

117TH CONGRESS
1ST SESSION

H. R. 3309

To establish a manufacturing grant program, a trade preference program, and certain tax incentives to encourage companies to manufacture certain essential articles in countries in the Western Hemisphere and to safeguard against disruptions to the supply chains for such articles, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

MAY 18, 2021

Mr. KINZINGER (for himself and Mr. CROW) introduced the following bill; which was referred to the Committee on Ways and Means, and in addition to the Committees on Foreign Affairs, and Energy and Commerce, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned

A BILL

To establish a manufacturing grant program, a trade preference program, and certain tax incentives to encourage companies to manufacture certain essential articles in countries in the Western Hemisphere and to safeguard against disruptions to the supply chains for such articles, 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,*

1 **SECTION 1. SHORT TITLE.**

2 This Act may be cited as the “Manufacturing Abili-
3 ties Determine Economies in The Americas Act” or the
4 “MADE in The Americas Act”.

5 **SEC. 2. STATEMENTS OF POLICY.**

6 It shall be the policy of the United States to—

7 (1) diversify supply chains of covered articles in
8 order to strengthen the security and economies of
9 the United States and its allies;

10 (2) maintain an active and leading role in glob-
11 al trade and medical research for the benefit of the
12 workforces in the United States and its allies;

13 (3) strengthen and increase trade between the
14 United States and other countries in the Western
15 Hemisphere in order to—

16 (A) mitigate supply chain vulnerabilities;

17 (B) raise living standards;

18 (C) increase job opportunities; and

19 (D) mitigate the underlying causes of ir-
20 regular immigration between such countries;

21 (4) in order to safeguard against future disrup-
22 tions, incentivize the relocation of facilities that
23 manufacture covered articles from countries of con-
24 cern to the Western Hemisphere;

1 (5) prioritize and provide diplomatic and polit-
2 ical support to developing countries in the Western
3 Hemisphere to—

4 (A) resolve any impediments to the manu-
5 facturing and labor protection sectors in such
6 countries;

7 (B) advocate for political and economic re-
8 forms in such countries that will improve the
9 regulatory and investment environment;

10 (C) resolve challenges for United States in-
11 vestors in such countries, including political in-
12 stability and corruption; and

13 (D) build and maintain essential public
14 services and infrastructure necessary for eco-
15 nomic growth and stability through access to
16 debt refinancing support, as appropriate;

17 (6) support and promote multilateral and bilat-
18 eral free trade agreements with allied nations in the
19 Western Hemisphere;

20 (7) support joint ventures between companies in
21 the United States and domestically owned companies
22 in the Western Hemisphere; and

23 (8) harness existing tools, such as the United
24 States Agency for International Development, the
25 United States International Development Finance

1 Corporation, to assist countries in the Western
2 Hemisphere to develop increased manufacturing ca-
3 pacity.

4 **SEC. 3. UNITED STATES STRATEGY TO COUNTER THREATS**
5 **TO SUPPLY CHAINS FOR COVERED ARTICLES.**

6 (a) IN GENERAL.—In accordance with Executive
7 Order 14017 (86 Fed. Reg. 11849), the President shall
8 develop and implement a strategy to reduce reliance on
9 concentrated supply chains for covered articles and protect
10 against any threats from countries of concern relating to
11 supply chains for covered articles.

12 (b) ELEMENTS.— The strategy required by sub-
13 section (a) shall include the following elements:

14 (1) A plan to provide sufficient access to cov-
15 ered articles by ensuring that supply chains for such
16 articles are not concentrated in a country of concern.

17 (2) A plan to use tools available to the Federal
18 Government, such as the United States Agency for
19 International Development and the United States
20 International Development Finance Corporation, to
21 assist countries in the Western Hemisphere to build
22 capacity for manufacturing covered articles.

23 (3) A plan to incentivize—

24 (A) United States companies that manu-
25 facture covered articles to—

1 (i) relocate manufacturing facilities,
2 personnel, or operations related to the pro-
3 duction of covered articles to the United
4 States or to other countries in the Western
5 Hemisphere;

6 (ii) to expand such facilities, per-
7 sonnel, or operations to increase the pro-
8 duction of covered articles and meet in-
9 creasing demand for such articles; and

10 (iii) to assist countries in developing
11 greater manufacturing capacity; and

12 (B) companies that do not manufacture
13 covered articles to make necessary or appro-
14 priate modifications to existing manufacturing
15 facilities, personnel, or operations in order to
16 manufacture 1 or more covered articles.

