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

IN THE SENATE OF THE UNITED STATES

Mr. RISCH (for himself, Mr. GARDNER, Mr. ROMNEY, and Mr. YOUNG) introduced the following bill; which was read twice and referred to the Committee on ________

A BILL

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

Be it enacted by the Senate and House of Representa-tives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLES.

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

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1 SEC. 3. DEFINITIONS.

In this Act:

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

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

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

(ii) supervised and managed by the State-owned Assets Supervision and Administration Commission of the State Council of the PRC;

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

(3) **People’s Liberation Army; PLA.**—The terms “People’s Liberation Army” and “PLA” mean the armed forces of the People’s Republic of China.

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

**TITLE I—CHINA POLICY**

**SEC. 101. FINDINGS.**

Congress makes the following findings:

(1) The People’s Republic of China has increased its political, diplomatic, economic, military, technological, and ideological power to become a strategic, near-peer, global competitor of the United States. The policies increasingly pursued by the PRC in each of these domains are contrary to the interests and values of the United States, its partners, and much of the rest of the world.

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

(A) is taking place over the future character of the international order;
(B) will shape the rules, norms, and institutions that govern relations among states in the coming decades;

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

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

(3) After normalizing diplomatic relations with the PRC in 1979, the United States actively worked to advance the PRC’s economic and social development to ensure that it participated in, and benefitted from, the free and open international order. The United States pursued these goals and contributed to the welfare of the Chinese people by—

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

(B) promoting the PRC’s accession to the World Trade Organization;

(C) providing development finance and technical assistance;

(D) promoting research collaboration;

(E) educating the PRC’s top students;
(F) permitting transfers of cutting-edge technologies and scientific knowledge; and

(G) providing intelligence and military assistance.

(4) It is now clear that the PRC has no intention of reforming politically or economically. Instead, it is pursuing state-led, mercantilist economic policies, increasing restrictions on personal freedoms, and implementing an aggressive and assertive foreign policy. These policies frequently and deliberately undermine United States interests and are contrary to core United States values and the values of other nations, both in the Indo-Pacific and beyond. In response to this strategic decision of the PRC, the United States was compelled to reexamine 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;

(B) concentration of military power;
(C) a strong role for the CCP in the state and the economy;

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

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

(6) The PRC views its Leninist model of governance, “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—

(A) undermining democratic institutions;

(B) subverting financial institutions;

(C) coercing businesses to accommodate the policies of the CCP; and

(D) using disinformation to disguise the nature of the actions described in subparagraphs (A) through (C).

(11) The PRC is making great strides toward its goal of becoming the global leader in science and technology. In May 2018, President Xi said that for the PRC to reach “prosperity and rejuvenation”, it needs to “endeavor to be a major world center for science and innovation”. The PRC has invested the equivalent of billions of dollars into education and research and development and established joint scientific research centers and science universities. Scientists and scholars from the PRC have made numerous contributions to a wide array of fields, including through international partnerships.
(12) The PRC’s drive, however, to become a “manufacturing and technological superpower” and to promote “innovation with Chinese characteristics” is coming at the expense of human rights, national 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 Chinese companies includes potential violation of its World Trade Organization commitments. In May 2018, President Xi said that the PRC aims to keep the “initiatives of innovation and development security . . . in [China’s] own hands”.

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

(16) The PRC is executing a plan to establish
regional hegemony over the Indo-Pacific and dis-
place the United States from the region. As a Pa-
cific power, the United States has built and sup-
ported 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 coer-
cion 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 exclu-
sive 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.
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.

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

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

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

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

(22) The PRC’s strategy and supporting policies described in this section undermine United States interests, such as—

(A) upholding a free and open international order;
(B) maintaining the integrity of international institutions with liberal norms and values;

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

(D) ensuring the defense of its allies;

(E) preserving open sea and air lanes;

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

(G) promoting individual freedom and human rights.

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

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

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

(C) contributing to increased tensions with India; and
(D) engaging in a widespread and government-directed disinformation campaign to obscure the PRC Government’s efforts to cover up the seriousness of COVID–19, sow confusion about the origination of the outbreak, and discredit the United States, its allies, and global health efforts.

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

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

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

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

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

(1) The United States’ global leadership role is sustained and its political system and major foundations of national power are postured for long-term political, economic, technological, and military competition with the PRC.
(2) The balance of power in the Indo-Pacific remains favorable to the United States and its allies. The United States and its allies maintain unfettered access to the region and the PRC neither dominates the region nor coerces its neighbors.

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

(A) maintain confidence in United States leadership and its commitment to the Indo-Pacific region;

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

(C) align themselves with the United States in setting global rules, norms, and standards.

(4) The combined weight of the United States and its allies and partners is strong enough to demonstrate to the PRC that the risks of attempts to dominate other states outweigh the potential benefits.

(5) The United States leads the free and open international order, which is comprised of resilient states and institutions that uphold and defend principles, including sovereignty, rule of law, individual freedom, and human rights. The international order
is strengthened to defeat attempts at destabilization by illiberal and authoritarian actors.

