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(Original Signature of Member)

119TH CONGRESS
2D SESSION

H. R. _____

To establish a program in the Department of Commerce to support expansion, modernization, and other improvements to critical and emerging technologies operations within the United States, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

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

A BILL

To establish a program in the Department of Commerce to support expansion, modernization, and other improvements to critical and emerging technologies operations within the United States, 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 “Industrial Bank for
5 American Manufacturing Act of 2026”.

1 **SEC. 2. ESTABLISHMENT OF INDUSTRIAL BANK FOR AMER-**
2 **ICAN MANUFACTURING.**

3 (a) IN GENERAL.—There is established in the Treas-
4 ury a fund, to be known as the “Industrial Bank for
5 American Manufacturing” (in this Act referred to as the
6 “Fund”) to be available to the Secretary of Commerce,
7 without subsequent appropriations, for purposes of car-
8 rying out the requirements of this Act.

9 (b) DEPOSITS.—Each fiscal year, there shall be de-
10 posited into the Fund not more than \$15,000,000,000, to
11 be derived as follows:

12 (1) 50 percent of the total amount collected in
13 revenues from tariffs imposed during a fiscal year
14 pursuant to the authority provided by section 301 of
15 the Trade Act of 1974 (19 U.S.C. 2411) on articles
16 originating from the People’s Republic of China.

17 (2) Such additional amounts as may be appro-
18 priated to the Fund.

19 (c) USES OF FUND.—Subject to section 3, the Sec-
20 retary of Commerce may use amounts in the Fund to pro-
21 vide direct loans, equity investments, or grants to covered
22 manufacturers to encourage such covered manufactur-
23 ers—

24 (1) to expand, modernize, or otherwise improve
25 operations within the United States—

1 (A) that promote the economic or techno-
2 logical security, industrial capacity, or national
3 security of the United States; and

4 (B) are in industries identified by the sec-
5 toral supply chain assessments submitted to the
6 President pursuant to section 4 of Executive
7 Order 14017 (86 Fed. Reg. 11849; titled
8 “America’s Supply Chains”) or industries iden-
9 tified by sectoral supply chain assessments sub-
10 mitted to the President pursuant to section
11 5(c); or

12 (2) to expand use and production of, and to fa-
13 cilitate the commercialization of, critical and emerg-
14 ing technologies.

15 (d) LIMITATION ON AWARD AMOUNTS.—

16 (1) MAXIMUM AWARD.—No single direct loan,
17 equity investment, or grant made to a covered man-
18 ufacturer from the Fund may exceed \$500,000,000.

19 (2) NOTIFICATION.—Not later than 15 days be-
20 fore making an award from the Fund that exceeds
21 \$100,000,000, the Secretary shall notify the appro-
22 priate committees of Congress of the determination
23 to make such an award.

24 (e) LOAN TERMS.—A loan from the Fund shall—

25 (1) have a term of not more than 25 years;

1 (2) have an interest rate determined by consid-
2 ering the costs of carrying out this Act and the costs
3 to the Department of the Treasury for obligations of
4 funds of comparable maturity on the date on which
5 the loan is made;

6 (3) be made only to a covered manufacturer
7 that the Secretary determines can reasonably repay
8 such loan; and

9 (4) includes adequate provisions to protect the
10 interest of the United States.

11 (f) BINDING AGREEMENT UPON AWARD.—The Sec-
12 retary shall enter into a binding agreement with a covered
13 manufacturer when making an award from the Fund that
14 shall include terms—

15 (1) requiring the covered manufacturer to fur-
16 nish records and other necessary information at the
17 request of the Secretary to review the compliance of
18 the covered manufacturer to terms of the agreement;

19 (2) detailing repayment terms, including terms
20 that allow for the recovery of assets in the event of
21 repayment delinquency or default; and

22 (3) requiring the revocation of unexpended
23 funds and a repayment of any award made by the
24 Fund in the event the Secretary determines the cov-
25 ered manufacturer has violated the agreement or

1 failed to furnish proof of compliance pursuant to
2 paragraph (1).