17 (4) A plan to enter into trade agreements with
18 countries in the Western Hemisphere that—

19 (A) protect against any threats from coun-
20 tries of concern relating to supply chains for
21 covered articles; and

22 (B) foster political and regulatory stability
23 to allow a manufacturing company interested in
24 relocating to such countries in the Western

1 Hemisphere to make long-term investment
2 plans.

3 (5) A plan to coordinate with other countries in
4 the Western Hemisphere to avoid disruptions to the
5 continued operations of supply chains for covered ar-
6 ticles during a covered emergency.

7 (6) A plan to provide technical assistance to
8 governments in the Western Hemisphere to improve
9 regulatory and investment frameworks to welcome
10 companies with intention to relocate manufacturing
11 facilities.

12 (c) SUBMISSION OF STRATEGY.—

13 (1) IN GENERAL.—Not later than 60 days after
14 the date of enactment of this Act, the President
15 shall submit to Congress a report containing the
16 strategy developed under this section.

17 (2) UPDATE.—Not less than once every 4 years
18 after the date on which the strategy is submitted
19 under paragraph (1), the President shall submit to
20 Congress an update to such strategy.

21 (3) FORM.—The report submitted under para-
22 graph (1), and any update submitted under para-
23 graph (2), shall be submitted in unclassified form
24 and may include a classified annex.

1 (d) DEFINITION.—For purposes of this section, the
2 term “country of concern” means a country described in
3 paragraph (3)(B) of section 9 of this Act.

4 **SEC. 4. NATIONAL MANUFACTURING SECURITY AND RESIL-**
5 **IENCE COUNCIL.**

6 (a) ESTABLISHMENT.—There is hereby established
7 within the Executive Office of the President the Manufac-
8 turing Security and Resilience Council (hereinafter re-
9 ferred to as the “Council”).

10 (b) MEMBERS.—The Council shall be composed of—

- 11 (1) The President;
- 12 (2) The Vice President;
- 13 (3) The Secretary of Commerce;
- 14 (4) The Secretary of State;
- 15 (5) The Secretary of Defense;
- 16 (6) The Secretary of Homeland Security;
- 17 (7) The Secretary of Energy;
- 18 (8) The Secretary of Health and Human Serv-
- 19 ices;
- 20 (9) The Director of National Intelligence; and
- 21 (10) The United States Trade Representative.

22 (c) ADDITIONAL MEMBERS.—The President may also
23 appoint up to ten additional officers of the Federal Gov-
24 ernment to serve on the Council, including but not limited
25 to—

1 (1) The National Security Advisor;

2 (2) The Director of the National Economic
3 Council;

4 (3) The Homeland Security Advisor;

5 (4) The Director of the Office of Science and
6 Technology Policy;

7 (5) The Director of the Cybersecurity and In-
8 frastructure Security Agency;

9 (6) The Director of the Centers for Disease
10 Control and Prevention;

11 (7) The Administrator of the Federal Emer-
12 gency Management Agency;

13 (8) The Director of the National Institute of
14 Standards and Technology; and

15 (9) The Director of the Hollings Manufacturing
16 Extension Partnership.

17 (d) PRESIDING OFFICERS.—At meetings of the
18 Council, the President shall preside or, in the absence of
19 the President, a member of the Council designated by the
20 President shall preside.

21 (e) DESIGNEES.—Each member of the Council from
22 a department or agency of the Federal Government may
23 designate another officer of his department or agency to
24 serve on the Council as his alternate in his unavoidable
25 absence.

1 (f) FUNCTIONS.—The functions of the Council are
2 to—

3 (1) implement the strategy requested under sec-
4 tion 3;

5 (2) determine whether a covered article is es-
6 sential to the critical infrastructure of the United
7 States or to the ability of the United States to re-
8 spond to a covered emergency;

9 (3) establish and maintain the database de-
10 scribed in subsection (j);

11 (4) establish, manage, and carry out the manu-
12 facturing resilience grant program established under
13 subsection (k);

14 (5) coordinate, without assuming operational
15 authority, the use of private-sector manufacturing
16 resources to respond to a covered emergency; and

17 (6) not less than once every year, inform Con-
18 gress of the activities of the Council in carrying out
19 the duties and functions described in paragraphs (1)
20 through (5) of this subsection.

21 (g) DIRECTOR.—The Council shall be headed by a ci-
22 vilian Director who shall be appointed by the President
23 by and with the advice and consent of the Senate. In ap-
24 pointing the Director, the President shall choose an indi-
25 vidual who—

1 (1) is a senior executive (as such term is de-
2 fined in section 3132 of title 5, United States Code);
3 and

4 (2) is fit to perform the duties required by the
5 position, without regard to political affiliation.

