with import and shipping document requirements with respect to the country of origin, the name of the carrier and route of shipment, the name of the supplier of the shipment or the name of the provider of other services, except that no information knowingly furnished or conveyed in response to such requirements may be stated in negative, blacklisting, or similar exclusionary terms, other than with respect to carriers or route of shipment as may be permitted by such regulations in order to comply with precautionary requirements protecting against war risks and confiscation;

(C) complying or agreeing to comply in the normal course of business with the unilateral and specific selection by a boycotting country, or national or resident thereof, of carriers, insurers, suppliers of services to be performed within the boycotting country or specific goods which, in the normal course of business, are identifiable by source when imported into the boycotting country;

(D) complying or agreeing to comply with export requirements of the boycotting country relating to shipments or transshipments of exports to the boycotted country, to any business concern of or organized under the laws of the boycotted country, or to any national or resident of the boycotted country;

(E) compliance by an individual or agreement by an individual to comply with the immigration or passport requirements of any country with respect to such individual or any member of such individual's family or with requests for information regarding requirements of employment of such individual within the boycotting country; and

(F) compliance by a United States person resident in a foreign country or agreement by such person to comply with the laws of that country with respect to his activities exclusively therein, and such regulations may contain exceptions for such resident complying with the laws or regulations of that foreign country governing imports into such country of trademarked, trade named, or similarly specifically identifiable products, or components of products for his own use, including the performance of contractual services within that country, as may be defined by such regulations.

(3) SPECIAL RULES.—Regulations issued pursuant to paragraphs (2)(C) and (2)(F) shall not provide exceptions from paragraphs (1)(B) and (1)(C).

(4) RULE OF CONSTRUCTION.—Nothing in this subsection may be construed to supersede or limit the operation of the antitrust or civil rights laws of the United States.

(5) APPLICATION.—This section shall apply to any transaction or activity undertaken, by or through a United States person or any other person, with intent to evade the provisions of this section as implemented by the regulations issued pursuant to this subsection, and such regulations shall expressly provide that the exceptions set forth in paragraph (2) shall not permit activities or agreements (expressed or implied by a course of conduct, including a pattern of responses) otherwise prohibited, which are not within the intent of such exceptions.

(b) FOREIGN POLICY CONTROLS.—

(1) IN GENERAL.—In addition to the regulations issued pursuant to subsection (a), regulations issued under subtitle A to carry out the policies set forth in section 812(1)(D) shall implement the policies set forth in this section.

(2) REQUIREMENTS.—Such regulations shall require that any United States person receiving a request for the furnishing of information, the entering into or implementing of agreements, or the taking of any other action referred to in subsection (a) shall report that fact to the Secretary, together with such other information concerning such request as the Secretary may require for such action as the Secretary considers appropriate for carrying out the policies of that section. Such person shall also report to the Secretary whether such person intends to comply and whether such person has complied with such request. Any report filed pursuant to this paragraph shall be made available promptly for public inspection and copying, except that information regarding the quantity, description, and value of any goods or technology to which such report relates may be kept confidential if the Secretary determines that disclosure thereof would place the United States person involved at a competitive disadvantage. The Secretary shall periodically transmit summaries of the information contained in such reports to the Secretary of State for such action as the Secretary of State, in consultation with the Secretary, considers appropriate for carrying out the policies set forth in section 832.

(c) PREEMPTION.—The provisions of this section and the regulations issued pursuant

thereto shall preempt any law, rule, or regulation of any of the several States or the District of Columbia, or any of the territories or possessions of the United States, or of any governmental subdivision thereof, which law, rule, or regulation pertains to participation in, compliance with, implementation of, or the furnishing of information regarding restrictive trade practices or boycotts fostered or imposed by foreign countries against other countries friendly to the United States.

SEC. 834. ENFORCEMENT.

(a) CRIMINAL PENALTY.—A person who willfully commits, willfully attempts to commit, or willfully conspires to commit, or aids or abets in the commission of, an unlawful act section 833—

(1) shall, upon conviction, be fined not more than $1,000,000; or

(2) if a natural person, may be imprisoned for not more than 20 years, or both.

(b) CIVIL PENALTIES.—The President may impose the following civil penalties on a person who violates section 833 or any regulation issued under this subtitle:

(1) A fine of not more than $300,000 or an amount that is twice the value of the transaction that is the basis of the violation with respect to which the penalty is imposed, whichever is greater.

(2) Revocation of a license issued under title I to the person.

(3) A prohibition on the person's ability to export, reexport, or transfer any items controlled under subtitle A.

(c) PROCEDURES.—Any civil penalty or administrative sanction (including any suspension or revocation of authority to export) under this section may be imposed only after notice and opportunity for an agency hearing on the record in accordance with sections 554 through 557 of title 5, United States Code, and shall be subject to judicial review in accordance with chapter 7 of such title.

(d) STANDARDS FOR LEVELS OF CIVIL PENALTY.—The President may by regulation provide standards for establishing levels of civil penalty under this section based upon factors such as the seriousness of the violation, the culpability of the violator, and the violator's record of cooperation with the Government in disclosing the violation.

Subtitle C—Sanctions Regarding Missile Proliferation and Chemical and Biological Weapons Proliferation

SEC. 841. MISSILE PROLIFERATION CONTROL VIOLATIONS.

(a) VIOLATIONS BY UNITED STATES PERSONS.—

(1) SANCTIONS.—

(A) SANCTIONABLE ACTIVITY.—The President shall impose the applicable sanctions described in subparagraph (B) if the President determines that a United States person knowingly—

(i) exports, reexports, or transfers of any item on the MTCR Annex, in violation of the provisions of section 38 (22 U.S.C. 2778) or chapter 7 of the Arms Export Control Act, subtitle A, or any regulations or orders issued under any such provisions; or

(ii) conspires to or attempts to engage in such export, reexport, or transfer.

(B) SANCTIONS.—The sanctions that apply to a United States person under subparagraph (A) are the following:

(i) If the item on the MTCR Annex involved in the export, reexport, or transfer is missile equipment or technology within category II of the MTCR Annex, then the President shall deny to such United States person, for a period of 2 years, licenses for the transfer of missile equipment or technology controlled under subtitle A.

(ii) If the item on the MTCR Annex involved in the export, reexport, or transfer is missile equipment or technology within category I of the MTCR Annex, then the President shall deny to such United States person, for a period of not less than 2 years, all licenses for items the transfer of which is controlled under subtitle A.

(2) DISCRETIONARY SANCTIONS.—In the case of any determination referred to in paragraph (1), the President may pursue any other appropriate penalties under section 820.

(3) WAIVER.—The President may waive the imposition of sanctions under paragraph (1) on a person with respect to a product or service if the President certifies to the Congress that—

(A) the product or service is essential to the national security of the United States; and

(B) such person is a sole source supplier of the product or service, the product or service is not available from any alternative reliable supplier, and the need for the product or service cannot be met in a timely manner by improved manufacturing processes or technological developments.

