

118TH CONGRESS
1ST SESSION

S. 3397

To amend the Internal Revenue Code of 1986 to establish requirements for the clean vehicle credit and the qualifying advanced energy project credit to prevent offshoring by manufacturers, and for other purposes.

IN THE SENATE OF THE UNITED STATES

DECEMBER 5, 2023

Mr. RUBIO (for himself, Mr. VANCE, and Mr. SCHMITT) introduced the following bill; which was read twice and referred to the Committee on Finance

A BILL

To amend the Internal Revenue Code of 1986 to establish requirements for the clean vehicle credit and the qualifying advanced energy project credit to prevent offshoring by manufacturers, 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 “Putting American
5 Autoworkers First Act of 2023”.

1 **SEC. 2. EXCLUSION OF OFFSHORING MANUFACTURERS**
 2 **UNDER CLEAN VEHICLE CREDIT.**

3 (a) IN GENERAL.—Section 30D(d)(3) of the Internal
 4 Revenue Code of 1986 is amended—

5 (1) by striking “The term” and inserting the
 6 following:

7 “(A) IN GENERAL.—The term”, and

8 (2) by adding at the end the following:

9 “(B) OFFSHORING EXCLUSION.—

10 “(i) IN GENERAL.—The term ‘quali-
 11 fied manufacturer’ shall not include any
 12 manufacturer (as defined in subparagraph
 13 (A)) which, during the applicable period—

14 “(I) with respect to the manufac-
 15 turer or any subsidiary of such manu-
 16 facturer—

17 “(aa) moves any production,
 18 manufacturing, or final assembly
 19 of any vehicle or any component
 20 part of a vehicle outside of the
 21 United States, or

22 “(bb) reduces or eliminates
 23 production, manufacturing, or
 24 final assembly of any vehicle or
 25 any component part of a vehicle
 26 in the United States and subse-

1 requently obtains any such vehicle
2 or part from a producer or man-
3 ufacturer located outside of the
4 United States, or

5 “(II) fails to satisfy the require-
6 ments described in clause (iii).

7 “(ii) APPLICABLE PERIOD.—For pur-
8 poses of this subparagraph, the term ‘ap-
9 plicable period’ means the period—

10 “(I) beginning on the date of en-
11 actment of the Putting American
12 Autoworkers First Act of 2023, and

13 “(II) ending on the date which is
14 10 years after the date on which the
15 written agreement with the Secretary
16 described in subparagraph (A) has
17 been terminated.

18 “(iii) REPORTING.—Not later than 1
19 year after the date of enactment of the
20 Putting American Autoworkers First Act
21 of 2023, and annually thereafter during
22 the applicable period, any manufacturer
23 which has entered into a written agreement
24 with the Secretary described in subpara-
25 graph (A) shall provide the Secretary with

1 such information as the Secretary may re-
2 quire to demonstrate that such manufac-
3 turer (including any subsidiaries) has not
4 moved, reduced, or eliminated any produc-
5 tion, manufacturing, or final assembly in a
6 manner described in clause (i)(I).

7 “(iv) PENALTY.—

8 “(I) IN GENERAL.—In the case
9 of any manufacturer which, during
10 the applicable period, has moved, re-
11 duced, or eliminated any production,
12 manufacturing, or final assembly in a
13 manner described in clause (i)(I),
14 such manufacturer shall pay to the
15 Secretary a penalty in an amount
16 equal to the total amount of credits
17 allowed under this section with re-
18 spect to any new clean vehicles manu-
19 factured by such manufacturer during
20 the applicable period.

21 “(II) PERIOD OF PAYMENT.—

22 Any penalty imposed pursuant to sub-
23 clause (I) shall be paid by the manu-
24 facturer to the Secretary over such

1 period as is determined appropriate by
2 the Secretary.

3 “(v) RULE OF CONSTRUCTION.—In
4 the case of any manufacturer which, as de-
5 termined by the Secretary, has failed to
6 satisfy the requirements under subclause
7 (I) or (II) of clause (i) during the applica-
8 ble period, such determination shall have
9 no effect with respect to any vehicle sold
10 before the date of such determination for
11 purposes of determining whether such vehi-
12 cle satisfies the requirement under para-
13 graph (1)(C).”.

14 (b) APPLICATION OF PENALTIES TO OTHER CRED-
15 ITS.—

16 (1) PREVIOUSLY-OWNED CLEAN VEHICLES.—
17 Section 25E of the Internal Revenue Code of 1986
18 is amended—

19 (A) by redesignating subsection (g) (as re-
20 designated by section 13402(b) of Public Law
21 117-169) as subsection (h), and

22 (B) by inserting after subsection (f) the
23 following new subsection:

24 “(g) MANUFACTURER PENALTY FOR VIOLATIONS OF
25 OFFSHORING RULES.—

1 “(1) IN GENERAL.—In the case of any manu-
2 facturer which, during the applicable period, has
3 moved, reduced, or eliminated any production, man-
4 ufacturing, or final assembly in a manner described
5 in section 30D(d)(3)(B)(i)(I), such manufacturer
6 shall pay to the Secretary a penalty in an amount
7 equal to the total amount of credits allowed under
8 this section with respect to any previously-owned
9 clean vehicles manufactured by such manufacturer
10 during the applicable period.

11 “(2) EXCLUSION.—Any previously-owned clean
12 vehicle for which a credit was allowed under section
13 30D shall not be included for purposes of deter-
14 mining the amount of any penalty imposed pursuant
15 to paragraph (1).

