

119<sup>TH</sup> CONGRESS  
2<sup>D</sup> SESSION

# H. R. 5248

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## AN ACT

To ensure the alignment of economic and foreign policies, to position the Department of State to reflect that economic security is national security, 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,*

1 **SECTION 1. SHORT TITLE; TABLE OF CONTENTS.**

2 (a) SHORT TITLE.—This Act may be cited as the  
3 “Producing Returns and Opportunity for Investment and  
4 Trade Act of 2026” or the “PROFIT Act of 2026”.

5 (b) TABLE OF CONTENTS.—The table of contents for  
6 this Act is as follows:

- Sec. 1. Short title; table of contents.
- Sec. 2. Definitions.
- Sec. 3. Under Secretary of State for Economic Growth, Energy, and the Environment.
- Sec. 4. Administration of the International Technology Security and Innovation Fund.
- Sec. 5. Assistant Secretary for Sanctions Policy.
- Sec. 6. Chief Economist.
- Sec. 7. Assistant Secretary for Economic and Business Affairs.
- Sec. 8. Enhancing subnational diplomacy.
- Sec. 9. Energy security and diplomacy.
- Sec. 10. Assistant Secretary for Water, Environment, and Space Affairs.
- Sec. 11. Strengthening economic expertise at the Department of State.
- Sec. 12. References.
- Sec. 13. Energy diplomacy.

7 **SEC. 2. DEFINITIONS.**

8 In this Act:

9 (1) APPROPRIATE CONGRESSIONAL COMMIT-  
10 TEES.—The term “appropriate congressional com-  
11 mittees” means—

12 (A) the Committee on Foreign Affairs and  
13 the Committee on Appropriations of the House  
14 of Representatives; and

15 (B) the Committee on Foreign Relations  
16 and the Committee on Appropriations of the  
17 Senate.

1           (2) DEPARTMENT; SECRETARY.—The terms  
2           “Department” and “Secretary” mean the Depart-  
3           ment of State and the Secretary of State, respec-  
4           tively.

5 **SEC. 3. UNDER SECRETARY OF STATE FOR ECONOMIC**  
6           **GROWTH, ENERGY, AND THE ENVIRONMENT.**

7           Section 1(b) of the State Department Basic Authori-  
8 ties Act of 1956 (22 U.S.C. 2651a(b)) is amended by—

9           (1) redesignating paragraphs (2) through (6) as  
10          paragraphs (3) through (7) respectively; and

11          (2) by inserting after paragraph (1) the fol-  
12          lowing:

13               “(2) UNDER SECRETARY OF STATE FOR ECO-  
14               NOMIC GROWTH, ENERGY, AND THE ENVIRON-  
15               MENT.—

16                       “(A) ESTABLISHMENT.—There shall be in  
17                       the Department an Under Secretary of State  
18                       for Economic Growth, Energy, and the Envi-  
19                       ronment who shall be responsible to the Sec-  
20                       retary.

21                       “(B) RESPONSIBILITIES.—The Under Sec-  
22                       retary of State for Economic Growth, Energy,  
23                       and the Environment shall maintain continuous  
24                       observation and coordination of all matters per-  
25                       taining to economic and business affairs in the

1           conduct of foreign policy, including, as appro-  
2           priate, the following:

3                   “(i) Preparing an annual strategic  
4                   plan for expanding opportunities for  
5                   United States private sector companies in  
6                   international markets, coordinating the use  
7                   of sanctions to achieve national security  
8                   objectives, promoting international trade  
9                   and investment, developing international  
10                  policies around new and emerging tech-  
11                  nologies, ensuring United States leadership  
12                  in science and technology, protecting nat-  
13                  ural resources, and promoting United  
14                  States energy interests.

15                  “(ii) Developing policies for consider-  
16                  ation by the Secretary to promote eco-  
17                  nomic growth, facilitate market access, cre-  
18                  ate business enabling environments abroad,  
19                  expand trade and investment opportunities  
20                  for United States companies, promote  
21                  United States energy exports and energy  
22                  security, conserve and manage economi-  
23                  cally important ecosystems and resources,  
24                  expand access to critical minerals abroad,  
25                  support United States civil and commercial

1 space governance, promote international  
2 standards, policies, and best practices for  
3 emerging technology that facilitate United  
4 States economic growth, and safeguard the  
5 preeminence of the United States dollar in  
6 international markets.

7 “(iii) Promoting United States inter-  
8 national economic interests to be addressed  
9 in the Biannual National Economic Secu-  
10 rity Strategy Report, coordinated by the  
11 Office of the Chief Economist.

12 “(iv) Attending and participating in  
13 meetings of the National Security Council,  
14 and National Space Council, when applica-  
15 ble, at the direction of the Secretary, for  
16 matters related to economic growth, en-  
17 ergy, and commercial expansion, commer-  
18 cial outer space affairs, oceans, science and  
19 technology developments, natural resource  
20 protection, and fulfill the role of Foreign  
21 Affairs Sous Sherpa relating to the activi-  
22 ties of the Group of Seven Industrial Na-  
23 tions (G-7).

