

117TH CONGRESS
2D SESSION

H. R. 9211

To establish a lending program for Latin America and the Caribbean to reaffirm the United States commitment to sustainable and equitable growth and energy security in the Western Hemisphere.

IN THE HOUSE OF REPRESENTATIVES

OCTOBER 21, 2022

Mr. ESPAILLAT (for himself and Mr. SIRES) introduced the following bill;
which was referred to the Committee on Foreign Affairs

A BILL

To establish a lending program for Latin America and the Caribbean to reaffirm the United States commitment to sustainable and equitable growth and energy security in the Western Hemisphere.

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 “Las Americas Energy
5 Security Act”.

6 **SEC. 2. FINDINGS; PURPOSE; STATEMENT OF POLICY.**

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

1 (1) Energy independence and security are crit-
2 ical for a country to maintain its sovereignty and
3 independence.

4 (2) The International Energy Agency (“IEA”)
5 defines energy security as the uninterrupted avail-
6 ability of energy sources at an affordable price.

7 (3) The IEA defines long-term energy security
8 as primarily dealing with timely investments to sup-
9 ply energy in line with economic developments and
10 environmental needs.

11 (4) The IEA defines short-term energy security
12 as focusing on the ability of a country’s energy sys-
13 tem to react promptly to sudden changes in the sup-
14 ply-demand balance.

15 (5) The IEA found in February 2022 that Rus-
16 sia’s unlawful invasion of Ukraine poses serious im-
17 plications for international energy security.

18 (6) The Intergovernmental Panel on Climate
19 Change (IPCC), a United Nations body that pro-
20 vides regular assessments on climate change, issued
21 its sixth report in February 2022, and found that
22 “human-induced climate change, including more fre-
23 quent and intense extreme events, has caused wide-
24 spread adverse impacts and related losses and dam-

1 ages to nature and people, beyond natural climate
2 variability”.

3 (7) The IPCC notes that to avoid mounting loss
4 of life, biodiversity, and infrastructure, we must have
5 ambitious, accelerated action to adapt to climate
6 change, while also making rapid, deep cuts in green-
7 house gas emissions.

8 (8) The World Meteorological Organization’s
9 State of the Climate in Latin America and the Car-
10 ibbean 2020 report found that—

11 (A) widespread drought across Latin
12 America and the Caribbean has had significant
13 impact on inland shipping routes, crop yields,
14 and food production, and consequently led to
15 worsening food insecurity;

16 (B) extreme weather events affected more
17 than 8 million people across Central America,
18 exacerbating food insecurity in countries al-
19 ready crippled by economic shocks, COVID-19
20 impacts, and conflict; and

21 (C) sea-level rise poses a major risk to low-
22 lying coastal zones in the Latin America and
23 the Caribbean.

24 (9) Climate change is projected to increase the
25 displacement of people and the United Nations High

1 Commissioner for Refugees estimates that an aver-
2 age of 21.5 million people have been forcibly dis-
3 placed by weather-related sudden onset hazards
4 every year since 2008.

5 (10) Rising commodity and energy prices, as
6 well as other global economic shocks such as those
7 caused by natural disasters, pandemics, and conflict
8 pose a serious security risk that may lead to social
9 unrest and instability in Latin America and the Car-
10 ibbean.

11 (b) SENSE OF CONGRESS.—It is the sense of Con-
12 gress that the United States has economic and national
13 security interests in assisting Latin America and the Car-
14 ibbean to achieve sustainable energy security.

15 (c) STATEMENT OF POLICY.—It is the policy of the
16 United States—

17 (1) to advance United States foreign policy and
18 development goals by helping Latin America and the
19 Caribbean meet its short-term energy needs;

20 (2) to promote the energy security of Latin
21 America and the Caribbean by encouraging the de-
22 velopment of accessible, transparent, competitive,
23 and solvent energy markets that provide diversified
24 sources, types, and routes of energy, prioritizing

1 clean energy sources that reduce carbon emissions
2 and address climate change;

3 (3) to encourage United States public and pri-
4 vate sector investment in Latin American and Carib-
5 bean energy infrastructure projects to bridge the gap
6 between energy security and commercial demand in
7 a way that is consistent with the region's current ab-
8 sorptive capacity, and that recognizes the impor-
9 tance of building and widening the absorptive capac-
10 ity of the region;

11 (4) to help facilitate the export of United States
12 energy resources, technology, and expertise to global
13 markets in a way that benefits the comprehensive
14 energy security of Latin America and the Caribbean;
15 and

16 (5) to assist partner countries in developing and
17 strengthening regulatory frameworks that support
18 energy security.

