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(Original Signature of Member)

118TH CONGRESS
2D SESSION

H. R. _____

To amend the State Department Basic Authorities Act to establish a Deputy Secretary of State for Economic Security, redesignate and relocate other offices of the Department of State, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

Mr. MOOLENAAR introduced the following bill; which was referred to the Committee on _____

A BILL

To amend the State Department Basic Authorities Act to establish a Deputy Secretary of State for Economic Security, redesignate and relocate other offices of the Department of State, 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 “Economic Security and
5 Diplomacy Act of 2024”.

1 **SEC. 2. AMENDMENTS TO THE STATE DEPARTMENT BASIC**
2 **AUTHORITIES ACT.**

3 Section 1 of the State Department Basic Authorities
4 Act of 1956 (22 U.S.C. 2651a) is amended—

5 (1) in subsection (a)(2), by inserting “the Dep-
6 uty Secretary of State for Economic Security,” after
7 “the Deputy Secretary of State,”;

8 (2) in subsection (b)(1), by striking “6” and in-
9 serting “5”;

10 (3) in subsection (c)(1), by striking “24” and
11 inserting “27”; and

12 (4) in subsection (i)—

13 (A) in paragraph (1), by striking the sec-
14 ond sentence and inserting “Subject to the nu-
15 merical limitation under subsection (c)(1), the
16 head of the Bureau shall be an Assistant Sec-
17 retary for Cyberspace and Digital Policy and
18 shall report to the Deputy Secretary for Eco-
19 nomic Security.”;

20 (B) by striking paragraph (4); and

21 (C) by redesignating paragraphs (5)
22 through (7) as paragraphs (4) through (6), re-
23 spectively.

1 **SEC. 3. ESTABLISHMENT OF DEPUTY SECRETARY FOR ECO-**
2 **NOMIC SECURITY.**

3 The Secretary of State shall take such steps as may
4 be necessary to ensure the following:

5 (1) To transfer, pursuant to the amendment
6 made by section 1(1), the assets, liabilities, per-
7 sonnel, and duties of the position and office of
8 Under Secretary of State for Economic Growth, En-
9 ergy, and the Environment to the position and office
10 of Deputy Secretary of State for Economic Security.

11 (2) To establish the mission of such Deputy
12 Secretary as responsibility for all matters of the De-
13 partment of State relating to the economic security
14 of the United States, such as sanctions policy, trade
15 policy, export controls, supply chain security, foreign
16 assistance, and combatting economic coercion.

17 (3) To redesignate the position and office of the
18 following officials:

19 (A) The Assistant Secretary for Economic
20 and Business Affairs as the Assistant Secretary
21 for Trade and Investment Security, who shall
22 upon such redesignation become responsible for
23 all matters of the Department related to out-
24 bound investment restrictions and inbound in-
25 vestment screening.

1 (B) The Assistant Secretary for Energy
2 Resources as the Assistant Secretary for Supply
3 Chain Security, who shall upon such redesigna-
4 tion become the lead representative of the De-
5 partment of State on the Forced Labor En-
6 forcement Task Force and become responsible
7 for all matters of the Department related to
8 Federal acquisition policy, forced labor in
9 United States supply chains, development fi-
10 nance, and efforts pertaining to critical min-
11 erals and pharmaceutical supply chains.

12 (4) To ensure that the following positions and
13 offices shall be relocated as necessary within the De-
14 partment to report to different principals as follows:

15 (A) The Assistant Secretary for Oceans
16 and International and Scientific Affairs, to the
17 Under Secretary for Civilian Security, Democ-
18 racy, and Human Rights.

19 (B) The Special Envoy for Global Food
20 Security, to the Under Secretary for Civilian
21 Security, Democracy, and Human Rights.

22 (C) The Office of Sanctions Coordination,
23 to the Deputy Secretary of State for Economic
24 Security.

1 (5) To transfer the assets, liabilities, personnel,
2 and duties of the following to the Deputy Secretary
3 of State for Economic Security:

4 (A) The Special Representative for Global
5 Partnerships.

6 (B) The Office of the Science and Tech-
7 nology Advisor to the Secretary.

8 (C) The Office of Cooperative Threat Re-
9 duction.

10 (D) The Office of Critical Technology Pro-
11 tection.