24 “(v) Providing guidance to Depart-  
25 ment personnel in the United States and

1 overseas who conduct or implement poli-  
2 cies, programs, and activities related to  
3 economic growth, energy, and commercial  
4 expansion, science and technology affairs,  
5 natural resource conservation, and civil  
6 and commercial activities in outer space.

7 “(vi) Coordinating activities related to  
8 promoting economic growth, facilitating  
9 market access, creating business enabling  
10 environments abroad, expanding trade and  
11 investment opportunities, promoting of en-  
12 ergy exports, conserving and managing  
13 economically important ecosystems and re-  
14 sources, expanding access to critical min-  
15 erals, maintaining United States leadership  
16 in science, technology, and outer space,  
17 and safeguarding the preeminence of the  
18 United States dollar in international mar-  
19 kets.

20 “(vii) As directed by the Secretary,  
21 representing the Department at inter-  
22 departmental meetings including the Na-  
23 tional Economic Council, Homeland Secu-  
24 rity Council, Council on Environmental  
25 Quality, and in providing policy advice to

1                   the Secretary on matters under consider-  
2                   ation by these groups.”.

3                   (3) redesignating paragraphs (2) through (6) as  
4                   paragraphs (3) through (7);

5 **SEC. 4. ADMINISTRATION OF THE INTERNATIONAL TECH-**  
6 **NOLOGY SECURITY AND INNOVATION FUND.**

7                   Section 102(e) of the CHIPS Act of 2022 (Public  
8 Law 117–167; 136 Stat. 1375) is amended—

9                   (1) in paragraph (1)—

10                   (A) by inserting “, acting through the  
11                   Under Secretary of State for Economic Growth,  
12                   Energy, and the Environment” after “Secretary  
13                   of State”; and

14                   (B) by adding at the end the following:  
15                   “Within the Department of State, the Fund  
16                   shall be overseen and administered by the  
17                   Under Secretary of State for Economic Growth,  
18                   Energy, and the Environment.”.

19                   (2) in paragraph (2)(B), by inserting “, acting  
20                   through the Under Secretary of State for Economic  
21                   Growth, Energy, and the Environment” after “Sec-  
22                   retary of State”.

1 **SEC. 5. ASSISTANT SECRETARY FOR SANCTIONS POLICY.**

2 Section 1 of the State Department Basic Authorities  
3 Act of 1956 (22 U.S.C. 2651a) is amended by striking  
4 subsection (l) and inserting the following new subsection:

5 “(l) ASSISTANT SECRETARY AND BUREAU FOR SANC-  
6 TIONS POLICY.—

7 “(1) ESTABLISHMENT.—There is authorized to  
8 be in the Department an Assistant Secretary for  
9 Sanctions Policy, who shall be responsible to the  
10 Under Secretary of State for Economic Growth, En-  
11 ergy, and the Environment for matters pertaining to  
12 the development of policies governing the imposition  
13 of sanctions, in consultation with the Under Sec-  
14 retary of State for International Security Affairs  
15 and the Assistant Secretary for Arms Control and  
16 Nonproliferation as appropriate, and such other re-  
17 lated duties as the Secretary may from time to time  
18 designate.

19 “(2) RESPONSIBILITIES.—In addition to the re-  
20 sponsibilities described under paragraph (1), the As-  
21 sistant Secretary for Sanctions Policy shall maintain  
22 continuous observation and coordination of all mat-  
23 ters pertaining to the development and implementa-  
24 tion of sanctions policies as part of United States  
25 diplomatic strategies in the conduct of foreign policy,  
26 including, as appropriate, the following:

1           “(A) Developing the foreign policy strategy  
2 of United States sanctions programs, including  
3 consideration of the use of sanctions in com-  
4 bination with other United States foreign policy  
5 tools and the political and economic implica-  
6 tions of sanction policies.

7           “(B) Coordinating the effective implemen-  
8 tation and enforcement of sanctions, including  
9 all activities, policies, and programs pertaining  
10 to sanctions within the Department.

11           “(C) Coordinating sanctions policy with  
12 foreign partners and allies to ensure the max-  
13 imum effectiveness of sanctions imposed by the  
14 United States and such allies and partners.

15           “(D) Consulting regularly with a broad  
16 range of stakeholders on the implications of  
17 United States sanctions policy for United  
18 States economic interests.

19           “(E) Contributing to the reports to Con-  
20 gress produced by the Chief Economist.

21           “(F) Leading the Department’s efforts to  
22 identify and designate individuals for visa sanc-  
23 tions related to human rights violations.

24           “(G) Developing policies and programs, in  
25 coordination with the Department of the Treas-

1           ury and other Federal departments and agen-  
2           cies as necessary and with foreign partners, to  
3           combat money laundering, terrorist financing,  
4           cybercrimes, and other illicit financial activities.

5           “(H) Representing the Department in all  
6           interagency groups or organizations within the  
7           executive branch that plan, assess, analyze, or  
8           review United States sanctions policies, such as  
9           interagency groups organized under the aus-  
10          pices of the Department of Treasury, the De-  
11          partment of Commerce, and the Department of  
12          Homeland Security.

13          “(I) Performing such other duties as the  
14          Under Secretary of State for Economic Growth,  
15          Energy, and the Environment may from time to  
16          time designate.