16 “(3) PERIOD OF PAYMENT.—Any penalty im-
17 posed pursuant to paragraph (1) shall be paid by
18 the manufacturer to the Secretary over such period
19 as is determined appropriate by the Secretary.

20 “(4) DEFINITIONS.—For purposes of this sub-
21 section, the terms ‘manufacturer’ and ‘applicable pe-
22 riod’ shall have the same meanings given such terms
23 under section 30D(d)(3)(B).”.

1 (2) QUALIFIED COMMERCIAL CLEAN VEHI-
2 CLES.—Section 45W of the Internal Revenue Code
3 of 1986 is amended—

4 (A) by redesignating subsection (g) as sub-
5 section (h), and

6 (B) by inserting after subsection (f) the
7 following new subsection:

8 “(g) MANUFACTURER PENALTY FOR VIOLATION OF
9 OFFSHORING RULES.—

10 “(1) IN GENERAL.—In the case of any manu-
11 facturer which, during the applicable period, has
12 moved, reduced, or eliminated any production, man-
13 ufacturing, or final assembly in a manner described
14 in section 30D(d)(3)(B)(i)(I), such manufacturer
15 shall pay to the Secretary a penalty in an amount
16 equal to the total amount of credits allowed under
17 this section with respect to any qualified commercial
18 clean vehicles manufactured by such manufacturer
19 during the applicable period.

20 “(2) PERIOD OF PAYMENT.—Any penalty im-
21 posed pursuant to paragraph (1) shall be paid by
22 the manufacturer to the Secretary over such period
23 as is determined appropriate by the Secretary.

24 “(3) DEFINITIONS.—For purposes of this sub-
25 section, the terms ‘manufacturer’ and ‘applicable pe-

1 any component part of a vehicle
2 in the United States and subse-
3 quently obtains any such vehicle
4 or part from a producer or man-
5 ufacturer located outside of the
6 United States, or

7 “(II) such taxpayer fails to sat-
8 isfy the requirements described in
9 clause (iii).

10 “(ii) APPLICABLE PERIOD.—For pur-
11 poses of this subparagraph, the term ‘ap-
12 plicable period’ means, with respect to any
13 project of the taxpayer,—

14 “(I) beginning on the date of en-
15 actment of the Putting American
16 Autoworkers First Act of 2023, and

17 “(II) ending on the date which is
18 10 years after the end of the last tax-
19 able year for which, with respect to
20 such project, a credit determined
21 under subsection (a) is allowed under
22 section 38.

23 “(iii) REPORTING.—Not later than 1
24 year after the date of enactment of the
25 Putting American Autoworkers First Act

1 of 2023, and annually thereafter during
2 the applicable period, any taxpayer which
3 has received a certification under sub-
4 section (e) with respect to any project shall
5 provide the Secretary with such informa-
6 tion as the Secretary may require to dem-
7 onstrate that such taxpayer (including any
8 subsidiaries) has not moved, reduced, or
9 eliminated any production, manufacturing,
10 or final assembly in a manner described in
11 subclause (I) or (II) of clause (i).

12 “(iv) PENALTY.—

13 “(I) IN GENERAL.—In the case
14 of any applicable taxpayer which, dur-
15 ing the applicable period, has moved,
16 reduced, or eliminated any production,
17 manufacturing, or final assembly in a
18 manner described in subclause (I) or
19 (II) of clause (i), such taxpayer shall
20 pay to the Secretary a penalty in an
21 amount equal to 200 percent of the
22 total amount of credits allowed under
23 this section with respect to any quali-
24 fied investments made by such tax-
25 payer during the applicable period.

1 “(e) ELIGIBILITY; REQUIREMENT TO NOT OFF-
2 SHORE MANUFACTURING.—

3 “(1) DEFINITIONS.—In this subsection:

4 “(A) APPLICABLE PERIOD.—The term ‘ap-
5 plicable period’, with respect to a covered enti-
6 ty, means the 10-year period following the date
7 on which the covered entity, as applicable—

8 “(i) receives the full amount of a facil-
9 ity funding award under subsection (b); or

10 “(ii) fully pays back a direct loan re-
11 ceived under subsection (d).

12 “(B) COVERED ENTITY.—The term ‘cov-
13 ered entity’ means an entity that—

14 “(i) produces, manufactures, or car-
15 ries out the final assembly of motor vehi-
16 cles; and

17 “(ii) receives, after the date of enact-
18 ment of the Putting American Autoworkers
19 First Act of 2023—

20 “(I) a facility funding award
21 under subsection (b); or

22 “(II) a direct loan under sub-
23 section (d).

1 “(C) PROHIBITED ACTIVITY.—The term
2 ‘prohibited activity’, with respect to an entity
3 described in subparagraph (B)(i), means—

4 “(i) moving the domestic production,
5 manufacturing, or final assembly of any
6 vehicle or any component part of a vehicle
7 outside of the United States; and

8 “(ii) reducing or eliminating produc-
9 tion, manufacturing, or final assembly of
10 any vehicle or any component part of a ve-
11 hicle in the United States and subse-
12 quently obtaining such vehicle or compo-
13 nent part from a producer or manufacturer
14 located outside of the United States.

15 “(2) ELIGIBILITY.—Beginning on the date of
16 enactment of the Putting American Autoworkers
17 First Act of 2023, no entity described in clause (i)
18 of paragraph (1)(B) shall be eligible for an award or
19 loan described in clause (ii) of that paragraph if that
20 entity (or a subsidiary of that entity) has carried out
21 a prohibited activity as of that date.

