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1ST SESSION

# S. 687

To advance a policy for managed strategic competition with the People's  
Republic of China.

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## IN THE SENATE OF THE UNITED STATES

MARCH 10, 2021

Mr. RISCH (for himself, Mr. ROMNEY, Mr. YOUNG, Mr. SULLIVAN, Mr.  
ROUNDS, Mr. WICKER, Mr. RUBIO, Mr. HAGERTY, and Mr. PORTMAN)  
introduced the following bill; which was read twice and referred to the  
Committee on Foreign Relations

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## A BILL

To advance a policy for managed strategic competition with  
the People's Republic of China.

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 TITLES.**

4 This Act may be cited as the “Strengthening Trade,  
5 Regional Alliances, Technology, and Economic and Geo-  
6 political Initiatives concerning China Act” or the “STRA-  
7 TEGIC Act”.

8 **SEC. 2. TABLE OF CONTENTS.**

9 The table of contents for this Act is as follows:

- Sec. 1. Short titles.
- Sec. 2. Table of contents.
- Sec. 3. Definitions.

#### TITLE I—A COMPREHENSIVE CHINA POLICY

- Sec. 101. Findings.
- Sec. 102. Statement of policy.
- Sec. 103. Sense of Congress.

#### TITLE II—PROTECTING THE UNITED STATES FROM CHINA'S DISCRIMINATORY ECONOMIC PRACTICES

- Sec. 201. Findings and sense of Congress regarding the PRC's industrial policy.
- Sec. 202. Intellectual property violators list.
- Sec. 203. Government of the People's Republic of China subsidies list.
- Sec. 204. Review of petitions related to intellectual property theft and forced technology transfer.
- Sec. 205. Predatory pricing by entities owned, controlled, or directed by a foreign state.
- Sec. 206. Reporting on requests to comply with the corporate social credit system in the People's Republic of China.
- Sec. 207. Annual review on the presence of Chinese companies in United States capital markets.

#### TITLE III—REINVESTING IN AMERICAN AND ALLIED TECHNOLOGICAL COMPETITIVENESS

- Sec. 301. Regulatory exchanges with allies and partners.
- Sec. 302. Authorization to assist United States companies with supply chain diversification and management.
- Sec. 303. Scientific and private sector advisory panel on protection of critical technologies.
- Sec. 304. Establishment of a tech coalition.
- Sec. 305. United States representation in standards-setting bodies.

#### TITLE IV—SAFEGUARDING AMERICAN INSTITUTIONS

- Sec. 401. Amendment to Foreign Agent Registration Act regarding gifts made to universities.
- Sec. 402. Designation of a country of national security concern in the Foreign Agent Registration Act.
- Sec. 403. Ban on Senate-confirmed Department of State officials representing countries of national security concern.
- Sec. 404. Amendment to the Mutual Educational and Cultural Exchange Act.

#### TITLE V—MAINTAINING THE INTEGRITY OF INTERNATIONAL ORGANIZATIONS

- Sec. 501. Office of Integrity in the United Nations system.

#### TITLE VI—BOLSTERING UNITED STATES AND ALLIED DEFENSE AND SECURITY

- Sec. 601. Findings.

- Sec. 602. Statement of policy expressing the political will of the United States to defend its interests in the Indo-Pacific and pursue expanded political-military cooperation with allies and partners.
- Sec. 603. Sense of Congress regarding bolstering security partnerships in the Indo-Pacific.
- Sec. 604. Report on capability development of Indo-Pacific allies and partners.
- Sec. 605. Statement of policy on unmanned aerial systems and the missile technology control regime.
- Sec. 606. Report on national technology and industrial base.
- Sec. 607. Authorization of appropriations for Southeast Asia maritime security programs and diplomatic outreach activities.
- Sec. 608. Report on China Coast Guard.
- Sec. 609. Report on Chinese military activity in Djibouti.
- Sec. 610. Statement of policy regarding universal implementation of United Nations sanctions on North Korea.

#### TITLE VII—ENSURING STRATEGIC SECURITY

- Sec. 701. Findings on strategic security and arms control.
- Sec. 702. Cooperation on a strategic nuclear dialogue.
- Sec. 703. Agreements.

### 1 **SEC. 3. DEFINITIONS.**

2 In this Act:

3 (1) CCP.—The term “CCP” means the Chinese  
4 Communist Party.

5 (2) CENTRALLY ADMINISTERED, STATE-OWNED  
6 ENTERPRISE.—The term “centrally administered,  
7 state-owned enterprise” means any company that  
8 previously was or currently is—

9 (A)(i) incorporated in the PRC; and

10 (ii) supervised and managed by the State-  
11 owned Assets Supervision and Administration  
12 Commission of the State Council of the PRC;  
13 or

14 (B) an owned or controlled subsidiary of  
15 an enterprise meeting the requirements under  
16 subparagraph (A).

1           (3) PEOPLE’S LIBERATION ARMY; PLA.—The  
 2           terms “People’s Liberation Army” and “PLA” mean  
 3           the armed forces of the People’s Republic of China.

4           (4) PRC; CHINA.—The terms “PRC” and  
 5           “China” mean the People’s Republic of China.

## 6           **TITLE I—A COMPREHENSIVE** 7           **CHINA POLICY**

### 8   **SEC. 101. FINDINGS.**

9           Congress makes the following findings:

10           (1) The People’s Republic of China has in-  
 11           creased its political, diplomatic, economic, military,  
 12           technological, and ideological power to become a  
 13           strategic, near-peer, global competitor of the United  
 14           States. The policies increasingly pursued by the  
 15           PRC in each of these domains are contrary to the  
 16           interests and values of the United States, its part-  
 17           ners, and much of the rest of the world.

18           (2) The current competition between the United  
 19           States and the PRC—

20                   (A) is taking place over the future char-  
 21                   acter of the international order;

22                   (B) will shape the rules, norms, and insti-  
 23                   tutions that govern relations among states in  
 24                   the coming decades;

1 (C) will determine the ability of the United  
2 States to secure its national interests; and

3 (D) will determine future levels of peace,  
4 prosperity, and freedom for the United States  
5 and the international community in the coming  
6 decades.

7 (3) After normalizing diplomatic relations with  
8 the PRC in 1979, the United States actively worked  
9 to advance the PRC's economic and social develop-  
10 ment to ensure that it participated in, and benefitted  
11 from, the free and open international order. The  
12 United States pursued these goals and contributed  
13 to the welfare of the Chinese people by—

14 (A) increasing the PRC's trade relations  
15 and access to global capital markets;

16 (B) promoting the PRC's accession to the  
17 World Trade Organization;

18 (C) providing development finance and  
19 technical assistance;

20 (D) promoting research collaboration;

21 (E) educating the PRC's top students;

22 (F) permitting transfers of cutting-edge  
23 technologies and scientific knowledge; and

24 (G) providing intelligence and military as-  
25 sistance.

1           (4) It is now clear that the PRC has no inten-  
2           tion of reforming politically or economically. Instead,  
3           it is pursuing state-led, mercantilist economic poli-  
4           cies, increasing restrictions on personal freedoms,  
5           and implementing an aggressive and assertive for-  
6           eign policy. These policies frequently and delib-  
7           erately undermine United States interests and are  
8           contrary to core United States values and the values  
9           of other nations, both in the Indo-Pacific and be-  
10          yond. In response to this strategic decision of the  
11          PRC, the United States was compelled to reexamine  
12          and revise its strategy towards the PRC.

13          (5) The General Secretary of the Chinese Com-  
14          munist Party and the President of the People's Re-  
15          public of China, Xi Jinping, has elevated the "Great  
16          Rejuvenation of the Chinese Nation" as central to  
17          the domestic and foreign policy of the PRC. His pro-  
18          gram demands—

19                   (A) strong, centralized CCP leadership;

20                   (B) concentration of military power;

21                   (C) a strong role for the CCP in the state  
22                   and the economy;

23                   (D) an aggressive foreign policy seeking  
24                   control over broadly asserted territorial claims;  
25                   and

1 (E) the denial of any universal values and  
 2 individual rights that are deemed to threaten  
 3 the CCP.

4 (6) The PRC views its Leninist model of gov-  
 5 ernance, “socialism with Chinese characteristics”, as  
 6 superior to, and at odds with, the constitutional  
 7 models of the United States and other democracies.  
 8 This approach to governance is lauded by the CCP  
 9 as essential to securing the PRC’s status as a global  
 10 leader, and to shaping the future of the world. In a  
 11 2013 speech, President Xi said, “We firmly believe  
 12 that as socialism with Chinese characteristics devel-  
 13 ops further . . . it is . . . inevitable that the superi-  
 14 ority of our socialist system will be increasingly ap-  
 15 parent . . . [and] our country’s road of development  
 16 will have increasingly greater influence on the  
 17 world.”.

18 (7) The PRC’s objectives are to first establish  
 19 regional hegemony over the Indo-Pacific and then to  
 20 use that dominant position to propel the PRC to be-  
 21 come the “leading world power”. The PRC seeks to  
 22 shape an international order that is conducive to the  
 23 interests of authoritarian and autocratic regimes.  
 24 Achieving these objectives requires turning the PRC  
 25 into a wealthy nation under strict CCP rule by using

1 a strong military and advanced technological capa-  
2 bility to pursue the PRC's objectives, regardless of  
3 other countries' interests.

4 (8) The PRC is reshaping the current inter-  
5 national order, which was built upon free and open  
6 ideals and principles, by conducting global informa-  
7 tion and influence operations, redefining inter-  
8 national laws and norms to align with the objectives  
9 of the CCP, rejecting the legitimacy of internation-  
10 ally recognized human rights, and securing leader-  
11 ship positions in multinational organizations to alter  
12 their agendas. In December 2018, President Xi sug-  
13 gested that the CCP views its "historic mission" as  
14 not only to govern China, but also to profoundly in-  
15 fluence global governance to benefit the CCP.

16 (9) The PRC is encouraging other countries to  
17 follow its model of "socialism with Chinese charac-  
18 teristics". During the 19th Party Congress in 2017,  
19 President Xi said that the PRC could serve as a  
20 model of development for other countries by utilizing  
21 "Chinese wisdom" and a "Chinese approach to solv-  
22 ing problems".

23 (10) The PRC is promoting its governance  
24 model and attempting to weaken other models of  
25 governance by—

- 1 (A) undermining democratic institutions;
- 2 (B) subverting financial institutions;
- 3 (C) coercing businesses to accommodate
- 4 the policies of the CCP; and
- 5 (D) using disinformation to disguise the
- 6 nature of the actions described in subpara-
- 7 graphs (A) through (C).

8 (11) The PRC is getting close to its goal of be-  
9 coming the global leader in science and technology.  
10 In May 2018, President Xi said that for the PRC  
11 to reach “prosperity and rejuvenation”, it needs to  
12 “endeavor to be a major world center for science and  
13 innovation”. The PRC has invested the equivalent of  
14 billions of dollars into education and research and  
15 development and established joint scientific research  
16 centers and science universities. Scientists and schol-  
17 ars from the PRC have made numerous contribu-  
18 tions to a wide array of fields, including through  
19 international partnerships.

20 (12) The PRC’s drive, however, to become a  
21 “manufacturing and technological superpower” and  
22 to promote “innovation with Chinese characteristics”  
23 is coming at the expense of human rights, national  
24 security, and longstanding international rules and  
25 norms about economic competition. In particular,

1 the PRC advances its illiberal political and social  
2 policies through mass surveillance, social credit sys-  
3 tems, and a significant role of the state in internet  
4 governance. Through these means, the PRC in-  
5 creases direct and indirect government control over  
6 its citizens' everyday lives. Its national strategy of  
7 "civil-military fusion" mandates that civil and com-  
8 mercial research, which increasingly drives global in-  
9 novation, is leveraged to develop new military capa-  
10 bilities.

11 (13) The PRC is using legal and illegal means  
12 to achieve its objective of becoming a manufacturing  
13 and technological superpower. The PRC uses state-  
14 directed industrial policies in anticompetitive ways to  
15 ensure the dominance of PRC companies. The CCP  
16 engages in and encourages actions that actively un-  
17 dermine a free and open international market, such  
18 as intellectual property theft, forced technology  
19 transfers, regulatory and financial subsidies, and  
20 mandatory CCP access to proprietary data as part  
21 of business and commercial agreements between Chi-  
22 nese and foreign companies.

23 (14) The policies referred to in paragraph (13)  
24 freeze United States and other foreign firms out of  
25 the PRC market, while eroding competition in other

1       important markets. The heavy subsidization of Chi-  
 2       nese companies includes potential violation of its  
 3       World Trade Organization commitments. In May  
 4       2018, President Xi said that the PRC aims to keep  
 5       the “initiatives of innovation and development secu-  
 6       rity . . . in [China’s] own hands”.

7           (15) The PRC advances its global objectives  
 8       through a variety of avenues, including its signature  
 9       initiative, the Belt and Road Initiative (referred to  
 10      in this section as “BRI”), which is enshrined in the  
 11      Chinese Constitution and includes the Digital Silk  
 12      Road and Health Silk Road. The PRC describes  
 13      BRI as a straightforward and wholly beneficial plan  
 14      for all countries. In practice, it seeks to advance an  
 15      economic system with the PRC at its center, making  
 16      it the most concrete geographical representation of  
 17      the PRC’s global ambitions. BRI increases the eco-  
 18      nomic influence of state-owned Chinese firms in  
 19      global markets, enhances the PRC’s political lever-  
 20      age with government leaders around the world, and  
 21      provides greater access to strategic nodes such as  
 22      ports and railways. Through BRI, the PRC seeks  
 23      political deference through economic dependence.

24           (16) The PRC is executing a plan to establish  
 25      regional hegemony over the Indo-Pacific and dis-

1 place the United States from the region. As a Pa-  
2 cific power, the United States has built and sup-  
3 ported enduring alliances and economic partnerships  
4 that secure peace and prosperity and promote the  
5 rule of law and political pluralism in the Pacific. In  
6 contrast, the PRC uses economic and military coer-  
7 cion in the region to secure the interests of the CCP.

8 (17) The PRC’s military strategy seeks to keep  
9 the United States military from operating in the  
10 Western Pacific and erodes United States security  
11 guarantees.

12 (18) The PRC is aggressively pursuing exclu-  
13 sive control of critical land routes, sea lanes, and air  
14 space in the Indo-Pacific in the hopes of eventually  
15 exercising greater influence beyond the region. This  
16 includes lanes crucial to commercial activity, energy  
17 exploration, transport, and the exercise of security  
18 operations in areas permitted under international  
19 law.

20 (19) The PRC seeks unification with Taiwan  
21 through whatever means may ultimately be required.  
22 The CCP’s insistence that “reunification” is Tai-  
23 wan’s only option makes this goal inherently coer-  
24 cive. In January 2019, President Xi stated that the  
25 PRC “make[s] no promise to renounce the use of

1 force and reserve[s] the option of taking all nec-  
2 essary means”. Taiwan’s embodiment of democratic  
3 values and economic liberalism challenges President  
4 Xi’s goal of achieving national rejuvenation. The  
5 PRC plans to exploit Taiwan’s dominant strategic  
6 position in the First Island Chain and to project  
7 power into the Second Island Chain and beyond.

8 (20) In the South China Sea, the PRC has exe-  
9 cuted an illegal island-building campaign that inter-  
10 feres with freedom of navigation, damages the envi-  
11 ronment, bolsters the PLA power projection capabili-  
12 ties, and coerces and intimidates other regional  
13 claimants in an effort to advance its unlawful claims  
14 and control the waters around neighboring countries.  
15 Despite President Xi’s September 2015 speech, in  
16 which he said the PRC was not militarizing the  
17 South China Sea, during the 2017 19th Party Con-  
18 gress, President Xi announced that “construction on  
19 islands and reefs in the South China Sea have seen  
20 steady progress”.

21 (21) The PRC is rapidly modernizing the PLA  
22 to attain a level of capacity and capability superior  
23 to the United States in terms of equipment and con-  
24 duct of modern military operations by shifting its  
25 military doctrine from having a force “adequate

1 [for] China’s defensive needs” to having a force  
 2 “commensurate with China’s international status”.  
 3 Ultimately, this transformation will enable China to  
 4 impose its will in the Indo-Pacific region through the  
 5 threat of military force. In 2017, President Xi estab-  
 6 lished the following developmental benchmarks for  
 7 the advancement of the PLA:

8 (A) A mechanized force with increased  
 9 informatized and strategic capabilities by 2020.

10 (B) The complete modernization of China’s  
 11 national defense by 2035.

12 (C) The full transformation of the PLA  
 13 into a world-class force by 2050.

14 (22) The PRC’s strategy and supporting poli-  
 15 cies described in this section undermine United  
 16 States interests, such as—

17 (A) upholding a free and open inter-  
 18 national order;

19 (B) maintaining the integrity of inter-  
 20 national institutions with liberal norms and val-  
 21 ues;

22 (C) preserving a favorable balance of  
 23 power in the Indo-Pacific;

24 (D) ensuring the defense of its allies;

25 (E) preserving open sea and air lanes;

1 (F) fostering the free flow of commerce  
2 through open and transparent markets; and

3 (G) promoting individual freedom and  
4 human rights.

5 (23) The global COVID–19 pandemic has in-  
6 tensified and accelerated these trends in the PRC’s  
7 behavior and therefore increased the need for United  
8 States global leadership and a competitive posture.  
9 The PRC has capitalized on the world’s focus on the  
10 COVID–19 pandemic by—

11 (A) moving rapidly to undermine Hong  
12 Kong’s autonomy, including imposing a so-  
13 called “national security law” on Hong Kong;

14 (B) aggressively imposing its will in the  
15 East and South China Seas;

16 (C) contributing to increased tensions with  
17 India; and

18 (D) engaging in a widespread and govern-  
19 ment-directed disinformation campaign to ob-  
20 scure the PRC Government’s efforts to cover up  
21 the seriousness of COVID–19, sow confusion  
22 about the origination of the outbreak, and dis-  
23 credit the United States, its allies, and global  
24 health efforts.

1           (24) In response to the PRC's strategy and  
2 policies, the United States must—

3           (A) adopt a strategy of managed strategic  
4 competition with the PRC to protect our vital  
5 interests; and

6           (B) seek opportunities to cooperate with  
7 the PRC when such cooperation is in the  
8 United States' national interests.

9 **SEC. 102. STATEMENT OF POLICY.**

10       (a) **OBJECTIVES.**—It is the policy of the United  
11 States, in pursuing managed strategic competition with  
12 the PRC, to pursue the following objectives:

13           (1) The United States' global leadership role is  
14 sustained and its political system and major founda-  
15 tions of national power are postured for long-term  
16 political, economic, technological, and military com-  
17 petition with the PRC.

18           (2) The balance of power in the Indo-Pacific re-  
19 mains favorable to the United States and its allies.  
20 The United States and its allies maintain unfettered  
21 access to the region and the PRC neither dominates  
22 the region nor coerces its neighbors.

23           (3) The allies and partners of the United  
24 States—

1 (A) maintain confidence in United States  
2 leadership and its commitment to the Indo-Pa-  
3 cific region;

4 (B) can withstand and combat subversion  
5 and undue influence by the PRC; and

6 (C) align themselves with the United  
7 States in setting global rules, norms, and stand-  
8 ards.

9 (4) The combined weight of the United States  
10 and its allies and partners is strong enough to dem-  
11 onstrate to the PRC that the risks of attempts to  
12 dominate other states outweigh the potential bene-  
13 fits.

14 (5) The United States leads the free and open  
15 international order, which is comprised of resilient  
16 states and institutions that uphold and defend prin-  
17 ciples, including sovereignty, rule of law, individual  
18 freedom, and human rights. The international order  
19 is strengthened to defeat attempts at destabilization  
20 by illiberal and authoritarian actors.

