

118TH CONGRESS
1ST SESSION

S. _____

To establish a National Development Strategy, and for other purposes.

IN THE SENATE OF THE UNITED STATES

Mr. RUBIO introduced the following bill; which was read twice and referred to the Committee on _____

A BILL

To establish a National Development Strategy, 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 “National Development
5 Strategy and Coordination Act of 2023”.

6 **SEC. 2. DEFINITIONS.**

7 In this Act:

8 (1) APPROPRIATE CONGRESSIONAL COM-
9 MITTEE.—The term “appropriate congressional com-
10 mittee” means—

1 (A) the Committee on Banking, Housing,
2 and Urban Affairs, the Committee on Finance,
3 the Committee on Commerce, Science, and
4 Transportation, and the Select Committee on
5 Intelligence of the Senate; and

6 (B) the Committee on Financial Services,
7 the Committee on Energy and Commerce, and
8 the Permanent Select Committee on Intelligence
9 of the House of Representatives.

10 (2) COUNTRY OF CONCERN.—The term “coun-
11 try of concern” means—

12 (A) the People’s Republic of China and
13 any other foreign government or foreign non-
14 government person determined to be a foreign
15 adversary under section 7.4 of title 15, Code of
16 Federal Regulations, or any successor regula-
17 tion; or

18 (B) any country determined by the Sec-
19 retary of Commerce, in consultation with the
20 United States Trade Representative, the Sec-
21 retary of Defense, and the Director of National
22 Intelligence, to have inadequate safeguards in
23 place to protect United States funds (or intel-
24 lectual property developed using such funds)
25 from theft or transfer to a foreign government

1 or foreign non-government person described in
2 subparagraph (A).

3 (3) ENTITY OF CONCERN.—The term “entity of
4 concern” means—

5 (A) an entity headquartered in a country
6 of concern;

7 (B) an entity that is more than 25-percent
8 owned by individuals or entities in countries of
9 concern;

10 (C) an entity on the list of specially des-
11 ignated nationals and blocked persons main-
12 tained by the Office of Foreign Assets Control
13 of the Department of the Treasury (commonly
14 referred to as the “SDN list”);

15 (D) an entity on the Non-SDN Chinese
16 Military-Industrial Complex Companies List—

17 (i) established pursuant to Executive
18 Order 13959 (50 U.S.C. 1701 note; relat-
19 ing to addressing the threat from securities
20 investments that finance Communist Chi-
21 nese military companies), as amended be-
22 fore, on, or after the date of the enactment
23 of this Act; and

24 (ii) maintained by the Office of For-
25 eign Assets Control;

1 (E) a Chinese military company on the list
2 required by section 1260H of the William M.
3 (Mac) Thornberry National Defense Authoriza-
4 tion Act for Fiscal Year 2021 (Public Law
5 116–283; 10 U.S.C. 113 note);

6 (F) an entity on the Entity List main-
7 tained by the Bureau of Industry and Security
8 of the Department of Commerce and set forth
9 in Supplement No. 4 to part 744 of title 15,
10 Code of Federal Regulations, or any successor
11 regulation;

12 (G) an entity that produces equipment or
13 services on the list of communications equip-
14 ment and services that pose an unacceptable
15 risk to the national security of the United
16 States or the security and safety of United
17 States persons maintained by the Federal Com-
18 munications Commission under section 2 of the
19 Secure and Trusted Communications Networks
20 Act of 2019 (47 U.S.C. 1601); or

21 (H) any entity that is majority owned or
22 controlled by, or under common ownership or
23 control with, an entity described in any of sub-
24 paragraphs (A) through (G).

1 **SEC. 3. ESTABLISHMENT OF THE INTERAGENCY COM-**
2 **MITTEE FOR THE COORDINATION OF NA-**
3 **TIONAL DEVELOPMENT FINANCING PRO-**
4 **GRAMS.**

5 (a) **ESTABLISHMENT.**—There is established in the
6 Executive Office of the President a Committee to be
7 known as the Interagency Committee for the Coordination
8 of National Development Financing Programs (referred to
9 in this Act as the “Committee”).

10 (b) **MEMBERSHIP.**—

11 (1) **COMPOSITION.**—The Committee shall con-
12 sist of the following members:

13 (A) The Secretary of Transportation or a
14 designee of the Secretary.

15 (B) The Secretary of Energy or a designee
16 of the Secretary.

17 (C) The Secretary of Commerce or a des-
18 ignedee of the Secretary.

19 (D) The Secretary of Labor or a designee
20 of the Secretary.

