**SECTION 1. SHORT TITLE.**

This Act may be cited as the "Restoring Critical Supply Chains and Intellectual Property Act".

**TITLE I – US MADE ACT**

**Sec.101.Short Title.**

**Sec.102.Domestic Purchasing Requirement for Personal Protective Equipment Acquisitions for the Strategic National Stockpile.**

Molded after the Berry Amendment, any purchases by Health and Human Services of covered items for the Strategic National Stockpile must be manufactured domestically and from components grown, reprocessed, reused, or produced in the United States.

Items covered the acquisition requirement include:

- Personal protective equipment and clothing
- Sanitizing supplies and ancillary medical supplies such as disinfecting wipes, privacy curtains, beds and bedding, testing swabs, gauze and bandages, tents, tarpaulins, covers, or bags
- Any other textile medical supplies and textile equipment.

*Availability Exception*
If a covered item purchased for the Strategic National Stockpile is one which a non-availability determination has been made or the Secretary determines that a sufficient quantity or a satisfactory quality of an item cannot be procured as needed, a purchasing exception can be made.

*Exception for small purchases*
Covered items for the Strategic National Stockpile that do not exceed $150,000 are exempted from the purchasing requirements.

*Consultation with the United States Trade Representative*
The Secretary shall consult with the United States Trade Representative on obligations to the United States under any international trade agreement.

*Notification required within 7 days after contract award if certain exemption applied*
If the Secretary applies an availability exception to a covered item, notification must be posted on a website maintained by the General Services Administration 7 days after awarding the contract.

*Training during Fiscal Year 2021*
The Secretary shall ensure each member of the Department's Strategic National Stockpile acquisition workforce receive training during fiscal year 2021on the purchasing requirements.

*Effective Date*
The Secretary shall increase the percentage of contracts by value entered into for covered products incrementally to 100% as soon as practicable and not to exceed 5 years.

The Secretary shall notify the Committee on Health, Education, Labor, and Pensions of the Senate and the Committee on Energy and Commerce of the House of Representatives within 60 days regarding the percentage of covered products that meet the requirements of this paragraph.

*Report*
Not later than 90 days after enactment the Secretary shall submit to the Committee on Health, Education, Labor, and Pensions of the Senate and the Committee on Energy and Commerce of the House of Representatives a report assessing the implementation and the feasibility of applying the requirements of not less than 50% of the contracts by value by September 30, 2021 and not less than 75% of contracts by value by March 31, 2022, and not less than 100% of contracts by value by a date not less than 2 years after the date of enactment.

**Sec.103.Investment Credit for Qualifying Medical Personal Protective Equipment Manufacturing Projects.**

Modeled after the 48C Advanced Manufacturing Tax Credit, eligible U.S. manufacturers will receive a 30% credit against equipment costs associated with personal protective equipment (PPE) manufacturing.

Establishes Section 48D – Qualifying Medical Personal Protective Equipment Manufacturing Project Credit.

*Establishes a Qualifying Medical Personal Protective Equipment Manufacturing Project Program*
Provides that within 90 days after enactment, the Secretary of the Treasury in consultation with the Secretary of Health and Human Services will establish the qualifying medical personal protective equipment manufacturing project program.

*Qualified Investment Tax Credit*
Permits qualifying personal protective equipment manufacturers to receive a credit of 30% of a qualified investment for PPE production.

*Definitions*
Defines a qualified investment as "the basis of eligible property placed in service or continued in service by the taxpayer during such taxable year which is part of a qualifying medical personal protective equipment manufacturing project."

Defines a qualifying medical personal protective equipment manufacturing project as a project which re-equips, expands, establishes, or continues existing medical personal protective equipment production of:

- Any item in the Strategic National Stockpile
- Any other textile products for medical applications as defined by the Secretary of the Treasury and the Secretary of Health and Human Services

Sensors, electronics, or other items not associated with medical PPE are excluded.

Defines eligible property as any property which is necessary for the production of tangible personal property, other tangible property (excluding building and structural components) used as an integral part of the manufacturing facility, and which is depreciable.

*Tax Credit Program Size*
Limits the total credit program amount to $7.5 billion.

*Application Process*
Requires applicants to submit an application to the Secretary of the Treasury within one year of the program's establishment.

After an application's acceptance, the applicant will have one year to provide evidence to the Secretary of the Treasury that it has met the program's requirements. Within two years of acceptance, an applicant must place a project in service.

*Tax Credit Selection Criteria*
Establishes that the Secretary of the Treasury will use the following selection criteria to accept applications for an allocation of the credits that will:

- Provide the greatest domestic job creation and retention;
- Provide the largest amount of needed medical PPE to the Strategic National Stockpile;
- Have the greatest potential to achieve PPE independence for the United States; and
- Have the greatest potential to meet sudden surges in demand for personal protective equipment

*Process of Possible Reallocation*
Provides that the Secretary of the Treasury may reallocate credits if it is determined that there is an insufficient quantity of qualifying applications pending at the time of review or if an application has been revoked due to third party opposition or litigation.

*Program Participant Public Disclosure*
The Treasury will publicly disclose recipients of the credit and corresponding credit amounts.