17          “(3) REDELEGATION OF AUTHORITY.—The  
18          Secretary may delegate, or authorize successive re-  
19          delegation of, authority to the Assistant Secretary  
20          for Sanctions Policy to act and to render decisions,  
21          with respect to all sanctions policies administered by  
22          the Department. Within the limitations of such dele-  
23          gations, redelegations, or assignments, all official  
24          acts and decisions by the Assistant Secretary for

1 Sanctions Policy shall have the same force and effect  
2 as though performed or rendered by the Secretary.

3 “(4) FIRST APPOINTMENT.—On the date of the  
4 enactment of this Act, the individual serving before  
5 such date of enactment as the Coordinator for Sanc-  
6 tions shall be the Assistant Secretary for Sanctions  
7 Policy. Any subsequent appointment of an individual  
8 to the position of Assistant Secretary for Sanctions  
9 Policy shall be subject to the advice and consent of  
10 the Senate.

11 “(5) ESTABLISHMENT.—The Secretary shall es-  
12 tablish a Bureau of Sanctions Policy, which shall  
13 perform such functions related to the development of  
14 policies governing the imposition of sanctions and  
15 sanctions strategies, as the Under Secretary of State  
16 for Economic Growth, Energy, and the Environment  
17 may prescribe.

18 “(6) ASSISTANT SECRETARY.—The Assistant  
19 Secretary for Sanctions Policy shall be the head of  
20 the Bureau of Sanctions Policy.”

21 **SEC. 6. CHIEF ECONOMIST.**

22 Section 1 of the State Department Basic Authorities  
23 Act of 1956 (22 U.S.C. 2651a), as amended by section  
24 7, is further amended—

1           (1) by redesignating subsections (j) through (q)  
2 as subsections (l) through (r), respectively; and

3           (2) by inserting after subsection (i) the fol-  
4 lowing new subsection:

5           “(j) OFFICE OF THE CHIEF ECONOMIST WITHIN THE  
6 DEPARTMENT OF STATE; CHIEF ECONOMIST AS HEAD OF  
7 THE OFFICE; PERSONNEL WITHIN THE OFFICE.—

8           “(1) ESTABLISHMENT.—There is authorized to  
9 be in the Department a Chief Economist who shall  
10 be responsible to the Under Secretary of State for  
11 Economic Growth, Energy, and the Environment for  
12 matters pertaining to analyzing and forecasting the  
13 impact of economic trends on diplomatic functions  
14 and national security priorities, and such other re-  
15 lated duties as the Secretary may from time to time  
16 designate.

17           “(2) RESPONSIBILITIES.—In addition to the re-  
18 sponsibilities described under paragraph (1), the  
19 Chief Economist shall provide research and analysis  
20 to inform the Department’s strategy for deploying  
21 international economic policy to strengthen alliances,  
22 deter malign foreign actors, and reduce dependencies  
23 on strategic rivals in the conduct of foreign policy,  
24 including, as appropriate, the following:

1           “(A) Providing research and analysis to in-  
2 form the development of the Department’s  
3 strategy for deploying foreign policy to ensure  
4 supply chain resilience, secure access to raw  
5 materials and critical minerals, and maximize  
6 international market access.

7           “(B) Providing analysis of complex, emerg-  
8 ing geoeconomic issues and offer advice to De-  
9 partment leadership on economic diplomacy  
10 challenges.

11           “(C) Conducting research and rigorous,  
12 data-driven analysis of high priority issues at  
13 the intersection of economics and foreign policy  
14 to inform decision-making and diplomatic en-  
15 engagements by senior Department officials.

16           “(D) Maintaining analytical products for  
17 the Department on international economic  
18 issues, including on sanctions evasion and the  
19 vulnerabilities of the United States and its  
20 partners to economic coercion, as well as the  
21 economic opportunities for United States busi-  
22 nesses.

23           “(E) Contributing to the expansion of the  
24 economic expertise of the Department through  
25 collaboration with the Foreign Service Institute,

1 the academic community, international organi-  
2 zations, and other Federal departments and  
3 agencies the Chief Economist determines nec-  
4 essary.

5 “(F) Serving as a liaison to technical ex-  
6 perts in economics and related fields in partner  
7 governments, international institutions, and  
8 elsewhere in the United States government and  
9 academic community.

10 “(G) Performing such other duties as the  
11 Under Secretary of State for Economic Growth,  
12 Energy, and the Environment may from time to  
13 time designate.

14 “(3) REPORT.—Not later than 1 year after the  
15 date of the enactment of this subsection, and every  
16 2 years for the subsequent four years, the Chief  
17 Economist shall transmit to Congress a report on  
18 the international economic strategy of the United  
19 States and its analytical basis. In preparing the re-  
20 port, the Chief Economist shall coordinate input and  
21 analysis from other bureaus within the Under Sec-  
22 retary of State for Economic Growth, Energy, and  
23 the Environment.

24 “(4) OFFICE.—The Secretary shall establish an  
25 Office of the Chief Economist, which shall perform

1 such functions related to the provision of expert eco-  
2 nomic advice and analysis, as the Under Secretary  
3 of State for Economic Growth, Energy, and the En-  
4 vironment may prescribe.

