

EXECUTIVE ORDER 11858
(as amended by Executive Order 13456)

FOREIGN INVESTMENT IN THE UNITED STATES

By the authority vested in me as President by the Constitution and the laws of the United States of America, including section 721 of the Defense Production Act of 1950, as amended (50 U.S.C. App. 2170), and section 301 of title 3, United States Code, it is hereby ordered as follows:

Section 1. Policy. International investment in the United States promotes economic growth, productivity, competitiveness, and job creation. It is the policy of the United States to support unequivocally such investment, consistent with the protection of the national security.

Sec. 2. Definitions.

- (a) The "Act" as used in this order means section 721 of the Defense Production Act of 1950, as amended.
- (b) Terms used in this order that are defined in subsection 721(a) of the Act shall have the same meaning in this order as they have in such subsection.
- (c) "Risk mitigation measure" as used in this order means any provision of a risk mitigation agreement or a condition to which section 7 of this order refers.

Sec. 3. Establishment.

- (a) There is hereby established the Committee on Foreign Investment in the United States (the "Committee") as provided in the Act.
- (b) In addition to the members specified in the Act, the following heads of departments, agencies, or offices shall be members of the Committee:
 - (i) The United States Trade Representative;
 - (ii) The Director of the Office of Science and Technology Policy; and
 - (iii) The heads of any other executive department, agency, or office, as the President or the Secretary of the Treasury determines appropriate, on a case-by-case basis.
- (c) The following officials (or their designees) shall observe and, as appropriate, participate in and report to the President on the Committee's activities:
 - (i) The Director of the Office of Management and Budget;
 - (ii) The Chairman of the Council of Economic Advisers;
 - (iii) The Assistant to the President for National Security Affairs;
 - (iv) The Assistant to the President for Economic Policy; and
 - (v) The Assistant to the President for Homeland Security and Counterterrorism.

Sec. 4. Duties of the Secretary of the Treasury.

- (a) The functions of the President under subsections (b)(1)(A) (relating to review and consideration after notification), (b)(1)(D) (relating to unilateral initiation of review and consideration), and (m)(3)(A) (relating to inclusion in annual report and designation) of the Act are assigned to the Secretary of the Treasury.

- (b) The Secretary of the Treasury shall perform the function of issuance of regulations under section 721(h) of the Act. The Secretary shall consult the Committee with respect to such regulations prior to any notice and comment and prior to their issuance.
- (c) Except as otherwise provided in the Act or this order, the chairperson shall have the authority, exclusive of the heads of departments or agencies, after consultation with the Committee:
 - (i) to act, or authorize others to act, on behalf of the Committee; and
 - (ii) to communicate on behalf of the Committee with the Congress and the public.
- (d) The chairperson shall coordinate the preparation of and transmit the annual report to the Congress provided for in the Act and may assign to any member of the Committee, as the chairperson determines appropriate and consistent with the Act, responsibility for conducting studies and providing analyses necessary for the preparation of the report.
- (e) After consultation with the Committee, the chairperson may request that the Director of National Intelligence begin preparing the analysis required by the Act at any time, including prior to acceptance of the notice of a transaction, in accordance with otherwise applicable law. The Director of National Intelligence shall provide the Director's analysis as soon as possible and consistent with section 721(b)(4) of the Act.

Sec. 5. *Lead Agency.*

- (a) The lead agency or agencies ("lead agency") shall have primary responsibility, on behalf of the Committee, for the specific activity for which the Secretary of the Treasury designates it a lead agency.
- (b) In acting on behalf of the Committee, the lead agency shall keep the Committee fully informed of its activities. In addition, the lead agency shall notify the chairperson of any material action that the lead agency proposes to take on behalf of the Committee, sufficiently in advance to allow adequate time for the chairperson to consult the Committee and provide the Committee's direction to the lead agency not to take, or to amend, such action.

Sec. 6. *Reviews and Investigations.*

- (a) Any member of the Committee may conduct its own inquiry with respect to the potential national security risk posed by a transaction, but communication with the parties to a transaction shall occur through or in the presence of the lead agency, or the chairperson if no lead agency has been designated.
- (b) The Committee shall undertake an investigation of a transaction in any case, in addition to the circumstances described in the Act, in which following a review a member of the Committee advises the chairperson that the member believes that the transaction threatens to impair the national security of the United States and that the threat has not been mitigated.
- (c) The Committee shall send a report to the President requesting the President's decision with respect to a review or investigation of a transaction in the following circumstances:
 - (i) the Committee recommends that the President suspend or prohibit the transaction;

- (ii) the Committee is unable to reach a decision on whether to recommend that the President suspend or prohibit the transaction; or
 - (iii) the Committee requests that the President make a determination with regard to the transaction.
- (d) Upon completion of a review or investigation of a transaction, the lead agency shall prepare for the approval of the chairperson the appropriate certified notice or report to the Congress called for under the Act. The chairperson shall transmit such notice or report to the Congress, as appropriate.

