

of the Security and Accountability for Every Port Act (6 U.S.C. 961 et seq.).

**SEC. 1097. PILOT PROGRAM ON PARTICIPATION OF THIRD-PARTY LOGISTICS PROVIDERS IN CTPAT.**

(a) **ESTABLISHMENT.**—

(1) **IN GENERAL.**—The Secretary of Homeland Security shall carry out a pilot program to assess whether allowing entities described in subsection (b) to participate in CTPAT would enhance port security, combat terrorism, prevent supply chain security breaches, or otherwise meet the goals of CTPAT.

(2) **FEDERAL REGISTER NOTICE.**—Not later than one year after the date of the enactment of this Act, the Secretary shall publish in the Federal Register a notice specifying the requirements for the pilot program required by paragraph (1).

(b) **ENTITIES DESCRIBED.**—An entity described in this subsection is—

(1) a non-asset-based third-party logistics provider that—

(A) arranges international transportation of freight and is licensed by the Department of Transportation; and

(B) meets such other requirements as the Secretary specifies in the Federal Register notice required by subsection (a)(2); or

(2) an asset-based third-party logistics provider that—

(A) facilitates cross border activity and is licensed or bonded by the Federal Maritime Commission, the Transportation Security Administration, U.S. Customs and Border Protection, or the Department of Transportation;

(B) manages and executes logistics services using its own warehousing assets and resources on behalf of its customers; and

(C) meets such other requirements as the Secretary specifies in the Federal Register notice required by subsection (a)(2).

(c) **REQUIREMENTS.**—In carrying out the pilot program required by subsection (a)(1), the Secretary shall—

(1) ensure that—

(A) not more than 10 entities described in paragraph (1) of subsection (b) participate in the pilot program; and

(B) not more than 10 entities described in paragraph (2) of that subsection participate in the program;

(2) provide for the participation of those entities on a voluntary basis;

(3) continue the program for a period of not less than one year after the date on which the Secretary publishes the Federal Register notice required by subsection (a)(2); and

(4) terminate the pilot program not more than 5 years after that date.

(d) **REPORT REQUIRED.**—Not later than 180 days after the termination of the pilot program under subsection (c)(4), the Secretary shall submit to the appropriate congressional committees a report on the findings of, and any recommendations arising from, the pilot program concerning the participation in CTPAT of entities described in subsection (b), including an assessment of participation by those entities.

**SEC. 1098. REPORT ON EFFECTIVENESS OF CTPAT.**

(a) **IN GENERAL.**—Not later than one year after the date of the enactment of this Act, the Comptroller General of the United States shall submit to the appropriate congressional committees a report assessing the effectiveness of CTPAT.

(b) **ELEMENTS.**—The report required by subsection (a) shall include the following:

(1) An analysis of—

(A) security incidents in the cargo supply chain during the 5-year period preceding submission of the report that involved criminal activity, including drug trafficking, human smuggling, commercial fraud, or terrorist activity; and

(B) whether those incidents involved participants in CTPAT or entities not participating in CTPAT.

(2) An analysis of causes for the suspension or removal of entities from participating in CTPAT as a result of security incidents during that 5-year period.

(3) An analysis of the number of active CTPAT participants involved in one or more security incidents while maintaining their status as participants.

(4) Recommendations to the Commissioner of U.S. Customs and Border Protection for improvements to CTPAT to improve prevention of security incidents in the cargo supply chain involving participants in CTPAT.

**SEC. 1099. NO ADDITIONAL FUNDS AUTHORIZED.**

No additional funds are authorized to be appropriated for the purpose of carrying out this subtitle.