5 “(5) CHIEF ECONOMIST.—The Chief Economist  
6 shall be the head of the Office of the Chief Econo-  
7 mist.

8 “(6) PERSONNEL OF THE OFFICE OF THE  
9 CHIEF ECONOMIST.—

10 “(A) IN GENERAL.—The Office of the  
11 Chief Economist shall include—

12 “(i) the Chief Economist, shall be a  
13 member of the Senior Executive Service or  
14 its equivalent, should have a doctorate in  
15 Economics, and at least 5 years of experi-  
16 ence working at the intersection of policy  
17 and international economics in the private  
18 or public sectors;

19 “(ii) not fewer than 6 and not more  
20 than 12 full-time Civil Service officers, not-  
21 withstanding the limitations provided  
22 under section 501 of the Foreign Service  
23 Act of 1980 (22 U.S.C. 3981), at the GS-  
24 15 level or below;

1 “(iii) one full-time Foreign Service  
2 Officer, notwithstanding such limitations,  
3 at the FS-01 level or below; and

4 “(iv) time-limited detailees from other  
5 offices of the Department or of other Fed-  
6 eral departments or agencies, on a mutu-  
7 ally agreeable, non-reimbursable basis.

8 “(B) CONTRACTORS.—The Office of the  
9 Chief Economist shall have maximum con-  
10 tracting flexibility, including—

11 “(i) personal services contracting au-  
12 thority authorized under section 2 of the  
13 State Department Basic Authorities Act of  
14 1956 (22 U.S.C. 2669), for domestic posi-  
15 tions; and

16 “(ii) other transaction authority au-  
17 thorized under section 701 of the Foreign  
18 Service Act of 1980 (22 U.S.C. 4021), to  
19 adopt innovative technology and data ana-  
20 lytics in its research.”.

21 **SEC. 7. ASSISTANT SECRETARY FOR ECONOMIC AND BUSI-**  
22 **NESS AFFAIRS.**

23 Section 1(c) of the State Department Basic Authori-  
24 ties Act of 1956 (22 U.S.C. 2651a(c)) is amended by

1 striking paragraph (4) and inserting the following new  
2 paragraph:

3           “(4) ASSISTANT SECRETARY AND BUREAU FOR  
4           ECONOMIC AND BUSINESS AFFAIRS.—

5                   “(A) ESTABLISHMENT.—There is author-  
6           ized to be in the Department an Assistant Sec-  
7           retary for Economic and Business Affairs who  
8           shall be responsible to the Under Secretary of  
9           State for Economic Growth, Energy, and the  
10          Environment for matters pertaining to the  
11          trade and investment promotion and policy,  
12          international finance and development, trans-  
13          portation affairs, and such other related duties  
14          as the Secretary may from time to time des-  
15          ignate.

16                   “(B) RESPONSIBILITIES.—In addition to  
17          the responsibilities described under subpara-  
18          graph (A), the Assistant Secretary for Eco-  
19          nomic and Business Affairs shall be responsible  
20          for leading Department policies and programs,  
21          and coordinating with other United States  
22          agencies as appropriate, for all matters per-  
23          taining to the following:

24                           “(i) Trade and investment promotion,  
25                           such as—

1           “(I) assisting and advocating for  
2 United States businesses and commer-  
3 cial interests overseas;

4           “(II) identifying foreign market  
5 opportunities for United States busi-  
6 nesses and helping United States  
7 firms overcome challenges in foreign  
8 business climates;

9           “(III) helping United States com-  
10 panies compete for and win contracts  
11 in foreign markets;

12           “(IV) attracting foreign invest-  
13 ment into the United States by identi-  
14 fying high potential businesses in for-  
15 eign countries;

16           “(V) ensuring United States pri-  
17 vate sector concerns are integrated  
18 into United States foreign policy and  
19 economic policy; and

20           “(VI) promoting international  
21 commercial projects that advance the  
22 national security interests of the  
23 United States, regardless of domestic  
24 content thresholds.

1           “(ii) International trade policy, in-  
2           cluding negotiating and implementing  
3           trade agreements, resolving trade disputes,  
4           bolstering supply chain resilience, and pro-  
5           tecting intellectual property rights.

6           “(iii) International investment policy,  
7           including monitoring international invest-  
8           ment climates, negotiating and imple-  
9           menting investment agreements, rep-  
10          resenting the Department in the Com-  
11          mittee on Foreign Investment in the  
12          United States, and assisting United States  
13          companies involved in investment disputes  
14          with foreign governments.

15          “(iv) Development finance, including  
16          the mobilization of private, bilateral, and  
17          multilateral development finance for devel-  
18          oping countries, particularly investments  
19          focused on infrastructure projects.

20          “(v) The negotiation and extension of  
21          debt relief and sovereign loan guarantees  
22          for United States allies and partners.

23          “(vi) The promotion of sound, trans-  
24          parent, and stable economic policies over-  
25          seas.

1                   “(vii) Perform such other duties as  
2                   the Under Secretary of State for Economic  
3                   Growth, Energy, and the Environment  
4                   may from time to time designate.”.

