117TH CONGRESS 1ST SESSION

S. 687

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

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

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
- an enterprise meeting the requirements under
- 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 policies, 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 PRC, the United States was compelled to reexamine 12 and revise its strategy towards the PRC.
 - (5) The General Secretary of the Chinese Communist Party and the President of the People's Republic of China, Xi Jinping, has elevated the "Great Rejuvenation of the Chinese Nation" as central to the domestic and foreign policy of the PRC. His program demands—
 - (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

13

14

15

16

17

18

- 1 (E) the denial of any universal values and 2 individual rights that are deemed to threaten 3 the CCP.
 - ernance, "socialism with Chinese characteristics", as superior to, and at odds with, the constitutional models of the United States and other democracies. This approach to governance is lauded by the CCP as essential to securing the PRC's status as a global leader, and to shaping the future of the world. In a 2013 speech, President Xi said, "We firmly believe that as socialism with Chinese characteristics develops further . . . it is . . . inevitable that the superiority of our socialist system will be increasingly apparent . . . [and] our country's road of development will have increasingly greater influence on the world."
 - (7) The PRC's objectives are to first establish regional hegemony over the Indo-Pacific and then to use that dominant position to propel the PRC to become the "leading world power". The PRC seeks to shape an international order that is conducive to the interests of authoritarian and autocratic regimes. Achieving these objectives requires turning the PRC into a wealthy nation under strict CCP rule by using

- a strong military and advanced technological capability to pursue the PRC's objectives, regardless of other countries' interests.
 - (8) The PRC is reshaping the current international order, which was built upon free and open ideals and principles, by conducting global information and influence operations, redefining international laws and norms to align with the objectives of the CCP, rejecting the legitimacy of internationally recognized human rights, and securing leadership positions in multinational organizations to alter their agendas. In December 2018, President Xi suggested that the CCP views its "historic mission" as not only to govern China, but also to profoundly influence global governance to benefit the CCP.
 - (9) The PRC is encouraging other countries to follow its model of "socialism with Chinese characteristics". During the 19th Party Congress in 2017, President Xi said that the PRC could serve as a model of development for other countries by utilizing "Chinese wisdom" and a "Chinese approach to solving problems".
 - (10) The PRC is promoting its governance model and attempting to weaken other models of 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

norms about economic competition. In particular,

the PRC advances its illiberal political and social policies through mass surveillance, social credit systems, and a significant role of the state in internet governance. Through these means, the PRC increases direct and indirect government control over its citizens' everyday lives. Its national strategy of "civil-military fusion" mandates that civil and commercial research, which increasingly drives global innovation, is leveraged to develop new military capabilities.

(13) The PRC is using legal and illegal means to achieve its objective of becoming a manufacturing and technological superpower. The PRC uses state-directed industrial policies in anticompetitive ways to ensure the dominance of PRC companies. The CCP engages in and encourages actions that actively undermine a free and open international market, such as intellectual property theft, forced technology transfers, regulatory and financial subsidies, and mandatory CCP access to proprietary data as part of business and commercial agreements between Chinese and foreign companies.

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

- important markets. The heavy subsidization of Chi-2 nese companies includes potential violation of its 3 World Trade Organization commitments. In May
- 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 in this section as "BRI"), which is enshrined in the 10 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.
 - (16) The PRC is executing a plan to establish regional hegemony over the Indo-Pacific and dis-

24

- place the United States from the region. As a Pacific power, the United States has built and supported enduring alliances and economic partnerships that secure peace and prosperity and promote the rule of law and political pluralism in the Pacific. In contrast, the PRC uses economic and military coercion in the region to secure the interests of the CCP.
 - (17) The PRC's military strategy seeks to keep the United States military from operating in the Western Pacific and erodes United States security guarantees.
 - (18) The PRC is aggressively pursuing exclusive control of critical land routes, sea lanes, and air space in the Indo-Pacific in the hopes of eventually exercising greater influence beyond the region. This includes lanes crucial to commercial activity, energy exploration, transport, and the exercise of security operations in areas permitted under international law.
 - (19) The PRC seeks unification with Taiwan through whatever means may ultimately be required. The CCP's insistence that "reunification" is Taiwan's only option makes this goal inherently coercive. In January 2019, President Xi stated that the PRC "make[s] no promise to renounce the use of

force and reserve[s] the option of taking all necessary means". Taiwan's embodiment of democratic values and economic liberalism challenges President Xi's goal of achieving national rejuvenation. The PRC plans to exploit Taiwan's dominant strategic position in the First Island Chain and to project power into the Second Island Chain and beyond.

(20) In the South China Sea, the PRC has executed an illegal island-building campaign that interferes with freedom of navigation, damages the environment, bolsters the PLA power projection capabilities, and coerces and intimidates other regional claimants in an effort to advance its unlawful claims and control the waters around neighboring countries. Despite President Xi's September 2015 speech, in which he said the PRC was not militarizing the South China Sea, during the 2017 19th Party Congress, President Xi announced that "construction on islands and reefs in the South China Sea have seen steady progress".

