

AMENDMENT TO RULES COMM. PRINT 117-54

OFFERED BY MR. GREEN OF TENNESSEE

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

1 **Subtitle _____—Western Hemisphere**
2 **Nearshoring Act**

3 **SEC. ____ . USE OF UNITED STATES INTERNATIONAL DEVEL-**
4 **OPMENT FINANCE CORPORATION FUNDS TO**
5 **FINANCE MOVING EXPENSES AND NEC-**
6 **CESSARY WORKFORCE DEVELOPMENT COSTS**
7 **INCURRED BY COMPANIES MOVING FROM**
8 **THE PEOPLE'S REPUBLIC OF CHINA TO LATIN**
9 **AMERICA OR THE CARIBBEAN.**

10 (a) USE OF FUNDS.—

11 (1) IN GENERAL.—The United States Inter-
12 national Development Finance Corporation, in co-
13 ordination with relevant Federal agencies (including
14 the United States Trade and Development Agency,
15 the Export-Import Bank of the United States, the
16 United States Army Corps of Engineers, and the
17 United States Agency for International Develop-
18 ment) and the United States Executive Directors of
19 relevant international financial institutions (includ-

1 ing the World Bank Group, the Inter-American De-
2 velopment Bank, and the International Monetary
3 Fund), shall use not less than 10 percent of the
4 amounts made available to provide financing under
5 section 1421 of the Better Utilization of Investments
6 Leading to Development Act of 2018 (22 U.S.C.
7 9621) for each fiscal year beginning after the date
8 of the enactment of this Act to finance the qualified
9 moving costs and necessary workforce development
10 costs of, and reduce the interest rate on any loan to
11 be provided by the DFC to the interest rate de-
12 scribed in paragraph (3) to, any qualified corpora-
13 tion that is eligible for, or a recipient of, assistance
14 from the DFC, to the extent of qualifying applica-
15 tions for assistance under this section.

16 (2) AVAILABILITY OF UNUSED AMOUNTS.—If
17 the DFC does not use the entire amount described
18 in paragraph (1) for a fiscal year described in such
19 paragraph, such amount shall, to the maximum ex-
20 tent practicable, be made available to the DFC for
21 the next fiscal year to carry out this section or other
22 DFC programs for Latin American or Caribbean
23 countries.

24 (3) INTEREST RATE DESCRIBED.—The interest
25 rate described in this paragraph is—

1 (A) the Federal funds rate; or

2 (B) the interest rate that is determined by
3 reducing by not less than 1/2 of 1 percent and
4 not more than 1 percent (but to not less than
5 zero percent) the interest rate on the loan to be
6 provided by the DFC to the qualified corpora-
7 tion,

8 whichever is the lesser.

9 (b) NO NEGATIVE EFFECTS ON EMPLOYMENT IN
10 THE UNITED STATES.—The DFC shall not provide assist-
11 ance under this section unless the Secretary of Commerce
12 has determined that the provision of the assistance would
13 not result in a negative effect on employment in the
14 United States.

15 (c) DISPOSITION OF UNUSED ASSISTANCE.—A cor-
16 poration to which financing is made under this section
17 shall remit to the DFC any portion of the assistance that
18 is not expended within a period of time after the date the
19 financing is made that is determined by the DFC on a
20 case-by-case basis.

21 (d) CONDITIONS ON PROVISION OF LOANS.—The
22 DFC—

23 (1) may provide loans under this section to a
24 corporation only if the loans are commercially viable,
25 as determined by the DFC; and

1 (2) shall determine an appropriate amount of
2 time for repayment of loans under this section to a
3 corporation.

4 (e) PLAN.—Not later than 180 days after the date
5 of the enactment of this Act, the DFC shall develop and
6 submit to the Committee on Foreign Affairs of the House
7 of Representatives and the Committee on Foreign Rela-
8 tions of the Senate a plan to streamline the provision of
9 assistance under this section, including to expedite the ap-
10 proval process for the provision of such assistance.