5 **SEC. 8. ENHANCING SUBNATIONAL DIPLOMACY.**

6           Section 1 of the State Department Basic Authorities  
7 Act of 1956 (22 U.S.C. 2651a), as amended by section  
8 8, is further amended by inserting the after subsection (j)  
9 following new subsection:

10           “(k) OFFICE OF SUBNATIONAL DIPLOMACY WITHIN  
11 THE DEPARTMENT OF STATE; COORDINATOR AS HEAD  
12 OF THE OFFICE; LOCATION OF THE OFFICE.—

13                   “(1) ESTABLISHMENT.—There shall be estab-  
14                   lished in the Department an Office of Subnational  
15                   Diplomacy. The Office shall enable the Department’s  
16                   work with subnational governments (State, county,  
17                   city, and municipal) within the United States to im-  
18                   prove the ability of subnational governments to at-  
19                   tract foreign investment, counter foreign malign in-  
20                   fluence within the United States, and contribute to  
21                   the foreign policy priorities of the United States.

22                   “(2) COORDINATOR.—The head of the Office  
23                   shall be the Coordinator for Subnational Diplomacy.  
24                   The head of the office shall report through the As-  
25                   sistant Secretary for Economic and Business Affairs

1 to the Under Secretary of State for Economic  
2 Growth, Energy, and the Environment.

3 “(3) RESPONSIBILITIES.—In addition to the re-  
4 sponsibilities described under paragraph (1), the Co-  
5 ordinator for Subnational Diplomacy shall maintain  
6 continuous observation and coordination of all mat-  
7 ters pertaining to subnational diplomacy and De-  
8 partment engagements with subnational govern-  
9 ments in the conduct of foreign policy, including the  
10 following:

11 “(A) Advising the Under Secretary of  
12 State for Economic Growth, Energy, and the  
13 Environment on subnational engagements with-  
14 in the United States and serve as the principal  
15 official on such matters within the Department.

16 “(B) Coordinating the Department’s sup-  
17 port for local and municipal governments’ en-  
18 gagements with foreign governments.

19 “(C) Advising subnational government offi-  
20 cials on the potential risks of engagements with  
21 countries of concern and share best practices to  
22 build resilience against foreign political inter-  
23 ference and malign influence.

24 “(D) Assisting subnational governments in  
25 the following areas:

1           “(i) Attracting or bidding to host  
2 major international events.

3           “(ii) Tracking foreign direct invest-  
4 ment at the county and municipal levels to  
5 highlight trends and opportunities.

6           “(iii) Attracting foreign direct invest-  
7 ment and other forms of economic coopera-  
8 tion.

9           “(iv) Building the capacity and knowl-  
10 edge of subnational government staff who  
11 have responsibility for engaging with for-  
12 eign countries.

13           “(v) Advancing sports diplomacy with  
14 foreign countries and entities.

15           “(vi) Implementing programs to co-  
16 operate with foreign governments and enti-  
17 ties on policy priorities or managing shared  
18 resources.

19           “(vii) Understanding the local impli-  
20 cations of foreign policy developments or  
21 policy changes.

22           “(E) Supporting the economic interests of  
23 the United States through subnational engage-  
24 ments, in consultation and coordination with  
25 other relevant agencies.

1           “(F) Advising and informing local officials  
2           as they negotiate agreements and memoranda  
3           of understanding with foreign governments re-  
4           lated to subnational engagements and priorities.

5           “(G) Coordinating subnational engage-  
6           ments with associations of subnational elected  
7           leaders, including the United States Conference  
8           of Mayors, National Governors Association, Na-  
9           tional League of Cities and similar associations.

10           “(H) Performing other such duties as the  
11           Assistant Secretary for Economic and Business  
12           Affairs and the Under Secretary of State for  
13           Economic Growth, Energy, and the Environ-  
14           ment may from time to time designate.

15           “(4) LOCATION.—The Office of Subnational Di-  
16           plomacy shall be co-located with the Office of For-  
17           eign Missions—Los Angeles, authorized under sec-  
18           tion 203(4) of the State Department Basic Authori-  
19           ties Act of 1956 (22 U.S.C. 4303(4)).”.

20 **SEC. 9. ENERGY SECURITY AND DIPLOMACY.**

21           Section 1(c) of the State Department Basic Authori-  
22           ties Act of 1956 (22 U.S.C. 2651a(c)), as amended by  
23           section 9, is further amended—

24           (1) by redesignating paragraphs (8) through  
25           (17) as (9) through (18), respectively; and

1           (2) by inserting after paragraph (7) the fol-  
2           lowing:

3           “(8) ASSISTANT SECRETARY AND BUREAU FOR  
4           ENERGY SECURITY AND DIPLOMACY.—

5           “(A) ESTABLISHMENT.—There is author-  
6           ized to be in the Department an Assistant Sec-  
7           retary for Energy Security and Diplomacy who  
8           shall be responsible to the Under Secretary of  
9           State for Economic Growth, Energy, and the  
10          Environment for all matters pertaining to the  
11          formulation and implementation of inter-  
12          national energy, energy technology, critical min-  
13          erals, and relevant supply chain policies in the  
14          conduct of foreign policy by the Department,  
15          including, as appropriate, to protect United  
16          States energy security interests, lead the coordi-  
17          nation of energy programs carried out by  
18          United States Government agencies abroad, and  
19          such other related duties as the Secretary may  
20          from time to time designate.