(b) TRANSFERS OF MISSILE EQUIPMENT OR TECHNOLOGY BY FOREIGN PERSONS.—

(1) SANCTIONS.—

(A) SANCTIONABLE ACTIVITY.—Subject to paragraphs (3) through (7), the President shall impose the applicable sanctions under subparagraph (B) on a foreign person if the President—

(i) determines that a foreign person knowingly—

(I) exports, reexports, or transfers any MTCR equipment or technology that contributes to the design, development, or production of missiles in a country that is not an MTCR adherent and would be, if it were United States-origin equipment or technology, subject to the jurisdiction of the United States under subtitle A;

(II) conspires to or attempts to engage in such export, reexport, or transfer; or

(III) facilitates such export, reexport, or transfer by any other person; or

(ii) has made a determination with respect to the foreign person under section 73(a) of the Arms Export Control Act.

(B) SANCTIONS.—The sanctions that apply to a foreign person under subparagraph (A) are the following:

(i) If the item involved in the export, reexport, or transfer is within category II of the MTCR Annex, then the President shall deny, for a period of 2 years, licenses for the transfer to such foreign person of missile equipment or technology the transfer of which is controlled under subtitle A.

(ii) If the item involved in the export, reexport, or transfer is within category I of the MTCR Annex, then the President shall deny, for a period of not less than 2 years, licenses for the transfer to such foreign person of items the transfer of which is controlled under subtitle A.

(2) INAPPLICABILITY WITH RESPECT TO MTCR ADHERENTS.—Paragraph (1) does not apply with respect to—

(A) any export, reexport, or transfer that is authorized by the laws of an MTCR adherent, if such authorization is not obtained by misrepresentation or fraud; or

(B) any export, reexport, or transfer of an item to an end user in a country that is an MTCR adherent.

(3) EFFECT OF ENFORCEMENT ACTIONS BY MTCR ADHERENTS.—Sanctions set forth in paragraph (1) may not be imposed under this subsection on a person with respect to acts described in such paragraph or, if such sanctions are in effect against a person on account of such acts, such sanctions shall be terminated, if an MTCR adherent is taking judicial or other enforcement action against that person with respect to such acts, or that person has been found by the government of an MTCR adherent to be innocent of wrongdoing with respect to such acts.

(4) WAIVER AND REPORT TO CONGRESS.—

(A) WAIVER AUTHORITY.—The President may waive the application of paragraph (1) to a foreign person if the President determines that such waiver is essential to the national security of the United States.

(B) NOTIFICATION AND REPORT TO CONGRESS.—In the event that the President decides to apply the waiver described in subparagraph (A), the President shall so notify the appropriate congressional committees not less than 20 working days before issuing the waiver. Such notification shall include a report fully articulating the rationale and circumstances which led the President to apply the waiver.

(5) ADDITIONAL WAIVER.—The President may waive the imposition of sanctions under paragraph (1) on a person with respect to a product or service if the President certifies to the appropriate congressional committees that—

(A) the product or service is essential to the national security of the United States; and

(B) such person is a sole source supplier of the product or service, the product or service is not available from any alternative reliable supplier, and the need for the product or service cannot be met in a timely manner by improved manufacturing processes or technological developments.

(6) EXCEPTIONS.—The President shall not apply the sanction under this subsection prohibiting the importation of the products of a foreign person—

(A) in the case of procurement of defense articles or defense services—

(i) under existing contracts or subcontracts, including the exercise of options for production quantities to satisfy requirements essential to the national security of the United States;

(ii) if the President determines that the person to which the sanctions would be applied is a sole source supplier of the defense articles or defense services, that the defense articles or defense services are essential to the national security of the United States, and that alternative sources are not readily or reasonably available; or

(iii) if the President determines that such articles or services are essential to the national security of the United States under defense coproduction agreements or NATO Programs of Cooperation;

(B) to products or services provided under contracts entered into before the date on which the President publishes his intention to impose the sanctions; or

(C) to—

(i) spare parts;

(ii) component parts, but not finished products, essential to United States products or production;

(iii) routine services and maintenance of products, to the extent that alternative sources are not readily or reasonably available; or

(iv) information and technology essential to United States products or production.

(c) DEFINITIONS.—In this section:

(1) APPROPRIATE CONGRESSIONAL COMMITTEES.—The term ''appropriate congressional committees'' means—

(A) the Committee on Foreign Affairs of the House of Representatives; and

(B) the Committee on Foreign Relations and the Committee on Banking, Housing, and Urban Affairs of the Senate.

(2) DEFENSE ARTICLES; DEFENSE SERVICES.—The terms ''defense articles'' and ''defense services'' mean those items on the United States Munitions List as defined in section

47(7) of the Arms Export Control Act (22 U.S.C. 2794 note).

(3) MISSILE.—The term ''missile'' means a category I system as defined in the MTCR Annex.

(4) MISSILE TECHNOLOGY CONTROL REGIME; MTCR.—The term ''Missile Technology Control Regime'' or ''MTCR'' means the policy statement, between the United States, the United Kingdom, the Federal Republic of Germany, France, Italy, Canada, and Japan, announced on April 16, 1987, to restrict sensitive missile-relevant transfers based on the MTCR Annex, and any amendments thereto.

(5) MTCR ADHERENT.—The term ''MTCR adherent'' means a country that participates in the MTCR or that, pursuant to an international understanding to which the United States is a party, controls MTCR equipment or technology in accordance with the criteria and standards set forth in the MTCR.

(6) MTCR ANNEX.—The term ''MTCR Annex'' means the Guidelines and Equipment and Technology Annex of the MTCR, and any amendments thereto.

(7) MISSILE EQUIPMENT OR TECHNOLOGY; MTCR EQUIPMENT OR TECHNOLOGY.—The terms ''missile equipment or technology'' and ''MTCR equipment or technology'' mean those items listed in category I or category II of the MTCR Annex.

SEC. 842. CHEMICAL AND BIOLOGICAL WEAPONS PROLIFERATION SANCTIONS.

(a) IMPOSITION OF SANCTIONS.—

(1) DETERMINATION BY THE PRESIDENT.—Except as provided in subsection (b)(2), the President shall impose the sanction described in subsection (c) if the President determines that a foreign person has knowingly and materially contributed—

(A) through the export from the United States of any item that is subject to the jurisdiction of the United States under this subtitle; or

(B) through the export from any other country of any item that would be, if they were United States goods or technology, subject to the jurisdiction of the United States under this subtitle,

to the efforts by any foreign country, project, or entity described in paragraph (2) to use, develop, produce, stockpile, or otherwise acquire chemical or biological weapons.

(2) COUNTRIES, PROJECTS, OR ENTITIES RECEIVING ASSISTANCE.—Paragraph (1) applies in the case of—

(A) any foreign country that the President determines has, at any time after January 1, 1980—

(i) used chemical or biological weapons in violation of international law;

(ii) used lethal chemical or biological weapons against its own nationals; or

(iii) made substantial preparations to engage in the activities described in clause (i) or (ii);

(B) any foreign country whose government is determined for purposes of section 914(c) to be a government that has repeatedly provided support for acts of international terrorism; or

(C) any other foreign country, project, or entity designated by the President for purposes of this section.

(3) PERSONS AGAINST WHICH SANCTIONS ARE TO BE IMPOSED.—A sanction shall be imposed pursuant to paragraph (1) on—

(A) the foreign person with respect to which the President makes the determination described in that paragraph;

(B) any successor entity to that foreign person; and

(C) any foreign person that is a parent, subsidiary, or affiliate of that foreign person if that parent, subsidiary, or affiliate knowingly assisted in the activities which were the basis of that determination.