21 (6) The key rules, norms, and standards of  
22 international engagement in the 21st century—

23 (A) protect human rights, commercial en-  
24 gagement and investment, and technology; and

1 (B) are in alignment with the values and  
2 interests of the United States, its allies and  
3 partners, and the free world.

4 (7) The CCP cannot and does not—

5 (A) subvert open and democratic societies;

6 (B) distort global markets;

7 (C) manipulate the international trade sys-  
8 tem;

9 (D) coerce other nations via economic and  
10 military means; or

11 (E) use its technological advantages to un-  
12 dermine individual freedoms or other states' na-  
13 tional security interests.

14 (8) The United States deters military con-  
15 frontation with the PRC and both nations establish  
16 structured dialogue and negotiation mechanisms to  
17 reduce the risk of conflict. The United States has a  
18 mutually respectful relationship with the PRC, and  
19 the American people maintain friendly relations with  
20 the Chinese people.

21 (b) POLICY.—It is the policy of the United States,  
22 in pursuit of the objectives set forth in subsection (a)—

23 (1) to strengthen the United States' domestic  
24 foundation by reinvesting in market-based economic  
25 growth, education, scientific and technological inno-

1 vation, democratic institutions, and other areas that  
2 improve the United States' ability to pursue its vital  
3 economic, foreign policy, and national security inter-  
4 ests;

5 (2) to pursue a strategy of managed strategic  
6 competition with the PRC in the political, diplo-  
7 matic, economic, development, military, informa-  
8 tional, and technological realms that maximizes  
9 United States strengths and increases the costs for  
10 the PRC of harming United States interests;

11 (3) to lead a free, open, and secure inter-  
12 national system characterized by respect for sov-  
13 ereignty, rule of law, open markets and the free flow  
14 of commerce, and a shared commitment to security  
15 and peaceful resolution of disputes, human rights,  
16 and transparent and citizen-centric governance;

17 (4) to strengthen and deepen United States alli-  
18 ances and partnerships, prioritizing the Indo-Pacific  
19 and Europe, by pursuing greater bilateral and multi-  
20 lateral cooperative initiatives that advance shared in-  
21 terests and bolster partner countries' confidence that  
22 the United States is and will remain a strong, com-  
23 mitted, and constant partner;

24 (5) to encourage and aid United States allies  
25 and partners in boosting their own capabilities and

1       resiliency to pursue, defend, and protect shared in-  
2       terests and values, free from coercion and external  
3       pressure;

4               (6) to pursue fair, reciprocal treatment and  
5       healthy competition in United States-China economic  
6       relations by—

7               (A) advancing policies that harden the  
8       United States economy against unfair and ille-  
9       gal commercial or trading practices and the co-  
10      ercion of United States businesses; and

11              (B) tightening United States laws and reg-  
12      ulations as necessary to prevent the PRC's at-  
13      tempts to harm United States economic com-  
14      petitiveness;

15              (7) to demonstrate the value of private sector-  
16      led growth in emerging markets around the world,  
17      including through the use of United States Govern-  
18      ment tools that—

19              (A) support greater private sector invest-  
20      ment and advance capacity-building initiatives  
21      that are grounded in the rule of law;

22              (B) promote open markets;

23              (C) establish clear policy and regulatory  
24      frameworks;

1 (D) improve the management of key eco-  
2 nomic sectors;

3 (E) reduce corruption; and

4 (F) foster collaboration with partner coun-  
5 tries and the United States private sector to de-  
6 velop secure and sustainable infrastructure;

7 (8) to lead in the advancement of international  
8 rules and norms that foster free and reciprocal trade  
9 and open and integrated markets;

10 (9) to conduct vigorous commercial diplomacy  
11 in support of United States companies and busi-  
12 nesses in partner countries that seek fair competi-  
13 tion;

14 (10) to support greater private sector coopera-  
15 tion between the United States and its partners;

16 (11) to ensure that the United States leads in  
17 the innovation of critical and emerging technologies,  
18 such as next-generation telecommunications, artifi-  
19 cial intelligence, quantum computing, semiconduc-  
20 tors, and biotechnology, by—

21 (A) providing concrete incentives for the  
22 private sector to accelerate development of such  
23 technologies;

24 (B) improving contracting processes to en-  
25 able the United States Government—

- 1 (i) to allocate capital and work with
- 2 start-up companies more efficiently; and
- 3 (ii) to increase investment in experi-
- 4 mental technologies;
- 5 (C) modernizing export controls and in-
- 6 vestment restrictions to place a “high fence
- 7 around a small yard” of critical technologies;
- 8 (D) enhancing United States leadership in
- 9 technical standards-setting bodies and avenues
- 10 for developing norms regarding the use of
- 11 emerging critical technologies;
- 12 (E) reducing United States barriers and
- 13 increasing incentives for collaboration with al-
- 14 lies and partners on the research and codevelop-
- 15 ment of critical technologies;
- 16 (F) collaborating with allies and partners
- 17 to protect critical technologies by—
- 18 (i) crafting multilateral export control
- 19 measures;
- 20 (ii) building capacity for defense tech-
- 21 nology security;
- 22 (iii) safeguarding chokepoints in the
- 23 supply chains; and
- 24 (iv) ensuring diversification; and

1 (G) designing major defense capabilities  
2 for export to allies and partners;

3 (12) to enable the people of the United States,  
4 including the private sector, civil society, universities  
5 and other academic institutions, State and local leg-  
6 islators, and other relevant actors to identify and re-  
7 main vigilant to the risks posed by undue influence  
8 of the CCP in the United States;

9 (13) to enact legislation, regulations, and other  
10 measures to mitigate the risks referred to in para-  
11 graph (12), while still preserving opportunities for  
12 economic engagement, academic research, and co-  
13 operation in other areas where the United States  
14 and the PRC share interests;

15 (14) to collaborate with advanced democracies  
16 and other willing partners to promote ideals and  
17 principles that—

18 (A) advance a free and open order;

19 (B) strengthen democratic institutions;

20 (C) protect and promote human rights;

21 and

22 (D) uphold a free press and fact-based re-  
23 porting;

24 (15) to demonstrate effective leadership at the  
25 United Nations, its associated agencies, and other

1       multilateral organizations and defend the integrity  
2       of these organizations against co-optation by illiberal  
3       and authoritarian nations;

4               (16) to prioritize the defense of fundamental  
5       freedoms and human rights in the United States' re-  
6       lationship with the PRC;

7               (17) to cooperate with allies, partners, and mul-  
8       tilateral organizations to hold the Government of the  
9       PRC accountable for—

10                       (A) violations and abuses of human rights;

11                       (B) restrictions on religious practices;

12                       (C) abrogation of treaties and other inter-  
13       national agreements related to human rights;  
14       and

15                       (D) other affronts to the freedom and indi-  
16       vidual liberty of the citizens of the PRC;

17               (18) to expose the PRC's use of corruption, re-  
18       pression, coercion, and other malign behavior to at-  
19       tain unfair economic advantage and deference of  
20       other nations to its political and strategic objectives;

21               (19) to maintain United States access to the  
22       Western Pacific, including by—

23                       (A) increasing or regaining the qualitative  
24       advantage of United States forward-deployed  
25       forces in the Indo-Pacific region;

1 (B) modernizing the United States military  
2 through investments in existing and new major  
3 platforms, emerging technologies, critical in-the-  
4 ater force structure and enabling capabilities,  
5 joint operational concepts, and access agree-  
6 ments; and

7 (C) operating and conducting exercises  
8 with allies and partners—

9 (i) to mitigate the PLA's ability to  
10 project power and establish contested zones  
11 within the First and Second Island Chains;

12 (ii) to diminish the ability of the PLA  
13 to coerce its neighbors;

14 (iii) to maintain open sea and air  
15 lanes, particularly in the Taiwan Strait,  
16 the East China Sea, and the South China  
17 Sea; and

18 (iv) to project power from the United  
19 States and its allies and partners to dem-  
20 onstrate the ability to conduct contested lo-  
21 gistics;

22 (20) to deter the PRC from—

23 (A) coercing Indo-Pacific nations, includ-  
24 ing by developing more combat-credible forces  
25 that are integrated with allies and partners in

1 contact, blunt, and surge layers and able to de-  
2 feat any PRC theory of victory in the First or  
3 Second Island Chains of the Western Pacific  
4 and beyond, as called for in the 2018 National  
5 Defense Strategy;

6 (B) using gray-zone tactics below the level  
7 of armed conflict; or

8 (C) initiating armed conflict;

9 (21) to strengthen United States-PRC military-  
10 to-military communication and improve de-escalation  
11 procedures to deconflict operations and reduce the  
12 risk of unwanted conflict; and

13 (22) to cooperate with the PRC if interests  
14 align, conduct persistent and determined diplomacy  
15 that clarifies United States interests and values to  
16 Chinese officials, and pursue confidence-building  
17 measures in areas particularly susceptible to esca-  
18 lation.

19 **SEC. 103. SENSE OF CONGRESS.**

20 It is the sense of Congress that the execution of the  
21 policy described in section 102(b) requires the following  
22 actions:

23 (1) Managed strategic competition with the  
24 PRC will require the United States—

1 (A) to marshal sustained political will to  
2 protect its vital interests and advance its eco-  
3 nomic and national security objectives for dec-  
4 ades to come; and

5 (B) to achieve this sustained political will,  
6 persuade the American people and United  
7 States allies and partners of—

8 (i) the challenges posed by the PRC;  
9 and

10 (ii) the need for long-term competition  
11 to defend shared interests and values.

12 (2) The United States must—

13 (A) coordinate closely with allies and part-  
14 ners to compete effectively with the PRC;

15 (B) cooperate with the PRC where our in-  
16 terests align; and

17 (C) pursue its interests, while still account-  
18 ing for partner country viewpoints on how to  
19 best approach the challenges posed by the PRC.

20 (3) At the same time, other countries must step  
21 up to assume greater roles in balancing and check-  
22 ing the aggressive and assertive behavior of the PRC  
23 than the roles they have assumed in the past.

24 (4) The President of the United States must  
25 lead and direct the entire executive branch to make

1 the People's Republic of China the top priority in  
2 United States foreign policy. At present, the United  
3 States identifies it as such in the 2017 National Se-  
4 curity Strategy and the 2018 National Defense  
5 Strategy, but must further increase the  
6 prioritization of managed strategic competition with  
7 the PRC and broader United States interests in the  
8 Indo-Pacific region in the conduct of foreign policy  
9 to implement the strategic imperatives outlined in  
10 those documents.

11 (5) The President should ensure that any senior  
12 official in the Executive Office of the President ap-  
13 pointed to coordinate the United States' strategy of  
14 managed strategic competition with the PRC across  
15 the entire United States Government has the au-  
16 thority and resources to do so.

17 (6) The head of every Federal department and  
18 agency should designate a senior official at the level  
19 of Under Secretary or above to coordinate the de-  
20 partment's or agency's policies with respect to man-  
21 aged strategic competition with the PRC.

22 (7) The ability of the United States to execute  
23 a strategy of managed strategic competition with the  
24 PRC will be undermined if our attention is repeat-  
25 edly diverted to challenges that are not vital to

1 United States economic and national security inter-  
2 ests.

3 (8) In the coming decades, the United States  
4 must prevent the PRC from—

5 (A) establishing regional hegemony in the  
6 Indo-Pacific; and

7 (B) using that position to advance its as-  
8 sertive political, economic, and foreign policy  
9 goals around the world.

10 (9) The United States must ensure that the  
11 Federal budget is properly aligned with the strategic  
12 imperative to compete with the PRC by—

13 (A) authorizing sufficient levels of funding  
14 to resource all instruments of United States na-  
15 tional power; and

16 (B) coherently prioritizing how such funds  
17 are used.

18 (10) Sustained prioritization of the challenge  
19 posed by the PRC requires—

20 (A) bipartisan cooperation within Con-  
21 gress; and

22 (B) frequent, sustained, and meaningful  
23 collaboration and consultation between the exec-  
24 utive and legislative branches.

1           (11) The United States must ensure close inte-  
2           gration among economic and foreign policymakers,  
3           the private sector, civil society, universities and aca-  
4           demic institutions, and other relevant actors in free  
5           and open societies affected by the challenges posed  
6           by the PRC to enable such actors—

7                   (A) to collaborate to advance common in-  
8           terests; and

9                   (B) to identify appropriate policies—

10                   (i) to strengthen the United States  
11           and its allies;

12                   (ii) to promote a compelling vision of  
13           a free and open order; and

14                   (iii) to push back against detrimental  
15           policies pursued by the CCP.

16           (12) The United States must ensure that all  
17           Federal departments and agencies are organized to  
18           reflect the fact that competing with the PRC is the  
19           United States’ top foreign policy priority, including  
20           through the assigned missions and location of  
21           United States Government personnel, by—

22                   (A) dedicating more personnel in the Indo-  
23           Pacific region, at posts around the world, and  
24           in Washington D.C., with priorities directly rel-

1           evant to advancing competition with the Peo-  
2           ple's Republic of China;

3           (B) placing greater numbers of foreign  
4           service officers, international development pro-  
5           fessionals, members of the foreign commercial  
6           service, intelligence professionals, and other  
7           United States Government personnel in the  
8           Indo-Pacific region; and

9           (C) ensuring that this workforce, both ci-  
10          vilian and military, has the training in lan-  
11          guage, technical skills, and other competencies  
12          required to advance a successful competitive  
13          strategy with the PRC.

14          (13) The United States must place renewed em-  
15          phasis on strengthening the nonmilitary instruments  
16          of national power, including diplomacy, information,  
17          technology, economics, foreign assistance and devel-  
18          opment finance, commerce, intelligence, and law en-  
19          forcement, which are crucial for addressing the  
20          unique economic, political, and ideological challenges  
21          posed by the PRC.

22          (14) The United States should—

23                (A) sustain resourcing for the Pacific De-  
24                terrence Initiative, as aligned with the over-  
25                arching political and diplomatic objectives ar-

1           ticated in the Asia Reassurance Initiative Act  
2           (Public Law 115–409); and

3           (B) ensure prioritization of the military in-  
4           vestments necessary to achieve United States  
5           political objectives in the Indo-Pacific, includ-  
6           ing—

7                   (i) promoting regional security in the  
8                   Indo-Pacific;

9                   (ii) reassuring allies and partners  
10                  while protecting them from coercion; and

11                  (iii) deterring conflict with the PRC.

12           (15) Competition with the PRC requires the  
13           United States’ skillful adaptation to the information  
14           environment of the 21st century. United States pub-  
15           lic diplomacy and messaging efforts must effec-  
16           tively—

17                   (A) promote the value of partnership with  
18                   the United States;

19                   (B) highlight the risks and costs of  
20                   enmeshment with the PRC; and

21                   (C) counter CCP propaganda and  
22                   disinformation.

1 **TITLE II—PROTECTING THE**  
 2 **UNITED STATES FROM CHI-**  
 3 **NA’S DISCRIMINATORY ECO-**  
 4 **NOMIC PRACTICES**

5 **SEC. 201. FINDINGS AND SENSE OF CONGRESS REGARDING**  
 6 **THE PRC’S INDUSTRIAL POLICY.**

7 (a) FINDINGS.—Congress makes the following find-  
 8 ings:

9 (1) The People’s Republic of China, at the di-  
 10 rection of the Chinese Communist Party, is advanc-  
 11 ing an ecosystem of anticompetitive economic and  
 12 industrial policies that—

13 (A) distort global markets;

14 (B) limit innovation;

15 (C) unfairly advantage PRC firms at the  
 16 expense of the United States and other foreign  
 17 firms;

18 (D) unfairly and harmfully prejudice con-  
 19 sumer choice; and

20 (E) do not align with the ethical uses and  
 21 development of technologies embraced by demo-  
 22 cratic nations.

23 (2) Of the extensive and systemic economic and  
 24 industrial policies pursued by the PRC, the mass  
 25 subsidization of Chinese firms, intellectual property

1 theft, and forced technology transfer are among the  
2 most damaging to the global economy.

3 (3) Through regulatory interventions and direct  
4 financial subsidies, the CCP, for the purposes of ad-  
5 vancing national political and economic objectives,  
6 directs, coerces, and influences in anti-competitive  
7 ways the commercial activities of firms that are di-  
8 rected, financed, influenced, or otherwise controlled  
9 by the state, including state-owned enterprises, and  
10 ostensibly independent and private Chinese compa-  
11 nies, such as technology firms in strategic sectors.

12 (4) The PRC Government, at the national and  
13 subnational levels, grants special privileges or status  
14 to certain PRC firms in key sectors designated as  
15 strategic, such as telecommunications, oil, power,  
16 aviation, banking, and semiconductors. Enterprises  
17 receive special state preferences in the form of favor-  
18 able loans, tax exemptions, and preferential land ac-  
19 cess from the CCP.

20 (5) The subsidization of PRC companies, as de-  
21 scribed in paragraphs (3) and (4)—

22 (A) enables these companies to sell goods  
23 below market prices, allowing them to outbid  
24 and crowd out market-based competitors and  
25 thereby pursue global dominance of key sectors;

1 (B) distorts the global market economy by  
2 undermining longstanding and generally accept-  
3 ed market-based principles of fair competition,  
4 leading to barriers to entry and forced exit from  
5 the market for foreign or private firms, not only  
6 in the PRC, but in markets around the world;

7 (C) creates government-sponsored or sup-  
8 ported de facto monopolies, cartels, and other  
9 anti-market arrangements in key sectors, lim-  
10 iting or removing opportunities for other firms;  
11 and

12 (D) leads to, as a result of the issues de-  
13 scribed in paragraphs (A) through (C), declines  
14 in profits and revenue needed by foreign and  
15 private firms for research and development.

16 (6) The CCP incentivizes and empowers Chi-  
17 nese actors to steal critical technologies and trade  
18 secrets from private and foreign competitors oper-  
19 ating in the PRC and around the world, particularly  
20 in areas that the CCP has identified as critical to  
21 advancing PRC objectives. The PRC, as directed by  
22 the CCP, also continues to implement anti-competi-  
23 tive regulations, policies, and practices that coerce  
24 the handover of technology and other propriety or

1 sensitive data from foreign enterprises to domestic  
2 firms in exchange for access to the PRC market.

3 (7) Companies in the United States and in for-  
4 eign countries compete with state-subsidized PRC  
5 companies that enjoy the protection and power of  
6 the state in third country markets around the world.  
7 The advantages granted to PRC firms, combined  
8 with significant restrictions to accessing the PRC  
9 market itself, severely hamper the ability of United  
10 States and foreign firms to compete, innovate, and  
11 pursue the provision of best value to customers. The  
12 result is an unbalanced playing field. Such an  
13 unsustainable course, if not checked, will over time  
14 lead to depressed competition around the world, re-  
15 duced opportunity, and harm to both producers and  
16 consumers.

17 (8) As stated in the United States Trade Rep-  
18 resentative's investigation of the PRC's trade prac-  
19 tices under section 301 of the Trade Act of 1974  
20 (19 U.S.C. 2411), conducted in March 2018, "When  
21 U.S. companies are deprived of fair returns on their  
22 investment in IP, they are unable to achieve the  
23 growth necessary to reinvest in innovation. In this  
24 sense, China's technology transfer regime directly  
25 burdens the innovation ecosystem that is an engine

1 of economic growth in the United States and simi-  
2 larly-situated economies.”.

