

118TH CONGRESS
1ST SESSION

H. R. 2888

To require the Secretary of Energy to establish a program to incentivize investment in facilities that carry out the metallurgy of rare earth elements and the production of finished rare earth products, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

APRIL 26, 2023

Mr. TONY GONZALES of Texas introduced the following bill; which was referred to the Committee on Energy and Commerce, and in addition to the Committees on Foreign Affairs, Education and the Workforce, and Financial Services, 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 require the Secretary of Energy to establish a program to incentivize investment in facilities that carry out the metallurgy of rare earth elements and the production of finished rare earth products, 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 “Obtaining National
5 and Secure Homeland Operations for Rare Earth Manu-

1 facturing Act of 2023” or the “ONSHORE Manufac-
2 turing Act of 2023”.

3 **SEC. 2. DEFINITIONS.**

4 In this Act:

5 (1) APPROPRIATE COMMITTEES OF CON-
6 GRESS.—The term “appropriate committees of Con-
7 gress” means—

8 (A) the Select Committee on Intelligence,
9 the Committee on Energy and Natural Re-
10 sources, the Committee on Commerce, Science,
11 and Transportation, the Committee on Foreign
12 Relations, the Committee on Armed Services,
13 the Committee on Appropriations, the Com-
14 mittee on Banking, Housing, and Urban Af-
15 fairs, the Committee on Homeland Security and
16 Governmental Affairs, and the Committee on
17 Finance of the Senate; and

18 (B) the Permanent Select Committee on
19 Intelligence, the Committee on Energy and
20 Commerce, the Committee on Foreign Affairs,
21 the Committee on Armed Services, the Com-
22 mittee on Science, Space, and Technology, the
23 Committee on Appropriations, the Committee
24 on Financial Services, the Committee on Home-

1 land Security, and the Committee on Ways and
2 Means of the House of Representatives.

3 (2) COVERED ENTITY.—The term “covered en-
4 tity” means a private entity, a consortium of private
5 entities, or a consortium of public and private enti-
6 ties with a demonstrated ability to substantially fi-
7 nance, construct, expand, or technologically upgrade
8 a covered facility.

9 (3) COVERED FACILITY.—The term “covered
10 facility” means a facility located in a State that car-
11 ries out the metallurgy of rare earth elements for
12 the production of finished rare earth products.

13 (4) COVERED INCENTIVE.—The term “covered
14 incentive” means—

15 (A) an incentive offered by a Federal,
16 State, local, or Tribal governmental entity to a
17 covered entity for the purposes of—

18 (i) constructing within the jurisdiction
19 of the governmental entity a covered facil-
20 ity; or

21 (ii) expanding or technologically up-
22 grading an existing facility within that ju-
23 risdiction to be a covered facility; and

24 (B) a workforce-related incentive (includ-
25 ing a grant agreement relating to workforce

1 training or vocational education), any conces-
2 sion with respect to real property, funding for
3 research and development with respect to rare
4 earth elements and finished rare earth prod-
5 ucts, and any other incentive determined appro-
6 priate by the Secretary, in consultation with the
7 Secretary of State.

8 (5) FINISHED RARE EARTH PRODUCT.—The
9 term “finished rare earth product” means a product
10 composed of significant quantities of rare earth ele-
11 ments, including—

12 (A) metals;

13 (B) alloys; and

14 (C) permanent magnets.

15 (6) FOREIGN ENTITY.—

16 (A) IN GENERAL.—The term “foreign enti-
17 ty” means—

18 (i) a government of a foreign country
19 and a foreign political party;

20 (ii) a natural person who is not—

21 (I) a lawful permanent resident
22 of the United States;

23 (II) a citizen or national of the
24 United States; or

1 (III) any other protected indi-
2 vidual (as defined in section
3 274B(a)(3) of the Immigration and
4 Nationality Act (8 U.S.C.
5 1324b(a)(3))); and

6 (iii) a partnership, association, cor-
7 poration, organization, or other combina-
8 tion of persons organized under the laws of
9 or having its principal place of business in
10 a foreign country.