22 “(3) REQUIREMENTS.—

23 “(A) IN GENERAL.—As a condition of re-
24 ceiving an award or loan described in paragraph

1 (1)(B)(ii), a covered entity may not, during the
2 applicable period—

3 “(i) carry out any prohibited activity;

4 or

5 “(ii) fail to satisfy the requirement
6 under subparagraph (C).

7 “(B) SUBSIDIARY REQUIREMENT.—The re-
8 quirement under subparagraph (A)(i) shall
9 apply to each subsidiary of a covered entity, if
10 applicable.

11 “(C) REPORT.—Not later than 1 year
12 after the date of enactment of the Putting
13 American Autoworkers First Act of 2023, and
14 annually thereafter until the end of the applica-
15 ble period, each covered entity shall provide to
16 the Secretary such information as the Secretary
17 may require to demonstrate that the covered
18 entity (including each subsidiary, if applicable)
19 has not carried out a prohibited activity.

20 “(4) NONCOMPLIANCE.—

21 “(A) IN GENERAL.—If a covered entity be-
22 comes noncompliant with the requirements
23 under paragraph (3), the covered entity shall
24 pay to the Secretary—

1 “(i) in the case of receiving an award,
 2 200 percent of the amount of the award;
 3 and

4 “(ii) in the case of receiving a loan,
 5 the amount of the loan, at a schedule de-
 6 termined by the Secretary, at an interest
 7 rate that is double the higher of—

8 “(I) the interest rate; and

9 “(II) the subsidy rate.

10 “(B) PERIOD OF PAYMENT.—Any payment
 11 imposed pursuant to subparagraph (A) shall be
 12 paid by the covered entity to the Secretary over
 13 such period as is determined appropriate by the
 14 Secretary.”; and

15 (2) by redesignating subsection (m) as sub-
 16 section (l).

17 **SEC. 5. EXCLUSION OF OFFSHORING MANUFACTURERS**
 18 **UNDER DOMESTIC MANUFACTURING CON-**
 19 **VERSION GRANT PROGRAM.**

20 Section 712(a) of the Energy Policy Act of 2005 (42
 21 U.S.C. 16062(a)) is amended—

22 (1) in paragraph (2)—

23 (A) by striking “The program” and insert-
 24 ing the following:

25 “(A) IN GENERAL.—The program”; and

1 (B) by adding at the end the following:

2 “(B) ELIGIBILITY.—Beginning on the date
3 of enactment of the Putting American Auto-
4 workers First Act of 2023, no entity described
5 in paragraph (4)(A)(ii)(I) shall be eligible for a
6 grant or loan guarantee under this paragraph if
7 that entity (or a subsidiary of that entity) has
8 carried out a prohibited activity (as defined in
9 paragraph (4)(A)) as of that date.”; and

10 (2) by adding at the end the following:

11 “(4) REQUIREMENT TO NOT OFFSHORE MANU-
12 FACTURING.—

13 “(A) DEFINITIONS.—In this paragraph:

14 “(i) APPLICABLE PERIOD.—The term
15 ‘applicable period’, with respect to a cov-
16 ered entity, means the 10-year period fol-
17 lowing the date on which the covered enti-
18 ty, as applicable—

19 “(I) receives the full amount of
20 grant funds under paragraph (2); or

21 “(II) fully pays back the loan for
22 which a guarantee is provided under
23 that paragraph.

1 “(ii) COVERED ENTITY.—The term
2 ‘covered entity’ means an entity described
3 in paragraph (2) that—

4 “(I) produces, manufactures, or
5 carries out the final assembly of
6 motor vehicles; and

7 “(II) receives, after the date of
8 enactment of the Putting American
9 Autoworkers First Act of 2023, a
10 grant or loan guarantee under that
11 paragraph.

12 “(iii) PROHIBITED ACTIVITY.—The
13 term ‘prohibited activity’, with respect to
14 an entity described in clause (ii)(I),
15 means—

16 “(I) moving the domestic produc-
17 tion, manufacturing, or final assembly
18 of any vehicle or any component part
19 of a vehicle outside of the United
20 States; and

21 “(II) reducing or eliminating pro-
22 duction, manufacturing, or final as-
23 sembly of any vehicle or any compo-
24 nent part of a vehicle in the United
25 States and subsequently obtaining

1 such vehicle or component part from a
2 producer or manufacturer located out-
3 side of the United States.

4 “(B) REQUIREMENTS.—

5 “(i) IN GENERAL.—As a condition of
6 receiving a grant or loan guarantee under
7 paragraph (2), a covered entity may not,
8 during the applicable period—

9 “(I) carry out any prohibited ac-
10 tivity; or

11 “(II) fail to satisfy the require-
12 ment under clause (iii).

13 “(ii) SUBSIDIARY REQUIREMENT.—
14 The requirement under clause (i)(I) shall
15 apply to each subsidiary of a covered enti-
16 ty, if applicable.

17 “(iii) REPORT.—Not later than 1 year
18 after the date of enactment of the Putting
19 American Autoworkers First Act of 2023,
20 and annually thereafter until the end of
21 the applicable period, each covered entity
22 shall provide to the Secretary such infor-
23 mation as the Secretary may require to
24 demonstrate that the covered entity (in-

1 cluding each subsidiary, if applicable) has
2 not carried out a prohibited activity.