21 (E) The Secretary of the Treasury or a
22 designee of the Secretary.

23 (F) The Administrator of the Small Busi-
24 ness Administration or a designee of the Ad-
25 ministrator.

1 (G) The Secretary of Defense or a des-
2 ignee of the Secretary.

3 (H) The Director of National Intelligence
4 or a designee of the Director.

5 (I) The Secretary of Agriculture or a des-
6 ignee of the Secretary.

7 (J) The United States Trade Representa-
8 tive or their designee.

9 (K) The Chair of the Board of Governors
10 of the Federal Reserve or a designee of the
11 Chair, who shall serve as a nonvoting member.

12 (L) The Secretary of the Treasury or a
13 designee of the Secretary, who shall serve as
14 the chair of the Committee.

15 (2) TIE VOTE.—In the event of a tie vote, the
16 vote of the chair of the Committee shall serve as the
17 tie-breaker.

18 (c) DUTIES.—The Committee—

19 (1) shall submit to Congress the National De-
20 velopment Strategy described in subsection (d);

21 (A) not later than 1 year after the date of
22 enactment of this Act; and

23 (B) not later than 1 year after January
24 20, 2025, and every 4 years thereafter, and in
25 each such year not earlier than the latest date

1 on which the budget of the President may be
2 submitted to Congress under section 1105(a) of
3 title 31, United States Code, submit to Con-
4 gress the National Development Strategy de-
5 scribed in subsection (d); and

6 (2) shall identify economic sectors of the United
7 States, regions of the United States, and, as nec-
8 essary and supported by substantial evidence,
9 projects or partnerships that advance the goals of
10 the National Development Strategy described in sub-
11 section (d), to which financing assistance should be
12 prioritized by member agencies of the Committee
13 and should be provided or supported by the Federal
14 Financing Bank.

15 (d) NATIONAL DEVELOPMENT STRATEGY.—The
16 Committee shall develop a publicly available (except for
17 an allowable classified annex) National Development
18 Strategy, which shall—

19 (1) identify and address vulnerabilities in
20 United States supply chains in industries critical to
21 national security;

22 (2) identify and address vulnerabilities and
23 shortfalls in domestic manufacturing capabilities
24 that threaten the ability of the United States to

1 maintain a global advantage in innovation and man-
2 ufacturing;

3 (3) identify weaknesses and discuss opportuni-
4 ties to strengthen the broad industrial base of the
5 United States, which may include—

6 (A) strengthening supply chain resiliency;

7 (B) supporting industries critical for the
8 national security;

9 (C) developing technologies that provide
10 scientific or commercial value to the United
11 States;

12 (D) supporting job growth and develop-
13 ment of critical manufacturing capabilities with-
14 in the United States workforce;

15 (E) supporting the development and adop-
16 tion of innovative resource extraction tech-
17 nologies, including for renewable energy; and

18 (F) supporting job growth and economic
19 development in critical industries in commu-
20 nities designated as qualified opportunity zones
21 under section 1400Z-1 of the Internal Revenue
22 Code of 1986;

23 (4) identify industries and regions in the United
24 States that require assistance in order to address

1 vulnerabilities and advance the goals described in
2 paragraphs (1), (2), and (3); and

3 (5) outline a strategic plan to promote invest-
4 ment in the industries described in paragraph (4),
5 which shall include—

6 (A) an estimate of the amount and nature
7 of public financing needed to achieve the goals
8 and address vulnerabilities described in para-
9 graphs (1), (2), and (3);

10 (B) an inventory of all Federal programs
11 in existence as of the date of the National De-
12 velopment Strategy that are capable of pro-
13 viding the financing described in subparagraph
14 (A), the level of investment from each such
15 Federal program in the preceding 5-year period,
16 and a detailed description of how each such
17 program is advancing development goals in the
18 United States;

19 (C) recommendations as to how Federal
20 agencies may, under existing Federal authori-
21 ties, leverage and attract private investment to
22 accomplish the goals described in this sub-
23 section;

24 (D) recommendations, if applicable, on any
25 changes to Federal financing programs, includ-

1 ing changes to how financing decisions are
2 prioritized or creation of new financing pro-
3 grams, that may be needed to advance the goals
4 of the National Development Strategy;

5 (E) directives to the Federal Financing
6 Bank to accomplish the goals of the National
7 Development Strategy; and

8 (F) performance metrics to evaluate and
9 monitor projects supported by the Federal Fi-
10 nancing Bank in alignment with the National
11 Development Strategy.

