

AMENDMENT TO RULES COMMITTEE PRINT

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OFFERED BY MR. SESSIONS OF TEXAS

At the end of title XVII, add the following:

1 **Subtitle C—Independence**

2 **Investment Fund**

3 **SEC. 1701. ESTABLISHMENT OF FUND.**

4 (a) **IN GENERAL.**—There is established in the De-
5 partment of the Treasury an entity to be known as the
6 “Independence Investment Fund”.

7 (b) **OBJECTIVES.**—The objectives of the Fund shall
8 be—

9 (1) to invest in companies developing critical
10 and emerging technologies that provide measurable
11 improvements to the national security or economic
12 security of all or part of the United States;

13 (2) to signal critical and emerging technology
14 priorities to private sector investors in order to
15 unlock the deployment of private capital to support
16 companies;

17 (3) to make investments designed to generate
18 financial returns that enable self-sustainment of the
19 Fund over time;

1 (4) to offer an alternate source of financial sup-
2 port to companies vulnerable to adversarial invest-
3 ment; and

4 (5) to provide the Federal Government with sit-
5 uational awareness over critical and emerging tech-
6 nology market trends, such as new products and ca-
7 pabilities.

8 (c) STRATEGY.—The Secretary shall oversee the
9 overall strategy of the Fund, in consultation with the Sec-
10 retary of Defense and the Secretary of Commerce, by de-
11 termining—

12 (1) national security and economic security
13 needs that the Fund shall meet; and

14 (2) the technological priorities of the Fund, in-
15 cluding what critical and emerging technology prod-
16 ucts and capabilities will be considered significant to
17 national security and economic security needs.

18 (d) PRIORITY.—Biotechnology shall be a priority of
19 the Fund.

20 (e) INVESTMENTS.—

21 (1) IN GENERAL.—The Fund shall make seed
22 to mid-stage equity investments in technology com-
23 panies that are headquartered in the United States.

24 (2) AMOUNT.—The Fund may make invest-
25 ments of any amount, but shall seek to achieve an

1 average investment amount between \$1,000,000 and
2 \$10,000,000.

3 (f) OUTSIDE INVESTMENTS AND PARTNERSHIPS.—

4 As appropriate, the Fund may—

5 (1) make investments in companies that are
6 headquartered outside of the United States, other
7 than in a foreign entity of concern; and

8 (2) partner with venture capital funds of a
9 country other than the United States, other than a
10 foreign entity of concern.

11 (g) ADVISORY BOARD.—

12 (1) IN GENERAL.—There is established an advi-
13 sory board to the Fund (referred to in this sub-
14 section as the “advisory board”), to advise the Sec-
15 retary on the establishment and implementation of
16 the Fund.

17 (2) MEMBERSHIP.—

18 (A) IN GENERAL.—Subject to subpara-
19 graphs (B) and (C), the Secretary shall select
20 members to serve on the advisory board.

21 (B) EXPERIENCE.—In selecting members
22 for the advisory board, the Secretary shall seek
23 to include—

24 (i) individuals with demonstrated ex-
25 perience in the financing of critical and

1 emerging technologies, including through
2 the use of strategic venture capital and eq-
3 uity financing practices and methods;

4 (ii) individuals with demonstrated ex-
5 perience in managing public-private part-
6 nerships to meet Federal Government
7 needs in critical and emerging technologies;
8 and

9 (iii) individuals with demonstrated ex-
10 perience in determining how critical and
11 emerging technologies can meet national
12 security or economic security needs of the
13 United States.

14 (C) BIOTECHNOLOGY EXPERTISE.—1
15 member of the advisory board shall be a senior
16 official in the Executive Office of the President
17 focused on biotechnology and national security.

18 (3) DUTIES.—The advisory board, in consulta-
19 tion with the Secretary, shall recommend to the Sec-
20 retary each of the following for the Fund:

21 (A) ROADMAP.—A roadmap to guide the
22 establishment and implementation of the Fund,
23 including—

24 (i) a clear articulation of specific goals
25 and milestones for the Fund to meet the

1 objectives described in subsection (b), in-
2 cluding timelines for meeting those goals
3 and milestones;

4 (ii) the bylaws, rules, regulations, poli-
5 cies, and procedures governing the manner
6 in which the business of the Fund may be
7 conducted and in which the powers granted
8 to the Fund by law may be exercised; and

9 (iii) the solicitation process for the
10 managing entity described in section 1702.