11 (B) INCLUSIONS.—The term “foreign enti-
12 ty” includes—

13 (i) any person owned by, controlled
14 by, or subject to the jurisdiction or direc-
15 tion of an entity described in subparagraph
16 (A);

17 (ii) any person, wherever located, who
18 acts as an agent, representative, or em-
19 ployee of an entity described in subpara-
20 graph (A);

21 (iii) any person who acts in any other
22 capacity at the order, request, or under the
23 influence, direction, or control, of—

24 (I) an entity described in sub-
25 paragraph (A); or

1 (II) a person the activities of
2 which are directly or indirectly super-
3 vised, directed, controlled, financed, or
4 subsidized in whole or in majority
5 part by an entity described in sub-
6 paragraph (A);

7 (iv) any person who directly or indi-
8 rectly through any contract, arrangement,
9 understanding, relationship, or otherwise,
10 owns 25 percent or more of the equity in-
11 terests of an entity described in subpara-
12 graph (A);

13 (v) any person with significant re-
14 sponsibility to control, manage, or direct
15 an entity described in subparagraph (A);

16 (vi) any person, wherever located, who
17 is a citizen or resident of a country con-
18 trolled by an entity described in subpara-
19 graph (A); and

20 (vii) any corporation, partnership, as-
21 sociation, or other organization organized
22 under the laws of a country controlled by
23 an entity described in subparagraph (A).

24 (7) FOREIGN ENTITY OF CONCERN.—

1 (A) IN GENERAL.—The term “foreign enti-
2 ty of concern” means any foreign entity that
3 is—

4 (i) designated as a foreign terrorist
5 organization by the Secretary of State
6 under section 219 of the Immigration and
7 Nationality Act (8 U.S.C. 1189);

8 (ii) included on the list of specially
9 designated nationals and blocked persons
10 maintained by the Office of Foreign Assets
11 Control of the Department of the Treas-
12 ury;

13 (iii) owned by, controlled by, or sub-
14 ject to the jurisdiction, direction, or other-
15 wise under the undue influence of a gov-
16 ernment of a covered nation (as defined in
17 section 4872(d) of title 10, United States
18 Code);

19 (iv) alleged by the Attorney General
20 to have been involved in activities for
21 which a conviction was obtained under—

22 (I) chapter 37 of title 18, United
23 States Code (commonly known as the
24 “Espionage Act”);

1 (II) section 951 or 1030 of title
2 18, United States Code;

3 (III) chapter 90 of title 18,
4 United States Code (commonly known
5 as the “Economic Espionage Act of
6 1996”);

7 (IV) the Arms Export Control
8 Act (22 U.S.C. 2751 et seq.);

9 (V) section 224, 225, 226, 227,
10 or 236 of the Atomic Energy Act of
11 1954 (42 U.S.C. 2274–2278; 2284);

12 (VI) the Export Control Reform
13 Act of 2018 (50 U.S.C. 4801 et seq.);
14 or

15 (VII) the International Emer-
16 gency Economic Powers Act (50
17 U.S.C. 1701 et seq.); or

18 (v) determined by the Secretary, in
19 consultation with the Secretary of Defense
20 and the Director of National Intelligence,
21 to be engaged in unauthorized conduct
22 that is detrimental to the national security
23 or foreign policy of the United States
24 under this Act.

1 (B) EXCLUSION.—The term “foreign enti-
2 ty of concern” does not include any entity with
3 respect to which 1 or more foreign entities de-
4 scribed in subparagraph (A) owns less than 10
5 percent of the equity interest.

6 (8) GOVERNMENTAL ENTITY.—The term “gov-
7 ernmental entity” means—

8 (A) a State; and

9 (B) a local government of a State.

10 (9) INTELLIGENCE COMMUNITY.—The term
11 “intelligence community” has the meaning given the
12 term in section 3 of the National Security Act of
13 1947 (50 U.S.C. 3003).

14 (10) METALLURGY.—The term “metallurgy”
15 means the process of producing finished rare earth
16 products from purified rare earth elements.

17 (11) MINERALS SECURITY PARTNERSHIP.—The
18 term “Minerals Security Partnership” means the
19 Minerals Security Partnership established in June
20 2022.

21 (12) PERSON.—The term “person” includes an
22 individual, partnership, association, corporation, or-
23 ganization, or any other combination of individuals.

24 (13) PRIVATE CAPITAL.—The term “private
25 capital” has the meaning given the term in section

1 103 of the Small Business Investment Act of 1958
2 (15 U.S.C. 662).

