

## HR 5665

Foreign Investment and Economic Security Act of 2016

**Congress:** 114 (2015–2017, Ended)

**Chamber:** House

**Policy Area:** Foreign Trade and International Finance

**Introduced:** Jul 7, 2016

**Current Status:** Referred to the House Committee on Financial Services.

**Latest Action:** Referred to the House Committee on Financial Services. (Jul 7, 2016)

**Official Text:** <https://www.congress.gov/bill/114th-congress/house-bill/5665>

### Sponsor

**Name:** Rep. DeLauro, Rosa L. [D-CT-3]

**Party:** Democratic • **State:** CT • **Chamber:** House

### Cosponsors (3 total)

Cosponsor	Party / State	Role	Date Joined
Rep. Ellison, Keith [D-MN-5]	D · MN		Jul 7, 2016
Rep. Pocan, Mark [D-WI-2]	D · WI		Jul 7, 2016
Rep. Slaughter, Louise McIntosh [D-NY-25]	D · NY		Jul 7, 2016

### Committee Activity

Committee	Chamber	Activity	Date
Financial Services Committee	House	Referred To	Jul 7, 2016

### Subjects & Policy Tags

#### Policy Area:

Foreign Trade and International Finance

### Related Bills

*No related bills are listed.*

## Foreign Investment and Economic Security Act of 2016

This bill amends the Defense Production Act of 1950 to provide for: (1) national security reviews of transactions involving the construction of a new facility in the United States by any foreign person (currently, national security reviews are conducted only for certain mergers, acquisitions, or takeovers by or with a foreign person); and (2) net benefit reviews of new construction, mergers, acquisitions, or takeovers by or with a foreign person to determine whether the transaction is of net benefit to the United States.

The bill makes net benefit reviews mandatory for transactions that meet specified requirements under the Clayton Act.

The bill requires the Committee on Foreign Investment in the United States (CFIUS), for purposes of carrying out net benefit determinations, to consider the effect of the transaction on: (1) employment, resource processing, the utilization of parts and services produced in or imported into the United States, and exports; (2) industrial efficiency, technological development, technology transfers, and product innovation; (3) competition within any U.S. industry or with other countries; (4) compatibility with national industrial, economic, and cultural policies; and (5) public health, safety, and well-being of U.S. consumers.

In the case of a net benefit determination concerning a foreign government-influenced transaction, CFIUS must consider additional factors including:

- the governance and commercial orientation of the foreign person engaging in such transaction;
- the extent to which the foreign person is owned, controlled, or influenced by the foreign government; and
- adherence to U.S. law and corporate governance standards, engagement of the foreign country with the Securities and Exchange Commission and the Public Company Accounting Oversight Board, and the likelihood of operation on a commercial basis.

The bill also revises the composition of CFIUS, for the purpose of carrying out net benefit determinations.

The bill requires final CFIUS determinations to be certified to Congress and referred to the President if a transaction will not be of net benefit to the United States. The bill prohibits transactions that the President determines are not of net benefit to the United States and bars judicial review of such determinations.

## Actions Timeline

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- **Jul 7, 2016:** Introduced in House
- **Jul 7, 2016:** Referred to the House Committee on Financial Services.