(b) CONSULTATIONS WITH AND ACTIONS BY FOREIGN GOVERNMENT OF JURISDICTION.—

(1) CONSULTATIONS.—If the President makes the determinations described in subsection (a)(1) with respect to a foreign person, the Congress urges the President to initiate consultations immediately with the government with primary jurisdiction over that foreign person with respect to the imposition of a sanction pursuant to this section.

(2) ACTIONS BY GOVERNMENT OF JURISDICTION.—In order to pursue such consultations with that government, the President may delay imposition of a sanction pursuant to this section for a period of up to 90 days. Following such consultations, the President shall impose the sanction unless the President determines and certifies to the appropriate congressional committees that the Government has taken specific and effective actions, including appropriate penalties, to terminate the involvement of the foreign person in the activities described in subsection (a)(1). The President may delay imposition of the sanction for an additional period of up to 90 days if the President determines and certifies to the Congress that the government is in the process of taking the actions described in the preceding sentence.

(3) REPORT TO CONGRESS.—The President shall report to the appropriate congressional committees, not later than 90 days after making a determination under subsection (a)(1), on the status of consultations with the appropriate government under this subsection, and the basis for any determination under paragraph (2) of this subsection that such government has taken specific corrective actions.

(c) SANCTION.—

(1) DESCRIPTION OF SANCTION.—The sanction to be imposed pursuant to subsection (a)(1) is, except as provided that the United States Government shall not procure, or enter into any contract for the procurement of, any goods or services from any person described in subsection (a)(3).

(2) EXCEPTIONS.—The President shall not be required to apply or maintain a sanction under this section—

(A) in the case of procurement of defense articles or defense services—

(i) under existing contracts or subcontracts, including the exercise of options for production quantities to satisfy United States operational military requirements;

(ii) if the President determines that the person or other entity to which the sanctions would otherwise be applied is a sole source supplier of the defense articles or defense services, that the defense articles or defense services are essential, and that alternative sources are not readily or reasonably available; or

(iii) if the President determines that such articles or services are essential to the national security under defense coproduction agreements;

(B) to products or services provided under contracts entered into before the date on which the President publishes his intention to impose sanctions;

(C) to—

(i) spare parts;

(ii) component parts, but not finished products, essential to United States products or production; or

(iii) routine servicing and maintenance of products, to the extent that alternative sources are not readily or reasonably available;

(D) to information and technology essential to United States products or production; or

(E) to medical or other humanitarian items.

(d) TERMINATION OF SANCTIONS.—A sanction imposed pursuant to this section shall apply for a period of at least 12 months following the imposition of one sanction and shall cease to apply thereafter only if the President determines and certifies to the appropriate congressional committees that reliable information indicates that the foreign person with respect to which the determination was made under subsection (a)(1) has ceased to aid or abet any foreign government, project, or entity in its efforts to acquire chemical or biological weapons capability as described in that subsection.

(e) WAIVER.—

(1) CRITERION FOR WAIVER.—The President may waive the application of any sanction imposed on any person pursuant to this section if the President determines and certifies to the appropriate congressional committees that such waiver is important to the national security interests of the United States.

(2) NOTIFICATION OF AND REPORT TO CONGRESS.—If the President decides to exercise the waiver authority provided in paragraph (1), the President shall so notify the appropriate congressional committees not less than 20 days before the waiver takes effect. Such notification shall include a report fully articulating the rationale and circumstances which led the President to exercise the waiver authority.

(f) DEFINITIONS.—In this section:

(1) APPROPRIATE CONGRESSIONAL COMMITTEES.—The term ''appropriate congressional committees'' means—

(A) the Committee on Foreign Affairs of the House of Representatives; and

(B) the Committee on Foreign Relations and the Committee on Banking, Housing, and Urban Affairs of the Senate.

(2) DEFENSE ARTICLES; DEFENSE SERVICES.—The terms ''defense articles'' and ''defense services'' mean those items on the United States Munitions List or are otherwise controlled under the Arms Export Control Act.

Subtitle D—Administrative Authorities

SEC. 851. UNDER SECRETARY OF COMMERCE FOR INDUSTRY AND SECURITY.

(a) IN GENERAL.—The President shall appoint, by and with the advice and consent of the Senate, an Under Secretary of Commerce for Industry and Security who shall carry out all the functions of the Secretary under this title and such other provisions of law that relate to the implementation of the dual-use export system.

(b) ASSISTANT SECRETARIES OF COMMERCE.—The President shall appoint, by and with the advice and consent of the Senate, two Assistant Secretaries of Commerce to assist the Under Secretary in carrying out the functions described in paragraph (1).

The SPEAKER pro tempore. Pursuant to the rule, the gentleman from California (Mr. ROYCE) and the gentleman from California (Mr. SHERMAN) each will control 20 minutes.

The Chair recognizes the gentleman from California (Mr. ROYCE).

GENERAL LEAVE

Mr. ROYCE of California. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days to revise and extend their remarks and to include any extraneous material in the RECORD.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. ROYCE of California. Mr. Speaker, I yield 10 minutes to the gentleman from Texas (Mr Hensarling), chairman of the Financial Services Committee,

and I ask unanimous consent that he be allowed to control that time.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. ROYCE of California. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, over the past decade, we have seen rapid technological advances. We have seen an increase in foreign investment in the United States, but we have seen it especially from countries like China and Russia that pose national security concerns to us.

Of great alarm, our regulatory system has not kept pace. Mr. PITTENGER's bill before us today seeks to change that.

The Foreign Investment Risk Review Modernization Act of 2018 represents a broad bipartisan agreement to reform our regulatory systems to protect both our national security and to protect our economic prosperity. Specifically, this bill strengthens national security reviews of certain commercial transactions conducted by CFIUS, as well as reforms and modernizations in order to bring up to date outdated U.S. export control systems.

□ 1345

That regime is reformed here.

I want to thank the chairman of the Financial Services Committee, Mr. HENSARLING, for his leadership on this issue.

The Committees on Armed Services, on Intelligence, Energy and Commerce, Budget, and Oversight and Government Reform also played important roles in shaping this legislation. This has been a truly collaborative process.

Mr. Speaker, this body has not addressed exports of dual-use items—products and services that have both commercial and military application—since the Export Administration Act of 1979.

Since that lapse, nearly 25 years ago, successive administrations have relied on emergency authorities that have not kept pace with technological advances.

Today, we are acting to fix that problematic lapse because the United States' position as the world's largest exporter of goods and services is at risk. We will lose many good-paying jobs if we don't better secure advanced technology and if we don't better secure intellectual property.

That is why, this spring, the Foreign Affairs Committee passed the Export Control Reform Act of 2018. We passed this legislation. And under this approach, reflected in title VIII of the bill before us, modernized U.S. export control laws and regulations will continue to have broad authority governing the transfer of dual-use items and technology to foreign persons, whether that transfer takes place abroad or if that transfer takes place here in the United States.

Let me just highlight a few critical features of the export control provisions of the legislation.

This title of the bill requires that export controls be calibrated and continually updated to ensure lasting U.S. leadership in these fields: science, technology, engineering, manufacturing, and other sectors critical to the industrial base.

It ensures that sensitive manufacturing know-how, which may include such items as written or oral communications, blueprints, engineering designs, specifications, are subject to appropriate export controls regardless of the nature of the underlying transaction.

And lastly, it establishes a new authority for the U.S. export control agencies and the Department of Defense to identify and appropriately control emerging and foundational technologies that may be critical to U.S. national security.