21          “(B) RESPONSIBILITIES.—In addition to  
22          the responsibilities described under subpara-  
23          graph (A), the Assistant Secretary for Energy  
24          Security and Diplomacy shall maintain contin-  
25          uous observation and coordination of all mat-

1           ters pertaining to the development of policies to  
2           secure access to international energy markets  
3           and diversify critical mineral supply chains in  
4           the conduct of foreign policy, including, as ap-  
5           propriate, the following:

6                   “(i) Representing the Secretary in  
7                   interagency efforts to develop the inter-  
8                   national energy policy of the United  
9                   States.

10                   “(ii) Leading the analysis, formula-  
11                   tion, and implementation of international  
12                   policies aimed at protecting and advancing  
13                   United States energy interests.

14                   “(iii) Effectively managing United  
15                   States bilateral and multilateral relations  
16                   and, as directed by the Secretary, rep-  
17                   resenting the Secretary in relevant inter-  
18                   national fora and organizations, including  
19                   the International Energy Agency, to bol-  
20                   ster global energy security and advance the  
21                   interests of the United States.

22                   “(iv) Ensuring that analyses of the  
23                   national security and economic security im-  
24                   plications of global energy developments

1 are reflected in the decision-making proc-  
2 esses within the Department.

3 “(v) Incorporating energy and critical  
4 mineral security priorities into the activi-  
5 ties of the Department.

6 “(vi) Coordinating energy activities of  
7 the Department with relevant Federal de-  
8 partments and agencies, including the De-  
9 partments of Energy, Commerce, Defense,  
10 and Interior, and the Development Finance  
11 Corporation to promote United States en-  
12 ergy security and energy development to  
13 support United States national security  
14 readiness.

15 “(vii) Coordinating with the Bureau  
16 of Sanctions Policy on economic sanctions  
17 pertaining to the international energy sec-  
18 tor.

19 “(viii) Coordinating energy security  
20 and other relevant functions within the De-  
21 partment currently undertaken by—

22 “(I) the Bureau of Economic and  
23 Business Affairs;

24 “(II) the Bureau of Water, Envi-  
25 ronment, and Space Affairs;

1                   “(III) the Bureau of Arms Con-  
2                   trol and Nonproliferation; and

3                   “(IV) other bureaus and offices  
4                   within the Department.

5                   “(ix) Working internationally to—

6                   “(I) support the development of  
7                   energy technologies, natural resources,  
8                   critical minerals, and supply chains  
9                   for the benefit of the United States  
10                  and United States allies and trading  
11                  partners for their energy security and  
12                  economic development needs;

13                  “(II) promote secure and diversi-  
14                  fied energy and critical minerals sup-  
15                  ply chains, and a well-functioning  
16                  global market for energy resources,  
17                  energy technologies, critical minerals;

18                  “(III) resolve international dis-  
19                  putes regarding the exploration, devel-  
20                  opment, production, or distribution of  
21                  energy and critical minerals resources  
22                  where the United States strategic in-  
23                  terests are present;

24                  “(IV) support the economic and  
25                  commercial interests of United States

1 persons operating in the energy mar-  
2 kets of foreign countries; and

3 “(V) support and coordinate  
4 international efforts to alleviate en-  
5 ergy poverty, enhance energy access  
6 and energy efficiency to promote  
7 United States strategic interests and  
8 offer alternatives to adversary initia-  
9 tives for United States allies and part-  
10 ners.

11 “(x) Conducting public diplomacy with  
12 regard to United States international en-  
13 ergy policy to strengthen transparency and  
14 governance.

15 “(xi) Performing such other duties as  
16 the Under Secretary of State for Economic  
17 Growth, Energy, and the Environment  
18 may from time to time designate.

19 “(C) ANNUAL REPORT.—Not later than 1  
20 year after the date of the enactment of this  
21 paragraph, and annually thereafter for three  
22 years, the Assistant Secretary for Energy Secu-  
23 rity and Diplomacy shall submit to Congress a  
24 report on the United States international en-  
25 ergy strategy.

1           “(D) BUREAU.—The Secretary shall estab-  
2           lish a Bureau of Energy Security and Diplo-  
3           macy, which shall perform such functions re-  
4           lated to the formulation and implementation of  
5           international energy, energy technology, critical  
6           minerals, and relevant supply chain policies, as  
7           the Under Secretary of State for Economic  
8           Growth, Energy, and the Environment may pre-  
9           scribe.

10           “(E) ASSISTANT SECRETARY.—The Assist-  
11           ant Secretary for Energy Security and Diplo-  
12           macy shall be the head of the Bureau of Energy  
13           Security and Diplomacy.”.