12 (6) To additionally transfer assets, liabilities,
13 personnel, and duties relating to the following func-
14 tions:

15 (A) The polar affairs functions of the As-
16 sistant Secretary for Ocean and International
17 and Scientific Affairs, the forced labor enforce-
18 ment functions of the Office to Monitor and
19 Combat Trafficking in Persons, and all func-
20 tions of the Division for Transportation Affairs,
21 to the Assistant Secretary for Supply Chain Se-
22 curity redesignated pursuant to paragraph
23 (3)(B).

24 (B) The sanctions functions of the Assist-
25 ant Secretary for Trade and Investment Secu-

1 rity (as so redesignated pursuant to paragraph
2 (3)(A)), the Under Secretary for Civilian Secu-
3 rity, Democracy, and Human Rights, and the
4 Division for Counter Threat Finance and Sanc-
5 tions, to the Sanctions Coordinator relocated
6 pursuant to paragraph (4)(C).

7 (C) The technology and economic policy
8 functions of the Office of China Coordination,
9 to the Deputy Secretary of State for Economic
10 Security.

11 **SEC. 4. ESTABLISHMENT OF ADDITIONAL OFFICES OF THE**
12 **DEPUTY SECRETARY FOR ECONOMIC SECU-**
13 **RITY.**

14 (a) ASSISTANT SECRETARY FOR STRATEGIC FOR-
15 EIGN ASSISTANCE.—

16 (1) ESTABLISHMENT.—Consistent with the
17 amendment made by section 1(3), there is estab-
18 lished in the Department of State an Assistant Sec-
19 retary for Strategic Foreign Assistance.

20 (2) TRANSFER.—The assets, liabilities, per-
21 sonnel, and duties of the following positions and
22 functions shall be transferred to the Assistant Sec-
23 retary established pursuant to paragraph (1):

24 (A) The Division for Finance and Develop-
25 ment.

1 (B) The Office of Foreign Assistance.

2 (C) The management functions of the Of-
3 fice of China Coordination with respect to the
4 Countering PRC Influence Fund.

5 (b) ASSISTANT SECRETARY FOR TECHNOLOGY AND
6 INNOVATION SECURITY.—

7 (1) ESTABLISHMENT.—Consistent with the
8 amendment made by section 1(3), there is estab-
9 lished in the Department of State an Assistant Sec-
10 retary for Technology and Innovation Security, who
11 shall be responsible for—

12 (A) formulating Department policy related
13 to critical and emerging technologies, such as
14 biotechnology, quantum technology, and micro-
15 electronics; and

16 (B) research security, including screening
17 responsibilities relating to security advisory
18 opinions under the Visa Mantis program.

19 (2) TRANSFER.—The assets, liabilities, per-
20 sonnel, and duties of the following positions and
21 functions shall be transferred to the Assistant Sec-
22 retary established pursuant to paragraph (1):

23 (A) The Special Envoy for Critical and
24 Emerging Technology.

1 (B) The space policy functions of the As-
2 sistant Secretary for Ocean and International
3 and Scientific Affairs.

4 (C) The export control functions of the Of-
5 fice of Conventional Arms Threat Reduction,
6 including participation in the End Use Review
7 Committee and the multilateral Wassenaar Ar-
8 rangement.

9 (D) The space security and space policy
10 functions of the Office of Emerging Security
11 Challenges.

12 (c) OFFICE OF ECONOMIC ANALYSIS AND TAR-
13 GETING.—

14 (1) ESTABLISHMENT.—The Secretary of State
15 shall establish within the Department an Office of
16 Economic Analysis and Targeting that shall be re-
17 sponsible for—

18 (A) conducting economic analysis on behalf
19 of the Deputy Secretary of State for Economic
20 Security;

21 (B) preparing targeting packages for the
22 purpose of entity listings and sanctions designa-
23 tions, at the request of the Assistant Secretary
24 for Technology and Innovation Security estab-
25 lished pursuant to subsection (b) or the Sanc-

1 tions Coordinator relocated pursuant to section
2 2(4)(C);

3 (C) monitoring global economic and sci-
4 entific trends that have implications for the eco-
5 nomic security of the United States and its al-
6 lies; and

7 (D) establishing and maintaining the Fed-
8 eral database described in paragraph (3).

9 (2) TRANSFER.—Upon establishment of the Of-
10 fice described in paragraph (1)—

11 (A) the Chief Economist shall be redesign-
12 ated as the Director of the Office of Economic
13 Analysis and Targeting;

14 (B) the assets, liabilities, personnel, and
15 duties of the Office of the Chief Economist
16 shall be transferred to the Office of Economic
17 Analysis and Targeting; and

18 (C) the Secretary of State shall take such
19 steps as may be necessary to ensure that the
20 Director of the Office of Economic Analysis and
21 Targeting reports directly to the Deputy Sec-
22 retary of State for Economic Security.