(21) The PRC is rapidly modernizing the PLA to attain a level of capacity and capability superior to the United States in terms of equipment and conduct of modern military operations by shifting its 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-

- vation, democratic institutions, and other areas that improve the United States' ability to pursue its vital economic, foreign policy, and national security interests;
 - (2) to pursue a strategy of managed strategic competition with the PRC in the political, diplomatic, economic, development, military, informational, and technological realms that maximizes United States strengths and increases the costs for the PRC of harming United States interests;
 - (3) to lead a free, open, and secure international system characterized by respect for sovereignty, rule of law, open markets and the free flow of commerce, and a shared commitment to security and peaceful resolution of disputes, human rights, and transparent and citizen-centric governance;
 - (4) to strengthen and deepen United States alliances and partnerships, prioritizing the Indo-Pacific and Europe, by pursuing greater bilateral and multilateral cooperative initiatives that advance shared interests and bolster partner countries' confidence that the United States is and will remain a strong, committed, and constant partner;
 - (5) to encourage and aid United States allies 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 States identifies it as such in the 2017 National Se-3 curity Strategy and the 2018 National Defense 5 Strategy, but further the must increase 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.
 - (5) The President should ensure that any senior official in the Executive Office of the President appointed to coordinate the United States' strategy of managed strategic competition with the PRC across the entire United States Government has the authority and resources to do so.
 - (6) The head of every Federal department and agency should designate a senior official at the level of Under Secretary or above to coordinate the department's or agency's policies with respect to managed strategic competition with the PRC.
 - (7) The ability of the United States to execute a strategy of managed strategic competition with the PRC will be undermined if our attention is repeatedly diverted to challenges that are not vital to

12

13

14

15

16

17

18

19

20

21

22

23

24

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	ticulated 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-Pacifie;
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

- theft, and forced technology transfer are among the
 most damaging to the global economy.
 - (3) Through regulatory interventions and direct financial subsidies, the CCP, for the purposes of advancing national political and economic objectives, directs, coerces, and influences in anti-competitive ways the commercial activities of firms that are directed, financed, influenced, or otherwise controlled by the state, including state-owned enterprises, and ostensibly independent and private Chinese companies, such as technology firms in strategic sectors.
 - (4) The PRC Government, at the national and subnational levels, grants special privileges or status to certain PRC firms in key sectors designated as strategic, such as telecommunications, oil, power, aviation, banking, and semiconductors. Enterprises receive special state preferences in the form of favorable loans, tax exemptions, and preferential land access from the CCP.
 - (5) The subsidization of PRC companies, as described in paragraphs (3) and (4)—
 - (A) enables these companies to sell goods below market prices, allowing them to outbid and crowd out market-based competitors and thereby pursue global dominance of key sectors;

- (B) distorts the global market economy by undermining longstanding and generally accepted market-based principles of fair competition, leading to barriers to entry and forced exit from the market for foreign or private firms, not only in the PRC, but in markets around the world;
 - (C) creates government-sponsored or supported de facto monopolies, cartels, and other anti-market arrangements in key sectors, limiting or removing opportunities for other firms; and
 - (D) leads to, as a result of the issues described in paragraphs (A) through (C), declines in profits and revenue needed by foreign and private firms for research and development.
 - (6) The CCP incentivizes and empowers Chinese actors to steal critical technologies and trade secrets from private and foreign competitors operating in the PRC and around the world, particularly in areas that the CCP has identified as critical to advancing PRC objectives. The PRC, as directed by the CCP, also continues to implement anti-competitive regulations, policies, and practices that coerce the handover of technology and other propriety or

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

- (7) Companies in the United States and in foreign countries compete with state-subsidized PRC companies that enjoy the protection and power of the state in third country markets around the world. The advantages granted to PRC firms, combined with significant restrictions to accessing the PRC market itself, severely hamper the ability of United States and foreign firms to compete, innovate, and pursue the provision of best value to customers. The result is an unbalanced playing field. Such an unsustainable course, if not checked, will over time lead to depressed competition around the world, reduced opportunity, and harm to both producers and consumers.
- (8) As stated in the United States Trade Representative's investigation of the PRC's trade practices under section 301 of the Trade Act of 1974 (19 U.S.C. 2411), conducted in March 2018, "When U.S. companies are deprived of fair returns on their investment in IP, they are unable to achieve the growth necessary to reinvest in innovation. In this sense, China's technology transfer regime directly burdens the innovation ecosystem that is an engine

3

4

5

6

7

8

9

10

11

12

13

14

15

16

17

18

19

20

21

22

23

24

- 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 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.
 - (10) Other elements of the PRC's ecosystem of industrial policies that harm innovation and distort global markets include—
 - (A) advancement of policies that encourage local production over imports;
 - (B) continuation of policies that favor unique technical standards in use by Chinese firms rather than globally accepted standards, which often force foreign firms to alter their products and manufacturing chains to compete;

16

17

18

19

20

21

22

23

24

- (C) requirements that foreign companies disclose proprietary information to qualify for the adoption of their standards for use in the PRC domestic market; and
 - (D) maintenance of closed procurement processes, which limit participation by foreign firms, including by setting terms that require such firms to use domestic suppliers, transfer know-how to firms in the PRC, and disclose proprietary information.
 - associated industry-specific efforts under this initiative, such as the Digital Silk Road, are key vectors to advance the PRC's mercantilist policies and practices globally. The resulting challenges do not only affect United States firms. As the European Chamber of Commerce reported in a January 2020 report, the combination of concessional lending to Chinese state-owned enterprises, nontransparent procurement and bidding processes, closed digital standards, and other factors severely limit European and other participation in BRI and make "competition [with Chinese companies] in third-country markets extremely challenging". This underscores a key objective 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—

13

14

15

16

17

18

19

20

21

22

23

24

- 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;
 - (2) while the Economic and Trade Agreement Between the Government of the United States and the Government of the People's Republic of China, done at Washington January 15, 2020, makes initial progress in several areas, including intellectual property and trade secret protection, significant further steps are still required to address some of the more difficult economic and industrial policies issues in the PRC, which affect the United States and other nations;
 - (3) in order to truly address the most detrimental aspects of CCP-directed mercantilist economic strategy, the United States must adopt policies 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 polices 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-
- tual property theft that subjected a United States
- economic sector or particular company incorporated
- in the United States to harm; or
- 15 (2) an act or government policy of involuntary
- or coerced technology transfer of intellectual prop-
- erty ultimately owned by a company incorporated in
- 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.
 - (4) CHAIR AND VICE CHAIR.—The President shall appoint a chairperson and a vice chairperson of the Committee from among the members of the Committee.