3 (9) In addition to forced technology described  
4 in this subsection, the United States Trade Rep-  
5 resentative’s investigation of the PRC under section  
6 301 of the Trade Act of 1974 (19 U.S.C. 2411) also  
7 identified requirements that foreign firms license  
8 products at less than market value, government-di-  
9 rected and government-subsidized acquisition of sen-  
10 sitive technology for strategic purposes, and cyber  
11 theft as other key PRC technology and industrial  
12 policies that are unreasonable and discriminatory.  
13 These policies place at risk United States intellectual  
14 property rights, innovation and technological devel-  
15 opment, and jobs in dozens of industries.

16 (10) Other elements of the PRC’s ecosystem of  
17 industrial policies that harm innovation and distort  
18 global markets include—

19 (A) advancement of policies that encourage  
20 local production over imports;

21 (B) continuation of policies that favor  
22 unique technical standards in use by Chinese  
23 firms rather than globally accepted standards,  
24 which often force foreign firms to alter their  
25 products and manufacturing chains to compete;

1 (C) requirements that foreign companies  
2 disclose proprietary information to qualify for  
3 the adoption of their standards for use in the  
4 PRC domestic market; and

5 (D) maintenance of closed procurement  
6 processes, which limit participation by foreign  
7 firms, including by setting terms that require  
8 such firms to use domestic suppliers, transfer  
9 know-how to firms in the PRC, and disclose  
10 proprietary information.

11 (11) The Belt and Road Initiative (BRI) and  
12 associated industry-specific efforts under this initia-  
13 tive, such as the Digital Silk Road, are key vectors  
14 to advance the PRC's mercantilist policies and prac-  
15 tices globally. The resulting challenges do not only  
16 affect United States firms. As the European Cham-  
17 ber of Commerce reported in a January 2020 report,  
18 the combination of concessional lending to Chinese  
19 state-owned enterprises, nontransparent procure-  
20 ment and bidding processes, closed digital standards,  
21 and other factors severely limit European and other  
22 participation in BRI and make "competition [with  
23 Chinese companies] in third-country markets ex-  
24 tremely challenging". This underscores a key objec-  
25 tive of BRI, which is to ensure the reliance of infra-

1 structure, digital technologies, and other important  
2 goods on PRC supply chains and technical stand-  
3 ards.

4 (b) SENSE OF CONGRESS.—It is the sense of Con-  
5 gress that—

6 (1) the challenges presented by a nonmarket  
7 economy like the PRC’s economy, which has cap-  
8 tured such a large share of global economic ex-  
9 change, are in many ways unprecedented and re-  
10 quire sufficiently elevated and sustained long-term  
11 focus and engagement;

12 (2) while the Economic and Trade Agreement  
13 Between the Government of the United States and  
14 the Government of the People’s Republic of China,  
15 done at Washington January 15, 2020, makes initial  
16 progress in several areas, including intellectual prop-  
17 erty and trade secret protection, significant further  
18 steps are still required to address some of the more  
19 difficult economic and industrial policies issues in  
20 the PRC, which affect the United States and other  
21 nations;

22 (3) in order to truly address the most detri-  
23 mental aspects of CCP-directed mercantilist eco-  
24 nomic strategy, the United States must adopt poli-  
25 cies that—

1 (A) expose the full scope and scale of intel-  
2 lectual property theft and mass subsidization of  
3 Chinese firms, and the resulting harm to the  
4 United States, foreign markets, and the global  
5 economy;

6 (B) ensure that PRC companies face costs  
7 and consequences for anticompetitive behavior;

8 (C) provide options for affected United  
9 States persons to address and respond to un-  
10 reasonable and discriminatory CCP-directed in-  
11 dustrial policies; and

12 (D) strengthen the protection of critical  
13 technology and sensitive data, while still fos-  
14 tering an environment that provides incentives  
15 for innovation and competition;

16 (4) the United States must work with its allies  
17 and partners through the Organization for Economic  
18 Cooperation and Development (OECD), the World  
19 Trade Organization, and other venues and fora—

20 (A) to reinforce long-standing generally ac-  
21 cepted principles of fair competition and market  
22 behavior and address the PRC's anticompetitive  
23 economic and industrial policies that undermine  
24 decades of global growth and innovation;

1 (B) to ensure that the PRC is not granted  
2 the same treatment as that of a free-market  
3 economy until it ceases the implementation of  
4 laws, regulations, policies, and practices that  
5 provide unfair advantage to PRC firms in fur-  
6 therance of national objectives and impose un-  
7 reasonable, discriminatory, and illegal burdens  
8 on market-based international commerce; and

9 (C) to align policies with respect to curbing  
10 state-directed subsidization of the private sec-  
11 tor, such as advocating for global rules related  
12 to transparency and adherence to notification  
13 requirements, including through the efforts cur-  
14 rently being advanced by the United States,  
15 Japan, and the European Union; and

16 (5) the United States and its allies and part-  
17 ners must collaborate to provide incentives to their  
18 respective companies to cooperate in areas such as—

19 (A) advocating for protection of intellectual  
20 property rights in markets around the world;

21 (B) fostering open technical standards;  
22 and

23 (C) increasing joint investments in over-  
24 seas markets.

1 **SEC. 202. INTELLECTUAL PROPERTY VIOLATORS LIST.**

2 (a) IN GENERAL.—Not later than 1 year after the  
3 date of the enactment of this Act, and not less frequently  
4 than annually thereafter, the Secretary of State, in coordi-  
5 nation with the Secretary of Commerce, the United States  
6 Trade Representative, and the Director of National Intel-  
7 ligence, shall create a list (referred to in this section as  
8 the “intellectual property violators list”), which identifies  
9 all centrally administered, state-owned enterprises that  
10 have benefitted from—

11 (1) a significant act or series of acts of intellec-  
12 tual property theft that subjected a United States  
13 economic sector or particular company incorporated  
14 in the United States to harm; or

15 (2) an act or government policy of involuntary  
16 or coerced technology transfer of intellectual prop-  
17 erty ultimately owned by a company incorporated in  
18 the United States.

19 (b) RULES FOR IDENTIFICATION.—To determine  
20 whether there is a credible basis for determining that a  
21 company should be included on the intellectual property  
22 violators list, the Secretary of State, in coordination with  
23 the Secretary of Commerce, the United States Trade Rep-  
24 resentative, and the Director of National Intelligence,  
25 shall consider—

1           (1) any finding by a United States court that  
2           the company has violated relevant United States  
3           laws intended to protect intellectual property rights;

4           (2) a decision by the President to impose sanc-  
5           tions authorized under section 204(e); or

6           (3) substantial and credible information re-  
7           ceived from any entity described in subsection (c) or  
8           other interested persons.

9           (c) CONSULTATION.—In carrying out this section, the  
10          Secretary of State, in coordination with the Secretary of  
11          Commerce, the United States Trade Representative, and  
12          the Director of National Intelligence, may consult, as nec-  
13          essary and appropriate, with—

14               (1) other Federal agencies, including inde-  
15               pendent agencies;

16               (2) the private sector; and

17               (3) civil society organizations with relevant ex-  
18               pertise.

19          (d) REPORT.—

20               (1) IN GENERAL.—The Secretary of State shall  
21               publish, in the Federal Register, an annual report  
22               that—

23                       (A) lists the companies engaged in the ac-  
24               tivities described in subsection (a)(1); and

1 (B) describes the circumstances sur-  
2 rounding actions described in subsection (a)(2),  
3 including any role of the Government of the  
4 PRC; and

5 (C) assesses, to the extent practicable, the  
6 economic advantage derived by the companies  
7 engaged in the activities described in subsection  
8 (a)(1).

9 (2) FORM.—The report published under para-  
10 graph (1) shall be unclassified, but may include a  
11 classified annex.

12 (e) DECLASSIFICATION AND RELEASE.—The Direc-  
13 tor of National Intelligence may authorize the declassifica-  
14 tion of information, as appropriate, to inform the contents  
15 of the report published pursuant to subsection (d).

16 (f) REQUIREMENT TO PROTECT BUSINESS-CON-  
17 FIDENTIAL INFORMATION.—

18 (1) IN GENERAL.—The Secretary of State and  
19 the heads of all other Federal agencies involved in  
20 the production of the intellectual property violators  
21 list shall protect from disclosure any proprietary in-  
22 formation submitted by a private sector participant  
23 and marked as business-confidential information,  
24 unless the party submitting the confidential business  
25 information—

1 (A) had notice, at the time of submission,  
 2 that such information would be released by the  
 3 Secretary; or

4 (B) subsequently consents to the release of  
 5 such information.

6 (2) NONCONFIDENTIAL VERSION OF REPORT.—

7 If confidential business information is provided by a  
 8 private sector participant, a nonconfidential version  
 9 of the report under subsection (d) shall be published  
 10 in the Federal Register that summarizes or deletes,  
 11 if necessary, the confidential business information.

12 (3) TREATMENT AS TRADE SECRETS.—Propri-  
 13 etary information submitted by a private party  
 14 under this section—

15 (A) shall be considered to be trade secrets  
 16 and commercial or financial information (as de-  
 17 fined under section 552(b)(4) of title 5, United  
 18 States Code); and

19 (B) shall be exempt from disclosure with-  
 20 out the express approval of the private party.

21 **SEC. 203. GOVERNMENT OF THE PEOPLE'S REPUBLIC OF**  
 22 **CHINA SUBSIDIES LIST.**

23 (a) REPORT.—Not later than 1 year after the date  
 24 of the enactment of this Act, and annually thereafter, the  
 25 Secretary of State, in coordination with the United States

1 Trade Representative and the Secretary of Commerce,  
2 shall publish an unclassified report in the Federal Register  
3 that comprehensively identifies and measures—

4 (1) subsidies provided by the Government of the  
5 PRC to enterprises in the PRC in contravention of  
6 agreed trade and other rules; and

7 (2) discriminatory treatment favoring enter-  
8 prises in the PRC over foreign market participants.

9 (b) SUBSIDIES DESCRIBED.—In compiling the report  
10 under subsection (a), the Secretary of State shall con-  
11 sider—

12 (1) regulatory and other policies enacted or pro-  
13 moted by the Government of the PRC that—

14 (A) discriminate in favor of enterprises in  
15 the PRC at the expense of foreign market par-  
16 ticipants;

17 (B) shield centrally administered, state-  
18 owned enterprises from competition; or

19 (C) otherwise suppress market-based com-  
20 petition;

21 (2) financial subsidies, including favorable lend-  
22 ing terms, from or promoted by the Government of  
23 the PRC or centrally administered, state-owned en-  
24 terprises that materially benefit PRC enterprises

1 over foreign market participants in contravention of  
 2 generally accepted market principles; and

3 (3) any subsidy that violates the agreement re-  
 4 ferred to in section 101(d)(12) of the Uruguay  
 5 Round Agreements Act (19 U.S.C. 3511(d)(12))  
 6 (commonly known as the World Trade Organiza-  
 7 tion's Agreement on Subsidies and Countervailing  
 8 Measures).

9 (c) CONSULTATION.—The Secretary of State, in co-  
 10 ordination with the Secretary of Commerce and the United  
 11 States Trade Representative, may, as necessary and ap-  
 12 propriate, consult with—

13 (1) other Federal agencies, including inde-  
 14 pendent agencies;

15 (2) the private sector; and

16 (3) civil society organizations with relevant ex-  
 17 pertise.

18 **SEC. 204. REVIEW OF PETITIONS RELATED TO INTELLEC-**  
 19 **TUAL PROPERTY THEFT AND FORCED TECH-**  
 20 **NOLOGY TRANSFER.**

21 (a) DEFINITIONS.—In this section:

22 (1) APPROPRIATE CONGRESSIONAL COMMIT-  
 23 TEES.—The term “appropriate congressional com-  
 24 mittees” means—

1 (A) the Committee on Foreign Relations of  
2 the Senate;

3 (B) the Committee on Banking, Housing,  
4 and Urban Affairs of the Senate;

5 (C) the Committee on Commerce, Science,  
6 and Transportation of the Senate;

7 (D) the Committee on the Judiciary of the  
8 Senate;

9 (E) the Committee on Foreign Affairs of  
10 the House of Representatives;

11 (F) the Committee on Financial Services  
12 of the House of Representatives;

13 (G) the Committee on Energy and Com-  
14 merce of the House of Representatives; and

15 (H) the Committee on the Judiciary of the  
16 House of Representatives.

17 (2) COMMITTEE.—The term “Committee”  
18 means the committee established or designated  
19 under subsection (b).

20 (3) FOREIGN PERSON.—The term “foreign per-  
21 son” means a person that is not a United States  
22 person.

23 (4) INTELLECTUAL PROPERTY.—The term “in-  
24 tellectual property” means—

1 (A) any work protected by a copyright  
2 under title 17, United States Code;

3 (B) any property protected by a patent  
4 granted by the United States Patent and  
5 Trademark Office under title 35, United States  
6 Code;

7 (C) any word, name, symbol, or device, or  
8 any combination thereof, that is registered as a  
9 trademark with the United States Patent and  
10 Trademark Office under the Act entitled “An  
11 Act to provide for the registration and protec-  
12 tion of trademarks used in commerce, to carry  
13 out the provisions of certain international con-  
14 ventions, and for other purposes”, approved  
15 July 5, 1946 (commonly known as the  
16 “Lanham Act” or the “Trademark Act of  
17 1946”) (15 U.S.C. 1051 et seq.);

18 (D) a trade secret (as defined in section  
19 1839 of title 18, United States Code); or

20 (E) any other form of intellectual property.

21 (5) UNITED STATES PERSON.—The term  
22 “United States person” means—

23 (A) a United States citizen or an alien law-  
24 fully admitted for permanent residence to the  
25 United States; or

1 (B) an entity organized under the laws of  
2 the United States or any jurisdiction within the  
3 United States, including a foreign branch of  
4 such an entity.

5 (b) ESTABLISHMENT OF A COMMITTEE.—

6 (1) IN GENERAL.—The President shall—

7 (A) establish a multi-agency committee to  
8 carry out this section; or

9 (B) designate an existing multi-agency  
10 committee within the executive branch to carry  
11 out this section if the President determines that  
12 the existing committee has the relevant exper-  
13 tise and personnel to carry out this section.

14 (2) MEMBERSHIP.—The Committee shall be  
15 comprised of the following officials (or, subject to  
16 paragraph (3), a designee of any such official):

17 (A) The Secretary of the Treasury.

18 (B) The Secretary of Commerce.

19 (C) The Secretary of State.

20 (D) The Attorney General.

21 (E) The Director of National Intelligence.

22 (F) The heads of such other agencies as  
23 the President determines appropriate, generally  
24 or on a case-by-case basis.

1           (3) DESIGNEE.—An official specified in para-  
 2       graph (2) may select a designee to serve on the  
 3       Committee from among individuals serving in posi-  
 4       tions appointed by the President by and with the ad-  
 5       vice and consent of the Senate.

6           (4) CHAIR AND VICE CHAIR.—The President  
 7       shall appoint a chairperson and a vice chairperson of  
 8       the Committee from among the members of the  
 9       Committee.

10       (c) SUBMISSION OF PETITIONS.—

11           (1) IN GENERAL.—A United States person de-  
 12       scribed in paragraph (3) may submit a petition to  
 13       the Committee requesting that the Committee—

14                (A) review, under subsection (d), a signifi-  
 15       cant act or series of acts described in para-  
 16       graph (2) committed by a foreign person; and

17                (B) refer the matter to the President with  
 18       a recommendation to impose sanctions under  
 19       subsection (e) to address any threat to the na-  
 20       tional security of the United States posed by  
 21       the significant act or series of acts.

22           (2) SIGNIFICANT ACT OR SERIES OF ACTS DE-  
 23       SCRIBED.—A significant act or series of acts de-  
 24       scribed in this paragraph is a significant act or se-  
 25       ries of acts of—

1           (A) theft of intellectual property of a  
2           United States person; or

3           (B) forced transfer of technology that is  
4           the intellectual property of a United States per-  
5           son.

6           (3) UNITED STATES PERSON DESCRIBED.—A  
7           United States person is described in this paragraph  
8           if—

9           (A) a court of competent jurisdiction in the  
10          United States has rendered a final judgment in  
11          favor of the United States person that—

12               (i) the foreign person identified in the  
13               petition submitted under paragraph (1)  
14               committed the significant act or series of  
15               acts identified in the petition;

16               (ii) the United States person is the  
17               owner of the intellectual property identified  
18               in the petition; and

19               (iii) the foreign person is using that  
20               intellectual property without the permis-  
21               sion of the United States person; and

22          (B) the United States person can provide  
23          clear and convincing evidence to the Committee  
24          that the value of the economic loss to the

1 United States person resulting from the signifi-  
2 cant act or series of acts exceeds \$10,000,000.

3 (d) REVIEW AND ACTION BY THE COMMITTEE.—

4 (1) REVIEW.—Upon receiving a petition under  
5 subsection (c), the Committee shall conduct a review  
6 of the petition in order to determine whether the im-  
7 position of sanctions under subsection (e) is nec-  
8 essary and appropriate to address any threat to the  
9 national security of the United States posed by the  
10 significant act or series of acts identified in the peti-  
11 tion.

12 (2) ACTION.—After conducting a review under  
13 paragraph (1) of a petition submitted under sub-  
14 section (c), the Committee may take no action, dis-  
15 miss the petition, or refer the petition to the Presi-  
16 dent with a recommendation with respect to whether  
17 to impose sanctions under subsection (e).

18 (e) IMPOSITION OF SANCTIONS.—

19 (1) IN GENERAL.—The President may impose  
20 the sanctions described in paragraph (3) with re-  
21 spect to a foreign person identified in a petition sub-  
22 mitted under subsection (c) if the President deter-  
23 mines that imposing such sanctions is necessary and  
24 appropriate to address any threat to the national se-

1 security of the United States posed by the significant  
2 act or series of acts identified in the petition.

3 (2) NOTICE TO CONGRESS.—Not later than 30  
4 days after the Committee refers a petition to the  
5 President with a recommendation under subsection  
6 (d)(2), the President shall submit to the appropriate  
7 congressional committees a notice of the determina-  
8 tion of the President under paragraph (1) with re-  
9 spect to whether or not to impose sanctions de-  
10 scribed in paragraph (3) with respect to each foreign  
11 person identified in the petition. Each notice re-  
12 quired under this paragraph shall be submitted in  
13 unclassified form, but may include a classified  
14 annex.

15 (3) SANCTIONS DESCRIBED.—The sanctions  
16 that may be imposed under paragraph (1) with re-  
17 spect to a foreign person identified in a petition sub-  
18 mitted under subsection (c) are the following:

19 (A) EXPORT SANCTION.—The President  
20 may order the United States Government not to  
21 issue any specific license and not to grant any  
22 other specific permission or authority to export  
23 any goods or technology to the person under—

24 (i) the Export Control Reform Act of  
25 2018 (50 U.S.C. 4801 et seq.);

1 (ii) the Arms Export Control Act (22  
2 U.S.C. 2751 et seq.);

3 (iii) the Atomic Energy Act of 1954  
4 (42 U.S.C. 2011 et seq.); or

5 (iv) any other statute that requires  
6 the prior review and approval of the  
7 United States Government as a condition  
8 for the export or reexport of goods or serv-  
9 ices.

10 (B) LOANS FROM UNITED STATES FINAN-  
11 CIAL INSTITUTIONS.—The President may pro-  
12 hibit any United States financial institution  
13 from making loans or providing credits to the  
14 person totaling more than \$10,000,000 in any  
15 12-month period unless the person is engaged  
16 in activities to relieve human suffering and the  
17 loans or credits are provided for such activities.

18 (C) LOANS FROM INTERNATIONAL FINAN-  
19 CIAL INSTITUTIONS.—The President may direct  
20 the United States executive director to each  
21 international financial institution to use the  
22 voice and vote of the United States to oppose  
23 any loan from the international financial insti-  
24 tution that would benefit the person.

