

United States of America

Foreign Investment Risk Review Modernization Act of 2018 (2018)

Note

The Investment Laws Navigator is based upon sources believed to be accurate and reliable and is intended to be up-to-date at the time it was generated. It is made available with the understanding that UNCTAD is not engaged in rendering legal or other professional services. To confirm that the information has not been affected or changed by recent developments, traditional legal research techniques should be used, including checking primary sources where appropriate. While every effort is made to ensure the accuracy and completeness of its content, UNCTAD assumes no responsibility for eventual errors or omissions in the data.

The year indicated in brackets after the title of the law refers to the year of publication in the Official Gazette or, when this is not available, the year of adoption of the law.

Contents

- SEC. 1701. SHORT TITLE: FOREIGN INVESTMENT RISK REVIEW MODERNIZATION ACT OF 2018.
- SEC. 1702. FINDINGS; SENSE OF CONGRESS.
- SEC. 1703. DEFINITIONS.
- SEC. 1704. ACCEPTANCE OF WRITTEN NOTICES.
- SEC. 1705. INCLUSION OF PARTNERSHIP AND SIDE AGREEMENTS IN NOTICE.
- SEC. 1706. DECLARATIONS FOR CERTAIN COVERED TRANSACTIONS.
- SEC. 1707. STIPULATIONS REGARDING TRANSACTIONS.
- SEC. 1708. AUTHORITY FOR UNILATERAL INITIATION OF REVIEWS.
- SEC. 1709. TIMING FOR REVIEWS AND INVESTIGATIONS.
- SEC. 1710. IDENTIFICATION OF NON-NOTIFIED AND NON-DECLARED TRANSACTIONS.
- SEC. 1711. SUBMISSION OF CERTIFICATIONS TO CONGRESS.
- SEC. 1712. ANALYSIS BY DIRECTOR OF NATIONAL INTELLIGENCE.
- SEC. 1713. INFORMATION SHARING.
- SEC. 1714. ACTION BY THE PRESIDENT.
- SEC. 1715. JUDICIAL REVIEW.
- SEC. 1716. CONSIDERATIONS FOR REGULATIONS.
- SEC. 1717. MEMBERSHIP AND STAFF OF COMMITTEE.
- SEC. 1718. ACTIONS BY THE COMMITTEE TO ADDRESS NATIONAL SECURITY RISKS.
- SEC. 1719. MODIFICATION OF ANNUAL REPORT AND OTHER REPORTING REQUIREMENTS.
- SEC. 1720. CERTIFICATION OF NOTICES AND INFORMATION.
- SEC. 1721. IMPLEMENTATION PLANS.
- SEC. 1722. ASSESSMENT OF NEED FOR ADDITIONAL RESOURCES FOR COMMITTEE.
- SEC. 1723. FUNDING.
- SEC. 1724. CENTRALIZATION OF CERTAIN COMMITTEE FUNCTIONS.
- SEC. 1725. CONFORMING AMENDMENTS.
- SEC. 1726. BRIEFING ON INFORMATION FROM TRANSACTIONS REVIEWED BY COMMITTEE ON
FOREIGN INVESTMENT IN THE UNITED STATES RELATING TO FOREIGN EFFORTS TO
INFLUENCE DEMOCRATIC INSTITUTIONS AND PROCESSES.
- SEC. 1727. EFFECTIVE DATE.
- SEC. 1728. SEVERABILITY.

Foreign Investment Risk Review Modernization Act of 2018

SEC. 1701. SHORT TITLE: FOREIGN INVESTMENT RISK REVIEW MODERNIZATION ACT OF 2018.

This subtitle may be cited as the “Foreign Investment Risk Review Modernization Act of 2018”.

SEC. 1702. FINDINGS; SENSE OF CONGRESS.

(a) FINDINGS.

Congress makes the following findings:

- (1) According to a February 2016 report by the International Trade Administration of the Department of Commerce, 12,000,000 United States workers, equivalent to 8.5 percent of the labor force, have jobs resulting from foreign investment, including 3,500,000 jobs in the manufacturing sector alone.
- (2) In 2016, new foreign direct investment in United States manufacturing totaled \$129,400,000,000.
- (3) The Bureau of Economic Analysis of the Department of Commerce concluded that, in 2015—
 - (A) foreign-owned affiliates in the United States—
 - (i) contributed \$894,500,000,000 in value added to the United States economy;
 - (ii) exported goods valued at \$352,800,000,000, accounting for nearly a quarter of total exports of goods from the United States; and
 - (iii) undertook \$56,700,000,000 in research and development; and

(B) the 7 countries investing the most in the United States, all of which are United States allies (the United Kingdom, Japan, Germany, France, Canada, Switzerland, and the Netherlands) accounted for 72.1 percent of the value added by foreign-owned affiliates in the United States and more than 80 percent of research and development expenditures by such entities.

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

(5) According to a February 2018 report of the Government Accountability Office on the Committee on Foreign Investment in the United States (GAO–18–249): “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.”. The Government Accountability Office 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.”. President Eisenhower 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 economic benefits to the United States, including the promotion of economic growth, productivity, competitiveness, and job creation, thereby enhancing national security;

(2) maintaining the commitment of the United States to an open investment policy encourages other countries to reciprocate and helps open new foreign markets for United States businesses;

(3) it should continue to be the policy of the United States to enthusiastically welcome and support foreign investment, consistent with the protection of national security;

(4) at the same time, the national security landscape has shifted in recent years, and so has the nature of the investments that pose the greatest potential risk to national security, which warrants an appropriate modernization of the processes and authorities of the Committee on Foreign Investment in the United States and of the United States export control system;

(5) the Committee on Foreign Investment in the United States plays a critical role in protecting the national security of the United States, and, therefore, it is essential that the member agencies of the Committee are adequately resourced and able to hire appropriately qualified individuals in a timely manner, and that those individuals’ security clearances are processed as a high priority;

(6) the President should conduct a more robust international outreach effort to urge and help allies and partners of the United States to establish processes that are similar to the Committee on Foreign Investment in the United States to screen foreign investments for national security risks and to facilitate coordination;

(7) the President should lead a collaborative effort with allies and partners of the United States to strengthen the multilateral export control regime;

(8) any penalties imposed by the United States Government with respect to an individual or entity pursuant to a determination that the individual or entity has violated sanctions imposed by the United States or the export control laws of the United States should not be reversed for reasons unrelated to the national security of the United States; and

(9) the Committee on Foreign Investment in the United States should continue to review transactions for the purpose of protecting national security and should not consider issues of national interest absent a national security nexus.

(c) SENSE OF CONGRESS ON CONSIDERATION OF COVERED TRANSACTIONS.