**SA 2165.** Mr. CORNYN (for himself, Mr. CASEY, and Mr. SULLIVAN) submitted an amendment intended to be proposed by him to the bill S. 4638, to authorize appropriations for fiscal year 2025 for military activities of the Department of Defense, for military construction, and for defense activities of the Department of Energy, to prescribe military personnel strengths for such fiscal year, and for other purposes; which was ordered to lie on the table; as follows:

At the appropriate place, insert the following:

**SEC. \_\_\_\_ . OUTBOUND INVESTMENT TRANSPARENCY.**

The Defense Production Act of 1950 (50 U.S.C. 4501 et seq.) is amended by adding at the end the following:

**“TITLE VIII—PROTECTION OF COVERED SECTORS**

**“SEC. 801. DEFINITIONS.**

“In this title:

“(1) **APPROPRIATE CONGRESSIONAL COMMITTEES.**—The term ‘appropriate congressional committees’ means—

“(A) the Committee on Armed Services, the Committee on Finance, the Committee on Banking, Housing, and Urban Affairs, the Select Committee on Intelligence, and the Committee on Foreign Relations of the Senate; and

“(B) the Committee on Armed Services, the Committee on Ways and Means, the Committee on Financial Services, the Permanent Select Committee on Intelligence, and the Committee on Foreign Affairs of the House of Representatives.

“(2) **COUNTRY OF CONCERN.**—The term ‘country of concern’ means, subject to such regulations as may be prescribed in accordance with section 806, a country specified in section 4872(d)(2) of title 10, United States Code.

“(3) **COVERED ACTIVITY.**—

“(A) **IN GENERAL.**—Subject to such regulations as may be prescribed in accordance with section 806, and except as provided in subparagraph (B), the term ‘covered activity’ means any activity engaged in by a United States person in a related to a covered sector that involves—

“(i) an acquisition by such United States person of an equity interest or contingent equity interest, or monetary capital contribution, in a covered foreign entity, directly or indirectly, by contractual commitment or otherwise, with the goal of generating income or gain;

“(ii) an arrangement for an interest held by such United States person in the short- or long-term debt obligations of a covered foreign entity that includes governance rights

that are characteristic of an equity investment, management, or other important rights, as defined in regulations prescribed in accordance with section 806;

“(iii) the establishment of a wholly owned subsidiary in a country of concern, such as a greenfield investment, for the purpose of production, design, testing, manufacturing, fabrication, or development related to one or more covered sectors;

“(iv) the establishment by such United States person of a joint venture in a country of concern or with a covered foreign entity for the purpose of production, design, testing, manufacturing, fabrication, or research involving one or more covered sectors, or other contractual or other commitments involving a covered foreign entity to jointly research and develop new innovation, including through the transfer of capital or intellectual property or other business proprietary information; or

“(v) the acquisition by a United States person with a covered foreign entity of—

“(I) operational cooperation, such as through supply or support arrangements;

“(II) the right to board representation (as an observer, even if limited, or as a member) or an executive role (as may be defined through regulation) in a covered foreign entity;

“(III) the ability to direct or influence such operational decisions as may be defined through such regulations;

“(IV) formal governance representation in any operating affiliate, like a portfolio company, of a covered foreign entity; or

“(V) a new relationship to share or provide business services, such as but not limited to financial services, marketing services, maintenance, or assembly functions, related to a covered sectors.

“(B) **EXCEPTIONS.**—The term ‘covered activity’ does not include—

“(i) any transaction the value of which the Secretary of the Treasury determines is de minimis, as defined in regulations prescribed in accordance with section 806;

“(ii) any category of transactions that the Secretary determines is in the national interest of the United States, as may be defined in regulations prescribed in accordance with section 806; or

“(iii) any ordinary or administrative business transaction as may be defined in such regulations.

“(4) **COVERED FOREIGN ENTITY.**—

“(A) **IN GENERAL.**—Subject to regulations prescribed in accordance with section 806, and except as provided in subparagraph (B), the term ‘covered foreign entity’ means—

“(i) any entity that is incorporated in, has a principal place of business in, or is organized under the laws of a country of concern;

“(ii) any entity the equity securities of which are primarily traded in the ordinary course of business on one or more exchanges in a country of concern;

“(iii) any entity in which any entity described in subclause (i) or (ii) holds, individually or in the aggregate, directly or indirectly, an ownership interest of greater than 50 percent; or

“(iv) any other entity that is not a United States person and that meets such criteria as may be specified by the Secretary of the Treasury in such regulations.

“(B) **EXCEPTION.**—The term ‘covered foreign entity’ does not include any entity described in subparagraph (A) that can demonstrate that a majority of the equity interest in the entity is ultimately owned by—

“(i) nationals of the United States; or

“(ii) nationals of such countries (other than countries of concern) as are identified for purposes of this subparagraph pursuant to regulations prescribed in accordance with section 806.