6 (h) STAFF.—The Council may employ a staff who
7 shall be appointed by the Director. The Director, subject
8 to the direction of the Council, is authorized to appoint
9 and fix the compensation of such personnel consistent with
10 existing civil service statutes and regulations, as may be
11 necessary to perform such duties as may be prescribed by
12 the Council in connection with the performance of its func-
13 tions. The professional staff for which this subsection pro-
14 vides shall not exceed 200 persons, including persons em-
15 ployed by, assigned to, detailed to, under contract to serve
16 on, or otherwise serving or affiliated with the staff. The
17 limitation in this paragraph does not apply to personnel
18 serving substantially in support or administrative posi-
19 tions.

20 (i) AUTHORITIES.—The Director of the Office may—

21 (1) notwithstanding subsections (a) and (b) of
22 section 3324 of title 31, United States Code, enter
23 into and perform such contracts, leases, cooperative
24 agreements, or other transactions as may be nec-
25 essary to carry out the duties of the Council, and on

1 such terms as the Director determines are appro-
2 priate, with—

3 (A) any agency or instrumentality of the
4 Federal Government;

5 (B) any State, territory, or possession of
6 the United States, including any political sub-
7 division thereof; and

8 (C) any person or educational institution;

9 (2) pursuant to subsection (h), employ such
10 personnel as the Director determines are necessary
11 to conduct the business of the Council; and

12 (3) delegate to other employees of the Office
13 such powers and authority as the Director deter-
14 mines may be warranted in the interests of efficiency
15 and sound administration.

16 (j) DATABASE.—

17 (1) IN GENERAL.—The Director shall establish
18 and maintain a database of information on covered
19 manufacturing companies.

20 (2) REQUIREMENTS.—

21 (A) IN GENERAL.—The database estab-
22 lished under paragraph (1) shall include infor-
23 mation that the Director determines is nec-
24 essary to effectively respond to covered emer-
25 gencies, including information related to—

1 (i) the manufacturing facilities and
2 operations of a covered manufacturing
3 company; and

4 (ii) the types of articles manufactured
5 by such company.

6 (B) INFORMATION GATHERING.—To gath-
7 er the information described in subparagraph
8 (A), the Director shall—

9 (i) use existing sources of such infor-
10 mation;

11 (ii) coordinate with the Director of the
12 Census Bureau to gather data on covered
13 manufacturing companies; and

14 (iii) ensure the appropriate protection
15 for any proprietary, confidential, or sen-
16 sitive information related to a covered
17 manufacturing company.

18 (C) REQUESTS FOR INFORMATION DURING
19 EMERGENCY.—During a covered emergency, the
20 Director may request specific information from
21 covered manufacturing companies that the Di-
22 rector determines is necessary to prepare a na-
23 tional response to such emergency.

24 (D) DESIGN.—The Director shall design
25 and maintain the database in a manner that al-

1 lows for the direct input and update of informa-
2 tion in the database.

3 (E) TRANSPARENCY.—The Director shall
4 develop policies for the operation of the data-
5 base that—

6 (i) require the timely and accurate
7 input of information into the database; and

8 (ii) allow a covered manufacturing
9 company to access any information in the
10 database that relates to such company and
11 correct any inaccurate information.

12 (F) ACCESSIBILITY.—The Director shall
13 ensure that the information in the database is
14 available to—

15 (i) appropriate acquisition officials of
16 Federal agencies;

17 (ii) upon request, the Chairman and
18 Ranking Member of each of the appro-
19 priate congressional committees; and

20 (iii) any other government officials
21 that the Director determines are appro-
22 priate, except that the Director shall pro-
23 vide written notice to the appropriate con-
24 gressional committees not later than 14
25 days after the date on which a new govern-

1 ment official is granted access to the data-
2 base.

3 (G) COVERED MANUFACTURING COMPANY
4 DEFINED.—In this subsection, the term “cov-
5 ered manufacturing company” means a com-
6 pany in the United States that—

7 (i) manufactures a covered article; or
8 (ii) maintains facilities that may be
9 converted to manufacture covered articles
10 during a covered emergency.

11 (k) MANUFACTURING SECURITY AND RESILIENCE
12 GRANT PROGRAM.—

13 (1) ESTABLISHMENT.—The President shall es-
14 tablish a manufacturing resilience grant program, to
15 be administered by the Director, to make grants to
16 eligible manufacturing companies to carry out eligi-
17 ble projects to—

18 (A) increase the manufacture of covered
19 articles in countries in the Western Hemi-
20 sphere;

21 (B) assist the Federal Government in pre-
22 paring for and responding to covered emer-
23 gencies; and

24 (C) reduce reliance on concentrated supply
25 chains for covered articles.