1 (D) PROHIBITIONS ON FINANCIAL INSTI-  
2 TUTIONS.—The following prohibitions may be  
3 imposed against the person if the person is a fi-  
4 nancial institution:

5 (i) PROHIBITION ON DESIGNATION AS  
6 PRIMARY DEALER.—Neither the Board of  
7 Governors of the Federal Reserve System  
8 nor the Federal Reserve Bank of New  
9 York may designate, or permit the continu-  
10 ation of any prior designation of, the fi-  
11 nancial institution as a primary dealer in  
12 United States Government debt instru-  
13 ments.

14 (ii) PROHIBITION ON SERVICE AS A  
15 REPOSITORY OF GOVERNMENT FUNDS.—  
16 The financial institution may not serve as  
17 agent of the United States Government or  
18 serve as repository for United States Gov-  
19 ernment funds.

20 (E) PROCUREMENT SANCTION.—The  
21 President may prohibit the United States Gov-  
22 ernment from procuring, or entering into any  
23 contract for the procurement of, any goods or  
24 services from the person.

1           (F) FOREIGN EXCHANGE.—The President  
2           may, pursuant to such regulations as the Presi-  
3           dent may prescribe, prohibit any transactions in  
4           foreign exchange that are subject to the juris-  
5           diction of the United States and in which the  
6           person has any interest.

7           (G) BANKING TRANSACTIONS.—The Presi-  
8           dent may, pursuant to such regulations as the  
9           President may prescribe, prohibit any transfers  
10          of credit or payments between financial institu-  
11          tions or by, through, or to any financial institu-  
12          tion, to the extent that such transfers or pay-  
13          ments are subject to the jurisdiction of the  
14          United States and involve any interest of the  
15          person.

16          (H) PROPERTY TRANSACTIONS.—The  
17          President may, pursuant to such regulations as  
18          the President may prescribe, prohibit any per-  
19          son from—

20               (i) acquiring, holding, withholding,  
21               using, transferring, withdrawing, trans-  
22               porting, importing, or exporting any prop-  
23               erty that is subject to the jurisdiction of  
24               the United States and with respect to

1           which the person identified in the petition  
2           has any interest;

3           (ii) dealing in or exercising any right,  
4           power, or privilege with respect to such  
5           property; or

6           (iii) conducting any transaction in-  
7           volving such property.

8           (I) BAN ON INVESTMENT IN EQUITY OR  
9           DEBT OF SANCTIONED PERSON.—The President  
10          may, pursuant to such regulations or guidelines  
11          as the President may prescribe, prohibit any  
12          United States person from investing in or pur-  
13          chasing significant amounts of equity or debt  
14          instruments of the person.

15          (J) EXCLUSION OF CORPORATE OFFI-  
16          CERS.—The President may direct the Secretary  
17          of State to deny a visa to, and the Secretary of  
18          Homeland Security to exclude from the United  
19          States, any alien that the President determines  
20          is a corporate officer or principal of, or a share-  
21          holder with a controlling interest in, the person.

22          (K) SANCTIONS ON PRINCIPAL EXECUTIVE  
23          OFFICERS.—The President may impose on the  
24          principal executive officer or officers of the per-  
25          son, or on individuals performing similar func-

1           tions and with similar authorities as such offi-  
2           cer or officers, any of the sanctions described in  
3           this paragraph.

4       (f) IMPLEMENTATION; PENALTIES.—

5           (1) IMPLEMENTATION.—The President may ex-  
6           ercise all authorities provided to the President under  
7           sections 203 and 205 of the International Emer-  
8           gency Economic Powers Act (50 U.S.C. 1702 and  
9           1704) to carry out this section.

10          (2) PENALTIES.—A person that violates, at-  
11          tempts to violate, conspires to violate, or causes a  
12          violation of this section or any regulation, license, or  
13          order issued to carry out this section shall be subject  
14          to the penalties set forth in subsections (b) and (c)  
15          of section 206 of the International Emergency Eco-  
16          nomic Powers Act (50 U.S.C. 1705) to the same ex-  
17          tent as a person that commits an unlawful act de-  
18          scribed in subsection (a) of that section.

19       (g) CONFIDENTIALITY OF INFORMATION.—

20           (1) IN GENERAL.—The Committee shall protect  
21          from disclosure any proprietary information sub-  
22          mitted by a United States person and marked as  
23          business confidential information, unless the person  
24          submitting the information—

1 (A) had notice, at the time of submission,  
 2 that the information would be released by the  
 3 Committee; or

4 (B) subsequently consents to the release of  
 5 the information.

6 (2) TREATMENT AS TRADE SECRETS.—Propri-  
 7 etary information submitted by a United States per-  
 8 son under this section shall be—

9 (A) considered to be trade secrets and  
 10 commercial or financial information (as defined  
 11 under section 552(b)(4) of title 5, United  
 12 States Code);

13 (B) exempt from disclosure without the ex-  
 14 press approval of the person.

15 (h) RULEMAKING.—The President may prescribe  
 16 such licenses, orders, and regulations as are necessary to  
 17 carry out this section, including with respect to the process  
 18 by which United States persons may submit petitions  
 19 under subsection (c).

20 **SEC. 205. PREDATORY PRICING BY ENTITIES OWNED, CON-**  
 21 **TROLLED, OR DIRECTED BY A FOREIGN**  
 22 **STATE.**

23 (a) PROHIBITED ACTS.—

24 (1) IN GENERAL.—It is contrary to public pol-  
 25 icy, illegal, and void for a combination, conspiracy,

1 trust, agreement, or contract executed by an entity  
2 owned, controlled, or directed by a foreign state or  
3 an agent or instrumentality of a foreign state (as de-  
4 fined in section 1603 of title 28, United States  
5 Code) and participating in international commerce  
6 to engage in acts to establish or set prices below the  
7 average variable cost in a manner that may  
8 foreseeably eliminate market competitors.

9 (2) ECONOMIC SUPPORT.—In determining the  
10 average variable cost under paragraph (1), the court  
11 may take into account the effects of economic sup-  
12 port provided by the owning or controlling foreign  
13 state to the entity on a discriminatory basis that  
14 may allow the entity to unfairly price at or below  
15 marginal cost.

16 (3) GOVERNMENT SUBSIDIES.—In determining  
17 the foreseeability of the elimination of market com-  
18 petitors under paragraph (1), the court may take  
19 into account the aggravating factor of the actions of  
20 the foreign state owning or controlling the entity re-  
21 ferred to in such paragraph to use government re-  
22 sources to subsidize or underwrite the losses of the  
23 entity in a manner that allows the entity to sustain  
24 the predatory period and recoup its losses.

1 (b) RECOVERY OF DAMAGES BY CLAIMANT FOR VIO-  
 2 LATIONS OF THIS SECTION.—Any person (as defined in  
 3 section 1(a) of the Clayton Act (15 U.S.C. 12(a))) whose  
 4 business or property is injured as a result of the actions  
 5 of an entity described in subsection (a) shall be entitled  
 6 to recovery from the defendant for damages and other re-  
 7 lated costs under section 4 of such Act (15 U.S.C. 15).

8 (c) ELEMENTS OF PRIMA FACIE CASE.—A plaintiff  
 9 may initiate a claim against a defendant in an appropriate  
 10 Federal court for a violation of subsection (a) in order to  
 11 recover damages under subsection (b) by—

12 (1) establishing, by a preponderance of the evi-  
 13 dence, that the defendant—

14 (A) is a foreign state or an agency or in-  
 15 strumentality of a foreign state (as defined in  
 16 section 1603 of title 28, United States Code);  
 17 and

18 (B) is not immune from the jurisdiction of  
 19 the Federal court pursuant to section  
 20 1605(a)(2) of title 28, United States Code; and

21 (2) setting forth sufficient evidence to establish  
 22 a reasonable inference that the defendant has vio-  
 23 lated subsection (a).

24 (d) COURT DETERMINATION LEADING TO EVI-  
 25 DENTIARY BURDEN SHIFTING TO DEFENDANT.—If a

1 Federal court finds that a plaintiff has met its burden of  
 2 proof under subsection (c), the court may determine  
 3 that—

4 (1) the plaintiff has established a prima facie  
 5 case that the conduct of the defendant is in violation  
 6 of subsection (a); and

7 (2) the defendant has the burden of rebutting  
 8 such case by establishing that the defendant is not  
 9 in violation of subsection (a).

10 (e) FILING OF AMICUS BRIEFS BY THE DEPART-  
 11 MENT OF STATE REGARDING INTERNATIONAL COMITY.—

12 (1) IN GENERAL.—For the purposes of consid-  
 13 ering questions of international comity with respect  
 14 to making decisions regarding commercial activity  
 15 and the scope of applicable sovereign immunity, the  
 16 Federal court may receive and consider relevant  
 17 amicus briefs filed by the Secretary of State.

18 (2) SAVINGS PROVISION.—Nothing in para-  
 19 graph (1) may be construed to limit the ability of  
 20 the Federal court to receive and consider any other  
 21 amicus briefs.

1   **SEC. 206. REPORTING ON REQUESTS TO COMPLY WITH THE**  
2                           **CORPORATE SOCIAL CREDIT SYSTEM IN THE**  
3                           **PEOPLE’S REPUBLIC OF CHINA.**

4           (a) DEFINED TERM.—In this section, the term “cor-  
5   porate social credit system,” as established by the “Plan-  
6   ning Outline for the Construction of a Social Credit Sys-  
7   tem” released by the State Council of the Government of  
8   the People’s Republic of China in 2014, means a nation-  
9   wide network of systems operated by private and state ac-  
10   tors, that—

11               (1) use existing financial credit systems, public  
12               records, online activity, government licenses and reg-  
13               istrations, and other information to collect, aggre-  
14               gate, and integrate data regarding corporate entities  
15               that come within the jurisdiction of the PRC, includ-  
16               ing United States companies operating in the PRC;

17               (2) use the data referred to in paragraph (1)—

18                       (A) to monitor a corporate entity’s activi-  
19                       ties; and

20                       (B) to evaluate and rate certain financial,  
21                       social, religious, or political behaviors of the en-  
22                       tity and its key personnel;

23               (3) rates such corporate entities according to  
24               their trustworthiness (as defined by the CCP and  
25               the Government of the PRC); and

1           (4) implements punishments and rewards based  
2           on such ratings that have a direct bearing on a cor-  
3           porate entity's activities within the PRC.

4           (b) REPORTING REQUIREMENT.—The President, act-  
5           ing through the Secretary of Commerce, and in consulta-  
6           tion with the Secretary of State and any other individuals  
7           the President determines should be consulted, shall issue  
8           regulations requiring United States entities with at least  
9           \$100,000,000 of assets or other investment in the PRC  
10          to submit a semiannual report regarding the impact of the  
11          corporate social credit system on the ability of such United  
12          States companies to conduct business or otherwise operate  
13          in the PRC.

14          (c) MATTERS TO BE INCLUDED.—The regulations  
15          issued pursuant to subsection (b) shall require each entity  
16          described in such subsection to report information regard-  
17          ing—

18                (1) the positive and negative impacts of the cor-  
19                porate social credit system on the ability of the enti-  
20                ty to conduct business in the PRC;

21                (2) major disruptions to the business operations  
22                of the entity that are directly linked to the corporate  
23                social credit system, including in hiring, making con-  
24                tracts, implementing partnerships with other enti-  
25                ties, and other appropriate matters;

1           (3) whether the entity has been placed on or re-  
2           moved from a blacklist, untrustworthy entities list,  
3           priority key watchlist, or a redlist within the cor-  
4           porate social credit system;

5           (4) whether the Government of the PRC took  
6           any actions directed at the entity as a result of a list  
7           described in paragraph (3), including any specific  
8           punishments or rewards;

9           (5) any instances in which an agent of the Gov-  
10          ernment of the PRC has asked for the resignation  
11          of key leadership within the company due to their  
12          individual social credit scores;

13          (6) any instances in which an entity within the  
14          Government of PRC at the national, local, or munic-  
15          ipal level informed the entity that it will face a nega-  
16          tive impact on its rating within the corporate social  
17          credit system unless the entity takes a certain course  
18          of action or refrains from taking a certain course of  
19          action;

20          (7) any instances in which the entity was asked  
21          by an agent of the Government of the PRC to take  
22          an action to accommodate a political position of the  
23          CCP or the Government of the PRC for the pur-  
24          poses of complying with the corporate social credit  
25          system; and

1           (8) any instances in which the entity was re-  
2           quired to provide sensitive proprietary business in-  
3           formation to comply with the corporate social credit  
4           system.

5           (d) CONSULTATION WITH THE PRIVATE SECTOR.—  
6           In developing the regulations required under subsection  
7           (b), the Secretary of Commerce, in consultation with the  
8           Secretary of State, shall consult with United States enti-  
9           ties with significant business operations in the PRC.

10          (e) WILLFUL FAILURE TO REPORT.—Not later than  
11          180 days after the issuance of regulations pursuant to  
12          subsection (b), any United States entity required to report  
13          under such subsection who knowingly and willfully fails  
14          to make such report may, in addition to other penalties  
15          provided by law, be fined not more than \$25,000.

16   **SEC. 207. ANNUAL REVIEW ON THE PRESENCE OF CHINESE**  
17                           **COMPANIES IN UNITED STATES CAPITAL**  
18                           **MARKETS.**

19          (a) APPROPRIATE CONGRESSIONAL COMMITTEES.—  
20          In this section, the term “appropriate congressional com-  
21          mittees” means—

- 22               (1) the Committee on Foreign Relations of the  
23               Senate;  
24               (2) the Select Committee on Intelligence of the  
25               Senate;

1           (3) the Committee on Banking, Housing, and  
2       Urban Affairs of the Senate;

3           (4) the Committee on Foreign Affairs of the  
4       House of Representatives;

5           (5) the Permanent Select Committee on Intel-  
6       ligence of the House of Representatives; and

7           (6) the Committee on Financial Services of the  
8       House of Representatives.

9       (b) REPORT.—

10           (1) IN GENERAL.—Not later than 180 days  
11       after the date of the enactment of this Act, and an-  
12       nually thereafter for the following 5 years, the Sec-  
13       retary of State, in consultation with the Director of  
14       National Intelligence and the Secretary of the Treas-  
15       ury, shall submit an unclassified report to the appro-  
16       priate congressional committees that describes the  
17       risks posed to the United States by the presence in  
18       United States capital markets of companies incor-  
19       porated in the PRC.

20           (2) MATTERS TO BE INCLUDED.—The report  
21       required under paragraph (1) shall—

22                   (A) identify companies incorporated in the  
23       PRC that—

24                           (i) are listed or traded on 1 or several  
25       stock exchanges within the United States,

1 including over-the-counter market and “A  
2 Shares” added to indexes and exchange-  
3 traded funds out of mainland exchanges in  
4 the PRC; and

5 (ii) based on the factors for consider-  
6 ation described in paragraph (3), have  
7 knowingly and materially contributed to—

8 (I) activities that undermine  
9 United States national security;

10 (II) serious abuses of internation-  
11 ally recognized human rights; or

12 (III) a substantially increased fi-  
13 nancial risk exposure for United  
14 States-based investors;

15 (B) describe the activities of the companies  
16 identified pursuant to subparagraph (A), and  
17 their implications for the United States; and

18 (C) develop policy recommendations for the  
19 United States Government, State governments,  
20 United States financial institutions, United  
21 States equity and debt exchanges, and other  
22 relevant stakeholders to address the risks posed  
23 by the presence in United States capital mar-  
24 kets of the companies identified pursuant to  
25 subparagraph (A).

1           (3) FACTORS FOR CONSIDERATION.—In com-  
2     pleting the report under paragraph (1), the Presi-  
3     dent shall consider whether a company identified  
4     pursuant to paragraph (2)(A)—

5           (A) has materially contributed to the devel-  
6     opment or manufacture, or sold or facilitated  
7     procurement by the PLA, of lethal military  
8     equipment or component parts of such equip-  
9     ment;

10          (B) has contributed to the construction  
11     and militarization of features in the South  
12     China Sea;

13          (C) has been sanctioned by the United  
14     States or has been determined to have con-  
15     ducted business with sanctioned entities;

16          (D) has engaged in an act or a series of  
17     acts of intellectual property theft;

18          (E) has engaged in corporate or economic  
19     espionage;

20          (F) has contributed to the proliferation of  
21     nuclear or missile technology in violation of  
22     United Nations Security Council resolutions or  
23     United States sanctions;

24          (G) has contributed to the repression of re-  
25     ligious and ethnic minorities within the PRC,

1 including in Xinjiang Uyghur Autonomous Re-  
2 gion or Tibet Autonomous Region;

3 (H) has contributed to the development of  
4 technologies that enable censorship directed or  
5 directly supported by the Government of the  
6 PRC;

7 (I) has failed to comply fully with Federal  
8 securities laws (including required audits by the  
9 Public Company Accounting Oversight Board)  
10 and “material risk” disclosure requirements of  
11 the Securities and Exchange Commission; or

12 (J) has contributed to other activities or  
13 behavior determined to be relevant by the Presi-  
14 dent.

15 (c) REPORT FORM.—The report required under sub-  
16 section (b)(1) shall be submitted in unclassified form, but  
17 may include a classified annex.

18 (d) PUBLICATION.—The unclassified portion of the  
19 report under subsection (b)(1) shall be made accessible to  
20 the public online through relevant United States Govern-  
21 ment websites.

1 **TITLE III—REINVESTING IN**  
2 **AMERICAN AND ALLIED**  
3 **TECHNOLOGICAL COMPETI-**  
4 **TIVENESS**

5 **SEC. 301. REGULATORY EXCHANGES WITH ALLIES AND**  
6 **PARTNERS.**

7 (a) IN GENERAL.—The Secretary of State, in coordi-  
8 nation with the heads of other participating executive  
9 branch agencies, shall establish and develop a program to  
10 facilitate and encourage regular dialogues between United  
11 States Government regulatory and technical agencies and  
12 their counterpart organizations in allied and partner coun-  
13 tries, both bilaterally and in relevant multilateral institu-  
14 tions and organizations—

15 (1) to promote best practices in regulatory for-  
16 mation and implementation;

17 (2) to collaborate to achieve optimal regulatory  
18 outcomes based on scientific, technical, and other  
19 relevant principles;

20 (3) to seek better harmonization and alignment  
21 of regulations and regulatory practices;

22 (4) to build consensus around industry and  
23 technical standards in emerging sectors that will  
24 drive future global economic growth and commerce;  
25 and

1           (5) to promote United States standards regard-  
2           ing environmental, labor, and other relevant protec-  
3           tions in regulatory formation and implementation, in  
4           keeping with the values of free and open societies,  
5           including the rule of law.

6           (b) PRIORITIZATION OF ACTIVITIES.—In facilitating  
7           expert exchanges under subsection (a), the Secretary shall  
8           prioritize—

9           (1) bilateral coordination and collaboration with  
10          countries where greater regulatory coherence, har-  
11          monization of standards, or communication and dia-  
12          logue between technical agencies is achievable and  
13          best advances the economic and national security in-  
14          terests of the United States;

15          (2) multilateral coordination and coordination  
16          where greater regulatory coherence, harmonization  
17          of standards, or dialogue on other relevant regu-  
18          latory matters is achievable and best advances the  
19          economic and national security interests of the  
20          United States, including with—

21                  (A) the European Union;

22                  (B) the Asia-Pacific Economic Coopera-  
23                  tion;

24                  (C) the Association of Southeast Asian Na-  
25                  tions (ASEAN);

1 (D) the Organization for Economic Co-  
2 operation and Development (OECD); and

3 (E) multilateral development banks; and

4 (3) regulatory practices and standards setting  
5 bodies focused on key economic sectors and emerg-  
6 ing technologies.

