

116TH CONGRESS  
2D SESSION

# H. R. 6916

To prohibit the listing of certain firms on national securities exchanges, to provide for expensing of costs directly connected with moving manufacturing from China to the United States, to establish a counterintelligence vetting task force, and for other purposes.

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## IN THE HOUSE OF REPRESENTATIVES

MAY 15, 2020

Mr. WALKER introduced the following bill; which was referred to the Committee on Homeland Security, and in addition to the Committees on Ways and Means, and Financial Services, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned

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## A BILL

To prohibit the listing of certain firms on national securities exchanges, to provide for expensing of costs directly connected with moving manufacturing from China to the United States, to establish a counterintelligence vetting task force, 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 “Cage the Paper Tiger  
5 Act of 2020”.

1 **SEC. 2. PROHIBITION AGAINST THE LISTING OF CERTAIN**  
2 **FIRMS ON NATIONAL SECURITIES EX-**  
3 **CHANGES.**

4 (a) IN GENERAL.—Section 6(b) of the Securities Ex-  
5 change Act of 1934 (15 U.S.C. 78f(b)) is amended by add-  
6 ing at the end the following:

7 “(11)(A) The rules of the exchange prohibit the  
8 initial listing, after the date of enactment of this  
9 paragraph, of any security of an issuer if the reg-  
10 istration statement filed with the Commission for  
11 such security includes an audit report prepared by  
12 a covered foreign public accounting firm.

13 “(B) Nothing in subparagraph (A) may be con-  
14 strued to prevent an exchange from listing a security  
15 on the exchange on or after the date of enactment  
16 of this paragraph if that security was listed on the  
17 exchange or a national securities exchange before  
18 the date of enactment of this paragraph.

19 “(C) In this paragraph—

20 “(i) the term ‘audit report’ has the mean-  
21 ing given the term in section 2(a) of the Sar-  
22 banes-Oxley Act of 2002 (15 U.S.C. 7201(a));

23 “(ii) the term ‘covered foreign public ac-  
24 counting firm’ means a foreign public account-  
25 ing firm that the Public Company Accounting  
26 Oversight Board is unable to inspect or inves-

1           tigate under the Sarbanes-Oxley Act of 2002  
2           (15 U.S.C. 7201 et seq.) because of a position  
3           taken by an authority outside of the United  
4           States; and

5           “(iii) the term ‘foreign public accounting  
6           firm’ has the meaning given the term in section  
7           106(g) of the Sarbanes-Oxley Act of 2002 (15  
8           U.S.C. 7216(g)).”.

9       (b) RULES.—

10           (1) PROPOSALS.—Not later than 90 days after  
11           the date of enactment of this Act, each national se-  
12           curities exchange shall file with the Commission any  
13           proposed change to the rules of the exchange that is  
14           required as a result of the amendments made by this  
15           section.

16           (2) ADOPTION.—Not later than 1 year after the  
17           date of enactment of this Act, each national securi-  
18           ties exchange shall have each proposed change de-  
19           scribed in paragraph (1) approved by the Commis-  
20           sion.

1 **SEC. 3. EXPENSING OF COSTS DIRECTLY CONNECTED WITH**  
 2 **MOVING MANUFACTURING FROM CHINA TO**  
 3 **THE UNITED STATES.**

4 (a) IN GENERAL.—Part VI of subchapter B of chap-  
 5 ter 1 of the Internal Revenue Code of 1986 is amended  
 6 by inserting after section 179E the following new section:

7 **“SEC. 179F. ELECTION TO EXPENSE CERTAIN ASSETS DI-**  
 8 **RECTLY CONNECTED TO MOVING MANUFAC-**  
 9 **TURING FROM CHINA TO THE UNITED**  
 10 **STATES.**

11 “(a) IN GENERAL.—A specified taxpayer may elect  
 12 to treat amounts paid or incurred for repatriation prop-  
 13 erty as an expense which is not chargeable to capital ac-  
 14 count. Any cost so treated shall be allowed as a deduction  
 15 for the taxable year in which such repatriation property  
 16 is placed in service.

17 “(b) SPECIFIED TAXPAYER.—For purposes of this  
 18 section, the term ‘specified taxpayer’ means any taxpayer  
 19 engaged in the trade or business of manufacturing any  
 20 product if—

21 “(1) as of the date of the enactment of this sec-  
 22 tion, such taxpayer manufactured such product in  
 23 China, and

24 “(2) as of the date which is 3 years after the  
 25 date that the repatriation property is placed in serv-  
 26 ice—

1           “(A) such taxpayer does not manufacture  
2           such product in China, and

3           “(B) the quantity of such product manu-  
4           factured in the United States by such taxpayer  
5           has increased (relative to such quantity deter-  
6           mined as of the date of the enactment of this  
7           section) by an amount not less than the quan-  
8           tity of such product manufactured in China as  
9           of the date of the enactment of this section.

10       “(c) REPATRIATION PROPERTY.—For purposes of  
11 this section, the term ‘repatriation property’ means any  
12 property (including any real property) if—

13           “(1) such property is used by the taxpayer in  
14       the United States to manufacture the product re-  
15       ferred to in subsection (b),

16           “(2) the acquisition of such property by the  
17       taxpayer is directly connected to replacing the pro-  
18       ductive capacity lost by the taxpayer by reason of  
19       ceasing manufacturing of such product in China (as  
20       described in subsection (b)(2)(A)), and

21           “(3) such property is of a character which is  
22       subject to the allowance for depreciation provided in  
23       section 167.

24       “(d) APPLICATION OF CERTAIN RULES.—Rules simi-  
25 lar to the rules of subsection (c), and paragraphs (4) and

1 (10) of subsection (d), of section 179 shall apply for pur-  
 2 poses of this section.”.