(c) Submission of Petitions.—

- (1) In General.—A United States person described in paragraph (3) may submit a petition to the Committee requesting that the Committee—
 - (A) review, under subsection (d), a significant act or series of acts described in paragraph (2) committed by a foreign person; and
 - (B) refer the matter to the President with a recommendation to impose sanctions under subsection (e) to address any threat to the national security of the United States posed by the significant act or series of acts.
- (2) Significant act or series of acts described in this paragraph is a significant act or series of acts of—

6

7

8

9

10

11

12

13

14

15

16

17

18

19

20

21

22

23

24

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.

(d) REVIEW AND ACTION BY THE COMMITTEE.—

- (1) Review.—Upon receiving a petition under subsection (c), the Committee shall conduct a review of the petition in order to determine whether the imposition of sanctions under subsection (e) is necessary and appropriate to address any threat to the national security of the United States posed by the significant act or series of acts identified in the petition.
- (2) ACTION.—After conducting a review under paragraph (1) of a petition submitted under subsection (c), the Committee may take no action, dismiss the petition, or refer the petition to the President with a recommendation with respect to whether to impose sanctions under subsection (e).

(e) Imposition of Sanctions.—

(1) IN GENERAL.—The President may impose the sanctions described in paragraph (3) with respect to a foreign person identified in a petition submitted under subsection (c) if the President determines that imposing such sanctions is necessary and appropriate to address any threat to the national se-

- 1 curity of the United States posed by the significant 2 act or series of acts identified in the petition.
- (2) Notice to congress.—Not later than 30 3 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 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.
 - (3)SANCTIONS DESCRIBED.—The sanctions that may be imposed under paragraph (1) with respect to a foreign person identified in a petition submitted under subsection (c) are the following:
 - (A) Export sanction.—The President may order the United States Government not to issue any specific license and not to grant any other specific permission or authority to export any goods or technology to the person under—
- 24 (i) the Export Control Reform Act of 2018 (50 U.S.C. 4801 et seq.); 25

15

16

17

18

19

20

21

22

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

services from the person.

- (F) Foreign exchange.—The President may, pursuant to such regulations as the President may prescribe, prohibit any transactions in foreign exchange that are subject to the jurisdiction of the United States and in which the person has any interest.
 - (G) Banking transactions.—The President may, pursuant to such regulations as the President may prescribe, prohibit any transfers of credit or payments between financial institutions or by, through, or to any financial institution, to the extent that such transfers or payments are subject to the jurisdiction of the United States and involve any interest of the person.
 - (H) Property transactions.—The President may, pursuant to such regulations as the President may prescribe, prohibit any person from—
 - (i) acquiring, holding, withholding, using, transferring, withdrawing, transporting, importing, or exporting any property that is subject to the jurisdiction of 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-

tions and with similar authorities as such officer or officers, any of the sanctions described in this paragraph.

(f) Implementation; Penalties.—

- (1) Implementation.—The President may exercise all authorities provided to the President under sections 203 and 205 of the International Emergency Economic Powers Act (50 U.S.C. 1702 and 1704) to carry out this section.
- (2) Penalties.—A person that violates, attempts to violate, conspires to violate, or causes a violation of this section or any regulation, license, or order issued to carry out this section shall be subject to the penalties set forth in subsections (b) and (c) of section 206 of the International Emergency Economic Powers Act (50 U.S.C. 1705) to the same extent as a person that commits an unlawful act described in subsection (a) of that section.

(g) Confidentiality of Information.—

(1) IN GENERAL.—The Committee shall protect from disclosure any proprietary information submitted by a United States person and marked as business confidential information, unless the person 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,

- trust, agreement, or contract executed by an entity owned, controlled, or directed by a foreign state or an agent or instrumentality of a foreign state (as de-fined in section 1603 of title 28, United States Code) and participating in international commerce to engage in acts to establish or set prices below the average variable cost in a manner that may foreseeably eliminate market competitors.
 - (2) Economic support.—In determining the average variable cost under paragraph (1), the court may take into account the effects of economic support provided by the owning or controlling foreign state to the entity on a discriminatory basis that may allow the entity to unfairly price at or below marginal cost.
 - (3) Government subsidies.—In determining the foreseeability of the elimination of market competitors under paragraph (1), the court may take into account the aggravating factor of the actions of the foreign state owning or controlling the entity referred to in such paragraph to use government resources to subsidize or underwrite the losses of the entity in a manner that allows the entity to sustain 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-
- ering questions of international comity with respect
- 14 to making decisions regarding commercial activity
- and the scope of applicable sovereign immunity, the
- 16 Federal court may receive and consider relevant
- amicus briefs filed by the Secretary of State.
- 18 (2) Savings provision.—Nothing in para-
- graph (1) may be construed to limit the ability of
- the Federal court to receive and consider any other
- 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;

