S. XXXX – the Americas Trade and Investment Act
Short Title: The "Americas Act"

Senators Bill Cassidy (LA) and Michael Bennet (CO)
Representatives Maria Elvira Salazar (FL) and Adriano Espaillat (NY)

Note: Subtitle B of the House Version of the "Americas Act" (H.R.. XXXX) contains substantive differences from the Senate version.

<u>Summary:</u> The Americas Trade and Investment Act, or the "Americas Act," creates an ever-expanding and permanent partnership of Western Hemisphere countries to improve trade, job creation, and regional stability, with a goal to counter China's growing control over global manufacturing and geopolitics by uniting democracies in our hemisphere. This sustained initiative will grow the U.S. economy and those of our partner countries through the re-shoring and near-shoring of jobs and industry from China, benefitting American citizens and companies, as well as democratic governments, private enterprise, and workers throughout the Hemisphere. It creates trade, investment, and people-to-people partnerships with Western Hemisphere countries to stimulate growth and integration through viable long-term private sector development. Americas Act programs also require modern and transparent technological solutions to reduce corruption in the region.

The Americas Act is the only major strategic economic plan to counter China's growing geopolitical and economic power in the Western Hemisphere, and increase safety and stability to decrease regional migration. Strengthened ties between the U.S. and our democratic partners in the Caribbean, Central America, and South America and stronger businesses with high labor and environmental standards across the region will grow the American economy, get businesses out of China, undermine cartels and criminal groups, improve regional economic security, reduce illegal migration, and fortify American supply chains. This is how we combat China's Belt and Road initiative.

<u>Title I – E-Governance in the Americas:</u>

This title establishes an e-governance framework, managed by a new organization titled the "Americas Institute for Digital Governance," tasked with working with Americas Partner countries to improve e-government solutions, help formalize economies, and decrease corruption. The e-governance system would also facilitate trade and commerce.

<u>Title II – Trade and Investment for the Americas:</u>

Subtitle A - Administration

<u>Section 201:</u> Establishes a draft Memorandum of Understanding (MOU) for Americas Partner countries, which sets model standards regarding democracy, trade, and the rule of law, for countries to agree to before receiving the additional trade benefits and financial assistance provided by this Act. Sets in place a mechanism for suspension and expulsion from the Americas Partnership for countries that violate their MOU. Identifies the Americas Partnership for Economic Prosperity (APEP) executive program as initial partnership countries grandfathered into the program (upon completion of a successful MOU process).

<u>Section 202:</u> Establishes a Business Advisory Board to harmonize standards, certifications, and other private sector functions in Americas Partner countries and reduce paperwork and legal hurdles to investment.

<u>Section 203:</u> Creates a Deputy Undersecretary for the Americas Partnership position at the Department of Commerce, and outlines duties of the Department of State, Department of Treasury, USAID, and other offices related to carrying out the functions of the Americas Partnership.

<u>Section 204:</u> Establishes the Americas Partnership Secretariat in the United States, which includes a permanent physical center for Americas Partner country representatives and subnational government leaders to coordinate, solve joint problems, address common concerns, and continue to deepen and improve the partnership.

<u>Section 205:</u> Establishes reporting requirements for the Americas Partnership.

Subtitle B – Trade

<u>Chapter 1 – Re-shoring and Near-shoring:</u>

<u>Section 212:</u> Establishes up to $70 billion of loans and grants to be available to companies seeking to re-shore and near-shore industry from China, using the borrowing authority established under the Americas Act Partnership as well as from the re-shoring and near-shoring account established under subsequent sections of the Americas Act.

<u>Section 213:</u> Establishes a Re-shoring and Near-shoring Project Program and tax credits for qualified re-shoring and near-shoring expenses from China to the United States or to an Americas Partner country, respectively. Creates guardrails and industry priorities for re-shoring and nearshoring, as well as an application process and a time horizon for the process.

<u>Chapter 2 – Free Trade Expansion:</u>

<u>Section 221:</u> Instructs the United States Trade Representative to begin a global Article XXVIII review of the 1947 General Agreement on Tariffs and Trade (GATT) for U.S. bound rates, with the focus on the principle of reciprocity. This will allow greater flexibility to the United States, reinvigorate the WTO and the global trade environment, and better protect U.S. industry vulnerable to predations of unfair foreign competition. Finally, the GATT reset will create tremendous investment momentum for existing U.S. Free Trade Agreements (FTAs), like the U.S.-Mexico-Canada Agreement (USMCA) and the Dominican Republic–Central America Free Trade Agreement (DR-CAFTA), where companies looking to invest will know that they have treaty-based tariff protection. Many Americas Partner countries will already possess an FTA with the U.S., so the bill's instructions for GATT reciprocity makes those FTAs much more valuable and incentivizes further investment.