Sec. 7. Risk Mitigation.

- (a) The Committee, or any lead agency acting on behalf of the Committee, may seek to mitigate any national security risk posed by a transaction that is not adequately addressed by other provisions of law by entering into a mitigation agreement with the parties to a transaction or by imposing conditions on such parties.
- (b) Prior to the Committee or a department or agency proposing risk mitigation measures to the parties to a transaction, the department or agency seeking to propose any such measure shall prepare and provide to the Committee a written statement that:
- (1) identifies the national security risk posed by the transaction based on factors including the threat (taking into account the Director of National Intelligence's threat analysis), vulnerabilities, and potential consequences; and
 - (2) sets forth the risk mitigation measures the department or agency believes are reasonably necessary to address the risk.

If the Committee agrees that mitigation is appropriate and approves the risk mitigation measures, the lead agency shall seek to negotiate such measures with the parties to the transaction.

- (c) A risk mitigation measure shall not, except in extraordinary circumstances, require that a party to a transaction recognize, state its intent to comply with, or consent to the exercise of any authorities under existing provisions of law.
- (d) The lead agency designated for the purpose of monitoring a risk mitigation measure shall seek to ensure that adequate resources are available for such monitoring. When designating a lead agency for those purposes, the Secretary of the Treasury shall consider the agency's views on the adequacy of its resources for such purposes.
- (e)(i) Nothing in this order shall be construed to limit the ability of a department or agency, in the exercise of authorities other than those provided under the Act, to:
- (A) conduct inquiries with respect to a transaction;
 - (B) communicate with the parties to a transaction; or
 - (C) negotiate, enter into, impose, or enforce contractual provisions with the parties to a transaction.
- (ii) A department or agency shall not condition actions or the exercise of authorities to which paragraph (i) of this subsection refers upon the exercise, or forbearance in the exercise, of its authority under the Act or this order, and no authority under the Act shall be available for the enforcement of such actions or authorities.
- (f) The Committee may initiate a review of a transaction that has previously been

reviewed by the Committee only in the extraordinary circumstances provided in the Act.

Sec. 8. *Additional Assignments to the Committee.* In addition to the functions assigned to the Committee by the Act, the Committee shall review the implementation of the Act and this order and report thereon from time to time to the President, together with such recommendations for policy, administrative, or legislative proposals as the Committee determines appropriate.

Sec. 9. *Duties of the Secretary of Commerce.* The Secretary of Commerce shall:

- (a) obtain, consolidate, and analyze information on foreign investment in the United States;
- (b) monitor and, where necessary, improve procedures for the collection and dissemination of information on foreign investment in the United States;
- (c) prepare for the public, the President or heads of departments or agencies, as appropriate, reports, analyses of trends, and analyses of significant developments in appropriate categories of foreign investment in the United States; and
- (d) compile and evaluate data on significant transactions involving foreign investment in the United States.

Sec. 10. *General Provisions.*

- (a) The heads of departments and agencies shall provide, as appropriate and to the extent permitted by law, such information and assistance as the Committee may request to implement the Act and this order.
- (b) Nothing in this order shall be construed to impair or otherwise affect:
 - (i) authority granted by law to a department or agency or the head thereof;
 - (ii) functions of the Director of the Office of Management and Budget relating to budget, administrative, or legislative proposals; or
 - (iii) existing mitigation agreements.
- (c) This order shall be implemented consistent with applicable law and subject to the availability of appropriations.
- (d) Officers of the United States with authority or duties under the Act or this order shall ensure that, in carrying out the Act and this order, the actions of departments, agencies, and the Committee are consistent with the President's constitutional authority to:
 - (i) conduct the foreign affairs of the United States;
 - (ii) withhold information the disclosure of which could impair the foreign relations, the national security, the deliberative processes of the Executive, or the performance of the Executive's constitutional duties;
 - (iii) recommend for congressional consideration such measures as the President may judge necessary and expedient; and
 - (iv) supervise the unitary executive branch.

Sec. 11. *Revocation.* Section 801 of Executive Order 12919 of June 3, 1994, is revoked."