3 (g) **TERMINATION OF FUND.**—The authority of the
4 Secretary of Commerce to obligate amounts in the Fund
5 shall terminate on the date that is 10 years after the date
6 of the enactment of this Act. The unobligated balances
7 of all amounts made available to the Fund as of such date
8 shall be permanently rescinded.

9 **SEC. 3. MANUFACTURING AND CRITICAL AND EMERGING**
10 **TECHNOLOGIES ASSISTANCE PROGRAM.**

11 (a) **ELIGIBILITY FOR ASSISTANCE.**—A covered man-
12 ufacturer may only be eligible to apply for assistance
13 through the Fund established in section 2 if the covered
14 manufacturer certifies to the Secretary of Commerce con-
15 currently with an application for such assistance the fol-
16 lowing:

17 (1) The covered manufacturer has no out-
18 standing tax liabilities, pending civil or criminal ju-
19 dicial and administrative actions, or disputes under
20 adjudication by the National Labor Relations Board.

21 (2) None of the beneficial owners, if any, of the
22 covered manufacturer is a prohibited foreign entity.

23 (3) The covered manufacturer has a specific
24 plan to follow existing procurement policies with re-
25 spect to the assistance sought as implemented by the

1 core jobs mandate in section 2(a)(1) of the Export-
2 Import Bank Act of 1945 (12 U.S.C. 635(a)(1)).

3 (4) The covered manufacturer is not—

4 (A) organized under the laws of a foreign
5 country of concern or a nonmarket economy
6 country or of any jurisdiction within such a
7 country; or

8 (B) otherwise in a partnership with a pro-
9 hibited foreign entity.

10 (b) CONDITIONS ON ASSISTANCE.—With respect to
11 the period for which a covered manufacturer is seeking
12 assistance, the Secretary of Commerce shall require the
13 covered manufacturer to commit, for the duration of the
14 loan or equity investment or for a period of 10 years be-
15 ginning on the date of the first disbursement of a grant,
16 to each of the following as a condition for receiving such
17 assistance:

18 (1) The covered manufacturer will not use any
19 such assistance—

20 (A) to pay dividends or repurchase shares
21 of its own company;

22 (B) to support or expand activity or oper-
23 ations located in a foreign country of concern or
24 a nonmarket economy country; and

1 (C) to license technologies developed using
2 the assistance to entities outside the United
3 States;

4 (2) The covered manufacturer will adhere to the
5 prevailing wage requirement described in section
6 4(a) and to the apprentice requirement described in
7 section 4(b).

8 (3) The covered manufacturer will spend not
9 less than 1 percent of the total amount provided in
10 such assistance for the provision of employment and
11 training activity, customized training, or on-the-job
12 training for the employees associated with the cov-
13 ered manufacturer's use of funds or transfer an
14 equivalent amount to a local workforce development
15 board. Such training may include—

16 (A) occupational skills training;

17 (B) on-the-job training;

18 (C) programs that combine workplace
19 training with related instruction, which may in-
20 clude cooperative education programs;

21 (D) skill upgrading and retraining;

22 (E) entrepreneurial training;

23 (F) transitional jobs;

1 (G) job readiness training provided in com-
2 bination with services described in any of sub-
3 paragraph (A) through (F);

4 (H) adult education and literacy activities,
5 including activities of English language acquisi-
6 tion and integrated education and training pro-
7 grams, provided concurrently or in combination
8 with services described in any of subparagraph
9 (A) through (F); and

10 (I) customized training conducted with a
11 commitment by an employer or group of em-
12 ployers to employ an individual upon successful
13 completion of the training.

14 (4) The covered manufacturer will spend not
15 less than 0.5 percent of the total award adminis-
16 tered by the Fund for the provision of supportive
17 services for the employees associated with the cov-
18 ered manufacturer's use of funds.

19 (c) SMALL BUSINESS EXCEPTION.—A covered manu-
20 facturer that has fewer than 500 employees at the time
21 of receiving assistance under this Act shall be exempt from
22 the condition described in subsection (b)(1)(A).