3 (14) RARE EARTH ELEMENT.—The term “rare
4 earth element” means a natural element associated
5 with—

6 (A) the metallic element scandium, with
7 atomic number 21;

8 (B) the metallic element yttrium, with
9 atomic number 39; or

10 (C) any of the series of 15 metallic ele-
11 ments between lanthanum, with atomic number
12 57, and lutetium, with atomic number 71, on
13 the periodic table.

14 (15) SECRETARY.—The term “Secretary”
15 means the Secretary of Energy.

16 (16) STATE.—The term “State” means—

17 (A) each of the several States of the
18 United States;

19 (B) the District of Columbia;

20 (C) the Commonwealth of Puerto Rico;

21 (D) Guam;

22 (E) American Samoa;

23 (F) the Commonwealth of the Northern
24 Mariana Islands;

25 (G) the Federated States of Micronesia;

- 1 (H) the Republic of the Marshall Islands;
2 (I) the Republic of Palau; and
3 (J) the United States Virgin Islands.

4 **SEC. 3. RARE EARTH METALLURGY FINANCING.**

5 (a) FINANCIAL ASSISTANCE PROGRAM.—

6 (1) IN GENERAL.—The Secretary shall establish
7 in the Department of Energy a program to provide
8 Federal financial assistance to covered entities to
9 incentivize investment in covered facilities, subject to
10 the availability of appropriations for that purpose.

11 (2) PROCEDURE.—

12 (A) IN GENERAL.—A covered entity seek-
13 ing financial assistance under this subsection
14 shall submit to the Secretary an application
15 that describes the project for which the covered
16 entity is seeking financial assistance.

17 (B) ELIGIBILITY.—In order for a covered
18 entity to qualify for financial assistance under
19 this subsection, the covered entity shall dem-
20 onstrate to the Secretary, in the application
21 submitted by the covered entity under subpara-
22 graph (A), that—

23 (i) the covered entity has a docu-
24 mented interest in—

1 (I) constructing a covered facil-
2 ity; or

3 (II) expanding or technologically
4 upgrading a facility owned by the cov-
5 ered entity to be a covered facility;
6 and

7 (ii) with respect to the project for
8 which the covered entity is seeking finan-
9 cial assistance, the covered entity has—

10 (I) been offered a covered incen-
11 tive;

12 (II) made commitments to work-
13 er and community investment, includ-
14 ing through—

15 (aa) training and education
16 benefits paid by the covered enti-
17 ty; and

18 (bb) programs to expand
19 employment opportunity for eco-
20 nomically disadvantaged individ-
21 uals;

22 (III) secured commitments from
23 regional educational and training enti-
24 ties and institutions of higher edu-
25 cation to provide workforce training,

1 including programming for training
2 and job placement of economically dis-
3 advantaged individuals; and

4 (IV) an executable plan to sus-
5 tain a covered facility without addi-
6 tional Federal financial assistance
7 under this subsection for facility sup-
8 port.

9 (C) APPLICATION REVIEW.—

10 (i) IN GENERAL.—The Secretary may
11 not approve an application submitted by a
12 covered entity under subparagraph (A)—

13 (I) unless the Secretary—

14 (aa) confirms that the cov-
15 ered entity has satisfied the eligi-
16 bility criteria under subpara-
17 graph (B);

18 (bb) determines that the
19 project for which the covered en-
20 tity is seeking financial assist-
21 ance is in the interest of the
22 United States; and

23 (cc) has notified the appro-
24 priate committees of Congress
25 not later than 15 days before

1 making any commitment to pro-
2 vide an award of financial assist-
3 ance to any covered entity in an
4 amount that exceeds
5 \$10,000,000; or

6 (II) if the Secretary determines,
7 in consultation with the Director of
8 National Intelligence, that the covered
9 entity is a foreign entity of concern.