11 **SEC. ____ . AUTHORITY TO PROVIDE DUTY-FREE TREAT-**
12 **MENT FOR GOODS AND SERVICES OF COMPA-**
13 **NIES MOVING FROM THE PEOPLE’S REPUB-**
14 **LIC OF CHINA TO LATIN AMERICA OR THE**
15 **CARIBBEAN.**

16 (a) IN GENERAL.—Notwithstanding any other provi-
17 sion of law, the President shall proclaim duty-free treat-
18 ment (or other preferential treatment) for any good or
19 service made or produced in a Latin American or Carib-
20 bean country by a qualified corporation that has received
21 assistance under section 3, subject to such terms and con-
22 ditions as the President determines to be appropriate.

23 (b) REGULATIONS.—The President shall prescribe
24 such regulations as may be necessary to carry out this
25 section.

1 (c) EFFECTIVE PERIOD.—

2 (1) IN GENERAL.—Subsection (a) shall apply
3 with respect to a good or service made or produced
4 in a Latin American or Caribbean country by a cor-
5 poration for the 15-year period beginning on the
6 date on which the corporation begins operations in
7 such country.

8 (2) RULE OF CONSTRUCTION.—Nothing in this
9 section may be construed to affect duty-free treat-
10 ment (or other preferential treatment) for any good
11 or service made or produced in a Latin American or
12 Caribbean country by a qualified corporation after
13 the 15-year period described in paragraph (1) if
14 goods and services from such country are otherwise
15 generally eligible for duty-free treatment (or other
16 preferential treatment).

17 **SEC. ____ . ADDITIONAL CONDITIONS ON RECEIPT OF AS-**
18 **SISTANCE UNDER SECTION 3 AND DUTY-FREE**
19 **TREATMENT (OR OTHER PREFERENTIAL**
20 **TREATMENT) UNDER SECTION 4.**

21 (a) IN GENERAL.—The appropriate Federal agency
22 may not provide assistance under section 3 or duty-free
23 treatment (or other preferential treatment) under section
24 4 to a corporation unless—

1 (1) the agency determines that the corporation
2 will create jobs in the Latin American or Caribbean
3 country to which it moves operations in numbers de-
4 termined by the agency to be commensurate with the
5 assistance provided;

6 (2) the corporation makes a binding commit-
7 ment to the agency that on and after the date the
8 assistance is provided—

9 (A) the corporation will not come under
10 the ownership or control of the Government of
11 the People's Republic of China or the Chinese
12 Communist Party, the Government of the Rus-
13 sian Federation, or any other foreign adversary;
14 and

15 (B) the corporation will not have its head-
16 quarters in the People's Republic of China, the
17 Russian Federation, or any other foreign adver-
18 sary;

19 (3) within 2 years after the date described in
20 paragraph (2), and subject to an additional exten-
21 sion as determined appropriate by the agency, all as-
22 sets of the corporation with respect to which the as-
23 sistance is provided will have been moved from the
24 People's Republic of China to a Latin American or
25 Caribbean country; and

1 (4) the corporation retains all assets of the cor-
2 poration with respect to which the assistance is pro-
3 vided in a Latin American or Caribbean country
4 after the date described in paragraph (2) or the last
5 day of the extension described in paragraph (3), as
6 the case may be.

7 (b) COMPLIANCE DETERMINATIONS.—

8 (1) IN GENERAL.—The appropriate Federal
9 agency, in coordination with the Department of
10 State, shall make all determinations regarding com-
11 pliance with the provisions of subsection (a).