23 (d) PRIORITIZATION AND ALLOCATION OF FUNDS.—
24 In providing assistance under this Act, the Secretary of
25 Commerce shall—

1 (1) prioritize awards to covered manufactur-
2 ers—

3 (A) that can demonstrate expected reduc-
4 tions in greenhouse gas intensity and other
5 emissions intensity through the operations for
6 which the covered manufacturer is seeking as-
7 sistance;

8 (B) that can demonstrate expected im-
9 provements to the efficiency of production;

10 (C) that are located in a metropolitan sta-
11 tistical area or non-metropolitan statistical area
12 which has experienced at least a 25 percent re-
13 duction in manufacturing employment between
14 the years of 2000 and 2023;

15 (D) that the Secretary of Commerce has
16 determined experienced injury from trade, in-
17 cluding based on—

18 (i) an injury that has been determined
19 to have occurred by the United States
20 International Trade Commission—

21 (I) in the course of an investiga-
22 tion by the Commission into dumping
23 or subsidization under section 701 or
24 731 of the Tariff Act of 1930 (19
25 U.S.C. 1671 and 1673); or

1 (II) under section 202(b) of the
2 Trade Act of 1974 (19 U.S.C.
3 2252(b)); or

4 (ii) an affirmative finding from the
5 United States Trade Representative pursu-
6 ant to authorities described in title III of
7 the Trade Act of 1974 (19 U.S.C. 2411 et
8 seq.);

9 (E) that plan to adopt neutrality regarding
10 unionization of the workforce of the funded
11 project;

12 (F) that plan to develop or redevelop a
13 brownfield or former industrial site; or

14 (G) that plan to purchase and use goods
15 and services for the funded activities that are
16 sourced from the United States of America;

17 (2) set aside 10 percent of the total amount
18 available in the Fund for each fiscal year for covered
19 manufacturers that are small business concerns (as
20 defined in section 3 of the Small Business Act (15
21 U.S.C. 632)); and

22 (3) set aside 10 percent of the total amount
23 available in the Fund for each fiscal year for covered
24 manufacturers that create, maintain, protect, ex-
25 pand, or restore domestic industrial base capabilities

1 essential for the national defense (as defined in 50
2 U.S.C. 4533).

3 (e) DEFINITIONS.—In this section:

4 (1) BENEFICIAL OWNER.—The term “beneficial
5 owner” has the meaning given such term under sec-
6 tion 5336 of title 31, United States Code (commonly
7 referred to as the “Corporate Transparency Act”).

8 (2) COVERED MANUFACTURER.—The term
9 “covered manufacturer” means a manufacturer for
10 which the principal place of business is located in
11 the United States.

12 (3) CRITICAL AND EMERGING TECHNOLOGY.—
13 The term “critical and emerging technology” means
14 any technology that is in a developmental stage or
15 that may be developed during the subsequent 10-
16 year period, any technology included in the Critical
17 and Emerging Technologies List published by the
18 White House’s National Science and Technology
19 Council in February 2024, or any successor docu-
20 ment to this list.

21 (4) FOREIGN COUNTRY OF CONCERN.—The
22 term “foreign country of concern” has the meaning
23 given such term in section 9901 of the William M.
24 (Mac) Thornberry National Defense Authorization
25 Act for Fiscal Year 2021 (15 U.S.C. 4651).

1 (5) GREENHOUSE GAS INTENSITY.—The term
2 “greenhouse gas intensity” means the ratio of green-
3 house gas emissions to economic output.

4 (6) LOCAL WORKFORCE DEVELOPMENT BOARD;
5 TRANSITIONAL JOBS.—The terms “local workforce
6 development board” and “transitional jobs” have the
7 meanings given those terms under the Workforce In-
8 novation and Opportunities Act (29 U.S.C. 3122).

9 (7) NONMARKET COUNTRY ECONOMY.—The
10 term “nonmarket country economy” has the meaning
11 given such term in section 771(18) of the Tariff Act
12 of 1930 (19 U.S.C. 1677(18)).