<u>Section 222:</u> Establishes a Sense of Congress that the 2026 United States-Mexico-Canada Agreement (USMCA) Review would be a good opportunity to begin the process of debating a docking mechanism onto USMCA. Conversely, encourages the USTR to begin a process to identify other harmonization mechanisms for FTAs in the hemisphere, which allow cumulation and co-creation to create economies of scale and reduce the cost of investment and manufacturing. Also highlights Costa Rica and Uruguay as good potential pilot countries for USMCA expansion, while making it clear that no Americas Partner country will be required to join the USMCA as a condition of accepting the other benefits afforded to it under this Act.

<u>Section 223:</u> Establishes an "Americas Partnership Threshold Program," modeled after the Millennium Challenge Corporation Threshold Program, which would provide special grants and benefits to Americas Partner countries to assist them to become compliant with USMCA standards.

Section 224: Provides Ecuador and Uruguay market access for certain goods through Caribbean Basin Trade Partnership Act (CBTPA) expansion with the goal of an eventual full-scale FTA with Uruguay and Ecuador.

Section 225: Notes that any country which is member of the "Bolivarian Alliance" (including Cuba, Venezuela, Bolivia, and Nicaragua) is ineligible for Americas Partnership membership.

Section 226: Authorizes narrow Trade Promotion Authority for the United States Trade Representative for the purposes of carrying out this Act.

Chapter 3 – Textile and Apparel:

Section 231: Establishes a textile and apparel manufacturing grant program to help combat slave-based Chinese textile and apparel labor, bringing textile and apparel investment back to the U.S. and to Americas Partner countries, creating new jobs throughout the textile supply chain in the U.S. and in Americas Partner countries, rewarding existing textile manufacturing enterprises in the Hemisphere, and solidifying the textile and apparel supply chain in the U.S. and in Americas Partner countries. Authorizes $150 million per year for 5 years.

Section 232: Establishes a grants and tax incentives program to further establish a textile reuse and recycling industry in the U.S., which would reduce demand for Chinese textiles and challenge slave-labor based textiles, reduce the carbon footprint of textiles, and improve the environmental standards of textiles. The program would reduce waste and build a new U.S. industry that could employ thousands or tens of thousands of people.

Section 233: Authorizes the deployment of already existent "Textile Production and Verification Teams" of Customs and Border Protection (CBP) to Americas Partner countries once per year with a focus on Uyghur Forced Labor Prevention Act (UFLPA) enforcement.

Section 234: Establishes tax incentives to re-shore and near-shore textile and apparel industry from China. A company may deduct income from foreign sales of certain textile fiber products from the United States or Western Hemisphere or domestic sales of certain finished textile products from the Hemisphere. A company would also be able to deduct a portion of income related to certain domestic textile production activities. Such tax incentives will drive investment in textile and apparel manufacturing across the region.

Section 235: Clarifies the conditions in which fibers, fabrics, and yarns that are not commercially available in the United States may be imported from Western Hemisphere countries with FTAs. Conducts a U.S. International Trade Commission study on what constitutes commercial availability of these products.

Chapter 4 – Trade Enforcement:

Section 241: Establishes a special enforcement unit within CBP to monitor the implementation of the Uyghur Forced Labor Prevention Act (UFLPA). UFPLA cheating is a major problem for the Western Hemisphere textile and apparel industries, solar panel industry, and EV sectors. This special unit will be available for Americas Partner countries to better monitor supply chains and assure they are slavery free.

Section 242: Authorizes payments to money laundering whistleblowers of up to 30% of seized illicit assets. Currently, whistleblowing remunerations are not sufficient for potential whistleblowers to risk everything and plan for relocation, which leads to corruption, misrule, democratic deterioration and eventual migration in the Hemisphere. The illegal drug industry is currently so wealthy that there is no incentive for people to turn. This section provides that incentive.