**Sec.104.Special Rules for Transfers of Intangible Property Relating to Medical Personal Protective Equipment to United States Shareholders.**

*Repatriation of Intangible Property to the United States*
Permits taxpayers that receive the Section 48D credit to bring intangible property used in connection with the production of PPE back to the United States without taxable gain. Only intangible property that is used in qualifying PPE manufacturing production under Section 48D is eligible for tax-free treatment. Qualifying intangible property may include a patent, invention, formula, process, design, pattern, or know-how that relates to the PPE or equipment used to manufacture the PPE. Any built-in gain in the intangible property will be preserved so that taxable gain is realized if the taxpayer later sells or transfers the property.

**TITLE II – SAFEGUARDING AMERICAN INNOVATION**

**Sec.201.Short Title.**

**Sec.202.Definitions.**

**Sec.203.Federal Research Security Council.**

Establishes the Federal Research Security Council in OMB to standardize and secure the federal grant-making process across the government. Designates the Executives agencies that are members of the Council. Designates the Office of Science and Technology Policy as the Lead Science Advisor for the Chairperson. Designates the Director of National Counterintelligence and Security Center as the Leader Security Advisor to the Chairperson.

Incorporates the interagency working group established under the National 2020 National Defense Authorization Act as a working group under the Council. Tasks the Council with developing requirements for:

- a uniform grant application process across the government;
- information sharing with respect to individuals participating in federally funded research and research security risks;
- developing programs to ensure grantees report conflicts of interest and commitment;
- adopting best practices to reduce the risk of misappropriation of research and data;
- developing guidance on insider threats; and
- issuing warnings about ways foreign governments seek to undermine or exploit the U.S. research community and misappropriate federal funded research.

Engages the U.S. research community in identifying persons participating in federally funded research and developing and implementing a uniform grant application process.

Requires the Council to submit a strategic plan to Congress for addressing federal research security risks, as well as an annual report on the Council's activities and progress made toward the strategic plan.

Requires the head of each Council agency to assess security risks posed by persons involved in federally funded research, avoid and mitigate federal research security risks, and ensure agency initiatives impacting research grant making policy complies with guidance from the Council.

Requires Executive agencies to develop a federal research security risk management strategy, integrate federal research security risk management practices into existing grant programs, and implement policies and processes to further the activities of the Council.

**Sec.204.Federal Grant Application Fraud.**

Criminalizes an individual knowingly preparing, submitting, or falsifying a federal grant application that fails to disclose outside compensation, including foreign compensation. Penalties include fines, imprisonment for 5 years, or both and a prohibition from receiving a Federal for 5 years.

**Sec.205.Restricting the Acquisition of Goods, Technologies, and Sensitive Information to Certain Aliens.**

Authorizes State to deny visas to known bad actors traveling to the United States to access export controlled technologies through exemptions in export control laws (conferences, academic coursework,

or fundamental research). This section does not amend, change, or affect export control laws or any existing exemptions. Consular officers may deny visas to applicants if: (1) they are a known bad actor based on criteria developed through an interagency process (informed by the IC, federal science agencies, and other USG information); and (2) their access to export-controlled goods, technologies, and sensitive information is contrary to an articulable national security or economic security interest.

Requires State to seek interagency advice and assistance to establish the criteria that define which visa applicants will fall into the category of known bad actors, and consider factors like the alien's past or likely employment or cooperation with:

- an adversarial foreign military or security related organization;
- foreign institution or entity involved in the theft of U.S. research, intellectual property, or the violation of export controls; and
- a foreign government seeking to undermine the integrity and security of the U.S. research enterprise.

State must also engage in an individual cost/benefit analysis of granting the visa when determining whether an alien may be inadmissible.

Requires State to make visa applications and documents submitted in support of a visa application machine-readable to enhance fraud prevention and law enforcement activities.

Requires State to report to Congress annually on the criteria used to identify the category of aliens who will be inadmissible, the number of individuals found inadmissible, and the nationality of individuals found inadmissible.

**Sec.206.Limitations on Educational and Cultural Exchange Programs.**

Requires exchange visa sponsors ("J visas") to provide State Department basic information about the export controlled technology a foreign researcher will access while in the United States.

Requires sponsors of foreign researchers to disclose to the State Department whether foreign researchers will conduct research, attend conferences, or take coursework on export controlled technologies. This information is not currently provided to the State Department.

Requires sponsors to provide a plan to the State Department establishing appropriate safeguards to prevent unauthorized access of export controlled technologies. This information is not currently provided to the State Department.

Requires sponsors to provide State Department U.S. government approval for the foreign researcher to use export controlled technology (i.e., a deemed export control license from the Department of Commerce). This information is not currently provided to the State Department.

**Sec.207.Amendments to Disclosures of Foreign Gifts.**

Amends Section 117 of the Higher Education Act to provide increased transparency in foreign gifts and contracts made to colleges and universities by reducing the reporting threshold to $50,000 from $250,000.

Requires the Department of Education to engage in a negotiated rulemaking with stakeholders to develop regulations to file disclosure reports, including how to report structured gifts and contracts and for reporting contracts while protecting proprietary information.

