

rhetoric. We need creative thinking, a willingness to experiment, and a commitment to sustain American engagement and diplomacy. All that requires a clear strategy, a nimble State Department, and a USAID apparatus, and, again, dare I say it, money, not just for this fund but for our broader foreign operations and assistance also.

As we move forward with authorizing the Countering the PRC Malign Influence Fund Authorization Act, we need to remember that this is a long game. This is a long game. The game is not in the fourth quarter. If America wants to win it, then we must sufficiently invest. We must invest in our strengths as well as our tools of competition.

We are the greatest nation in the world with the greatest resources in the world. Let's do something so that we can continue being the leaders of the world.

Mr. Speaker, I yield back the balance of my time.

Mr. BARR. Mr. Speaker, I yield myself the balance of my time.

Mr. Speaker, in closing, I thank Chairman MCCAUL and Ranking Member MEEKS for working with me to move this important legislation to the floor.

I share many of the comments that my friend, the ranking member from New York, just stated. We do need to invest. We need to invest in the tools of diplomacy that we have to counter PRC malign influence in the world. We need to support the China transformational exports program with the Export-Import Bank. We need to support the Development Finance Corporation. We need to support USAID where it can help and the Peace Corps where it can help with soft power. We need diplomacy. We need foreign deployed foreign service personnel. However, we have to remember that we cannot counter and we should not attempt to counter Communist China by becoming more like China.

We have a \$35 trillion national debt, Mr. Speaker. Spending money like drunken sailors without any accountability and without any effective strategy is not effective diplomacy in countering the malign influence from China.

While I certainly do support the PRC malign influence fund, for goodness' sake, we are the Congress. We control the purse strings. Let's do our job. Let's create an authorization, put some guardrails around it and not allow the administration to spend this country into bankruptcy. That is the fastest way to lose the competition to China.

Let's put some parameters around this PRC malign influence fund and direct those scarce taxpayer resources effectively so that they actually do the job that the taxpayers deserve and we actually win this fight.

Spending our country into oblivion is what Communists do. We don't do that. Our ace in the hole is that we are capitalists. We do not misallocate resources. That is why we need this bill.

All of us agree that American taxpayer dollars should be used more effectively to counter China's disruptive, predatory influence around the world, but let's do it smart, Mr. Speaker. Let's do it the smart way.

Mr. Speaker, I urge all Members to vote in favor of H.R. 1157, and I yield back the balance of my time.

The SPEAKER pro tempore (Mr. EZELL). The question is on the motion offered by the gentleman from Kentucky (Mr. BARR) that the House suspend the rules and pass the bill, H.R. 1157.

The question was taken.

The SPEAKER pro tempore. In the opinion of the Chair, two-thirds being in the affirmative, the ayes have it.

Mr. BARR. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The SPEAKER pro tempore. Pursuant to clause 8 of rule XX, further proceedings on this motion will be postponed.

#### HONG KONG ECONOMIC AND TRADE OFFICE (HKETO) CERTIFICATION ACT

Mr. BARR. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 1103) to require the President to remove the extension of certain privileges, exemptions, and immunities to the Hong Kong Economic and Trade Offices if Hong Kong no longer enjoys a high degree of autonomy from the People's Republic of China, and for other purposes, as amended.

The Clerk read the title of the bill.

The text of the bill is as follows:

H.R. 1103

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,*

#### SECTION 1. SHORT TITLE.

This Act may be cited as the "Hong Kong Economic and Trade Office (HKETO) Certification Act".

#### SEC. 2. DETERMINATION ON WHETHER TO EXTEND CERTAIN PRIVILEGES, EXEMPTIONS, AND IMMUNITIES TO THE HONG KONG ECONOMIC AND TRADE OFFICES IN THE UNITED STATES.

(a) DETERMINATION REQUIRED.—Not later than 30 days after the date of the enactment of this Act, and thereafter as part of each certification required by the Secretary of State under section 205(a)(1)(A) of the United States-Hong Kong Policy Act of 1992 (22 U.S.C. 5725(a)(1)(A)), the Secretary of State shall, as part of such certification, include a separate determination that—

(1) the Hong Kong Economic and Trade Offices—

(A) merit extension and application of the privileges, exemptions, and immunities specified in subsection (b); or

(B) no longer merit extension and application of the privileges, exemptions, and immunities specified in subsection (b); and

(2) a detailed report justifying that determination, which may include considerations related to United States national security interests.