2

3

4

6

7

8

9

10

11

12

13

14

15

16

17

18

19

20

21

22

23

24

- (3) whether the entity has been placed on or removed from a blacklist, untrustworthy entities list, priority key watchlist, or a redlist within the corporate social credit system;
 - (4) whether the Government of the PRC took any actions directed at the entity as a result of a list described in paragraph (3), including any specific punishments or rewards;
 - (5) any instances in which an agent of the Government of the PRC has asked for the resignation of key leadership within the company due to their individual social credit scores;
 - (6) any instances in which an entity within the Government of PRC at the national, local, or municipal level informed the entity that it will face a negative impact on its rating within the corporate social credit system unless the entity takes a certain course of action or refrains from taking a certain course of action;
 - (7) any instances in which the entity was asked by an agent of the Government of the PRC to take an action to accommodate a political position of the CCP or the Government of the PRC for the purposes of complying with the corporate social credit 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
1617	SEC. 207. ANNUAL REVIEW ON THE PRESENCE OF CHINESE COMPANIES IN UNITED STATES CAPITAL
17	COMPANIES IN UNITED STATES CAPITAL
17 18	COMPANIES IN UNITED STATES CAPITAL MARKETS.
17 18 19	COMPANIES IN UNITED STATES CAPITAL MARKETS. (a) APPROPRIATE CONGRESSIONAL COMMITTEES.—
17 18 19 20	COMPANIES IN UNITED STATES CAPITAL MARKETS. (a) Appropriate Congressional Committees.— In this section, the term "appropriate congressional com-
17 18 19 20 21	COMPANIES IN UNITED STATES CAPITAL MARKETS. (a) Appropriate Congressional Committees.— In this section, the term "appropriate congressional committees" means—
17 18 19 20 21 22	COMPANIES IN UNITED STATES CAPITAL MARKETS. (a) APPROPRIATE CONGRESSIONAL COMMITTEES.— In this section, the term "appropriate congressional committees" means— (1) the Committee on Foreign Relations of the

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) facilities participation by representa-

- (A) facilities participation by representatives from technical agencies within the United States Government and their counterparts; and
- (B) complies with applicable procedural requirements under the State Department Basic Authorities Act of 1956 (22 U.S.C. 2651a et seq.) and the Foreign Assistance Act of 1961 (22 U.S.C. 2151 et seq.).

(f) AGREEMENTS.—

- (1) Submission.—The text of any agreement concluded under the authorities provided under this section shall be submitted to the Committee on Foreign Relations of the Senate and the Committee on Foreign Affairs of the House of Representatives not later than 60 days after any notice of intent to be formally bound by the terms of such agreement.
- (2) Effective date.—Each agreement described in paragraph (1) shall be legally effective and binding upon the United States, in accordance with the terms provided in the agreement, beginning 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	

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	(e) Prioritization of Micro-, Small-, and Me-
25	DIUM-SIZED ENTERPRISES.—The services described in

- subsection (a) shall be prioritized to assisting micro-, 2 small-, and medium-sized enterprises. 3 (d) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated \$15,000,000 for each of the fiscal years 2022 through 2026 for the purposes of car-5 rying out this section. 6 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 date of the enactment of this Act, the President shall es-12 tablish an advisory panel comprised of representatives of the United States private sector, and other members of the scientific and technology community— 14 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 22
- 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-

nomic competitiveness of current and planned regu-

- lations and policies related critical technologies and
 critical infrastructure;
 (6) engaging in consistent consultations with
 - (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) 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

5

6

7

8

9

10

11

12

13

14

15

16

17

18

19

20

21

22

23

24

- 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-
- retary of Homeland Security, the Secretary of De-
- fense, the Secretary of Energy, and the head of any
- 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 partnerships, and support the rule of law in cyberspace." as 7 8 stated in the United States International Strategy 9 for Cyberspace, which was issued in May 2011;
 - (5) as stated in the National Cyber Strategy of the United States of America, issued in September 2018, "[i]nternational law and voluntary non-binding norms of responsible state behavior in cyber-space provide stabilizing, security-enhancing standards that define acceptable behavior to all states and promote greater predictability and stability in cyber-space. . . . Increased public affirmation by the United States and other governments will lead to accepted expectations of state behavior and thus contribute to greater predictability and stability in cyberspace.";
- 22 (6) the United States and its allies and part-23 ners—
- 24 (A) should be at the forefront of—

11

12

13

14

15

16

17

18

19

20

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 estab3 lishment of related norms and standards;
 4 (2) a secure internet architecture governed by a
 5 multi-stakeholder model instead of centralized gov6 ernment control;
 - (3) robust international cooperation to promote an open internet and interoperable technological products and services that are necessary to freedom, innovation, transparency, and privacy; and
 - (4) multilateral coordination, including through diplomatic initiatives, information sharing, and other activities, to defend the principles described in paragraphs (1) through (3) against efforts by state and non-state actors to undermine them.
- 16 (d) Functions.—The President, acting through the
 17 Secretary of State, should undertake regular efforts to co18 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-

8

9

10

11

12

13

14

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 or
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-

- cial intelligence, semiconductors, quantum computing, and other industries;
- 3 (6) to coordinate, as appropriate, dialogues and other initiatives between United States domestic reg-4 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
 - (7) to deter state and non-state actors from engaging in malicious and illegal activities in cyberspace and from using new and emerging technologies in violation of the norms and standards described in this subsection.
- 18 (e) Briefing.—The Secretary of State, or the Sec19 retary's designee, shall semiannually brief the appropriate
 20 congressional committees regarding the activities de21 scribed in subsection (d). Such briefings shall include rep22 resentatives from other Federal agencies who participate
 23 in such activities, as appropriate.
- 24 (f) AGREEMENTS.—

14

15

16

- (1) Submission.—The text of any agreement concluded under the authorities provided under this section shall be submitted to the Committee on Foreign Relations of the Senate and the Committee on Foreign Affairs of the House of Representatives not later than 60 days after any notice of intent to be formally bound by the terms of such agreement.
 - (2) Effective Date.—Each agreement described in paragraph (1) shall be legally effective and binding upon the United States, in accordance with the terms provided in the agreement, beginning on—
 - (A) the date on which appropriate implementing legislation is enacted into law, which shall provide for the approval of the specific agreement or agreements, including attachments, annexes, and supporting documentation; or
 - (B) if the agreement is concluded and submitted as a treaty, the date on which such treaty 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

and activities at international standards-

setting bodies relevant to 5th and future generation mobile telecommunications systems and infrastructure, including information on the differences in the scope and scale of China's engagement at such bodies compared to engagement by the United States or its allies and partners and the security risks raised by Chinese proposals in such standards-setting bodies; and

(iv) a strategy for engagement with private sector communications and information service providers, equipment developers, academia, federally funded research and development centers, and other private-sector stakeholders to propose and develop secure standards for equipment, systems, software, and virtually-defined networks that support 5th and future generation mobile telecommunications systems and infrastructure.