10 (ii) CONSIDERATION.—In reviewing
11 an application submitted by a covered enti-
12 ty under subparagraph (A), the Secretary
13 may consider whether—

14 (I) the covered entity has pre-
15 viously received financial assistance
16 under this subsection;

17 (II) the governmental entity of-
18 fering the applicable covered incentive
19 has benefitted from financial assist-
20 ance previously provided under this
21 subsection;

22 (III) the covered entity has dem-
23 onstrated that the covered entity is re-
24 sponsive to the national security needs
25 or requirements established by the in-

1 intelligence community (or an agency
2 thereof), the National Nuclear Secu-
3 rity Administration, or the Depart-
4 ment of Defense;

5 (IV) if practicable, a consortium
6 that is considered a covered entity in-
7 cludes a small business concern (as
8 defined under section 3 of the Small
9 Business Act (15 U.S.C. 632)), not-
10 withstanding section 121.103 of title
11 13, Code of Federal Regulations (or
12 successor regulations); and

13 (V) the covered entity intends to
14 produce finished products for use by
15 the Department of Defense, the de-
16 fense industry of the United States,
17 or critical energy infrastructure.

18 (iii) PRIORITIZATION.—To the max-
19 imum extent practicable, the Secretary
20 shall prioritize awarding financial assist-
21 ance under this subsection to a covered en-
22 tity that intends to make finished products
23 available for use by the Department of De-
24 fense, the defense industry of the United
25 States, or critical energy infrastructure.

1 (D) RECORDS.—

2 (i) IN GENERAL.—The Secretary may
3 request records and information from a
4 covered entity that submitted an applica-
5 tion under subparagraph (A) to review the
6 status of a covered entity.

7 (ii) REQUIREMENT.—The covered en-
8 tity shall provide the records and informa-
9 tion requested by the Secretary under
10 clause (i).

11 (3) AMOUNT.—

12 (A) IN GENERAL.—The Secretary shall de-
13 termine the appropriate amount and funding
14 type for each financial assistance award pro-
15 vided to a covered entity under this subsection.

16 (B) COST-SHARING REQUIREMENT.—The
17 total amount of financial assistance that may be
18 guaranteed by the Secretary under this sub-
19 section shall be not more than 100 percent of
20 the private capital investment available to a
21 covered entity for any individual project.

22 (C) MINIMUM INVESTMENT.—The total
23 Federal investment in any individual project re-
24 ceiving a financial assistance award under this
25 subsection shall be not less than \$100,000,000.

1 (D) LARGER INVESTMENT.—The total
2 Federal investment in any individual project re-
3 ceiving a financial assistance award under this
4 subsection shall not exceed \$500,000,000, un-
5 less the Secretary, in consultation with the Sec-
6 retary of Defense and the Director of National
7 Intelligence, recommends to the President, and
8 the President certifies and reports to the appro-
9 priate committees of Congress, that a larger in-
10 vestment is necessary—

11 (i) to significantly increase the pro-
12 portion of reliable domestic supply of fin-
13 ished rare earth products relevant for na-
14 tional security and economic competitive-
15 ness that can be met through domestic
16 production; and

17 (ii) to meet the needs of national se-
18 curity.

19 (4) USE OF FUNDS.—A covered entity that re-
20 ceives a financial assistance award under this sub-
21 section may only use the financial assistance award
22 amounts—

23 (A) to finance the construction of a cov-
24 ered facility (including equipment) or the ex-
25 pansion or technological upgrade of a facility

1 (including equipment) of the covered entity to
2 be a covered facility, as documented in the ap-
3 plication submitted by the covered entity under
4 paragraph (2)(A), as determined necessary by
5 the Secretary for purposes relating to the na-
6 tional security and economic competitiveness of
7 the United States;

8 (B) to support workforce development for
9 a covered facility; and

10 (C) to support site development and tech-
11 nological upgrade for a covered facility.

12 (5) CLAWBACK.—

13 (A) MAJOR AWARDS.—

14 (i) IN GENERAL.—For all financial as-
15 sistance awards provided to covered enti-
16 ties under this subsection, the Secretary
17 shall, at the time of making the award, de-
18 termine the target dates by which a cov-
19 ered entity shall commence and complete
20 the applicable project.

21 (ii) PROGRESSIVE RECOVERY FOR
22 DELAYS.—If the covered entity receiving a
23 financial assistance award under this sub-
24 section does not complete the applicable
25 project by the applicable target date deter-

1 mined under clause (i), the Secretary shall
2 progressively recover up to the full amount
3 of the award.

4 (iii) WAIVER.—In the case of projects
5 that do not meet the applicable target date
6 determined under clause (i), the Secretary
7 may waive the requirement to recover the
8 financial award provided for the project
9 under clause (ii) after making a formal de-
10 termination that circumstances beyond the
11 ability of the covered entity to foresee or
12 control are responsible for the delay.