13 (8) PROHIBITED FOREIGN ENTITY.—The term
14 “prohibited foreign entity” has the meaning given
15 such term in section 7701 of the Internal Revenue
16 Code of 1986 (26 U.S.C. 7701(a)(51)(A)).

17 (9) REPURCHASE.—The term “repurchase” has
18 the meaning given that term under section 4501 of
19 the Internal Revenue Code of 1986 (26 U.S.C.
20 4501).

21 (10) SUPPORTIVE SERVICES.—The term “sup-
22 portive services” has the meaning given that term
23 under section 3 of the Workforce Innovation and
24 Opportunities Act (29 U.S.C. 3102).

1 **SEC. 4. PREVAILING WAGE AND APPRENTICESHIP RE-**
2 **QUIREMENTS.**

3 (a) PREVAILING WAGE REQUIREMENTS.—

4 (1) IN GENERAL.—The requirement described
5 in this subsection with respect to any qualified facil-
6 ity that is the recipient of assistance provided to a
7 covered manufacturer under the Fund, is that such
8 covered manufacturer shall ensure that any laborers
9 and mechanics employed by the covered manufac-
10 turer (or any contractor or subcontractor of the cov-
11 ered manufacturer) in the construction, alteration,
12 or repair of such facility, shall be paid wages at
13 rates not less than the prevailing rates for construc-
14 tion, alteration, or repair of a similar character in
15 the locality in which such facility is located as most
16 recently determined by the Secretary of Labor, in
17 accordance with subchapter IV of chapter 31 of title
18 40, United States Code.

19 (2) CORRECTION AND PENALTY RELATED TO
20 FAILURE TO SATISFY WAGE REQUIREMENTS.—

21 (A) IN GENERAL.—In the case of any cov-
22 ered manufacturer which fails to satisfy the re-
23 quirement under paragraph (1) with respect to
24 a qualified facility during any period for which
25 the assistance described in paragraph (1) was
26 provided by such covered manufacturer to such

1 qualified facility, such covered manufacturer
2 shall be deemed to have satisfied such require-
3 ment under such paragraph with respect to
4 such facility for such period if, with respect to
5 any laborer or mechanic who was paid wages at
6 a rate below the rate described in such para-
7 graph for such period, such covered manufac-
8 turer—

9 (i) makes payment to such laborer or
10 mechanic in an amount equal to the sum
11 of an amount equal to the difference be-
12 tween—

13 (I) the amount of wages paid to
14 such laborer or mechanic during such
15 period; and

16 (II) the amount of wages re-
17 quired to be paid to such laborer or
18 mechanic pursuant to such paragraph
19 during such period; plus

20 (ii) makes payment to the Secretary
21 of Commerce of a penalty in an amount
22 equal to the product of—

23 (I) \$5,000; multiplied by

24 (II) the total number of laborers
25 and mechanics who were paid wages

1 at a rate below the rate described in
2 paragraph (1) for such period.

3 (B) INTENTIONAL DISREGARD.—If the
4 Secretary of Commerce determines that any
5 failure described in subparagraph (A) is due to
6 intentional disregard of the requirements of
7 paragraph (1), such subparagraph shall be ap-
8 plied—

9 (i) in clause (i)(I), by substituting
10 “three times the sum” for “the sum”; and

11 (ii) in clause (i)(II)(aa), by sub-
12 stituting “\$10,000” for “5,000?”.

13 (C) LIMITATION ON PERIOD FOR PAY-
14 MENT.—Pursuant to rules issued by the Sec-
15 retary of Commerce, in the case of a final de-
16 termination by the Secretary with respect to
17 any failure by the covered manufacturer to sat-
18 isfy the requirement of paragraph (1), para-
19 graph (2)(A) shall not apply unless the pay-
20 ments described in clause (i) and (ii) of such
21 paragraph (2)(A) are made by the covered man-
22 ufacturer on or before the date which is 180
23 days after the date of such determination.