It is the sense of Congress that, when considering national security risks, the Committee on Foreign Investment in the United States may consider—

(1) whether a covered transaction involves a country of special concern that has a demonstrated or declared strategic goal of acquiring a type of critical technology or critical infrastructure that would affect United States leadership in areas related to national security;

affect United States leadership in areas related to national security;

(2) the potential national security-related effects of the cumulative control of, or pattern of recent transactions involving, any one type of critical infrastructure, energy asset, critical material, or critical technology by a foreign government or foreign person;

(3) whether any foreign person engaging in a covered transaction with a United States business has a history of complying with United States laws and regulations;

(4) the control of United States industries and commercial activity by foreign persons as it affects the capability and capacity of the United States to meet the requirements of national security, including the availability of human resources, products, technology, materials, and other supplies and services, and in considering “the availability of human resources”, should construe that term to include 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;

(5) the extent to which a covered transaction is likely to expose, either directly or indirectly, personally identifiable information, genetic information, or other sensitive data of United States citizens to access by a foreign government or foreign person that may exploit that information in a manner that threatens national security; and

(6) whether a covered transaction is likely to have the effect of exacerbating or creating new cybersecurity vulnerabilities in the United States 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.

SEC. 1703. DEFINITIONS.

Section 721(a) of the Defense Production Act of 1950 (50 U.S.C. 4565(a)) is amended to read as follows:

“(a) DEFINITIONS.

In this section:

“(1) CLARIFICATION.—The term ‘national security’ shall be construed so as to include those issues relating to ‘homeland security’, including its application to critical infrastructure.

“(2) COMMITTEE; CHAIRPERSON.—The terms ‘Committee’ and ‘chairperson’ mean the Committee on Foreign Investment in the United States and the chairperson thereof, respectively.

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

“(4) COVERED TRANSACTION.—

“(A) IN GENERAL.—Except as otherwise provided, the term ‘covered transaction’ means—

“(i) any transaction described in subparagraph (B)(i); and

“(ii) any transaction described in clauses (ii) through (v) of subparagraph (B) that is proposed, pending, or completed on or after the effective date set forth in section 1727 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, or takeover 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, including such a merger, acquisition, or takeover carried out through a joint venture.

“(ii) Subject to subparagraphs (C) and (E), the purchase or lease by, or a concession to, a foreign person of private or public real estate that—

“(I) is located in the United States;

“(II)(aa) is, is located within, or will function as part of, an air or maritime port; or

“(bb)(AA) 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;

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

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

“(III) 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 subclause (II).

“(iii) Any other investment, subject to regulations prescribed under subparagraphs (D) and (E), by a foreign person in any unaffiliated United States business that—

“(I) owns, operates, manufactures, supplies, or services critical infrastructure;

“(II) produces, designs, tests, manufactures, fabricates, or develops one or more critical technologies;

or

“(III) maintains or collects sensitive personal data of United States citizens that may be exploited in a manner that threatens national security.

“(iv) 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 clause (iii).

“(v) Any other transaction, transfer, agreement, or arrangement, the structure of which is designed or intended to evade or circumvent the application of this section, subject to regulations prescribed by the Committee.

“(C) REAL ESTATE TRANSACTIONS.—

“(i) EXCEPTION FOR CERTAIN REAL ESTATE TRANSACTIONS.—A real estate purchase, lease, or concession described in subparagraph (B)(ii) does not include a purchase, lease, or concession of—

“(I) a single ‘housing unit’, as defined by the Census Bureau; or

“(II) real estate in ‘urbanized areas’, as defined by the Census Bureau in the most recent census, except as otherwise prescribed by the Committee in regulations in consultation with the Secretary of Defense.

“(ii) DEFINITION OF CLOSE PROXIMITY.—With respect to a real estate purchase, lease, or concession described in subparagraph (B)(ii)(II)(bb)(AA), the Committee shall prescribe regulations to ensure that the term ‘close proximity’ refers only 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 described in that subparagraph.

“(D) OTHER INVESTMENTS.—

“(i) OTHER INVESTMENT DEFINED.—For purposes of subparagraph (B)(iii), the term ‘other investment’ means an investment, direct or indirect, by a foreign person in a United States business described in that subparagraph that is not an investment described in subparagraph (B)(i) and that affords the foreign person—

“(I) access to any material nonpublic technical information in the possession of the United States business;

“(II) membership or observer rights on the board of directors or equivalent governing body of the United States business or the right to nominate an individual to a position on the board of directors or equivalent governing body; or

“(III) any involvement, other than through voting of shares, in substantive decisionmaking of the United States business regarding—

“(aa) the use, development, acquisition, safekeeping, or release of sensitive personal data of United States citizens maintained or collected by the United States business;

“(bb) the use, development acquisition, or release of critical technologies; or

“(cc) the management, operation, manufacture, or supply of critical infrastructure.

“(ii) MATERIAL NONPUBLIC TECHNICAL INFORMATION DEFINED.—

“(I) IN GENERAL.—For purposes of clause (i)(I), and subject to regulations prescribed by the Committee, the term ‘material nonpublic technical information’ means information that—

“(aa) provides knowledge, know-how, or understanding, not available in the public domain, of the design, location, or operation of critical infrastructure; or

“(bb) is not available in the public domain, and is necessary to design, fabricate, develop, test, produce, or manufacture critical technologies, including processes, techniques, or methods.

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

“(iii) REGULATIONS.—

“(I) IN GENERAL.—The Committee shall prescribe regulations providing guidance on the types of transactions that the Committee considers to be ‘other investment’ for purposes of subparagraph (B)(iii).

“(II) UNITED STATES BUSINESSES THAT OWN, OPERATE, MANUFACTURE, SUPPLY, OR SERVICE CRITICAL INFRASTRUCTURE.—The regulations prescribed by the Committee with respect to an investment described in subparagraph (B)(iii)(I) shall—

“(aa) specify the critical infrastructure subject to that subparagraph based on criteria intended to limit application of that subparagraph to the subset of critical infrastructure that is likely to be of importance to the national security of the United States; and

“(bb) enumerate specific types and examples of such critical infrastructure.

“(iv) SPECIFIC CLARIFICATION FOR INVESTMENT FUNDS.—

“(v) TREATMENT OF CERTAIN INVESTMENT FUND INVESTMENTS.—Notwithstanding clause (i)(I)

(I) TREATMENT OF CERTAIN INVESTMENT FUND INVESTMENTS.—Notwithstanding clause (i)(ii) and subject to regulations prescribed by the Committee, an indirect investment by a foreign person in a United States business described in subparagraph (B)(iii) through an investment fund that affords the foreign person (or a designee of the foreign person) membership as a limited partner or equivalent on an advisory board or a committee of the fund shall not be considered an ‘other investment’ for purposes of subparagraph (B)(iii) if—

“(aa) the fund is managed exclusively by a general partner, a managing member, or an equivalent;

“(bb) the general partner, managing member, or equivalent is not a foreign person;

“(cc) the advisory board or committee does not have the ability to approve, disapprove, or otherwise control—

“(AA) investment decisions of the fund; or

“(BB) decisions made by the general partner, managing member, or equivalent related to entities in which the fund is invested;

“(dd) the foreign person does not otherwise have the ability to control the fund, including the authority—

“(AA) to approve, disapprove, or otherwise control investment decisions of the fund;

“(BB) to approve, disapprove, or otherwise control decisions made by the general partner, managing member, or equivalent related to entities in which the fund is invested; or

“(CC) to unilaterally dismiss, prevent the dismissal of, select, or determine the compensation of the general partner, managing member, or equivalent;

“(ee) the foreign person does not have access to material nonpublic technical information as a result of its participation on the advisory board or committee; and

“(ff) the investment otherwise meets the requirements of this subparagraph.