13 (iv) CONGRESSIONAL NOTIFICA-
14 TION.—

15 (I) IN GENERAL.—Not later than
16 15 days after making a determination
17 to recover an award under clause (ii),
18 the Secretary shall notify the appro-
19 priate committees of Congress of the
20 intent of the Secretary to recover the
21 award.

22 (II) WAIVERS.—Not later than
23 15 days after the date on which the
24 Secretary provides a waiver under
25 clause (iii), the Secretary shall notify

1 the appropriate committees of Con-
2 gress of the waiver.

3 (B) JOINT RESEARCH, TECHNOLOGY LI-
4 CENSING, AND INTELLECTUAL PROPERTY RE-
5 PORTING.—

6 (i) IN GENERAL.—Before entering
7 into an agreement with a foreign entity to
8 conduct joint research or technology licens-
9 ing, or to share intellectual property, a
10 covered entity that has received a financial
11 assistance award under this subsection—

12 (I) shall notify the Secretary of
13 the intent to enter into such an agree-
14 ment; and

15 (II) may only enter into such an
16 agreement if the Secretary determines
17 the foreign entity is not a foreign en-
18 tity of concern.

19 (ii) DETERMINATION.—On receiving a
20 notification under clause (i), the Secretary,
21 in consultation with the Director of Na-
22 tional Intelligence, the Director of the Na-
23 tional Counterintelligence and Security
24 Center, and the Director of the Federal
25 Bureau of Investigation, shall make a de-

1 termination of whether the applicable for-
2 eign entity is a foreign entity of concern.

3 (iii) TECHNOLOGY CLAWBACK.—The
4 Secretary shall recover the full amount of
5 a financial assistance award provided to a
6 covered entity under this subsection if,
7 during the applicable term of the award,
8 the covered entity knowingly engages in
9 any joint research, technology licensing, or
10 intellectual property sharing effort with a
11 foreign entity of concern that relates to a
12 technology or product that raises national
13 security concerns, as determined by the
14 Secretary, in consultation with the Direc-
15 tor of National Intelligence, the Director of
16 the National Counterintelligence and Secu-
17 rity Center, and the Director of the Fed-
18 eral Bureau of Investigation, on the condi-
19 tion that the determination of the Sec-
20 retary shall have been communicated to
21 the covered entity before the covered entity
22 engaged in the joint research, technology
23 licensing, or intellectual property sharing.

24 (6) CONDITION OF RECEIPT.—A covered entity
25 to which the Secretary awards Federal financial as-

1 sistance under this subsection shall enter into an
2 agreement that specifies that, during the 5-year pe-
3 riod immediately following the award of the Federal
4 financial assistance, the covered entity will not make
5 shareholder distributions in excess of profits.

6 (b) COORDINATION REQUIRED.—In carrying out the
7 program established under subsection (a), the Secretary
8 shall coordinate with the Secretary of State, the Secretary
9 of Defense, the Secretary of Homeland Security, and the
10 Director of National Intelligence.

11 (c) GAO REVIEWS.—The Comptroller General of the
12 United States shall—

13 (1) not later than 2 years after the date of dis-
14 bursement of the first financial award under the
15 program established under subsection (a), and bien-
16 nially thereafter for 10 years, conduct a review of
17 the program, which shall include, at a minimum—

18 (A) a determination of the number of fi-
19 nancial assistance awards provided under the
20 program during the period covered by the re-
21 view;

22 (B) an evaluation of how—

23 (i) the program is being carried out,
24 including how recipients of financial assist-

1 ance awards are being selected under the
2 program; and

3 (ii) other Federal programs are lever-
4 aged for manufacturing, research, and
5 training to complement the financial assist-
6 ance awards provided under the program;
7 and

8 (C) a description of the outcomes of
9 projects supported by financial assistance
10 awards provided under the program, including a
11 description of—

12 (i) covered facilities that were con-
13 structed or facilities that were expanded or
14 technologically upgraded to be covered fa-
15 cilities as a result of financial assistance
16 awards provided under the program;

17 (ii) workforce training programs car-
18 ried out with financial assistance awards
19 provided under the program, including ef-
20 forts to hire individuals from disadvan-
21 taged populations; and

22 (iii) the impact of projects receiving
23 financial assistance awards under the pro-
24 gram on the United States share of global
25 finished rare earth product production; and

1 (2) submit to the appropriate committees of
2 Congress the results of each review conducted under
3 paragraph (1).