This includes artificial intelligence, robotics, augmented and virtual reality, new biotechnologies, new financial technologies, and advanced materials.

Ten years ago, Mr. SHERMAN and I held a series of hearings to examine China's increasingly aggressive policies in the wake of the EAA'S expiration. I appreciate his passion for these issues and his understanding of the need to balance our economic and national security interests.

We do need a nimble, adaptable system that protects but doesn't unduly burden our world-class industries.

Modernized U.S. export controls and CFIUS reforms are both critical to the challenges posed by China and by Russia and by others.

This bill will help keep America safe, help keep us strong.

Mr. Speaker, I reserve the balance of my time.

HOUSE OF REPRESENTATIVES, COMMITTEE ON OVERSIGHT AND GOVERNMENT REFORM
Washington, DC, June 26, 2018.

Hon. EDWARD R. ROYCE,
Chairman, Committee on Foreign Affairs, House of Representatives, Washington, DC.

DEAR MR. CHAIRMAN: I write concerning H.R. 5841, the Foreign Investment Risk Review Modernization Act of 2018. This bill contains provisions within the jurisdiction of the Committee on Oversight and Government Reform. As a result of your having consulted with me concerning the provisions of the bill that fall within our Rule X jurisdiction, I agree to forgo consideration of the bill, so the bill may proceed expeditiously to the House floor.

The Committee takes this action with our mutual understanding that by foregoing consideration of H.R. 5841 we do not waive any jurisdiction over the subject matter contained in this or similar legislation, and we will be appropriately consulted and involved as the bill or similar legislation moves forward so we may address any remaining issues within our Rule X jurisdiction. Further, I request your support for the appointment of conferees from the Committee on Oversight and Government Reform during any House-Senate conference on this or related legislation.

Finally, I would appreciate a response confirming this understanding and ask that a copy of our exchange of letters on this matter be included in the bill report filed by the Committee on Armed Services, as well as in the Congressional Record during floor consideration thereof.

Sincerely,

TREY GOWDY.

HOUSE OF REPRESENTATIVES,
COMMITTEE ON FOREIGN AFFAIRS,
Washington, DC, June 26, 2018.

Hon. TREY GOWDY,
Chairman, Committee on Oversight and Government Reform, Washington, DC.

DEAR CHAIRMAN GOWDY: Thank you for consulting with the Foreign Affairs Committee and agreeing to be discharged from further consideration of H.R. 5841, the Foreign Investment Risk Review Modernization Act of 2018, so that the bill may proceed expeditiously to the House floor.

I agree that your forgoing further action on this measure does not in any way diminish or alter the jurisdiction of your committee, or prejudice its jurisdictional prerogatives on this resolution or similar legislation in the future. I would support your effort to seek appointment of an appropriate number of conferees from your committee to any House-Senate conference on this legislation.

I will seek to place our letters on this bill into the Congressional Record during floor consideration of the bill. I appreciate your cooperation regarding this legislation and look forward to continuing to work together as this measure moves through the legislative process.

Sincerely,

EDWARD R. ROYCE,
Chairman.

HOUSE OF REPRESENTATIVES, PERMANENT SELECT COMMITTEE ON INTELLIGENCE,
Washington, DC, June 26, 2018.

Hon. ED ROYCE,
Chairman, Committee on Foreign Affairs, House of Representatives, Washington, DC.

DEAR MR. CHAIRMAN: On May 16, 2018, H.R. 5841, the ''Foreign Investment Risk Review and Modernization Act of 2018'' was additionally referred to the Permanent Select Committee on Intelligence.

In order to expedite the House's consideration of the measure, the Permanent Select Committee on Intelligence will forgo consideration of the measure. This courtesy is conditioned on our mutual understanding and agreement that it will in no way diminish or alter the jurisdiction of the Permanent Select Committee on Intelligence with respect to any future jurisdictional claim over the subject matter contained in the legislation or any similar measure, nor will this waiver inhibit the Permanent Select Committee on Intelligence's to address issues of concern going forward. I appreciate your support to the appointment of Members from the Permanent Select Committee on Intelligence to any House-Senate conference on this legislation.

I would appreciate you including our exchange of letters in the Congressional Record during floor consideration of H.R. 5841. Thank you for the cooperative spirit in which you have worked regarding this and other matters between our respective committees.

Sincerely,

DEVIN NUNES,
Chairman.

HOUSE OF REPRESENTATIVES,
COMMITTEE ON FOREIGN AFFAIRS,
Washington, DC, June 26, 2018.

Hon. DEVIN NUNES,
Chairman, Permanent Select Committee on Intelligence, Washington, DC.

DEAR CHAIRMAN NUNES: Thank you for consulting with the Foreign Affairs Committee and agreeing to be discharged from further consideration of H.R. 5841, the Foreign Investment Risk Review Modernization Act of 2018, so that the bill may proceed expeditiously to the House floor.

I agree that your forgoing further action on this measure does not in any way diminish or alter the jurisdiction of your committee, or prejudice its jurisdictional prerogatives on this resolution or similar legislation in the future. I would support your effort to seek appointment of an appropriate number of conferees from your committee to any House-Senate conference on this legislation.

I will seek to place our letters on this bill into the Congressional Record during floor consideration of the bill. I appreciate your cooperation regarding this legislation and look forward to continuing to work together as this measure moves through the legislative process.

Sincerely,

EDWARD R. ROYCE,
Chairman.

HOUSE OF REPRESENTATIVES, COMMITTEE ON ENERGY AND COMMERCE,
Washington, DC, June 26, 2018.

Hon. EDWARD R. ROYCE,
Chairman, Committee on Foreign Affairs, Washington, DC.

DEAR CHAIRMAN ROYCE: I write in regard to H.R. 5841, Foreign Investment Risk Review Modernization Act of 2018, which was referred in addition to the Committee on Energy and Commerce. I wanted to notify you that the Committee will forgo action on the bill so that it may proceed expeditiously to the House floor for consideration.

The Committee on Energy and Commerce takes this action with our mutual understanding that by foregoing consideration of H.R. 5841, the Committee does not waive any jurisdiction over the subject matter contained in this or similar legislation and will be appropriately consulted and involved as this or similar legislation moves forward to address any remaining issues within the Committee's jurisdiction. The Committee also reserves the right to seek appointment of conferees to any House-Senate conference involving this or similar legislation and asks that you support any such request.

I would appreciate your response confirming this understanding with respect to H.R. 5841 and ask that a copy of our exchange of letters on this matter be included in the Congressional Record during its consideration on the House floor.

Sincerely,

GREG WALDEN,
Chairman.

HOUSE OF REPRESENTATIVES,
COMMITTEE ON FOREIGN AFFAIRS,
Washington, DC, June 26, 2018.

Hon. GREG WALDEN,
Chairman, Committee on Energy and Commerce, Washington, DC.

DEAR CHAIRMAN WALDEN: Thank you for consulting with the Foreign Affairs Committee and agreeing to be discharged from further consideration of H.R. 5841, the Foreign Investment Risk Review Modernization Act of 2018, so that the bill may proceed expeditiously to the House floor.

I agree that your forgoing further action on this measure does not in any way diminish or alter the jurisdiction of your committee, or prejudice its jurisdictional prerogatives on this resolution or similar legislation in the future. I would support your effort to seek appointment of an appropriate number of conferees from your committee to any House-Senate conference on this legislation.

