



Legislative Bulletin.....February 28, 2007

Contents:

Amendments to H.R. 556—National Security Foreign Investment Reform and Strengthened Transparency Act

H.R. 556, the National Security Foreign Investment Reform and Strengthened Transparency Act (sponsored by Rep. Maloney, D-NY), is scheduled to be considered on the House floor today, February 28, 2007, subject to a modified open rule (H.Res. 195), allowing any germane amendment to be offered, as long as it was pre-filed in the *Congressional Record* yesterday. Below are the summaries of the 12 amendments preprinted in the *Congressional Record*. Note: summaries are based on RSC staff's review of *actual amendment text*. For a summary of the underlying bill, see a separate RSC document released yesterday. (Note: the rule allows for one motion to recommit, with or without instructions.)

RSC Staff Contact: Paul Teller; paul.teller@mail.house.gov, (202) 226-9718

1. Blunt (R-MO). Replaces the entire underlying bill with the Rep. Blunt version of the bill from last year (H.R. 5337), which is essentially the same as H.R. 556 this year, but with a few differences (such as a semi-annual CFIUS report in the amendment, instead of an annual report in the underlying bill; an Inspector General review of failures to submit the required Treasury Secretary critical infrastructure report in the amendment, with no such provision in the underlying bill; and an immediate effective date in the amendment, instead of a 90-day-after-enactment effective date in the underlying bill). Rep. Blunt is not expected to offer this amendment.

2. Blunt (R-MO). Replaces the entire underlying bill with a version of bill that is nearly identical to the underlying bill, but with the requirement for an Inspector General review of failures to submit the required Treasury Secretary critical infrastructure report in the amendment, with no such provision in the underlying bill. Rep. Blunt is not expected to offer this amendment

3. Frank (D-MA). Directs CFIUS to develop and agree upon methods for evaluating compliance with any agreement entered into or condition imposed with respect to a covered transaction that would allow CFIUS to adequately assure compliance without:

- unnecessarily diverting CFIUS resources from assessing any new covered transaction for which a written notice has been filed, and from reaching a mitigation agreement with, or imposing a condition on, a party to such covered transaction or any covered transaction for which a review has been reopened for any reason; or
- placing “unnecessary burdens” (not defined) on a party to a covered transaction.

Makes the critical infrastructure study in the underlying bill an *annual* (instead of just a one-time) study. Inserts the Rep. Roy Blunt language requiring an Inspector General review of failures to submit the required Treasury Secretary critical infrastructure report. Makes a variety of clarifying and technical changes.

4. King (R-IA). Directs CFIUS, when reviewing or investigating a covered transaction, to consider the potential effects of the covered transaction on U.S. efforts to curtail human smuggling.

5. McCaul (R-TX). Directs the President and any such agencies as the President may designate, “in order to assist the Congress in its oversight role of ensuring the national security of the United States by ensuring a healthy investment climate,” to include in the annual CFIUS report a detailed discussion of factors, including the effective rate of taxation on entrepreneurs and businesses and other sources of capital in the United States as compared to other countries, that affect the number of filings, changes in the types of business sectors involved in filings, and changes in the number of investments originating from specific countries.

6. McCaul (R-TX). Directs the President and any such agencies as the President may designate, “in order to assist the Congress in its oversight role of ensuring the national security of the United States by ensuring a healthy investment climate,” to include in the annual CFIUS report a detailed discussion of factors, including the amount of burdensome regulation in the United States as compared to other countries, that affect the number of filings, changes in the types of business sectors involved in filings, and changes in the number of investments originating from specific countries.

7. McCaul (R-TX). Directs the President and any such agencies as the President may designate, “in order to assist the Congress in its oversight role of ensuring the national security of the United States by ensuring a healthy investment climate,” to include in the annual CFIUS report a detailed discussion, including trend information on the number of jobs in the United States related to foreign investment resulting from covered transactions, that affect the number of filings, changes in the types of business sectors involved in filings, and changes in the number of investments originating from specific countries.

8. Davis (R-KY). Strikes the CFIUS roll-call requirement for approval of a foreign-government-controlled transaction (so that a voice vote would be allowed).

9. Davis (R-KY). Allows the appropriate Secretary to designate the ability to sign-off on a foreign-government-controlled transaction to any Senate-confirmed official (instead of just the appropriate Under Secretary).

10. Davis (R-KY). Strikes the requirement that the CFIUS report include information on the roll-call votes taken to approve covered transactions.

11. Barrow (D-GA). Requires that CFIUS provide written notice of any proposed covered transaction within five days to Congress, as well as written notice of any commenced investigation within one day to Congress. Directs CFIUS to provide “timely responses” (not defined) to

questions from Congress about pending investigations and requires that CFIUS notify Congress “promptly” (not defined) of any CFIUS decision on an investigation.

12. Barrow (D-GA). Requires that CFIUS reports on completed investigations also be sent to senators representing states and Members of Congress representing congressional districts that would be significantly affected by the covered transaction.