



**INTERNATIONAL TRADE ADMINISTRATION**

**Outbound Investment Initiative**

**REPORT TO CONGRESS**

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Developed pursuant to Consolidated Appropriations Act, 2023 (Public Law 117-328).

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THE CONSOLIDATED APPROPRIATIONS ACT, 2023 (PUBLIC LAW 117-328)  
INCLUDED THE FOLLOWING LANGUAGE:

*“The Department is encouraged, in coordination with the Department of the Treasury, to consider its role in the establishment of a program to address the national security threats emanating from outbound investments from the United States in certain sectors that are critical for U.S. national security. Not later than 60 days after enactment of this act, the Department shall submit a report describing its efforts and identifying the resources that would be required to establish and implement it.”<sup>1</sup>*

THIS REPORT RESPONDS TO THIS REQUEST.

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<sup>1</sup> Section 4 of the Consolidated Appropriations Act, 2023 incorporates by reference an accompanying explanatory report. Section 4 provides that the report “shall have the same effect with respect to the allocation of funds and implementation of divisions A through L of this Act as if it were a joint explanatory statement of a committee of conference.” Commerce is covered by Division B of the Act. The requirement is set forth in the explanatory statement accompanying Division B. See 198 Cong. Rec. S7819, S8479 (Dec. 20, 2022).

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## SECTION I – Program Overview

The Administration is considering the establishment of a program to address national security concerns arising from outbound investments from the United States into sensitive technologies that could enhance the technological capabilities of countries of concern in ways that threaten U.S. national security. As currently contemplated, the program would be implemented and administered by the Department of the Treasury (Treasury), in coordination with the Department of Commerce and other Federal departments and agencies, and focus on investments that could result in the advancement of military and dual-use technologies by countries of concern. The investments that would be subject to the program are of a nature that they are not presently captured by export controls, sanctions, or other related authorities.

The approach under consideration focuses on outbound investments from the United States into certain entities involved in a sub-set of certain key advanced technologies that are critical to U.S. national security. Action may include prohibiting certain investments and/or collecting information about other investments to inform potential future action. Work is ongoing to ensure clear definitions and scoping as necessary to facilitate swift implementation and achieve the objective of preventing U.S. capital and expertise from being exploited in ways that threaten U.S. national security while not placing an undue burden on U.S. investors and businesses. Work is also ongoing to engage with international partners and allies on the topic. Final policy determinations are expected to be made in the near future, and we anticipate that an opportunity for public comment will be provided.

## SECTION II – Resources Required for Effective Implementation

- The successful implementation of an outbound program will depend on Commerce being adequately resourced to provide the sectoral and commercial expertise, industry connectivity, and actionable recommendations to ensure that the U.S. Government can understand and act on the information received while also minimizing the risk of unintended disruptions to U.S. investment.
- While Treasury will lead on administration of any program, Commerce will provide the core sector-specific technical expertise and industry connectivity necessary to accurately define, scope, and assess the appropriate sectors that may be covered by any regime and to effectively support the program's operations, ongoing evaluation, and future evolution.
- In FY 2023, Commerce will maximize its appropriated resources, including its initial supply chain-related resources, to include hiring sector-specific industry experts and investment security officers who will contribute to an outbound investment program in addition to their primary duties in support of supply chain resiliency.

The success of any outbound investment program will require Commerce's singular, sector-specific industry expertise to prevent U.S. private capital from financing adversary advances in critical sectors that undermine U.S. national security. Commerce plays an important role in identifying and understanding the relevant technologies, sectors, and supply chains vital to developing and implementing the outbound program. Commerce also brings a unique commercial

perspective and connectivity to industry that will be key to successful implementation and reducing the risks of unintended market disruptions.

Existing technical expertise within Commerce may need to scale to ensure the program can be designed and implemented effectively, and – depending on the final structure of a program – could include functions ranging from compliance support to analysis of aggregate trends within sectors.

Commerce anticipates that the 2024 President’s Budget will recommend additional resources to implement and administer any outbound investment program.