“(II) TREATMENT OF CERTAIN WAIVERS.—

“(aa) IN GENERAL.—For the purposes of items (cc) and (dd) of subclause (I) and except as provided in item (bb), a waiver of a potential conflict of interest, a waiver of an allocation limitation, or a similar activity, applicable to a transaction pursuant to the terms of an agreement governing an investment fund shall not be considered to constitute control of investment decisions of the fund or decisions relating to entities in which the fund is invested.

“(bb) EXCEPTION.—The Committee may prescribe regulations providing for exceptions to item (aa) for extraordinary circumstances.

“(v) EXCEPTION FOR AIR CARRIERS.—For purposes of subparagraph (B)(iii), the term ‘other investment’ does not include 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.

“(vi) RULE OF CONSTRUCTION.—Any definition of ‘critical infrastructure’ established under any provision of law other than this section shall not be determinative for purposes of this section.

“(E) COUNTRY SPECIFICATION.—The Committee shall prescribe regulations that further define the term ‘foreign person’ for purposes of clauses (ii) and (iii) of subparagraph (B). In prescribing such regulations, the Committee shall specify criteria to limit the application of such clauses to the investments of certain categories of foreign persons. Such criteria shall take into consideration how a foreign person is connected to a foreign country or foreign government, and whether the connection may affect the national security of the United States.

“(F) 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) that arises pursuant to a bankruptcy proceeding or other form of default on debt.

“(5) CRITICAL INFRASTRUCTURE.—The term ‘critical infrastructure’ means, subject to regulations prescribed by the Committee, systems and assets, whether physical or virtual, so vital to the United States that the incapacity or destruction of such systems or assets would have a debilitating impact on national security.

“(6) CRITICAL TECHNOLOGIES.—

“(A) IN GENERAL.—The term ‘critical technologies’ means the following:

“(i) Defense articles or defense services included on the United States Munitions List set forth in the International Traffic in Arms Regulations under subchapter M of chapter I of title 22, Code of Federal Regulations.

“(ii) Items included on the Commerce Control List set forth in Supplement No. 1 to part 774 of the Export Administration Regulations under subchapter C of chapter VII of title 15, Code of Federal Regulations, and controlled—

“(I) pursuant to multilateral regimes, including for reasons relating to national security, chemical and biological weapons proliferation, nuclear nonproliferation, or missile technology; or

“(II) for reasons relating to regional stability or surreptitious listening.

“(iii) Specially designed and prepared nuclear equipment, parts and components, materials, software, and technology covered by part 810 of title 10, Code of Federal Regulations (relating to assistance to

foreign atomic energy activities).

“(iv) Nuclear facilities, equipment, and material covered by part 110 of title 10, Code of Federal Regulations (relating to export and import of nuclear equipment and material).

“(v) Select agents and toxins covered by part 331 of title 7, Code of Federal Regulations, part 121 of title 9 of such Code, or part 73 of title 42 of such Code.

“(vi) Emerging and foundational technologies controlled pursuant to section 1758 of the Export Control Reform Act of 2018.

“(B) RECOMMENDATIONS.—

“(i) IN GENERAL.—The chairperson may recommend technologies for identification under the interagency process set forth in section 1758(a) of the Export Control Reform Act of 2018.

“(ii) MATTERS INFORMING RECOMMENDATIONS.— Recommendations by the chairperson under clause (i) shall draw upon information arising from reviews and investigations conducted under subsection (b), notices submitted under subsection (b)(1)(C)(i), declarations filed under subsection (b)(1)(C)(v), and non-notified and non-declared transactions identified under subsection (b)(1)(H).

“(7) FOREIGN GOVERNMENT-CONTROLLED TRANSACTION.— The term ‘foreign government-controlled transaction’ means any covered transaction that could result in the control of any United States business by a foreign government or an entity controlled by or acting on behalf of a foreign government.

“(8) INTELLIGENCE COMMUNITY.—The term ‘intelligence community’ has the meaning given that term in section 3(4) of the National Security Act of 1947 (50 U.S.C. 3003(4)).

“(9) INVESTMENT.—The term ‘investment’ means the acquisition of equity interest, including contingent equity interest, as further defined in regulations prescribed by the Committee.

“(10) LEAD AGENCY.—The term ‘lead agency’ means the agency or agencies designated as the lead agency or agencies pursuant to subsection (k)(5).

“(11) PARTY.—The term ‘party’ has the meaning given that term in regulations prescribed by the Committee.

“(12) UNITED STATES.—The term ‘United States’ means the several States, the District of Columbia, and any territory or possession of the United States.

“(13) UNITED STATES BUSINESS.—The term ‘United States business’ means a person engaged in interstate commerce in the United States.”.

SEC. 1704. ACCEPTANCE OF WRITTEN NOTICES.

Section 721(b)(1)(C)(i) of the Defense Production Act of 1950 (50 U.S.C. 4565(b)(1)(C)(i)) is amended—

(1) by striking “Any party” and inserting the following:

“(I) IN GENERAL.—Any party”; and

(2) by adding at the end the following:

“(II) COMMENTS AND ACCEPTANCE.—

“(aa) IN GENERAL.—Subject to item (cc), the Committee shall provide comments on a draft or formal written notice or accept a formal written notice submitted under sub-clause (I) with respect to a covered transaction not later than the date that is 10 business days after the date of submission of the draft or formal written notice.

“(bb) COMPLETENESS.—If the Committee determines that a draft or formal written notice described in item (aa) is not complete, the Committee shall notify the party or parties to the transaction in writing that the notice is not complete and provide an explanation of all material respects in which the notice is incomplete.

“(cc) STIPULATIONS REQUIRED.—The timing requirement under item (aa) shall apply only in a case in which the parties stipulate under clause (vi) that the transaction is a covered transaction.”.

SEC. 1705. 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.—The Committee may require a written notice submitted under clause (i) to include a copy of any partnership agreements, integration agreements, or other side agreements relating to the transaction, as specified in regulations prescribed by the Committee.”.

SEC. 1706. DECLARATIONS FOR CERTAIN COVERED TRANSACTIONS.

Section 721(b)(1)(C) of the Defense Production Act of 1950 (50 U.S.C. 4565(b)(1)(C)), as amended by section 1705, is further amended by adding at the end the following:

“(v) DECLARATIONS FOR CERTAIN COVERED TRANSACTIONS.—

“(I) IN GENERAL.—A party to any covered transaction may submit to the Committee a declaration with

basic information regarding the transaction instead of a written notice under clause (I).

“(II) REGULATIONS.—The Committee shall pre-scribe regulations establishing requirements for declarations submitted under this clause. In pre-scribing such regulations, the Committee shall ensure that such declarations are submitted as abbreviated notifications that would not generally exceed 5 pages in length.

“(III) COMMITTEE RESPONSE TO DECLARATION.—

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

“(AA) request that the parties to the transaction file a written notice under clause (i);

“(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) not later than 30 days after receiving a declaration under this clause.