3 “(C) NONCOMPLIANCE.—

4 “(i) IN GENERAL.—If a covered entity
5 becomes noncompliant with the require-
6 ments under subparagraph (B), the cov-
7 ered entity shall pay to the Secretary—

8 “(I) in the case of receiving a
9 grant, 200 percent of the amount of
10 the grant; and

11 “(II) in the case of receiving a
12 loan guarantee, an amount that is
13 double the cost incurred by the Sec-
14 retary for administering that loan
15 guarantee.

16 “(ii) PERIOD OF PAYMENT.—Any pay-
17 ment imposed pursuant to clause (i) shall
18 be paid by the covered entity to the Sec-
19 retary over such period as is determined
20 appropriate by the Secretary.”.

1 **SEC. 6. EXCLUSION OF OFFSHORING MANUFACTURERS**
2 **UNDER PUBLIC SCHOOL ENERGY IMPROVE-**
3 **MENT PROGRAM.**

4 Section 40541(f) of the Investment Infrastructure
5 and Jobs Act (42 U.S.C. 18831(f)) is amended by adding
6 at the end the following:

7 “(5) USE OF GRANT FUNDS RELATING TO
8 MOTOR VEHICLE MANUFACTURERS.—

9 “(A) DEFINITIONS.—In this paragraph:

10 “(i) APPLICABLE PERIOD.—The term
11 ‘applicable period’, with respect to a cov-
12 ered entity, means the 10-year period fol-
13 lowing the date on which the covered entity
14 contracts with an eligible entity as de-
15 scribed in clause (ii)(II).

16 “(ii) COVERED ENTITY.—The term
17 ‘covered entity’ means an entity that—

18 “(I) produces, manufactures, or
19 carries out the final assembly of
20 motor vehicles; and

21 “(II) after the date of enactment
22 of the Putting American Autoworkers
23 First Act of 2023, contracts with an
24 eligible entity to make energy im-
25 provements pursuant to a grant pro-

1 vided to the eligible entity under this
2 section.

3 “(iii) PROHIBITED ACTIVITY.—The
4 term ‘prohibited activity’, with respect to
5 an entity described in clause (ii)(I),
6 means—

7 “(I) moving the domestic produc-
8 tion, manufacturing, or final assembly
9 of any vehicle or any component part
10 of a vehicle outside of the United
11 States; and

12 “(II) reducing or eliminating pro-
13 duction, manufacturing, or final as-
14 sembly of any vehicle or any compo-
15 nent part of a vehicle in the United
16 States and subsequently obtaining
17 such vehicle or component part from a
18 producer or manufacturer located out-
19 side of the United States.

20 “(B) PROHIBITION.—Beginning on the
21 date of enactment of the Putting American
22 Autoworkers First Act of 2023, an eligible enti-
23 ty receiving a grant under this section may not
24 use grant amounts to contract with, for the
25 purpose of making energy improvements, an en-

1 tity described in subparagraph (A)(ii)(I), or a
2 subsidiary of such an entity, if that entity or
3 subsidiary has carried out a prohibited activity
4 as of that date.

5 “(C) REQUIREMENTS ON MOTOR VEHICLE
6 MANUFACTURERS.—A covered entity may not,
7 as a condition of the contract with the eligible
8 entity, during the applicable period—

9 “(i) carry out a prohibited activity; or

10 “(ii) fail to satisfy the requirement
11 under subparagraph (E).

12 “(D) SUBSIDIARY REQUIREMENT.—The re-
13 quirement under subparagraph (C)(i) shall
14 apply to each subsidiary of a covered entity, if
15 applicable.

16 “(E) NOTICE TO COVERED ENTITY.—If an
17 eligible entity intends to use proceeds from a
18 grant under this section to purchase, lease, li-
19 cense, or contract for a motor vehicle from a
20 covered entity, the eligible entity shall notify the
21 covered entity that the sale, lease, license, or
22 contract is being carried out using a grant
23 under this section.

24 “(F) REPORT.—Not later than 1 year
25 after the date of enactment of the Putting

1 American Autoworkers First Act of 2023, and
2 annually thereafter until the end of the applica-
3 ble period, each covered entity shall provide to
4 the Secretary such information as the Secretary
5 may require to demonstrate that the covered
6 entity (including each subsidiary, if applicable)
7 has not carried out a prohibited activity.

8 “(G) NONCOMPLIANCE.—

9 “(i) IN GENERAL.—If a covered entity
10 becomes noncompliant with the require-
11 ments under subparagraph (C), the cov-
12 ered entity shall pay to the Secretary the
13 Federal funds paid by the eligible entity to
14 the covered entity under the applicable
15 contract.

16 “(ii) PERIOD OF PAYMENT.—Any pay-
17 ment imposed pursuant to clause (i) shall
18 be paid by the covered entity to the Sec-
19 retary over such period as is determined
20 appropriate by the Secretary.”.

21 **SEC. 7. EXCLUSION OF OFFSHORING MANUFACTURERS**
22 **UNDER STATE ENERGY PROGRAM.**

23 Section 362 of the Energy Policy and Conservation
24 Act (42 U.S.C. 6322) is amended by adding at the end
25 the following:

1 “(h) USE OF FUNDS RELATING TO MOTOR VEHICLE
2 MANUFACTURERS.—

3 “(1) DEFINITIONS.—In this subsection:

4 “(A) APPLICABLE PERIOD.—The term ‘ap-
5 plicable period’, with respect to a covered enti-
6 ty, means the 10-year period following the date
7 on which the covered entity contracts with a
8 State as described in subparagraph (B)(ii).