Permits institutions to revise and update disclosure reports to correct any errors or omissions.

Permits the Department of Education to fine institutions for repeatedly failing to file a foreign gift report.

## TITLE III – CHIPS FOR AMERICA ACT (CREATING HELPFUL INCENTIVES TO PRODUCE SEMICONDUCTORS FOR AMERICA)

**Sec.301.Semiconductor Incentive Grants.**

Directs the Secretary of Commerce to create a grant program for the purpose of constructing, expanding, or modernizing commercial semiconductor fabrication, assembly, testing, packaging, and advanced R&D facilities in the United States.

Grant applications from eligible firms must demonstrate interest from a semiconductor company or consortium in the project, as well as commitments to job training and education; the application must also include commitments to workforce training from regional educational institutions and guaranteed incentives from a state or local government.

Grants may not exceed $3 billion for any project.

The Secretary may recover unused funds and funds awarded to any entity that engages in joint research or technology licensing with a foreign adversary.

This section directs the Comptroller General to review the application process and performance of the grant program and submit its findings to Congress every two years.

**Sec.302.Department of Defense.**

Directs the Secretary of Defense to create a partnership program with the private sector to encourage the development of advanced, measurably secure microelectronics for use by the Department of Defense, Intelligence Community, critical infrastructure, and other national-security applications.

A private partner in this program must able to produce microelectronics with measurably secure supply chains and operational security standards established under Section 224 of the FY2020 NDAA, among other criteria.

When selecting private partners, the Secretary may consider whether a company has participated in past Department of Defense and Intelligence Community microelectronics programs, among other factors.

This section requires the president to submit to Congress a plan to enhance domestic production of microelectronics through use of the Defense Production Act.

This section directs the Comptroller General to submit a report to Congress on this program's activities once every two years.

**Sec.303.Department of Commerce Study on the Status of Microelectronics Technologies in the United States Industrial Base.**

Requires the Secretary of Commerce to commence a review within 120 days assessing the state of the U.S. semiconductor industrial base.

**Sec.304.Funding for Development and Adoption of Measurably Secure Microelectronics and Measurably Secure Microelectronics Supply Chains.**

Establishes a Multilateral Microelectronics Security Fund, with which the United States and its allies and partners will work to reach agreements promoting consistency in their policies related to microelectronics, greater transparency in their microelectronic supply chains, and greater alignment in their export control and foreign direct investment policies as related to microelectronics.

To incentivize multilateral participation, a common funding mechanism is established to support collaborative research, the development of secure microelectronics, and secure microelectronics supply chains.

A report to Congress is required for each year funding is available.

**Sec.305.Advanced Semiconductor Research and Development.**

Directs the president to establish a subcommittee on semiconductor technology and innovation within the National Science and Technology Council. This subcommittee shall develop a national strategy on semiconductor research, development, manufacturing, and supply chain, updated not less than once every five years.

This section further directs the Secretary of Commerce to establish a national semiconductor technology center to conduct research, fund semiconductor startups and a Manufacturing USA Institute, and develop workforce training programs.

Agencies receiving funding under this section must develop policies to ensure domestic use of intellectual property resulting from this funding.

**Sec.306.Prohibition Relating to Foreign Adversaries.**

This section stipulates that none of the funds in the bill may be provided to an entity under the foreign ownership, control, or influence of China or other foreign adversaries.

## TITLE IV – CRITICAL MINERALS

**Sec.401.Mineral Security.**

Promotes secure and robust domestic supply chains, which are essential to U.S. manufacturing and competitiveness and reducing our current dependence on China, by (1) updating the Congressional declaration of policy on mineral security; (2) requiring the executive branch to designate a list of critical minerals and to update that list every three years; (3) requiring the U.S. Geological Survey to conduct domestic resource assessments of critical minerals and to make that information publicly available; (4) providing a Sense of Congress that critical minerals are fundamental to the economic and national security of the United States and should be produced domestically to the maximum extent practicable; (5) encouraging the Departments of the Interior and Agriculture to complete federal permits efficiently, without compromising environmental review, and requiring a report to Congress identifying improvements that could be made; (6) reducing delays in Federal Register notices by requiring their publication within 45 days of being finalized; (7) directing the Secretary of Energy to conduct R&D to facilitate the recycling of critical minerals and the development of alternatives to them; (8) directing the Secretary of Energy and the Administrator of the Energy Information Administration to develop analytical and forecasting tools to evaluate critical minerals markets; (9) requiring the Secretary of Labor and the Director of the National Science Foundation to develop curriculum and a program for institutions of higher education to build a strong critical minerals workforce; and (10) reauthorizing the National Geological and Geophysical Data Preservation Program through FY 2030.

**Sec.402.Rare Earth Element Advanced Coal Technologies.**

Requires the Secretary of Energy, acting through the Assistant Secretary for Fossil Energy, to carry out a program to develop advanced separation technologies for the extraction and recovery of rare earth elements and other minerals from coal and coal byproducts. Further directs the Secretary, within one year of enactment, to provide a report to Congress on this program.