AMENDMENT IN THE NATURE OF A SUBSTITUTE TO H.R. 9385

OFFERED BY M__. ___________

Strike all after the enacting clause and insert the following:

SECTION 1. SHORT TITLE.

This Act may be cited as the "Prevent Regulatory Overreach from Turning Essential Companies into Targets Act of 2026" or the "PROTECT USA Act of 2026".

SEC. 2. PROHIBITION ON COMPLIANCE WITH FOREIGN SUSTAINABILITY DUE DILIGENCE REGULATIONS.

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

(b) EXCEPTION FOR ORDINARY BUSINESS ACTIVITIES.—Subsection (a) does not prohibit an entity from undertaking actions that the entity may lawfully take—

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

(2) in the ordinary course of business, including in response to an information request from a consumer, business partner, or an investor.

(c) HARDSHIP RELIEF PROCESS.—

(1) PETITION FOR RELIEF.—Any entity integral to the national interests of the United States that believes the entity will experience particular hardship in connection with the prohibition described in subsection (a) may petition the Secretary for an exemption from such prohibition.

(2) EXEMPTION APPROVAL.—

(A) IN GENERAL.—Except as provided in subparagraph (B), a petition from an entity submitted under paragraph (1) shall be granted.

(B) DENIAL BY THE SECRETARY.—Notwithstanding subparagraph (A), the Secretary may deny a petition from an entity submitted under paragraph (1) if, not later than 30 days after the date on which the Secretary receives such petition, the Secretary provides to the entity a written statement that—

(i) denies the petition on the basis that granting the petition would be contrary to the national interests of the United States;

(ii) includes an explanation to support such basis; and

(iii) describes any condition the entity could meet such that the petition would be granted.

(3) FACTORS TO BE CONSIDERED.—In deciding under paragraph (2)(B) whether to deny a petition from an entity submitted under paragraph (1), the Secretary shall consider the following:

(A) The extent to which denying the petition would result in the inability of the relevant entity to participate in value chains associated with products essential for domestic use in the United States.

(B) Possible adverse effects on the economy in any locality or region of the United States, including adverse effects on employment.

(C) The degree to which granting the petition would impact, directly or indirectly, the United States.

(D) The extent to which denying the petition would prevent the entity from divesting in a business formed under the laws of a jurisdiction subject to a foreign sustainability due diligence regulation.

(E) The extent to which denying the petition would present a material financial impact on the entity.

SEC. 3. PROHIBITION AGAINST ADVERSE ACTION FOR COMPLIANCE WITH THIS ACT.

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

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

(c) ENFORCEMENT.—

(1) ACTIONS BY THE SECRETARY.—

(A) IN GENERAL.—The Secretary shall take any action the Secretary determines is in the public interest to protect an entity integral to the national interests of the United States from an adverse action related to a foreign sustainability due diligence regulation.

(B) DETERMINATION OF PUBLIC INTEREST.—In determining under subparagraph (A) whether an action by the Secretary is in the public interest, the Secretary shall take into account the impact of the adverse action described in that subparagraph on—

(i) consumers and businesses in the United States;

(ii) the economic, energy, and environmental security of the United States; and

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

(2) PENALTIES.—A person that violates subsection (a) or a regulation issued pursuant to this Act shall be subject to a civil penalty of not more than $1,000,000.

SEC. 4. DEFINITIONS.

In this Act:

(1) ENTITY INTEGRAL TO THE NATIONAL INTERESTS OF THE UNITED STATES.—The term ‘‘entity integral to the national interests of the United States’’ means any partnership, corporation, limited liability company, or other business entity—

(A) that—

(i) is organized under the laws of any State or territory within the United States, or of the District of Columbia; and

(ii) conducts substantial business operations within the United States; or

(B) that the Secretary otherwise identifies as integral to the national interests of the United States.

(2) FOREIGN SUSTAINABILITY DUE DILIGENCE REGULATION.—

(A) IN GENERAL.—Except as provided in subparagraph (B), the term ‘‘foreign sustainability due diligence regulation’’ means any law, regulation, or other legal instrument adopted by a foreign government that requires any person to undertake—

(i) an assessment of the environmental or social impacts of the operations or value chain of the person;

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

(iii) reporting of the impacts and actions described in clauses (i) and (ii).

(B) EXCEPTION.—The term ''foreign sustainability due diligence regulation'' does not apply to any law, regulation, or other legal instrument that is substantively similar to a law, regulation, or other legal instrument that has been adopted or approved by an Act of Congress.

(C) INCLUSION OF CORPORATE SUSTAINABILITY DUE DILIGENCE DIRECTIVE.—The term ''foreign sustainability due diligence regulation'' includes—

(i) the entirety of the Corporate Sustainability Due Diligence Directive adopted by the European Union;

(ii) any successor directive adopted by the European Union or any member country of the European Union; and

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

(3) SECRETARY.—The term ''Secretary'' means the Secretary of Commerce.

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