Section 243: Establishes a Borders and Ports Protection Program to ensure trade compliance and protect against criminal activities occurring through ports and across borders. This program will only operate at the request of, and in coordination with, a host government. The Western Hemisphere suffers from tremendously powerful criminal gangs, linked most often to the drug trade, that often have influence over ports of entry. This leads to corruption, smuggling, and human trafficking – all of which is a major impediment to U.S. industry and to the safety and security of our Western Hemisphere democratic partners.

Section 244: If not already in place with an Americas Partner country, establishes a requirement to formalize a Mutual Recognition Agreement and then establish a Trade Transparency Unit for all Americas Partner countries for the purposes of combatting trade-based money laundering. Trade Transparency Units would analyze trade data to increase trade transparency.

Subtitle C – Investment

Section 252: The BUILD Act is modified to create a "Build Americas Unit" within the Development Finance Corporation (DFC), with access to DFC's borrowing authority at the Department of Treasury. Tools include equity, loans, grants, insurance and reinsurance, and lines of credit. The Build Americas Unit redefines equity to allow the borrowing authority to be the source of equity investments, eliminates the restrictions on high income countries in the Western Hemisphere, improves staffing through specialized authorities to make sure investment bankers are hired, allows for loans in local currencies, and increases the possibility of upstream investments. This will be available to Americas Partner countries for significant infrastructure investments.

**Section 255 increases the DFC's total borrowing authority from $60 billion to $90 billion.*

Section 253: Establishes an Americas Partnership Enterprise fund to allow for mezzo-level investments in Americas Partner countries. The fund is modeled after the enterprise fund established in Egypt and will help small and medium industry develop in Americas Partner countries around the large infrastructure investments.

Section 254: Establishes a program within the Department of Commerce to identify and develop opportunities for strategic supply chains and transformational energy investments in the Western Hemisphere. Comes with significant authorities to re-deploy investments, as well as the ability to work in the Hemisphere outside Americas Partner countries upon presidential directive and notification.

Subtitle D – People-to-People Activities

Section 261: Establishes a grant mechanism within USAID to support the Americas Partnership Threshold Program.

Section 262: Sets aside additional resources and authorities to expand existing State Department programs such as English language programming, the International Visitor Leadership Program (IVLP), etc.

Section 263: Mandates the Peace Corps to deploy additional volunteers to Americas Partner countries.

Section 264: Establishes an American University of the Americas, in line with the American Universities of Cairo, Dubai, Nigeria, Armenia, and Beirut, to continue to graduate waves of English speaking, U.S.-friendly, and highly motivated graduates who will continue to be the Ambassadors for the United States and available to fill the jobs created with increased investment and trade.

Section 265: Re-establishes the university scholarship program abolished after the end of the Cold War for high-performing students from the Caribbean and Latin America to seek fully supported scholarships for American Universities.

Section 266: Establishes a temporary CARE visa for Home Health Care workers, authorizing 50,000 per year from Americas Partner countries. These workers will support America's aging population and put Americans back to work who are currently out of the work force because they must care for their loved ones.

<u>Section 267:</u> States that it is the sense of Congress that the President should use the 2026 review of the USMCA to consider the establishment of a low-skill TN style visa.

<u>Section 268:</u> Requires an assessment as to whether Uruguay and Costa Rica should be eligible for the U.S. State Department's visa waiver program.

<u>Section 269:</u> Establishes a "Radio Free Americas", like Radio Free Europe or Radio Free Asia, to challenge Russian, Iranian, Cuban, and Venezuelan misinformation in the region.

<u>Section 270:</u> Establishes a biennial presidential summit of Americas Partner countries.

Title III – Revenue and Financial Management:

<u>Section 301:</u> Establishes within the Treasury a re-shoring and near-shoring account for the purposes of funding the Americas Partnership and Americas Act initiatives. This account will be replenished through funding provided by closing the de minimis loophole, as well as any 'profit' made from investments in this Act.

<u>Section 302:</u> Closes the de minimis loophole by establishing a country-level idea of reciprocity wherein de minimis levels are honored into the U.S. at the same rate as the country of the origin items. Also creates a blacklist of non-trustworthy countries that are denied De Minimis privileges. China and Russia will be automatically on this blacklist. This will likely raise over $15 billion a year in new U.S. revenue.

Title IV – Reporting and Branding:

<u>Section 401:</u> Requires a thorough annual report on the Americas Partnership.

<u>Section 402:</u> Creates requirements on branding and marketing which fall in line with the State Department's ongoing "Visibly American" campaign.