

109TH CONGRESS  
2D SESSION

# S. 3171

To establish in the Department of Commerce an Under Secretary for United States Direct Investment, and for other purposes.

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IN THE SENATE OF THE UNITED STATES

MAY 25, 2006

Mr. BINGAMAN (for himself and Mr. LUGAR) introduced the following bill;  
which was read twice and referred to the Committee on Finance

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## A BILL

To establish in the Department of Commerce an Under Secretary for United States Direct Investment, and for other purposes.

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 “United States Direct  
5       Investment Act of 2006”.

6       **SEC. 2. DEFINITIONS.**

7       In this Act:

8               (1) ADMINISTRATION.—The term “Administra-  
9       tion” means the United States Direct Investment  
10       Administration established under section 4.

1           (2) APPROPRIATE CONGRESSIONAL COMMIT-  
2           TEES.—The term “appropriate congressional com-  
3           mittees” means the Committee on Finance and the  
4           Committee on Commerce, Science, and Transpor-  
5           tation of the Senate and the Committee on Energy  
6           and Commerce and Committee on Ways and Means  
7           of the House of Representatives.

8           (3) CRITICAL HIGH-TECHNOLOGY INDUS-  
9           TRIES.—The term “critical high-technology indus-  
10          tries” means industries involved in technology—

11                   (A) the development of which will—

12                           (i) provide a wide array of economic,  
13                           environmental, energy, and defense-related  
14                           returns for the United States; and

15                           (ii) ensure United States economic,  
16                           environmental, energy, and defense-related  
17                           welfare; and

18                   (B) in which the United States has an  
19                   abiding interest in creating or maintaining se-  
20                   cure domestic sources.

21          (4) DEPARTMENT.—The term “Department”  
22          means the Department of Commerce.

23          (5) UNDER SECRETARY.—The term “Under  
24          Secretary” means the Under Secretary of Commerce

1 for United States Direct Investment described in  
2 section 4(a).

3 (6) UNITED STATES DIRECT INVESTMENT PRO-  
4 MOTION COMMITTEE.—The term “United States Di-  
5 rect Investment Promotion Committee” means the  
6 Interagency United States Direct Investment Pro-  
7 motion Committee established under section 7.

8 (7) WTO AGREEMENT.—The term “WTO  
9 Agreement” means the Agreement establishing the  
10 World Trade Organization entered into on April 15,  
11 1994.

12 **SEC. 3. RELATION TO CFIUS.**

13 The provisions of this Act shall not affect the imple-  
14 mentation or application of section 721 of the Defense  
15 Production Act of 1950 (50 U.S.C. App. 2170) and the  
16 activities of the Committee on Foreign Investment in the  
17 United States (or any successor committee).

18 **SEC. 4. ESTABLISHMENT OF UNITED STATES DIRECT IN-**  
19 **VESTMENT ADMINISTRATION.**

20 (a) IN GENERAL.—There is established in the De-  
21 partment of Commerce a United States Direct Investment  
22 Administration which shall be headed by an Under Sec-  
23 retary of Commerce for United States Direct Investment.  
24 The Under Secretary shall be appointed by the President,  
25 by and with the advice and consent of the Senate, and

1 shall be compensated at the rate provided for level III of  
2 the Executive Schedule in section 5314 of title 5, United  
3 States Code.

4 (b) DEPUTY UNDER SECRETARY.—There shall be in  
5 the Administration a Deputy Under Secretary for United  
6 States Direct Investment who shall be appointed by the  
7 President, by and with the advice of the Senate, and shall  
8 be compensated at the rate provided for level IV of the  
9 Executive Schedule in section 5315 of title 5, United  
10 States Code.

11 (c) STAFF.—The Under Secretary may appoint such  
12 additional personnel to serve in the Administration as the  
13 Under Secretary determines necessary.

14 (d) DUTIES.—The Under Secretary, in cooperation  
15 with the Economics and Statistics Administration and  
16 other offices at the Department, shall—

17 (1) collect and analyze data related to the flow  
18 of direct investment in the United States and  
19 throughout the world, as described in section 5;

20 (2) submit to the appropriate congressional  
21 committees an annual United States Direct Invest-  
22 ment Report, as described in section 6;

23 (3) develop and publish an annual United  
24 States Direct Investment Agenda;

1           (4) assume responsibility as the lead agency for  
2     advocating and implementing strategic policies that  
3     will increase direct investment in the United States;

4           (5) coordinate with the President regarding im-  
5     plementation of section 721 of the Defense Produc-  
6     tion Act of 1950 (50 U.S.C. App. 2170) and the ac-  
7     tivities of the Committee on Foreign Investment in  
8     the United States (or any successor committee); and

9           (6) in cooperation with the Economic Develop-  
10    ment Administration, administer an investment zone  
11    program for communities that have been negatively  
12    impacted by either trade or economic cycles.

13    (e) CONFORMING AMENDMENTS.—

14           (1) Section 5314 of title 5, United States Code,  
15    is amended by adding at the end the following:  
16    “Under Secretary of Commerce for United States  
17    Direct Investment.”.