9 “(B) COVERED ENTITY.—The term ‘cov-
10 ered entity’ means an entity that—

11 “(i) produces, manufactures, or car-
12 ries out the final assembly of motor vehi-
13 cles; and

14 “(ii) after the date of enactment of
15 the Putting American Autoworkers First
16 Act of 2023, contracts with a State to
17 carry out an energy conservation goal pur-
18 suant to a State energy conservation plan
19 submitted under this section.

20 “(C) PROHIBITED ACTIVITY.—The term
21 ‘prohibited activity’, with respect to an entity
22 described in subparagraph (B)(i), means—

23 “(i) moving the domestic production,
24 manufacturing, or final assembly of any

1 vehicle or any component part of a vehicle
2 outside of the United States; and

3 “(ii) reducing or eliminating produc-
4 tion, manufacturing, or final assembly of
5 any vehicle or any component part of a ve-
6 hicle in the United States and subse-
7 quently obtaining such vehicle or compo-
8 nent part from a producer or manufacturer
9 located outside of the United States.

10 “(2) PROHIBITION.—Beginning on the date of
11 enactment of the Putting American Autoworkers
12 First Act of 2023, a State carrying out a State en-
13 ergy conservation plan submitted under this section
14 may not contract with, for the purpose of carrying
15 out an energy conservation goal, an entity described
16 in paragraph (1)(B)(i), or a subsidiary of such an
17 entity, if that entity or subsidiary has carried out a
18 prohibited activity as of that date.

19 “(3) REQUIREMENTS ON MOTOR VEHICLE MAN-
20 UFACTURERS.—A covered entity may not, as a con-
21 dition of the contract with the State, during the ap-
22 plicable period—

23 “(A) carry out a prohibited activity; or

24 “(B) fail to satisfy the requirement under
25 paragraph (5).

1 “(4) SUBSIDIARY REQUIREMENT.—The require-
2 ment under paragraph (3)(A) shall apply to each
3 subsidiary of a covered entity, if applicable.

4 “(5) NOTICE TO COVERED ENTITY.—If a State
5 carrying out a State energy conservation plan sub-
6 mitted under this section intends to purchase, lease,
7 license, or contract for a motor vehicle from a cov-
8 ered entity, the State shall notify the covered entity
9 that the sale, lease, license, or contract is being car-
10 ried out as part of the State energy conservation
11 plan submitted under this section.

12 “(6) REPORT.—Not later than 1 year after the
13 date of enactment of the Putting American Auto-
14 workers First Act of 2023, and annually thereafter
15 until the end of the applicable period, each covered
16 entity shall provide to the Secretary such informa-
17 tion as the Secretary may require to demonstrate
18 that the covered entity (including each subsidiary, if
19 applicable) has not carried out a prohibited activity.

20 “(7) NONCOMPLIANCE.—

21 “(A) IN GENERAL.—If a covered entity be-
22 comes noncompliant with the requirements
23 under paragraph (3), the covered entity shall
24 pay to the Secretary the Federal funds paid by

1 the State to the covered entity under the appli-
2 cable contract.

3 “(B) PERIOD OF PAYMENT.—Any payment
4 imposed pursuant to subparagraph (A) shall be
5 paid by the covered entity to the Secretary over
6 such period as is determined appropriate by the
7 Secretary.”.

8 **SEC. 8. EXCLUSION OF OFFSHORING MANUFACTURERS**
9 **UNDER BUS GRANT PROGRAMS.**

10 Section 5339(b) of title 49, United States Code, is
11 amended by adding at the end the following:

12 “(12) REQUIRE TO NOT OFFSHORE MANUFAC-
13 TURING.—

14 “(A) DEFINITIONS.—In this paragraph:

15 “(i) APPLICABLE PERIOD.—The term
16 ‘applicable period’, with respect to a cov-
17 ered entity, means the 10-year period fol-
18 lowing the date on which the covered entity
19 receives the full amount of funds provided
20 under this subsection.

21 “(ii) COVERED ENTITY.—The term
22 ‘covered entity’ means an entity that—

23 “(I) produces, manufactures, or
24 carries out the final assembly of vehi-

1 cle , or any subsidiary of such entity;
2 and

3 “(II) receives, after the date of
4 enactment of the Putting American
5 Autoworkers First Act of 2023, as-
6 sistance under this subsection from an
7 eligible recipient.

8 “(iii) PROHIBITED ACTIVITY.—The
9 term ‘prohibited activity’, with respect to
10 an covered entity, means—

11 “(I) moving the domestic produc-
12 tion, manufacturing, or final assembly
13 of any vehicle or any component part
14 of a vehicle outside of the United
15 States; and

16 “(II) reducing or eliminating pro-
17 duction, manufacturing, or final as-
18 sembly of any vehicle or any compo-
19 nent part of a vehicle in the United
20 States and subsequently obtaining
21 such vehicle or component part from a
22 producer or manufacturer located out-
23 side of the United States.

24 “(B) ELIGIBILITY.—Beginning on the date
25 of enactment of the Putting American Auto-

1 workers First Act of 2023, no entity described
 2 in subclause (I) of subparagraph (A)(ii) shall be
 3 eligible for assistance under this subsection if
 4 that entity (or a subsidiary of that entity) has
 5 carried out a prohibited activity as of that date.