I will seek to place our letters on this bill into the Congressional Record during floor consideration of the bill. I appreciate your cooperation regarding this legislation and look forward to continuing to work together as this measure moves through the legislative process.

Sincerely,

EDWARD R. ROYCE,
Chairman.

Mr. SHERMAN. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I rise in strong support of H.R. 5861 and I want to associate myself with the remarks of Chairman ROYCE of the Foreign Affairs Committee.

This bill deals with two very related issues. One is investment in the United States when that could indeed undermine our national security. So this bill would reform the CFIUS process, the process by which we review taking control of a business enterprise in the United States that may have strategic implications. That part of the bill is the product of the Financial Services Committee.

The second part of the bill reauthorizes and reforms our long-lapsed export control statute.

I would like to commend Representatives HECK, PITTENGER, and BARR for their work on the first part of this bill, and commend Chairman ROYCE and Ranking Member ENGEL for their leadership on the reform and recodification of the Export Control Reform Act.

This is a bill that deals with our national security as it may relate to business; first focusing on investments, then focusing on the sale of products abroad.

I have served on the two committees of jurisdiction for over 20 years, and have been working on this issue for all of that time.

First, as to the investment or CFIUS portion of the bill, I serve as ranking member of the Asia and the Pacific Subcommittee and know firsthand that Chinese companies are not always driven just by their own company profits. But instead, they are looking at a bigger picture, working with Beijing to advance China's global interests. And all too often, these interests undermine American national security.

Foreign investment in the United States often benefits us. We should encourage and welcome foreign investments that create jobs for American workers. But when a firm absorbs innovative American technology and an innovative American company and then transfers the know-how and the jobs, often to China, we may have a problem.

I am pleased to indicate that the CFIUS portion of this bill has three of my amendments, which are designed to recognize that national security is not just a matter of missiles and warships, but also maintaining our strategic technological edge.

The first of my amendments requires that CFIUS focus on the national security risks of offshoring American jobs. Because when you hollow out the American workforce, when you create a circumstance where Americans no longer have those technical skills, then you undermine our ability to provide for our own national defense.

The second deals with the risk of censorship that arises when foreign companies acquire our companies engaged in entertainment and information, and requires CFIUS to report to Congress on this issue of controlling our entertainment and information industries.

We learned in the 2016 election that hostile foreign countries attempt to influence the American public, so we should study the potential for foreign ownership of media in the United States to influence our political discourse and ultimately our elections and government power.

I would point out that if you control broadcasting, if you control movie screens, if you control mechanisms of distribution, you control what movies and TV shows will be made, and we should not put any hostile foreign power in a position to dictate that we never make another movie about Tibet.

We never want to put ourselves in a position where China controls what we see on our screens, in our entertainment, in our newspapers.

I would point out that China already has control over films being distributed in China. They unjustly limit that through a protectionist quota system and use that to try to force American studios to make movies that are consistent with the objectives of the Chinese Government.

My third amendment focuses on the Made in China 2025 program by acknowledging that supposedly independent Chinese companies are, in fact, required to work with their own government.

Simply put, if you are based in Shanghai, you are going to listen to Beijing, and when the CFIUS process provides heightened scrutiny for government-controlled investment, that should apply to any company in a managed economy that is, in effect, under government supervision and control.

Mr. Speaker, I now move on to the export control portion of this bill, the portion that limits what technology we can sell abroad.

This act has not been amended since 1990. It expired in 2001. It has been held together through a series of temporary executive orders.

This bill provides for export controls that support U.S. foreign policy goals such as complementing economic sanctions, combating terrorism, and prohibiting the export of items that will be used in human rights violations.

I offered, and I am pleased that the committee accepted, one of my amendments that would require the Department of Commerce to look at the significantly negative impacts of controlled exports on our defense industrial base.

When we allow the tools, the dies, the materials for manufacturing to be exported, we, therefore, lose the workforce, lose the capacity, and lose the ability to provide for our own defense.

Mr. Speaker, I urge the support of this important legislation which modernizes CFIUS and our export control laws.

Mr. Speaker, seeing no other speakers on our side from the Foreign Affairs Committee, I would urge my colleagues to vote for this bill.

Mr. Speaker, I yield the balance of my time to the gentlewoman from California (Ms. MAXINE WATERS), the ranking member of the Financial Services Committee, and I ask unanimous consent that she be allowed to control that time.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California?

There was no objection.

Ms. MAXINE WATERS of California. Mr. Speaker, I reserve the balance of my time.

Mr. HENSARLING. Mr. Speaker, I yield myself 4 minutes.

Mr. Speaker, I rise in strong support of H.R. 5841, the Foreign Investment Risk Review Modernization Act, which the Financial Services Committee approved last month by a unanimous vote of 53–0.

I want to thank both Republican and Democrat Members for their effort, but I especially want to thank the bill's sponsor, the gentleman from North Carolina (Mr. PITTENGER), who has worked tirelessly to develop this legislation and bring it to the House floor. Mr. Speaker, we would not be here but for his expertise and leadership.

I also want to thank Chairman ROYCE for the cooperation of the Foreign Affairs Committee working with us on this very important piece of legislation.

Finally, I want to thank the gentleman from Kentucky (Mr. BARR), who chairs our Monetary Policy and Trade Subcommittee, as well as his ranking member, Ms. MOORE of Wisconsin.

I also happen to see the gentleman from Washington, Mr. HECK, and I want to thank him for his contributions as well.

The subcommittee held no fewer than four hearings prior to marking up this legislation, and the thoughtfulness that they brought to the issue is something we should all emulate.

The bill is a comprehensive reform of the Committee on Foreign Investment in the United States, or CFIUS, as it is known; the first update of its kind in over a decade.

CFIUS is authorized to review foreign investment transactions that may threaten our national security. And although these authorities have been wielded carefully, Congress must remain vigilant when delegating additional powers that may have far-reaching effects.

The reason, Mr. Speaker, is simple. According to a Department of Commerce study from 2016, 12 million American workers have jobs resulting from foreign investment; 3½ million in the manufacturing sector alone.

On top of that, the vast majority of foreign investments' value added comes from deals with U.S. allies. We need to protect our national security while also ensuring that America stays open for business.

This is exactly what the House version of FIRRMA does. It closes real gaps in CFIUS' jurisdiction that could otherwise be exploited by bad actors, but it doesn't give the government a foothold to go after deals or entire sectors on a whim.

We target those transactions in countries, including China and Russia, that truly present a national security risk, but without strangling the investment and innovation that makes our country strong to begin with.

We also focus on particular assets that are sensitive, assets like sensitive personal data of U.S. citizens or technical information on critical technologies and critical infrastructure rather than walling off entire categories of U.S. companies and industries.

□ 1400

It is also important to know what that bill doesn't do, Mr. Speaker. We don't change due process under CFIUS, and we don't weaken confidentiality requirements that CFIUS is subject to. H.R. 5841 keeps CFIUS accountable.

Finally, this legislation recognizes that CFIUS and export controls are complementary. As two sides of the same coin, reforms to both clearly belong in the same bill.

We are pleased to see this legislation include such reforms to the export control regime, again, reforms that passed the Foreign Affairs Committee by voice vote in April. They make the House version of FIRRMA even stronger.

