

118TH CONGRESS
1ST SESSION

H. R. 722

To decrease dependency on People’s Republic of China manufacturing and decrease migration due to lost regional economic opportunities.

IN THE HOUSE OF REPRESENTATIVES

FEBRUARY 1, 2023

Mr. GREEN of Tennessee introduced the following bill; which was referred to the Committee on Ways and Means, 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 decrease dependency on People’s Republic of China manufacturing and decrease migration due to lost regional economic opportunities.

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 “Western Hemisphere
5 Nearshoring Act”.

6 **SEC. 2. FINDINGS.**

7 Congress finds the following:

1 (1) Our neighbors in the Western Hemisphere
2 play a vital role in ensuring peace, security, and de-
3 moeracy.

4 (2) Instability and lack of economic opportuni-
5 ties in the region are major drivers of migration in
6 violation of the Immigration and Nationality Act.

7 (3) According to the United States Census Bu-
8 reau, in 2021 the United States exported \$174.62
9 billion worth of goods to Central and South America,
10 and imported \$121 billion.

11 (4) The United States is a net exporter with
12 Central and South America.

13 (5) Economic growth and development of the
14 Western Hemisphere brings essential strength and
15 stability to the region.

16 (6) There is significant opportunity to expand
17 the free flow of goods and services in the Western
18 Hemisphere.

19 (7) Closer relations among the Americas
20 through free trade agreements and trade liberaliza-
21 tion would encourage further economic development
22 and stability in the region.

23 (8) The United States should exercise its influ-
24 ence to encourage privatization, free markets, and
25 economic cooperation in the region.

1 (9) Countries in the region should combat cor-
2 ruption, strengthen the rule of law, reduce bureau-
3 cratic red tape, streamline permitting, and embrace
4 free market principles to encourage further private
5 sector investment.

6 (10) With cooperation from the United States,
7 regional countries must take serious steps to curb
8 migration in violation of the Immigration and Na-
9 tionality Act.

10 (11) The Western Hemisphere has supply
11 chains that are vulnerable due to their over depend-
12 ence on the People's Republic of China.

13 (12) Free trade and expanded commercial ties
14 between the United States and Western Hemisphere
15 partners will foster economic and commercial co-
16 operation, increase investment opportunities, de-
17 crease migration in violation of the Immigration and
18 Nationality Act, reduce our dependence on the Peo-
19 ple's Republic of China, and create jobs for Amer-
20 ican workers.

1 **SEC. 3. USE OF UNITED STATES INTERNATIONAL DEVELOP-**
2 **MENT FINANCE CORPORATION FUNDS TO FI-**
3 **NANCE MOVING EXPENSES AND NECESSARY**
4 **WORKFORCE DEVELOPMENT COSTS IN-**
5 **CURRED BY COMPANIES MOVING FROM THE**
6 **PEOPLE'S REPUBLIC OF CHINA TO LATIN**
7 **AMERICA OR THE CARIBBEAN.**

8 (a) USE OF FUNDS.—

9 (1) IN GENERAL.—The United States Inter-
10 national Development Finance Corporation, in co-
11 ordination with relevant Federal agencies (including
12 the United States Trade and Development Agency,
13 the Export-Import Bank of the United States, the
14 United States Army Corps of Engineers, and the
15 United States Agency for International Develop-
16 ment) and the United States Executive Directors of
17 relevant international financial institutions (includ-
18 ing the World Bank Group, the Inter-American De-
19 velopment Bank, and the International Monetary
20 Fund), shall use not less than 10 percent of the
21 amounts made available to provide financing under
22 section 1421 of the Better Utilization of Investments
23 Leading to Development Act of 2018 (22 U.S.C.
24 9621) for each fiscal year beginning after the date
25 of the enactment of this Act to finance the qualified
26 moving costs and necessary workforce development

1 costs of, and reduce the interest rate on any loan to
2 be provided by the DFC to the interest rate de-
3 scribed in paragraph (3) to, any qualified corpora-
4 tion that is eligible for, or a recipient of, assistance
5 from the DFC, to the extent of qualifying applica-
6 tions for assistance under this section.

7 (2) AVAILABILITY OF UNUSED AMOUNTS.—If
8 the DFC does not use the entire amount described
9 in paragraph (1) for a fiscal year described in such
10 paragraph, such amount shall, to the maximum ex-
11 tent practicable, be made available to the DFC for
12 the next fiscal year to carry out this section or other
13 DFC programs for Latin American or Caribbean
14 countries.