6 “(C) REQUIREMENTS.—

7 “(i) IN GENERAL.—As a condition of
 8 receiving funds under this subsection, a
 9 covered entity may not, during the applica-
 10 ble period—

11 “(I) carry out any prohibited ac-
 12 tivity; or

13 “(II) fail to satisfy the require-
 14 ment under clause (iii).

15 “(ii) SUBSIDIARY REQUIREMENT.—
 16 The requirement under clause (i)(I) shall
 17 apply to each subsidiary of a covered enti-
 18 ty, if applicable.

19 “(iii) NOTICE TO COVERED ENTITY.—
 20 If an eligible recipient is not a covered en-
 21 tity and the eligible recipient intends to
 22 use proceeds from an award under this
 23 subsection to purchase, lease, license, or
 24 contract for a vehicle from a covered enti-
 25 ty, the eligible recipient shall notify the

1 covered entity that the sale, lease, license,
2 or contract is being carried out using pro-
3 ceeds from an award under this subsection.

4 “(iv) REPORT.—Not later than 1 year
5 after the date of enactment of the Putting
6 American Autoworkers First Act of 2023,
7 and annually thereafter until the end of
8 the applicable period, a covered entity shall
9 provide the Secretary such information as
10 the Secretary may require to demonstrate
11 that the covered entity (including each
12 subsidiary, if applicable) has not carried
13 out a prohibited activity.

14 “(D) NONCOMPLIANCE.—

15 “(i) IN GENERAL.—If a covered entity
16 that receives assistance under this sub-
17 section after the date of enactment of this
18 paragraph becomes noncompliant with the
19 requirements under subparagraph (C), the
20 covered entity shall pay to the Secretary
21 an amount equal to 100 percent of the
22 amount that consumers of the covered en-
23 tity paid to the covered entity of assistance
24 under this subsection.

1 “(ii) PERIOD OF PAYMENT.—Any pay-
 2 ment imposed pursuant to clause (i) shall
 3 be paid by the covered entity to the Sec-
 4 retary over such period as is determined
 5 appropriate by the Secretary.”.

6 **SEC. 9. EXCLUSION OF OFFSHORING MANUFACTURERS**
 7 **UNDER LOW OR NO EMISSION GRANT PRO-**
 8 **GRAM.**

9 Section 5339(c) of title 49, United States Code, is
 10 amended by adding at the end the following:

11 “(9) REQUIRE TO NOT OFFSHORE MANUFAC-
 12 TURING.—

13 “(A) DEFINITIONS.—In this paragraph:

14 “(i) APPLICABLE PERIOD.—The term
 15 ‘applicable period’, with respect to a cov-
 16 ered entity, means the 10-year period fol-
 17 lowing the date on which the covered entity
 18 receives the full amount of funds provided
 19 under this subsection.

20 “(ii) COVERED ENTITY.— The term
 21 ‘covered entity’ means an entity that—

22 “(I) produces, manufactures, or
 23 carries out the final assembly of vehi-
 24 cles, or any subsidiary of such entity;
 25 and

1 “(II) receives, after the date of
2 enactment of the Putting American
3 Autoworkers First Act of 2023, as-
4 sistance from a recipient under this
5 subsection.

6 “(iii) PROHIBITED ACTIVITY.—The
7 term ‘prohibited activity’, with respect to
8 an covered entity, means—

9 “(I) moving the domestic produc-
10 tion, manufacturing, or final assembly
11 of any vehicle or any component part
12 of a vehicle outside of the United
13 States; and

14 “(II) reducing or eliminating pro-
15 duction, manufacturing, or final as-
16 sembly of any vehicle or any compo-
17 nent part of a vehicle in the United
18 States and subsequently obtaining
19 such vehicle or component part from a
20 producer or manufacturer located out-
21 side of the United States.

22 “(B) ELIGIBILITY.—Beginning on the date
23 of enactment of the Putting American Auto-
24 workers First Act of 2023, no entity described
25 in subclause (I) of subparagraph (A)(ii) shall be

1 eligible for assistance under this subsection if
2 that entity (or a subsidiary of that entity) has
3 carried out a prohibited activity as of that date.

4 “(C) REQUIREMENTS.—

5 “(i) IN GENERAL.—As a condition of
6 receiving assistance under this subsection,
7 a covered entity may not, during the appli-
8 cable period—

9 “(I) carry out a prohibited activ-
10 ity; or

11 “(II) fail to satisfy the require-
12 ment under clause (iii).

13 “(ii) SUBSIDIARY REQUIREMENT.—
14 The requirement under clause (i)(I) shall
15 apply to each subsidiary of a covered enti-
16 ty, if applicable.

17 “(iii) NOTICE TO COVERED ENTITY.—
18 If a recipient is not a covered entity and
19 the recipient intends to use proceeds from
20 an award under this subsection to pur-
21 chase, lease, license, or contract for a vehi-
22 cle from a covered entity, the recipient
23 shall notify the covered entity that the
24 sale, lease, license, or contract is being car-

1 ried out using proceeds from an award
2 under this subsection.

3 “(iv) REPORT.—Not later than 1 year
4 after the date of enactment of the Putting
5 American Autoworkers First Act of 2023,
6 and annually thereafter until the end of
7 the applicable period, a covered entity shall
8 provide the Secretary such information as
9 the Secretary may require to demonstrate
10 that the covered entity (including each
11 subsidiary, if applicable) has not carried
12 out a prohibited activity.

