

118TH CONGRESS
2D SESSION

S. 3863

To clarify the country of origin of certain passenger motor vehicles.

IN THE SENATE OF THE UNITED STATES

MARCH 5, 2024

Mr. RUBIO introduced the following bill; which was read twice and referred
to the Committee on Finance

A BILL

To clarify the country of origin of certain passenger motor
vehicles.

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 “Closing Auto Tariffs
5 Loopholes Act”.

6 **SEC. 2. CLARIFICATION OF COUNTRY OF ORIGIN OF CER-**
7 **TAIN PASSENGER MOTOR VEHICLES.**

8 (a) IN GENERAL.—On and after the date that is 180
9 days after the date of the enactment of this Act, any arti-
10 cle classified under heading 8703 of the Harmonized Tar-
11 iff Schedule of the United States and produced, manufac-

1 tured, or that underwent final assembly by a foreign ad-
 2 versary party or an entity owned, controlled, directed, or
 3 operated by a foreign adversary party shall be treated as
 4 originating in the foreign adversary.

5 (b) DEFINITIONS.—In this section:

6 (1) CONTROL.—The term “control” has the
 7 meaning given that term in section 800.208 of title
 8 31, Code of Federal Regulations (as in effect on the
 9 date of the enactment of this Act).

10 (2) ENTITY OWNED, CONTROLLED, DIRECTED,
 11 OR OPERATED BY A FOREIGN ADVERSARY PARTY.—
 12 The term “entity owned, controlled, directed, or op-
 13 erated by a foreign adversary party” includes any
 14 entity for which, on any date during the most recent
 15 12-month period, not less than 25 percent of the eq-
 16 uity interests in such entity are held directly or indi-
 17 rectly by 1 or more foreign adversary parties includ-
 18 ing through—

19 (A) interests in co-investment vehicles,
 20 joint ventures, or similar arrangements; or

21 (B) a derivative financial instrument or
 22 contractual arrangement between the entity and
 23 a foreign adversary party, including any such
 24 instrument or contract that seeks to replicate

1 any financial return with respect to such entity
 2 or interest in such entity.

3 (3) FOREIGN ADVERSARY.—The term “foreign
 4 adversary” means any of the following:

5 (A) The People’s Republic of China.

6 (B) The Russian Federation.

7 (C) The Islamic Republic of Iran.

8 (D) The Democratic People’s Republic of
 9 Korea.

10 (E) The Republic of Cuba.

11 (F) Venezuela, while Nicolás Maduro is the
 12 president.

13 (G) The Syrian Arab Republic.

14 (4) FOREIGN ADVERSARY PARTY.—

15 (A) IN GENERAL.—The term “foreign ad-
 16 versary party” means any of the following:

17 (i) The government of a foreign ad-
 18 versary, including any agency, government
 19 instrumentality, official, or agent of such a
 20 government.

21 (ii) Any entity organized under the
 22 laws of a foreign adversary (or any polit-
 23 ical subdivision thereof).

24 (iii) Any entity the headquarters of
 25 which is located within a foreign adversary.

1 (B) INCLUSION OF CERTAIN ENTITIES OF
2 THE PEOPLE’S REPUBLIC OF CHINA.—The term
3 “foreign adversary party” includes any entity
4 substantively involved in the industrial policies
5 or military-civil fusion strategy of the People’s
6 Republic of China, including by accepting fund-
7 ing from, performing a service for, or receiving
8 a subsidy from the People’s Republic of China
9 related to such policies or strategy.

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