(B) Subsequent Briefings.—Upon receiving a request from the Committee on Foreign Relations of the Senate and the Committee on Foreign Affairs of the House of Representatives, or as determined appropriate by the chair

1	of the interagency working group established
2	pursuant to paragraph (1), the interagency
3	working group shall provide the requesting com-
4	mittee an updated briefing that covers the mat-
5	ters described in clauses (i) through (iv) of sub-
6	paragraph (A).
7	TITLE IV—SAFEGUARDING
8	AMERICAN INSTITUTIONS
9	SEC. 401. AMENDMENT TO FOREIGN AGENT REGISTRATION
10	ACT REGARDING GIFTS MADE TO UNIVER-
11	SITIES.
12	Section 3(e) of the Foreign Agents Registration Act
13	of 1938 (22 U.S.C. 613(e)) is amended—
14	(1) by striking "Any person" and inserting the
15	following:
16	"(1) IN GENERAL.—Any person"; and
17	(2) by adding at the end the following:
18	"(2) Waiver of exemption recommenda-
19	TION.—The Secretary of Education, the Secretary of
20	State, and the Attorney General may jointly submit
21	a recommendation to the President to waive the ex-
22	ception under this subsection for an institution of
23	higher education (as defined in section 101 of the
24	Higher Education Act of 1965 (20 U.S.C. 1001)
25	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-
- ed by an institution of higher education has created
- a relationship of foreign agency with a foreign
- source that requires registration of the appropriate
- representatives of the institution as a foreign agent
- 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-
- ciary of the Senate, the Committee on Foreign Af-
- fairs of the House of Representatives, and the Com-
- mittee on the Judiciary of the House of Representa-
- tives; and
- 14 "(3) providing a written detailed justification
- for such designation to the appropriate congressional
- 16 committees.".
- 17 (b) Waiver of Exemptions.—
- 18 (1) IN GENERAL.—Upon designating a country
- as a "country of national security concern" under
- section 3(i) of the Foreign Agents Registration Act
- of 1938, as added by subsection (a), the President
- 22 may waive any of the exemptions for agents of for-
- eign principals set forth in subsections (d), (e), and
- 24 (h) of section 3 of such Act (22 U.S.C. 613) for up
- 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.
- (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
	(o) STECHE ROLL FOR SERVICE CITICINES OF

- 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 841 of the State Department Basic Authorities Act of 16 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
- 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
- in a position within the Department of State that requires
- 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 INVOLVE
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:

1	"(E) an assessment of whether the cultural
2	programs conducted during the reporting period
3	adhere to purposes set forth in section 101, in-
4	cluding a description of any noticeable devi-
5	ations from such purposes; and
6	"(F) a description of all actions by the De-
7	partment of State to remediate deviations from
8	such purposes.
9	"(3) Form of Report.—The summary re-
10	quired under paragraph (1) shall be submitted in
11	unclassified form.".
12	TITLE V—MAINTAINING THE IN-
13	TEGRITY OF INTERNATIONAL
13 14	TEGRITY OF INTERNATIONAL ORGANIZATIONS
14	ORGANIZATIONS
14 15	ORGANIZATIONS SEC. 501. OFFICE OF INTEGRITY IN THE UNITED NATIONS
14 15 16	ORGANIZATIONS SEC. 501. OFFICE OF INTEGRITY IN THE UNITED NATIONS SYSTEM.
14 15 16 17	ORGANIZATIONS SEC. 501. OFFICE OF INTEGRITY IN THE UNITED NATIONS SYSTEM. (a) ESTABLISHMENT.—
14 15 16 17	ORGANIZATIONS SEC. 501. OFFICE OF INTEGRITY IN THE UNITED NATIONS SYSTEM. (a) ESTABLISHMENT.— (1) IN GENERAL.—The Secretary of State shall
114 115 116 117 118	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 Organi-
114 115 116 117 118 119 220	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
114 115 116 117 118 119 220 221	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
114 115 116 117 118 119 220 221	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").

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 Integ-			
5	rity 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 for
21	cused on areas where it possesses operationa
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

l	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
1	highly vulnerable to the PRC's strike capabili-
5	ties.

- (3) This shift in the regional military balance and erosion of conventional deterrence in the Indo-Pacific region—
 - (A) presents a substantial and imminent risk to the security of the United States; and
 - (B) left unchecked, could embolden the PRC to take actions, including the use of military force, to change the status quo before the United States can mount an effective response.
- (4) The PRC believes the political bonds between the United States and its Indo-Pacific allies are weakening. The PRC sees an opportunity to diminish confidence among United States allies and partners in the strength of United States commitments, even to the extent that these nations feel compelled to bandwagon with the PRC to protect their interests. The PRC is closely monitoring the United States' reaction to PRC pressure and coercion of United States allies, searching for indicators 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

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 ship, encroached on Indonesia's navy 14 grounds, sunk a Vietnamese fishing boat, announced new "research stations" on Fiery Cross Reef and 15 16 Subi Reef, and landed special military aircraft on 17 Fiery Cross Reef to routinize such deployments.
 - (8) On July 13, 2020, Secretary of State Michael R. Pompeo clarified United States policy on the South China Sea and stated, "Beijing's claims to offshore resources across most of the South China Sea are completely unlawful, as is its campaign of bullying to control them.".
 - (9) These actions enable the PLA to exert influence and project power deeper into Oceania and

19

20

21

22

23

24

- the Indian Ocean. As Admiral Phil Davidson, Com 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.".