13 “(D) NONCOMPLIANCE.—

14 “(i) IN GENERAL.—If a covered entity
15 that receives a grant under this subsection
16 after the date of enactment of this para-
17 graph becomes noncompliant with the re-
18 quirements under subparagraph (C), the
19 covered entity shall pay to the Secretary
20 an amount equal to 100 percent of the
21 amount that consumers of the covered en-
22 tity paid to the covered entity of the grant
23 under this subsection.

24 “(ii) PERIOD OF PAYMENT.—Any pay-
25 ment imposed pursuant to clause (i) shall

1 be paid by the covered entity to the Sec-
2 retary over such period as is determined
3 appropriate by the Secretary.”.

4 **SEC. 10. EXCLUSION OF OFFSHORING MANUFACTURERS**
5 **UNDER CLEAN SCHOOL BUS PROGRAM.**

6 Section 741 of the Energy Policy Act of 2005 (42
7 U.S.C. 16091) is amended—

8 (1) in subsection (b)—

9 (A) in paragraph (6), by adding at the end
10 the following:

11 “(C) **LIMITATION.**—An award under this
12 section may not be used for the sale, lease, li-
13 censing, or contracting for—

14 “(i) a motor vehicle (as defined in
15 paragraph (8)(A)) produced, manufac-
16 tured, or assembled by an entity, including
17 a subsidiary of such an entity, that fails to
18 comply with paragraph (8)(B)(i); or

19 “(ii) charging or fueling infrastruc-
20 ture produced, manufactured, or assembled
21 by an entity, including a subsidiary of such
22 an entity, that fails to comply with para-
23 graph (8)(B)(i).”;

24 (B) by redesignating paragraph (8) as
25 paragraph (9); and

1 (C) by inserting after paragraph (7) the
2 following:

3 “(8) REQUIREMENT TO NOT OFFSHORE MANU-
4 FACTURING.—

5 “(A) DEFINITIONS.—In this paragraph:

6 “(i) APPLICABLE PERIOD.—The term
7 ‘applicable period’, with respect to a cov-
8 ered entity, means the 10-year period fol-
9 lowing the date on which the covered entity
10 receives proceeds from an award under
11 paragraph (1), including by receiving pro-
12 ceeds through a sale, lease, license, or con-
13 tract for a motor vehicle from an eligible
14 recipient using that award.

15 “(ii) COVERED ENTITY.—The term
16 ‘covered entity’ means an entity that—

17 “(I) produces, manufactures, or
18 carries out the final assembly of
19 motor vehicles; and

20 “(II) receives, after the date of
21 enactment of the Putting American
22 Autoworkers First Act of 2023, pro-
23 ceeds from an award under paragraph
24 (1), including by receiving proceeds
25 through a sale, lease, license, or con-

1 tract for a motor vehicle from an eli-
2 gible recipient using an award under
3 paragraph (1).

4 “(iii) MOTOR VEHICLE.—The term
5 ‘motor vehicle’ has the meaning given the
6 term in section 30D(d) of the Internal
7 Revenue Code of 1986.

8 “(iv) PROHIBITED ACTIVITY.—The
9 term ‘prohibited activity’, with respect to
10 an entity described in clause (ii)(I),
11 means—

12 “(I) moving the domestic produc-
13 tion, manufacturing, or final assembly
14 of any motor vehicle or any compo-
15 nent part of a motor vehicle outside of
16 the United States; and

17 “(II) reducing or eliminating pro-
18 duction, manufacturing, or final as-
19 sembly of any motor vehicle or any
20 component part of a motor vehicle in
21 the United States and subsequently
22 obtaining such motor vehicle or com-
23 ponent part from a producer or manu-
24 facturer located outside of the United
25 States.

1 “(B) REQUIREMENTS.—

2 “(i) IN GENERAL.—As a condition of
3 receiving proceeds from an award under
4 paragraph (1), including by receiving pro-
5 ceeds through a sale, lease, license, or con-
6 tract for a motor vehicle from an eligible
7 recipient using an award under paragraph
8 (1), a covered entity may not, during the
9 applicable period—

10 “(I) carry out any prohibited ac-
11 tivity; or

12 “(II) fail to satisfy the require-
13 ment under clause (iv).

14 “(ii) SUBSIDIARY REQUIREMENT.—
15 The requirement described in clause (i)(I)
16 shall apply to each subsidiary of a covered
17 entity, if applicable.

18 “(iii) NOTICE TO COVERED ENTITY.—
19 If an eligible recipient is not a covered en-
20 tity and the eligible recipient intends to
21 use proceeds from an award under para-
22 graph (1) to purchase, lease, license, or
23 contract for a motor vehicle from a covered
24 entity, the eligible recipient shall notify the
25 covered entity that the sale, lease, license,

1 or contract is being carried out using pro-
2 ceeds from an award under that para-
3 graph.

4 “(iv) REPORT.—Not later than 1 year
5 after the date of enactment of the Putting
6 American Autoworkers First Act of 2023,
7 and annually thereafter until the end of
8 the applicable period, each covered entity
9 shall provide to the Administrator such in-
10 formation as the Administrator may re-
11 quire to demonstrate that the covered enti-
12 ty (including each subsidiary, if applicable)
13 has not carried out a prohibited activity.

14 “(C) NONCOMPLIANCE.—

15 “(i) IN GENERAL.—If a covered entity
16 becomes noncompliant with the require-
17 ments under subparagraph (B), the cov-
18 ered entity shall pay to the Administrator
19 an amount equal to the total of all
20 amounts received by the covered entity
21 that are proceeds from awards under para-
22 graph (1).