1 (2) ELIGIBLE MANUFACTURING COMPANIES.—

2 To be eligible to receive a grant under this sub-
3 section, a manufacturing company shall—

4 (A) be a domestic corporation that is en-
5 gaged in the business of manufacturing;

6 (B) be capable of manufacturing covered
7 articles to assist the Federal Government in
8 preparing for and responding to a covered
9 emergency, as determined by the Director; and

10 (C) provide all necessary information for
11 inclusion in the database established under sub-
12 section (j), as requested by the Director.

13 (3) ELIGIBLE PROJECTS.—A grant recipient
14 may use funds awarded under this subsection for a
15 project that—

16 (A) relocates manufacturing facilities, per-
17 sonnel, or operations related to covered articles
18 out of a country of concern and into the United
19 States or other foreign country in the Western
20 Hemisphere;

21 (B) modifies manufacturing facilities or
22 operations related to covered articles to—

23 (i) create new capabilities for such
24 grant recipient to manufacture covered ar-
25 ticles;

1 (ii) expand existing operations to in-
2 crease the manufacture of covered articles;

3 or

4 (iii) accommodate any manufacturing
5 operations or personnel related to covered
6 articles that are relocated to a country in
7 the Western Hemisphere; or

8 (C) develops tools or processes that relate
9 to procuring, transporting, or storing covered
10 articles.

11 (4) USE OF FUNDS.—

12 (A) IN GENERAL.—Grant amounts re-
13 ceived for a project under this subsection may
14 be used for any costs associated with such
15 project, including administrative costs and
16 workforce development initiatives.

17 (B) LIMITATION.—Grant amounts received
18 for a project under this subsection may not be
19 used to support manufacturing facilities or op-
20 erations located in a country of concern.

21 (5) CONDITIONS.—As a condition on the receipt
22 of a grant under this subsection, the grant recipient
23 shall—

24 (A) not later than 1 year after receiving a
25 grant, agree to manufacture the amount of cov-

1 ered articles that the Director determines is
2 reasonable, to be made available for purchase
3 by the Federal Government beneficiary with re-
4 spect to which such amounts were provided;
5 and

6 (B) coordinate with the Director to assist
7 the United States to prepare for and respond to
8 a covered emergency by manufacturing covered
9 articles when necessary.

10 (6) APPLICATION.—To be eligible for a grant
11 under this subsection, an eligible manufacturing
12 company shall submit to the Director an application
13 in such form, at such time, and containing such in-
14 formation as the Director determines appropriate,
15 including—

16 (A) a description of the proposed project to
17 be carried out with grant funds;

18 (B) a description of the type of covered ar-
19 ticles that such company intends to produce in
20 carrying out such project; and

21 (C) an estimation of the total costs for
22 such project.

23 (7) SELECTION OF GRANT RECIPIENT.—

24 (A) CONSULTATION REQUIRED.—In
25 awarding grants for amounts allocated pursu-

1 ant to subparagraphs (B) through (J) of sub-
2 section (m)(2), the Director shall consult with
3 the applicable Federal Government beneficiary.

4 (B) DIVERSITY OF COVERED ARTICLES.—

5 To the extent practicable, the Director shall en-
6 sure that grants are awarded for proposed
7 projects that will result in the production of a
8 diverse type of covered articles.

9 (C) PRIORITY.—In awarding a grant under
10 this subsection, the Director shall prioritize
11 awarding grants for proposed projects that—

12 (i) will operate within the United
13 States and employ citizens of the United
14 States; and

15 (ii) will result in the production of
16 covered articles that relate to the strategic
17 needs of the Federal Government in pre-
18 paring for and responding to covered emer-
19 gencies.

20 (8) GRANT AMOUNT.—

21 (A) IN GENERAL.—The Federal share of
22 the total cost of a project receiving a grant
23 under this subsection, as estimated under para-
24 graph (6)(C), shall be 75 percent.

1 (B) LIMITATION.—An eligible manufac-
2 turing company may not receive more than a
3 total of \$500,000,000 in grant funds in 1 fiscal
4 year.

5 (C) TOTAL AMOUNTS TO SUPPORT FED-
6 ERAL GOVERNMENT BENEFICIARIES.—

7 (i) MINIMUM TOTAL AMOUNT.—Of the
8 amounts allocated for grants pursuant to
9 subparagraphs (B) through (J) of sub-
10 section (m)(2), the total amount of funds
11 awarded for the support of a single Fed-
12 eral Government beneficiary shall be not
13 less than \$500,000,000.

14 (ii) MAXIMUM TOTAL AMOUNT.—Of
15 the amounts allocated for grants pursuant
16 to subsection (m)(2)(A), the total amount
17 of funds provided for the support of a sin-
18 gle Federal Government beneficiary may
19 not exceed \$2,000,000,000.