12 (e) ADVICE AND INPUT.—The Committee shall seek
13 the advice and input of industry partners, manufacturing
14 policy experts, State and local development officials, and
15 manufacturing worker interests when preparing the Na-
16 tional Development Strategy described in subsection (d),
17 including by—

18 (1) holding not less than 4 public hearings per
19 year, either virtually or in-person, during which in-
20 dustry representatives, worker groups, and regional
21 representatives can provide insight into strategic de-
22 velopment prioritization; and

23 (2) establishing an Industry Advisory Board of
24 not more than 10 members appointed by the Presi-
25 dent, which shall include—

1 (A) an expert in industry competitiveness
2 and national security;

3 (B) a manufacturing trade association rep-
4 resentative;

5 (C) a representative of small business gov-
6 ernment contractors;

7 (D) a manufacturing worker representa-
8 tive;

9 (E) a representative from a private invest-
10 ment firm investing in critical industries and
11 frontier technology; and

12 (F) such other representatives as the
13 President may appoint.

14 (f) ASSESSMENT OF NATIONAL DEVELOPMENT
15 STRATEGY.—In January of each year in which the Com-
16 mittee does not submit a new National Development
17 Strategy as required under subsection (d), the Committee
18 shall submit to the appropriate congressional committees
19 an assessment of the most recently published National De-
20 velopment Strategy, which shall include—

21 (1) an accounting of any new investments made
22 by the Federal Financing Bank or member agencies
23 of the Committee in the preceding year, including
24 ZIP Code, North American Industry Classification
25 System code, and financing stage;

1 (2) the performance of such investments, in ac-
2 cordance with performance metrics established by
3 the Committee;

4 (3) an assessment of the implementation of the
5 National Development Strategy, including an assess-
6 ment by each agency represented on the Committee,
7 supported by sufficient evidence, of steps taken to
8 align such agencies' financing, research, and devel-
9 opment activities with the goals of the National De-
10 velopment Strategy; and

11 (4) a determination on whether or not an up-
12 date is needed to the National Development Strategy
13 as a result of a change in assumptions, geopolitical
14 dynamics, or other factors.

15 (g) MEMORANDUM OF COORDINATION WITH FED-
16 ERAL AGENCIES ENGAGED IN INVESTMENT AND FINANC-
17 ING ACTIVITIES.—Not later than 1 year after the date of
18 enactment of this Act, the Committee shall negotiate a
19 memorandum of understanding among the Federal agen-
20 cies represented on the Committee, which shall—

21 (1) establish procedures for—

22 (A) aligning their respective investment
23 and financing authorities to ensure maximum
24 efficiency and comply with the goals of the Na-
25 tional Development Strategy;

1 (B) resolving conflicts in cases of overlap-
2 ping jurisdiction between their respective agen-
3 cies; and

4 (C) avoiding conflicting or duplicative op-
5 eration of services.

6 (2) be reviewed and updated annually in coordi-
7 nation with the submission of the assessment out-
8 lined in subsection (f).

9 (h) MEETINGS.—The Committee shall meet regularly
10 and as required by the President, but not less frequently
11 than annually.

12 (i) STRATEGIC ALIGNMENT.—Each Federal agency
13 represented on the Committee shall—

14 (1) consult on a regular basis the most recently
15 published National Development Strategy described
16 in subsection (d); and

17 (2) to the extent practicable, give priority con-
18 sideration to projects that align with the goals of the
19 National Development Strategy when engaged in fi-
20 nancing, research, and development activities.

1 **SEC. 4. REQUIREMENTS OF THE FEDERAL FINANCING**
2 **BANK RELATING TO THE NATIONAL DEVEL-**
3 **OPMENT STRATEGY.**

4 (a) IN GENERAL.—The Federal Financing Bank Act
5 of 1973 (12 U.S.C. 2281 et seq.) is amended by adding
6 at the end the following:

7 **“SEC. 21. FUNCTIONS WITH RESPECT TO THE COMMITTEE.**

8 “(a) IN GENERAL.—The Bank shall carry out any
9 directives made to the Bank by the Interagency Com-
10 mittee for the Coordination of National Development Fi-
11 nancing Programs pursuant to subsections (c)(2) and
12 (d)(5)(E) of section 3 of the National Development Strat-
13 egy and Coordination Act of 2023.