15 (3) INTEREST RATE DESCRIBED.—The interest
16 rate described in this paragraph is—

17 (A) the Federal funds rate; or

18 (B) the interest rate that is determined by
19 reducing by not less than $\frac{1}{2}$ of 1 percent and
20 not more than 1 percent (but to not less than
21 zero percent) the interest rate on the loan to be
22 provided by the DFC to the qualified corpora-
23 tion,

24 whichever is the lesser.

1 (b) NO NEGATIVE EFFECTS ON EMPLOYMENT IN
2 THE UNITED STATES.—The DFC shall not provide assist-
3 ance under this section unless the Secretary of Commerce
4 has determined that the provision of the assistance would
5 not result in a negative effect on employment in the
6 United States.

7 (c) DISPOSITION OF UNUSED ASSISTANCE.—A cor-
8 poration to which financing is made under this section
9 shall remit to the DFC any portion of the assistance that
10 is not expended within a period of time after the date the
11 financing is made that is determined by the DFC on a
12 case-by-case basis.

13 (d) CONDITIONS ON PROVISION OF LOANS.—The
14 DFC—

15 (1) may provide loans under this section to a
16 corporation only if the loans are commercially viable,
17 as determined by the DFC; and

18 (2) shall determine an appropriate amount of
19 time for repayment of loans under this section to a
20 corporation.

21 (e) PLAN.—Not later than 180 days after the date
22 of the enactment of this Act, the DFC shall develop and
23 submit to the Committee on Foreign Affairs of the House
24 of Representatives and the Committee on Foreign Rela-
25 tions of the Senate a plan to streamline the provision of

1 assistance under this section, including to expedite the ap-
2 proval process for the provision of such assistance.

3 **SEC. 4. AUTHORITY TO PROVIDE DUTY-FREE TREATMENT**
4 **FOR GOODS AND SERVICES OF COMPANIES**
5 **MOVING FROM THE PEOPLE'S REPUBLIC OF**
6 **CHINA TO LATIN AMERICA OR THE CARIB-**
7 **BEAN.**

8 (a) **IN GENERAL.**—Notwithstanding any other provi-
9 sion of law, the President shall proclaim duty-free treat-
10 ment (or other preferential treatment) for any good or
11 service made or produced in a Latin American or Carib-
12 bean country by a qualified corporation that has received
13 assistance under section 3, subject to such terms and con-
14 ditions as the President determines to be appropriate.

15 (b) **REGULATIONS.**—The President shall prescribe
16 such regulations as may be necessary to carry out this
17 section.

18 (c) **EFFECTIVE PERIOD.**—

19 (1) **IN GENERAL.**—Subsection (a) shall apply
20 with respect to a good or service made or produced
21 in a Latin American or Caribbean country by a cor-
22 poration for the 15-year period beginning on the
23 date on which the corporation begins operations in
24 such country.

1 (2) **RULE OF CONSTRUCTION.**—Nothing in this
2 section may be construed to affect duty-free treat-
3 ment (or other preferential treatment) for any good
4 or service made or produced in a Latin American or
5 Caribbean country by a qualified corporation after
6 the 15-year period described in paragraph (1) if
7 goods and services from such country are otherwise
8 generally eligible for duty-free treatment (or other
9 preferential treatment).

10 **SEC. 5. ADDITIONAL CONDITIONS ON RECEIPT OF ASSIST-**
11 **ANCE UNDER SECTION 3 AND DUTY-FREE**
12 **TREATMENT (OR OTHER PREFERENTIAL**
13 **TREATMENT) UNDER SECTION 4.**

14 (a) **IN GENERAL.**—The appropriate Federal agency
15 may not provide assistance under section 3 or duty-free
16 treatment (or other preferential treatment) under section
17 4 to a corporation unless—

18 (1) the agency determines that the corporation
19 will create jobs in the Latin American or Caribbean
20 country to which it moves operations in numbers de-
21 termined by the agency to be commensurate with the
22 assistance provided;

23 (2) the corporation makes a binding commit-
24 ment to the agency that on and after the date the
25 assistance is provided—

1 (A) the corporation will not come under
2 the ownership or control of the Government of
3 the People’s Republic of China or the Chinese
4 Communist Party, the Government of the Rus-
5 sian Federation, or any other foreign adversary;
6 and

