

117TH CONGRESS
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S. 3306

To prohibit the purchase of certain telecommunications or aerospace goods or service from entities affiliated with the People’s Republic of China or the Russian Federation and to require reporting relating to investment by foreign persons in the aerospace industry in the United States, and for other purposes.

IN THE SENATE OF THE UNITED STATES

DECEMBER 2, 2021

Mr. RUBIO introduced the following bill; which was read twice and referred to the Committee on Commerce, Science, and Transportation

A BILL

To prohibit the purchase of certain telecommunications or aerospace goods or service from entities affiliated with the People’s Republic of China or the Russian Federation and to require reporting relating to investment by foreign persons in the aerospace industry in 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 “Space Protection of
5 American Command and Enterprise Act” or the “SPACE
6 Act”.

1 **SEC. 2. DEFINITIONS.**

2 In this Act:

3 (1) COVERED ENTITY.—The term “covered en-
4 tity” means an entity—

5 (A) that is a United States business; and

6 (B) the business of which relates to explo-
7 ration, manufacturing, telecommunications, or
8 national security activities involving space.

9 (2) FOREIGN PERSON.—The term “foreign per-
10 son” means a person that is not a United States
11 person.

12 (3) UNITED STATES PERSON.—The term
13 “United States person” means—

14 (A) a United States citizen or an alien law-
15 fully admitted to the United States for perma-
16 nent residence; and

17 (B) an entity organized under the laws of
18 the United States or any jurisdiction within the
19 United States (including any foreign branch of
20 such an entity).

21 **SEC. 3. REPORT ON SPACE INVESTMENT COMPETITION**
22 **FROM THE PEOPLE’S REPUBLIC OF CHINA**
23 **AND THE RUSSIAN FEDERATION.**

24 (a) IN GENERAL.—Not later than 180 days after the
25 date of the enactment of this Act, the National Space
26 Council shall submit to Congress a report on space invest-

1 ment competition from the People’s Republic of China and
2 the Russian Federation.

3 (b) ELEMENTS.—The report required by subsection
4 (a) shall include the following:

5 (1) A description of commercial investment ac-
6 tivities used by the People’s Republic of China and
7 the Russian Federation to produce technologies and
8 devices for space activities and programs, includ-
9 ing—

10 (A) launch vehicles and technologies;

11 (B) satellites and telecommunications
12 equipment and services;

13 (C) manned spaceships, cargo spaceships,
14 deep space explorers, and space stations;

15 (D) nuclear missiles, conventional ground-
16 to-ground missiles, and air and missile defense
17 equipment;

18 (E) space and zero-gravity manufacturing;

19 (F) space-based precious minerals exca-
20 vation and exploration technologies;

21 (G) space-based solar power technologies;

22 and

23 (H) any other critical technologies and in-
24 vestment activities as determined by the Na-

tional Space Council, particularly activities conducted by—

(i) China Aerospace Science and Industry Corporation Limited;

(ii) China Aerospace Science and Technology Corporation;

(iii) the China National Space Administration;

(iv) the BeiDou Satellite Navigation Experimental System;

(v) the Government of the People's Republic of China; or

(vi) the People's Liberation Army.

(2) An assessment of military-civil fusion activities in the People's Republic of China and the Russian Federation regarding space-related investments, including—

(A) converting space-related technologies and resources to civilian entities;

(B) increasing commercial enterprise participation in space-related investments; and

(C) using investment vehicles affiliated with the People's Republic of China or the Russian Federation to acquire critical technologies in other countries.

1 (3) An assessment of and recommendation to
2 strengthen the ability of the United States to protect
3 the intellectual property and critical technologies of
4 the United States regarding space-related invest-
5 ments from export, transfer, and foreign theft or
6 imitation, particularly from entities affiliated with
7 the Government of the People’s Republic of China or
8 the Government of the Russian Federation.

9 (4) A review and assessment of the research,
10 technology, and commercial ties between the United
11 States and the People’s Republic of China and the
12 Russian Federation regarding space-related invest-
13 ments to assess exposure and risks that may con-
14 tribute to the development or enhancement of the
15 space capabilities of the People’s Republic of China
16 and the Russian Federation.