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

(A) protect human rights, commercial engagement and investment, and technology; and

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

(7) The CCP cannot and does not—

(A) subvert open and democratic societies;

(B) distort global markets;

(C) manipulate the international trade system;

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

(E) use its technological advantages to undermine individual freedoms or other states’ national security interests.

(8) The United States deters military confrontation with the PRC and both nations establish structured dialogue and negotiation mechanisms to reduce the risk of conflict. The United States has a mutually respectful relationship with the PRC, and
the American people maintain friendly relations with
the Chinese people.

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

(1) to strengthen the United States’ domestic
foundation by reinvesting in market-based economic
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 inter-
est;

(2) to pursue a strategy of managed strategic
competition with the PRC in the political, diplo-
matic, economic, development, military, informa-
tional, 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 inter-
national system characterized by respect for sov-
eignty, 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 alli-
ances and partnerships, prioritizing the Indo-Pacific
and Europe, by pursuing greater bilateral and multi-
lateral cooperative initiatives that advance shared in-
terests and bolster partner countries' confidence that
the United States is and will remain a strong, com-
mitted, and constant partner;

(5) to encourage and aid United States allies
and partners in boosting their own capabilities and
resiliency to pursue, defend, and protect shared in-
terests and values, free from coercion and external
pressure;

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

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

(B) tightening United States laws and reg-
ulations as necessary to prevent the PRC’s at-
ttempts to harm United States economic com-
petitiveness;

(7) to demonstrate the value of private sector-
led growth in emerging markets around the world,
including through the use of United States Govern-
ment tools that—
(A) support greater private sector investment and advance capacity-building initiatives that are grounded in the rule of law;

(B) promote open markets;

(C) establish clear policy and regulatory frameworks;

(D) improve the management of key economic sectors;

(E) reduce corruption; and

(F) foster collaboration with partner countries and the United States private sector to develop secure and sustainable infrastructure;

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

(9) to conduct vigorous commercial diplomacy in support of United States companies and businesses in partner countries that seek fair competition;

(10) to support greater private sector cooperation between the United States and its partners;

(11) to ensure that the United States leads in the innovation of critical and emerging technologies, such as next-generation telecommunications, artifi-
cational intelligence, quantum computing, semiconductors, and biotechnology, by—

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

(B) improving contracting processes to enable the United States Government—

(i) to allocate capital and work with start-up companies more efficiently; and

(ii) to increase investment in experimental technologies;

(C) modernizing export controls and investment restrictions to place a “high fence around a small yard” of critical technologies;

(D) enhancing United States leadership in technical standards-setting bodies and avenues for developing norms regarding the use of emerging critical technologies;

(E) reducing United States barriers and increasing incentives for collaboration with allies and partners on the research and codevelopment of critical technologies;

(F) collaborating with allies and partners to protect critical technologies by—
(i) crafting multilateral export control measures;

(ii) building capacity for defense technology security;

(iii) safeguarding chokepoints in the supply chains; and

(iv) ensuring diversification; and

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

(12) to enable the people of the United States, including the private sector, civil society, universities and other academic institutions, State and local legislators, and other relevant actors to identify and remain vigilant to the risks posed by undue influence of the CCP in the United States;

(13) to enact legislation, regulations, and other measures to mitigate the risks referred to in paragraph (12), while still preserving opportunities for economic engagement, academic research, and cooperation in other areas where the United States and the PRC share interests;

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

(A) advance a free and open order;
(B) strengthen democratic institutions;

(C) protect and promote human rights;

and

(D) uphold a free press and fact-based reporting;

(15) to demonstrate effective leadership at the United Nations, its associated agencies, and other multilateral organizations and defend the integrity of these organizations against co-optation by illiberal and authoritarian nations;

(16) to prioritize the defense of fundamental freedoms and human rights in the United States’ relationship with the PRC;

(17) to cooperate with allies, partners, and multilateral organizations to hold the Government of the PRC accountable for—

(A) violations and abuses of human rights;

(B) restrictions on religious practices;

(C) abrogation of treaties and other international agreements related to human rights;

and

(D) other affronts to the freedom and individual liberty of the citizens of the PRC;

(18) to expose the PRC’s use of corruption, repression, coercion, and other malign behavior to at-
tain unfair economic advantage and deference of other nations to its political and strategic objectives;

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

(A) increasing the qualitative advantage of United States forward-deployed forces in the Indo-Pacific region;

(B) modernizing the United States military through investments in existing and new major platforms, emerging technologies, critical in-theater force structure and enabling capabilities, operational concepts, and access agreements;

and

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

(i) to prevent the PLA from gaining the ability to project power and establish contested zones within the First and Second Island Chains;

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

(iii) to maintain open sea and air lanes, particularly in the Taiwan Strait, the East China Sea, and the South China Sea;
to deter the PRC from—

(A) coercing Indo-Pacific nations, including by developing more combat-credible forces that are integrated with allies and partners in contact, blunt, and surge layers and able to defeat any PRC theory of victory in the First or Second Island Chains of the Western Pacific and beyond, as called for in the 2018 National Defense Strategy; or

(B) using gray-zone tactics below the level of armed conflict and initiating armed conflict;

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

(22) to cooperate with the PRC if interests align, conduct persistent and determined diplomacy that clarifies United States interests and values to Chinese officials, and pursue confidence-building measures in areas particularly susceptible to escalation.