“(cc) RULE OF CONSTRUCTION.—Nothing in this subclause (other than item (aa)(CC)) shall be construed to affect the authority of the President or the Committee to take any action authorized by this section with respect to a covered transaction.

“(IV) MANDATORY DECLARATIONS.—

“(aa) REGULATIONS.—The Committee shall prescribe regulations specifying the types of covered transactions for which the Committee requires a declaration under this subclause.

“(bb) CERTAIN COVERED TRANSACTIONS WITH FOREIGN GOVERNMENT INTERESTS.—

“(AA) IN GENERAL.—Except as provided in subitem (BB), the parties to a covered transaction shall submit a declaration described in subclause (I) with respect to the transaction if the transaction involves an investment that results in the acquisition, directly or indirectly, of a substantial interest in a United States business described in subsection (a)(4)(B)(iii) by a foreign person in which a foreign government has, directly or indirectly, a substantial interest.

“(BB) SUBSTANTIAL INTEREST DEFINED.—In this item, the term ‘substantial interest’ has the meaning given that term in regulations which the Committee shall prescribe. In developing those regulations, the Committee shall consider the means by which a foreign government could influence the actions of a foreign person, including through board membership, ownership interest, or shareholder rights. An interest that is excluded under subparagraph (D) of subsection (a)(4) from the term ‘other investment’ as used in subparagraph (B)(iii) of that subsection or that is less than a 10 percent voting interest shall not be considered a substantial interest.

“(CC) WAIVER.—The Committee may waive, with respect to a foreign person, the requirement under subitem (AA) for the submission of a declaration described in subclause (I) if the Committee determines that the foreign person demonstrates that the investments of the foreign person are not directed by a foreign government and the foreign person has a history of cooperation with the Committee.

“(cc) OTHER DECLARATIONS REQUIRED BY COMMITTEE.—The Committee may require the submission of a declaration described in subclause (I) with respect to any covered transaction identified under regulations prescribed by the Committee for purposes of this item, at the discretion of the Committee, that involves a United States business described in subsection (a)(4)(B)(iii)(II).

“(dd) EXCEPTION.—The submission of a declaration described in subclause (I) shall not be required pursuant to this subclause with respect to an investment by an investment fund if—

“(AA) the fund is managed exclusively by a general partner, a managing member, or an equivalent;

“(BB) the general partner, managing member, or equivalent is not a foreign person; and

“(CC) the investment fund satisfies, with respect to any foreign person with membership as a limited partner on an advisory board or a committee of the fund, the criteria specified in items (cc) and (dd) of subsection (a)(4)(D)(iv).

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

“(ff) TIMING AND REFILING OF SUBMISSION.—

“(AA) IN GENERAL.—In the regulations prescribed under item (aa), the Committee may not require a declaration to be submitted under this subclause with respect to a covered transaction more than 45 days before the completion of the transaction.

“(BB) REFILING OF DECLARATION.—The Committee may not request or recommend that a declaration submitted under this subclause be withdrawn and refiled, except to permit parties to a

covered transaction to correct material errors or omissions in the declaration submitted with respect to that transaction.

“(gg) PENALTIES.—The Committee may impose a penalty pursuant to subsection (h)(3) with respect to a party that fails to comply with this subclause.”.

SEC. 1707. 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 section 1706, 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. 1708. AUTHORITY FOR UNILATERAL INITIATION OF REVIEWS.

Section 721(b)(1) of the Defense Production Act of 1950 (50 U.S.C. 4565(b)(1)) is amended—

(1) by redesignating subparagraphs (E) and (F) as subparagraphs (F) and (G), respectively;

(2) in subparagraph (D)—

(A) in the matter preceding clause (i), by striking “subparagraph (F)” and inserting “subparagraph (G)”;

(B) in clause (i), by inserting “(other than a covered transaction described in subparagraph (E))” after “any covered transaction”;

(C) by striking clause (ii) and inserting the following:

“(ii) any covered transaction described in subparagraph (E), if any party to the transaction submitted false or misleading material information to the Committee in connection with the Committee’s consideration of the transaction or omitted material information, including material documents, from information submitted to the Committee; or”; and

(D) in clause (iii)—

(i) in the matter preceding subclause (I), by striking “any covered transaction that has previously been reviewed or investigated under this section,” and inserting “any covered transaction described in subparagraph (E),”;

(ii) in subclause (I), by striking “intentionally”;

(iii) in subclause (II), by striking “an intentional” and inserting “a”; and

(iv) in subclause (III), by inserting “adequate and appropriate” before “remedies or enforcement tools”; and

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

“(E) COVERED TRANSACTIONS DESCRIBED.—A covered transaction is described in this subparagraph if—

“(i) the Committee has informed the parties to the transaction in writing that the Committee has completed all action under this section with respect to the transaction; or

“(ii) the President has announced a decision not to exercise the President’s authority under subsection (d) with respect to the transaction.”.

SEC. 1709. TIMING FOR REVIEWS AND INVESTIGATIONS.

Section 721(b) of the Defense Production Act of 1950 (50 U.S.C. 4565(b)), as amended by section 1708, is further amended—

(1) in paragraph (1)(F), by striking “30” and inserting “45”;

(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 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

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. 1710. IDENTIFICATION OF NON-NOTIFIED AND NON-DECLARED TRANSACTIONS.

Section 721(b)(1) of the Defense Production Act of 1950 (50 U.S.C. 4565(b)(1)), as amended by sections 1708 and 1709, is further amended by adding at the end the following:

“(H) IDENTIFICATION OF NON-NOTIFIED AND NON-DECLARED TRANSACTIONS.—The Committee shall establish a process to identify covered transactions for which— “(i) a notice under clause (i) of subparagraph (C) or a declaration under clause (v) of that subparagraph is not submitted to the Committee; and

“(ii) information is reasonably available.”.

SEC. 1711. 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 striking subclause (II) and inserting the following:

“(II) a certification that all relevant national security factors have received full consideration.”;

(2) in clause (iv), by striking subclause (II) and inserting the following:

“(II) DELEGATION OF CERTIFICATIONS.—

“(aa) IN GENERAL.—Subject to item (bb), the chairperson, in consultation with the Committee, may determine the level of official to whom the signature requirement under sub-clause (I) for the chairperson and the head of the lead agency may be delegated. The level of official to whom the signature requirement may be delegated may differ based on any factor relating to a transaction that the chairperson, in consultation with the Committee, deems appropriate, including the type or value of the transaction.

“(bb) LIMITATION ON DELEGATION WITH RESPECT TO CERTAIN TRANSACTIONS.—The signature requirement under subclause (I) may be delegated not below the level of the Assistant Secretary of the Treasury or an equivalent official of the lead agency.”; and

(3) 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. 1712. 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.—Except as provided in subparagraph (B), 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 COMMUNITY.—The Director shall seek and incorporate into the analysis required by clause (i) the views of all affected or appropriate agencies of the intelligence community 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 (I)(3)(A).