24 (b) APPRENTICESHIP REQUIREMENTS.—The appren-
25 ticeship requirements described in this subsection with re-

1 spect to the construction of any qualified facility are as
2 follows:

3 (1) LABOR HOURS.—

4 (A) PERCENTAGE OF TOTAL LABOR
5 HOURS.—Covered manufacturers shall ensure
6 that, with respect to the construction of any
7 qualified facility, not less than the applicable
8 percentage of the total labor hours of the con-
9 struction, alteration, or repair work (including
10 such work performed by any contractor or sub-
11 contractor) with respect to such facility shall,
12 subject to subparagraph (B), be performed by
13 qualified apprentices.

14 (B) APPLICABLE PERCENTAGE.—For pur-
15 poses of subparagraph (A), the applicable per-
16 centage shall be—

17 (i) in the case of a qualified facility
18 the construction of which begins before
19 January 1, 2027, 10 percent;

20 (ii) in the case of a qualified facility
21 the construction of which begins after De-
22 cember 31, 2026, and before January 1,
23 2028, 12.5 percent; and

1 (iii) in the case of a qualified facility
2 the construction of which begins after De-
3 cember 31, 2027, 15 percent.

4 (2) APPRENTICE TO JOURNEYWORKER RATIO.—
5 The requirement under paragraph (1)(A) shall be
6 subject to any applicable requirements for appren-
7 tice-to-journeyworker ratios of the Department of
8 Labor or the applicable State apprenticeship agency.

9 (3) PARTICIPATION.—Each covered manufac-
10 turer, contractor, or subcontractor who employs 4 or
11 more individuals to perform construction, alteration,
12 or repair work with respect to the construction of a
13 qualified facility shall employ 1 or more qualified ap-
14 prentices to perform such work.

15 (4) EXCEPTION.—

16 (A) IN GENERAL.—A covered manufac-
17 turer shall not be treated as failing to satisfy
18 the requirements of this subsection if such cov-
19 ered manufacturer—

20 (i) satisfies the requirements de-
21 scribed in subparagraph (B); or

22 (ii) subject to subparagraph (C), in
23 the case of any failure by the covered man-
24 ufacturer to satisfy the requirement under
25 paragraphs (1) and (3) with respect to the

1 construction, alteration, or repair work on
2 any qualified facility to which subclause (I)
3 does not apply, makes payment to the Sec-
4 retary of a penalty in an amount equal to
5 the product of—

6 (I) \$50; multiplied by

7 (II) the total labor hours for
8 which the requirement described in
9 such subparagraph was not satisfied
10 with respect to the construction, alter-
11 ation, or repair work on such qualified
12 facility.

13 (B) GOOD FAITH EFFORT.—For purposes
14 of subparagraph (A), a covered manufacturer
15 shall be deemed to have satisfied the require-
16 ments under this paragraph with respect to a
17 qualified facility if such covered manufacturer
18 has requested qualified apprentices from a reg-
19 istered apprenticeship program, and—

20 (i) such request has been denied, pro-
21 vided that such denial is not the result of
22 a refusal by the covered manufacturer (or
23 any contractors or subcontractors engaged
24 in the performance of construction, alter-
25 ation, or repair work with respect to such

1 qualified facility) to comply with the estab-
2 lished standards and requirements of the
3 registered apprenticeship program; or

4 (ii) the registered apprenticeship pro-
5 gram fails to respond to such request with-
6 in 5 business days after the date on which
7 such registered apprenticeship program re-
8 ceived such request.

9 (C) INTENTIONAL DISREGARD.—If the
10 Secretary of Commerce determines that any
11 failure described in subparagraph (A)(ii) is due
12 to intentional disregard of the requirements
13 under paragraphs (1) and (3), subparagraph
14 (A)(ii)(I) shall be applied by substituting
15 “\$500” for “\$50”.

16 (c) DEFINITIONS.—In this section:

17 (1) FUND.—The term “Fund” means the Fund
18 established under section 2.