11 (B) OPERATING GUIDANCE.—Operating
12 procedures to be followed by the Fund in car-
13 rying out the duties and purposes of the Fund,
14 including—

15 (i) criteria, requirements, and stand-
16 ards regarding the provisions of the invest-
17 ments made by the Fund; and

18 (ii) disclosure and reporting require-
19 ments for portfolio companies.

20 (C) OTHER DETAILS.—Decisions on all
21 other details necessary for the implementation
22 of the Fund, which may include—

23 (i) provisions of non-financial assist-
24 ance to portfolio companies, such as
25 mentorship in partnering with government

1 entities, regulatory guidance, computa-
2 tional resources, and connectivity to poten-
3 tial customers;

4 (ii) handling of intellectual property;

5 (iii) ability or requirement for the
6 Fund to have a board or board observer
7 seat in portfolio companies;

8 (iv) a formal or informal mechanism
9 directing the Fund to consider investments
10 in companies that have had an investment
11 round blocked or reversed by the Com-
12 mittee on Foreign Investment in the
13 United States;

14 (v) a requirement for portfolio compa-
15 nies to report to the Committee on Foreign
16 Investment in the United States in the
17 case of a proposed sale or merger with a
18 foreign company;

19 (vi) a prohibition against portfolio
20 companies accepting investment from enti-
21 ties established in foreign entities of con-
22 cern; and

23 (vii) an option for the Fund to sell eq-
24 uity back to the portfolio company if the
25 company develops in a direction antithet-

1 ical to the objectives described in sub-
2 section (b).

3 (4) REPORT.—Not later than 180 days after
4 the date of enactment of this Act, the advisory board
5 shall submit to the Secretary and the appropriate
6 congressional committees a report that describes the
7 recommendations made under paragraph (3).

8 (5) STAFF.—To assist the advisory board in
9 carrying out the duties under this subsection, the
10 Secretary shall appoint a professional staff of 3 em-
11 ployees, who may be full-time employees of the De-
12 partment of the Treasury.

13 (6) FACA.—Chapter 10 of title 5, United
14 States Code (commonly referred to as the “Federal
15 Advisory Committee Act”), shall not apply to the ad-
16 visory board.

17 (7) SUNSET.—The advisory board shall termi-
18 nate on the date that is 90 days after the date on
19 which the report under paragraph (4) is submitted
20 to the Secretary and the appropriate congressional
21 committees.

22 (h) SUPERVISORY BOARD.—

23 (1) IN GENERAL.—Not later than 30 days after
24 the termination of the advisory board under sub-
25 section (g)(7), the Secretary shall establish a super-

1 visory board to the Fund (referred to in this sub-
2 section as the “supervisory board”), to provide the
3 Secretary with ongoing oversight of the Fund and
4 the managing entity.

5 (2) MEMBERSHIP.—

6 (A) IN GENERAL.—The supervisory board
7 shall consist of 5 members, whom the Secretary
8 shall select, subject to subparagraphs (B) and
9 (C).

10 (B) EXPERIENCE.—In selecting members
11 for the supervisory board, the Secretary shall
12 seek to include—

13 (i) individuals with demonstrated ex-
14 perience in the financing of critical and
15 emerging technologies, including through
16 the use of strategic venture capital and eq-
17 uity financing practices and methods;

18 (ii) individuals with demonstrated ex-
19 perience in managing public-private part-
20 nerships to meet Federal Government
21 needs in critical and emerging technologies;
22 and

23 (iii) individuals with demonstrated ex-
24 perience in determining how critical and
25 emerging technologies can meet national

1 security or economic security needs of the
2 United States.

3 (C) SELECTION.—In appointing members
4 to the supervisory board, the Secretary shall in-
5 clude—

6 (i) 1 representative from the Depart-
7 ment of the Treasury;

8 (ii) 1 representative from the man-
9 aging entity; and

10 (iii)(I) for the initial appointment of
11 the supervisory board, 3 representatives
12 from the advisory board that are not affili-
13 ated with the Department of the Treasury
14 or the managing entity; and

15 (II) for subsequent appointments to
16 the supervisory board, 3 individuals who
17 meet the criteria under subparagraph (B).

18 (D) TERMS.—

19 (i) IN GENERAL.—The term of each
20 member of the supervisory board shall be
21 3 years.

22 (ii) REAPPOINTMENT.—

23 (I) IN GENERAL.—Except as pro-
24 vided in subclause (I), a member of
25 the supervisory board may be re-

1 appointed to not more than 2 consecu-
2 tive terms immediately following the
3 initial term of the member.

