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(Original Signature of Member)

119TH CONGRESS  
2D SESSION

**H. R.** \_\_\_\_\_

To require the Secretary of State to establish the Initiative on Foreign Investment Screening, and for other purposes.

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IN THE HOUSE OF REPRESENTATIVES

Mr. CASTRO of Texas introduced the following bill; which was referred to the Committee on \_\_\_\_\_

\_\_\_\_\_  
**A BILL**

To require the Secretary of State to establish the Initiative on Foreign Investment Screening, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*  
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Securing Partner Sup-  
5 ply Chains Act”.

6 **SEC. 2. INITIATIVE ON FOREIGN INVESTMENT SCREENING.**

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

8 (1) Foreign investment can be beneficial to eco-  
9 nomic growth, but also presents risks to national se-

1 security if critical infrastructure, sensitive technology,  
2 or supply chains are compromised.

3 (2) Many foreign countries lack robust regu-  
4 latory frameworks to screen foreign investments for  
5 national security concerns.

6 (3) Strengthening investment screening mecha-  
7 nisms worldwide supports United States national se-  
8 curity by enhancing allied and partner countries' re-  
9 siliance against malign foreign influence.

10 (4) The United States has expertise in invest-  
11 ment screening which can be leveraged to assist al-  
12 lies and partners.

13 (b) INITIATIVE ON FOREIGN INVESTMENT SCREEN-  
14 ING.—

15 (1) ESTABLISHMENT.—Not later than 180 days  
16 after the date of the enactment of this Act, the Sec-  
17 retary of State shall establish the Initiative on For-  
18 eign Investment Screening (in this section referred  
19 to as the “Initiative”) which shall terminate on the  
20 date that is 3 years after the date of such establish-  
21 ment.

22 (2) COORDINATION.—The Secretary shall co-  
23 ordinate with the heads of other government agen-  
24 cies, as appropriate, in the establishment and activi-  
25 ties of the initiative.

1           (3) DESIGNATED OFFICIAL.—The Secretary  
2 shall designate the Under Secretary for Economic  
3 Growth, Energy, and the Environment or the des-  
4 ignee of the Under Secretary to lead the initiative.

5           (4) DUTIES.—The Initiative shall—

6           (A) provide technical assistance, training,  
7 and advisory services to foreign countries re-  
8 garding best practices for screening foreign in-  
9 vestments for national security risks to such  
10 countries;

11           (B) facilitate coordination among United  
12 States agencies, the private sector, partner  
13 countries, and civil society to promote invest-  
14 ment security standards;

15           (C) support the development and imple-  
16 mentation of foreign investment screening  
17 mechanisms in partner countries through regu-  
18 latory guidance and information sharing;

19           (D) assess the progress of partner coun-  
20 tries in establishing robust investment screening  
21 mechanisms; and

22           (E) conduct outreach and capacity-building  
23 efforts to enhance global awareness of invest-  
24 ment security risks.

1           (5) ANNUAL REPORT TO CONGRESS.—Not later  
2 than one year after the date of enactment of this  
3 Act, and annually thereafter for 3 years, the Sec-  
4 retary shall submit to the appropriate congressional  
5 committees a report on the activities of the Initia-  
6 tive, including—

7           (A) a summary of technical assistance and  
8 training provided to foreign countries;

9           (B) an assessment of progress made by  
10 foreign countries in implementing investment  
11 screening mechanisms;

12           (C) an evaluation of emerging national se-  
13 curity risks related to foreign investment;

14           (D) recommendations for further United  
15 States engagement with foreign countries re-  
16 garding investment security assistance; and

17           (E) for each country determined by the  
18 Secretary to be a partner country pursuant to  
19 subsection (c)(4)(C) and not included in a pre-  
20 vious report required in this paragraph, a de-  
21 tailed description of the reasons for such deter-  
22 mination.

23           (c) DEFINITIONS.—In this section:

1           (1) APPROPRIATE CONGRESSIONAL COMMIT-  
2           TEES.—The term “appropriate congressional com-  
3           mittees” means the following:

4                   (A) The Committee on Foreign Affairs of  
5                   the House of Representatives.

6                   (B) The Committee on Foreign Relations  
7                   of the Senate.

8           (2) FOREIGN INVESTMENT.—The term “foreign  
9           investment” means direct or indirect investment in  
10          the economy of a country by—

11                   (A) an individual who is not a citizen or  
12                   national of such country; or

13                   (B) an entity that is not organized under  
14                   the laws of such country or any jurisdiction  
15                   within such country.

16          (3) NATIONAL SECURITY RISK.—The term “na-  
17          tional security risk” means a risk related to critical  
18          infrastructure, sensitive technology, supply chain  
19          vulnerabilities, or malign foreign influence.

20          (4) PARTNER COUNTRY.—The term “partner  
21          country” means the following:

22                   (A) A country with which the United  
23                   States has entered into a bilateral or multilat-  
24                   eral free trade agreement.

1                   (B) A country with which the United  
2                   States has entered into a mutual defense agree-  
3                   ment by treaty.

4                   (C) Any other country, as determined by  
5                   the Secretary.