7 (c) PARTICIPATION BY NONGOVERNMENTAL ENTI-  
8 TIES.—With regard to the program described in sub-  
9 section (a), the Secretary may facilitate, including through  
10 the use of amounts appropriated pursuant to subsection  
11 (e), the participation of private sector representatives and  
12 other relevant organizations and individuals with relevant  
13 expertise, as appropriate and to the extent that such par-  
14 ticipation advances the goals of such program.

15 (d) DELEGATION OF AUTHORITY BY THE SEC-  
16 RETARY.—The Secretary of State is authorized to delegate  
17 the responsibilities described in this section to the Under  
18 Secretary of State for Economic Growth, Energy, and the  
19 Environment.

20 (e) AUTHORIZATION OF APPROPRIATIONS.—

21 (1) IN GENERAL.—There is authorized to be  
22 appropriated \$2,500,000 for each of the fiscal years  
23 2022 through 2026 to carry out this section.

1           (2) USE OF FUNDS.—The Secretary may obli-  
2       gate amounts appropriated pursuant to paragraph  
3       (1) in a manner that—

4           (A) facilitates participation by representa-  
5       tives from technical agencies within the United  
6       States Government and their counterparts; and

7           (B) complies with applicable procedural re-  
8       quirements under the State Department Basic  
9       Authorities Act of 1956 (22 U.S.C. 2651a et  
10      seq.) and the Foreign Assistance Act of 1961  
11      (22 U.S.C. 2151 et seq.).

12       (f) AGREEMENTS.—

13           (1) SUBMISSION.—The text of any agreement  
14      concluded under the authorities provided under this  
15      section shall be submitted to the Committee on For-  
16      eign Relations of the Senate and the Committee on  
17      Foreign Affairs of the House of Representatives not  
18      later than 60 days after any notice of intent to be  
19      formally bound by the terms of such agreement.

20           (2) EFFECTIVE DATE.—Each agreement de-  
21      scribed in paragraph (1) shall be legally effective  
22      and binding upon the United States, in accordance  
23      with the terms provided in the agreement, beginning  
24      on—

1 (A) the date on which appropriate imple-  
2 menting legislation is enacted into law, which  
3 shall provide for the approval of the specific  
4 agreement or agreements, including attach-  
5 ments, annexes, and supporting documentation;  
6 or

7 (B) if the agreement is concluded and sub-  
8 mitted as a treaty, the date on which such trea-  
9 ty is ratified by the Senate.

10 **SEC. 302. AUTHORIZATION TO ASSIST UNITED STATES COM-**  
11 **PANIES WITH SUPPLY CHAIN DIVERSIFICA-**  
12 **TION AND MANAGEMENT.**

13 (a) AUTHORIZATION TO CONTRACT SERVICES.—The  
14 Secretary of State, in coordination with the Secretary of  
15 Commerce, is authorized to establish a program to facili-  
16 tate the contracting by United States embassies for the  
17 professional services of qualified experts, on a reimburs-  
18 able fee for service basis, to assist interested United States  
19 persons and business entities with supply chain manage-  
20 ment issues related to the PRC, including—

21 (1) exiting from the PRC market or relocating  
22 certain production facilities to locations outside the  
23 PRC;

1           (2) diversifying sources of inputs, and other ef-  
2           forts to diversify supply chains to locations outside  
3           of the PRC;

4           (3) navigating legal, regulatory, or other chal-  
5           lenges in the course of the activities described in  
6           paragraphs (1) and (2); and

7           (4) identifying alternative markets for produc-  
8           tion or sourcing outside of the PRC, including  
9           through providing market intelligence, facilitating  
10          contact with reliable local partners as appropriate,  
11          and other services.

12          (b) CHIEF OF MISSION OVERSIGHT.—The persons  
13          hired to perform the services described in subsection (a)  
14          shall—

15               (1) be under the authority of the United States  
16          Chief of Mission in the country in which they are  
17          hired, in accordance with existing United States  
18          laws;

19               (2) coordinate with Department of State and  
20          Department of Commerce officers; and

21               (3) coordinate with United States missions and  
22          relevant local partners in other countries as needed  
23          to carry out the services described in subsection (a).

24          (c) PRIORITIZATION OF MICRO-, SMALL-, AND ME-  
25          DIUM-SIZED ENTERPRISES.—The services described in

1 subsection (a) shall be prioritized to assisting micro-,  
2 small-, and medium-sized enterprises.

3 (d) AUTHORIZATION OF APPROPRIATIONS.—There is  
4 authorized to be appropriated \$15,000,000 for each of the  
5 fiscal years 2022 through 2026 for the purposes of car-  
6 rying out this section.

7 **SEC. 303. SCIENTIFIC AND PRIVATE SECTOR ADVISORY**  
8 **PANEL ON PROTECTION OF CRITICAL TECH-**  
9 **NOLOGIES.**

10 (a) IN GENERAL.—Not later than 180 days after the  
11 date of the enactment of this Act, the President shall es-  
12 tablish an advisory panel comprised of representatives of  
13 the United States private sector, and other members of  
14 the scientific and technology community—

15 (1) to advise the President on regulatory and  
16 policy matters related to critical infrastructure and  
17 critical technologies (as such terms are defined in  
18 paragraphs (5) and (6) of section 721(a) of the De-  
19 fense Production Act of 1950 (50 U.S.C. 4565(a));  
20 and

21 (2) to ensure regular consultation and engage-  
22 ment by the Federal Government with the United  
23 States private sector and scientific and technology  
24 community with respect to the matters described in  
25 paragraph (1).

1       (b) DUTIES.—In addition to other topics considered  
2 relevant by the President, the National Security Advisor,  
3 the Director of the National Economic Council, or the ad-  
4 visory panel established pursuant to subsection (a), the  
5 advisory panel shall provide information, analysis, and rec-  
6 ommendations to the President, including—

7           (1) assessing key developments in the economic  
8 and industrial sectors relevant to critical tech-  
9 nologies and critical infrastructure;

10          (2) safeguarding critical technologies and crit-  
11 ical infrastructure, including the Federal Govern-  
12 ment’s role and the role of the United States private  
13 sector;

14          (3) developing regulations and policies to con-  
15 tribute to and sustain the United States technology  
16 base;

17          (4) developing partnerships with United States  
18 allies and partners in scientific and technological de-  
19 velopment, including changes to existing regulations  
20 and policies to better facilitate the development of  
21 such partnerships;

22          (5) providing assessments of the impact on the  
23 United States private sector and United States eco-  
24 nomic competitiveness of current and planned regu-

lations and policies related critical technologies and critical infrastructure;

(6) engaging in consistent consultations with the United States private sector during regulatory and policy formation; and

(7) making available to the United States private sector an accurate understanding of new regulations and policies.

(c) MEMBERSHIP.—Members of the advisory panel—

(1) shall be appointed by the President, based on recommendations of the National Security Advisor, the Director of the National Economic Council, and the heads of executive agencies designated by the President;

(2) shall be broadly representative of the key industries and sectors relevant to the duties and functions of the panel;

(3) shall consist of not more than 10 private sector corporate members or executives of industry and trade associations representing critical technology sectors; and

(4) shall consist of not more than 10 members with distinguished backgrounds in relevant scientific and technological fields or with substantial expertise in the direct management and oversight of United

1 States critical infrastructure, including at least 2  
 2 members from the National Academies of Sciences,  
 3 Engineering, and Medicine.

4 (d) PARTICIPATION BY EXECUTIVE AGENCIES.—The  
 5 President shall direct—

6 (1) the Council of Economic Advisors and the  
 7 Office of Science and Technology Policy to appoint  
 8 personnel to participate in the activities of advisory  
 9 panel; and

10 (2) the Secretary of State, the Secretary of  
 11 Commerce, the Secretary of the Treasury, the Sec-  
 12 retary of Homeland Security, the Secretary of De-  
 13 fense, the Secretary of Energy, and the head of any  
 14 other relevant Federal agency to provide personnel  
 15 to participate in the task force.

16 (e) DESIGNATED FEDERAL OFFICER.—The Presi-  
 17 dent shall appoint a full-time or permanent part-time Fed-  
 18 eral officer or employee to manage the activities of the  
 19 advisory panel.

20 (f) AUTHORITIES.—The advisory panel shall be gov-  
 21 erned by the Federal Advisory Committee Act (5 U.S.C.  
 22 App.).

23 **SEC. 304. ESTABLISHMENT OF A TECH COALITION.**

24 (a) SENSE OF CONGRESS.—It is the sense of Con-  
 25 gress that—

1           (1) the United States and its allies and part-  
2           ners should collaborate to advance and encourage  
3           the use of international technical standards for new  
4           and emerging technologies;

5           (2) widespread acceptance of international  
6           standards—

7                   (A) improves the quality of technologies;

8                   (B) reduces barriers to market access for  
9           technology companies; and

10                  (C) ensures the global interoperability of  
11           products and services;

12           (3) the United States and its allies and part-  
13           ners should lead in defining and upholding norms  
14           for the responsible and ethical development and use  
15           of new and emerging technologies, including—

16                   (A) cybersecurity technologies;

17                   (B) artificial intelligence;

18                   (C) next-generation telecommunications;

19                   (D) semiconductors;

20                   (E) quantum computing;

21                   (F) biotechnology;

22                   (G) the internet; and

23                   (H) the Internet of Things;

24           (4) the United States should collaborate with  
25           allies and partners to “work internationally to pro-

1       mote an open, interoperable, secure, and reliable in-  
 2       formation and communications infrastructure that  
 3       supports international trade and commerce,  
 4       strengthens international security, and fosters free  
 5       expression and innovation in which norms of respon-  
 6       sible behavior guide states' actions, sustain partner-  
 7       ships, and support the rule of law in cyberspace," as  
 8       stated in the United States International Strategy  
 9       for Cyberspace, which was issued in May 2011;

10       (5) as stated in the National Cyber Strategy of  
 11       the United States of America, issued in September  
 12       2018, "[i]nternational law and voluntary non-bind-  
 13       ing norms of responsible state behavior in cyber-  
 14       space provide stabilizing, security-enhancing stand-  
 15       ards that define acceptable behavior to all states and  
 16       promote greater predictability and stability in cyber-  
 17       space. . . . Increased public affirmation by the  
 18       United States and other governments will lead to ac-  
 19       cepted expectations of state behavior and thus con-  
 20       tribute to greater predictability and stability in  
 21       cyberspace.";

22       (6) the United States and its allies and part-  
 23       ners—

24               (A) should be at the forefront of—

1 (i) promoting and sustaining a multi-  
 2 stakeholder model for internet governance;  
 3 and

4 (ii) defining standards and norms in  
 5 the use of emerging technologies;

6 (B) should develop norms for the respon-  
 7 sible and ethical development and use of tech-  
 8 nology, in consultation with the private sectors,  
 9 academic institutions, international organiza-  
 10 tions, and other relevant experts; and

11 (C) must collaborate to advance appro-  
 12 priate confidence-building measures between  
 13 states regarding the development of new and  
 14 emerging technologies, which will create a  
 15 framework for cooperation and promote greater  
 16 stability in cyberspace;

17 (7) the private sector must continue to play the  
 18 leading role in—

19 (A) developing and deploying new and  
 20 emerging technologies;

21 (B) advancing international technical  
 22 standards in appropriate standards-setting in-  
 23 stitutions; and

24 (C) sharing responsibility for implementing  
 25 norms and standards;

1           (8) the United States should ensure a coordi-  
2           nated approach across the entire Federal Govern-  
3           ment for advocating for international standards and  
4           norms relevant to new and emerging technologies;

5           (9) the United States Government should re-  
6           view how it can best support private sector-led initia-  
7           tives to set new international standards and norms;  
8           and

9           (10) the establishment of a technology coalition  
10          between the United States and interested, like-mind-  
11          ed partners is necessary to uphold existing, and to  
12          establish new, standards and norms that will sustain  
13          an open internet, safeguard free and open societies,  
14          and set the standards for new and emerging tech-  
15          nologies.

16          (b) APPROPRIATE CONGRESSIONAL COMMITTEES.—  
17          In this section, the term “appropriate congressional com-  
18          mittees” means—

19               (1) the Committee on Foreign Relations of the  
20               Senate; and

21               (2) the Committee on Foreign Affairs of the  
22               House of Representatives.

23          (c) TECH COALITION.—The President should seek to  
24          establish a coalition of countries that are committed to—

1           (1) the safe and responsible development and  
2           use of new and emerging technologies and the estab-  
3           lishment of related norms and standards;

4           (2) a secure internet architecture governed by a  
5           multi-stakeholder model instead of centralized gov-  
6           ernment control;

7           (3) robust international cooperation to promote  
8           an open internet and interoperable technological  
9           products and services that are necessary to freedom,  
10          innovation, transparency, and privacy; and

11          (4) multilateral coordination, including through  
12          diplomatic initiatives, information sharing, and other  
13          activities, to defend the principles described in para-  
14          graphs (1) through (3) against efforts by state and  
15          non-state actors to undermine them.

16          (d) FUNCTIONS.—The President, acting through the  
17          Secretary of State, should undertake regular efforts to co-  
18          ordinate with other members of the coalition established  
19          pursuant to subsection (c)—

20               (1) to establish and advocate for norms, stand-  
21               ards, and regulations to ensure that the development  
22               and application of new and emerging technologies  
23               uphold the goals of shared prosperity, security, and  
24               commitment to human rights, including through en-

1        gagement in international organizations and stand-  
2        ards-setting bodies, such as—

3                (A) the International Organization for  
4        Standardization;

5                (B) the Internet Engineering Task Force;

6                (C) the Internet Electrotechnical Commis-  
7        sion;

8                (D) the United Nations International Tele-  
9        communication Union;

10               (E) the United Nations Internet Govern-  
11        ance Forum;

12               (F) the United Nations Group of Govern-  
13        mental Experts on Developments in the Field of  
14        Information and Telecommunications in the  
15        Context of International Security (UN CGE);

16               (G) the United Nations Open-Ended  
17        Working Group on Developments in the Field  
18        of Information and Telecommunications in the  
19        Context of International Security;

20               (H) the United Nations Commission on  
21        Science and Technology for Development  
22        (CSTD);

23               (I) the Directorate for Science, Technology  
24        and Innovation of the Organisation for Eco-  
25        nomic Co-operation and Development; and

1           (J) other international standards organiza-  
2           tions and multilateral norm-setting bodies, as  
3           appropriate;

4           (2) to support and expand adherence to inter-  
5           national treaties and frameworks governing respon-  
6           sible behavior in cyberspace and the use of new and  
7           emerging technologies, including—

8           (A) the Council of Europe’s Convention on  
9           Cybercrime, done at Budapest November 23,  
10          2001;

11          (B) the Organization for Security and Co-  
12          operation in Europe Decision 1202 on Con-  
13          fidence-Building Measures to Reduce the Risks  
14          of Conflict Stemming from the Use of Informa-  
15          tion and Communication Technologies, decided  
16          in Vienna March 10, 2016;

17          (C) the North Atlantic Treaty Organiza-  
18          tion Cyber Defense Pledge, done in Warsaw  
19          July 8, 2016;

20          (D) the G7 Declaration of Responsible  
21          States Behavior in Cyberspace, done in Lucca,  
22          Italy April 11, 2017;

23          (E) the Prague Proposals, done in Prague  
24          May 3, 2019; and

1 (F) other relevant international frame-  
2 works, as appropriate;

3 (3) to support and expand adherence to inter-  
4 national frameworks governing responsible regula-  
5 tion of new and emerging technologies to support  
6 international trade and economic development, in-  
7 cluding through World Trade Organization agree-  
8 ments, such as—

9 (A) the Agreement on Technical Barriers  
10 to Trade, done at Geneva April 12, 1979;

11 (B) the General Agreement on Trade in  
12 Services (entered in force January 1, 1995);  
13 and

14 (C) agreements by the United Nations  
15 Working Group on Electronic Commerce;

16 (4) to coordinate export control policies, includ-  
17 ing through the Wassenaar Arrangement On Export  
18 Controls for Conventional Arms and Dual-Use  
19 Goods and Technologies, done at The Hague Decem-  
20 ber 1995, supply chain security, and investment in  
21 or licensing of critical infrastructure and dual-use  
22 technologies;

23 (5) to coordinate basic and pre-competitive re-  
24 search and development initiatives and to pool re-  
25 sources and talent to pursue opportunities in artifi-

1        cial intelligence, semiconductors, quantum com-  
2        puting, and other industries;

3            (6) to coordinate, as appropriate, dialogues and  
4        other initiatives between United States domestic reg-  
5        ulatory agencies, States, local governments, private  
6        sector entities, and nongovernmental organizations,  
7        with their counterpart organizations in other coun-  
8        tries that are members of the coalition established  
9        pursuant to subsection (c), on best practices in de-  
10       veloping and upholding standards and norms for  
11       emerging technologies, including through the pro-  
12       gram established under section 301; and

13           (7) to deter state and non-state actors from en-  
14        gaging in malicious and illegal activities in cyber-  
15        space and from using new and emerging technologies  
16        in violation of the norms and standards described in  
17        this subsection.

18        (e) BRIEFING.—The Secretary of State, or the Sec-  
19        retary’s designee, shall semiannually brief the appropriate  
20        congressional committees regarding the activities de-  
21        scribed in subsection (d). Such briefings shall include rep-  
22        resentatives from other Federal agencies who participate  
23        in such activities, as appropriate.

24        (f) AGREEMENTS.—

1           (1) SUBMISSION.—The text of any agreement  
2       concluded under the authorities provided under this  
3       section shall be submitted to the Committee on For-  
4       eign Relations of the Senate and the Committee on  
5       Foreign Affairs of the House of Representatives not  
6       later than 60 days after any notice of intent to be  
7       formally bound by the terms of such agreement.

8           (2) EFFECTIVE DATE.—Each agreement de-  
9       scribed in paragraph (1) shall be legally effective  
10      and binding upon the United States, in accordance  
11      with the terms provided in the agreement, beginning  
12      on—

13                (A) the date on which appropriate imple-  
14      menting legislation is enacted into law, which  
15      shall provide for the approval of the specific  
16      agreement or agreements, including attach-  
17      ments, annexes, and supporting documentation;  
18      or

19                (B) if the agreement is concluded and sub-  
20      mitted as a treaty, the date on which such trea-  
21      ty is ratified by the Senate.

1 **SEC. 305. UNITED STATES REPRESENTATION IN STAND-**  
2 **ARDS-SETTING BODIES.**

3 (a) **SHORT TITLE.**—This section may be cited as the  
4 “Promoting United States International Leadership in 5G  
5 Act of 2020”.

6 (b) **SENSE OF CONGRESS.**—It is the sense of Con-  
7 gress that—

8 (1) the United States and its allies and part-  
9 ners should maintain participation and leadership at  
10 international standards-setting bodies for 5th and  
11 future generations mobile telecommunications sys-  
12 tems and infrastructure;

13 (2) the United States should work with its allies  
14 and partners to encourage and facilitate the develop-  
15 ment of secure supply chains and networks for 5th  
16 and future generations mobile telecommunications  
17 systems and infrastructure; and

18 (3) the maintenance of a high standard of secu-  
19 rity in telecommunications and cyberspace between  
20 the United States and its allies and partners is a na-  
21 tional security interest of the United States.