14 “(b) ACTIVITIES.—Pursuant to subsection (a), the
15 Bank is authorized, upon direction by the Interagency
16 Committee for the Coordination of National Development
17 Financing Programs, to—

18 “(1) issue securities that are backed by financ-
19 ing assistance through any member agency of the
20 Committee;

21 “(2) purchase from the private market loans or
22 other debt or equity instruments guaranteed in
23 whole or in part by any member agency of the Com-
24 mittee; and

1 “(3) participate in agency loans or loan guaran-
2 tees in an amount less than 100 percent of the prin-
3 cipal amount of financing.

4 “(c) PURCHASE NOT FOR RESALE.—As directed by
5 the Interagency Committee for the Coordination of Na-
6 tional Development Financing Programs in accordance
7 with the National Development Strategy established under
8 section 3(d) of the National Development Strategy and
9 Coordination Act of 2023, the Bank may, as necessary,
10 purchase not for resale to the private market any loans
11 or other debt or equity instruments described in sub-
12 section (b)(2).

13 **“SEC. 22. SECONDARY MARKET OPERATIONS.**

14 “Except as otherwise provided in the National Devel-
15 opment Strategy and Coordination Act of 2023, obliga-
16 tions purchased by the Bank may be resold in the sec-
17 ondary market in a similar manner to secondary market
18 sales of Treasury notes.

19 **“SEC. 23. OMBUDSMAN.**

20 “The Board of Directors of the Bank shall designate
21 an official as the Ombudsman who shall—

22 “(1) review investments made by the Bank on
23 projects or partnerships identified by the Inter-
24 agency Committee for the Coordination of National
25 Development Financing Programs;

1 “(2) review the risk profiles and performance of
2 any such projects or partnerships;

3 “(3) provide oversight relating to any such
4 projects or partnerships; and

5 “(4) provide annually to the appropriate con-
6 gressional committees a report detailing investments
7 made by the Bank in projects or partnerships identi-
8 fied by the Committee described in paragraph (1),
9 the performance of such investments, and any new
10 or existing investments that may present cause for
11 concern regarding the potential of repayment or lack
12 of alignment with strategic directives.”.

13 (b) FEDERAL CREDIT REFORM ACT.—If the Com-
14 mittee determines that a project or partnership receiving
15 financial assistance through any member agency is invest-
16 ing in frontier technologies for which no reasonable mar-
17 ket comparison exists, obligations purchased in connection
18 with such project or partnership by the Federal Financing
19 Bank under section 21 of the Federal Financing Bank Act
20 of 1973, as added by subsection (a) of this section, shall
21 not be subject to the Federal Credit Reform Act of 1990
22 (2 U.S.C. 661 et seq.).

1 **SEC. 5. AUTHORIZATION OF APPROPRIATIONS FOR THE**
2 **FEDERAL FINANCING BANK.**

3 (a) IN GENERAL.—There is authorized to be appro-
4 priated to the Federal Financing Bank, to remain avail-
5 able for 10 years after the date of distribution, to carry
6 out projects and partnerships selected by the National De-
7 velopment Strategy established under section 3(d) of this
8 Act—

9 (1) for fiscal year 2024, \$5,000,000,000;

10 (2) for fiscal year 2025, \$5,000,000,000;

11 (3) for fiscal year 2026, \$5,000,000,000; and

12 (4) for fiscal year 2027, \$5,000,000,000;

13 (b) SET ASIDE.—Not more than 2 percent of funds
14 appropriated under this section shall be utilized for admin-
15 istrative costs, including the hiring of new staff to oversee
16 and accomplish the functions of the Federal Financing
17 Bank.

18 (c) SENSE OF CONGRESS.—It is the sense of Con-
19 gress that the Federal Financing Bank should use
20 amounts appropriated under this section as soon as pos-
21 sible.

22 **SEC. 6. PROHIBITIONS AND POLICY.**

23 (a) PROHIBITION.—No funding or authorities pro-
24 vided under this Act may be used to support projects or
25 partnerships with any entity of concern.

1 (b) POLICIES.—Not later than 180 days after the
2 date of enactment of this Act, the Committee shall estab-
3 lish policies to ensure that any support to projects or part-
4 nerships provided by the Federal Financing Bank in ac-
5 cordance with this Act—

6 (1) includes assurances that no support pro-
7 vided in such project or partnership shall be used to
8 expand operations in a country of concern;

9 (2) includes protections to ensure against trans-
10 fer of intellectual property to countries of concern;
11 and

12 (3) includes requirements that any firm partici-
13 pating in a project or partnership funded by this Act
14 disclose any affiliate, parent company, or subsidiary
15 located in a country of concern.