3 (b) CLERICAL AMENDMENT.—The table of sections  
 4 for part VI of subchapter B of chapter 1 of such Code  
 5 is amended by inserting after the item relating to section  
 6 179E the following new item:

“Sec. 179F. Election to expense certain assets directly connected to moving  
 manufacturing from China to the United States.”.

7 (c) EFFECTIVE DATE.—The amendments made by  
 8 this section shall apply to property placed in service after  
 9 the date of the enactment of this Act, in taxable years  
 10 ending after such date.

11 **SEC. 4. DEPARTMENT OF HOMELAND SECURITY COUNTER-**  
 12 **INTELLIGENCE VETTING TASK FORCE.**

13 (a) ESTABLISHMENT.—Not later than 180 days after  
 14 the date of the enactment of this Act, the Secretary of  
 15 Homeland Security shall assign personnel of the Depart-  
 16 ment of Homeland Security to participate in a counter-  
 17 intelligence vetting task force to make recommendations  
 18 to improve counterintelligence vetting for appropriate de-  
 19 partmental programs.

20 (b) PERSONNEL.—In carrying out subsection (a), the  
 21 Secretary of Homeland Security may assign personnel  
 22 from any component of the Department of Homeland Se-  
 23 curity the Secretary determines necessary to participate  
 24 in the task force established pursuant to such subsection.

1 (c) COORDINATION.—In carrying out subsection (a),  
2 the Secretary of Homeland Security may request partici-  
3 pation in the task force established pursuant to such sub-  
4 section from other appropriate Federal agencies.

5 (d) REPORT.—Not later than one year after the date  
6 of the enactment of this Act, the Secretary of Homeland  
7 Security shall submit to the Committee on Homeland Se-  
8 curity of the House of Representatives and the Committee  
9 on Homeland Security and Governmental Affairs of the  
10 Senate a report on the recommendations made by the task  
11 force established pursuant to subsection (a).

12 **SEC. 5. COUNTERINTELLIGENCE TRAINING AND VETTING.**

13 (a) IN GENERAL.—Not later than 180 days after the  
14 date of the enactment of this Act, in carrying out the pro-  
15 gram administered pursuant to section 442(a)(4) of the  
16 Homeland Security Act (6 U.S.C. 252(a)(4)), the Sec-  
17 retary of Homeland Security shall develop a counterintel-  
18 ligence awareness training program and require participa-  
19 tion in such program from appropriate faculty, as deter-  
20 mined by the Secretary in consultation with the Homeland  
21 Security Academic Advisory Council (established pursuant  
22 to section 871 of the Homeland Security Act of 2002 (6  
23 U.S.C. 451)), from approved institutions of higher edu-  
24 cation, other approved educational institutions, and des-  
25 ignated exchange visitor programs in the United States.

1       (b) PROGRAM ENHANCEMENTS.—Not later than one  
2 year after the date of enactment of this Act, the Secretary  
3 of Homeland Security shall make the following enhance-  
4 ments to the program administered pursuant to section  
5 442(a)(4) of the Homeland Security Act (6 U.S.C.  
6 252(a)(4)):

7           (1) Identify degrees and fields of study deter-  
8 mined to be sensitive for homeland security and  
9 counterintelligence purposes.

10          (2) Update the information to be collected to  
11 include any changes to the degree programs, if ap-  
12 plicable, and fields of study.

13          (3) Make any other enhancements determined  
14 appropriate by the Secretary to improve counter-  
15 intelligence vetting capabilities.

16       (c) CONSULTATION.—In carrying out the identifica-  
17 tion required pursuant to subsection (b)(1), the Secretary  
18 of Homeland Security shall consult with the Secretary of  
19 State to ensure the degrees and field of study determined  
20 to be sensitive for homeland security and counterintel-  
21 ligence purposes referred to in such subsection are aligned,  
22 to the greatest extent practicable, between the Department  
23 of Homeland Security and the Department of State.

24       (d) DEFINITIONS.—



1           (1) APPROVED INSTITUTION OF HIGHER EDU-  
2           CATION.—The term “approved institution of higher  
3           education” has the meaning given such term in sec-  
4           tion 641(h) of the Illegal Immigration Reform and  
5           Immigrant Responsibility Act of 1996 (8 U.S.C.  
6           1372).

7           (2) DESIGNATED EXCHANGE VISITOR PRO-  
8           GRAM.—The term “designated exchange visitor pro-  
9           gram” has the meaning given such term in section  
10          641(h) of the Illegal Immigration Reform and Immi-  
11          grant Responsibility Act of 1996 (8 U.S.C. 1372).

12          (3) OTHER APPROVED EDUCATIONAL INSTITU-  
13          TION.—The term “other approved educational insti-  
14          tution” has the meaning given such term in section  
15          641(h) of the Illegal Immigration Reform and Immi-  
16          grant Responsibility Act of 1996 (8 U.S.C. 1372).

17 **SEC. 6. HOMELAND SECURITY ACADEMIC ADVISORY COUN-**  
18 **CIL.**

19          (a) IN GENERAL.—Not later than 30 days after the  
20          date of the enactment of this Act, the Secretary of Home-  
21          land Security shall convene a meeting of the Homeland  
22          Security Academic Advisory Council to seek advice and  
23          recommendations from the Council on the counterintel-  
24          ligence awareness training and appropriate faculty des-  
25          ignated to receive such training required under section 5.

1       (b) NOTIFICATION.—Not later than September 1,  
2 2020, the Secretary of Homeland Security shall notify the  
3 Committee on Homeland Security of the House of Rep-  
4 resentatives and the Committee on Homeland Security  
5 and Governmental Affairs of the Senate if the Secretary  
6 determines to not extend the existence of the Homeland  
7 Security Academic Advisory Council.

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