“(5) COVERED SECTORS.—Subject to regulations prescribed in accordance with section 806, the term ‘covered sectors’ includes sectors within the following areas, as specified in such regulations:

“(A) Advanced semiconductors and micro-electronics.

“(B) Artificial intelligence.

“(C) Quantum information science and technology.

“(D) Hypersonics.

“(E) Satellite-based communications.

“(F) Networked laser scanning systems with dual-use applications.

“(6) PARTY.—The term ‘party’, with respect to an activity, has the meaning given that term in regulations prescribed in accordance with section 806.

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

“(8) UNITED STATES PERSON.—The term ‘United States person’ means—

“(A) an individual who is a citizen or national of the United States or an alien lawfully admitted for permanent residence in the United States; and

“(B) any corporation, partnership, or other entity organized under the laws of the United States or the laws of any jurisdiction within the United States.

#### **“SEC. 802. ADMINISTRATION OF UNITED STATES INVESTMENT NOTIFICATION.**

“(a) IN GENERAL.—The President shall delegate the authorities and functions under this title to the Secretary of the Treasury.

“(b) COORDINATION.—In carrying out the duties of the Secretary under this title, the Secretary shall—

“(1) coordinate with the Secretary of Commerce; and

“(2) consult with the United States Trade Representative, the Secretary of Defense, the Secretary of State, and the Director of National Intelligence.

#### **“SEC. 803. MANDATORY NOTIFICATION OF COVERED ACTIVITIES.**

“(a) MANDATORY NOTIFICATION.—

“(1) IN GENERAL.—Subject to regulations prescribed in accordance with section 806, beginning on the date that is 90 days after such regulations take effect, a United States person that plans to engage in a covered activity shall—

“(A) if such covered activity is not a secured transaction, submit to the Secretary of the Treasury a complete written notification of the activity not later than 14 days before the anticipated completion date of the activity; and

“(B) if such covered activity is a secured transaction, submit to the Secretary of the Treasury a complete written notification of the activity not later than 14 days after the completion date of the activity.

“(2) CIRCULATION OF NOTIFICATION.—

“(A) IN GENERAL.—The Secretary shall, upon receipt of a notification under paragraph (1), promptly inspect the notification for completeness.

“(B) INCOMPLETE NOTIFICATIONS.—If a notification submitted under paragraph (1) is incomplete, the Secretary shall promptly inform the United States person that submits the notification that the notification is not complete and provide an explanation of relevant material respects in which the notification is not complete.

“(3) IDENTIFICATION OF NON-NOTIFIED ACTIVITY.—The Secretary shall establish a process to identify covered activity for which—

“(A) a notification is not submitted to the Secretary under paragraph (1); and

“(B) information is reasonably available.

“(b) CONFIDENTIALITY OF INFORMATION.—

“(1) IN GENERAL.—Except as provided in paragraph (2), any information or documen-

tary material filed with the Secretary of the Treasury pursuant to this section shall be exempt from disclosure under section 552 of title 5, United States Code, and no such information or documentary material may be made public by any government agency or Member of Congress.

“(2) EXCEPTIONS.—The exemption from disclosure provided by paragraph (1) shall not prevent the disclosure of the following:

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

“(B) Information provided to Congress or any of the appropriate congressional committees.

“(C) Information important to the national security analysis or actions of the President to any domestic governmental entity, or to any foreign governmental entity of an ally or partner of the United States, under the direction and authorization of the President or the Secretary, 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.

#### **“SEC. 804. REPORTING REQUIREMENTS.**

“(a) IN GENERAL.—Not later than 360 days after the date on which the regulations prescribed under section 806 take effect, and not less frequently than annually thereafter, the Secretary of the Treasury shall submit to the appropriate congressional committees a report that—

“(1) lists all notifications submitted under section 803(a) during the year preceding submission of the report and includes, with respect to each such notification—

“(A) basic information on each party to the covered activity with respect to which the notification was submitted; and

“(B) the nature of the covered activity that was the subject to the notification, including the elements of the covered activity that necessitated a notification;

“(2) includes a summary of those notifications, disaggregated by sector, by covered activity, and by country of concern;