19 (2) LABOR HOURS.—The term “labor hours”—

20 (A) means the total number of hours de-
21 voted to the performance of construction, alter-
22 ation, or repair work by any individual em-
23 ployed by the covered manufacturer or by any
24 contractor or subcontractor; and

25 (B) excludes any hours worked by—

- 1 (i) foremen;
- 2 (ii) superintendents;
- 3 (iii) owners; or
- 4 (iv) persons employed in a bona fide
- 5 executive, administrative, or professional
- 6 capacity (within the meaning of those
- 7 terms in part 541 of title 29, Code of Fed-
- 8 eral Regulations).

9 (3) QUALIFIED APPRENTICE.—The term “quali-
10 fied apprentice” means an individual who is em-
11 ployed by the covered manufacturer or by any con-
12 tractor or subcontractor and who is participating in
13 a registered apprenticeship program.

14 (4) QUALIFIED FACILITY.—The term “qualified
15 facility” means a facility that is the recipient of as-
16 sistance provided to a covered manufacturer under
17 the Fund.

18 (5) REGISTERED APPRENTICESHIP PROGRAM.—
19 The term “registered apprenticeship program”
20 means an apprenticeship registered under the Act of
21 August 16, 1937 (commonly known as the “National
22 Apprenticeship Act”; 50 Stat. 664, chapter 663; 29
23 U.S.C. 50 et seq.) that meets the standards of sub-
24 part A of part 29 and part 30 of title 29, Code of
25 Federal Regulations.

1 **SEC. 5. REPORTS.**

2 (a) TO CONGRESS.—

3 (1) IN GENERAL.—The Secretary of Commerce
4 shall submit to Congress a report on the effects of
5 the Fund established under section 2(a)—

6 (A) not later than 2 years after the estab-
7 lishment of such fund and annually thereafter
8 until the termination date in section 2(g); and

9 (B) not later than 9 years after the estab-
10 lishment of such fund, if it is the determination
11 of the Secretary that such termination date
12 should be extended, including a recommenda-
13 tion on such extension.

14 (2) CONTENTS.—The reports required under
15 paragraph (1) shall also include an analysis of the
16 effects of the Fund on the following:

17 (A) Rebuilding the capacity and security of
18 production in critical capabilities in the United
19 States.

20 (B) Derisking supply chains from non-
21 market economies.

22 (C) Reducing reliance of the United States
23 supply chain on nonmarket economies.

24 (D) Improving the stability and resilience
25 of sectoral supply chains identified in section
26 2(c)(1)(B).

1 (E) Local economies and the national
2 economy.

3 (b) PUBLIC REPORTING.—The Secretary of Com-
4 merce shall maintain a single, searchable website, acces-
5 sible by the public without fees or other access costs, that
6 includes for each award made by the Fund—

7 (1) the name, location, and the primary location
8 of activities performed under the award, including
9 the city, State, congressional district, and country of
10 the covered manufacturer receiving the award;

11 (2) the type and amount of the award;

12 (3) information on the award including trans-
13 action type, the North American Industry Classifica-
14 tion System code or Catalog of Federal Domestic
15 Assistance number (where applicable), program
16 source, and an award title descriptive of the purpose
17 of each funding action;

18 (4) information on the uses of awarded funds
19 by the covered manufacturer;

20 (5) a unique identifier of the entity receiving
21 the award and of the parent entity of the recipient,
22 should the entity be owned by another entity

23 (6) the number of jobs created and retained by
24 the covered manufacturer directly associated with an
25 award from the Fund; and

1 (7) any other relevant information specified by
2 the Secretary.

3 (c) ASSESSMENTS.—Not later than 2 years after the
4 establishment of the Fund, and biennially thereafter until
5 the termination date of the Fund under section 2(g), the
6 Secretary of Commerce, the Secretary of Energy, the Sec-
7 retary of Defense, and the Secretary of Health and
8 Human Services shall update and submit to the President,
9 through the Secretary of Commerce, the sectoral supply
10 chain assessments required by section 4 of Executive
11 Order 14017 (86 Fed. Reg. 11849; titled “America’s Sup-
12 ply Chains”). The Secretary of Commerce may adjust the
13 scope of these reports as determined necessary.