(b) PRIVILEGES, EXEMPTIONS, AND IMMUNITIES SPECIFIED.—The privileges, exemptions, and immunities specified in this subsection are the privileges, exemptions, and immunities extended and applied to the Hong Kong

Economic and Trade Offices under section 1 of the Act entitled "An Act to extend certain privileges, exemptions, and immunities to Hong Kong Economic and Trade Offices", approved June 27, 1997 (22 U.S.C. 288k).

#### (c) EFFECT OF DETERMINATION.—

(1) TERMINATION.—If the Secretary of State determines under subsection (a)(1)(B) that the Hong Kong Economic and Trade Offices no longer merit extension and application of the privileges, exemptions, and immunities specified in subsection (b), the Hong Kong Economic and Trade Offices shall terminate operations not later than 180 days after the date on which that determination is delivered to the appropriate congressional committees, as part of the certification required under section 205(a)(1)(A) of the United States-Hong Kong Policy Act of 1992 (22 U.S.C. 5725(a)(1)(A)).

(2) CONTINUED OPERATIONS.—If the Secretary of State determines under subsection (a)(1)(A) that the Hong Kong Economic and Trade Offices merit extension and application of the privileges, exemptions, and immunities specified in subsection (b), the Hong Kong Economic and Trade Offices may continue operations for the one-year period following the date of the certification that includes that determination or until the next certification required under section 205(a)(1)(A) of the United States-Hong Kong Policy Act of 1992 (22 U.S.C. 5725(a)(1)(A)) is submitted, whichever occurs first, unless a disapproval resolution is enacted under subsection (d).

#### (d) CONGRESSIONAL REVIEW.—

(1) DISAPPROVAL RESOLUTION.—In this subsection, the term "disapproval resolution" means only a joint resolution of either House of Congress—

(A) the title of which is the following: "A joint resolution disapproving the certification by the President that the Hong Kong Economic and Trade Offices continue to merit extension and application of certain privileges, exemptions, and immunities."; and

(B) the sole matter after the resolving clause of which is the following: "Congress disapproves of the certification by the President under section 2(a)(1)(A) of the Hong Kong Economic and Trade Office (HKETO) Certification Act that the Hong Kong Economic and Trade Offices merit extension and application of certain privileges, exemptions, and immunities, on \_\_\_\_", with the blank space being filled with the appropriate date.

(2) INTRODUCTION.—A disapproval resolution may be introduced—

(A) in the House of Representatives, by the majority leader or the minority leader; and

(B) in the Senate, by the majority leader (or the majority leader's designee) or the minority leader (or the minority leader's designee).

(3) FLOOR CONSIDERATION IN HOUSE OF REPRESENTATIVES.—If a committee of the House of Representatives to which a disapproval resolution has been referred has not reported the resolution within 10 legislative days after the date of referral, that committee shall be discharged from further consideration of the resolution.

#### (4) CONSIDERATION IN SENATE.—

(A) COMMITTEE REFERRAL.—A disapproval resolution introduced in the Senate shall be referred to the Committee on Foreign Relations.

(B) REPORTING AND DISCHARGE.—If the Committee on Foreign Relations of the Senate has not reported the resolution within 10 legislative days after the date of referral of the resolution, that committee shall be discharged from further consideration of the resolution and the resolution shall be placed on the appropriate calendar.

(C) PROCEEDING TO CONSIDERATION.—Notwithstanding Rule XXII of the Standing Rules of the Senate, it is in order at any time after the Committee on Foreign Relations reports a disapproval resolution to the Senate or has been discharged from consideration of such a resolution (even though a previous motion to the same effect has been disagreed to) to move to proceed to the consideration of the resolution, and all points of order against the resolution (and against consideration of the resolution) are waived. The motion to proceed is not debatable. The motion is not subject to a motion to postpone. A motion to reconsider the vote by which the motion is agreed to or disagreed to shall not be in order.

(D) RULINGS OF THE CHAIR ON PROCEDURE.—Appeals from the decisions of the Chair relating to the application of the rules of the Senate, as the case may be, to the procedure relating to a disapproval resolution shall be decided without debate.

(E) CONSIDERATION OF VETO MESSAGES.—Debate in the Senate of any veto message with respect to a disapproval resolution, including all debatable motions and appeals in connection with the resolution, shall be limited to 10 hours, to be equally divided between, and controlled by, the majority leader and the minority leader or their designees.