7 (B) the corporation will not have its head-
8 quarters in the People’s Republic of China, the
9 Russian Federation, or any other foreign adver-
10 sary;

11 (3) within 2 years after the date described in
12 paragraph (2), and subject to an additional exten-
13 sion as determined appropriate by the agency, all as-
14 sets of the corporation with respect to which the as-
15 sistance is provided will have been moved from the
16 People’s Republic of China to a Latin American or
17 Caribbean country; and

18 (4) the corporation retains all assets of the cor-
19 poration with respect to which the assistance is pro-
20 vided in a Latin American or Caribbean country
21 after the date described in paragraph (2) or the last
22 day of the extension described in paragraph (3), as
23 the case may be.

24 (b) COMPLIANCE DETERMINATIONS.—

1 (1) IN GENERAL.—The appropriate Federal
2 agency, in coordination with the Department of
3 State, shall make all determinations regarding com-
4 pliance with the provisions of subsection (a).

5 (2) NON-COMPLIANCE ACTIONS.—A qualified
6 corporation that has received assistance under sec-
7 tion 3 or duty-free treatment (or other preferential
8 treatment) under section 4 that is subsequently de-
9 termined by the appropriate Federal agency not to
10 be in compliance with the provisions of subsection
11 (a) shall be subject to the following actions:

12 (A) Any good or service made or produced
13 in a Latin American or Caribbean country by
14 the corporation (other than a good or service
15 made or produced in a free trade zone or which
16 is subject to benefits under a free trade agree-
17 ment) shall not be eligible for duty-free treat-
18 ment (or other preferential treatment) under
19 section 4.

20 (B) The appropriate Federal agency shall
21 adjust the interest rate on any loan to be pro-
22 vided by the agency to the corporation to the
23 prevailing market interest rate.

1 (c) APPROPRIATE FEDERAL AGENCY DEFINED.—In
2 this section, the term “appropriate Federal agency”
3 means—

4 (1) with respect to actions relating to assistance
5 under section 3, the DFC; and

6 (2) with respect to actions relating to duty-free
7 treatment (or other preferential treatment) under
8 section 4, the United States Trade Representative.

9 **SEC. 6. EXPENSES PAID FOR WITH TARIFFS COLLECTED**
10 **FROM THE PEOPLE’S REPUBLIC OF CHINA.**

11 (a) ESTABLISHMENT OF TRUST FUND.—There is es-
12 tablished in the Treasury of the United States a trust fund
13 consisting of such amounts as are appropriated to such
14 trust fund under subsection (b).

15 (b) APPROPRIATIONS TO TRUST FUND.—There are
16 hereby appropriated to such trust fund amounts equiva-
17 lent to the tariffs collected by the United States on goods
18 manufactured in the People’s Republic of China.

19 (c) APPROPRIATIONS FROM TRUST FUND.—There
20 are hereby appropriated from such trust fund to the Gen-
21 eral Fund of the Treasury amounts equivalent to the re-
22 duction in revenue to such General Fund by reason of as-
23 sistance provided by the DFC under this Act.

24 (d) TIMING OF TRANSFERS, ETC.—Rules similar to
25 the rules of section 9601 of the Internal Revenue Code

1 of 1986 shall apply with respect to appropriations to and
2 from such trust fund under subsections (b) and (c).

3 **SEC. 7. AMENDMENTS TO THE BUILD ACT OF 2018.**

4 (a) STATEMENT OF POLICY.—Section 1411 of the
5 Better Utilization of Investments Leading to Development
6 Act of 2018 (22 U.S.C. 9611) is amended—

7 (1) in paragraph (7), by striking “and” at the
8 end;

9 (2) in paragraph (8), by striking the period at
10 the end and inserting a semicolon; and

11 (3) by adding at the end the following:

12 “(9) to further United States economic growth
13 by prioritizing United States-owned businesses in
14 providing support under title II; and

15 “(10) to further United States national security
16 by prioritizing the production of goods in critical in-
17 dustries, as determined by the Corporation, in con-
18 sultation with the Department of Homeland Secu-
19 rity.”.