12 (2) NON-COMPLIANCE ACTIONS.—A qualified
13 corporation that has received assistance under sec-
14 tion 3 or duty-free treatment (or other preferential
15 treatment) under section 4 that is subsequently de-
16 termined by the appropriate Federal agency not to
17 be in compliance with the provisions of subsection
18 (a) shall be subject to the following actions:

19 (A) Any good or service made or produced
20 in a Latin American or Caribbean country by
21 the corporation (other than a good or service
22 made or produced in a free trade zone or which
23 is subject to benefits under a free trade agree-
24 ment) shall not be eligible for duty-free treat-

1 ment (or other preferential treatment) under
2 section 4.

3 (B) The appropriate Federal agency shall
4 adjust the interest rate on any loan to be pro-
5 vided by the agency to the corporation to the
6 prevailing market interest rate.

7 (c) APPROPRIATE FEDERAL AGENCY DEFINED.—In
8 this section, the term “appropriate Federal agency”
9 means—

10 (1) with respect to actions relating to assistance
11 under section 3, the DFC; and

12 (2) with respect to actions relating to duty-free
13 treatment (or other preferential treatment) under
14 section 4, the United States Trade Representative.

15 **SEC. ____ . EXPENSES PAID FOR WITH TARIFFS COLLECTED**
16 **FROM THE PEOPLE’S REPUBLIC OF CHINA.**

17 (a) ESTABLISHMENT OF TRUST FUND.—There is es-
18 tablished in the Treasury of the United States a trust fund
19 consisting of such amounts as are appropriated to such
20 trust fund under subsection (b).

21 (b) APPROPRIATIONS TO TRUST FUND.—There are
22 hereby appropriated to such trust fund amounts equiva-
23 lent to the tariffs collected by the United States on goods
24 manufactured in the People’s Republic of China.

1 (c) APPROPRIATIONS FROM TRUST FUND.—There
2 are hereby appropriated from such trust fund to the Gen-
3 eral Fund of the Treasury amounts equivalent to the re-
4 duction in revenue to such General Fund by reason assist-
5 ance provided by the DFC under this subtitle.

6 (d) TIMING OF TRANSFERS, ETC.—Rules similar to
7 the rules of section 9601 of the Internal Revenue Code
8 of 1986 shall apply with respect to appropriations to and
9 from such trust fund under subsections (b) and (c).

10 **SEC. ____. AMENDMENTS TO THE BUILD ACT OF 2018.**

11 (a) STATEMENT OF POLICY.—Section 1411 of the
12 Better Utilization of Investments Leading to Development
13 Act of 2018 (22 U.S.C. 9611) is amended—

14 (1) in paragraph (7), by striking “and” at the
15 end;

16 (2) in paragraph (8), by striking the period at
17 the end and inserting a semicolon; and

18 (3) by adding at the end the following:

19 “(9) to further United States economic growth
20 by prioritizing United States-owned businesses in
21 providing support under title II; and

22 “(10) to further United States national security
23 by prioritizing the production of goods in critical in-
24 dustries, as determined by the Corporation, in con-

1 sultation with the Department of Homeland Secu-
2 rity.”.

3 (b) PROHIBITION ON SUPPORT FOR STATE-OWNED
4 ENTERPRISES.—

5 (1) IN GENERAL.—Title V of the Better Utili-
6 zation of Investments Leading to Development Act
7 of 2018 (22 U.S.C. 9671 et seq.) is amended by
8 adding at the end the following:

9 **“SEC. 1455. PROHIBITION ON SUPPORT FOR ENTITIES**
10 **OWNED OR CONTROLLED BY FOREIGN GOV-**
11 **ERNMENTS.**

12 “(a) IN GENERAL.—Except as provided in subsection
13 (b), the Corporation is prohibited from providing support
14 under title II for an entity owned or controlled by a for-
15 eign government.

16 “(b) EXCEPTION.—

17 “(1) IN GENERAL.—The Corporation may pro-
18 vide feasibility studies and technical assistance
19 under title II for an entity owned or controlled by
20 a foreign government that is not a foreign adversary.

21 “(2) FOREIGN ADVERSARY DEFINED.—In this
22 subsection, the term ‘foreign adversary’ means a for-
23 eign government engaged in a long-term pattern or
24 serious instances of conduct significantly adverse to

1 the national security of the United States or security
2 and safety of United States persons.”.