14 **SEC. 10. ASSISTANT SECRETARY FOR WATER, ENVIRON-**  
15 **MENT, AND SPACE AFFAIRS.**

16           Section 1(c) of the State Department Basic Authori-  
17 ties Act of 1956 (22 U.S.C. 2651a(c)), as amended by  
18 section 11, is further amended by adding at the end the  
19 following:

20           “(19) BUREAU OF WATER, ENVIRONMENT, AND  
21           SPACE AFFAIRS WITHIN DEPARTMENT OF STATE; AS-  
22           SISTANT SECRETARY OF STATE AS HEAD OF BU-  
23           REAU.—

24           “(A) ESTABLISHMENT.—There is author-  
25           ized to be in the Department an Assistant Sec-

1           retary for Water, Environment, and Space Af-  
2           fairs who shall be responsible to the Under Sec-  
3           retary of State for Economic Growth, Energy,  
4           and the Environment for matters pertaining to  
5           space, oceans, polar affairs, environmental qual-  
6           ity, freshwater, fisheries, wildlife and wildlife  
7           trafficking, conservation, and such other related  
8           duties as the Secretary may from time to time  
9           designate.

10           “(B) RESPONSIBILITIES.—In addition to  
11           the responsibilities described under subsection  
12           (a), the Assistant Secretary for Water, Environ-  
13           ment, and Space Affairs shall maintain contin-  
14           uous observation and coordination of all mat-  
15           ters pertaining to oceans, fisheries, natural re-  
16           source conservation, and outer space in the con-  
17           duct of foreign policy, including, as appropriate,  
18           the following:

19           “(i) Developing United States policy  
20           on global environmental security issues  
21           with respect to oceans, fisheries, Antarctic  
22           region, waste and global pollution, and nat-  
23           ural resource management and conserva-  
24           tion, including water.

1           “(ii) Representing the Department in  
2           bilateral and multilateral negotiations in-  
3           volving the law of the sea, including free-  
4           dom of navigation and overflight and other  
5           lawful uses of the ocean; maritime security;  
6           United States maritime zones, including  
7           the United States extended continental  
8           shelf; marine science; sustainable manage-  
9           ment and protection of marine habitats  
10          and resources; marine pollution; and mari-  
11          time claims and boundaries.

12          “(iii) Leading United States engage-  
13          ment on Antarctica and in international  
14          oceans agreements and conventions with  
15          foreign governments and international or-  
16          ganizations to promote solutions that ad-  
17          vance United States national security, eco-  
18          nomic, and environmental interests.

19          “(iv) Coordinating the development of  
20          policies and programs to conserve and  
21          manage economically important eco-  
22          systems, including, forests, wetlands,  
23          drylands, and coral reefs.

24          “(v) Developing policies and programs  
25          to address international threats to natural

1 resources including but not limited to illicit  
2 trade; illegal, unreported and unregulated  
3 fishing; wildlife trafficking; and illegal log-  
4 ging and associated trade.

5 “(vi) Developing and implementing  
6 United States foreign policy related to air,  
7 water and soil pollution and risks to  
8 human health and the environment caused  
9 by the transboundary movement of haz-  
10 ardous chemicals and waste and other  
11 forms of pollution to promote environ-  
12 mental security with trade partners and in  
13 multilateral institutions.

14 “(vii) Representing the Department in  
15 bilateral and multilateral engagements in-  
16 cluding organizations, institutions, and ne-  
17 gotiation of international agreements on  
18 related issues.

19 “(viii) Developing policies and pro-  
20 grams, in coordination with the National  
21 Aeronautics and Space Administration, the  
22 Department of Commerce, and other rel-  
23 evant Federal departments and agencies,  
24 as appropriate, to support partnerships be-  
25 tween the United States and international

1 and private industry partners in the devel-  
2 opment of infrastructure and policies that  
3 expand economic growth in outer space, in-  
4 cluding—

5 “(I) countering malign efforts by  
6 foreign adversaries and other actors  
7 that threaten United States interests  
8 in civil and commercial space;

9 “(II) expanding access to foreign  
10 markets for United States commercial  
11 industry, including by encouraging re-  
12 forms that reduce barriers to trade  
13 and cooperation with United States  
14 civil and commercial space actors; and

15 “(III) providing assistance to for-  
16 eign governments and organizations,  
17 including national, regional, and inter-  
18 national institutions, on such terms  
19 and conditions as the Secretary may  
20 determine.

21 “(ix) Leading bilateral and multilat-  
22 eral engagements related to civil and com-  
23 mercial space activities, resilient space  
24 services, burden sharing, and other mat-  
25 ters related to international space law and

1           diplomacy and other United States inter-  
2           national obligations and commitments.

3           “(x) In accordance with the National  
4           Space Policy, leading United States Gov-  
5           ernment engagement with international  
6           Global Navigation Satellite Systems pro-  
7           viders to ensure compatibility and encour-  
8           age interoperability of civil global naviga-  
9           tion satellite services based on United  
10          States-based global positioning systems, in-  
11          cluding through the International Com-  
12          mittee on Global Navigation Satellite Sys-  
13          tems.

14          “(xi) Leading Department efforts to  
15          implement international arrangements and  
16          promote cooperation on Earth observation  
17          satellite systems.

18          “(xii) Leading Department engage-  
19          ment in multilateral and bilateral forums  
20          on international space policy, space law,  
21          and commercial and civil treaties or agree-  
22          ments.