“(iv) INDEPENDENCE AND OBJECTIVITY.—The Committee shall ensure that its processes under this section preserve the ability of the Director to conduct 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)(4)(B)(ii);

“(II) the Director of National Intelligence has completed an analysis pursuant to subparagraph (A)

(iv) the Director of National Intelligence has completed an analysis pursuant to subparagraph (v) 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 for purposes of this subparagraph.”;

(4) in subparagraph (C), as redesignated by paragraph (2), by striking “20” and inserting “30”; 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 submit the analysis required by subparagraph (A) with respect to a covered transaction to the Select Committee on Intelligence of the Senate and the Permanent Select Committee on Intelligence of the House of Representatives upon the conclusion of action under this section (other than compliance plans under subsection (I)(6)) with respect to the transaction.”.

SEC. 1713. 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.—Except as provided in paragraph (2), any information”;

(2) by striking “, except as may be relevant” and all that follows and inserting a period; and

(3) by adding at the end the following:

“(2) EXCEPTIONS.—Paragraph (1) shall not prohibit the disclosure of the following:

“(A) Information relevant to any administrative or judicial action or proceeding.

“(B) Information to Congress or any duly authorized committee or subcommittee of Congress.

“(C) Information important to the national security analysis or actions of the Committee to any domestic governmental entity, or to any foreign governmental entity of a United States ally or partner, under the exclusive direction and authorization of the chairperson, only to the extent necessary for national security purposes, and subject to appropriate confidentiality and classification requirements.

“(D) Information that the parties have consented to be disclosed to third parties.

“(3) COOPERATION WITH ALLIES AND PARTNERS.—

“(A) IN GENERAL.—The chairperson, in consultation with other members of the Committee, should establish a formal process for the exchange of information under paragraph (2)(C) 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.

“(B) REQUIREMENTS.—The process established under subparagraph (A) should, in the discretion of the chairperson—

“(i) 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;

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

“(iii) include consultations and meetings with representatives of the governments of such countries on a recurring basis.”.

SEC. 1714. ACTION BY THE PRESIDENT.

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 (I)(2).”.

SEC. 1715. JUDICIAL REVIEW.

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

(1) by striking “The actions” and inserting the following:

“(1) IN GENERAL.—The actions”; and

(2) by adding at the end the following:

“(2) CIVIL ACTIONS.—A civil action challenging an action or finding under this section may be brought only in the United States Court of Appeals for the District of Columbia Circuit.

“(3) PROCEDURES FOR REVIEW OF PRIVILEGED INFORMATION.—If a civil action challenging an action or finding under this section is brought, and the court determines that protected information in the administrative record, including classified or other information subject to privilege or protections under

any provision of law, is necessary to resolve the challenge, that information shall be submitted ex parte and in camera to the court and the court shall maintain that information under seal.

“(4) “(4) APPLICABILITY OF USE OF INFORMATION PROVISIONS.— The use of information provisions of sections 106, 305, 405, and 706 of the Foreign Intelligence Surveillance Act of 1978 (50 U.S.C. 1806, 1825, 1845, and 1881e) shall not apply in a civil action brought under this subsection.”.

SEC. 1716. CONSIDERATIONS FOR REGULATIONS.

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

(1) by striking paragraph (2);

(2) by redesignating paragraph (3) as paragraph (2); and

(3) in paragraph (2), as redesignated—

(A) in subparagraph (A), by striking “including any mitigation” and all that follows through “subsection (I)” and inserting “including any mitigation agreement entered into, conditions imposed, or order issued pursuant to this section”;

(B) in subparagraph (B)(ii), by striking “and” at the end;

(C) in subparagraph (C), by striking the period at the end and inserting “; and”; and

(D) by adding at the end the following:

“(D) provide that, in any review or investigation of a covered transaction conducted by the Committee under subsection (b), the Committee should—

“(i) consider the factors specified in subsection (f);

and

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

SEC. 1717. MEMBERSHIP AND STAFF OF COMMITTEE.

(a) HIRING AUTHORITY.—Section 721(k) of the Defense Production Act of 1950 (50 U.S.C. 4565(k)) is amended by striking paragraph (4) and inserting the following:

“(4) HIRING AUTHORITY.—

“(A) SENIOR OFFICIALS.—

“(i) IN GENERAL.—Each member of the Committee shall designate an Assistant Secretary, or an equivalent official, who is appointed by the President, by and with the advice and consent of the Senate, to carry out such duties related to the Committee as the member of the Committee may delegate.

“(ii) DEPARTMENT OF THE TREASURY.—

“(I) IN GENERAL.—There shall be established in the Office of International Affairs at the Department of the Treasury 2 additional positions of Assistant Secretary of the Treasury, who shall be appointed by the President, by and with the advice and consent of the Senate, to carry out such duties related to the Committee as the Secretary of the Treasury may delegate, consistent with this section.

“(II) ASSISTANT SECRETARY FOR INVESTMENT SECURITY.—One of the positions of Assistant Secretary of the Treasury authorized under subclause (I) shall be the Assistant Secretary for Investment Security, whose duties shall be principally related to the Committee, as delegated by the Secretary of the Treasury under this section.

“(B) 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. The primary responsibility of positions authorized under the preceding sentence shall be to administer this section.”.

(b) PROCEDURES FOR RECUSAL OF MEMBERS OF COMMITTEE FOR CONFLICTS OF INTEREST.—Not later than 90 days after the date of the enactment of this Act, the Committee on Foreign Investment in the United States shall—

(1) establish procedures for the recusal of any member of the Committee that has a conflict of interest with respect to a covered transaction (as defined in section 721(a) of the Defense Production Act of 1950, as amended by section 1703);

(2) submit to the Committee on Banking, Housing, and Urban Affairs of the Senate and the Committee on Financial Services of the House of Representatives a report describing those procedures; and

(3) brief the committees specified in paragraph (1) on the report required by paragraph (2).

SEC. 1718. 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 the subsection heading, by striking “MITIGATION, TRACKING, AND POSTCONSUMMATION MONITORING AND ENFORCEMENT” and inserting “ACTIONS BY THE COMMITTEE TO ADDRESS NATIONAL SECURITY RISKS”;

(2) by striking paragraphs (4), (5), and (6) and inserting the following:

(2) by redesignating paragraphs (1), (2), and (3) as paragraphs (3), (5), and (6), respectively;

(3) by inserting before paragraph (3), as redesignated by paragraph (2), the following:

“(1) **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).

“(2) **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).”;

(4) in paragraph (3), as redesignated by paragraph (2)— (A) in subparagraph (A)—

(i) in the subparagraph 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 striking “threat” and inserting “risk”; and

(iv) 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 risk 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 risk 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.”; and (B) by striking subparagraph (B) and inserting the following:

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

“(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).”;

(5) by inserting after paragraph (3), as redesignated by paragraph (2), the following:

“(4) **RISK-BASED ANALYSIS REQUIRED.**—

“(A) **IN GENERAL.**—Any determination of the Committee to suspend a covered transaction under paragraph (1), to refer a covered transaction to the President under paragraph (2), or to negotiate, enter into or impose, or enforce any agreement or condition under paragraph (3)(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 an assessment of the threat, vulnerabilities, and consequences to national security related to the transaction.