(5) RULES RELATING TO SENATE AND HOUSE OF REPRESENTATIVES.—

(A) TREATMENT OF SENATE RESOLUTION IN HOUSE.—In the House of Representatives, the following procedures shall apply to a disapproval resolution received from the Senate (unless the House has already passed a resolution relating to the same proposed action):

(i) The resolution shall be referred to the appropriate committees.

(ii) If a committee to which a resolution has been referred has not reported the resolution within 10 legislative days after the date of referral, that committee shall be discharged from further consideration of the resolution.

(iii) Beginning on the third legislative day after each committee to which a resolution has been referred reports the resolution to the House or has been discharged from further consideration thereof, it shall be in order to move to proceed to consider the resolution in the House. All points of order against the motion are waived. Such a motion shall not be in order after the House has disposed of a motion to proceed on the resolution. The previous question shall be considered as ordered on the motion to its adoption without intervening motion. The motion shall not be debatable. A motion to reconsider the vote by which the motion is disposed of shall not be in order.

(iv) The resolution shall be considered as read. All points of order against the resolution and against its consideration are waived. The previous question shall be considered as ordered on the resolution to final passage without intervening motion except 2 hours of debate equally divided and controlled by the offeror of the motion to proceed (or a designee) and an opponent. A motion to reconsider the vote on passage of the resolution shall not be in order.

(B) TREATMENT OF HOUSE RESOLUTION IN SENATE.—

(i) RECEIVED BEFORE PASSAGE OF SENATE RESOLUTION.—If, before the passage by the Senate of a disapproval resolution, the Senate receives an identical resolution from the House of Representatives, the following procedures shall apply:

(I) That resolution shall not be referred to a committee.

(II) With respect to that resolution—  
(aa) the procedure in the Senate shall be the same as if no resolution had been re-

ceived from the House of Representatives; but

(bb) the vote on passage shall be on the resolution from the House of Representatives.

(ii) RECEIVED AFTER PASSAGE OF SENATE RESOLUTION.—If, following passage of a disapproval resolution in the Senate, the Senate receives an identical resolution from the House of Representatives, that resolution shall be placed on the appropriate Senate calendar.

(iii) NO SENATE COMPANION.—If a disapproval resolution is received from the House of Representatives, and no companion resolution has been introduced in the Senate, the Senate procedures under this subsection shall apply to the resolution from the House of Representatives.

(C) APPLICATION TO REVENUE MEASURES.—The provisions of this subparagraph shall not apply in the House of Representatives to a disapproval resolution that is a revenue measure.

(6) RULES OF HOUSE OF REPRESENTATIVES AND SENATE.—This paragraph is enacted by Congress—

(A) as an exercise of the rulemaking power of the Senate and the House of Representatives, respectively, and as such is deemed a part of the rules of each House, respectively, and supersedes other rules only to the extent that it is inconsistent with such rules; and

(B) with full recognition of the constitutional right of either House to change the rules (so far as relating to the procedure of that House) at any time, in the same manner, and to the same extent as in the case of any other rule of that House.

(e) DEFINITIONS.—In this section:

(1) APPROPRIATE CONGRESSIONAL COMMITTEES.—The term “appropriate congressional committees” means the Committee on Foreign Relations of the Senate and the Committee on Foreign Affairs of the House of Representatives.

(2) HONG KONG ECONOMIC AND TRADE OFFICES.—The term “Hong Kong Economic and Trade Offices” has the meaning given that term in section 1(c) of the Act entitled “An Act to extend certain privileges, exemptions, and immunities to Hong Kong Economic and Trade Offices”, approved June 27, 1997 (22 U.S.C. 288k).