Again, Mr. Speaker, I wish to thank Members on both sides of the aisle, especially Mr. PITTENGER, but all Members on both sides of the aisle who contributed so thoughtfully to this legislation, including the cooperation of the ranking member.

I urge all of my colleagues to support it, and I reserve the balance of my time.

Ms. MAXINE WATERS of California. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I rise in support of H.R. 5841, the Foreign Investment Risk Review Modernization Act of 2018. This bill represents a bipartisan effort to bring much-needed reform to the Committee on Foreign Investment in the United States, or CFIUS, which serves an important function in the national security area.

I would like to thank Chairman HENSARLING, Chairman BARR, Ranking Member MOORE, Congressman PITTENGER, Congresswoman MALONEY, and also Congressman HECK, who is here today, in particular.

Congressman HECK has, for the good part of a year, been working very hard to ensure that any legislation addresses key jurisdictional gaps in the current scope of CFIUS authority, and this bill does just that. I thank him for his leadership.

It is Congress' responsibility to ensure that CFIUS appropriately balances the benefits of our traditionally open investment climate with the need to protect our national security. And make no mistake, the national security threats we face today in this area are both serious and evolving. The world has become a much more complicated place since Congress last reviewed and reformed the CFIUS process a decade ago. The bill brings CFIUS into the 21st century.

H.R. 5841 would expand the jurisdiction of CFIUS with regard to certain types of transactions that have previously avoided scrutiny, and it reforms the national security reviews performed by CFIUS to address growing concerns that foreign entities may be using acquisitions of and partnerships with U.S. businesses to chip away at American technological leadership.

The primary concern here is that China's aggressive industrial policy and their efforts to invest in early stage, cutting-edge U.S. technologies with potential military applications, including artificial intelligence and robotics, in part to advance China's military modernization, will diminish America's technological advantage.

During the course of our deliberations on this legislation, despite some honest intellectual disagreements as to how best to counter this threat, at the end of the day, we understood that we have a responsibility to address these problems in the most effective and efficient way possible, in ways that do not undermine other important functions of government, many of which also contribute to our national security.

Importantly, this legislation also recognizes that, as the volume of cases and the complexity of transactions continue to increase, expanding the scope of CFIUS without additional resources would not only undermine CFIUS' mission, but it would also deplete other important government services and functions, both domestically and internationally.

So I am very glad that this legislation authorizes $20 million annually for the next 5 years to fund CFIUS' operation, as well as provide the authority for Treasury to impose a filing fee on the companies that file with CFIUS based on the value of the transaction, taking into account a number of other factors, including the effect of any given fee on small-business concerns.

The bill does not address everyone's concerns yet, including concerns by some entertainment industry stakeholders, which I share. As we move forward, I will continue to support ongoing refinements to the legislation.

H.R. 5841 deserves strong support in the House, and I urge my colleagues to vote ''yes.''

I reserve the balance of my time.

Mr. HENSARLING. Mr. Speaker, I am pleased to yield 3 minutes the gentleman from North Carolina (Mr. PITTENGER), the vice chairman of the Terrorism and Illicit Finance Subcommittee and the author of the FIRRMA bill before us.

Mr. PITTENGER. Mr. Speaker, I would like to thank the chairman for his leadership on this very important legislation, H.R. 5841, FIRRMA.

I would also like to thank Chairman ROYCE, Congressman BARR, and Congressman HECK for the significant leadership role that they played with this bill, as well as my chief of staff, Clark Fonda, and Assistant Secretary of Treasury Heath Tarbert. They have put in countless hours, working through details and language on this bill.

Mr. Speaker, I have worked on CFIUS-related issues for nearly 3 years. Prior to FIRRMA, I spent my efforts identifying problematic transactions and engaging in a public media campaign to raise awareness and stoke government action. Three years later, I am so happy to the say that we have had a robust impact on this issue.

For example, we helped prevent the Chicago Stock Exchange from falling into the hands of opaque Chinese ownership. We protected our defense supply chain by helping stop Lattice Semiconductor from being purchased by a Chinese state-owned investment fund. We helped prevent the Chinese from exploiting important personal data during an attempt to purchase MoneyGram.

Our successful initiatives have garnered the attention of Senator CORNYN. We began a yearlong process to draft the original version of FIRRMA.

Over the past year, my staff and I have seen dozens of versions of FIRRMA, both introduced versions and redline edits, from various offices and stakeholders. For months, we have fought for the strongest CFIUS reform bill possible.

Today, we reach a milestone where floor action is imminent, which is a huge step forward for the cause of CFIUS reform. The version we are considering today, of which I am the sponsor, includes a number of reforms to strengthen the current system and prevent the flow of military-applicable technologies to the Chinese Government, in particular.

The bill creates a process by which countries of special concern, which would include China, would have increased oversight when attempting to purchase critical technology companies in the United States.

The bill also helps create an interagency process through export controls to review overseas joint ventures, a process that is absent under our current system.

While I am pleased that we have gotten to this point in the legislative process, both the House and Senate versions are departures from the original FIRRMA concept. However, both would improve significantly the CFIUS and export control processes, as well as have a strong impact on governing Chinese and other adversarial investments.

Regardless of what actions are taken next to reconcile the differences with the language of the Senate version, passed as part of their NDAA, there are certain principles that should be addressed in the final version.

History will record whether we have done our job to prevent the transfer of proprietary intellectual property and critical technologies to adversarial governments.

The SPEAKER pro tempore (Mr. POE of Texas). The time of the gentleman has expired.

Mr. HENSARLING. Mr. Speaker, I yield an additional 15 seconds to the gentleman from North Carolina.

Mr. PITTENGER. Mr. Speaker, to this end, I am encouraged by the progress we have made on this issue, and I am grateful for the opportunity to help move forward important legislation to reform CFIUS and export controls.

Ms. MAXINE WATERS of California. Mr. Speaker, it is my pleasure to yield 2 minutes to the gentleman from Washington (Mr. HECK), a member of the Financial Services Committee who has fought tirelessly on CFIUS reform and has been engaged in this process from the beginning, for the purposes of a colloquy.

Mr. HECK. Mr. Speaker, I thank the ranking member. I do indeed rise to engage in a colloquy with the gentleman from Kentucky.

The bill we are considering today, unlike the Senate CFIUS bill, does not have specific language dealing with board seats. That notwithstanding, Chairman BARR and I share an understanding that the language of the bill that covers ''involvement, other than through voting shares, in the substantive decision-making of the United States business'' gives CFIUS jurisdiction over investments which would confer membership or observer rights or the right to nominate someone from the board of directors or equivalent governing body of a business.

I ask my friend to confirm that understanding.

Mr. BARR. Will the gentleman yield?

Mr. HECK. I yield to the gentleman from Kentucky.

Mr. BARR. Mr. Speaker, I thank the gentleman for yielding, and I especially thank the gentleman for his cooperative, constructive, and bipartisan approach to the legislation, and improving the legislation.

We are in agreement on this point, that such involvement could cover activity, including membership on the board of directors and observer rights. In addition, the gentleman makes note of board nominations. As we have seen under current law, CFIUS looks at nominations and the risks that may arise from them. The Broadcom deal was a case in point. However, the language in this bill makes this jurisdiction clearer.

The gentleman is right to focus on risks that a board member may pose who is acting on behalf of a foreign investor who nominates the member. The whole point of such nominations could be to involve the foreign investor in substantive decision-making in a way that results in national security risks.

