

Committee on Foreign Investment in the United States

Program Summary by Budget Activity

Dollars in Thousands

Budget Activity	FY 2019	FY 2020	FY 2021	FY 2020 to FY 2021	
	Operating Plan	Enacted	Request	\$ Change	% Change
Treasury CFIUS Activities (Fund)	\$0	\$15,000	\$15,000	\$0	0.0%
Other Member CFIUS Activities (Fund)	\$0	\$5,000	\$5,000	\$0	0.0%
Treasury Departmental Offices (DO SE)	\$15,000	\$22,341	\$24,146	\$1,805	8.1%
Subtotal, CFIUS	\$15,000	\$42,341	\$44,146	\$1,805	4.3%
Anticipated User Fees - CFIUS Fund	\$0	(\$10,000)	(\$20,000)	(\$10,000)	100.0%
Total Program Operating Level	\$15,000	\$32,341	\$24,146	(\$8,195)	-25.3%
Direct FTE	32	81	120	39	48.1%
Total Full-time Equivalents (FTE)	32	81	120	39	48.1%

Summary

The Committee on Foreign Investment in the United States (CFIUS) was established in 1975 under Executive Order 11858 to monitor the impact of foreign investment in the United States, and to coordinate and implement federal policy on such investment. CFIUS is composed of nine voting member agencies, some of which have multiple subcomponents. CFIUS' unique design leverages the skills, subject matter expertise, and integrated analysis of Committee members and other relevant agencies. CFIUS voting members include:

- Department of the Treasury
- Department of Commerce
- Department of Defense
- Department of Energy
- Department of Homeland Security
- Department of Justice
- Department of State
- Office of Science Technology and Policy
- Office of the United States Trade Representative

As both Chair and member of CFIUS, Treasury is responsible for leading CFIUS in establishing policies, issuing regulations implementing statutory authority, implementing processes and functions, and managing its daily operations. Treasury participates in every aspect of CFIUS, including reviews and investigations, policy and international relations, mitigation monitoring and enforcement, non-notified transaction analysis, legal support, and national security threat assessments. The Office of International Affairs (IA) is responsible for case management and coordination and representing the Committee to parties that file notices. The Office of General Counsel (OGC) provides legal support to IA and is responsible for certain analyses conducted on each notice filed with CFIUS.

The Foreign Investment Risk Review Modernization Act of 2018 (FIRRMA) strengthens CFIUS to better address national security concerns arising from some types of investments and transactions that were previously outside of its jurisdiction. Additionally, FIRRMA modernized CFIUS' processes to better enable timely and effective reviews of covered transactions.

FIRRMA also established the CFIUS Fund (the Fund), to be administered by the chairperson (the Secretary of the Treasury), to accept appropriated funds for these expanded responsibilities and functions, and to collect filing fees.

In recent years, CFIUS' caseload has increased in volume and complexity. CFIUS reviewed 229 cases in calendar year (CY) 2018 compared to 93 in CY 2010. Transactions generally have also become more complex, which had contributed to an increasing investigation rate. CFIUS generally investigates cases that require more resource-intensive analysis and/or corrective action. In CY 2018, CFIUS investigated approximately 69 percent of cases compared to 38 percent in CY 2010. The FY 2021 budget requests resources necessary to implement FIRRMA and handle an anticipated workload of 1,000 cases per year.

The Administration requests \$20 million for the Fund in upfront appropriations that will be offset by up to \$20 million in offsetting collections from filing fees, which will be established in forthcoming regulations. \$15 million is proposed for transfer to Treasury to fund capital investments and staff to support Committee activities. The remaining \$5 million will be available for transfer to other CFIUS agencies to facilitate, for example, interagency connectivity with Treasury's information technology (IT) and case management systems, and to address emerging needs.