18           (2) Section 5315 of title 5, United States Code,  
19    is amended by adding at the end the following:  
20    “Deputy Under Secretary of Commerce for United  
21    States Direct Investment.”.

22    **SEC. 5. ANNUAL DIRECT INVESTMENT REPORT.**

23           (a) ANNUAL DIRECT INVESTMENT REPORT.—Not  
24    later than April 30, 2007, and on or before March 31 of  
25    each succeeding calendar year, the Under Secretary shall

1 submit a report on the data identified and the analysis  
2 described in subsection (b) for the preceding calendar year  
3 (which shall be known as the “Annual Direct Investment  
4 Report”). The Report shall be submitted to the President  
5 and the appropriate congressional committees.

6 (b) DATA IDENTIFICATION.—

7 (1) IN GENERAL.—The data identified and  
8 analysis for the Report described in subsection (a)  
9 means the data identified and analyzed by the  
10 Under Secretary of Commerce, in cooperation with  
11 the Economic and Statistics Administration and  
12 other offices at the Department and with the assist-  
13 ance of other departments and agencies, including  
14 the Office of the United States Trade Representa-  
15 tive, for the preceding calendar year regarding the  
16 following:

17 (A) Policies, programs, and practices at  
18 the State and regional level designed to attract  
19 direct investment.

20 (B) The amount of direct investment at-  
21 tracted in each such State and region.

22 (C) Policies, programs, and practices in  
23 foreign countries designed to attract direct in-  
24 vestment, and the amount of direct investment  
25 attracted in each such foreign country.

1 (D) A comparison of the levels of direct in-  
2 vestment attracted in the United States and in  
3 foreign countries, including a matrix of inputs  
4 affecting the level of direct investment.

5 (E) Specific sectors in the United States  
6 and in foreign countries in which direct invest-  
7 ments are being made, including the specific  
8 amounts invested in each sector, with particular  
9 emphasis on critical high-technology industries.

10 (F) Trends in direct investment, with par-  
11 ticular emphasis on critical high-technology in-  
12 dustries.

13 (G) The best policy and practices at the  
14 Federal, State, and regional levels regarding di-  
15 rect investment policy, with specific reference to  
16 programs and policies that have the greatest  
17 potential to increase direct investment in the  
18 United States and enhance United States com-  
19 petitive advantage relative to foreign countries.  
20 Particular emphasis should be given to attract-  
21 ing direct investment in critical high-technology  
22 industries.

23 (H) Policies, programs, and practices in  
24 foreign countries designed to attract direct in-  
25 vestment that are not in compliance with the

1 WTO Agreement and the agreements annexed  
2 to that Agreement.

3 (2) CERTAIN FACTORS TAKEN INTO ACCOUNT  
4 IN MAKING ANALYSIS.—In making any analysis  
5 under paragraph (1), the Under Secretary shall take  
6 into account—

7 (A) the relative impact of policies, pro-  
8 grams, and practices of foreign governments on  
9 United States commerce;

10 (B) the availability of information to docu-  
11 ment the effect of policies, programs, and prac-  
12 tices;

13 (C) the extent to which such act, policy, or  
14 practice is subject to international agreements  
15 to which the United States is a party; and

16 (D) the impact trends in direct investment  
17 have had on—

18 (i) the competitiveness of United  
19 States industries in the international econ-  
20 omy, with particular emphasis on critical  
21 high-technology industries;

22 (ii) the value of goods and services ex-  
23 ported from and imported to the United  
24 States;

- 1 (iii) employment in the United States,  
2 in particular high-wage employment; and  
3 (iv) the provision of health care, pen-  
4 sions, and other benefits provided by com-  
5 panies based in the United States.

6 (c) ASSISTANCE OF OTHER AGENCIES.—

7 (1) FURNISHING OF INFORMATION.—The head  
8 of each department or agency of the executive  
9 branch of the Government, including any inde-  
10 pendent agency, is authorized and directed to fur-  
11 nish to the Under Secretary, upon request, such  
12 data, reports, and other information as is necessary  
13 for the Under Secretary to carry out the functions  
14 under this Act.

15 (2) RESTRICTIONS ON RELEASE OR USE OF IN-  
16 FORMATION.—Nothing in this subsection shall au-  
17 thorize the release of information to, or the use of  
18 information by, the Under Secretary in a manner in-  
19 consistent with law or any procedure established  
20 pursuant thereto.

21 (3) PERSONNEL AND SERVICES.—The head of  
22 any department, agency, or instrumentality of the  
23 United States may detail such personnel and may  
24 furnish such services, with or without reimburse-  
25 ment, as the Under Secretary may request to assist

1 in carrying out the functions of the Under Sec-  
2 retary.

3 (d) ANNUAL REVISIONS AND UPDATES.—The Under  
4 Secretary shall annually revise and update the Report de-  
5 scribed in subsection (a).