19 **SEC. 3. SOVEREIGN LENDING PROGRAM FOR ELIGIBLE**
20 **LATIN AMERICAN AND CARIBBEAN PARTNER**
21 **COUNTRIES.**

22 (a) IN GENERAL.—Not later than 30 days after the
23 date of the enactment of this Act, the Secretary of the
24 Treasury, with the concurrence of the Secretary of State,

1 shall establish a sovereign lending program for eligible
2 Latin American and Caribbean partner countries—

3 (1) to support their short-term energy needs;
4 and

5 (2) to fund projects that help them transition
6 to renewable or clean energy that reduces carbon
7 emissions.

8 (b) APPLICATION.—To be eligible to receive a loan
9 under the program, an eligible Latin American or Carib-
10 bean partner country shall submit to the Secretary of the
11 Treasury an application at such time, in such manner, and
12 containing such information as the Secretary may require.
13 At minimum, the Secretary shall require an applicant to
14 provide—

15 (1) information about the energy projects that
16 will be supported through these funds, including
17 their economic and technical viability, feasibility to
18 attract funding from the private sector, net carbon
19 impact, the potential to use United States goods and
20 services during project implementation, and en-
21 hancement of energy market integration;

22 (2) data on how funds will support equitable
23 job creation;

24 (3) information regarding environmental im-
25 pact, including on biodiversity;

1 (4) data on the impact upon marginalized com-
2 munities; and

3 (5) certification that no funds shall be used to
4 purchase a commodity from or support in any man-
5 ner a corporation or state-owned enterprise that has
6 an ownership relationship with the Government of
7 the People's Republic of China or the Chinese Com-
8 munist Party, the Government of the Russian Fed-
9 eration, or any other foreign adversary or malign in-
10 fluence.

11 (c) PREFERENCE.—In selecting among applications
12 for a loan under this section, the Secretary of State shall
13 give preference to an eligible Latin American or Caribbean
14 partner country that shares democratic values, respect for
15 human rights, and economic freedom, as determined by
16 the Secretary of State, including members of the Alliance
17 for Development in Democracy (the Dominican Republic,
18 Costa Rica, Panama, and Ecuador) and the Caribbean
19 Community (CARICOM).

20 (d) LOAN CONDITIONS.—A loan provided under the
21 program—

22 (1) shall be—

23 (A) a zero-interest loan, not to exceed 30
24 years in duration; or

1 (B) a low-interest concessional loan, not to
2 exceed 50 years in duration;

3 (2) shall not contain any requirements that an
4 eligible Latin American or Caribbean partner coun-
5 try engage in austerity measures or policies that in-
6 crease poverty and inequality, diminish the quality of
7 life, and threaten the immediate access of goods and
8 services;

9 (3) shall ensure that no funds are used to pur-
10 chase a commodity from or support in any manner
11 a corporation or state-owned enterprise that has an
12 ownership relationship with the Government of the
13 People's Republic of China or the Chinese Com-
14 munist Party, the Government of the Russian Fed-
15 eration, or any other foreign adversary or malign
16 actor; and

17 (4) shall be subject to such other terms and
18 conditions as the Secretary of the Treasury, in con-
19 currence with the Secretary of State, determines to
20 be appropriate.

21 (e) REPORT.—

22 (1) IN GENERAL.—Not later than one year
23 after the date of the enactment of this Act, and an-
24 nually thereafter for 4 years, the Secretary of the
25 Treasury, in concurrence with the Secretary of

1 State, and in consultation with the Secretary of En-
2 ergy and the heads of other relevant Federal depart-
3 ments and agencies, shall submit to the Committee
4 on Foreign Affairs and the Committee on Appro-
5 priations of the House of Representatives and the
6 Committee on Foreign Relations and the Committee
7 on Appropriations of the Senate a report on
8 progress in the implementation of the program.

9 (2) MATTERS TO BE INCLUDED.—The report
10 shall—

11 (A) include a description of how the pro-
12 gram strengthens United States national secu-
13 rity and economic interests in Latin America
14 and the Caribbean;

15 (B) include an assessment of—

16 (i) the status and effectiveness of cur-
17 rent efforts by regional governments, mul-
18 tilateral development banks, and the pri-
19 vate sector to promote energy security in
20 Latin America and the Caribbean and to
21 transition to clean energy practices;

22 (ii) major challenges hindering such
23 efforts; and

24 (iii) how the United States can
25 strengthen the effectiveness of such efforts;

1 (C) identify how activities by the United
2 States Agency for International Development
3 and the United States International Develop-
4 ment Finance Corporation can effectively be le-
5 veraged to strengthen and promote energy inde-
6 pendence and security in Latin America and the
7 Caribbean;