22 (c) **ENHANCING REPRESENTATION AND LEADERSHIP**  
23 **OF UNITED STATES AT INTERNATIONAL STANDARDS-**  
24 **SETTING BODIES.**—

25 (1) **IN GENERAL.**—The President shall—

1           (A) establish an interagency working group  
 2           to provide assistance and technical expertise to  
 3           enhance the representation and leadership of  
 4           the United States at international bodies that  
 5           set standards for equipment, systems, software,  
 6           and virtually-defined networks that support 5th  
 7           and future generations mobile telecommuni-  
 8           cations systems and infrastructure, such as the  
 9           International Telecommunication Union and the  
 10          3rd Generation Partnership Project; and

11          (B) work with allies, partners, and the pri-  
 12          vate sector to increase productive engagement.

13          (2) INTERAGENCY WORKING GROUP.—The  
 14          interagency working group described in paragraph  
 15          (1)—

16               (A) shall be chaired by the Secretary of  
 17               State or a designee of the Secretary of State;  
 18               and

19               (B) shall consist of the head (or designee)  
 20               of each Federal department or agency the  
 21               President determines appropriate.

22          (3) BRIEFING.—

23               (A) IN GENERAL.—Not later than 180  
 24               days after the date of the enactment of this  
 25               Act, and subsequently thereafter as provided in

1           subparagraph (A), the interagency working  
2           group described in paragraph (1) shall provide  
3           a briefing to the Committee on Foreign Rela-  
4           tions of the Senate and the Committee on For-  
5           eign Affairs of the House of Representatives  
6           that includes—

7                   (i) a strategy to promote United  
8                   States leadership at international stand-  
9                   ards-setting bodies for equipment, systems,  
10                  software, and virtually-defined networks  
11                  relevant to 5th and future generation mo-  
12                  bile telecommunications systems and infra-  
13                  structure, taking into account the different  
14                  processes followed by the various inter-  
15                  national standard-setting bodies;

16                  (ii) a strategy for diplomatic engage-  
17                  ment with allies and partners to share se-  
18                  curity risk information and findings per-  
19                  taining to equipment that supports or is  
20                  used in 5th and future generations mobile  
21                  telecommunications systems and infra-  
22                  structure and cooperation on mitigating  
23                  such risks;

24                  (iii) a discussion of China's presence  
25                  and activities at international standards-

1            setting bodies relevant to 5th and future  
2            generation mobile telecommunications sys-  
3            tems and infrastructure, including infor-  
4            mation on the differences in the scope and  
5            scale of China's engagement at such bodies  
6            compared to engagement by the United  
7            States or its allies and partners and the  
8            security risks raised by Chinese proposals  
9            in such standards-setting bodies; and

10            (iv) a strategy for engagement with  
11            private sector communications and infor-  
12            mation service providers, equipment devel-  
13            opers, academia, federally funded research  
14            and development centers, and other pri-  
15            vate-sector stakeholders to propose and de-  
16            velop secure standards for equipment, sys-  
17            tems, software, and virtually-defined net-  
18            works that support 5th and future genera-  
19            tion mobile telecommunications systems  
20            and infrastructure.

21            (B) SUBSEQUENT BRIEFINGS.—Upon re-  
22            ceiving a request from the Committee on For-  
23            eign Relations of the Senate and the Committee  
24            on Foreign Affairs of the House of Representa-  
25            tives, or as determined appropriate by the chair

of the interagency working group established pursuant to paragraph (1), the interagency working group shall provide the requesting committee an updated briefing that covers the matters described in clauses (i) through (iv) of subparagraph (A).

## **TITLE IV—SAFEGUARDING AMERICAN INSTITUTIONS**

### **SEC. 401. AMENDMENT TO FOREIGN AGENT REGISTRATION ACT REGARDING GIFTS MADE TO UNIVERSITIES.**

Section 3(e) of the Foreign Agents Registration Act of 1938 (22 U.S.C. 613(e)) is amended—

(1) by striking “Any person” and inserting the following:

“(1) IN GENERAL.—Any person”; and

(2) by adding at the end the following:

“(2) WAIVER OF EXEMPTION RECOMMENDATION.—The Secretary of Education, the Secretary of State, and the Attorney General may jointly submit a recommendation to the President to waive the exception under this subsection for an institution of higher education (as defined in section 101 of the Higher Education Act of 1965 (20 U.S.C. 1001)) that has accepted a gift from, or has entered into a

1 contract, agreement, affiliation, or similar trans-  
 2 action (not including tuition payments) with, a for-  
 3 eign government that requires a disclosure under  
 4 section 117 of such Act (20 U.S.C. 1011f).

5 “(3) PRESIDENTIAL DETERMINATION.—The  
 6 President, after consideration of a joint rec-  
 7 ommendation submitted pursuant to paragraph (2),  
 8 may determine that a foreign source gift, contract,  
 9 agreement or similar transaction required to be dis-  
 10 closed under section 117 of the Higher Education  
 11 Act of 1965 (20 U.S.C. 1011f) that has been accept-  
 12 ed by an institution of higher education has created  
 13 a relationship of foreign agency with a foreign  
 14 source that requires registration of the appropriate  
 15 representatives of the institution as a foreign agent  
 16 or agents under section 2(a).”.

17 **SEC. 402. DESIGNATION OF A COUNTRY OF NATIONAL SE-**  
 18 **CURITY CONCERN IN THE FOREIGN AGENT**  
 19 **REGISTRATION ACT.**

20 (a) IN GENERAL.—Section 3 of the Foreign Agents  
 21 Registration Act of 1938 (22 U.S.C. 613) is amended by  
 22 adding at the end the following:

23 “(i) COUNTRIES OF NATIONAL SECURITY CON-  
 24 CERN.—The President may issue a finding that a country  
 25 constitutes a significant threat to the national security of

1 the United States and should be designated a ‘country of  
2 national security concern’ after—

3 “(1) considering a joint recommendation sub-  
4 mitted pursuant to section 402(c) of the Strength-  
5 ening Trade, Regional Alliances, Technology, and  
6 Economic and Geopolitical Initiatives concerning  
7 China Act;

8 “(2) consulting with the Committee on Foreign  
9 Relations of the Senate, the Committee on the Judi-  
10 ciary of the Senate, the Committee on Foreign Af-  
11 fairs of the House of Representatives, and the Com-  
12 mittee on the Judiciary of the House of Representa-  
13 tives; and

14 “(3) providing a written detailed justification  
15 for such designation to the appropriate congressional  
16 committees.”.

17 (b) WAIVER OF EXEMPTIONS.—

18 (1) IN GENERAL.—Upon designating a country  
19 as a “country of national security concern” under  
20 section 3(i) of the Foreign Agents Registration Act  
21 of 1938, as added by subsection (a), the President  
22 may waive any of the exemptions for agents of for-  
23 eign principals set forth in subsections (d), (e), and  
24 (h) of section 3 of such Act (22 U.S.C. 613) for up  
25 to 1 year.

1           (2) RENEWALS.—The President may renew  
2       waivers under this subsection for additional 1-year  
3       periods, in accordance with paragraph (1), while the  
4       country in question continues to present a threat to  
5       the national security of the United States.

6           (3) RULE OF CONSTRUCTION.—For purposes of  
7       this section, a waiver under paragraph (1) shall not  
8       apply to bona fide religious pursuits referred to in  
9       section 3(e) of the Foreign Agents Registration Act  
10      of 1938 (22 U.S.C. 613(e)).

11       (c) RECOMMENDATION.—The Secretary of State, in  
12      coordination with the Attorney General, may jointly sub-  
13      mit a recommendation to the President that a country  
14      constitutes a significant national security threat to the  
15      United States of such nature that 1 or more of the exemp-  
16      tions set forth in subsections (d), (e), and (h), of section  
17      3 of the Foreign Agents Registration Act of 1938 (22  
18      U.S.C. 613) should be waived for up to 1 year.

19       (d) TERMINATION BY THE PRESIDENT.—The Presi-  
20      dent may suspend or terminate the designation of a coun-  
21      try as a country of national security concern under section  
22      3(i) of such Act, as added by subsection (a), and any asso-  
23      ciated reporting requirements, if the President determines  
24      such country no longer presents a threat to the national  
25      security of the United States.

1 (e) ADDITIONAL DISCLOSURE MEASURES.—The At-  
 2 torney General, in coordination with the Secretary of  
 3 State, may establish enhanced reporting requirements  
 4 under the Foreign Agents Registration Act of 1938 (22  
 5 U.S.C. 611 et seq.) for agents representing foreign prin-  
 6 cipals of a designated “country of national security con-  
 7 cern” under section 613(i) of such Act, as added by sub-  
 8 section (a), including enhanced transparency and report-  
 9 ing requirements, as appropriate.

10 **SEC. 403. BAN ON SENATE-CONFIRMED DEPARTMENT OF**  
 11 **STATE OFFICIALS REPRESENTING COUN-**  
 12 **TRIES OF NATIONAL SECURITY CONCERN.**

13 (a) DEFINED TERM.—Section 1 of the Foreign  
 14 Agents Registration Act of 1938 (22 U.S.C. 611) is  
 15 amended by inserting after subsection (i) the following:

16 “(j) The term ‘country of national security concern’  
 17 means a country designated under section 3(i).”.

18 (b) REPRESENTATION AFTER SERVICE.—Section  
 19 207(f) of title 18, United States Code, is amended—

20 (1) by redesignating paragraph (3) as para-  
 21 graph (4); and

22 (2) by inserting after paragraph (2) the fol-  
 23 lowing:

24 “(3) SPECIAL RULE FOR SENIOR OFFICIALS OF  
 25 THE DEPARTMENT OF STATE.—With respect to a

1 person serving as a senior official at the Department  
 2 of State who was appointed by the President and  
 3 confirmed by the Senate, the restrictions described  
 4 in paragraph (1) shall apply to representing the gov-  
 5 ernment of a country of national security concern  
 6 (as defined in section 1(j) of the Foreign Agents  
 7 Registration Act of 1938 (22 U.S.C. 611(j))) at any  
 8 time—

9 “(A) after the termination of such service;

10 and

11 “(B) during the period that such country  
 12 is designated a country of national security con-  
 13 cern.”.

14 (c) LIMITATION ON APPOINTMENT AS A SENATE-  
 15 CONFIRMED DEPARTMENT OF STATE OFFICIAL.—Section  
 16 841 of the State Department Basic Authorities Act of  
 17 1956 (22 U.S.C. 2651a) is amended by adding at the end  
 18 the following:

19 “(h) LIMITATION ON APPOINTMENTS.—A person who  
 20 has directly represented the government of a country of  
 21 national security concern (as defined in section 1(j) of the  
 22 Foreign Agents Registration Act of 1938 (22 U.S.C.  
 23 611(j))) may not be appointed by the President to serve  
 24 in a position within the Department of State that requires  
 25 Senate confirmation.”.

1 **SEC. 404. AMENDMENT TO THE MUTUAL EDUCATIONAL**  
2 **AND CULTURAL EXCHANGE ACT.**

3 The Mutual Educational and Cultural Exchange Act  
4 of 1961 (22 U.S.C. 2451 et seq.) is amended by inserting  
5 after section 108A the following:

6 **“SEC. 108B. REPORTING REQUIREMENTS WITH RESPECT TO**  
7 **PARTICIPATION BY FEDERAL EMPLOYEES IN**  
8 **CULTURAL EXCHANGE PROGRAMS INVOLV-**  
9 **ING THE PEOPLE’S REPUBLIC OF CHINA.**

10 “(a) IN GENERAL.—In applying section 108A of the  
11 Mutual Educational and Cultural Exchange Act (22  
12 U.S.C. 2458a) with respect to any cultural exchange pro-  
13 gram that involves the Government of the People’s Repub-  
14 lic of China, the Secretary of State shall require a report  
15 to be submitted to the Department of State, not later than  
16 January 31, 2022, and annually thereafter through 2027,  
17 by—

18 “(1) any element within the Government of the  
19 People’s Republic of China that has an agreement  
20 currently in force with the Department of State pur-  
21 suant to section 108A; and

22 “(2) any United States entity that carries out  
23 a program pursuant to an agreement described in  
24 paragraph (1).

1       “(b) MATTERS TO BE INCLUDED.—Each report sub-  
 2       mitted under subsection (a) shall include, for the relevant  
 3       reporting period—

4               “(1) the total number of cultural exchange pro-  
 5       grams conducted by the reporting entity;

6               “(2) a description of each program referred to  
 7       in paragraph (1), including—

8                       “(A) the purpose of each such program;  
 9       and

10                      “(B) an agenda or itinerary that describes  
 11       the activities engaged in by program partici-  
 12       pants; and

13               “(3) a list of participants in each such pro-  
 14       gram, including the names and professional affili-  
 15       ation of the participants during such program.

16       “(c) FAILURE TO REPORT BY THE GOVERNMENT OF  
 17       THE PEOPLE’S REPUBLIC OF CHINA.—If any entity de-  
 18       scribed in subsection (a)(1) fails to submit the report re-  
 19       quired under subsection (a), the Secretary of State shall  
 20       suspend the agreement between the entity and the Depart-  
 21       ment of State until the entity within the Government of  
 22       the People’s Republic of China has submitted such report.

23       “(d) FAILURE TO REPORT BY A UNITED STATES  
 24       ENTITY.—Any United States entity described in sub-  
 25       section (a)(2) that fails to submit the report required

1 under subsection (a) shall be ineligible to receive any  
 2 funds, in the form of grants or otherwise, from the De-  
 3 partment of State until such entity has submitted such  
 4 report.

5 “(e) RULEMAKING.—The Secretary of State shall  
 6 promulgate regulations to carry out this section.

7 “(f) SUMMARY REPORT.—

8 “(1) SUBMISSION TO CONGRESS.—Not later  
 9 than July 30, 2022, and annually thereafter through  
 10 2027, the Secretary of State shall submit a sum-  
 11 mary of the reports received from the entities de-  
 12 scribed in subsection (a) to the appropriate congres-  
 13 sional committees.

14 “(2) MATTERS TO BE INCLUDED.—The sum-  
 15 mary required under paragraph (1) shall include, for  
 16 the reporting period—

17 “(A) the total number of cultural exchange  
 18 programs conducted;

19 “(B) the total number of participants in  
 20 such cultural exchange programs;

21 “(C) a list of the professional affiliations of  
 22 such participants;

23 “(D) an overview of the cultural exchange  
 24 programs, including illustrative examples of ac-  
 25 tivities in which participants engaged;

“(E) an assessment of whether the cultural programs conducted during the reporting period adhere to purposes set forth in section 101, including a description of any noticeable deviations from such purposes; and

“(F) a description of all actions by the Department of State to remediate deviations from such purposes.

“(3) FORM OF REPORT.—The summary required under paragraph (1) shall be submitted in unclassified form.”.

## **TITLE V—MAINTAINING THE INTEGRITY OF INTERNATIONAL ORGANIZATIONS**

### **SEC. 501. OFFICE OF INTEGRITY IN THE UNITED NATIONS SYSTEM.**

(a) ESTABLISHMENT.—

(1) IN GENERAL.—The Secretary of State shall establish, within the Bureau of International Organization Affairs of the Department of State, the Office of Integrity in the United Nations System (referred to in this section as the “UN Integrity Office”).

(2) OFFICE LEADERSHIP.—

(A) HEAD OF OFFICE.—The Secretary of State shall appoint a career member of the Sen-

1           ior Foreign Service to head the UN Integrity  
2           Office.

3                   (B) SPECIAL ENVOY.—The Secretary of  
4           State may appoint a Special Envoy for Integrity  
5           in the United Nations System.

6           (b) PURPOSE OF OFFICE.—The UN Integrity Office  
7           shall assume the primary responsibility for—

8                   (1) promoting United States participation in  
9           the United Nations System;

10                  (2) ensuring that United Nations employees up-  
11           hold the principals of impartiality enshrined in the  
12           United Nations charter, rules, and regulations;

13                  (3) monitoring and countering undue influence,  
14           especially by authoritarian nations, within the  
15           United Nations System;

16                  (4) promoting participation and inclusion of  
17           Taiwan in the United Nations System; and

18                  (5) advancing other priorities deemed relevant  
19           by the Secretary of State to ensuring the integrity  
20           of the United Nations System.

21           (c) AUTHORIZATION OF APPROPRIATIONS.—Of the  
22           amounts authorized to be appropriated to the Department  
23           of State for administration of foreign affairs, not less than  
24           \$1,000,000 is authorized to be appropriated for fiscal year

1 2022 and for each subsequent fiscal year for the UN In-  
2 tegrity Office.

3 **TITLE VI—BOLSTERING UNITED**  
4 **STATES AND ALLIED DE-**  
5 **FENSE AND SECURITY**

6 **SEC. 601. FINDINGS.**

7 Congress makes the following findings:

8 (1) The People’s Republic of China aims to use  
9 its growing military might in concert with other in-  
10 struments of its national power to displace the  
11 United States in the Indo-Pacific and establish he-  
12 gemony over the region.

13 (2) The military balance in the Indo-Pacific re-  
14 gion is increasingly unfavorable to the United States  
15 because—

16 (A) the PRC is rapidly modernizing and  
17 expanding the capabilities of the PLA to project  
18 power and create contested areas across the en-  
19 tire Indo-Pacific region;

20 (B) PLA modernization has largely fo-  
21 cused on areas where it possesses operational  
22 advantages and can exploit weaknesses in the  
23 United States’ suite of capabilities; and

24 (C) current United States force structure  
25 and presence do not sufficiently counter threats

1 in the Indo-Pacific, as United States allies,  
2 bases, and forces at sea in the Indo-Pacific re-  
3 gion are concentrated in large bases that are  
4 highly vulnerable to the PRC's strike capabili-  
5 ties.

6 (3) This shift in the regional military balance  
7 and erosion of conventional deterrence in the Indo-  
8 Pacific region—

9 (A) presents a substantial and imminent  
10 risk to the security of the United States; and

11 (B) left unchecked, could embolden the  
12 PRC to take actions, including the use of mili-  
13 tary force, to change the status quo before the  
14 United States can mount an effective response.

15 (4) The PRC believes the political bonds be-  
16 tween the United States and its Indo-Pacific allies  
17 are weakening. The PRC sees an opportunity to di-  
18 minish confidence among United States allies and  
19 partners in the strength of United States commit-  
20 ments, even to the extent that these nations feel  
21 compelled to bandwagon with the PRC to protect  
22 their interests. The PRC is closely monitoring the  
23 United States' reaction to PRC pressure and coer-  
24 cion of United States allies, searching for indicators  
25 of United States resolve.

1           (5) Achieving so-called “reunification” of Tai-  
2       wan to mainland China is a key step for the PRC  
3       to achieve its regional hegemonic ambitions. The  
4       PRC has increased the frequency and scope of its  
5       exercises and operations targeting Taiwan, such as  
6       amphibious assault and live-fire exercises in the Tai-  
7       wan Strait, PLA Air Force flights that encircle Tai-  
8       wan, and flights across the unofficial median line in  
9       the Taiwan Strait. The Government of the PRC’s  
10      full submission of Hong Kong potentially accelerates  
11      the timeline of a Taiwan scenario, and makes the  
12      defense of Taiwan an even more urgent priority.

13           (6) The defense of Taiwan is critical to—

14                (A) retaining the United States’ credibility  
15                as a defender of the democratic values and free-  
16                market principles embodied by Taiwan’s people  
17                and government;

18                (B) limiting the PLA’s ability to project  
19                power beyond the First Island Chain, including  
20                to United States territory, such as Guam and  
21                Hawaii;

22                (C) defending the territorial integrity of  
23                Japan; and

1 (D) preventing the PLA from diverting  
2 military planning, resources, and personnel to  
3 broader military ambitions.