“(3) provides additional context and information regarding trends in the sectors, the types of covered activities, and the countries involved in those notifications;

“(4) includes a description of the national security risks associated with—

“(A) the covered activities with respect to which those notifications were submitted; or

“(B) categories of such activities; and

“(5) assesses the overall impact of those notifications, including recommendations for—

“(A) expanding existing Federal programs to support the production or supply of covered sectors in the United States, including the potential of existing authorities to address any related national security concerns;

“(B) investments needed to enhance covered sectors and reduce dependence on countries of concern regarding those sectors; and

“(C) the continuation, expansion, or modification of the implementation and administration of this title, including recommendations with respect to whether the definition of ‘country of concern’ under section 801(2) should be amended to add or remove countries.

“(b) FORM OF REPORT.—Each report required by this section shall be submitted in unclassified form, but may include a classified annex.

“(c) TESTIMONY REQUIRED.—Not later than one year after the date of enactment of this title, and annually thereafter, the Secretary of the Treasury and the Secretary of Commerce shall each provide to the Committee on Banking, Housing, and Urban Affairs of the Senate and the Committee on Financial

Services of the House of Representatives testimony with respect to the national security threats relating to investments by the United States persons in countries of concern and broader international capital flows.

#### **“SEC. 805. PENALTIES AND ENFORCEMENT.**

“(a) PENALTIES WITH RESPECT TO UNLAWFUL ACTS.—Subject to regulations prescribed in accordance with section 806, it shall be unlawful—

“(1) to fail to submit a notification under subsection (a) of section 803 with respect to a covered activity or to submit other information as required by the Secretary of the Treasury; or

“(2) to make a material misstatement or to omit a material fact in any information submitted to the Secretary under this title.

“(b) ENFORCEMENT.—The President may direct the Attorney General to seek appropriate relief in the district courts of the United States, in order to implement and enforce this title.

#### **“SEC. 806. REQUIREMENT FOR REGULATIONS.**

“(a) IN GENERAL.—Not later than 360 days after the date of the enactment of this title, the Secretary of the Treasury shall finalize regulations to carry out this title.

“(b) ELEMENTS.—Regulations prescribed to carry out this title shall include specific examples of the types of—

“(1) activities that will be considered to be covered activities; and

“(2) the specific sectors and subsectors that may be considered to be covered sectors.

“(c) REQUIREMENTS FOR CERTAIN REGULATIONS.—The Secretary of the Treasury shall prescribe regulations further defining the terms used in this title, including ‘covered activity’, ‘covered foreign entity’, and ‘party’, in accordance with subchapter II of chapter 5 and chapter 7 of title 5 (commonly known as the ‘Administrative Procedure Act’).

“(d) PUBLIC PARTICIPATION IN RULE-MAKING.—The provisions of section 709 shall apply to any regulations issued under this title.

“(e) LOW-BURDEN REGULATIONS.—In prescribing regulations under this section, the Secretary of the Treasury shall structure the regulations—

“(1) to minimize the cost and complexity of compliance for affected parties;

“(2) to ensure the benefits of the regulations outweigh their costs;

“(3) to adopt the least burdensome alternative that achieves regulatory objectives;

“(4) to prioritize transparency and stakeholder involvement in the process of prescribing the regulations; and

“(5) to regularly review and streamline existing regulations to reduce redundancy and complexity.

#### **“SEC. 807. MULTILATERAL ENGAGEMENT AND COORDINATION.**

“(a) IN GENERAL.—The President shall delegate the authorities and functions under this section to the Secretary of State.

“(b) AUTHORITIES.—The Secretary of State, in coordination with the Secretary of the Treasury, the Secretary of Commerce, the United States Trade Representative, and the Director of National Intelligence, shall—

“(1) conduct bilateral and multilateral engagement with the governments of countries that are allies and partners of the United States to ensure coordination of protocols and procedures with respect to covered activities with countries of concern and covered foreign entities; and

“(2) upon adoption of protocols and procedures described in paragraph (1), work with those governments to establish mechanisms for sharing information, including trends, with respect to such activities.