3 (2) CLERICAL AMENDMENT.—The table of con-
4 tents for the FAA Reauthorization Act of 2018 (49
5 U.S.C. 40101 note) is amended by inserting after
6 the item relating to section 1454 the following:

“Sec. 1455. Prohibition on support for entities owned or controlled by foreign
governments.”.

7 **SEC. ____ . TRADE NEGOTIATING AUTHORITY.**

8 (a) IN GENERAL.—The United States Trade Rep-
9 resentative shall take action to initiate negotiations to ob-
10 tain trade agreements with each Latin American or Carib-
11 bean country that as of the date of the enactment of this
12 Act is not a party to a free trade agreement with the
13 United States if the country meets the conditions de-
14 scribed in subsection (b) are met.

15 (b) CONDITIONS DESCRIBED.—The conditions de-
16 scribed in this subsection are the following:

17 (1) The country is taking steps to reduce mi-
18 gration in violation of the Immigration and Nation-
19 ality Act.

20 (2) The country is taking steps to reduce eco-
21 nomic dependence on the People’s Republic of
22 China.

23 (3) The country allows Taiwan to establish and
24 maintain a commercial office in the country.

1 **SEC. ____ . AGREEMENTS FOR COOPERATION PURSUANT TO**
2 **SECTION 123 OF THE ATOMIC ENERGY ACT**
3 **OF 1954.**

4 (a) **IN GENERAL.**—The President is authorized to
5 take action to initiate negotiations with Latin American
6 and Caribbean countries to obtain agreements for coopera-
7 tion pursuant to section 123 of the Atomic Energy Act
8 of 1954 (42 U.S.C. 2153) to approve the sales of nuclear
9 reactors to such countries, or to qualified corporations
10 that receive assistance under this subtitle, but only if—

11 (1) the President determines that such sales
12 will not threaten the national security of the United
13 States; and

14 (2) the countries or qualified corporations, as
15 the case may be, meet the conditions described in
16 paragraphs (1), (2), and (3) of section 8(b).

17 (b) **TECHNICAL ASSISTANCE AND EXPERTISE.**—The
18 Administrator of the United States Agency for Inter-
19 national Development, in consultation with the Secretary
20 of Energy and the DFC, may provide technical assistance
21 and expertise in electrical grid and energy efficiency im-
22 provements related to sales under subsection (a), as appro-
23 priate.

1 **SEC. ____ . TEMPORARY INCREASED EXPENSING FOR RELO-**
2 **CATING MANUFACTURING FROM THE PEO-**
3 **PLE'S REPUBLIC OF CHINA TO A LATIN**
4 **AMERICAN OR CARIBBEAN COUNTRY.**

5 (a) IN GENERAL.—For purposes of section 168(k) of
6 the Internal Revenue Code of 1986, in the case of any
7 qualified relocated manufacturing property which is placed
8 in service by a qualified manufacturer after the date of
9 the enactment of this Act, and before January 1, 2037—

10 (1) such property shall be treated as qualified
11 property (within the meaning of such section),

12 (2) the applicable percentage otherwise deter-
13 mined under section 168(k)(6) of such Code with re-
14 spect to such property shall be 75 percent, and

15 (3) paragraph (8) of such section shall not
16 apply.

17 (b) QUALIFIED RELOCATED MANUFACTURING PROP-
18 erty.—For purposes of this section—

19 (1) IN GENERAL.—The term “qualified relo-
20 cated manufacturing property” means qualified
21 property (within the meaning of section 168(k) of
22 such Code) or nonresidential real property (as de-
23 fined in section 168(e)(2)(B) of such Code) which
24 is—

1 (A) placed in service in a Latin American
2 or Caribbean country by a qualified manufac-
3 turer, and

4 (B) is acquired by such qualified manufac-
5 turer in connection with a qualified relocation
6 of manufacturing.