4 (7) The PRC has capitalized on the world's at-  
5 tention to COVID-19 to advance its military objec-  
6 tives in the South China Sea, intensifying and accel-  
7 erating trends already underway. The PRC has sent  
8 militarized survey vessels into the Malaysian Exclu-  
9 sive Economic Zone, announced the establishment of  
10 an administrative district in the Spratly and Paracel  
11 Islands under the Chinese local government of  
12 Sansha, aimed a fire control radar at a Philippine  
13 navy ship, encroached on Indonesia's fishing  
14 grounds, sunk a Vietnamese fishing boat, announced  
15 new "research stations" on Fiery Cross Reef and  
16 Subi Reef, and landed special military aircraft on  
17 Fiery Cross Reef to routinize such deployments.

18 (8) On July 13, 2020, Secretary of State Mi-  
19 chael R. Pompeo clarified United States policy on  
20 the South China Sea and stated, "Beijing's claims  
21 to offshore resources across most of the South China  
22 Sea are completely unlawful, as is its campaign of  
23 bullying to control them."

24 (9) These actions enable the PLA to exert in-  
25 fluence and project power deeper into Oceania and

1 the Indian Ocean. As Admiral Phil Davidson, Com-  
2 mander of Indo-Pacific Command, testified in 2019,  
3 “In short, China is now capable of controlling the  
4 South China Sea in all scenarios short of war with  
5 the United States.”.

6 (10) The PLA also continues to advance its  
7 claims in the East China Sea, including through a  
8 high number of surface combatant patrols and fre-  
9 quent entry into the territorial waters of the  
10 Senkaku Islands, over which the United States rec-  
11 ognizes Japan’s administrative control. In April  
12 2014, President Barack Obama stated, “Our com-  
13 mitment to Japan’s security is absolute and article  
14 five [of the U.S.-Japan security treaty] covers all  
15 territory under Japan’s administration, including the  
16 Senkaku islands.”.

17 (11) On March 1, 2019, Secretary of State Mi-  
18 chael R. Pompeo stated, “As the South China Sea  
19 is part of the Pacific, any armed attack on Phil-  
20 ippine forces, aircraft, or public vessels in the South  
21 China Sea will trigger mutual defense obligations  
22 under Article 4 of our Mutual Defense Treaty.”.

23 (12) The PLA is modernizing and gaining crit-  
24 ical capability in every branch and every domain, in-  
25 cluding—

1 (A) positioning the PLA Navy to become a  
2 great maritime power or “blue-water” navy that  
3 can completely control all activity within the  
4 First Island Chain and project power beyond it  
5 with a massive fleet of 425 battle force ships by  
6 2030;

7 (B) increasing the size and range of its  
8 strike capabilities, including approximately  
9 1,900 ground-launched short- and intermediate-  
10 range missiles capable of targeting United  
11 States allies and partners in the First and Sec-  
12 ond Island chains, United States bases in the  
13 Indo-Pacific, and United States forces at sea;

14 (C) boosting capabilities for air warfare,  
15 including with Russian-origin Su-35 fighters  
16 and S-400 air defense systems, new J-20 5th  
17 generation stealth fighters, and Y-20 heavy lift  
18 aircraft; and

19 (D) making critical investments in new do-  
20 mains of warfare, such as cyber warfare, elec-  
21 tronic warfare, and space warfare.

22 (13) The PRC is pursuing this modernization  
23 through all means at its disposal, including its Mili-  
24 tary-Civil Fusion initiative, which, as United States  
25 Assistant Secretary of State Christopher Ford said

1 in March 2020, “aims to make any technology ac-  
2 cessible to anyone under the PRC’s jurisdiction  
3 available to support the Chinese Communist Party’s  
4 ambitions.” It enlists the whole of PRC society in  
5 developing and acquiring technology with military  
6 applications to pursue technological advantage over  
7 the United States in artificial intelligence,  
8 hypersonic glide vehicles, directed energy weapons,  
9 electromagnetic railguns, counter-space weapons,  
10 and other emerging capabilities.

11 (14) The United States’ lead in the develop-  
12 ment of science and technology relevant to defense  
13 is eroding in the face of competition from the PRC.  
14 United States research and development spending on  
15 defense capabilities has declined sharply as a share  
16 of global research and development. The commercial  
17 sector’s leading role in innovation presents certain  
18 unique challenges to the Department of Defense’s  
19 reliance on technology for battlefield advantage.

20 (15) The PRC has vastly increased domestic re-  
21 search and development expenditures, supported the  
22 growth of new cutting-edge industries and tapped  
23 into a large workforce to invest in fostering science  
24 and engineering talent.

1           (16) The PRC is increasing exports of defense  
2           and security capabilities to build its defense tech-  
3           nology and industrial base and improve its own mili-  
4           tary capabilities. For example, the PRC has enjoyed  
5           particular success in exporting numerous unmanned  
6           aerial systems (UAS). Such exports have helped it  
7           establish new defense relationships, test its systems  
8           under operational conditions, and refine its designs  
9           for its own forces. The PRC has exploited an avail-  
10          able gap in the global market, as the PRC does not  
11          subject itself to the limitations of the Missile Tech-  
12          nology Control Regime, which is a voluntary protocol  
13          under which the United States and other members  
14          restrict their own UAS exports. PLA military ana-  
15          lyst Song Zhongping has noted that “the Chinese  
16          [defense] product now doesn’t lack technology, it  
17          only lacks market share, and the United States re-  
18          stricting its arms exports is precisely what gives  
19          China a great opportunity.”.

1 **SEC. 602. STATEMENT OF POLICY EXPRESSING THE POLIT-**  
2 **ICAL WILL OF THE UNITED STATES TO DE-**  
3 **FEND ITS INTERESTS IN THE INDO-PACIFIC**  
4 **AND PURSUE EXPANDED POLITICAL-MILI-**  
5 **TARY COOPERATION WITH ALLIES AND PART-**  
6 **NERS.**

7 It is the policy of the United States—

8 (1) to prioritize the Indo-Pacific region as the  
9 most important political-military theater for United  
10 States foreign policy;

11 (2) to prioritize resources for achieving United  
12 States political and military objectives in this most  
13 critical region, while still balancing resources for  
14 other lower-priority security challenges across the  
15 globe;

16 (3) to reaffirm and strengthen United States  
17 commitments to treaty allies in the Indo-Pacific re-  
18 gion, as articulated by successive United States ad-  
19 ministrations and in the Asia Reassurance Initiative  
20 Act of 2018 (Public Law 115–409; 132 Stat. 5387),  
21 including—

22 (A) with respect to Japan—

23 (i) upholding the Treaty of Mutual  
24 Cooperation and Security Between Japan  
25 and the United States of America, done at

1 Washington January 19, 1960, and all re-  
2 lated and subsequent security agreements;

3 (ii) recognizing Japan's administrative  
4 control over the Senkaku Islands and mar-  
5 itime exclusive economic zones in the East  
6 China Sea; and

7 (iii) further advancing defense co-  
8 operation in priority areas, such as long-  
9 range precision fires, missile defense, mari-  
10 time security, space, cyberspace, and the  
11 electromagnetic spectrum;

12 (B) with respect to the Republic of  
13 Korea—

14 (i) upholding the Mutual Defense  
15 Treaty Between the United States and the  
16 Republic of Korea, done at Washington  
17 October 1, 1953, and all related and subse-  
18 quent security agreements; and

19 (ii) strengthening alliance defense and  
20 deterrence capabilities;

21 (C) with respect to Australia and New  
22 Zealand—

23 (i) upholding the Security Treaty Be-  
24 tween the United States, Australia, and  
25 New Zealand, done at San Francisco Sep-

tember 1, 1951, and all related and subsequent security agreements;

(ii) increasing collaboration to address shared security challenges; and

(iii) providing mutual support in the face of coercion;

(D) with respect to the Philippines—

(i) upholding the Mutual Defense Treaty Between the United States and the Republic of the Philippines, done at Washington August 30, 1951, including commitments relevant to the South China Sea, and all related and subsequent security arrangements; and

(ii) cooperating with the Philippines to build and maintain defense capabilities, particularly in the maritime domain, that enable the Philippines to protect its sovereignty and resist external coercion; and

(E) with respect to Thailand—

(i) upholding the security treaties and all related and subsequent security arrangements that underpin the United States-Thailand alliance; and

1                   (ii) reinvigorating defense cooperation  
2                   and partnership through exercises, train-  
3                   ing, and interoperability that enable it to  
4                   protect its sovereignty and resist external  
5                   coercion;

6                   (4) to collaborate with United States treaty al-  
7                   lies in the Indo-Pacific to foster greater multilateral  
8                   security and defense cooperation with other regional  
9                   partners;

10                  (5) to sustain the Taiwan Relations Act (Public  
11                  Law 96–8; 22 U.S.C. 3301 et seq.) and the “Six As-  
12                  surances” provided by the United States to Taiwan  
13                  in July 1982 as the foundations for United States-  
14                  Taiwan relations, and to deepen, to the fullest extent  
15                  possible, the extensive, close, and friendly relations  
16                  of the United States and Taiwan, including coopera-  
17                  tion to support the development of a capable, ready,  
18                  and modern forces necessary for the defense of Tai-  
19                  wan;

20                  (6) to enhance security partnerships with India,  
21                  across Southeast Asia, and with other nations of the  
22                  Indo-Pacific, including as described in sections 204,  
23                  205, and 208 of the Asia Reassurance Initiative Act  
24                  of 2018 (Public Law 115–409);

1           (7) to deter, in the shorter term, the PRC from  
2 capitalizing on the world's focus on the COVID-19  
3 pandemic to advance its military objectives in the  
4 Western Pacific, including deterring more aggressive  
5 behavior towards Taiwan and in the South China  
6 Sea;

7           (8) to deter, over the longer term, acts of ag-  
8 gression or coercion by the PRC against United  
9 States and allies' interests along the First Island  
10 Chain and in the Western Pacific by showing PRC  
11 leaders that the United States can and is willing to  
12 deny them the ability to achieve their objectives, in-  
13 cluding by—

14           (A) consistently demonstrating the political  
15 will of the United States to deepening existing  
16 treaty alliances and growing new partnerships  
17 as a durable, asymmetric, and unmatched stra-  
18 tegic advantage to the PRC's growing military  
19 capabilities and reach;

20           (B) maintaining a system of forward-de-  
21 ployed bases in the Indo-Pacific region as the  
22 most visible sign of United States resolve and  
23 commitment to the region, and as platforms to  
24 ensure United States operational readiness and

1 advance interoperability with allies and part-  
2 ners;

3 (C) adopting a more dispersed force pos-  
4 ture throughout the region, particularly the  
5 Western Pacific, and pursuing maximum access  
6 for United States mobile and relocatable  
7 launchers for long-range cruise, ballistic, and  
8 hypersonic weapons throughout the Indo-Pacific  
9 region;

10 (D) fielding long-range, precision-strike  
11 networks to United States and allied forces, in-  
12 cluding ground-launched cruise missiles, under-  
13 sea and naval capabilities, and integrated air  
14 and missile defense in the First Island Chain  
15 and the Second Island Chain, in order to im-  
16 pose high risks on the PRC for operating in  
17 these zones, and maximize the United States'  
18 ability to operate;

19 (E) strengthening extended deterrence to  
20 demonstrate that escalation against key United  
21 States interests would be costly, risky, and self-  
22 defeating; and

23 (F) collaborating with allies and partners  
24 to accelerate their roles in more equitably shar-  
25 ing the burdens of mutual defense, including

1 through the acquisition and fielding of advanced  
 2 capabilities and training that will better enable  
 3 them to repel PRC aggression or coercion; and  
 4 (9) to convey to the PRC that, in the event that  
 5 deterrence by denial fails, the United States, if nec-  
 6 essary—

7 (A) will impose prohibitive diplomatic, eco-  
 8 nomic, financial, reputational, and military  
 9 costs on the PRC for its aggression; and

10 (B) will defend itself and its allies regard-  
 11 less of the point of origin of attacks against  
 12 them.

13 **SEC. 603. SENSE OF CONGRESS REGARDING BOLSTERING**  
 14 **SECURITY PARTNERSHIPS IN THE INDO-PA-**  
 15 **CIFIC.**

16 It is the Sense of Congress that steps to bolster  
 17 United States security partnership in the Indo-Pacific  
 18 must include—

19 (1) supporting Japan in its development of  
 20 long-range precision fires, air and missile defense ca-  
 21 pacity, interoperability across all domains, maritime  
 22 security, and intelligence, and surveillance and re-  
 23 connaissance capabilities;

24 (2) launching a United States-Japan national  
 25 security innovation fund to solicit and support pri-

1 vate sector cooperation for new technologies that  
2 could benefit the United States' and Japan's mutual  
3 security objectives;

4 (3) promoting a deeper defense relationship be-  
5 tween Japan and Australia, including supporting re-  
6 ciprocal access agreements and trilateral United  
7 States-Japan-Australia intelligence sharing;

8 (4) encouraging and facilitating Taiwan's accel-  
9 erated acquisition of asymmetric defense capabilities,  
10 which are crucial to defending the islands of Taiwan  
11 from invasion, including long-range precision fires,  
12 anti-ship missiles, coastal defense, anti-armor, air  
13 defense, undersea warfare, advanced command, con-  
14 trol, communications, computers, intelligence, sur-  
15 veillance and reconnaissance (C4ISR), and resilient  
16 command and control capabilities, and increasing  
17 the conduct of relevant and practical training and  
18 exercises with Taiwan's defense forces; and

19 (5) prioritizing building the capacity of United  
20 States allies and partners to protect defense tech-  
21 nology.

22 **SEC. 604. REPORT ON CAPABILITY DEVELOPMENT OF INDO-**  
23 **PACIFIC ALLIES AND PARTNERS.**

24 (a) SENSE OF CONGRESS.—It is the sense of Con-  
25 gress that—

1           (1) the Secretary of State should expand and  
2           strengthen existing measures under the United  
3           States Conventional Arms Transfer Policy to provide  
4           capabilities to allies and partners, prioritizing allies  
5           and partners in the Indo-Pacific region in accord-  
6           ance with United States strategic imperatives;

7           (2) the United States should design for export  
8           to Indo-Pacific allies and partners capabilities crit-  
9           ical to maintaining a favorable military balance in  
10          the region, including long-range precision fires, air  
11          and missile defense systems, anti-ship cruise mis-  
12          siles, land attack cruise missiles, conventional  
13          hypersonic systems, intelligence, surveillance, and re-  
14          connaissance capabilities, and command and control  
15          systems;

16          (3) the United States should pursue, to the  
17          maximum extent possible, anticipatory technology  
18          security and foreign disclosure policy on the systems  
19          described in paragraph (2); and

20          (4) the Secretary of State, in coordination with  
21          the Secretary of Defense, should—

22                (A) urge allies and partners to invest in  
23                sufficient quantities of munitions to meet con-  
24                tingency requirements and avoid the need for  
25                accessing United States stocks in wartime; and

1 (B) cooperate with allies to deliver such  
2 munitions, or when necessary, to increase allies'  
3 capacity to produce such munitions.

4 (b) DEFINED TERM.—In this section, the term “ap-  
5 propriate congressional committees” means—

6 (1) the Committee on Foreign Relations of the  
7 Senate;

8 (2) the Committee on Armed Services of the  
9 Senate;

10 (3) the Committee on Foreign Affairs of the  
11 House of Representatives; and

12 (4) the Committee on Armed Services of the  
13 House of Representatives.

14 (c) REPORT.—

15 (1) IN GENERAL.—Not later than 90 days after  
16 the date of the enactment of this Act, the Secretary  
17 of State, in coordination with the Secretary of De-  
18 fense, shall submit a report to the appropriate con-  
19 gressional committees that—

20 (A) describes United States priorities for  
21 building more capable security partners in the  
22 Indo-Pacific region; and

23 (B) identifies legal, regulatory, or other ob-  
24 stacles to advancing such priorities.

1           (2) MATTERS TO BE INCLUDED.—The report  
2 required under paragraph (1) shall—

3           (A) provide a priority list of defense and  
4 military capabilities that Indo-Pacific allies and  
5 partners must possess for the United States to  
6 be able to achieve its military objectives in the  
7 Indo-Pacific region;

8           (B) identify, from the list referred to in  
9 subparagraph (A), the capabilities that are best  
10 provided, or can only be provided, by the  
11 United States;

12           (C) identify—

13           (i) actions required to prioritize  
14 United States Government resources and  
15 personnel to expedite fielding the capabili-  
16 ties identified in subparagraph (B); and

17           (ii) steps needed to fully account for  
18 and a plan to integrate all means of  
19 United States foreign military sales, direct  
20 commercial sales, security assistance, and  
21 all applicable authorities of the Depart-  
22 ment of State and the Department of De-  
23 fense;

24           (D) assess the requirements for United  
25 States security assistance, including Inter-

1 national Military Education and Training, in  
2 the Indo-Pacific region, as a part of the means  
3 to deliver critical partner capability require-  
4 ments identified in subparagraph (B);

5 (E) assess the resources necessary to meet  
6 the requirements for United States security as-  
7 sistance, and identify resource gaps;

8 (F) assess the major obstacles to fulfilling  
9 requirements for United States security assist-  
10 ance in the Indo-Pacific region, including re-  
11 sources and personnel limits, legislative and pol-  
12 icy barriers, and factors related to specific part-  
13 ner countries;

14 (G) identify limitations on the United  
15 States ability to provide such capabilities, in-  
16 cluding those identified under subparagraph  
17 (B), because of existing United States treaty  
18 obligations, or United States law, policies, or  
19 other regulations;

20 (H) recommend changes to existing laws,  
21 regulations, or other policies that would reduce  
22 or eliminate limitations on providing critical ca-  
23 pabilities to allies and partners in the Indo-Pa-  
24 cific region;

1 (I) identify requirements to streamline the  
2 International Trafficking in Arms Regulations  
3 (22 C.F.R. 120 et seq.) that would enable more  
4 effective delivery of capabilities to allies and  
5 partners in the Indo-Pacific region;

6 (J) recommend improvements to the proc-  
7 ess for developing requirements for partners ca-  
8 pabilities; and

9 (K) recommend other legal, regulatory, or  
10 policy changes that would improve delivery  
11 timelines.

12 (3) FORM.—The report required under this  
13 subsection shall be unclassified, but may include a  
14 classified annex.

15 **SEC. 605. STATEMENT OF POLICY ON UNMANNED AERIAL**  
16 **SYSTEMS AND THE MISSILE TECHNOLOGY**  
17 **CONTROL REGIME.**

18 It is the policy of the United States—

19 (1) to maintain its commitment to nonprolifera-  
20 tion through voluntary adherence to the 1987 Mis-  
21 sile Technology Control Regime (referred to in this  
22 section as “MTCR”);

23 (2) to exercise its sovereign right within that  
24 regime to define unmanned aerial systems (referred

1 to in this section as “UAS”) as aircraft rather than  
 2 as cruise missiles;

3 (3) to consider UAS as not subject to MTCR  
 4 guidelines, annexes, or any other United States pol-  
 5 icy subject to the MTCR;

6 (4) to ensure that exports of military UAS re-  
 7 main subject to the same export considerations as  
 8 military aircraft; and

9 (5) to ensure that military UAS share the same  
 10 co-development, co-production, and any other privi-  
 11 lege or consideration afforded to military aircraft for  
 12 the purposes of direct commercial sale or foreign  
 13 military sale.