20 (b) PROHIBITION ON SUPPORT FOR STATE-OWNED
21 ENTERPRISES.—

22 (1) IN GENERAL.—Title V of the Better Utili-
23 zation of Investments Leading to Development Act
24 of 2018 (22 U.S.C. 9671 et seq.) is amended by
25 adding at the end the following:

1 **“SEC. 1455. PROHIBITION ON SUPPORT FOR ENTITIES**
2 **OWNED OR CONTROLLED BY FOREIGN GOV-**
3 **ERNMENTS.**

4 “(a) IN GENERAL.—Except as provided in subsection
5 (b), the Corporation is prohibited from providing support
6 under title II for an entity owned or controlled by a for-
7 eign government.

8 “(b) EXCEPTION.—

9 “(1) IN GENERAL.—The Corporation may pro-
10 vide feasibility studies and technical assistance
11 under title II for an entity owned or controlled by
12 a foreign government that is not a foreign adversary.

13 “(2) FOREIGN ADVERSARY DEFINED.—In this
14 subsection, the term ‘foreign adversary’ means a for-
15 eign government engaged in a long-term pattern or
16 serious instances of conduct significantly adverse to
17 the national security of the United States or security
18 and safety of United States persons.”.

19 (2) CLERICAL AMENDMENT.—The table of con-
20 tents for the FAA Reauthorization Act of 2018 (49
21 U.S.C. 40101 note) is amended by inserting after
22 the item relating to section 1454 the following:

“Sec. 1455. Prohibition on support for entities owned or controlled by foreign governments.”.

1 **SEC. 8. TRADE NEGOTIATING AUTHORITY.**

2 (a) IN GENERAL.—The United States Trade Rep-
3 resentative shall take action to initiate negotiations to ob-
4 tain trade agreements with each Latin American or Carib-
5 bean country that as of the date of the enactment of this
6 Act is not a party to a free trade agreement with the
7 United States if the country meets the conditions de-
8 scribed in subsection (b).

9 (b) CONDITIONS DESCRIBED.—The conditions de-
10 scribed in this subsection are the following:

11 (1) The country is taking steps to reduce mi-
12 gration in violation of the Immigration and Nation-
13 ality Act.

14 (2) The country is taking steps to reduce eco-
15 nomic dependence on the People's Republic of
16 China.

17 (3) The country allows Taiwan to establish and
18 maintain a commercial office in the country.

19 **SEC. 9. AGREEMENTS FOR COOPERATION PURSUANT TO**
20 **SECTION 123 OF THE ATOMIC ENERGY ACT**
21 **OF 1954.**

22 (a) IN GENERAL.—The President is authorized to
23 take action to initiate negotiations with Latin American
24 and Caribbean countries to obtain agreements for coopera-
25 tion pursuant to section 123 of the Atomic Energy Act
26 of 1954 (42 U.S.C. 2153) to approve the sales of nuclear

1 reactors to such countries, or to qualified corporations
2 that receive assistance under this Act, but only if—

3 (1) the President determines that such sales
4 will not threaten the national security of the United
5 States; and

6 (2) the countries or qualified corporations, as
7 the case may be, meet the conditions described in
8 paragraphs (1), (2), and (3) of section 8(b).

9 (b) TECHNICAL ASSISTANCE AND EXPERTISE.—The
10 Administrator of the United States Agency for Inter-
11 national Development, in consultation with the Secretary
12 of Energy and the DFC, may provide technical assistance
13 and expertise in electrical grid and energy efficiency im-
14 provements related to sales under subsection (a), as appro-
15 priate.

16 **SEC. 10. TEMPORARY INCREASED EXPENSING FOR RELO-**
17 **CATING MANUFACTURING FROM THE PEO-**
18 **PLE'S REPUBLIC OF CHINA TO A LATIN**
19 **AMERICAN OR CARIBBEAN COUNTRY.**

20 (a) IN GENERAL.—For purposes of section 168(k) of
21 the Internal Revenue Code of 1986, in the case of any
22 qualified relocated manufacturing property which is placed
23 in service by a qualified manufacturer after the date of
24 the enactment of this Act, and before January 1, 2038—

1 (1) such property shall be treated as qualified
2 property (within the meaning of such section),

3 (2) the applicable percentage otherwise deter-
4 mined under section 168(k)(6) of such Code with re-
5 spect to such property shall be 75 percent, and

6 (3) paragraph (8) of such section shall not
7 apply.

8 (b) QUALIFIED RELOCATED MANUFACTURING PROP-
9 erty.—For purposes of this section—

10 (1) IN GENERAL.—The term “qualified relo-
11 cated manufacturing property” means qualified
12 property (within the meaning of section 168(k) of
13 such Code) or nonresidential real property (as de-
14 fined in section 168(e)(2)(B) of such Code) which
15 is—

16 (A) placed in service in a Latin American
17 or Caribbean country by a qualified manufac-
18 turer, and

19 (B) is acquired by such qualified manufac-
20 turer in connection with a qualified relocation
21 of manufacturing.