20 (9) DEFINITION.—In this subsection, the term
21 “Federal Government beneficiary” means the fol-
22 lowing:

23 (A) The Department of Agriculture.

24 (B) The Department of Defense.

25 (C) The Department of Energy.

1 (D) The Department of Health and
2 Human Services.

3 (E) The Department of Homeland Secu-
4 rity.

5 (F) The Department of the Interior.

6 (G) The Department of the Treasury.

7 (H) The Environmental Protection Agency.

8 (I) ADVISORY BOARD.—

9 (1) ESTABLISHMENT.—There is established an
10 Manufacturing Security and Resilience Advisory
11 Board (hereinafter referred to as the “Advisory
12 Board”).

13 (2) MEMBERS.—The President shall appoint
14 twenty members to the Advisory Board, each having
15 demonstrated expertise relating to, or experience op-
16 erating in, the manufacturing industry and with
17 supply chain management, and consisting of—

18 (A) eight representatives from United
19 States manufacturing companies;

20 (B) four representatives from academic in-
21 stitutions;

22 (C) four representatives from labor organi-
23 zations; and

24 (D) four representatives from non-profit
25 organizations.

1 (3) CHAIR.—The Chair of the Advisory Board
2 shall be appointed by the President from its mem-
3 bership.

4 (4) MEETINGS.—The Advisory Board shall
5 meet not less than four times each year at the call
6 of the Chair.

7 (5) FUNCTIONS.—The functions of the Advisory
8 Board are to—

9 (A) review the general policies and oper-
10 ations of the Council and advise the Council
11 with respect to such policies and operations;

12 (B) collaborate with the Hollings Manufac-
13 turing Extension Partnership, established pur-
14 suant to section 25 of the National Institute of
15 Standards and Technology Act (15 U.S.C.
16 278k), and the Manufacturing USA Program,
17 established pursuant to section 34 of such Act
18 (15 U.S.C. 278s), to assist Federal, State, and
19 local governments in identifying industrial re-
20 sources and opportunities to prepare for and re-
21 spond to covered emergencies;

22 (C) commission and conduct research to
23 identify and analyze how to improve the ability
24 of the United States manufacturing sector to

1 assist Federal, State, and local governments in
2 responding to covered emergencies; and

3 (D) identify best practices for federal,
4 State, and local governments and the United
5 States Manufacturing sector to effectively and
6 efficiently respond to covered emergencies;

7 (m) FUNDING.—

8 (1) MANUFACTURING SECURITY AND RESIL-
9 IENCE COUNCIL.—To operate the Manufacturing Se-
10 curity and Resilience Council established by this sec-
11 tion, there is authorized to be appropriated
12 \$50,000,000 for each of fiscal years 2021 through
13 2031, to remain available until expended.

14 (2) MANUFACTURING SECURITY AND RESIL-
15 IENCE GRANT PROGRAM.—For grants awarded
16 under subsection (k), there is authorized to be ap-
17 propriated \$24,950,000,000 for each of fiscal years
18 2021 through 2031, to remain available until ex-
19 pended. Of the funds made available under the pre-
20 ceding sentence, the Director shall allocate for each
21 fiscal year—

22 (A) 32 percent for grants proposed to sup-
23 port any of the Federal Government bene-
24 ficiaries for the strategic needs of the Federal
25 Government;

1 (B) 4 percent for grants proposed to sup-
2 port the Office of Cybersecurity and Commu-
3 nications within the Department of Homeland
4 Security;

5 (C) 28 percent for grants proposed to sup-
6 port—

7 (i) the Office of Infrastructure Protec-
8 tion within the Department of Homeland
9 Security;

10 (ii) the Transportation Security Ad-
11 ministration;

12 (iii) the United States Coast Guard;
13 and

14 (iv) the Federal Protective Service;

15 (D) 4 percent for grants proposed to sup-
16 port the Department of Agriculture;

17 (E) 12 percent for grants proposed to sup-
18 port the Department of Defense;

19 (F) 8 percent for grants proposed to sup-
20 port the Department of Energy;

21 (G) 6 percent for grants proposed to sup-
22 port the Department of Health and Human
23 Services;

24 (H) 4 percent for grants proposed to sup-
25 port the Environmental Protection Agency;

1 (I) 1 percent for grants proposed to sup-
2 port the Department of the Treasury; and

3 (J) 1 percent for grants proposed to sup-
4 port the Department of the Interior.

5 (n) DEFINITIONS.—In this section:

6 (1) DIRECTOR.—The term “Director” means
7 the Director of the National Manufacturing Security
8 and Resilience Council established by this section.