- (10) The PLA also continues to advance its claims in the East China Sea, including through a high number of surface combatant patrols and frequent entry into the territorial waters of the Senkaku Islands, over which the United States recognizes Japan's administrative control. In April 2014, President Barack Obama stated, "Our commitment to Japan's security is absolute and article five [of the U.S.-Japan security treaty] covers all territory under Japan's administration, including the Senkaku islands."
 - (11) On March 1, 2019, Secretary of State Michael R. Pompeo stated, "As the South China Sea is part of the Pacific, any armed attack on Philippine forces, aircraft, or public vessels in the South China Sea will trigger mutual defense obligations under Article 4 of our Mutual Defense Treaty.".
 - (12) The PLA is modernizing and gaining critical capability in every branch and every domain, including—

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

Assistant Secretary of State Christopher Ford said

in March 2020, "aims to make any technology accessible to anyone under the PRC's jurisdiction available to support the Chinese Communist Party's ambitions." It enlists the whole of PRC society in developing and acquiring technology with military applications to pursue technological advantage over the United States in artificial intelligence, hypersonic glide vehicles, directed energy weapons, electromagnetic railguns, counter-space weapons, and other emerging capabilities.

- (14) The United States' lead in the development of science and technology relevant to defense is eroding in the face of competition from the PRC. United States research and development spending on defense capabilities has declined sharply as a share of global research and development. The commercial sector's leading role in innovation presents certain unique challenges to the Department of Defense's reliance on technology for battlefield advantage.
- (15) The PRC has vastly increased domestic research and development expenditures, supported the growth of new cutting-edge industries and tapped into a large workforce to invest in fostering science and engineering talent.

2

3

4

5

6

7

8

9

10

11

12

13

14

15

16

17

18

19

(16) The PRC is increasing exports of defense and security capabilities to build its defense technology and industrial base and improve its own military capabilities. For example, the PRC has enjoyed particular success in exporting numerous unmanned aerial systems (UAS). Such exports have helped it establish new defense relationships, test its systems under operational conditions, and refine its designs for its own forces. The PRC has exploited an available gap in the global market, as the PRC does not subject itself to the limitations of the Missile Technology Control Regime, which is a voluntary protocol under which the United States and other members restrict their own UAS exports. PLA military analyst Song Zhongping has noted that "the Chinese [defense] product now doesn't lack technology, it only lacks market share, and the United States restricting its arms exports is precisely what gives 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-

1	tember 1, 1951, and all related and subse-
2	quent security agreements;
3	(ii) increasing collaboration to address
4	shared security challenges; and
5	(iii) providing mutual support in the
6	face of coercion;
7	(D) with respect to the Philippines—
8	(i) upholding the Mutual Defense
9	Treaty Between the United States and the
10	Republic of the Philippines, done at Wash-
11	ington August 30, 1951, including commit-
12	ments relevant to the South China Sea,
13	and all related and subsequent security ar-
14	rangements; and
15	(ii) cooperating with the Philippines
16	to build and maintain defense capabilities,
17	particularly in the maritime domain, that
18	enable the Philippines to protect its sov-
19	ereignty and resist external coercion; and
20	(E) with respect to Thailand—
21	(i) upholding the security treaties and
22	all related and subsequent security ar-
23	rangements that underpin the United
24	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,

, and 208 of the Asia Reassurance Initiative Act

of 2018 (Public Law 115-409);

- (7) to deter, in the shorter term, the PRC from capitalizing on the world's focus on the COVID-19 pandemic to advance its military objectives in the Western Pacific, including deterring more aggressive behavior towards Taiwan and in the South China Sea;
 - (8) to deter, over the longer term, acts of aggression or coercion by the PRC against United States and allies' interests along the First Island Chain and in the Western Pacific by showing PRC leaders that the United States can and is willing to deny them the ability to achieve their objectives, including by—
 - (A) consistently demonstrating the political will of the United States to deepening existing treaty alliances and growing new partnerships as a durable, asymmetric, and unmatched strategic advantage to the PRC's growing military capabilities and reach;
 - (B) maintaining a system of forward-deployed bases in the Indo-Pacific region as the most visible sign of United States resolve and commitment to the region, and as platforms to 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 Chair
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

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.
	and and annuar or annuaring production of america
13	SEC. 603. SENSE OF CONGRESS REGARDING BOLSTERING
13 14	SEC. 603. SENSE OF CONGRESS REGARDING BOLSTERING SECURITY PARTNERSHIPS IN THE INDO-PA-
14	SECURITY PARTNERSHIPS IN THE INDO-PA-
14 15 16	SECURITY PARTNERSHIPS IN THE INDO-PA- CIFIC.
14 15 16 17	SECURITY PARTNERSHIPS IN THE INDO-PACIFIC. It is the Sense of Congress that steps to bolster
14 15 16 17	SECURITY PARTNERSHIPS IN THE INDO-PA- CIFIC. It is the Sense of Congress that steps to bolster United States security partnership in the Indo-Pacific
14 15 16 17	SECURITY PARTNERSHIPS IN THE INDO-PACIFIC. It is the Sense of Congress that steps to bolster United States security partnership in the Indo-Pacific must include—
114 115 116 117 118	SECURITY PARTNERSHIPS IN THE INDO-PACIFIC. It is the Sense of Congress that steps to bolster United States security partnership in the Indo-Pacific must include— (1) supporting Japan in its development of
14 15 16 17 18 19 20	CIFIC. It is the Sense of Congress that steps to bolster United States security partnership in the Indo-Pacific must include— (1) supporting Japan in its development of long-range precision fires, air and missile defense ca-
14 15 16 17 18 19 20 21	CIFIC. It is the Sense of Congress that steps to bolster United States security partnership in the Indo-Pacific must include— (1) supporting Japan in its development of long-range precision fires, air and missile defense ca- pacity, interoperability across all domains, maritime
14 15 16 17 18 19 20 21	CIFIC. It is the Sense of Congress that steps to bolster United States security partnership in the Indo-Pacific must include— (1) supporting Japan in its development of long-range precision fires, air and missile defense ca- pacity, interoperability across all domains, maritime security, and intelligence, and surveillance and re-