Budget Highlights

Dollars in Thousands

	FTE	Amount
FY 2020 Enacted	81	\$22,341
Transfer in from CFIUS Fund		\$15,000
Subtotal, FY 2020 CFIUS funding	81	\$37,341
Changes to Base:		
Maintaining Current Levels (MCLs):	0	\$263
Pay Annualization (2020 3.1% average pay raise)	0	\$73
Pay Raise (1.0% average pay raise)	0	\$70
FERS Contribution Increase	0	\$120
Non-Recurring Costs	0	(\$4,867)
Subtotal Changes to Base	0	(\$4,604)
FY 2021 Current Services	81	\$32,737
Program Changes:		
Program Increases:	39	\$6,409
Staffing to Support CFIUS Caseload Growth	39	\$6,409
FY 2021 President's Budget Request	120	\$39,146

Note: The table reflects Departmental Offices anticipated CFIUS funding; it does not reflect additional \$5 million in funding for other agencies for a total of \$44.146 million indicated previously in 1.1 table in the Department of the Treasury CFIUS Activities chapter of the Congressional Budget Justification.

Budget Adjustments

Offsetting User Fees -\$20,000,000 / -0 FTE

Treasury and IA anticipate collection of filing fees that will be credited to the Fund as offsetting collections.

Transfer in from CFIUS Fund +\$15,000,000 / +0 FTE

The CFIUS Fund anticipates to transfer \$15.0 million dollars to the DO Salaries and Expenses account to provide for Treasury DO CFIUS activities.

Maintaining Current Levels (MCLs)..... +\$263,000 / +0 FTE

Pay Annualization (3.1%) +\$73,000 / +0 FTE

Funds are requested for annualization of the January 2020 3.1% average pay raise.

Pay Raise (1.0% in 2021) +\$70,000 / +0 FTE

Funds are requested for a 1.0% average pay raise in January 2021.

FERS Contribution Increase +\$120,000 / +0 FTE

Funds are requested for the Federal Employee Retirement System (FERS) contribution rates effective FY 2021.

Non-Recurring Costs..... -\$4,867,000 / -0 FTE

Case Management System -\$3,189,000 / -0 FTE

IA expects to complete the final phase of development for the CFIUS Case Management System in FY 2021. This non-recur encompasses a portion of this funding.

Secure Spaces -\$1,678,000 / -0 FTE

CFIUS anticipates having completed the majority of anticipated facility buildout by FY 2021.

Program Increases..... +\$6,409,000 / +39 FTE

Staffing to Support Caseload Growth +\$6,409,000 / +39 FTE

Increase in CFIUS staffing to continue in light of anticipated program growth.

Legislative Proposals

CFIUS has no legislative proposals.

Performance Highlights

Budget Activity	Performance Measure	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021
		Actual	Actual	Actual	Target	Target
Committee on Foreign Investment in the United States (CFIUS)	Timely Review of CFIUS Cases	100	100	100	100	100

Description of Performance

In FY 2019 CFIUS took significant steps toward full implementation of the Foreign Investment Risk Review Modernization Act of 2018 (FIRRMA). In FY 2019, the Committee administered a pilot program to cover certain investments in critical technologies related to specific industries. At the end of FY 2019, Treasury published draft FIRRMA regulations to implement the remainder of the statute, for public notice and comment. In January 2020, Treasury issued final regulations to implement FIRRMA, which become effective on February 13, 2020. Treasury has

also made substantial progress on various administrative aspects of implementation, including with regard to staffing, information technology systems and infrastructure, and facility build-out.

In recognition of the strategic importance of FIRRMA implementation to national security Treasury is including this as an Agency Priority Goal. Successful implementation of FIRRMA will ensure that identified national security risks arising from certain foreign investments—including from some types of investments and transactions that previously fell outside of CFIUS' jurisdiction—are addressed in an effective manner.

Timely Review of CFIUS Cases: This measure tracks compliance with statutory deadlines for completing national security reviews of transactions notified to the CFIUS to ensure that the CFIUS process is timely and efficient. The target (100 percent) was met in CY 2019. IA's target for this measure in CY 2020 and CY 2021 is 100 percent.