9 (2) COUNCIL.—The term “Council” means the
10 National Manufacturing Security and Resilience
11 Council established by this section.

12 **SEC. 5. WESTERN HEMISPHERE TRADE PREFERENCE PRO-**
13 **GRAM.**

14 (a) AUTHORITY TO PROVIDE DUTY-FREE TREAT-
15 MENT.—Notwithstanding any other provision of law and
16 subject to subsection (b), the President is authorized to
17 provide duty-free treatment for any eligible article from
18 any beneficiary Western Hemisphere country in accord-
19 ance with the provisions of this section.

20 (b) DESIGNATION OF BENEFICIARY WESTERN HEMI-
21 SPHERE COUNTRIES.—

22 (1) AUTHORITY TO DESIGNATE.—The President
23 is authorized to designate Western Hemisphere
24 countries described in paragraph (8)(B) of section 9

1 of this Act as beneficiary Western Hemisphere coun-
2 tries for purposes of this section.

3 (2) COUNTRIES INELIGIBLE FOR DESIGNA-
4 TION.—The President may not designate a Western
5 Hemisphere country as a beneficiary Western Hemi-
6 sphere country under this section if such country—

7 (A) does not have a democratically elected
8 government or a market economy;

9 (B) has nationalized, expropriated, or oth-
10 erwise seized ownership or control of property
11 owned by a United States citizen or by a cor-
12 poration, partnership, or association that is 50
13 percent or more beneficially owned by United
14 States citizens;

15 (C) affords preferential treatment to the
16 products of a developed country, other than the
17 United States, which has, or is likely to have,
18 a significant adverse effect on United States
19 commerce, unless—

20 (i) the President receives satisfactory
21 assurances that such preferential treat-
22 ment will be eliminated or that action will
23 be taken to assure that there will be no
24 such significant adverse effect; and

1 (ii) the President reports such assur-
2 ances to Congress;

3 (D) is not a signatory to a treaty, conven-
4 tion, protocol, or other agreement regarding the
5 extradition of United States citizens; or

6 (E) does not afford and enforce in law and
7 practice internationally recognized worker
8 rights for workers in the country.

9 (c) ELIGIBLE ARTICLES.—

10 (1) IN GENERAL.—Subject to paragraphs (2)
11 and (3), the duty-free treatment provided under this
12 section shall apply to any article—

13 (A) that is the growth, product, or manu-
14 facture of a beneficiary Western Hemisphere
15 country; and

16 (B) that is needed to support the critical
17 infrastructure of the United States.

18 (2) RULES OF ORIGIN.—The duty-free treat-
19 ment provided under this section shall apply to any
20 eligible article that is the growth, product, or manu-
21 facture of a beneficiary Western Hemisphere country
22 if—

23 (A) such article is imported directly from
24 such country into the customs territory of the
25 United States; and

1 (B) the sum of—

2 (i) the cost or value of the materials
3 produced in the beneficiary Western Hemi-
4 sphere country or any two or more such
5 countries that are members of the same as-
6 sociation of countries, plus

7 (ii) the direct costs of processing oper-
8 ations performed in such beneficiary West-
9 ern Hemisphere country or such member
10 countries,

11 is not less than 35 percent of the appraised
12 value of such article at the time it is entered.

13 (3) INELIGIBLE ARTICLES.—An article may not
14 be treated as the growth, product, or manufacture of
15 a beneficiary Western Hemisphere country by virtue
16 of having merely undergone—

17 (A) simple combining or packaging oper-
18 ations; or

19 (B) mere dilution with water or another
20 substance that does not materially alter the
21 characteristics of the article.

22 (d) DEFINITIONS.—In this section, the terms “en-
23 tered” and “internationally recognized worker rights”
24 have the meanings given such terms in section 507 of the
25 Trade Act of 1974 (19 U.S.C. 2467).

1 (e) TERMINATION.—No duty-free treatment provided
2 under this section shall remain in effect after September
3 30, 2030.

4 **SEC. 6. TEMPORARY INCREASED EXPENSING FOR RELO-**
5 **CATING MANUFACTURING TO THE WESTERN**
6 **HEMISPHERE.**

7 (a) IN GENERAL.—For purposes of section 168(k) of
8 the Internal Revenue Code of 1986, in the case of any
9 qualified United States manufacturing property which is
10 placed in service after December 31, 2020, and before
11 January 1, 2026—

12 (1) such property shall be treated as qualified
13 property (within the meaning of such section);

14 (2) the applicable percentage otherwise deter-
15 mined under section 168(k)(6) of such Code with re-
16 spect to such property shall be—

17 (A) if placed in the United States, 100
18 percent; and

19 (B) if placed within a country in the West-
20 ern Hemisphere, 60 percent; and

21 (3) paragraph (8) of such section shall not
22 apply.