#### SEC. 3. LIMITATION ON CONTRACTING RELATING TO HONG KONG ECONOMIC AND TRADE OFFICES.

(a) IN GENERAL.—On and after the date of the enactment of this Act, an entity of the United States Government may enter into an agreement or partnership with the Hong Kong Economic and Trade Offices to promote tourism, culture, business, or other matters relating to Hong Kong only if—

(1) the Secretary of State has submitted to the Committee on Foreign Relations of the Senate and the Committee on Foreign Affairs of the House of Representatives a determination under section 2(a)(1)(A) that the Hong Kong Economic and Trade Offices merit extension and application of certain privileges, exemptions, and immunities;

(2) a disapproval resolution under section 2(d) is not enacted during the 90-day period following the submission of that determination; and

(3) the agreement or partnership does not promote efforts by the Government of the Hong Kong Special Administrative Region and the Government of the People's Republic of China—

(A) to justify the dismantling of the autonomy of Hong Kong and the freedoms and rule of law guaranteed by the Sino-British Joint Declaration of 1984; and

(B) to portray within the United States the Government of the Hong Kong Special Administrative Region or the Government of

the People's Republic of China as protecting the rule of law or the human rights and civil liberties of the people of Hong Kong.

(b) HONG KONG ECONOMIC AND TRADE OFFICES DEFINED.—In this section, the term “Hong Kong Economic and Trade Offices” has the meaning given that term in section 1(c) of the Act entitled “An Act to extend certain privileges, exemptions, and immunities to Hong Kong Economic and Trade Offices”, approved June 27, 1997 (22 U.S.C. 288k).

#### SEC. 4. POLICY OF UNITED STATES ON PROMOTION OF AUTONOMY OF GOVERNMENT OF THE HONG KONG SPECIAL ADMINISTRATIVE REGION.

It is the policy of the United States—

(1) to ensure that entities of the United States Government do not knowingly assist in the promotion of Hong Kong as a free and autonomous city or the Government of the Hong Kong Special Administrative Region as committed to protecting the human rights of the people of Hong Kong or fully maintaining the rule of law required for human rights and economic prosperity as long as the Secretary of State continues to determine under section 205(a)(1) of the United States-Hong Kong Policy Act of 1992 (22 U.S.C. 5725(a)(1)) that Hong Kong does not enjoy a high degree of autonomy from the People's Republic of China and does not warrant treatment under the laws of the United States in the same manner as those laws were applied to Hong Kong before July 1, 1997;

(2) to recognize that promotion of Hong Kong as described in paragraph (1) should be considered propaganda for the efforts of the People's Republic of China to dismantle rights and freedom guaranteed to the residents of Hong Kong by the International Covenant on Civil and Political Rights and the Sino-British Joint Declaration of 1984;

(3) to ensure that entities of the United States Government do not engage in or assist with propaganda of the People's Republic of China regarding Hong Kong; and

(4) to engage with the Government of the Hong Kong Special Administrative Region, through all relevant entities of the United States Government, seeking the release of political prisoners, the end of arbitrary detentions, the resumption of a free press and fair and free elections open to all candidates, and the restoration of an independent judiciary.

The SPEAKER pro tempore. Pursuant to the rule, the gentleman from Kentucky (Mr. BARR) and the gentleman from New York (Mr. MEEKS) each will control 20 minutes.

The Chair recognizes the gentleman from Kentucky.

#### GENERAL LEAVE

Mr. BARR. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days to revise and extend their remarks and to include extraneous material on this measure.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Kentucky?

There was no objection.

Mr. BARR. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I rise in strong support of H.R. 1103, the Hong Kong Economic and Trade Office Certification Act introduced by the gentleman from New Jersey (Mr. SMITH).

Hong Kong was once a shining beacon in Asia and the gateway into China, known for its economic freedom, rule of law, and vibrant civil society. Tragically, this ended when the Chinese

Communist Party crushed democracy and free enterprise in Hong Kong.

People of all walks of life, and much international capital, have fled this authoritarian wave, and the city has never been the same.

We cannot allow the CCP to use Hong Kong's former legitimacy as a continuing gateway into U.S. systems. Both Secretary of State Pompeo and Secretary Blinken have certified that because of the Chinese Communist Party's control over Hong Kong's legislature, judicial system, and police force, Hong Kong can no longer be considered a separate entity from the People's Republic of China.

We must adjust our treatment of Hong Kong Economic and Trade Offices to match the sad current reality.

This bill would require the President to annually certify whether those offices should be covered by the International Organizations Immunities Act. If certification is not granted, they must terminate their operations in the United States.

The bipartisan membership of the Foreign Affairs Committee voted unanimously in favor of this bill at our markup last year.

Mr. Speaker, I urge all of our colleagues to support the Hong Kong Economic and Trade Office Certification Act, and I reserve the balance of my time.

Mr. MEEKS. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I rise today in support of H.R. 1103, the Hong Kong Economic and Trade Office Certification Act, as amended.