17 (5) An interagency strategy—

18 (A) to defend supply chains of the United
19 States that are critical to competitiveness in
20 space; and

21 (B) to ensure that the United States re-
22 mains the preeminent commercial leader in the
23 global space industry.

1 **SEC. 4. PROHIBITION ON USE OF FUNDS TO PURCHASE**
2 **CERTAIN TELECOMMUNICATIONS OR AERO-**
3 **SPACE GOODS OR SERVICE FROM ENTITIES**
4 **ASSOCIATED WITH THE GOVERNMENT OF**
5 **THE PEOPLE'S REPUBLIC OF CHINA OR THE**
6 **COMMUNIST PARTY OF CHINA.**

7 No funds made available to the Department of Com-
8 merce or the National Aeronautics and Space Administra-
9 tion may be used to purchase or lease telecommunications
10 or aerospace hardware or software equipment or services
11 from any telecommunications or aerospace corporation,
12 subsidiary, or affiliate associated with any of the following:

13 (1) The Government of the People's Republic of
14 China.

15 (2) The Communist Party of China.

16 (3) The People's Liberation Army.

17 (4) The China National Space Administration.

18 (5) China Aerospace Science and Industry Cor-
19 poration Limited.

20 (6) China Aerospace Science and Technology
21 Corporation.

22 (7) The BeiDou Satellite Navigation Experi-
23 mental System.

24 (8) Any Communist Chinese military company
25 identified by the Secretary of Defense under section
26 1237(b) of the Strom Thurmond National Defense

1 Authorization Act for Fiscal Year 1999 (50 U.S.C.
2 1701 note; Public Law 105–261).

3 **SEC. 5. SEC REPORTING.**

4 (a) DEFINITIONS.—In this section—

5 (1) the term “Commission” means the Securi-
6 ties and Exchange Commission;

7 (2) the term “Schedule 13D” means a state-
8 ment containing the information required under sec-
9 tion 240.13d–101 of title 17, Code of Federal Regu-
10 lations, or any successor regulation; and

11 (3) the term “Schedule 13G” means a state-
12 ment containing the information required under sec-
13 tion 240.13d–102 of title 17, Code of Federal Regu-
14 lations, or any successor regulation.

15 (b) REPORTING REQUIRED.—Notwithstanding sec-
16 tion 240.13d–1 of title 17, Code of Federal Regulations,
17 or any successor regulation, the Commission shall require
18 any person who, after acquiring directly or indirectly the
19 beneficial ownership of any equity security of a class which
20 is specified in paragraph (i) of such section 240.13d–1 and
21 that is issued by a covered entity, is directly or indirectly
22 the beneficial owner of more than 2 percent of the class,
23 to file with the Commission Schedule 13D or Schedule
24 13G, as determined under such section 240.13d–1.

1 (c) UPDATES TO RULES.—The Commission may
 2 make any updates to the rules of the Commission that
 3 may be necessary as a result of this section.

4 **SEC. 6. ANNUAL REPORT ON FOREIGN INVESTMENT IN**
 5 **UNITED STATES EXPLORATION, MANUFAC-**
 6 **TURING, TELECOMMUNICATIONS, AND NA-**
 7 **TIONAL SECURITY INVOLVING SPACE.**

8 (a) IN GENERAL.—Not later than 1 year after the
 9 date of the enactment of this Act, and annually thereafter,
 10 the Secretary of Defense, in coordination with the Sec-
 11 retary of Commerce and the Secretary of the Treasury,
 12 shall submit to Congress a report on investment by foreign
 13 persons in activities conducted in the United States or by
 14 United States persons relating to exploration, manufac-
 15 turing, telecommunications, or national security activities
 16 involving space.

17 (b) ELEMENTS.—The report required by subsection
 18 (a) shall include—

- 19 (1) the country of origin of the foreign person;
- 20 (2) the source of funds for investment by the
 21 foreign person in space; and
- 22 (3) any other information that the Secretary of
 23 Defense considers appropriate.

- 1 (c) FORM.—The report required by subsection (a)
- 2 shall be submitted in unclassified form but may contain
- 3 a classified annex.