H.R. 5841 could cover such a scenario. I thank the gentleman for yielding.

Mr. HECK. Mr. Speaker, I thank the gentleman for this exchange.

Mr. HENSARLING. Mr. Speaker, how much time do I have remaining?

The SPEAKER pro tempore. The gentleman from Texas has 2¾ minutes remaining.

Mr. HENSARLING. Mr. Speaker, I yield the balance of my time to the gentleman from Kentucky (Mr. BARR), the chairman of the Monetary Policy and Trade Subcommittee, and the subcommittee chairman who helped craft the bill and helped shepherd it to the markup process.

Mr. BARR. Mr. Speaker, I rise today in support of the Foreign Investment Risk Review Modernization Act.

I want to thank the House authors of this bill, particularly the gentleman from North Carolina (Mr. PITTENGER), for his outstanding leadership on this effort; and my friend, the gentleman from Washington (Mr. HECK); also the Senate authors, Senator CORNYN and Senator FEINSTEIN; and House Chairman HENSARLING, Chairman ROYCE, Chairman NUNES, Chairman THORNBERRY, and Chairman WALDEN; as well as House leadership for their efforts in bringing this nonpartisan legislation to the floor.

Just by that list, you understand how complex this issue is because it involves not only a multiagency effort of this government, it requires the concerted and cooperative efforts of many committees in this House and in Congress generally because of the shared jurisdiction.

In 2016, new foreign direct investment added $894 billion in value to the U.S. economy. Today, 6.8 million American workers are employed by international companies, including 20 percent of U.S. manufacturing workers.

In my own district in Kentucky, Toyota Motor Manufacturing, Kentucky, Inc. supports 8,500 jobs as a result of benign foreign direct investment, a great example of this. These are typically higher paying jobs. So it is critical that we preserve in the United States an open investment climate, to the extent possible, consistent with national security objectives.

But a comprehensive update to both the export control regime and the Committee on Foreign Investment in the

United States, or CFIUS as is it commonly called, is needed due to the massive surge in malign investments by the Chinese and other bad actors in U.S. assets.

This legislation closes loopholes in CFIUS' jurisdiction and modernizes our process for identifying critical technologies without duplicating agency efforts like earlier drafts of this legislation called for, all the while ensuring these transactions are thoroughly vetted in a timely manner so that America continues to attract much-needed foreign investment that does not implicate national security.

This legislation also authorizes CFIUS to review sensitive, noncontrolling investments in critical technology or infrastructure made by persons affiliated with countries of special concern or threatening actors.

These changes improve upon previous versions of the bill that failed to focus CFIUS' limited resources on the most serious threats and bad actors, including China.

Importantly, this legislation grants CFIUS the authority to review the acquisition of real estate near U.S. military installations and other important national security assets. The legislation uses a new and strengthened interagency export control process to review joint ventures and outbound activities. I want to thank Chairman ROYCE for his leadership on that point.

These reforms strike the right balance between bolstering national security and ensuring strong economic growth. I encourage my colleagues to support the legislation.

□ 1415

Ms. MAXINE WATERS of California. Mr. Speaker, I yield 3 minutes to the gentleman from Washington (Mr. HECK).

Mr. HECK. Mr. Speaker, I thank the ranking member for yielding.

Mr. Speaker, I rise in support of this legislation which is urgently needed. Our adversaries and competitors are indeed actively exploiting gaps in our existing CFIUS process, which I would argue has not been materially modernized in 30 years, and there are gaps.

Right now, purchases of land near our most sensitive national security installations which are purchased to facilitate espionage go unreviewed unless there happens to be an existing business on that site.

Investments that could give our strategic competitors influence and insights into our critical technology or the critical infrastructure our country relies on go unreviewed because they fall just short of control of a company.

Rights changes that can confer control of a company even without new equity being contributed are not clearly within CFIUS jurisdiction.

There is a gap between CFIUS' existing authority over joint ventures involving a whole U.S. business and the export control system's authority over individual pieces of technology and know-how.

Good news. We close these gaps in this bill.

I appreciate deeply the willingness of Chairmen HENSARLING and BARR to work to ensure this legislation effectively addresses investments that could expose details of critical technology or critical infrastructure to our strategic competitors and to incorporate other improvements suggested by our national security committees.

Frankly, however, as is no secret, I think there are some other changes that I would like to have had made. For example, the Senate and the original House bill contained delegation authority to help manage an increased workload and more senior officials to oversee the CFIUS process.

I also continue to believe that the blacklist used in the House bill will ultimately be too easy for our adversaries to evade. Compared to the approach taken by the Senate bill and the original House legislation, the blacklist is also kind of a missed opportunity, I think, to encourage our allies and partners to establish their own CFIUS-like mechanisms compatible with ours because the truth is, we are no safer if we block our competitors from buying a capability here but they buy it from one of our allies or partners. That all said, this is a very important step forward.

Mr. Speaker, I am glad to stand before you today and urge your support on what I believe is a critical issue of national security. I am equally glad to express my deep appreciation to the ranking member and to the chairmen, both Mr. HENSARLING and Mr. BARR, and to my friend, ROBERT PITTENGER.

Last statement of the obvious warning, none of us is any better than the quality of our staff. I want to acknowledge that I have been very ably assisted on this matter for the better part of a year by Erik Ashida of my staff. He has been with me 6 years.

The SPEAKER pro tempore. The time of the gentleman has expired.

Ms. MAXINE WATERS of California. Mr. Speaker, I yield such time as he may consume to the gentleman from Washington (Mr. HECK).

Mr. HECK. Mr. Speaker, he is leaving staff because he has been admitted to the extremely prestigious SAIS program, School of Advanced International Studies at Johns Hopkins University. I know each of us has experiences who have been here any length of time, when you have had a young person be with you for many, many years, it creates a sense of loss when they finally decide to take that next step. I am only able to do this because I know that as ably as he has served the people of the 10th Congressional District in our State from which he is from, I know with equal confidence that he will continue to serve America upon completion of his graduate program. He has been the point person in my office working with Members' offices, and I am deeply appreciative to him for all of his service.

Mr. Speaker, I urge the Members of this House to endorse and to support this very important national security measure.

Mr. ROYCE of California. Mr. Speaker, I yield 3 minutes to the gentleman from Texas, and I ask unanimous consent that he may control that time.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. HENSARLING. Mr. Speaker, I yield 1½ minutes to the gentleman from Ohio (Mr. DAVIDSON), who is a hardworking member of the Financial Services Committee and a member of the Monetary Policy and Trade Subcommittee that dealt with this FIRRMA legislation.

Mr. DAVIDSON. Mr. Speaker, I want to thank my colleagues for working together on this bipartisan legislation, H.R. 4311, the Foreign Investment Risk Review Modernization Act. It addresses the intersection of national security, intellectual property, and property rights.

We have a responsibility to protect the people of the United States of America from threats abroad, and we also have a responsibility to protect the system that has truly made the United States the world's land of opportunity. We have had free flow of goods, services, capital, ideas, and, indeed, people because we have a high functioning rule of law here in America.

How can the entrepreneur living the American Dream truly thrive in the spirit of enterprise when competing against a foreign state? But that is the very state that he is up against a lot of times in trade as an entrepreneur seeks to grow a corporation backed by a foreign government.