22 (2) QUALIFIED RELOCATION OF MANUFAC-
23 TURING.—

24 (A) IN GENERAL.—The term “qualified re-
25 location of manufacturing” means, with respect

1 to any qualified manufacturer, the relocation of
2 the manufacturing of any tangible personal
3 property from the People's Republic of China to
4 a Latin American or Caribbean country.

5 (B) RELOCATION OF PROPERTY NOT RE-
6 QUIRED.—For purposes of subparagraph (A),
7 manufacturing shall not fail to be treated as re-
8 located merely because property used in such
9 manufacturing was not relocated.

10 (C) RELOCATION OF NOT LESS THAN
11 EQUIVALENT PRODUCTIVE CAPACITY RE-
12 QUIRED.—For purposes of subparagraph (A),
13 manufacturing shall not be treated as relocated
14 unless the property manufactured in a Latin
15 American or Caribbean country is substantially
16 identical to the property previously manufac-
17 tured in the People's Republic of China and the
18 increase in the units of production of such
19 property in a Latin American or Caribbean
20 country by the qualified manufacturer is not
21 less than the reduction in the units of produc-
22 tion of such property by such qualified manu-
23 facturer in the People's Republic of China.

1 (c) QUALIFIED MANUFACTURER.—For purposes of
2 this section, the term “qualified manufacturer” means any
3 person—

4 (1) which is engaged in the trade or business of
5 manufacturing any tangible personal property,

6 (2) with respect to which the Secretary of the
7 Treasury (or the Secretary’s delegate) has made the
8 determination described in section 5(a)(1), and

9 (3) which has entered into a binding agreement
10 with such Secretary (or such delegate) to meet the
11 requirements of section 5(a)(2) which is enforceable
12 under terms similar to the terms of section 5(b).

13 **SEC. 11. DEFINITIONS.**

14 In this Act:

15 (1) DFC.—The term “DFC” means the United
16 States International Development Finance Corpora-
17 tion.

18 (2) QUALIFIED CORPORATION.—The term
19 “qualified corporation” does not include a State-
20 owned enterprise.

21 (3) QUALIFIED MOVING COSTS DEFINED.—The
22 term “qualified moving costs” means—

23 (A) the costs of moving inventory, equip-
24 ment, and supplies from the People’s Republic

1 of China to a Latin American or Caribbean
2 country; and

3 (B) the costs of workforce development
4 and construction of facilities.

5 (4) LATIN AMERICAN OR CARIBBEAN COUNTRY;
6 WESTERN HEMISPHERE.—

7 (A) IN GENERAL.—The terms “Latin
8 American or Caribbean country” and “Western
9 Hemisphere”—

10 (i) mean a country in the Caribbean
11 Sea, South America, or Central America,
12 and Mexico; and

13 (ii) except as provided in subpara-
14 graph (B), do not include Cuba or Ven-
15 ezuela.

16 (B) EXCEPTION.—The term “Latin Amer-
17 ican or Caribbean country” shall include Cuba
18 or Venezuela if the Secretary of State deter-
19 mines and certifies to Congress that—

20 (i) the government of such country—

21 (I) has held free and fair presi-
22 dential and legislative elections, as de-
23 termined by independent international
24 observers, and subsequent elections
25 are scheduled;

1 (II) respects and upholds human
2 rights;

3 (III) is taking significant steps to
4 privatize its economy and institute a
5 free market;

6 (IV) permits the international
7 community to provide humanitarian,
8 governance, and economic develop-
9 ment assistance;

10 (V) has freed all unlawfully de-
11 tained United States citizens, legal
12 permanent residents, and political
13 prisoners; and

14 (VI) has expelled all security
15 services from foreign adversaries from
16 the country; and

17 (ii) the prior authorities of such coun-
18 try have renounced their illegitimate claim
19 to power.

20 (5) FEDERAL FUNDS RATE.—The term “Fed-
21 eral funds rate” means the discount window primary
22 credit interest rate most recently published on the
23 Federal Reserve Statistical Release on selected inter-

- 1 est rates (daily or weekly), commonly referred to as
- 2 the H.15 release.

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