23          “(xiii) Leading Department efforts on  
24          transparency in space by maintaining the  
25          official United States space object registry

1           and promoting best practices for safe oper-  
2           ations in space, preservation of the space  
3           environment, space traffic coordination,  
4           and space situational awareness.

5           “(xiv) Leading Department efforts to  
6           align foreign space law, regulatory, and  
7           policy frameworks with United States-en-  
8           dorsed models, approaches, and best prac-  
9           tices.

10          “(xv) Performing such other duties as  
11          the Under Secretary of State for Economic  
12          Growth, Energy, and the Environment  
13          may from time to time designate.

14          “(C) FIRST APPOINTMENT.—On the date  
15          of the enactment of this Act, the individual  
16          serving as the Assistant Secretary for Oceans  
17          and International Environmental and Scientific  
18          Affairs on the day before such date of enact-  
19          ment shall be the Assistant Secretary for  
20          Water, Environment, and Space Affairs. Any  
21          subsequent appointment of an individual to the  
22          position of Assistant Secretary for Water, Envi-  
23          ronment, and Space Affairs shall be subject to  
24          the advice and consent of the Senate.

1           “(D) BUREAU.—The Secretary shall estab-  
2           lish a Bureau of Water, Environment, and  
3           Space Affairs, which shall perform such func-  
4           tions related to space, oceans, environmental  
5           quality, fisheries, wildlife, and wildlife traf-  
6           ficking, and conservation affairs, as the Under  
7           Secretary of State for Economic Growth, En-  
8           ergy, and the Environment may prescribe.

9           “(E) ASSISTANT SECRETARY.—The Assist-  
10          ant Secretary for Water, Environment, and  
11          Space Affairs shall be the head of the Bureau  
12          of Water, Environment, and Space Affairs.”.

13 **SEC. 11. STRENGTHENING ECONOMIC EXPERTISE AT THE**  
14 **DEPARTMENT OF STATE.**

15          (a) OFFICE DIRECTORS AND DEPUTY DIRECTORS.—  
16          Notwithstanding the requirements of section 501 of the  
17          Foreign Service Act of 1980 (22 U.S.C. 3981), the posi-  
18          tions of Office Director and Deputy Office Director, as  
19          well as special assistant positions, under the purview of  
20          the Under Secretary of State for Economic Growth, En-  
21          ergy, and the Environment, shall generally be filled by civil  
22          service officers.

23          (b) IMPLEMENTATION.—The Secretary is authorized  
24          to take such steps as may be necessary to phase-in the

1 requirement under subsection (a) over the 5-year period  
2 beginning on the date of the enactment of this Act.

3 (c) EXCEPTIONS.—The Under Secretary of State for  
4 Economic Growth, Energy, and the Environment may ap-  
5 prove the appointment of a Foreign Service officer to an  
6 Office Director or a Deputy Office Director position if—

7 (1) the individual has the requisite expertise, as  
8 determined by the Under Secretary of State for Eco-  
9 nomic Growth, Energy, and the Environment; and

10 (2) in the 5-year period following the date of  
11 the enactment of this Act, not more than one-third  
12 of all Office Director and Deputy Office Director po-  
13 sitions under the purview of the Under Secretary of  
14 State for Economic Growth, Energy, and the Envi-  
15 ronment are filled by Foreign Service officers.

16 (d) DIRECT HIRE AUTHORITY.—

17 (1) IN GENERAL.—The Under Secretary of  
18 State for Economic Growth, Energy, and the Envi-  
19 ronment may appoint, without regard to the provi-  
20 sions of sections 3309 through 3318 of title 5,  
21 United States Code, candidates directly to positions  
22 in the competitive service, as defined in section 2102  
23 of that title.

24 (2) TERMINATION.—Except with respect to the  
25 Office of the Chief Economist, the authority pro-

1 vided under paragraph (1) shall terminate on the  
2 date that is 4 years after the date of the enactment  
3 of this Act.

4 (e) REPORT.—Not later than 180 days after the date  
5 of the enactment of this Act, the Under Secretary of State  
6 for Economic Growth, Energy, and the Environment shall  
7 submit to the appropriate committees of Congress a report  
8 that contains plans to attract and retain economic, policy,  
9 legal, and technical expertise for civil service officers in  
10 the Under Secretary of State for Economic Growth, En-  
11 ergy, and the Environment, including career promotion  
12 tracks to supervisory and non-supervisory GS-15 posi-  
13 tions.

14 **SEC. 12. REFERENCES.**

15 Any reference in any statute, reorganization plan,  
16 Executive order, regulation, agreement, determination, or  
17 other official document or proceeding to—

18 (1) the Assistant Secretary for Oceans and  
19 International Environmental and Scientific Affairs  
20 shall be deemed to refer to the Assistant Secretary  
21 for Water, Environment, and Space Affairs;

22 (2) the Bureau for Oceans and International  
23 Environmental and Scientific Affairs shall be  
24 deemed to refer to the Bureau for Water, Environ-  
25 ment, and Space Affairs;



119<sup>TH</sup> CONGRESS  
2<sup>D</sup> SESSION

**H. R. 5248**

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**AN ACT**

To ensure the alignment of economic and foreign policies, to position the Department of State to reflect that economic security is national security, and for other purposes.