4 (II) EXCEPTION.—The limitation
5 under subclause (I) shall not apply to
6 a member of the supervisory board de-
7 scribed in clause (i) or (ii) of subpara-
8 graph (C).

9 (3) DUTIES.—The supervisory board, in con-
10 sultation with the Secretary, shall carry out each of
11 the following for the Fund:

12 (A) GENERAL OVERSIGHT.—Provide gen-
13 eral oversight of the Fund and managing entity.

14 (B) INVESTMENT OVERSIGHT.—Serve as
15 an investment committee, with all investment
16 decisions subject to a vote of approval by the
17 supervisory board, subject to the conditions
18 that—

19 (i) at least 4 of the 5 members of the
20 supervisory board shall be present for a
21 voting quorum; and

22 (ii) at least 3 members shall vote in
23 favor of an investment in order for the in-
24 vestment to be approved.

1 (4) FACA.—Chapter 10 of title 5, United
2 States Code (commonly referred to as the “Federal
3 Advisory Committee Act”), shall not apply to the su-
4 pervisory board.

5 **SEC. 1702. MANAGING ENTITY OF FUND.**

6 (a) IN GENERAL.—To support the objectives de-
7 scribed in section 1701(b), the Secretary shall enter into
8 an agreement (including through the use of grants, con-
9 tracts, cooperative agreements, or other transactions) with
10 an independent entity that shall serve as the managing
11 entity of the Fund.

12 (b) SELECTION.—To select the managing entity of
13 the Fund, the Secretary shall—

14 (1) hold an open competition and solicit bids
15 from eligible entities to manage the Fund; and

16 (2) enter into an agreement with a selected en-
17 tity not later than 180 days after the date on which
18 the Secretary begins the competition.

19 (c) ELIGIBILITY.—The managing entity shall—

20 (1) be an independent nonprofit or for-profit
21 entity;

22 (2) have a demonstrated record of managing in-
23 vestment funds and making equity investments;

24 (3) have a demonstrated record of being able to
25 create linkages between companies and investors and

1 leverage those partnerships and resources for the
2 purpose of addressing strategic needs; and

3 (4) have experience in promoting novel tech-
4 nology innovation.

5 (d) OTHER TRANSACTION AUTHORITY.—

6 (1) IN GENERAL.—Subject to paragraph (2),
7 the Secretary may enter into other transactions with
8 the managing entity to carry out the purposes of
9 this subtitle.

10 (2) LIMITATION.—To the maximum extent
11 practicable, competitive procedures shall be used
12 when entering into other transactions under this
13 subsection.

14 (e) DUTIES.—The managing entity shall—

15 (1) be responsible for the management of the
16 Fund through employing the use of strategic venture
17 capital practices and methods;

18 (2) develop and advance an investment strategy
19 for the development of critical and emerging tech-
20 nologies that address United States national security
21 and economic security needs, as identified by the
22 Secretary; and

23 (3) provide expert consultation and advice to
24 foster critical and emerging technology innovation,
25 including helping companies navigate unique indus-

1 try challenges with respect to developing critical and
2 emerging technology products and capabilities.

3 (f) DIRECTION.—Pursuant to an agreement entered
4 into under this section and in coordination with the super-
5 visory board established under section 1701(h), the Sec-
6 retary shall provide direction to the managing entity, in-
7 cluding by—

8 (1) communicating the national security and
9 economic security needs to be addressed by the man-
10 aging entity under the agreement;

11 (2) developing a description of work to be per-
12 formed by the managing entity under the agreement;

13 (3) providing technical feedback and appro-
14 priate oversight over work carried out by the man-
15 aging entity, including subsequent development and
16 partnerships consistent with the needs and require-
17 ments described in this section;

18 (4) ensuring fair consideration of products de-
19 veloped under the agreement in order to maintain
20 competition to the maximum extent practicable; and

21 (5) ensuring, as a condition of the agreement,
22 that the managing entity—

23 (A) has in place a comprehensive set of
24 policies that demonstrate a commitment to
25 transparency and accountability;

1 (B) protects against conflicts of interest
2 through a comprehensive set of policies that ad-
3 dress potential conflicts of interest, ethics, dis-
4 closure, and reporting requirements;

5 (C) provides monthly accounting on the
6 use of funds provided under the agreement; and

7 (D) provides on a quarterly basis reports
8 regarding the progress made toward meeting
9 the needs described in the agreement.