23 (3) FEDERAL DATABASE ON ECONOMIC SECU-
24 RITY DATA.—In order to centralize public and pro-
25 prietary data and provide analysis for policymakers

1 relating to economic security, the Office of Economic
2 Analysis and Targeting shall establish a database,
3 which shall be accessible by all Federal employees,
4 that includes data relevant to—

5 (A) critical supply chains, such as supply
6 chains for semiconductors, pharmaceuticals,
7 critical minerals, and others;

8 (B) global trade flows;

9 (C) economic, trade, supply chain, and fi-
10 nancial activities of the People's Republic of
11 China and the Russian Federation;

12 (D) investment data, including inbound in-
13 vestment in the United States in critical and
14 emerging technologies;

15 (E) trends in science and technology, in-
16 cluding scientific publications and grants
17 awarded for scientific research;

18 (F) activities of the People's Republic of
19 China companies that pose a threat to United
20 States economic and national security; and

21 (G) trends of forced labor in the United
22 States supply chain originating from the Peo-
23 ple's Republic of China or other countries at a
24 high risk of facilitating forced labor.

25 (d) OFFICE OF LEGISLATIVE SOLUTIONS.—

1 (1) DUTIES.—The Deputy Secretary of State
2 for Economic Security shall establish an Office of
3 Legislative Solutions to submit, at least annually, to
4 Congress—

5 (A) an identification of policies to protect
6 United States economic security that require
7 congressional action; and

8 (B) proposed legislative solutions to
9 achieve such policies.

10 (2) DIRECT INTERACTION AUTHORIZED.—Upon
11 establishment of the Office described in paragraph
12 (1), the Secretary of State shall take such steps as
13 may be necessary to ensure that such Office may
14 interact directly with members of Congress without
15 being required to report to any other congressional
16 liaison office of the Department.

17 (e) ECONOMIC SECURITY OFFICER PROGRAM.—The
18 Deputy Secretary of State for Economic Security shall
19 designate at least 20 Foreign Service officers, who are
20 each posted at different diplomatic or consular posts that
21 are selected for their strategic value, to represent the mis-
22 sion of the Deputy Secretary described in section 1(2) at
23 such posts. Officers so designated under this subsection
24 shall report to at least one other official serving in the
25 District of Columbia in addition to the Deputy Secretary.

1 **SEC. 5. AUTHORIZATION OF APPROPRIATIONS AND HIRING**
2 **AUTHORITIES.**

3 (a) AUTHORIZATION FOR DEPUTY SECRETARY OF
4 STATE FOR ECONOMIC SECURITY.—There is authorized
5 to be appropriated \$10,000,000 to the Deputy Secretary
6 of State for Economic Security for the 2-year period be-
7 ginning on the first October 1 on or after the date of the
8 enactment of this Act to establish and carry out the mis-
9 sion of the Deputy Secretary, including for the construc-
10 tion of a dedicated sensitive compartmented information
11 facility and the purchase of related equipment.

12 (b) AUTHORIZATION FOR DIRECTOR OF THE OFFICE
13 OF ECONOMIC ANALYSIS AND TARGETING.—There is au-
14 thorized to be appropriated to the Director of the Office
15 of Economic Analysis and Targeting—

16 (1) \$25,000,000 for each fiscal year to support
17 the mission described in section 3(c); and

18 (2) \$5,000,000 for each fiscal year to acquire
19 artificial intelligence and machine learning tools to
20 assist with data analysis, including through the Fed-
21 eral database described in section 3(c)(3).

22 (c) HIRING AUTHORITY.—

23 (1) SCHEDULE C.—The President may establish
24 and appoint not more than 10 candidates to posi-
25 tions in the excepted service at the office of the Dep-
26 uty Secretary of State for Economic Security. Each

1 such position so established shall be classified as a
2 confidential or policy-determining character under
3 schedule C of subpart C of part 213 of title 5, Code
4 of Federal Regulations.

5 (2) COMPETITIVE SERVICE.—The Deputy Sec-
6 retary of State for Economic Security may establish
7 and appoint, without regard to the provisions of sec-
8 tions 3309 through 3318 of title 5, United States
9 Code, not fewer than 15 candidates to positions in
10 the competitive service (as defined in section 2102 of
11 that title) at the office of the Deputy Secretary of
12 State for Economic Security.