




**Army Alliance, Inc.**

# **CFIUS and Defense Communities**



**Defense Communities National Summit  
March 6, 2023**



# What is CFIUS?

- **Committee of Foreign Investment in the United States**
  - Interagency committee authorized to review certain transactions involving foreign investment in the United States and certain real estate transactions by foreign persons, in order to determine the effect of such transactions on the national security of the United States.
  - **Departments of the Treasury** (chair), Justice, Homeland Security, Commerce, Defense, State, and Energy; Office of the U.S. Trade Representative; Office of Science & Technology Policy; plus several office of the White House
- **Section 721 of the Defense Production Act of 1950, as amended (section 721), Executive Order 11858, as amended, and chapter VIII of title 31 of the Code of Federal Regulations.**



# Reform & Modernization

- Foreign Investment Risk Review Modernization Act of 2018 (FIRRMA)
- FIRRMA broadens the purview of CFIUS:
  - (1) a purchase, lease, or concession by or to a foreign person of real estate located in proximity to sensitive government facilities;
  - (2) “other investments” in certain U.S. businesses that afford a foreign person access to material nonpublic technical information
  - (3) any change in a foreign investor’s rights resulting in foreign control of a U.S. business or an “other investment” in certain U.S. businesses
  - (4) any other transaction, transfer, agreement, or arrangement designed to circumvent CFIUS jurisdiction



# Executive Order 14083

- **September 15, 2022**
- **Evolving national security threat landscape**
- **New issues to be considered under CFIUS review**
  - **Supply chain resiliency**
  - **US technological leadership: microelectronics, AI, biotechnology and biomanufacturing quantum computing, advanced clean energy, climate adaption technologies, critical materials and elements of the agricultural industry base**
  - **Specific national security risks related to aggregate industry investment trends, cybersecurity, and U.S. persons' sensitive data**
- **Increased focus on aggregate industrial investment, cybersecurity, and sensitive data**



# Real Estate Transactions

- COVERED REAL ESTATE (31 C.F.R. PART 802)
- Focused on transactions meeting certain criteria and that are in and/or around specific airports, maritime ports, or military installations
- Relevant military installations listed by name and location in Appendix A
- [CFIUS Real Estate Instructions \(Part 802\) | U.S. Department of the Treasury](#)



# What can we do?

- Ensure encroachment discussions include understanding of the national security concerns of certain kind of foreign investment around our installations
- Need to educate local and state about this issue and ensure that through planning and zoning that they are asking question to determine if there is foreign investment in a transaction
- Contact CFIUS through online public tip line
  - [Committee on Foreign Investment in the United States \(CFIUS\) | U.S. Department of the Treasury](#)

# WE ARE HERE TO SUPPORT!!

## Army Alliance, Inc.

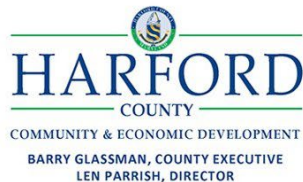
2021 Pulaski Highway, Suite D,  
Havre de Grace, MD 21078

[jill.mcclune@avon-protection.com](mailto:jill.mcclune@avon-protection.com)

[www.armyalliance.org](http://www.armyalliance.org)



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