8 (D) assess diplomatic initiatives taken to
9 secure specific national commitments by govern-
10 ments of eligible Latin American and Caribbean
11 partner countries to undertake efforts to pro-
12 mote energy security and independence in the
13 region, address corruption and rule of law con-
14 cerns, modernize digital and physical infrastruc-
15 ture, improve ease of doing business, and fi-
16 nance and incentivize energy security initiatives;
17 and

18 (E) detail coordination of efforts with rel-
19 evant multilateral development banks to ad-
20 vance energy security and independence of eligi-
21 ble Latin American and Caribbean partner
22 countries.

23 (f) ANNUAL AUDIT.—The Secretary of the Treas-
24 ury—

1 (1) shall ensure that a full audit of the program
2 is performed on an annual basis; and

3 (2) shall submit the results of the audit to the
4 Committee on Foreign Affairs and the Committee on
5 Appropriations of the House of Representatives and
6 the Committee on Foreign Relations and the Com-
7 mittee on Appropriations of the Senate.

8 (g) AUTHORIZATION OF APPROPRIATIONS.—There is
9 authorized to be appropriated to the Secretary of the
10 Treasury \$100,000,000 for each of fiscal years 2023
11 through 2028 to carry out the program.

12 (h) ELIGIBLE LATIN AMERICAN OR CARIBBEAN
13 PARTNER COUNTRY DEFINED.—In this section, the term
14 “eligible Latin American or Caribbean partner country”—

15 (1) means a country that—

16 (A) is a beneficiary country for purposes of
17 the Caribbean Basin Economic Recovery Act
18 (19 U.S.C. 2701 et seq.);

19 (B) is a member state of the Caribbean
20 Community (commonly referred to as
21 “CARICOM”);

22 (C) is a country in the Western Hemi-
23 sphere that is a party to a free trade agreement
24 or preference program with the United States;
25 or

1 (D) is a beneficiary country of the Carib-
2 bean Basin Security Initiative; and

3 (2) does not include any country that—

4 (A) has been sanctioned by the United
5 States; or

6 (B) the Secretary of State determines—

7 (i) to be a state sponsor of terrorism;

8 or

9 (ii) to be a foreign adversary, defined
10 as a foreign government engaged in a long-
11 term pattern or serious instances of con-
12 duct adverse to the national security of the
13 United States or security and safety of
14 United States persons.

15 **SEC. 4. SUPPORTING EFFORTS TO INCREASE ENERGY SE-**
16 **CURITY OF ELIGIBLE LATIN AMERICAN AND**
17 **CARIBBEAN PARTNER COUNTRIES.**

18 (a) IN GENERAL.—The Secretary of State, in con-
19 sultation with the Secretary of Energy and the heads of
20 other relevant Federal departments and agencies, shall, as
21 appropriate, prioritize and expedite the efforts of the De-
22 partment of State and those other departments and agen-
23 cies in supporting the efforts of eligible Latin American
24 and Caribbean partner countries to increase their energy
25 security, including through—

1 (1) providing diplomatic and political support to
2 these governments, as necessary—

3 (A) to facilitate international negotiations
4 concerning cross-border infrastructure and
5 transactions;

6 (B) to enhance and build the Latin Amer-
7 ica’s and the Caribbean’s regulatory environ-
8 ment with respect to energy; and

9 (C) to develop accessible, transparent, and
10 competitive energy markets supplied by diverse
11 sources, types, and routes of energy to achieve
12 energy efficiency; and

13 (2) providing support to improve Latin Amer-
14 ican and Caribbean energy markets, including early-
15 stage project support and late-stage project support
16 for the construction or improvement of energy and
17 related infrastructure, as necessary—

18 (A) to diversify the energy sources and
19 supply routes of eligible Latin American and
20 Caribbean partner countries;

21 (B) to enhance energy market integration
22 across the region; and

23 (C) to increase competition and aggregate
24 energy markets.

25 (b) PROJECT SELECTION.—

1 (1) IN GENERAL.—The Federal departments
2 and agencies described in subsection (a) shall identify energy infrastructure projects that would be appropriate for United States assistance under this
3 section.
4 section.