4 (d) **AUTHORIZATION OF APPROPRIATIONS.**—There
5 are authorized to be appropriated to carry out this sec-
6 tion—

7 (1) \$1,500,000,000 for fiscal year 2024; and

8 (2) \$200,000,000 for each of fiscal years 2025
9 through 2028.

10 **SEC. 4. FUNDING FOR DEVELOPMENT OF SECURE RARE**
11 **EARTH SUPPLY CHAINS.**

12 (a) **MINERALS SECURITY PARTNERSHIP FUND.**—

13 (1) **ESTABLISHMENT OF FUND.**—The Secretary
14 of the Treasury may establish a trust fund, to be
15 known as the “Minerals Security Partnership Fund”
16 (referred to in this section as the “Fund”), con-
17 sisting of such amounts as are appropriated to the
18 Fund or credited to the Fund under paragraph (3).

19 (2) **REPORTING REQUIREMENT.**—If the Fund is
20 not established by not later than 180 days after the
21 date of enactment of this Act, on that date, and an-
22 nually thereafter until the Fund is established, the
23 Secretary of the Treasury, in coordination with the
24 Secretary of State, shall provide, in writing, to the

1 appropriate committees of Congress a rationale for
2 not establishing the Fund.

3 (3) INVESTMENT OF AMOUNTS.—

4 (A) INVESTMENT OF AMOUNTS.—If the
5 Fund is established, the Secretary of the Treas-
6 ury may invest such portion of the Fund as is
7 not required to meet current withdrawals in in-
8 terest-bearing obligations of the United States
9 or in obligations guaranteed as to both prin-
10 cipal and interest by the United States.

11 (B) INTEREST AND PROCEEDS.—The in-
12 terest on, and the proceeds from the sale or re-
13 demption of, any obligations held in the Fund
14 shall be credited to and form a part of the
15 Fund.

16 (4) USE OF FUND.—

17 (A) IN GENERAL.—Subject to subpara-
18 graph (B), amounts in the Fund shall be avail-
19 able, as provided in advance in an appropria-
20 tions Act, to the Secretary of State—

21 (i) to provide funding through the
22 Minerals Security Partnership common
23 funding mechanism described in subsection
24 (b)(1) to support the development and

1 adoption of secure rare earth supply
2 chains; and

3 (ii) to otherwise carry out this section.

4 (B) AVAILABILITY CONTINGENT ON INTER-
5 NATIONAL ARRANGEMENT OR AGREEMENT.—

6 (i) IN GENERAL.—Amounts in the
7 Fund shall be available to the Secretary of
8 State, as provided in advance in an appro-
9 priations Act, on and after the date on
10 which the Secretary of State enters into an
11 arrangement or agreement with the gov-
12 ernments of countries that are partners of
13 the United States, as determined by the
14 Secretary of State, to participate in the
15 Minerals Security Partnership common
16 funding mechanism under subsection
17 (b)(1).

18 (ii) CONSULTATION.—Before entering
19 into an arrangement or agreement as de-
20 scribed in clause (i), the Secretary of
21 State, in consultation with the Secretary of
22 Commerce, shall ensure that any govern-
23 ment that will participate in the arrange-
24 ment or agreement maintains export con-
25 trol licensing policies with respect to ex-

1 ports of finished rare earth products sub-
2 stantively equivalent to the United States
3 with respect to restrictions on such exports
4 to the People’s Republic of China.

5 (b) MINERALS SECURITY PARTNERSHIP COMMON
6 FUNDING MECHANISM FOR DEVELOPMENT OF SECURE
7 RARE EARTH SUPPLY CHAINS.—

8 (1) IN GENERAL.—The Secretary of State, in
9 consultation with the Secretary of Commerce, the
10 Secretary of Defense, the Secretary of Homeland Se-
11 curity, the Secretary of the Treasury, the Director
12 of National Intelligence, and the Chief Executive Of-
13 ficer of the United States International Development
14 Finance Corporation shall ensure that the Minerals
15 Security Partnership is a mutually beneficial funding
16 mechanism that, in coordination with the govern-
17 ments of countries that are partners of the United
18 States, uses amounts from the Fund, or any other
19 available Federal funds, to support the development
20 and adoption of secure rare earth supply chains, in-
21 cluding for—

22 (A) research and development collabora-
23 tions among countries participating in the
24 mechanism; and

1 (B) supplementing bids by foreign entities
2 that are not foreign entities of concern to se-
3 cure offtake agreements with entities that mine
4 rare earth elements.