This bill recognizes that Beijing has ripped apart any credible notion of Hong Kong's autonomy and has undone the "one country, two systems" framework. In doing so, Beijing betrayed not only the people of Hong Kong but the commitments it made to the whole world.

Hong Kong is no longer a bastion of the rule of law, no longer a place of political freedom, and no longer a place where opinions can be voiced freely. Today, over 1,800 political prisoners sit behind bars. Trials are held in secret, and justice is sent to mainland China. The freedoms once cherished in Hong Kong are disappearing rapidly.

The bill in front of us today calls on the President to determine whether the Hong Kong Economic and Trade Offices in the United States should continue to get the privileges, exemptions, and immunities which were offered based on Hong Kong's distinct autonomous status. After all, why should we treat Hong Kong as different from China now when the Chinese Communist Party is tightening its grip over Hong Kong's political and governing system?

This bill is timely and necessary. As we move forward, it is critical the State Department has the ability to assist both the hundreds of U.S. businesses operating and the over 80,000 American citizens living in Hong Kong. We need to make sure that our actions

aren't indirectly strengthening Beijing's grip on Hong Kong's politics or its governance.

I had proposed changes to this legislation during our markup to address some of these concerns, but, unfortunately, these were not accepted by the majority.

After this bill passes, I hope that the executive branch and Congress can consider these issues together in a bipartisan manner so that we have one voice and so that with that one voice we may hold Beijing and Hong Kong accountable and protect American interests with one voice.

Finally, I will thank Representatives CHRIS SMITH for all of his hard work on the bill as well as Representative JIM MCGOVERN for introducing this important piece of legislation. In that spirit, I encourage all of my colleagues to support this bill, and I reserve the balance of my time.

Mr. BARR. Mr. Speaker, I yield 5 minutes to the gentleman from New Jersey (Mr. SMITH), who is a tireless champion for human rights. He is the chairman of the Foreign Affairs Subcommittee on Global Health, Global Human Rights, and International Organizations, and he is the author of this bill.

Mr. SMITH of New Jersey. Mr. Speaker, I thank my good friend for yielding, and I thank him for his leadership, as well as the leadership of Mr. MEEKS and, of course, Chairman MCCAUL.

As the prime author of the Hong Kong Human Rights and Democracy Act, which I first introduced in 2014 when the umbrella revolution was occurring, many of us thought that if we did not take definitive actions, then Hong Kong would be lost.

Unfortunately, Congress refused for years to bring up that bill. We did get it enacted into law, but it was a day late and a dollar short. However, this legislation, H.R. 1103, is a necessary next step in tangibly demonstrating our solidarity with the persecuted citizens of Hong Kong.

I want to thank JIM MCGOVERN, my friend and colleague, for cosponsoring it. It is a bipartisan bill, and, again, I appreciate Mr. MEEKS' statement just a moment ago.

At one time, the Hong Kong Economic and Trade Offices in the United States represented a city whose prosperity was based on its protection of fundamental human rights and freedom of the Hong Kong people.

The U.S. gifted these offices, commonly known as HKETOs for short, with diplomatic privileges and immunities on the assumption that Hong Kong would remain free from Communist rule. However, 3 years after the CCP imposed the national security law on Hong Kong, we must deal with this new reality. The Hong Kong all of us knew, loved, and respected is gone. The city that was once a bastion of freedom in a sea of oppression is now governed by CCP puppets who have become as repressive as their masters in Beijing.

Hong Kong unjustly detains political prisoners at a rate only surpassed by a handful of dictatorships such as Belarus and Burma. There are over 1,000 political prisoners in Hong Kong today. Renowned pro-democracy figures like Jimmy Lai—I actually chaired a hearing where we heard from his son, Sebastien, pleading with the world to speak up on behalf of his father—is now languishing in prison.

Joshua Wong, whom we all met with during the great days when it looked like democracy was going to be protected, he, too, is languishing, as well as Tonyee Chow and so many others who are living in these horrible gulags in Hong Kong.

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But most of Hong Kong's political prisoners actually are unknown. They are university and high school students, medical workers, first responders, lawyers, teachers, moms and dads, businesspeople, journalists, and municipal policymakers jailed and sometimes tortured for peacefully demonstrating and organizing to protect democracy and human rights.

The HKETOs are complicit in persecuting them. These offices serve as Beijing's propaganda arm in the United States, defending and dismantling the freedom of Hong Kong and obscuring the truth.