14 **SEC. 606. REPORT ON NATIONAL TECHNOLOGY AND INDUS-**  
 15 **TRIAL BASE.**

16 (a) SENSE OF CONGRESS.—It is the Sense of Con-  
 17 gress that—

18 (1) a more streamlined, shared, and coordinated  
 19 approach, which leverages economies of scale with  
 20 major allies, is necessary for the United States to re-  
 21 tain its lead in defense technology;

22 (2) allowing for the export, re-export, or trans-  
 23 fer of defense-related technologies and services to  
 24 members of the national technology and industrial  
 25 base (as defined in section 2500 of title 10, United

1 States Code) would advance United States security  
 2 interests by helping to leverage the defense-related  
 3 technologies and skilled workforces of trusted allies  
 4 to reduce the dependence on other countries, includ-  
 5 ing countries that pose challenges to United States  
 6 interests around the world, for defense-related inno-  
 7 vation and investment; and

8 (3) it is in the interest of the United States to  
 9 continue to increase cooperation with close allies to  
 10 protect critical defense-related technology and serv-  
 11 ices and leverage the investments of like-minded,  
 12 major ally nations in order to maximize the strategic  
 13 edge afforded by defense technology innovation.

14 (b) DEFINED TERM.—In this section, the term “ap-  
 15 propriate congressional committees” means—

16 (1) the Committee on Foreign Relations of the  
 17 Senate;

18 (2) the Committee on Armed Services of the  
 19 Senate;

20 (3) the Committee on Foreign Affairs of the  
 21 House of Representatives; and

22 (4) the Committee on Armed Services of the  
 23 House of Representatives.

24 (c) REPORT.—

1           (1) IN GENERAL.—Not later than 90 days after  
2           the date of the enactment of this Act, the Secretary  
3           of State shall submit a report to the appropriate  
4           congressional committees that—

5                   (A) describes the Department of State’s ef-  
6           forts to facilitate access among the national  
7           technology and industrial base to defense arti-  
8           cles and services subject to the United States  
9           Munitions List under section 38(a)(1) of the  
10          Arms Export Control Act (22 U.S.C.  
11          2778(a)(1)); and

12                   (B) identifies legal, regulatory, foreign pol-  
13          icy, or other challenges or considerations that  
14          prevent or frustrate these efforts, to include any  
15          gaps in the respective export control regimes  
16          implemented by United Kingdom of Great Brit-  
17          ain and Northern Ireland, Australia, or Can-  
18          ada.

19          (2) FORM.—This report required under para-  
20          graph (1) shall be unclassified, but may include a  
21          classified annex.

1 **SEC. 607. AUTHORIZATION OF APPROPRIATIONS FOR**  
2 **SOUTHEAST ASIA MARITIME SECURITY PRO-**  
3 **GRAMS AND DIPLOMATIC OUTREACH ACTIVI-**  
4 **TIES.**

5 (a) SOUTHEAST ASIA MARITIME SECURITY PRO-  
6 GRAMS.—There are authorized to be appropriated to the  
7 Department of State for the Southeast Asia Maritime Se-  
8 curity Initiative, the Southeast Asia Maritime Law En-  
9 forcement Initiative, and other related regional pro-  
10 grams—

- 11 (1) \$50,000,000 for fiscal year 2022;
- 12 (2) \$60,000,000 for fiscal year 2023;
- 13 (3) \$75,000,000 for fiscal year 2024;
- 14 (4) \$90,000,000 for fiscal year 2025; and
- 15 (5) \$100,000,000 for fiscal year 2026.

16 (b) DIPLOMATIC OUTREACH ACTIVITIES.—There is  
17 authorized to be appropriated to the Department of State,  
18 \$1,000,000 for each of the fiscal years 2022 through  
19 2026, which shall be used—

- 20 (1) to conduct, in coordination with the Depart-  
21 ment of Defense, outreach activities, including con-  
22 ferences and symposia, to familiarize partner coun-  
23 tries, particularly in the Indo-Pacific region, with  
24 the United States' interpretation of international law  
25 relating to freedom of the seas; and

1           (2) to work with allies and partners in the  
2       Indo-Pacific region to better align respective inter-  
3       pretations of international law relating to freedom of  
4       the seas, including on the matters of operations by  
5       military ships in exclusive economic zones, innocent  
6       passage through territorial seas, and transits  
7       through international straits.

8   **SEC. 608. REPORT ON CHINA COAST GUARD.**

9       (a) **DEFINED TERM.**—In this section, the term “ap-  
10   propriate congressional committees” means—

11           (1) the Committee on Foreign Relations of the  
12       Senate;

13           (2) the Committee on Armed Services of the  
14       Senate;

15           (3) the Committee on Homeland Security and  
16       Governmental Affairs of the Senate;

17           (4) the Committee on Foreign Affairs of the  
18       House of Representatives;

19           (5) the Committee on Armed Services of the  
20       House of Representatives; and

21           (6) the Committee on Homeland Security of the  
22       House of Representatives.

23       (b) **IN GENERAL.**—Not later than 180 days after the  
24   date of enactment of this Act, the Secretary of State, in  
25   consultation with the Secretary of Defense and the Sec-

1 retary of Homeland Security shall submit to the appro-  
2 priate congressional committees a report on the China  
3 Coast Guard (referred to in this section as the “CCG”).

4 (c) MATTERS TO BE INCLUDED.—The report re-  
5 quired under subsection (b) shall—

6 (1) describe recent changes in the CCG’s com-  
7 mand structure, including—

8 (A) its control under the Central Military  
9 Commission’s chain of command; and

10 (B) whether such changes undermine the  
11 CCG’s claim that it should be treated as a law  
12 enforcement entity;

13 (2) assess the implications of the new command  
14 structure of the CCG with respect to its role as a  
15 coercive tool in “gray zone” activity in the East  
16 China Sea and in the South China Sea;

17 (3) assess how changes in the command struc-  
18 ture of the CCG may affect interactions between the  
19 United States Navy and the United States Coast  
20 Guard with the CCG;

21 (4) assess the implications for the United  
22 States and regional allies of the Coast Guard Law  
23 of the People’s Republic of China, which went into  
24 effect on February 1, 2021; and

1           (5) assess whether the CCG should be consid-  
2           ered a military force rather than a civilian law en-  
3           forcement entity, and the implications of such an as-  
4           sessment on United States policy.

5           (d) FORM OF REPORT.—The report required under  
6           subsection (b) shall be unclassified, but may include a  
7           classified annex.

8   **SEC. 609. REPORT ON CHINESE MILITARY ACTIVITY IN**  
9                           **DJIBOUTI.**

10          (a) DEFINED TERM.—In this section, the term “ap-  
11        propriate congressional committees” means—

12               (1) the Committee on Foreign Relations of the  
13        Senate;

14               (2) the Committee on Armed Services of the  
15        Senate;

16               (3) the Committee on Foreign Affairs of the  
17        House of Representatives; and

18               (4) the Committee on Armed Services of the  
19        House of Representatives.

20          (b) IN GENERAL.—Not later than 180 days after the  
21        date of the enactment of this Act, the Secretary of De-  
22        fense, in coordination with the Secretary of State, shall  
23        submit a report to Congress regarding Chinese military  
24        activity in Djibouti.

1 (c) MATTERS TO BE INCLUDED.—The report re-  
 2 quired under subsection (b) shall include—

3 (1) a summary of any incidents of harassment  
 4 of United States military and embassy personnel by  
 5 any element within the Government of the PRC; and

6 (2) an evaluation of the extent to which the  
 7 presence of the PLA in Djibouti affects the United  
 8 States military’s ability to operate in the region.

9 (d) FORM OF REPORT.—The report required under  
 10 subsection (b) shall be unclassified, but may include a  
 11 classified annex.

12 **SEC. 610. STATEMENT OF POLICY REGARDING UNIVERSAL**  
 13 **IMPLEMENTATION OF UNITED NATIONS**  
 14 **SANCTIONS ON NORTH KOREA.**

15 It is the policy of the United States to sustain max-  
 16 imum economic pressure on the Government of the Demo-  
 17 cratic People’s Republic of Korea (referred to in this sec-  
 18 tion as the “DPRK”) until the regime undertakes com-  
 19 plete, verifiable, and irreversible actions toward  
 20 denuclearization, including by—

21 (1) encouraging pressing all nations, including  
 22 the PRC, to implement and enforce existing United  
 23 Nations sanctions with regard to the DPRK;

24 (2) pressing all nations, including the PRC, and  
 25 in accordance with United Nations Security Council

1 resolutions, to end the practice of hosting DPRK  
2 citizens as guest workers, recognizing that such  
3 workers are demonstrated to constitute an illicit  
4 source of revenue for the DPRK regime and its nu-  
5 clear ambitions;

6 (3) pressing all nations, including the PRC, to  
7 pursue rigorous interdiction of shipments to and  
8 from the DPRK, including ship-to-ship transfers,  
9 consistent with United Nations Security Council res-  
10 olutions;

11 (4) pressing the PRC and PRC entities—

12 (A) to cease business activities with United  
13 Nations-designated entities and their affiliates  
14 in the DPRK; and

15 (B) to expel from the PRC individuals who  
16 enable the DPRK to acquire materials for its  
17 nuclear and ballistic missile programs; and

18 (5) enforcing United Nations Security Council  
19 resolutions with respect to the DPRK and United  
20 States sanctions, including those pursuant to the  
21 North Korea Sanctions and Policy Enhancement Act  
22 of 2016 (Public Law 114–122), the Countering  
23 America’s Adversaries Through Sanctions Act (Pub-  
24 lic Law 115–44), the Otto Warmbier North Korea  
25 Nuclear Sanctions and Enforcement Act of 2019

(title LXXI of division F of Public Law 116–92),  
and relevant United States executive orders.

## **TITLE VII—ENSURING STRATEGIC SECURITY**

### **SEC. 701. FINDINGS ON STRATEGIC SECURITY AND ARMS CONTROL.**

Congress makes the following findings:

(1) The United States and the PRC have a shared interest in strategic security through enforceable arms control and non-proliferation agreements.

(2) The United States has long pursued and continues to seek effective, verifiable, and enforceable arms control and nonproliferation agreements that support United States and allied security by—

(A) controlling the spread of nuclear materials and technology;

(B) placing limits on the production, stockpiling and deployment of nuclear weapons;

(C) decreasing misperception and miscalculation; and

(D) avoiding destabilizing nuclear arms competition.

(3) The PRC has long alleged that it does not seek to compete in an arms race with nuclear superpowers. Its 2019 Defense White Paper states,

1 “China does not engage in any nuclear arms race  
2 with any other country and keeps its nuclear capa-  
3 bilities at the minimum level required for national  
4 security.” Yet, the behavior of the PRC suggests  
5 otherwise.

6 (4) The PRC is pushing the boundaries of its  
7 traditional posture of minimum deterrence as it ex-  
8 pands and improves its nuclear forces. The PRC’s  
9 “No First Use” policy—which has always been high-  
10 ly contingent and ambiguous—is increasingly in  
11 doubt. The PRC’s traditional goal of maintaining  
12 only a “lean and effective” deterrent is called into  
13 question by the rapid expansion of its forces.

14 (5) In May 2019, Director of the Defense Intel-  
15 ligence Agency Lieutenant General Robert Ashley  
16 stated, “China is likely to at least double the size of  
17 its nuclear stockpile in the course of implementing  
18 the most rapid expansion and diversification of its  
19 nuclear arsenal in China’s history.”. The PLA is  
20 building a full triad of modernized fixed and mobile  
21 ground-based launchers, and new capabilities for nu-  
22 clear-armed bombers and submarine-launched bal-  
23 listic missiles.

24 (6) In June 2020, the Department of State  
25 raised concerns in its annual “Adherence to and

1 Compliance with Arms Control, Nonproliferation,  
2 and Disarmament Agreements and Commitments”  
3 report to Congress that the PRC is not complying  
4 with the “zero-yield” nuclear testing ban and ac-  
5 cused the PRC of “blocking the flow of data from  
6 the monitoring stations” in China.

7 (7) The PRC is conducting research on its first  
8 potential early warning radar, with technical co-  
9 operation from Russia. This radar could indicate  
10 that the PRC is moving to a launch-on warning pos-  
11 ture.

12 (8) The PRC plans to use its increasingly capa-  
13 ble space, cyber, and electronic warfare capabilities  
14 against United States early warning systems and  
15 critical infrastructure in a crisis scenario. This poses  
16 great risk to strategic security, as it could lead to  
17 inadvertent escalation.

18 (9) The PRC’s nuclear expansion comes as a  
19 part of a massive modernization of the PLA which,  
20 combined with the PLA’s aggressive actions, has in-  
21 creasingly destabilized the Indo-Pacific region.

22 (10) The PLA Rocket Force (PLARF), which  
23 was elevated in 2015 to become a separate branch  
24 within the PLA, has formed 11 new missile brigades  
25 since May 2017, some of which are capable of both

1 conventional and nuclear strikes. Unlike the United  
2 States, which separates its conventional strike and  
3 nuclear capabilities, the PLARF appears to not only  
4 co-locate conventional and nuclear forces, including  
5 dual-use missiles like the DF-26, but to task the  
6 same unit with both nuclear and conventional mis-  
7 sions. Such intermingling could lead to inadvertent  
8 escalation in a crisis. The United States Defense In-  
9 telligence Agency determined in March 2020 that  
10 the PLA tested more ballistic missiles than the rest  
11 of the world combined in 2019.

12 (11) Planned United States nuclear moderniza-  
13 tion efforts will not increase the size of the United  
14 States nuclear deterrent and the United States Pro-  
15 gram of Record remains within the limits set by the  
16 Treaty between the United States of America and  
17 the Russian Federation on Measures for the Further  
18 Reduction and Limitation of Strategic Offensive  
19 Arms, done at Prague April 8, 2010 (commonly  
20 known as the “New START Treaty”).

21 (12) The United States’ extended nuclear deter-  
22 rence—

23 (A) provides critical strategic security  
24 around the world;

1 (B) is an essential element of United  
2 States military alliances; and

3 (C) serves a vital nonproliferation function.

4 (13) United States declaratory policy has pro-  
5 found implications for extended deterrence and alli-  
6 ance management. Since the PRC has no formal  
7 treaty allies, the PLA has no similar requirement for  
8 extended deterrence.

9 (14) While the United States has concluded nu-  
10 merous arms control agreements with Russia and  
11 has reduced its nuclear stockpile by 85 percent, the  
12 PRC has repeatedly refused to conduct arms control  
13 negotiations.

14 (15) As a signatory to the Treaty on the Non-  
15 Proliferation of Nuclear Weapons, done at Wash-  
16 ington, London, and Moscow July 1, 1968, the PRC  
17 is obligated under Article Six of the treaty to pursue  
18 arms control negotiations in good faith.

19 (16) In May and July 2019, President Trump  
20 called on the PRC to participate in arms control ne-  
21 gotiations, but the PRC Foreign Ministry indicated  
22 that China would not participate in such talks with-  
23 out further reductions by the United States and  
24 Russia. In December 2019, the United States for-  
25 mally invited the PRC to begin arms control nego-

1       tiations, but the PRC also rejected this invitation. In  
 2       June 2020, the United States once again invited the  
 3       PRC to join talks with the Russian Federation in  
 4       Vienna, but the PRC declined.

5           (17) The governments of Poland, Slovenia,  
 6       Denmark, Norway, Latvia, Lithuania, Estonia, the  
 7       Netherlands, Romania, Austria, Albania, and the  
 8       Deputy Secretary General of the North Atlantic  
 9       Treaty Organization have all encouraged the PRC to  
 10      join arms control discussions.

11   **SEC. 702. COOPERATION ON A STRATEGIC NUCLEAR DIA-**  
 12                           **LOGUE.**

13       (a) STATEMENT OF POLICY.—It is the policy of the  
 14      United States—

15           (1) to pursue, in coordination with United  
 16       States allies, arms control negotiations and sus-  
 17       tained and regular engagement with the PRC—

18                   (A) to enhance understanding of each oth-  
 19                   er’s respective nuclear policies, doctrine, and ca-  
 20                   pabilities;

21                   (B) to improve transparency; and

22                   (C) to help manage the risks of miscalcula-  
 23                   tion and misperception;

24           (2) to pursue relevant capabilities in coordina-  
 25      tion with our allies and partners to ensure the secu-

1 rity of United States and allied interests in the face  
2 of the PRC's military modernization and expansion,  
3 including—

4 (A) ground-launched cruise and ballistic  
5 missiles;

6 (B) integrated air and missile defense;

7 (C) hypersonic missiles;

8 (D) intelligence, surveillance, and recon-  
9 naissance;

10 (E) space-based capabilities;

11 (F) cyber capabilities; and

12 (G) command, control, and communica-  
13 tions;

14 (3) to maintain sufficient force structure, pos-  
15 ture, and capabilities to provide extended nuclear de-  
16 terrence assurances to United States allies and part-  
17 ners;

18 (4) to maintain appropriate missile defense ca-  
19 pabilities to protect threats to the United States  
20 homeland and our forces across the theater from  
21 rogue intercontinental ballistic missiles from the  
22 Indo-Pacific region; and

23 (5) to ensure that the United States declaratory  
24 policy reflects the requirements of extended deter-

1       rence, to both assure allies and to preserve its non-  
2       proliferation benefits.

3       (b) SENSE OF CONGRESS.—It is the sense of Con-  
4       gress that—

5           (1) in the midst of growing competition between  
6       the United States and the PRC, it is in the interest  
7       of both nations to cooperate in insulating their nu-  
8       clear forces from such dynamics, and thereby reduce  
9       risks of escalation;

10          (2) a physical, cyber, electronic, or any other  
11       PLA attack on United States early warning sat-  
12       ellites, other portions of the nuclear command and  
13       control enterprise, or critical infrastructure poses a  
14       high risk to inadvertent but rapid escalation;

15          (3) no PRC territory used to stage attacks on  
16       the United States or its allies should be considered  
17       safe from potential retaliation;

18          (4) PRC leaders are unlikely to view any  
19       United States adoption of a “no first use” or “sole  
20       purpose” declaratory policy as credible, and are thus  
21       unlikely to change their behavior in a crisis if the  
22       United States adopted such a policy;

23          (5) United States allies and partners are likely  
24       to view any United States adoption of a “no first  
25       use” or “sole purpose” declaratory policy as a weak-

1 ening of United States security commitments, under-  
2 mining our long-term alliances across the region;

3 (6) the United States and its allies should pro-  
4 mote international norms on military operations in  
5 space, the employment of cyber capabilities, and the  
6 military use of artificial intelligence, as an element  
7 of risk reduction regarding nuclear command and  
8 control; and

9 (7) United States allies and partners should  
10 share the burden of promoting and protecting such  
11 norms by voting against the PRC's proposals re-  
12 garding the weaponization of space, highlighting un-  
13 safe behavior by the PRC that violates international  
14 norms, such as in rendezvous and proximity oper-  
15 ations, and promoting responsible behavior in space  
16 and all other domains.

17 **SEC. 703. AGREEMENTS.**

18 (a) SUBMISSION.—The text of any agreement con-  
19 cluded under the authorities provided under this title shall  
20 be submitted to the Committee on Foreign Relations of  
21 the Senate and the Committee on Foreign Affairs of the  
22 House of Representatives not later than 60 days after any  
23 notice of intent to be formally bound by the terms of such  
24 agreement.

1       (b) EFFECTIVE DATE.—Each agreement described in  
2 subsection (a) shall be legally effective and binding upon  
3 the United States, in accordance with the terms provided  
4 in the agreement, beginning on—

5           (1) the date on which appropriate implementing  
6 legislation is enacted into law, which shall provide  
7 for the approval of the specific agreement or agree-  
8 ments, including attachments, annexes, and sup-  
9 porting documentation; or

10          (2) if the agreement is concluded and submitted  
11 as a treaty, the date on which such treaty is ratified  
12 by the Senate.

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