5 (2) CONTRIBUTIONS FROM PARTICIPATING
6 COUNTRIES.—In creating and sustaining the Min-
7 erals Security Partnership common funding mecha-
8 nism described in paragraph (1), the Secretary of
9 State shall seek to leverage amounts from the Fund
10 to secure contributions to the mechanism from the
11 governments of countries participating in the mecha-
12 nism, including with respect to cost sharing and
13 other cooperative measures leading to the develop-
14 ment and adoption of secure rare earth supply
15 chains.

16 (3) COMMITMENTS.—In creating and sustaining
17 the Minerals Security Partnership common funding
18 mechanism described in paragraph (1), the Sec-
19 retary of State shall promote efforts among coun-
20 tries participating in the mechanism—

21 (A) to establish transparency requirements
22 for any subsidies or other financial benefits (in-
23 cluding revenue foregone) provided to rare
24 earth firms located in or outside such countries;

1 (B) to establish processes similar to the
2 process of the Committee on Foreign Invest-
3 ment in the United States under section 721 of
4 the Defense Production Act of 1950 (50 U.S.C.
5 4565) for intervening to preempt foreign enti-
6 ties of concern from investing in, purchasing, or
7 assuming control of entities, intellectual prop-
8 erty, and equipment that are created by or ben-
9 efit from investments by the mechanism;

10 (C) to establish consistent policies with re-
11 spect to countries that—

12 (i) are not participating in the mecha-
13 nism; and

14 (ii) do not meet transparency require-
15 ments established under subparagraph (A);

16 (D) to promote harmonized treatment of
17 finished rare earth products and verification
18 processes for raw materials or products being
19 exported to a country considered a national se-
20 curity risk by the government of a country par-
21 ticipating in the mechanism;

22 (E) to establish consistent policies among
23 the governments of countries participating in
24 the mechanism and common policies among
25 countries that are not participating to address

1 nonmarket economy countries as the behavior
2 of such countries pertains to rare earth ele-
3 ments;

4 (F) to align policies with respect to supply
5 chain integrity and security, including with re-
6 spect to protection and enforcement of intellec-
7 tual property rights; and

8 (G) to promote harmonized foreign direct
9 investment screening measures and export con-
10 trol policies with respect to rare earth elements
11 to align with national, multilateral, and
12 plurilateral security priorities.

13 (c) ANNUAL REPORT TO CONGRESS.—Not later than
14 1 year after the date on which the Fund is established,
15 and annually thereafter for each fiscal year during which
16 amounts in the Fund are available under subsection
17 (a)(4), the Secretary of State shall submit to the appro-
18 priate committees of Congress a report on the status of
19 the implementation of this section that includes a descrip-
20 tion of—

21 (1) any commitments made by the governments
22 of countries that have entered into an arrangement
23 or agreement with the United States to provide
24 funding for the Minerals Security Partnership com-
25 mon funding mechanism described in subsection

1 (b)(1) and the specific amount so committed and
2 other cooperative measures being taken by such
3 countries as part of the mechanism;

4 (2) the criteria established for expenditure of
5 funds through the mechanism;

6 (3) how, and to whom, amounts have been ex-
7 pended from the Fund and a description of progress
8 made in utilizing the Fund to support the objectives
9 described in subsection (b)(1);

10 (4) amounts remaining in the Fund;

11 (5) the progress of the Secretary of State to-
12 ward entering into an arrangement or agreement
13 with the governments of countries that are partners
14 of the United States to participate in the Minerals
15 Security Partnership common funding mechanism
16 and the commitments described in subsection (b)(3);
17 and

18 (6) any additional authorities needed to en-
19 hance the effectiveness of the Fund in achieving the
20 security goals of the United States.

