

116TH CONGRESS
2D SESSION

H. R. 6598

To preserve national security by providing guarantees to investors for investments in businesses at risk of predatory economic tactics by the Communist Party of the People’s Republic of China, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

APRIL 23, 2020

Mr. GREEN of Tennessee introduced the following bill; which was referred to the Committee on Financial Services, and in addition to the Committee on Foreign Affairs, 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 preserve national security by providing guarantees to investors for investments in businesses at risk of predatory economic tactics by the Communist Party of the People’s Republic of China, 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 “Secure Our Systems
5 Against China’s Tactics Act” or the “SOS ACT Act”.

6 **SEC. 2. SENSE OF CONGRESS.**

7 It is the sense of Congress that—

1 (1) while the United States is committed to
2 promoting cultural and technological exchange with
3 other countries, it is our responsibility to protect the
4 United States when channels for such exchange are
5 exploited by adversaries; and

6 (2) the People's Republic of China consistently
7 seeks to exploit those channels, not only in its theft
8 of intellectual property but also in its manipulation
9 of lawful acquisition of companies in the United
10 States in ways that directly support its military ob-
11 jectives and threaten those of the United States.

12 **SEC. 3. GUARANTEES.**

13 (a) IN GENERAL.—The Secretary of the Treasury is
14 authorized to make guarantees to investors to cover up
15 to 50 percent of the costs of an investment in an eligible
16 business made during the emergency period (as defined
17 in paragraph (1)(B) of section 1135(g) of the Social Secu-
18 rity Act (42 U.S.C. 1320b–5(g))).

19 (b) CRITERIA FOR AWARDED GUARANTEES.—

20 (1) IN GENERAL.—In making guarantees pur-
21 suant to subsection (a), the Secretary of the Treas-
22 ury shall, in consultation with the Secretary of De-
23 fense and the Secretary of Commerce, establish cri-
24 teria to award guarantees to investors.

1 (2) NATIONAL SECURITY INTEREST.—In estab-
2 lishing the criteria under paragraph (1), the Sec-
3 retary of the Treasury shall, in consultation with the
4 Secretary of Defense and the Secretary of State, de-
5 termine which eligible businesses should be
6 prioritized based on the objectives of the 2018 Na-
7 tional Defense Strategy.

8 (3) REPORT REQUIRED.—Not later than 15
9 days after the date of the enactment of this Act, the
10 Secretary of the Treasury, the Secretary of Defense,
11 and the Secretary of Commerce shall jointly submit
12 to Congress a report outlining the criteria estab-
13 lished under paragraph (1).

14 (c) FUNDING.—In carrying out this section, the Sec-
15 retary of the Treasury shall redirect, from the funds avail-
16 able under section 4003(b)(4) of the CARES Act (Public
17 Law 116–136), \$10,000,000,000 to fund the guarantees
18 under subsection (a).

19 (d) DURATION.—The Secretary of the Treasury may
20 make the guarantees authorized under subsection (a) dur-
21 ing the period beginning on the date of the submission
22 of the report required under subsection (b)(3) and ending
23 on the date that is 1 year after the date of the enactment
24 of this Act.

1 (e) LIMITATIONS.—With respect to an investment
2 guaranteed under this section by an investor in an eligible
3 business, if such business fails—

4 (1) such investor may only receive monetary
5 compensation for up to 3 years after the last day of
6 the emergency period (as defined in paragraph
7 (1)(B) of section 1135(g) of the Social Security Act
8 (42 U.S.C. 1320b–5(g))), if the reason for the fail-
9 ure of such business is reasonably related to issues
10 stemming from COVID–19; and

11 (2) the Secretary of the Treasury shall deter-
12 mine how much money such investor may recover
13 and whether such investor may recover money before
14 or after the liquidation of such business.

15 (f) ELIGIBLE BUSINESS DEFINED.—In this section,
16 the term “eligible business” means a company that—

17 (1) incurred losses as a result of COVID–19;

18 (2) advances a national security interest; and

19 (3) is susceptible to being purchased by an enti-
20 ty from, associated with, or located within China (as
21 defined in paragraph (1)(B) of section 1135(g) of
22 the Social Security Act (42 U.S.C. 1320b–5(g))).

○