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

- (3) promoting a deeper defense relationship between Japan and Australia, including supporting reciprocal access agreements and trilateral United States-Japan-Australia intelligence sharing;
- (4) encouraging and facilitating Taiwan's accelerated acquisition of asymmetric defense capabilities, which are crucial to defending the islands of Taiwan from invasion, including long-range precision fires, anti-ship missiles, coastal defense, anti-armor, air defense, undersea warfare, advanced command, control, communications, computers, intelligence, surveillance and reconnaissance (C4ISR), and resilient command and control capabilities, and increasing the conduct of relevant and practical training and exercises with Taiwan's defense forces; and
 - (5) prioritizing building the capacity of United States allies and partners to protect defense technology.
- 22 SEC. 604. REPORT ON CAPABILITY DEVELOPMENT OF INDO-
- 23 PACIFIC ALLIES AND PARTNERS.
- 24 (a) Sense of Congress.—It is the sense of Congress that—

- (1) the Secretary of State should expand and strengthen existing measures under the United States Conventional Arms Transfer Policy to provide capabilities to allies and partners, prioritizing allies and partners in the Indo-Pacific region in accordance with United States strategic imperatives;
 - (2) the United States should design for export to Indo-Pacific allies and partners capabilities critical to maintaining a favorable military balance in the region, including long-range precision fires, air and missile defense systems, anti-ship cruise missiles, land attack cruise missiles, conventional hypersonic systems, intelligence, surveillance, and reconnaissance capabilities, and command and control systems;
 - (3) the United States should pursue, to the maximum extent possible, anticipatory technology security and foreign disclosure policy on the systems described in paragraph (2); and
 - (4) the Secretary of State, in coordination with the Secretary of Defense, should—
 - (A) urge allies and partners to invest in sufficient quantities of munitions to meet contingency requirements and avoid the need for 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-

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
12	military sale.
13	minuary saic.
13 14	SEC. 606. REPORT ON NATIONAL TECHNOLOGY AND INDUS-
	·
14	SEC. 606. REPORT ON NATIONAL TECHNOLOGY AND INDUS-
14 15	SEC. 606. REPORT ON NATIONAL TECHNOLOGY AND INDUSTRIAL BASE.
141516	SEC. 606. REPORT ON NATIONAL TECHNOLOGY AND INDUSTRIAL BASE. (a) Sense of Congress.—It is the Sense of Con-
14 15 16 17	SEC. 606. REPORT ON NATIONAL TECHNOLOGY AND INDUSTRIAL BASE. (a) Sense of Congress.—It is the Sense of Congress that—
14 15 16 17 18	SEC. 606. REPORT ON NATIONAL TECHNOLOGY AND INDUSTRIAL BASE. (a) Sense of Congress.—It is the Sense of Congress that— (1) a more streamlined, shared, and coordinated
14 15 16 17 18	SEC. 606. REPORT ON NATIONAL TECHNOLOGY AND INDUSTRIAL BASE. (a) Sense of Congress.—It is the Sense of Congress that— (1) a more streamlined, shared, and coordinated approach, which leverages economies of scale with
14 15 16 17 18 19 20	SEC. 606. REPORT ON NATIONAL TECHNOLOGY AND INDUSTRIAL BASE. (a) Sense of Congress.—It is the Sense of Congress that— (1) a more streamlined, shared, and coordinated approach, which leverages economies of scale with major allies, is necessary for the United States to re-
14 15 16 17 18 19 20 21	SEC. 606. REPORT ON NATIONAL TECHNOLOGY AND INDUSTRIAL BASE. (a) Sense of Congress.—It is the Sense of Congress that— (1) a more streamlined, shared, and coordinated approach, which leverages economies of scale with major allies, is necessary for the United States to retain its lead in defense technology;
14 15 16 17 18 19 20 21	SEC. 606. REPORT ON NATIONAL TECHNOLOGY AND INDUSTRIAL BASE. (a) Sense of Congress.—It is the Sense of Congress that— (1) a more streamlined, shared, and coordinated approach, which leverages economies of scale with major allies, is necessary for the United States to retain its lead in defense technology; (2) allowing for the export, re-export, or trans-

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
13 14	IMPLEMENTATION OF UNITED NATIONS SANCTIONS ON NORTH KOREA.
14	SANCTIONS ON NORTH KOREA.
14 15	SANCTIONS ON NORTH KOREA. It is the policy of the United States to sustain max-
14 15 16 17	SANCTIONS ON NORTH KOREA. It is the policy of the United States to sustain maximum economic pressure on the Government of the Demo-
14 15 16 17	SANCTIONS ON NORTH KOREA. It is the policy of the United States to sustain maximum economic pressure on the Government of the Democratic People's Republic of Korea (referred to in this sec-
14 15 16 17 18	SANCTIONS ON NORTH KOREA. It is the policy of the United States to sustain maximum economic pressure on the Government of the Democratic People's Republic of Korea (referred to in this section as the "DPRK") until the regime undertakes com-
14 15 16 17 18	SANCTIONS ON NORTH KOREA. It is the policy of the United States to sustain maximum economic pressure on the Government of the Democratic People's Republic of Korea (referred to in this section as the "DPRK") until the regime undertakes complete, verifiable, and irreversible actions toward
14 15 16 17 18 19 20	SANCTIONS ON NORTH KOREA. It is the policy of the United States to sustain maximum economic pressure on the Government of the Democratic People's Republic of Korea (referred to in this section as the "DPRK") until the regime undertakes complete, verifiable, and irreversible actions toward denuclearization, including by—
14 15 16 17 18 19 20 21	It is the policy of the United States to sustain maximum economic pressure on the Government of the Democratic People's Republic of Korea (referred to in this section as the "DPRK") until the regime undertakes complete, verifiable, and irreversible actions toward denuclearization, including by— (1) encouraging pressing all nations, including
14 15 16 17 18 19 20 21	It is the policy of the United States to sustain maximum economic pressure on the Government of the Democratic People's Republic of Korea (referred to in this section as the "DPRK") until the regime undertakes complete, verifiable, and irreversible actions toward denuclearization, including by— (1) encouraging pressing all nations, including the PRC, to implement and enforce existing United