10 (g) NOT A FEDERAL AGENCY.—The Fund shall not
11 be considered to be an agency, department, or instrumen-
12 tality of the Federal Government.

13 **SEC. 1703. PERSONNEL AUTHORITIES.**

14 The Secretary may—

15 (1) appoint not more than 25 personnel without
16 regard to any provision of title 5, United States
17 Code, governing appointments in the competitive
18 service; and

19 (2) fix the rate of basic pay for such personnel
20 without regard to any provision of title 5, United
21 States Code, governing rates of pay or classification
22 of employees in the executive branch, subject to the
23 condition that the rate of basic pay shall not exceed
24 the amount of annual compensation (excluding ex-

1 penses) specified in section 102 of title 3, United
2 States Code.

3 **SEC. 1704. REPORTING REQUIREMENTS.**

4 Not later than October 1 of each year, the Secretary
5 shall submit to the appropriate congressional committees
6 a report of the operations of the Fund during the pre-
7 ceding fiscal year, including an assessment of—

8 (1) the impacts of investments on meeting the
9 objectives of the Fund described in section 1701(b);

10 (2) performance measurements of investments;

11 (3) the progress of the Fund in meeting the
12 goals and milestones developed by the advisory board
13 under section 1701(g)(3)(A)(i), including timelines
14 for those goals and milestones; and

15 (4) the extent to which the investments com-
16 plement other Federal financing mechanisms for
17 critical and emerging technologies.

18 **SEC. 1705. EXEMPTION FROM CERTAIN LAWS.**

19 Any action taken or decision made by the Secretary
20 under this subtitle shall be exempt from the requirements
21 of—

22 (1) section 3506 of title 44, United States Code
23 (commonly referred to as the “Paperwork Reduction
24 Act”); and

1 (2) chapters 5 and 7 of title 5, United States
2 Code (commonly referred to as the “Administrative
3 Procedure Act”).

4 **SEC. 1706. AUTHORIZATION OF APPROPRIATIONS.**

5 (a) IN GENERAL.—There is authorized to be appro-
6 priated to carry out this subtitle \$975,500,000 for fiscal
7 year 2027, of which \$300,000,000 shall be for bio-
8 technology investments, to remain available until ex-
9 pended.

10 (b) ADMINISTRATIVE AND OPERATING COSTS.—
11 There are authorized to be appropriated for the adminis-
12 trative and operating costs of carrying out this subtitle—

13 (1) \$2,000,000 for fiscal year 2027; and

14 (2) \$22,000,000 for each of fiscal years 2028
15 through 2042.

16 (c) CONDITIONAL AUTHORIZATION OF APPROPRIA-
17 TIONS.—

18 (1) IN GENERAL.—Subject to paragraph (2),
19 during the period of fiscal years 2037 through 2042,
20 if the cash balance available for biotechnology invest-
21 ments in the Fund is less than \$80,000,000 on Sep-
22 tember 30 of any of those fiscal years, there is au-
23 thORIZED to be appropriated to carry out this subtitle
24 for the following fiscal year \$500,000,000, of which
25 \$150,000,000 shall be for biotechnology investments.

1 (2) LIMITATION.—Not more than \$500,000,000
2 is authorized to be appropriated under paragraph
3 (1) during the period described in that paragraph.

4 **SEC. 1707. DEFINITIONS.**

5 In this subtitle:

6 (1) The term “adversarial investment” means
7 capital or intellectual property acquisition from 1 or
8 more foreign entities of concern.

9 (2) The term “appropriate congressional com-
10 mittees” means—

11 (A) the Committee on Finance of the Sen-
12 ate; and

13 (B) the Committee on Financial Services
14 of the House of Representatives.

15 (3) The term “critical and emerging tech-
16 nology” means a technology identified in the most
17 recent critical and emerging technologies list pub-
18 lished by the National Science and Technology
19 Council.

20 (4) The term “foreign entity of concern” has
21 the meaning given the term in section 10612(a) of
22 the Research and Development, Competition, and
23 Innovation Act (42 U.S.C. 19221(a)).

24 (5) The term “Fund” means the Independence
25 Investment Fund established by section 1701(a).

1 (6) The term “managing entity” means the
2 independent entity that enters into a partner agree-
3 ment with the Secretary under section 1702(a).

4 (7) The term “other transactions” means trans-
5 actions, other than procurement contracts, grants,
6 and cooperative agreements.

7 (8) The term “portfolio company” means a
8 company in which the Fund invests.

9 (9) The term “Secretary” means the Secretary
10 of the Treasury.