“(B) **ACTIONS OF MEMBERS OF THE COMMITTEE.**—

“(i) **IN GENERAL.**—Any member of the Committee who concludes that a covered transaction poses an unresolved national security concern shall recommend to the Committee that the Committee suspend the transaction under paragraph (1), refer the transaction to the President under paragraph (2), or negotiate, enter into or impose, or enforce any agreement or condition under paragraph (3)(A) with respect to the transaction. In making that recommendation, the member shall propose or contribute to the risk-based analysis required by subparagraph (A).

“(ii) **FAILURE TO REACH CONSENSUS.**—If the Committee fails to reach consensus with respect to a recommendation under clause (i) regarding a covered transaction, the members of the Committee who support an alternative recommendation shall produce—

“(I) a written statement justifying the alternative recommendation; and

“(II) as appropriate, a risk-based analysis that supports the alternative recommendation.

“(C) DEFINITIONS.—For purposes of subparagraph (A),

the terms ‘threat’, ‘vulnerabilities’, and ‘consequences to national security’ shall have the meanings given those terms by the Committee by regulation.”;

(6) in paragraph (5)(B), as redesignated by paragraph (2),

by striking “(as defined in the National Security Act of 1947)”; and

(7) in paragraph (6), as redesignated by paragraph (2)—

(A) in subparagraph (A)—

(i) by striking “paragraph (1)” and inserting “paragraph (3)”; and

(ii) by striking the second sentence and inserting the following: “The lead agency may, at its discretion, seek and receive the assistance of other departments or agencies in carrying out the purposes of this paragraph.”;

(B) in subparagraph (B)—

(i) by striking “DESIGNATED AGENCY” and all that follows through “The lead agency in connection” and inserting “DESIGNATED AGENCY.—The lead agency in connection”;

(ii) by striking clause (ii); and

(iii) by redesignating subclauses (I) and (II) as clauses (i) and (ii), respectively, and by moving such clauses, as so redesignated, 2 ems to the left; and

(C) by adding at the end the following:

“(C) COMPLIANCE PLANS.—

“(i) IN GENERAL.—In the case of a covered transaction with respect to which an agreement is entered into under paragraph (3)(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.

“(ii) ELEMENTS.—Each plan required by clause (i) with respect to an agreement entered into under paragraph (3)(A) shall include an explanation of—

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

“(II) how compliance with the agreement will be monitored;

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

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

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

“(D) EFFECT OF LACK OF COMPLIANCE.—If, at any time after a mitigation agreement or condition is entered into or imposed under paragraph (3)(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) and to unilaterally initiate a review of any covered transaction under subsection (b)(1)(D)(iii)—

“(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 a written notice under clause (i) of subsection (b)(1)(C) or a declaration under clause (v) of that subsection with respect to a 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 to initiate a review of the transaction under subsection (b); or

“(iii) seek injunctive relief.

“(E) USE OF INDEPENDENT ENTITIES TO MONITOR COMPLIANCE.—If the parties to an agreement entered into under paragraph (3)(A) enter into a contract with an independent entity from outside the United States Government for the purpose of monitoring compliance with the agreement, the Committee shall take such action as is necessary to prevent a conflict of interest from arising by ensuring that the independent entity owes no fiduciary duty to the parties.

“(F) SUCCESSORS AND ASSIGNS.—Any agreement or condition entered into or imposed under paragraph (3)(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 its sole discretion.

“(G) ADDITIONAL COMPLIANCE MEASURES.—Subject to subparagraphs (A) through (F), 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) or declaration under clause (v) of that subsection has been filed, 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.”.

SEC. 1719. MODIFICATION OF ANNUAL REPORT AND OTHER REPORTING REQUIREMENTS.

(a) 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)—

(A) 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) basic information on each party to each such transaction;

“(iii) 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; and

“(iv) information about any withdrawal from the process.”; and

(B) by adding at the end the following:

“(G) Statistics on compliance plans conducted and actions taken by the Committee under subsection (l)(6), including subparagraph (D) of that subsection, during that period, a general assessment of the compliance of parties with agreements entered into and conditions imposed under subsection (l)(3)(A) that are in effect during that period, including a description of any actions taken by the Committee to impose penalties or initiate a unilateral review pursuant to subsection (b)(1)(D)(iii), and any recommendations for improving the enforcement of such agreements and conditions.

“(H) Cumulative and, as appropriate, trend information on the number of declarations filed under subsection (b)(1)(C)(v), the actions taken by the Committee in response to those declarations, the business sectors involved in those declarations, and the countries involved in those declarations.

“(I) A description of—

“(i) the methods used by the Committee to identify non-notified and non-declared transactions under subsection (b)(1)(H);

“(ii) potential methods to improve such identification and the resources required to do so; and

“(iii) the number of transactions identified through the process established under that subsection during the reporting period and the number of such transactions flagged for further review.

“(J) A summary of the hiring practices and policies of the Committee pursuant to subsection (k)(4).

“(K) A list of the waivers granted by the Committee under subsection (b)(1)(C)(v)(IV)(bb)(CC).”;

(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);

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

(D) in subparagraph (A), as redesignated by subparagraph (C), by striking “; and” and inserting a semicolon;

(E) in subparagraph (B), as so redesignated, by striking the period and inserting “; and”; and

(F) by adding at the end the following:

“(C) a description of the technologies recommended by the chairperson under subsection (a)(6)(B) for identification under the interagency process set forth in section 1758(a) of the Export Control Reform Act of 2018.”.

(3) by adding at the end the following: “(4) FORM OF REPORT.—

“(A) IN GENERAL.—All appropriate portions of the annual report under paragraph (1) may be classified. An unclassified version of the report, as appropriate, consistent with safeguarding national security and privacy, shall be made available to the public.

“(B) INCLUSION IN CLASSIFIED VERSION.—If the Committee recommends that the President suspend or prohibit a covered transaction because the transaction threatens to impair the national security of the United States, the Committee shall, in the classified version of the report required under paragraph (1), notify Congress of the recommendation and, upon request, provide a classified briefing on the recommendation.

“(C) INCLUSIONS IN UNCLASSIFIED VERSION.—The unclassified version of the report required under paragraph (1) shall include, with respect to covered transactions for the reporting period—

under paragraph (1) shall include, with respect to covered transactions for the reporting period—