21 (d) NOTIFICATIONS TO BE PROVIDED BY THE
22 FUND.—

23 (1) IN GENERAL.—Not later than 15 days prior
24 to the Fund making a financial commitment associ-
25 ated with the provision of expenditures under sub-

1 section (a)(4)(A) in an amount in excess of
2 \$1,000,000, the Secretary of State shall submit to
3 the appropriate committees of Congress a report in
4 writing that includes the information described in
5 paragraph (2).

6 (2) INFORMATION REQUIRED.—The information
7 described in this paragraph is—

8 (A) the amount of each expenditure de-
9 scribed in paragraph (1);

10 (B) an identification of the recipient or
11 beneficiary of each such expenditure; and

12 (C) a description of the project or activity
13 to be carried out and the purpose to be
14 achieved by each such expenditure.

15 (3) ARRANGEMENTS OR AGREEMENTS.—The
16 Secretary of State shall notify the appropriate com-
17 mittees of Congress not later than 30 days after en-
18 tering into a new bilateral or multilateral arrange-
19 ment or agreement described in subsection
20 (a)(4)(B).

21 (e) FOREIGN ENTITIES OF CONCERN.—A foreign en-
22 tity of concern may not be a participant or beneficiary of
23 the Minerals Security Partnership common funding mech-
24 anism described in subsection (b)(1).

1 (f) APPLICABILITY TO EXISTING FUND OF THE MIN-
2 ERALS SECURITY PARTNERSHIP.—This section shall
3 apply to any fund in the Treasury that has been estab-
4 lished before the date of enactment of this Act for use
5 of the Minerals Security Partnership.

6 **SEC. 5. WORKFORCE DEVELOPMENT INITIATIVE.**

7 As soon as practicable after the date of enactment
8 of this Act, the Secretary shall establish an initiative
9 under which the Secretary shall work with the Secretary
10 of Labor, the Director of the National Science Founda-
11 tion, the Critical Minerals Subcommittee of the National
12 Science and Technology Council, the private sector, insti-
13 tutions of higher education, and workforce training enti-
14 ties to incentivize and expand participation in graduate
15 and undergraduate programs, and to develop workforce
16 training programs and apprenticeships, relating to ad-
17 vanced rare earth element mining, separation, processing,
18 metallurgy, and advanced equipment maintenance capa-
19 bilities.

20 **SEC. 6. SUPPORT FOR FREELY ASSOCIATED STATES.**

21 Section 1412(c) of the Better Utilization of Invest-
22 ments Leading to Development Act of 2018 (22 U.S.C.
23 9612(c)) is amended by adding at the end the following:

24 “(3) SUPPORT FOR FREELY ASSOCIATED
25 STATES.—Notwithstanding the income classification

1 of the country with which the geopolitical entity is
2 associated, the Corporation may provide support
3 under title II to a geopolitical entity that is included,
4 as of the date on which support is provided, on the
5 list of dependencies and areas of special sovereignty
6 prepared by the Department of State.”.

7 **SEC. 7. PROHIBITION RELATING TO FOREIGN ENTITIES OF**
8 **CONCERN.**

9 None of the funds authorized to be appropriated to
10 carry out this Act may be provided to a foreign entity of
11 concern.

12 **SEC. 8. DEFENSE PRODUCTION ACT OF 1950 EFFORTS.**

13 (a) IN GENERAL.—Not later than 180 days after the
14 date of enactment of this Act, the President shall submit
15 to Congress a report on a plan of action for any use of
16 authorities available in title III of the Defense Production
17 Act of 1950 (50 U.S.C. 4531 et seq.) to establish or en-
18 hance a domestic production capability for finished rare
19 earth products and related technologies, subject to—

20 (1) the availability of appropriations for that
21 purpose; and

22 (2) a determination made under the plan pursu-
23 ant to that title that—

1 (A) finished rare earth products and re-
2 lated technologies are essential to the national
3 defense; and

4 (B) domestic industrial capabilities are in-
5 sufficient to meet those needs.

6 (b) COORDINATION.—The President shall develop the
7 plan of action required by subsection (a) in consultation
8 with any relevant head of a Federal agency, an advisory
9 committee established under section 708(d) of the Defense
10 Production Act of 1950 (50 U.S.C. 4558(d)), and appro-
11 priate stakeholders in the private sector.

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