In addition, HKETOs help the Chinese Communist Party track exiled Hong Kong activists in our own country. Anna Kwok, the executive director of the Hong Kong Democracy Council, testified at one of my China hearings and made very clear that they are using these so-called economic leaders to track individuals and to hold family members and the like responsible back in the PRC as well as to put bounties on these individuals.

This must stop, Mr. Speaker. The United States should not be granting diplomatic privileges and immunities to a network of Communist spies and propagandists.

I spent a whole day reading each of the three HKETO websites. It was filled—overflowing with lies and deception, especially about the National Security Act, which is as draconian as any law that has ever been enacted.

I do hope Members will support this. Even during last year's Asia-Pacific Economic Cooperation summit in San Francisco, who was organizing the counterprotests to the wonderful men and women of Hong Kong simply demanding freedom and democracy? Yes. It was HKETO there.

Mr. Speaker, I urge Members to support H.R. 1103.

Mr. MEEKS. Mr. Speaker, I yield myself the balance of my time.

Mr. Speaker, over the last year alone, we have seen Beijing and Hong Kong authorities crack down further on dissent and free expression at home and abroad.

In March, they enacted national security legislation under article 23 of

the Basic Law to once again fundamentally erode the rights and freedoms of Hong Kongers.

I am also especially concerned about Beijing's use of transnational repression on our shores, where we have seen democracy advocates, including a U.S. citizen, charged under the national security law, with rewards offered for their capture.

This bill is necessary right now because we need to ensure that Hong Kong's economic and trade offices in the United States are not being used by Beijing to execute its transnational repression here in the United States against those simply standing for freedom and democracy.

I hope all of our colleagues will join all of us here on the floor in supporting this timely and important bill.

Mr. Speaker, I yield back the balance of my time.

Mr. BARR. Mr. Speaker, I yield myself the balance of my time for the purpose of closing.

Mr. Speaker, I thank Mr. SMITH as well as Mr. MCGOVERN and their bipartisan cosponsors for bringing this bill forward.

The tragedy that has unfolded in Hong Kong and the ripping up of an international treaty by the Chinese Communist Party is a stark lesson that Beijing cannot be trusted, which we have to learn, especially when it comes to deterrence in Taiwan. We cannot allow what happened in Hong Kong to happen to the democracy in Taiwan.

We also cannot allow the Chinese Communist Party to use Hong Kong's economic and trade offices as a back door into the United States. They must not be able to use the preferential treatment previously afforded to the city and society they continue to brutalize and oppress.

For these and many other reasons, I urge all Members to vote in favor of H.R. 1103, and I yield back the balance of my time.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Kentucky (Mr. BARR) that the House suspend the rules and pass the bill, H.R. 1103, as amended.

The question was taken.

The SPEAKER pro tempore. In the opinion of the Chair, two-thirds being in the affirmative, the ayes have it.

Mr. BARR. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The SPEAKER pro tempore. Pursuant to clause 8 of rule XX, further proceedings on this motion will be postponed.

#### ECONOMIC ESPIONAGE PREVENTION ACT

Mr. BARR. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 8361) to impose sanctions with respect to economic or industrial espionage by foreign adversarial companies, and for other purposes, as amended.

The Clerk read the title of the bill.  
The text of the bill is as follows:

H.R. 8361

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,*

#### SECTION 1. SHORT TITLE.

This Act may be cited as the "Economic Espionage Prevention Act".

#### SEC. 2. FINDINGS.

Congress finds the following:

(1) On March 14, 2024, the Department of State notified Congress of the following:

(A) People's Republic of China exports of semiconductors to Russia have increased substantially since Russia's full-scale invasion of Ukraine.

(B) In the second half of 2023, China exported between \$25,000,000 and \$50,000,000 in additional semiconductors to Russia every month relative to pre-invasion levels.

(C) During the same period, China also exported between \$50,000,000 and \$100,000,000 in additional exports to Russia every month to known transshipment hubs.

(D) These exports include both Chinese and United States-branded semiconductors (integrated circuits), according to analysis of commercially available trade data by the Bureau of Industry and Security of the Department of Commerce, and are almost certainly supporting Russia's military capabilities based on Ukrainian analysis of recovered Russian weapons.