- “(i) the number of notices submitted under subsection (b)(1)(C)(i);
- “(ii) the number of declarations submitted under subsection (b)(1)(C)(v) and the number of such declarations that were required under subclause (IV) of that subsection;
- “(iii) the number of declarations submitted under subsection (b)(1)(C)(v) for which the Committee required resubmission as notices under subsection (b)(1)(C)(i);
- “(iv) the average number of days that elapsed between submission of a declaration under subsection (b)(1)(C)(v) and the acceptance of the declaration by the Committee;
- “(v) the median and average number of days that elapsed between acceptance of a declaration by the Committee and a response described in subsection (b)(1)(C)(v)(III);
- “(vi) information on the time it took the Committee to provide comments on, or to accept, notices submitted under subsection (b)(1)(C)(i), including—
 - “(I) the average number of business days that elapsed between the date of submission of a draft notice and the date on which the Committee provided written comments on the draft notice;
 - “(II) the average number of business days that elapsed between the date of submission of a formal written notice and the date on which the Committee accepted or provided written comments on the formal written notice; and
 - “(III) if the average number of business days for a response by the Committee reported under subclause (I) or (II) exceeded 10 business days—
 - “(aa) an explanation of the causes of such delays, including whether such delays are caused by resource shortages, unusual fluctuations in the volume of notices, transaction characteristics, or other factors; and
 - “(bb) an explanation of the steps that the Committee anticipates taking to mitigate the causes of such delays and otherwise to improve the ability of the Committee to provide comments on, or to accept, notices within 10 business days;
- “(vii) the number of reviews or investigations conducted under subsection (b);
- “(viii) the number of investigations that were subject to an extension under subsection (b)(2)(C)(ii);
- “(ix) information on the duration of those reviews and investigations, including the median and average number of days required to complete those reviews and investigations;
- “(x) the number of notices submitted under subsection (b)(1)(C)(i) and declarations submitted under subsection (b)(1)(C)(v) that were rejected by the Committee;
- “(xi) the number of such notices and declarations that were withdrawn by a party to the covered transaction;
- “(xii) the number of such withdrawals that were followed by the submission of a subsequent such notice or declaration relating to a substantially similar covered transaction; and
- “(xiii) such other specific, cumulative, or trend information that the Committee determines is advisable to provide for an assessment of the time required for reviews and investigations of covered transactions under this section.”.

(b) REPORT ON CHINESE INVESTMENT.—

(1) IN GENERAL.—Not later than 2 years after the date of the enactment of this Act, and every 2 years thereafter through 2026, the Secretary of Commerce shall submit to Congress and the Committee on Foreign Investment in the United States a report on foreign direct investment transactions made by entities of the People’s Republic of China in the United States.

(2) ELEMENTS.—Each report required by paragraph (1) shall include the following:

(A) Total foreign direct investment from the People’s Republic of China in the United States, including total foreign direct investment disaggregated by ultimate beneficial owner.

(B) A breakdown of investments from the People’s Republic of China in the United States by value using the following categories:

- (i) Less than \$50,000,000.
- (ii) Greater than or equal to \$50,000,000 and less than \$100,000,000.
- (iii) Greater than or equal to \$100,000,000 and less than \$1,000,000,000.
- (iv) Greater than or equal to \$1,000,000,000 and less than \$2,000,000,000.
- (v) Greater than or equal to \$2,000,000,000 and less than \$5,000,000,000.
- (vi) Greater than or equal to \$5,000,000,000.

(C) A breakdown of investments from the People’s Republic of China in the United States by 2-digit North American Industry Classification System code.

(D) A breakdown of investments from the People’s Republic of China in the United States by investment type, using the following categories:

- (i) Businesses established.
- (ii) Businesses acquired.

(E) A breakdown of investments from the People’s Republic of China in the United States by government and non-government investments, including volume, sector, and type of investment within each category.

(F) A list of government investments in the United States made through government investment funds.

(F) A list of companies incorporated in the United States purchased through government investment by the People's Republic of China.

(G) The number of United States affiliates of entities under the jurisdiction of the People's Republic of China, the total employees at those affiliates, and the valuation for any publicly traded United States affiliate of such an entity.

(H) An analysis of patterns in the investments described in subparagraphs (A) through (F), including in volume, type, and sector, and the extent to which those patterns of investments align with the objectives outlined by the Government of the People's Republic of China in its Made in China 2025 plan, including a comparative analysis of investments from the People's Republic of China in the United States and all foreign direct investment in the United States.

(I) An identification of any limitations on the ability of the Secretary of Commerce to collect comprehensive information that is reasonably and lawfully available about foreign investment in the United States from the People's Republic of China on a timeline necessary to complete reports every 2 years as required by paragraph (1), including—

(i) an identification of any discrepancies between government and private sector estimates of investments from the People's Republic of China in the United States;

(ii) a description of the different methodologies or data collection methods, including by private sector entities, used to measure foreign investment that may result in different estimates; and

(iii) recommendations for enhancing the ability of the Secretary of Commerce to improve data collection of information about foreign investment in the United States from the People's Republic of China.

(3) EXTENSION OF DEADLINE.—If, as a result of a limitation identified under paragraph (2)(I), the Secretary of Commerce determines that the Secretary will be unable to submit a report at the time required by paragraph (1), the Secretary may request additional time to complete the report.

(c) REPORT ON CERTAIN RAIL INVESTMENTS BY STATE-OWNED OR STATE-CONTROLLED ENTITIES.—

(1) IN GENERAL.—Not later than one year after the date of the enactment of this Act, the Secretary of Homeland Security shall, in coordination with the appropriate members of the Committee on Foreign Investment in the United States, submit to Congress a report assessing—

(A) national security risks, if any, related to investments in the United States by state-owned or state-controlled entities in the manufacture or assembly of rolling stock or other assets for use in freight rail, public transportation rail systems, or intercity passenger rail systems; and

(B) how the number and types of such investments could affect any such risks.

(2) CONSULTATION.—The Secretary, in preparing the report required by paragraph (1), shall consult with the Secretary of Transportation and the head of any agency that is not represented on the Committee on Foreign Investment in the United States that has significant technical expertise related to the assessments required by that paragraph.

SEC. 1720. 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”;

(3) by striking “paragraph (3)(B)” and inserting “paragraph (6)(B)”;

(4) by striking “paragraph (1)(A)” and inserting “paragraph (3)(A)”;

(5) 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 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. 1721. IMPLEMENTATION PLANS.

(a) IN GENERAL.—Not later than 180 days after the date of the enactment of this Act, the chairperson of the Committee on Foreign Investment in the United States and the Secretary of Commerce shall, in consultation with the appropriate members of the Committee—

(1) develop plans to implement this subtitle; and

(2) submit to the appropriate congressional committees a report on the plans developed under paragraph (1), which shall include a description of—

(A) the timeline and process to implement the provisions of, and amendments made by, this subtitle;

(B) any additional staff necessary to implement the plans; and

(C) the resources required to effectively implement the plans.

(b) ANNUAL RESOURCE NEEDS OF CFIUS MEMBER AGENCIES.— Not later than one year after the submission of the report under subsection (a)(2), and annually thereafter for 7 years, each department or agency represented on the Committee on Foreign Investment in the United States shall submit to the appropriate congressional committees a detailed spending plan to expeditiously meet the requirements of section 721 of the Defense Production Act of 1950, as amended by this subtitle, including estimated expenditures and staffing levels for not less than the following fiscal year.

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

“(o) TESTIMONY.—

“(1) IN GENERAL.—Not later than March 31 of each year, the chairperson, or the designee of the chairperson, shall appear before the Committee on Financial Services of the House of Representatives and the Committee on Banking, Housing, and Urban Affairs of the Senate to present testimony on—

“(A) anticipated resources necessary for operations of the Committee in the following fiscal year at each of the departments or agencies represented on the Committee;

“(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 that subsection 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 countries that are allies or partners of the United States 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 or after the date that is 7 years after the date of the enactment of the Foreign Investment Risk Review Modernization Act of 2018.”.

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

(1) the Committee on Banking, Housing, and Urban Affairs and the Committee on Appropriations of the Senate; and

(2) the Committee on Financial Services and the Committee on Appropriations of the House of Representatives.