“(c) STRATEGY FOR DEVELOPMENT OF OUTBOUND INVESTMENT SCREENING MECHANISMS.—The Secretary of State, in coordination with the Secretary of the Treasury and in consultation with the Attorney General, shall—

“(1) develop a strategy to work with countries that are allies and partners of the United States to develop mechanisms comparable to this title for the notification of covered activities; and

“(2) provide technical assistance to those countries with respect to the development of those mechanisms.

“(d) REPORT.—Not later than 90 days after the development of the strategy required by subsection (b), and annually thereafter for a period of 5 years, the Secretary of State shall submit to the appropriate congressional committees a report that includes the strategy, the status of implementing the strategy, and a description of any impediments to the establishment of mechanisms comparable to this title by allies and partners.

#### “SEC. 808. AUTHORIZATION OF APPROPRIATIONS.

“(a) IN GENERAL.—There are authorized to be appropriated such sums as may be necessary to carry out this title, including to provide outreach to industry and persons affected by this title.

“(b) HIRING AUTHORITY.—The head of any agency designated as a lead agency under section 802(b) may appoint, without regard to the provisions of sections 3309 through 3318 of title 5, United States Code, not more than 25 candidates directly to positions in the competitive service (as defined in section 2102 of that title) in that agency. The primary responsibility of individuals in positions authorized under the preceding sentence shall be to administer this title.

#### “SEC. 809. RULE OF CONSTRUCTION WITH RESPECT TO FREE AND FAIR COMMERCE.

“Nothing in this title may be construed to restrain or deter foreign investment in the United States, United States investment abroad, or trade in goods or services, if such investment and trade do not pose a risk to the national security of the United States.”.

**SA 2166.** Mr. HAGERTY (for himself and Mr. PETERS) submitted an amendment intended to be proposed by him to the bill S. 4638, to authorize appropriations for fiscal year 2025 for military activities of the Department of Defense, for military construction, and for defense activities of the Department of Energy, to prescribe military personnel strengths for such fiscal year, and for other purposes; which was ordered to lie on the table; as follows:

At the appropriate place in title VIII, insert the following:

#### SEC. \_\_\_\_ PROHIBITION ON CONTRACTING WITH CERTAIN BIOTECHNOLOGY PROVIDERS.

(a) IN GENERAL.—The head of an executive agency may not—

(1) procure or obtain any biotechnology equipment or service produced or provided by a biotechnology company of concern; or

(2) enter into a contract or extend or renew a contract with any entity that—

(A) uses biotechnology equipment or services produced or provided by a biotechnology company of concern and acquired after the applicable effective date in subsection (c) in performance of the contract with the executive agency; or

(B) enters into any contract the performance of which such entity knows or has reason to believe will require, in performance of the contract with the executive agency, the

use of biotechnology equipment or services produced or provided by a biotechnology company of concern and acquired after the applicable effective date in subsection (c).

(b) PROHIBITION ON LOAN AND GRANT FUNDS.—The head of an executive agency may not obligate or expend loan or grant funds to, and a loan or grant recipient may not use loan or grant funds to—

(1) procure, obtain, or use any biotechnology equipment or services produced or provided by a biotechnology company of concern; or

(2) enter into a contract or extend or renew a contract with an entity described in subsection (a)(2).

(c) EFFECTIVE DATES.—

(1) CERTAIN ENTITIES.—With respect to the biotechnology companies of concern covered by subsection (f)(2)(A), the prohibitions under subsections (a) and (b) shall take effect 60 days after the issuance of the regulation in subsection (h).

(2) OTHER ENTITIES.—With respect to the biotechnology companies of concern covered by subsection (f)(2)(B), the prohibitions under subsections (a) and (b) shall take effect 180 days after the issuance of the regulation in subsection (h).

(3) RULES OF CONSTRUCTION.—

(A) CERTAIN ENTITIES.—Prior to January 1, 2032, with respect to biotechnology companies of concern covered by subsections (f)(2)(A), subsections (a)(2) and (b)(2) shall not apply to biotechnology equipment or services produced or provided under a contract or agreement, including previously negotiated contract options, entered into before the effective date under paragraph (1).

(B) OTHER ENTITIES.—Prior to the date that is five years after the issuance of the regulation in subsection (h) that identifies a biotechnology company of concern covered by subsections (f)(2)(B), subsections (a)(2) and (b)(2) shall not apply to biotechnology equipment or services produced or provided under a contract or agreement, including previously negotiated contract options, entered into before the effective date under paragraph (2).