(E) Because of the prevalence of United States manufacturing equipment in global semiconductor supply chains, nearly all chips produced worldwide, including in the People's Republic of China, are subject to United States export controls if destined for Russia or Belarus.

(F) All advanced semiconductors described on the Commerce Control List have been subject to a license requirement if destined to an entity in Russia since its further invasion of Ukraine.

(2) On April 3, 2024, Deputy Secretary of State, Kurt Campbell, said "I think we have assessed, over the course of the last couple of months that Russia has almost completely reconstituted militarily. And after the initial setbacks on the battlefield delivered to them by a brave and hearty group in Ukraine, with the support of China in particular, dual use capabilities and a variety of other efforts, industrial and commercial, Russia has retooled and now poses a threat to Ukraine. . . But not just to Ukraine, its new found capabilities pose a longer term challenge to stability in Europe and threatens NATO allies."

#### SEC. 3. REPORT.

(a) IN GENERAL.—Not later than 90 days after the date of the enactment of this Act, the Secretary of State, in coordination with the heads of relevant Federal departments and agencies, as appropriate, shall submit to the appropriate congressional committees, a written report that contains the following:

(1) An analysis and description of the extent to which any foreign person who is a citizen of the People's Republic of China or an entity organized under the laws of the People's Republic of China, or any foreign person or entity controlled by or operating at the direction of the Government of the People's Republic of China—

(A) is knowingly a material source of critical components necessary for the manufacture of weapons, vehicles, and other military equipment by the defense industrial base of the Russian Federation;

(B) has knowingly delivered critical components to or entered into any agreement relating to the sale or delivery of critical components with any entity operating in the de-

fense or intelligence sectors of the Government of the Russian Federation;

(C) has knowingly delivered critical components to or entered into any agreement relating to the sale or delivery of critical components with any country or entity with which the defense or intelligence sectors of the Government of Russian Federation are cooperating in support of Russia's war against Ukraine; or

(D) has knowingly delivered critical components to or entered into any agreement relating to the sale or delivery of critical components with a foreign person that knowingly and directly provides these components to the defense or intelligence sectors of the Government of the Russian Federation.

(2) The extent to which—

(A) any foreign person that is a citizen of the People's Republic of China or an entity organized under the laws of the People's Republic of China has knowingly engaged, on or after the date of the enactment of this Act, in transactions with a person that is part of, or operates on behalf of, the defense or intelligence sectors of the Government of the Russian Federation;

(B) any foreign person identified pursuant to subparagraph (A) has engaged in transactions which would constitute a significant transaction with persons that have been sanctioned for being part of, or operating on behalf of, the defense or intelligence sectors of the Government of the Russian Federation; or

(C) any foreign person identified pursuant to subparagraph (A) has been subjected to sanctions imposed pursuant to sections 231 and 235 of the Countering America's Adversaries Through Sanctions Act (22 U.S.C. 9525 and 9529).

(b) FORM AND AVAILABILITY.—

(1) FORM.—The report required by subsection (a) shall be submitted in unclassified form, but may include a classified annex.

(2) AVAILABILITY.—The unclassified portion of the report required by subsection (a) may also be made available to the public.

#### SEC. 4. IMPOSITION OF SANCTIONS WITH RESPECT TO ECONOMIC OR INDUSTRIAL ESPIONAGE BY FOREIGN ADVERSARY ENTITIES.

(a) IN GENERAL.—On and after the date that is 30 days after the date of the enactment of this Act, the President (a) may impose the sanctions described in subsection (c) against any of the foreign persons described in subsection (b).

(b) FOREIGN PERSONS DESCRIBED.—A foreign person is described in this subsection if the President determines on or after the date of the enactment of this Act that the person is a foreign adversary entity that knowingly engages in—

(1) economic or industrial espionage with respect to trade secrets or proprietary information owned by United States persons;

(2) the provision of material support or services to a foreign adversaries' military, intelligence, or other national security entities; or

(3) the violation of United States export control laws.

(c) SANCTIONS DESCRIBED.—The sanctions that may be imposed with respect to a foreign person under subsection (b) are the following:

(1) PROPERTY BLOCKING.—The exercise of all powers granted to the President by the International Emergency Economic Powers Act (50 U.S.C. 1701 et seq.) to the extent necessary to block and prohibit all transactions in property and interests in property of the foreign person if such property and interests in property are in the United States, come within the United States, or are or come within the possession or control of a United States person.