

116TH CONGRESS
1ST SESSION

H. R. 2903

To amend title 5, United States Code, to prohibit the International Stock Index Investment Fund of the Thrift Savings Fund from investing in any entity in peer or near-peer competitor nations as outlined in the National Defense Strategy, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

MAY 22, 2019

Mr. BANKS introduced the following bill; which was referred to the Committee on Oversight and Reform

A BILL

To amend title 5, United States Code, to prohibit the International Stock Index Investment Fund of the Thrift Savings Fund from investing in any entity in peer or near-peer competitor nations as outlined in the National Defense Strategy, 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; FINDINGS.**

4 (a) SHORT TITLE.—This Act may be cited as the
5 “Blocking Investment In Our Adversaries Act”.

6 (b) FINDINGS.—Congress finds the following:

1 (1) Federal retirement plans, including the
2 Thrift Savings Plan, invest a total of over \$550 bil-
3 lion on behalf of their plan participants. With such
4 an influence, it is critical that U.S. Federal pension
5 plans do not contribute to stock earnings for compa-
6 nies demonstrated to be linked to the economies of
7 peer or near-peer competitors, as outlined in the Na-
8 tional Defense Strategy.

9 (2) Large sector international companies such
10 as Huawei have repeatedly committed numerous
11 crimes such as corporate espionage, violations of
12 US-imposed sanctions, violations of international
13 property law, and theft.

14 (3) The Thrift Savings Plan is the preeminent
15 retirement plan for Federal government employees.
16 The plan is especially beneficial due to its low serv-
17 ice fees and high historical returns. The provisions
18 outlined in this Act will not increase fees imposed on
19 clients of the Thrift Savings Plan.

20 (4) Congress acknowledges the conflict between
21 fiduciary duties of financial investment firms and
22 the responsibility to ensure national security.

23 (5) The November 2017 selection of the MSCI
24 ACWI Index by the Federal Retirement Thrift In-

1 vestment Board, to be effective in 2020, violates the
2 terms of this Act, as outlined in section 2.

3 **SEC. 2. PROHIBITION ON INVESTMENT OF TSP I FUND IN**
4 **PEER AND NEAR-PEER COMPETITORS.**

5 (a) IN GENERAL.—Section 8438(b)(4) of title 5,
6 United States Code, is amended by adding at the end the
7 following:

8 “(C) The index selected by the Board under subpara-
9 graph (A) may not include investments in any stock of
10 an entity based in a peer or near-peer competitor, includ-
11 ing China or Russia.”.

12 (b) DIVESTITURE OF ASSETS.—Not later than 30
13 days after the date of the enactment of this Act, the Fed-
14 eral Retirement Thrift Investment Board (as established
15 under section 8472(a) of title 5, United States Code), in
16 consultation with the manager of the Thrift Savings Fund,
17 shall—

18 (1) review whether any sums in the Thrift Sav-
19 ings Fund are invested in contravention of subpara-
20 graph (C) of section 8438(b)(4) of such title, as
21 added by subsection (a);

22 (2) if any sums are so invested, and consistent
23 with the legal and fiduciary duties provided under
24 chapter 84 of such title or any other provision of
25 law, divest such sums; and

- 1 (3) re-invest the divested sums in investments
- 2 that do not contradict such subparagraph.

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