(C) SAFE HARBOR.—The term “biotechnology equipment or services produced or provided by a biotechnology company of concern” shall not be construed to refer to any biotechnology equipment or services that were formerly, but are no longer, produced or provided by biotechnology companies of concern.

(d) WAIVER AUTHORITIES.—

(1) SPECIFIC BIOTECHNOLOGY EXCEPTION.—

(A) WAIVER.—The head of the applicable executive agency may waive the prohibition under subsections (a) and (b) on a case-by-case basis—

(i) with the approval of the Director of the Office of Management and Budget, in coordination with the Secretary of Defense; and

(ii) if such head submits a notification and justification to the appropriate congressional committees not later than 30 days after granting such waiver.

(B) DURATION.—

(i) IN GENERAL.—Except as provided in clause (ii), a waiver granted under subparagraph (A) shall last for a period of not more than 365 days.

(ii) EXTENSION.—The head of the applicable executive agency, with the approval of the Director of the Office of Management and Budget, and in coordination with the Secretary of Defense, may extend a waiver granted under subparagraph (A) one time, for a period up to 180 days after the date on which the waiver would otherwise expire, if such an extension is in the national security interests of the United States and if such head submits a notification and justification to the appropriate congressional committees

not later than 10 days after granting such waiver extension.

(2) OVERSEAS HEALTH CARE SERVICES.—The head of an executive agency may waive the prohibitions under subsections (a) and (b) with respect to a contract, subcontract, or transaction for the acquisition or provision of health care services overseas on a case-by-case basis—

(A) if the head of such executive agency determines that the waiver is—

(i) necessary to support the mission or activities of the employees of such executive agency described in subsection (e)(2)(A); and

(ii) in the interest of the United States;

(B) with the approval of the Director of the Office of Management and Budget, in consultation with the Secretary of Defense; and

(C) if such head submits a notification and justification to the appropriate congressional committees not later than 30 days after granting such waiver.

(e) EXCEPTIONS.—The prohibitions under subsections (a) and (b) shall not apply to—

(1) any activity subject to the reporting requirements under title V of the National Security Act of 1947 (50 U.S.C. 3091 et seq.) or any authorized intelligence activities of the United States;

(2) the acquisition or provision of health care services overseas for—

(A) employees of the United States, including members of the uniformed services (as defined in section 101(a) of title 10, United States Code), whose official duty stations are located overseas or are on permissive temporary duty travel overseas; or

(B) employees of contractors or subcontractors of the United States—

(i) who are performing under a contract that directly supports the missions or activities of individuals described in subparagraph (A); and

(ii) whose primary duty stations are located overseas or are on permissive temporary duty travel overseas; or

(3) the acquisition, use, or distribution of human multimic data, lawfully compiled, that is commercially or publicly available.

(f) EVALUATION OF CERTAIN BIOTECHNOLOGY ENTITIES.—

(1) ENTITY CONSIDERATION.—Not later than 365 days after the date of the enactment of this Act, the Director of the Office of Management and Budget shall publish a list of the entities that constitute biotechnology companies of concern based on a list of suggested entities that shall be provided by the Secretary of Defense in coordination with the Attorney General, the Secretary of Health and Human Services, the Secretary of Commerce, the Director of National Intelligence, the Secretary of Homeland Security, the Secretary of State, and the National Cyber Director.

(2) BIOTECHNOLOGY COMPANIES OF CONCERN DEFINED.—The term “biotechnology company of concern” means—

(A) BGI, MGI, Complete Genomics, WuXi AppTec, and WuXi Biologics;

(B) any entity that is determined by the process established in paragraph (1) to meet the following criteria—

(i) is subject to the administrative governance structure, direction, control, or operates on behalf of the government of a foreign adversary;

(ii) is to any extent involved in the manufacturing, distribution, provision, or procurement of a biotechnology equipment or service; and

(iii) poses a risk to the national security of the United States based on—

(I) engaging in joint research with, being supported by, or being affiliated with a foreign adversary’s military, internal security forces, or intelligence agencies;