7 (2) QUALIFIED RELOCATION OF MANUFAC-
8 TURING.—

9 (A) IN GENERAL.—The term “qualified re-
10 location of manufacturing” means, with respect
11 to any qualified manufacturer, the relocation of
12 the manufacturing of any tangible personal
13 property from the People’s Republic of China to
14 a Latin American or Caribbean country.

15 (B) RELOCATION OF PROPERTY NOT RE-
16 QUIRED.—For purposes of subparagraph (A),
17 manufacturing shall not fail to be treated as re-
18 located merely because property used in such
19 manufacturing was not relocated.

20 (C) RELOCATION OF NOT LESS THAN
21 EQUIVALENT PRODUCTIVE CAPACITY RE-
22 QUIRED.—For purposes of subparagraph (A),
23 manufacturing shall not be treated as relocated
24 unless the property manufactured in a Latin
25 American or Caribbean country is substantially

1 identical to the property previously manufac-
2 tured in the People’s Republic of China and the
3 increase in the units of production of such
4 property in a Latin American or Caribbean
5 country by the qualified manufacturer is not
6 less than the reduction in the units of produc-
7 tion of such property by such qualified manu-
8 facturer in the People’s Republic of China.

9 (c) **QUALIFIED MANUFACTURER.**—For purposes of
10 this section, the term “qualified manufacturer” means any
11 person—

12 (1) which is engaged in the trade or business of
13 manufacturing any tangible personal property,

14 (2) with respect to which the Secretary of the
15 Treasury (or the Secretary’s delegate) has made the
16 determination described in section 5(a)(1), and

17 (3) which has entered into a binding agreement
18 with such Secretary (or such delegate) to meet the
19 requirements of section 5(a)(2) which is enforceable
20 under terms similar to the terms of section 5(b).

21 **SEC. ____ . DEFINITIONS.**

22 In this subtitle:

23 (1) The term “DFC” means the United States
24 International Development Finance Corporation.

1 (2) The term “qualified corporation” does not
2 include a state-owned enterprise.

3 (3) The term “qualified moving costs” means—

4 (A) the costs of moving inventory, equip-
5 ment, and supplies from the People’s Republic
6 of China to a Latin American or Caribbean
7 country; and

8 (B) the costs of workforce development
9 and construction of facilities.

10 (4)(A) IN GENERAL.—The terms “Latin Amer-
11 ican or Caribbean country” and “Western Hemi-
12 sphere”—

13 (i) mean a country in the Caribbean
14 Sea, South America, or Central America,
15 and Mexico; and

16 (ii) except as provided in subpara-
17 graph (B), do not include Cuba or Ven-
18 ezuela.

19 (B) EXCEPTION.—The term “Latin Amer-
20 ican or Caribbean country” shall include Cuba
21 or Venezuela if the Secretary of State deter-
22 mines and certifies to Congress that—

23 (i) the government of such country—
24 (I) has held free and fair presi-
25 dential and legislative elections, as de-

1 terminated by independent international
2 observers, and subsequent elections
3 are scheduled;

4 (II) respects and upholds human
5 rights;

6 (III) is taking significant steps to
7 privatize its economy and institute a
8 free market;

9 (IV) permits the international
10 community to provide humanitarian,
11 governance, and economic develop-
12 ment assistance;

13 (V) has freed all unlawfully de-
14 tained United States citizens, legal
15 permanent residents, and political
16 prisoners; and

17 (VI) has expelled all security
18 services from foreign adversaries from
19 the country; and

20 (ii) the prior authorities of such coun-
21 try have renounced their illegitimate claim
22 to power.

23 (5) The term “Federal funds rate” means the
24 discount window primary credit interest rate most
25 recently published on the Federal Reserve Statistical

- 1 Release on selected interest rates (daily or weekly),
- 2 commonly referred to as the H.15 release.