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

- (3) pressing all nations, including the PRC, to pursue rigorous interdiction of shipments to and from the DPRK, including ship-to-ship transfers, consistent with United Nations Security Council resolutions;
 - (4) pressing the PRC and PRC entities—
 - (A) to cease business activities with United Nations-designated entities and their affiliates in the DPRK; and
 - (B) to expel from the PRC individuals who enable the DPRK to acquire materials for its nuclear and ballistic missile programs; and
- (5) enforcing United Nations Security Council resolutions with respect to the DPRK and United States sanctions, including those pursuant to the North Korea Sanctions and Policy Enhancement Act of 2016 (Public Law 114–122), the Countering America's Adversaries Through Sanctions Act (Public Law 115–44), the Otto Warmbier North Korea Nuclear Sanctions and Enforcement Act of 2019

1	(title LXXI of division F of Public Law 116–92),
2	and relevant United States executive orders.
3	TITLE VII—ENSURING
4	STRATEGIC SECURITY
5	SEC. 701. FINDINGS ON STRATEGIC SECURITY AND ARMS
6	CONTROL.
7	Congress makes the following findings:
8	(1) The United States and the PRC have a
9	shared interest in strategic security through enforce-
10	able arms control and non-proliferation agreements.
11	(2) The United States has long pursued and
12	continues to seek effective, verifiable, and enforce-
13	able arms control and nonproliferation agreements
14	that support United States and allied security by—
15	(A) controlling the spread of nuclear mate-
16	rials and technology;
17	(B) placing limits on the production, stock-
18	piling and deployment of nuclear weapons;
19	(C) decreasing misperception and mis-
20	calculation; and
21	(D) avoiding destabilizing nuclear arms
22	competition.
23	(3) The PRC has long alleged that it does not
24	seek to compete in an arms race with nuclear super-
25	powers. Its 2019 Defense White Paper states.

- "China does not engage in any nuclear arms race with any other country and keeps its nuclear capabilities at the minimum level required for national security." Yet, the behavior of the PRC suggests otherwise.
 - (4) The PRC is pushing the boundaries of its traditional posture of minimum deterrence as it expands and improves its nuclear forces. The PRC's "No First Use" policy—which has always been highly contingent and ambiguous—is increasingly in doubt. The PRC's traditional goal of maintaining only a "lean and effective" deterrent is called into question by the rapid expansion of its forces.
 - (5) In May 2019, Director of the Defense Intelligence Agency Lieutenant General Robert Ashley stated, "China is likely to at least double the size of its nuclear stockpile in the course of implementing the most rapid expansion and diversification of its nuclear arsenal in China's history." The PLA is building a full triad of modernized fixed and mobile ground-based launchers, and new capabilities for nuclear-armed bombers and submarine-launched ballistic missiles.
 - (6) In June 2020, the Department of State raised concerns in its annual "Adherence to and

- Compliance with Arms Control, Nonproliferation,
 and Disarmament Agreements and Commitments'
 report to Congress that the PRC is not complying
 with the "zero-yield" nuclear testing ban and accused the PRC of "blocking the flow of data from
 the monitoring stations" in China.
 - (7) The PRC is conducting research on its first potential early warning radar, with technical cooperation from Russia. This radar could indicate that the PRC is moving to a launch-on warning posture.
 - (8) The PRC plans to use its increasingly capable space, cyber, and electronic warfare capabilities against United States early warning systems and critical infrastructure in a crisis scenario. This poses great risk to strategic security, as it could lead to inadvertent escalation.
 - (9) The PRC's nuclear expansion comes as a part of a massive modernization of the PLA which, combined with the PLA's aggressive actions, has increasingly destabilized the Indo-Pacific region.
 - (10) The PLA Rocket Force (PLARF), which was elevated in 2015 to become a separate branch within the PLA, has formed 11 new missile brigades since May 2017, some of which are capable of both

States, which separates its conventional strike and nuclear capabilities, the PLARF appears to not only co-locate conventional and nuclear forces, including dual-use missiles like the DF-26, but to task the same unit with both nuclear and conventional missions. Such intermingling could lead to inadvertent escalation in a crisis. The United States Defense Intelligence Agency determined in March 2020 that the PLA tested more ballistic missiles than the rest of the world combined in 2019.

- (11) Planned United States nuclear modernization efforts will not increase the size of the United States nuclear deterrent and the United States Program of Record remains within the limits set by the Treaty between the United States of America and the Russian Federation on Measures for the Further Reduction and Limitation of Strategic Offensive Arms, done at Prague April 8, 2010 (commonly known as the "New START Treaty").
- (12) The United States' extended nuclear deterrence—
- 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-

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

(5) United States allies and partners are likely to view any United States adoption of a "no first use" or "sole purpose" declaratory policy as a weak-

United States adopted such a policy;

- ening of United States security commitments, undermining our long-term alliances across the region;
 - (6) the United States and its allies should promote international norms on military operations in space, the employment of cyber capabilities, and the military use of artificial intelligence, as an element of risk reduction regarding nuclear command and 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.

3

5

6

7

- 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.

 \bigcirc