23 (b) DEFINITION.—In this section the term “qualified
24 United States manufacturing property” means a domestic
25 corporation that is engaged in the business of manufac-

1 turing covered articles with property outside the Western
2 Hemisphere that places in service tangible property within
3 the Western Hemisphere.

4 (c) TERMINATION.—This section shall not apply to
5 any property placed in service after December 31, 2025.

6 **SEC. 7. AMERICAN SECURITY PRODUCT TAX CREDIT.**

7 (a) IN GENERAL.—Subpart D of part IV of sub-
8 chapter A of chapter 1 of the Internal Revenue Code of
9 1986 is amended by adding at the end the following new
10 section:

11 **“SEC. 45U. AMERICAN SECURITY PRODUCT TAX CREDIT.**

12 “(a) IN GENERAL.—For purposes of section 38, the
13 American security product tax credit for any taxable year
14 is an amount equal to—

15 “(1) 30 percent of the qualified costs of Amer-
16 ican security products manufactured in the United
17 States, or

18 “(2) 15 percent of the qualified costs of Amer-
19 ican security products manufactured in a Western
20 Hemisphere country.

21 “(b) MAXIMUM CREDIT.—The aggregate credit de-
22 termined under subsection (a) for any taxable year with
23 respect to any taxpayer shall not exceed the excess (if any)
24 of the taxpayer’s net income tax over the greater of—

1 “(1) the tentative minimum tax for the taxable
2 year, or

3 “(2) 25 percent of so much of the taxpayer’s
4 net regular tax liability as exceeds \$25,000.

5 “(c) DEFINITIONS.—In this section:

6 “(1) AMERICAN SECURITY PRODUCT.—The
7 term ‘American security product’ means—

8 “(A) a covered article as such term is de-
9 fined in section 9 of the MADE in The Amer-
10 icas Act, and

11 “(B) at least 50 percent of the value of
12 which shall be derived from components manu-
13 factured in the United States.

14 “(2) QUALIFIED COSTS.—The term ‘qualified
15 costs’ means costs incurred in the production of an
16 American security product.

17 “(3) UNITED STATES.—The term ‘United
18 States’ shall include the Commonwealth of Puerto
19 Rico and the Commonwealth of the Northern Mar-
20 iana Islands.”.

21 (b) DENIAL OF DOUBLE BENEFIT.—Section 280C of
22 such Code is amended by adding at the end the following
23 new subsection:

24 “(i) CREDIT FOR AMERICAN SECURITY PRODUCTS.—
25 No deduction shall be allowed for that portion of expenses

1 otherwise allowable as a deduction taken into account in
2 determining the credit under section 45U for the taxable
3 year.”.

4 (c) CREDIT MADE PART OF GENERAL BUSINESS
5 CREDIT.—Section 38(b) of such Code is amended by strik-
6 ing “plus” at the end of paragraph (32), by striking the
7 period at the end of paragraph (33) and inserting “, plus”,
8 and by adding at the end the following new paragraph:
9 “(34) the American security product tax credit
10 determined under section 45U.”.

11 (d) CLERICAL AMENDMENT.—The table of sections
12 for subpart D of part IV of subchapter A of chapter 1
13 of such Code is amended by adding at the end the fol-
14 lowing new item:

“45U. American security product tax credit.”.

15 (e) EFFECTIVE DATE.—The amendments made by
16 this section shall apply to expenses made or incurred be-
17 ginning on the first day of the first full calendar quarter
18 after the date of enactment of this section.

19 **SEC. 8. LIMITATION.**

20 None of the funds made available to carry out this
21 Act or the amendments made by this Act may be used
22 to support a state-owned enterprise of a country of con-
23 cern.

24 **SEC. 9. DEFINITIONS.**

25 In this Act:

1 (1) APPROPRIATE CONGRESSIONAL COMMIT-
2 TEES.—The term “appropriate congressional com-
3 mittees” means—

4 (A) the Committee on Energy and Com-
5 merce, the Committee on Foreign Affairs, and
6 the Committee on Ways and Means of the
7 House of Representatives; and

8 (B) the Committee on Commerce, Science,
9 and Transportation, the Committee on Foreign
10 Relations, and the Committee on Finance of the
11 Senate.