6 **SEC. 6. ANNUAL DIRECT INVESTMENT AGENDA.**

7 (a) IN GENERAL.—Not later than April 30, 2007,  
8 and on or before March 31 of each succeeding calendar,  
9 the Under Secretary shall submit an agenda based on the  
10 data and analysis described in section 5 for the preceding  
11 calendar year, to the President and the appropriate con-  
12 gressional committees. The agenda shall be known as the  
13 “Annual Direct Investment Agenda” and shall include—

14 (1) an evaluation of the research and develop-  
15 ment program expenditures being made in the  
16 United States with particular emphasis to critical  
17 high-technology industries considered essential to  
18 United States economic security and necessary for  
19 long-term United States economic competitiveness in  
20 world markets; and

21 (2) proposals that identify the policies, pro-  
22 grams, and practices in foreign countries and that  
23 the United States should pursue that—

24 (A) encourage direct investment in the  
25 United States that will enhance the country’s

1 competitive advantage relative to foreign coun-  
2 tries, with particular emphasis on critical high-  
3 technology industries;

4 (B) enhance the viability of the manufac-  
5 turing sector in the United States;

6 (C) increase opportunities for high-wage  
7 jobs and promote high levels of employment;

8 (D) encourage economic growth; and

9 (E) increase opportunities for the provision  
10 of health care, pensions, and other benefits pro-  
11 vided by companies based in the United States.

12 (b) CONSULTATION WITH CONGRESS ON ANNUAL  
13 DIRECT INVESTMENT AGENDA.—The Under Secretary  
14 shall keep the appropriate congressional committees cur-  
15 rently informed with respect to the Annual Direct Invest-  
16 ment Agenda and implementation of the Agenda. After the  
17 submission of the Agenda, the Under Secretary shall also  
18 consult periodically with, and take into account the views  
19 of, the appropriate congressional committees regarding  
20 implementation of the Agenda.

21 **SEC. 7. UNITED STATES DIRECT INVESTMENT PROMOTION**  
22 **COMMITTEE.**

23 (a) ESTABLISHMENT.—The President shall establish  
24 and the Under Secretary shall assume lead responsibility  
25 for an Interagency United States Direct Investment Pro-

1 motion Committee. The functions of the Committee shall  
2 be to—

3 (1) coordinate all United States Government ac-  
4 tivities related to the promotion of direct investment  
5 in the United States;

6 (2) advocate and implement strategic policies,  
7 programs, and practices that will increase direct in-  
8 vestment in the United States;

9 (3) train United States Government officials to  
10 pursue strategic policies, programs, and practices  
11 that will increase direct investment in the United  
12 States;

13 (4) consult with business, labor, State, regional,  
14 and local government officials on strategic policies,  
15 programs, and practices that will increase direct in-  
16 vestment in the United States;

17 (5) develop and publish materials that can be  
18 used by Federal, State, regional, and local govern-  
19 ment officials to increase direct investment in the  
20 United States;

21 (6) create and maintain a database of direct in-  
22 vestment opportunities in the United States;

23 (7) create and maintain an interactive website  
24 that can be used to access direct investment oppor-  
25 tunities in different sectors and geographical areas

1 of the United States, with particular emphasis on  
2 critical high-technology industries;

3 (8) coordinate direct investment marketing ac-  
4 tivities with State Economic Development Agencies;  
5 and

6 (9) host regular meetings and discussions with  
7 State, regional, and local economic development offi-  
8 cials to consider best policy practices to increase di-  
9 rect investment in the United States.

10 (b) MEMBERS.—The Committee shall be composed of  
11 the following:

12 (1) The Secretary of Commerce.

13 (2) The United States Trade Representative.

14 (3) Members of the United States International  
15 Trade Commission.

16 (4) The Secretary of the Treasury.

17 (5) Members of the National Economic Council.

18 (6) The Secretary of Agriculture.

19 (7) Such other officials as the President deter-  
20 mines to be necessary.

21 **SEC. 8. DESIGNATION OF ADDITIONAL RENEWAL COMMU-**  
22 **NITIES.**

23 Section 1400E of the Internal Revenue Code of 1986  
24 (relating to designation of renewal communities) is amend-  
25 ed by adding at the end the following new subsection:

1 “(h) ADDITIONAL DESIGNATIONS PERMITTED.—

2 “(1) IN GENERAL.—In addition to the areas  
3 designated under subsection (a), the Under Sec-  
4 retary of Commerce for United States Direct Invest-  
5 ment, after consultation with the Secretary of the  
6 Treasury, may designate in the aggregate an addi-  
7 tional 10 nominated areas as renewal communities  
8 under this section, subject to the availability of eligi-  
9 ble nominated areas.

10 “(2) PERIOD DESIGNATIONS MAY BE MADE AND  
11 TAKE EFFECT.—A designation may be made under  
12 this subsection after the date of the enactment of  
13 this subsection and before the date which is 5 years  
14 after such date of enactment. Subject to subpara-  
15 graphs (B) and (C) of subsection (b)(1), a designa-  
16 tion made under this subsection shall remain in ef-  
17 fect during the period beginning with such designa-  
18 tion and ending on the date which is 8 years after  
19 such designation.

20 “(3) APPLICATION OF RULES.—Except as oth-  
21 erwise provided in paragraph (1), the rules of this  
22 section shall apply to designations under this sub-  
23 section.”.

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