SEC. 1722. ASSESSMENT OF NEED FOR ADDITIONAL RESOURCES FOR COMMITTEE.

The President shall—

(1) determine whether and to what extent the expansion of the responsibilities of the Committee on Foreign Investment in the United States pursuant to the amendments made by this subtitle necessitates additional resources for the Committee and the departments and agencies represented on the Committee to perform their functions under section 721 of the Defense Production Act of 1950, as amended by this subtitle; and

(2) if the President determines that additional resources are necessary, include in the budget of the President for fiscal year 2019 and each fiscal year thereafter submitted to Congress under section 1105(a) of title 31, United States Code, a request for such additional resources.

SEC. 1723. FUNDING.

Section 721 of the Defense Production Act of 1950 (50 U.S.C. 4565), as amended by section 1721, is further amended by adding at the end the following:

“(p) 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, to the extent provided in advance in appropriations Acts, 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). The total amount of fees collected under this paragraph may not exceed the costs of administering this section.

“(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, adjusted annually for inflation pursuant to regulations prescribed by the Committee; and

“(II) shall be based on the value of the transaction, taking into account—

“(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; and

“(dd) 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 does not exceed the costs of administering this section and otherwise 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 solely 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.

“(D) STUDY ON PRIORITIZATION FEE.—

“(i) IN GENERAL.—Not later than 270 days after the date of the enactment of the Foreign Investment Risk Review Modernization Act of 2018, the chairperson, in consultation with the Committee, shall complete a study of the feasibility and merits of establishing a fee or fee scale to prioritize the timing of the response of the Committee to a draft or formal written notice during the period before the Committee accepts the formal written notice under subsection (b)(1)(C)(i), in the event that the Committee is unable to respond during the time required by subclause (II) of that subsection because of an unusually large influx of notices, or for other reasons.

“(ii) SUBMISSION TO CONGRESS.—After completing the study required by clause (i), the chairperson, or a designee of the chairperson, shall submit to the Committee on Banking, Housing, and Urban Affairs of the Senate and the Committee on Financial Services of the House of Representatives a report on the findings of the study.

“(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.”.

SEC. 1724. CENTRALIZATION OF CERTAIN COMMITTEE FUNCTIONS.

Section 721 of the Defense Production Act of 1950 (50 U.S.C. 4565), as amended by section 1723, is further amended by adding at the end the following:

“(q) 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) FUNCTIONS.—Functions that may be centralized under paragraph (1) include identifying non-notified and non-declared transactions pursuant to subsection (b)(1)(H), and other functions as determined by the chairperson and the Committee.

“(3) RULE OF CONSTRUCTION.—Nothing in this section 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. 1725. CONFORMING AMENDMENTS.

Section 721 of the Defense Production Act of 1950 (50 U.S.C. 4565), as amended by this subtitle, is further amended—

(1) in subsection (b)—

(A) in paragraph (1)(D)(iii)(I), by striking “subsection (I)(1)(A)” and inserting “subsection (I)(3)(A)”; and

(B) in paragraph (2)(B)(i)(I), by striking “that threat” and inserting “the risk”;

(2) in subsection (d)(4)(A), 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”; and

(3) in subsection (j), by striking “merger, acquisition, or takeover” and inserting “transaction”.

SEC. 1726. BRIEFING ON INFORMATION FROM TRANSACTIONS REVIEWED BY COMMITTEE ON FOREIGN INVESTMENT IN THE UNITED STATES RELATING TO FOREIGN EFFORTS TO INFLUENCE DEMOCRATIC INSTITUTIONS AND PROCESSES.

Not later than 60 days after the date of the enactment of this Act, the Secretary of the Treasury (or a designee of the Secretary) shall provide a briefing to the Committee on Banking, Housing, and Urban Affairs of the Senate and the Committee on Financial Services of the House of Representatives on—

(1) transactions reviewed by the Committee on Foreign Investment in the United States during the 5-year period preceding the briefing that the Committee determined would have allowed foreign persons to inappropriately influence democratic institutions and processes within the United States and in other countries; and

(2) the disposition of such reviews, including any steps taken by the Committee to address the risk of allowing foreign persons to influence such institutions and processes.

SEC. 1727. EFFECTIVE DATE.

(a) IMMEDIATE APPLICABILITY OF CERTAIN PROVISIONS.—The following shall take effect on the date of the enactment of this Act and, as applicable, apply with respect to any covered transaction the review or investigation of which is initiated under section 721 of the Defense Production Act of 1950 on or after such date of enactment:

(1) Sections 1705, 1707, 1708, 1709, 1710, 1713, 1714, 1715, 1716, 1717, 1718, 1720, 1721, 1722, 1723, 1724, and 1725 and any amendments made by those sections.

(2) Section 1712 and the amendments made by that section (except for clause (iii) of section 721(b)(4)(A) of the Defense Production Act of 1950, as added by section 1712).

(3) Paragraphs (1), (2), (3), (4)(A)(i), (4)(B)(i), (4)(B)(iv)(I), (4)(B)(v), (4)(C)(v), (5), (6), (7), (8), (9), (10), (11), (12), and (13) of subsection (a) of section 721 of the Defense Production Act of 1950, as amended by section 1703.

(4) Section 721(m)(4) of the Defense Production Act of 1950, as amended by section 1719 (except for clauses (ii), (iii), (iv), and (v) of subparagraph (B) of that section).

(b) DELAYED APPLICABILITY OF CERTAIN PROVISIONS.—

(1) IN GENERAL.—Any provision of or amendment made by this subtitle not specified in subsection (a) shall—

(A) take effect on the earlier of—

(i) the date that is 18 months after the date of the enactment of this Act; or

(ii) the date that is 30 days after publication in the Federal Register of a determination by the chairperson of the Committee on Foreign Investment in the United States that the regulations, organizational structure, personnel, and other resources necessary to administer the new provisions are in place; and

(B) apply with respect to any covered transaction the review or investigation of which is initiated under section 721 of the Defense Production Act of 1950 on or after the date described in subparagraph (A).

(2) NONDELEGATION OF DETERMINATION.—The determination of the chairperson of the Committee on Foreign Investment in the United States under paragraph (1)(A) may not be delegated.

(c) AUTHORIZATION FOR PILOT PROGRAMS.—

(1) IN GENERAL.—Beginning on the date of the enactment of this Act and ending on the date that is 570 days thereafter, the Committee on Foreign Investment in the United States may, at its discretion, conduct one or more pilot programs to implement any authority provided pursuant to any provision of or amendment made by this subtitle not specified in subsection (a).

(2) PUBLICATION IN FEDERAL REGISTER.—A pilot program under paragraph (1) may not commence until the date that is 30 days after publication in the Federal Register of a determination by the chairperson of the Committee of the scope of and procedures for the pilot program. That determination may not be delegated.

SEC. 1728. SEVERABILITY.

SEC. 1728. SEVERABILITY.

If any provision of this subtitle or an amendment made by this subtitle, or the application of such a provision or amendment to any person or circumstance, is held to be invalid, the application of that provision or amendment to other persons or circumstances and the remainder of the provisions of this subtitle and the amendments made by this subtitle, shall not be affected thereby.