

AMENDMENT TO RULES COMM. PRINT 117-31
OFFERED BY MS. PORTER OF CALIFORNIA

At the appropriate place in division D, insert the following:

1 **SEC. ____ . REPORT ON OFFSETS IN DEFENSE TRADE.**

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

3 (1) It is the stated policy of the United States
4 that offsets in defense trade are economically ineffi-
5 cient and market distorting.

6 (2) Offsets in defense trade may nonetheless be
7 a useful industrial and foreign policy tool for coun-
8 tering PRC influence in certain cases.

9 (3) It has been more than 25 years since the
10 last comprehensive study of offsets in defense trade
11 by the Comptroller General of the United States.

12 (b) REPORT.—Not later than 1 year after the date
13 of the enactment of this Act, the Comptroller General of
14 the United States shall submit to Congress an assessment
15 United States offsets in defense trade, including—

16 (1) the accuracy of the Department of Com-
17 merce’s economic analysis of offsets and whether ad-
18 ditional reporting requirements may be necessary to
19 ensure accurate economic models;

1 (2) the utility of offsets in competition with the
2 PRC;

3 (3) the manner and extent to which United
4 States firms comply with existing offset reporting re-
5 quirements;

6 (4) which countries require offsets as a condi-
7 tion of military sales, the justifications provided for
8 such requirements, and whether certain countries
9 are more or less successful in obtaining approval for
10 offset-related sales;

11 (5) the impact of offsets on the United States
12 defense industrial base and defense industry profits;

13 (6) the extent to which United States firms cur-
14 rently negotiate to minimize offsets in accordance
15 with current United States policy; and

16 (7) ways in which oversight of offsets may be
17 strengthened, including whether it may be appro-
18 priate to increase the amount of public information
19 released by the Department of Commerce about off-
20 sets.