23 “(ii) PERIOD OF PAYMENT.—Any pay-
24 ment imposed pursuant to clause (i) shall
25 be paid by the covered entity to the Ad-

1 administrator over such period as is deter-
 2 mined appropriate by the Administrator.”;

3 and

4 (2) in subsection (c)(3)(E), by striking “sub-
 5 section (b)(7)” and inserting “subsection (b)(9)”.

6 **SEC. 11. EXCLUSION OF OFFSHORING MANUFACTURERS**
 7 **UNDER CLEAN HEAVY-DUTY VEHICLES.**

8 Section 132 of the Clean Air Act (42 U.S.C. 7432)
 9 is amended—

10 (1) by redesignating subsection (d) as sub-
 11 section (f); and

12 (2) by inserting after subsection (c) the fol-
 13 lowing:

14 “(d) REQUIREMENT TO NOT OFFSHORE MANUFAC-
 15 TURING.—

16 “(1) DEFINITIONS.—In this subsection:

17 “(A) APPLICABLE PERIOD.—The term ‘ap-
 18 plicable period’, with respect to a covered enti-
 19 ty, means the 10-year period following the date
 20 on which the covered entity receives proceeds
 21 from an award under this section, including by
 22 receiving proceeds through a sale, lease, license,
 23 or contract for a motor vehicle from an eligible
 24 recipient using an award under this section.

1 “(B) COVERED ENTITY.—The term ‘cov-
2 ered entity’ means an entity that—

3 “(i) produces, manufactures, or car-
4 ries out the final assembly of motor vehi-
5 cles; and

6 “(ii) receives, after the date of enact-
7 ment of the Putting American Autoworkers
8 First Act of 2023, proceeds from an award
9 under this section, including by receiving
10 proceeds through a sale, lease, license, or
11 contract for a motor vehicle from an eligi-
12 ble recipient using an award under this
13 section.

14 “(C) MOTOR VEHICLE.—The term ‘motor
15 vehicle’ has the meaning given the term in sec-
16 tion 30D(d) of the Internal Revenue Code of
17 1986.

18 “(D) PROHIBITED ACTIVITY.—The term
19 ‘prohibited activity’, with respect to an entity
20 described in subparagraph (B)(i), means—

21 “(i) moving the domestic production,
22 manufacturing, or final assembly of any
23 motor vehicle or any component part of a
24 motor vehicle outside of the United States;
25 and

1 “(ii) reducing or eliminating produc-
2 tion, manufacturing, or final assembly of
3 any motor vehicle or any component part
4 of a motor vehicle in the United States and
5 subsequently obtaining such motor vehicle
6 or component part from a producer or
7 manufacturer located outside of the United
8 States.

9 “(2) REQUIREMENTS.—

10 “(A) IN GENERAL.—As a condition of re-
11 ceiving proceeds from an award under this sec-
12 tion, including by receiving proceeds through a
13 sale, lease, license, or contract for a motor vehi-
14 cle from an eligible recipient using an award
15 under this section, a covered entity may not,
16 during the applicable period—

17 “(i) carry out any prohibited activity;

18 or

19 “(ii) fail to satisfy the requirement
20 under subparagraph (D).

21 “(B) SUBSIDIARY REQUIREMENT.—The re-
22 quirement described in subparagraph (A)(i)
23 shall apply to each subsidiary of a covered enti-
24 ty, if applicable.

1 “(C) NOTICE TO COVERED ENTITY.—If an
2 eligible recipient is not a covered entity and the
3 eligible recipient intends to use proceeds from
4 an award under this section to purchase, lease,
5 license, or contract for a motor vehicle from a
6 covered entity, the eligible recipient shall notify
7 the covered entity that the sale, lease, license,
8 or contract is being carried out using proceeds
9 from an award under this section.

10 “(D) REPORT.—Not later than 1 year
11 after the date of enactment of the Putting
12 American Autoworkers First Act of 2023, and
13 annually thereafter until the end of the applica-
14 ble period, each covered entity shall provide to
15 the Administrator such information as the Ad-
16 ministrator may require to demonstrate that
17 the covered entity (including each subsidiary, if
18 applicable) has not carried out a prohibited ac-
19 tivity.

20 “(3) NONCOMPLIANCE.—

21 “(A) IN GENERAL.—If a covered entity be-
22 comes noncompliant with the requirements
23 under paragraph (2), the covered entity shall
24 pay to the Administrator an amount equal to
25 the total of all amounts received by the covered

1 entity that are proceeds from awards under
2 paragraph (1).

3 “(B) PERIOD OF PAYMENT.—Any payment
4 imposed pursuant to subparagraph (A) shall be
5 paid by the covered entity to the Administrator
6 over such period as is determined appropriate
7 by the Administrator.

8 “(e) LIMITATION.—An award under this section may
9 not be used for—

10 “(1) the sale, lease, licensing, or contracting for
11 a motor vehicle (as defined in subsection (d)(1)) pro-
12 duced, manufactured, or assembled by an entity, in-
13 cluding a subsidiary of such an entity, that fails to
14 comply with subsection (d)(2)(A);

15 “(2) the sale, lease, licensing, or contracting for
16 charging or fueling infrastructure produced, manu-
17 factured, or assembled by an entity, including a sub-
18 sidiary of such an entity, that fails to comply with
19 subsection (d)(2)(A); or

20 “(3) workforce development, training, planning,
21 or technical activities carried out by an entity, in-
22 cluding a subsidiary of such an entity, that fails to
23 comply with subsection (d)(2)(A).”.

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