6 (2) PROJECT ELIGIBILITY.—A project is eligible
7 for United States assistance under this section if the
8 project—

9 (A)(i) improves electricity transmission infrastructure and power generation through the
10 use of a broad power mix, prioritizing renewable
11 energy or energy efficiency;
12 energy or energy efficiency;

13 (ii) advances energy storage projects,
14 smart grid projects, distributed generation models, or other technological innovations and digitalization of the power sector, as appropriate;
15 talization of the power sector, as appropriate;
16 and
17 and

18 (iii) improves energy access for
19 marginalized and under-served communities;

20 (B) is located in an eligible Latin American of Caribbean partner country; and
21 ican of Caribbean partner country; and

22 (C) can be conducted in a transparent and
23 accountable manner that mitigates any risk of
24 corruption.

1 (3) PREFERENCE.—In selecting among projects
2 that are eligible under paragraph (2), the Federal
3 departments and agencies described in subsection
4 (a) shall give preference to projects that—

5 (A) link the energy systems of two or more
6 Latin American and Caribbean partner coun-
7 tries;

8 (B) address the impacts of climate change;

9 (C) enhance resilience to climate change
10 and global economic shocks;

11 (D) are expected to enhance energy market
12 integration;

13 (E) can demonstrate sustainability by at-
14 tracting funding from the private sector, an
15 international financial institution, or the gov-
16 ernment of the country in which the project will
17 be carried out; or

18 (F) have the potential to use United States
19 goods and services during project implementa-
20 tion.

21 (c) TYPES OF ASSISTANCE.—

22 (1) DIPLOMATIC AND POLITICAL SUPPORT.—

23 The Secretary of State shall provide diplomatic and
24 political support to the governments of eligible Latin
25 American and Caribbean countries, as necessary, in-

1 including by using the diplomatic and political influ-
2 ence and expertise of the Department of State to
3 build the capacity of those countries to resolve any
4 impediments to the development of projects selected
5 under subsection (b).

6 (2) EARLY-STAGE PROJECT SUPPORT.—The Di-
7 rector of the Trade and Development Agency in con-
8 sultation with the Inter-American Development
9 Bank, Caribbean Development Bank, and World
10 Bank, shall provide early-stage project support with
11 respect to projects selected under subsection (b), as
12 necessary.

13 (3) LATE-STAGE PROJECT SUPPORT.—Federal
14 departments and agencies described in subsection
15 (a) that provide late-stage project support shall do
16 so with respect to projects selected under subsection
17 (b), as necessary.

18 (d) EXCEPTION FROM CERTAIN LIMITATION UNDER
19 BUILD ACT.—

20 (1) IN GENERAL.—For purposes of providing
21 support for projects under this section—

22 (A) the United States International Devel-
23 opment Finance Corporation may provide sup-
24 port for projects in countries with upper-mid-
25 dle-income economies or high-income economies

1 (as those terms are defined by the World
2 Bank);

3 (B) the restriction under section
4 1412(c)(2) of the BUILD Act of 2018 (22
5 U.S.C. 9612(c)(2)) shall not apply; and

6 (C) the Corporation shall restrict the pro-
7 vision of such support in a country described in
8 subparagraph (A) unless—

9 (i) the President certifies to the ap-
10 propriate congressional committees that
11 such support furthers the national eco-
12 nomic or foreign policy interests of the
13 United States; and

14 (ii) such support is—

15 (I) designed to produce signifi-
16 cant developmental outcomes or pro-
17 vide developmental benefits to the
18 poorest population of that country; or

19 (II) necessary to preempt or
20 counter efforts by a strategic compet-
21 itor of the United States to secure
22 significant political or economic lever-
23 age or acquire national security-sen-
24 sitive technologies or infrastructure in

1 a country that is an ally or partner of
2 the United States.

3 (e) PROGRESS REPORTS.—Not later than one year
4 after the date of the enactment of this Act, and annually
5 thereafter for seven years, the President shall transmit to
6 the Committee on Foreign Affairs and the Committee on
7 Appropriations of the House of Representatives and the
8 Committee on Foreign Relations and the Committee on
9 Appropriations of the Senate a report on progress made
10 in providing assistance for projects under this section that
11 includes the following:

12 (1) A description of the energy infrastructure
13 projects the United States has identified for such as-
14 sistance.

15 (2) For each such project—

16 (A) a description of the role of the United
17 States in the project, including in early-stage
18 project support and late-stage project support;

19 (B) the amount and form of any debt fi-
20 nancing and insurance provided by the United
21 States Government for the project;

22 (C) the amount and form of any early-
23 stage project support; and

24 (D) an update on the progress made on
25 the project as of the date of the report.

1 (f) ELIGIBLE LATIN AMERICAN OR CARIBBEAN
2 PARTNER COUNTRY DEFINED.—In this section, the term
3 “eligible Latin American or Caribbean partner country”
4 has the meaning given that term in section 3(g).

○