12 (2) CONCENTRATED.—The term “con-
13 centrated” means—

14 (A) a supply chain for a covered article—

15 (i) that is under any form of control
16 or influence by a country of concern;

17 (ii) that is subject to undue manipula-
18 tion by a country of concern; or

19 (iii) for which 30 percent of the pro-
20 duction of such covered article occurs in a
21 single foreign country that is located out-
22 side of the Western Hemisphere; or

23 (B) a covered article for which more than
24 50 percent of the supply of such article in the
25 United States is imported from a foreign coun-

1 try that is located outside of the Western Hemi-
2 sphere.

3 (3) COUNTRY OF CONCERN.—The term “coun-
4 try of concern” means a country—

5 (A) in which a concentrated supply chain
6 for a covered article is located;

7 (B) that poses a significant national secu-
8 rity threat to the United States;

9 (C) that does not have a democratically
10 elected government or a market economy; or

11 (D) that commits crimes against humanity
12 or genocide.

13 (4) COVERED ARTICLE.—The term “covered ar-
14 ticle” means any material (including minerals, met-
15 als, and advanced processed materials), commodity,
16 product, service, process, or manufacturing equip-
17 ment that—

18 (A) the Director of the National Manufac-
19 turing Security and Resiliency Council deter-
20 mines is essential—

21 (i) to the critical infrastructure of the
22 United States; or

23 (ii) to the ability of the United States
24 to respond to a covered emergency;

1 (B) is included in the Strategic National
2 Stockpile pursuant to section 319F–2 of the
3 Public Health Service Act (42 U.S.C. 247d–
4 6b);

5 (C) the Secretary of Health and Human
6 Services determines is essential to the National
7 Health Security Strategy described in section
8 2802 of the Public Health Service Act (42
9 U.S.C. 300hh–1); or

10 (D) is a critical component, critical tech-
11 nology item, or material as defined in section
12 702 of the Defense Production Act of 1950 (50
13 U.S.C. 4552).

14 (5) COVERED EMERGENCY.—The term “covered
15 emergency” means—

16 (A) a public health emergency declared by
17 the Secretary of Health and Human Services
18 pursuant to section 319 of the Public Health
19 Service Act (42 U.S.C. 247d);

20 (B) an event for which the President de-
21 clares a major disaster or an emergency under
22 section 401 or 501, respectively, of the Robert
23 T. Stafford Disaster Relief and Emergency As-
24 sistance Act (42 U.S.C. 5170 and 5191); or

1 (C) a national emergency declared by the
2 President under the National Emergencies Act
3 (50 U.S.C. 1601 et seq.).

4 (6) CRITICAL INFRASTRUCTURE.—The term
5 “critical infrastructure” has the meaning given the
6 term in section 1016(e) of the USA PATRIOT Act
7 (42 U.S.C. 5195c(e)).

8 (7) MANUFACTURING FACILITIES.—The term
9 “manufacturing facilities” has the meaning given
10 the term “facilities” in section 702 of the Defense
11 Production Act of 1950 (50 U.S.C. 4552).

12 (8) WESTERN HEMISPHERE.—The term “West-
13 ern Hemisphere” means a country—

14 (A) that has a democratically elected gov-
15 ernment and a market economy; and

16 (B) that is one of the following countries:

17 (i) Anguilla.

18 (ii) Antigua and Barbuda.

19 (iii) Argentina.

20 (iv) Aruba.

21 (v) The Bahamas.

22 (vi) Barbados.

23 (vii) Belize.

24 (viii) Bermuda.

25 (ix) Bolivia.

- 1 (x) Brazil.
- 2 (xi) The British Virgin Islands.
- 3 (xii) Canada.
- 4 (xiii) Chile.
- 5 (xiv) Colombia.
- 6 (xv) Costa Rica.
- 7 (xvi) Dominica.
- 8 (xvii) Dominican Republic.
- 9 (xviii) Ecuador.
- 10 (xix) El Salvador.
- 11 (xx) Grenada.
- 12 (xxi) Guatemala.
- 13 (xxii) Guyana.
- 14 (xxiii) Haiti.
- 15 (xxiv) Honduras.
- 16 (xxv) Jamaica.
- 17 (xxvi) Mexico.
- 18 (xxvii) Montserrat.
- 19 (xxviii) Netherlands Antilles.
- 20 (xxix) Nicaragua.
- 21 (xxx) Panama.
- 22 (xxxi) Paraguay.
- 23 (xxxii) Peru.
- 24 (xxxiii) Saint Kitts and Nevis.
- 25 (xxxiv) Saint Lucia.

1 (xxxv) Saint Vincent and the Grena-
2 dines.

3 (xxxvi) Suriname.

4 (xxxvii) Trinidad and Tobago.

5 (xxxviii) Turks and Caicos Islands.

6 (xxxix) Uruguay.

7 (xl) The sovereign government recog-
8 nized by the United States in Venezuela.

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