This legislation addresses many of these types of concerns—countries acting as companies that pose threats to our national security—and this legislation has been done in a bipartisan, constructive manner, and I appreciate the input and efforts from Members of both sides of the aisle as well as those in the administration and the private sector who have helped make this meaningful legislation what it is today.

Mr. HENSARLING. Mr. Speaker, I yield 30 seconds to the gentleman from Kentucky (Mr. BARR), who is the chairman of our Monetary Policy and Trade Subcommittee.

Mr. BARR. Mr. Speaker, this effort has been a success because we are balancing the imperatives of national security with maintaining an important open investment climate in the United States. Why that balance is so important is because preserving benign foreign direct investment and capital so that research and development in the United States can flourish is important not only to preserve our competitive edge in the global economy, it is important for national security.

Our economic strength contributes to our national security. We are striking

the right balance with this new FIRRMA legislation.

Mr. HENSARLING. Mr. Speaker, I yield myself the balance of my time.

Mr. Speaker, again, I think this is a very important piece of legislation that has come before the body. I also want to acknowledge that, yes, it is very challenging for this body to engage in bipartisan legislation. But we have clearly achieved it today. I think we have achieved it because we know that as Americans we must rally around when it comes to issues of national security.

So, again, I want to thank the ranking member. I want to thank the gentleman from Washington and all other Members on the other side of the aisle for coming together. And as the gentleman from Washington said, perhaps not getting exactly the bill that they wanted—I assure the gentleman from Washington I didn't get exactly the bill I wanted—but we have a very strong bill that I think balances our critical need to safeguard our technology and at the same time recognizes how important foreign direct investment is in growing our economy and being able to afford the type of defense structures that we need so that our national security is never second to none.

Again, Mr. Speaker, we could not have done this first without the leadership, the expertise, and the drive of the gentleman from North Carolina. I believe that some form of this bill will soon end up on the President's desk and we will all thank the gentleman from North Carolina for his leadership in getting America to this point.

Mr. Speaker, I urge all Members to vote for this legislation, and I yield back the balance of my time.

Ms. MAXINE WATERS of California. Mr. Speaker, I yield myself the balance of my time.

Mr. Speaker, I think that all of our speakers have been eloquent in the way that they have described the work that was done on the bill. I am very pleased and proud that on this issue of national security that we were able to come together. I think that what we have done is certainly in the best interests of our country.

As the chairman said, some did not get everything that they would like to have in the bill, but we were able to work through the various concerns, I think, in a very honest and open way.

Mr. Speaker, I urge all of my colleagues to vote ''aye'' on this bill, and I yield back the balance of my time.

Mr. ROYCE of California. Mr. Speaker, I yield myself the balance of my time.

Mr. Speaker, in closing, I would like to thank several of my colleagues, the ranking member of the Foreign Affairs Committee, Mr. ENGEL, as well as, of course, Chairman HENSARLING, Ranking Member WATERS, and Mr. PITTENGER.

I want to thank them for incorporating as title VIII the text that I authored as H.R. 5040, this is the Export Control Reform Act of 2018. This is the measure we put out of the Foreign Affairs Committee.

This title modernizes and reforms outdated export controls designed to impose trade controls on the old Soviet bloc. It was long past due that we update these controls to reflect the realities of modern international commerce and the national security threats of the century we are in right now.

I would urge my colleagues to join us in modernizing both the CFIUS and export controls process which we do now in this combined bill. A ''yes'' vote will ensure continued U.S. leadership in high technology industries essential to the health of our economy and essential to our national security.

Mr. Speaker, I yield back the balance of my time.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from California (Mr. ROYCE) that the House suspend the rules and pass the bill, H.R. 5841, as amended.

The question was taken.

The SPEAKER pro tempore. In the opinion of the Chair, two-thirds being in the affirmative, the ayes have it.

Mr. HENSARLING. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The SPEAKER pro tempore. Pursuant to clause 8 of rule XX, further proceedings on this motion will be postponed.

ENDANGERED SALMON AND FISHERIES PREDATION PREVENTION ACT

GENERAL LEAVE

Mr. LAMBORN. Mr. Speaker, I ask unanimous consent that all Members have 5 legislative days in which to revise and extend their remarks and include extraneous materials on H.R. 2083.

The SPEAKER pro tempore (Mr. DAVIDSON). Is there objection to the request of the gentleman from Colorado?

There was no objection.

The SPEAKER pro tempore. Pursuant to House Resolution 961 and rule XVIII, the Chair declares the House in the Committee of the Whole House on the state of the Union for the consideration of the bill, H.R. 2083.

The Chair appoints the gentleman from Texas (Mr. POE) to preside over the Committee of the Whole.

□ 1429

IN THE COMMITTEE OF THE WHOLE

Accordingly, the House resolved itself into the Committee of the Whole House on the state of the Union for the consideration of the bill (H.R. 2083) to amend the Marine Mammal Protection Act of 1972 to reduce predation on endangered Columbia River salmon and other non-listed species, and for other purposes, with Mr. POE of Texas in the chair.

The Clerk read the title of the bill.

The CHAIR. Pursuant to the rule, the bill is considered read the first time.

The gentleman from Colorado (Mr. LAMBORN) and the gentleman from Arizona (Mr. GRIJALVA) each will control 30 minutes.

The Chair recognizes the gentleman from Colorado.

Mr. LAMBORN. Mr. Chairman, I yield myself such time as I may consume.

H.R. 2083, a bipartisan effort by Ms. HERRERA BEUTLER and Mr. SCHRADER, aims to cut red tape by updating Federal law to provide a temporary, expedited process to give States and Tribes the ability to address California sea lion predation of endangered salmon and other species on a limited basis.

Right now, ratepayers in the Pacific Northwest invest hundreds of millions of dollars each year to help recovering salmon populations, only to have them end up in the stomachs of sea lions. Federal law provides conflicting mandates to protect each species but does not provide the flexibility to account for broader ecological interactions.

California sea lion populations on the West Coast have exploded, yet salmon runs continue to decline. According to the Northwest Power and Conservation Council, the sea lion population has grown to a level of roughly 300,000 individuals, and marine biologists conclude that their population is currently at carrying capacity.

Historically, California sea lions have foraged at the mouth of the Columbia River, but they have recently continued to move inland. As the sea lions move further upstream to feed, their diet exists increasingly more of endangered salmon.

H.R. 2083 will authorize the Secretary of Commerce to provide to State and local Tribes the tools necessary to humanely manage sea lions that have migrated outside their historic range and pose an imminent threat to fish species listed under the Endangered Species Act.

Federal permits authorized under H.R. 2083 would be limited to State and Tribal fishery managers who have a direct stake in a healthy regional ecosystem. It is absolutely imperative that we give local stakeholders the tools they need for a balanced ecosystem where both fish and sea lions can thrive.

This bipartisan bill has broad support from States, Tribes, public utility districts, advocacy groups, and hundreds of local businesses across the Pacific Northwest. It is a win for not only the endangered fish of the Pacific Northwest, but the ratepayers who are heavily invested in keeping these fish stocks flourishing and healthy.

Mr. Chairman, I urge my colleagues to support this bipartisan, commonsense bill.

And that is just the way it is.

Mr. Chairman, I reserve the balance of my time.

Mr. GRIJALVA. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, I rise in opposition to H.R. 2083. This legislation claims to