

# NATIONAL DEVELOPMENT STRATEGY AND COORDINATION ACT

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For decades, the United States enjoyed the strongest and most innovative economy in the world, driving economic growth and prosperity for millions of American workers and their families. However, recent years have revealed serious vulnerabilities to U.S. economic resilience and national security in the form of overextended supply chains, a dwindling industrial base, and the loss of manufacturing jobs and capabilities, as critical capacities were offshored and American industry undercut by unfair trading practices from non-market economies like China. The COVID pandemic highlighted these vulnerabilities, as millions of Americans saw firsthand the dangers of overreliance on hostile nations for basic goods and resources.

The federal government currently has the tools to boost public and private investment to rebuild critical industries in America. This will create new jobs, strengthen national security, and drive innovation. However, most of these programs are scattered across several agencies with little coordination or strategic direction. *The National Development Strategy and Coordination Act* would bring greater coordination and resources to federal financing programs by:

1) *Standing up at Interagency Executive Committee to Develop a National Development Strategy.* The Bill establishes a new interagency committee of cabinet-level agency heads, including the Secretaries of Treasury Defense, Commerce, Energy, Agriculture, Transportation, and the Administrator of the Small Business Administration, among others. This committee would be charged with developing a **National Development Strategy** every four years. the strategy would examine and provide investment recommendations for three key areas:

- Vulnerabilities in supply chains in industries critical to national security;
- Vulnerabilities and shortfalls in domestic manufacturing that threaten the ability of the United States to maintain a global advantage in innovation and manufacturing; and
- Weakness in, and opportunities to strengthen, the industrial base, which may include building supply chain resiliency, supporting industries critical for national security, developing new technologies, driving regional economic growth in critical sectors, and supporting job growth and development of critical manufacturing industries.

The Committee would be authorized to direct agencies with existing credit and research and development programs to set priorities for their programs consistent with the National Development Strategy.

2) *Empowering the Federal Financing Bank to Accomplish the Goals of the Strategy.* The new executive committee would be given authority to direct the operations of the Department of Treasury's Federal Financing Bank (FFB) to achieve the goals of the National Development Strategy. The FFB, an agency within the Treasury Department, assists some agencies with their lending programs. Under the legislation, **the FFB would be authorized \$20 billion, to be invested over 10 years, to accomplish the goals of the National Development Strategy.** The Council would have the authority to direct the FFB to use this capital to boost strategic investments in critical sectors by:

- Participating in agency loans or loan guarantees in an amount less than 100 percent of the principal amount of financing;
- Issuing securities backed by financing assistance through any member agency of the committee; and
- Purchasing loans or other debt or equity instruments guaranteed in whole or in part by a member agency of the committee in the secondary markets.

The bill also establishes an ombudsman for the FFB to review investments and provide oversight, and includes provisions to protect intellectual property and ensure that no funds are provided to companies headquartered in or controlled by the People's Republic of China or entities in other hostile nations.