SEC. 103. SENSE OF CONGRESS.

It is the sense of Congress that the execution of the policy described in section 102(b) requires the following actions:
(1) Managed strategic competition with the PRC will require the United States—
(A) to marshal sustained political will to protect its vital interests and advance its economic and national security objectives for decades to come; and
(B) to achieve this sustained political will, persuade the American people and United States allies and partners of—
(i) the challenges posed by the PRC;
and
(ii) the need for long-term competition to defend shared interests and values.

(2) The United States must—
(A) coordinate closely with allies and partners to compete effectively with the PRC;
(B) cooperate with the PRC where our interests align; and
(C) pursue its interests, while still accounting for partner country viewpoints on how to best approach the challenges posed by the PRC.

(3) At the same time, other countries must step up to assume greater roles in balancing and checking the aggressive and assertive behavior of the PRC than the roles they have assumed in the past.
(4) The President of the United States must lead and direct the entire executive branch to make the People’s Republic of China the top priority in United States foreign policy. At present, the United States identifies it as such in the National Security Strategy and the National Defense Strategy, but must further increase the prioritization of managed strategic competition with the PRC and broader United States interests in the Indo-Pacific region in the conduct of foreign policy to implement the strategic imperatives outlined in those documents.

(5) The President should appoint a senior official in the Executive Office of the President with the authority and resources to coordinate the United States’ strategy of managed strategic competition with the PRC across the entire United States Government.

(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 repeat-
edly diverted to challenges that are not vital to United States economic and national security interests.

(8) In the coming decades, the United States must prevent the PRC from—
   (A) establishing regional hegemony in the Indo-Pacific; and
   (B) using that position to advance its assertive political, economic, and foreign policy goals around the world.

(9) The United States must ensure that the Federal budget is properly aligned with the strategic imperative to compete with the PRC by—
   (A) authorizing sufficient levels of funding to resource all instruments of United States national power; and
   (B) coherently prioritizing how such funds are used.

(10) Sustained prioritization of the challenge posed by the PRC requires—
   (A) bipartisan cooperation within Congress; and
   (B) frequent, sustained, and meaningful collaboration and consultation between the executive and legislative branches.
The United States must ensure close integration among economic and foreign policymakers, the private sector, civil society, universities and academic institutions, and other relevant actors in free and open societies affected by the challenges posed by the PRC to enable such actors—

(A) to collaborate to advance common interests; and

(B) to identify appropriate policies—

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

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

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

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

(A) dedicating more personnel in the Indo-Pacific region, at posts around the world, and in Washington D.C., with priorities directly rel-
31 relevant to advancing competition with the People’s Republic of China;

(B) placing greater numbers of foreign service officers, international development professionals, members of the foreign commercial service, intelligence professionals, and other United States Government personnel in the Indo-Pacific region; and

(C) ensuring that this workforce, both civilian and military, has the training in language, technical skills, and other competencies required to advance a successful competitive strategy with the PRC.

(13) The United States must place renewed emphasis on strengthening the nonmilitary instruments of national power, including diplomacy, information, technology, economics, foreign assistance and development finance, commerce, intelligence, and law enforcement, which are crucial for addressing the unique economic, political, and ideological challenges posed by the PRC.

(14) The United States should create a Pacific Deterrence Initiative, which shall be aligned with the overarching political and diplomatic objectives articulated in the Asia Reassurance Initiative Act.
(Public Law 115–409), and that prioritizes the military investments necessary to achieve United States political objectives in the Indo-Pacific, including—

(A) promoting regional security in the Indo-Pacific;

(B) reassuring allies and partners while protecting them from coercion; and

(C) deterring conflict with the PRC.

(15) Competition with the PRC requires the United States’ skillful adaptation to the information environment of the 21st century. United States public diplomacy and messaging efforts must effectively—

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

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

(C) counter CCP propaganda and disinformation.
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.

(a) FINDINGS.—Congress makes the following findings:

(1) The People’s Republic of China, at the direction of the Chinese Communist Party, is advancing an ecosystem of anticompetitive economic and industrial policies that—

(A) distort global markets;

(B) limit innovation;

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

(D) unfairly and harmfully prejudice consumer choice.

(2) Of the extensive and systemic economic and industrial policies pursued by the PRC, the mass 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 accept-
ed 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 of economic growth in the United States and similarly-situated economies.”
(9) In addition to forced technology described in this subsection, the United States Trade Representative’s investigation of the PRC under section 301 of the Trade Act of 1974 (19 U.S.C. 2411) also identified requirements that foreign firms license products at less than market value, government-directed and government-subsidized acquisition of sensitive technology for strategic purposes, and cyber theft as other key PRC technology and industrial policies that are unreasonable and discriminatory. These policies place at risk United States intellectual property rights, innovation and technological development, 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;

(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.

(11) The Belt and Road Initiative (BRI) and 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 infrastructure, digital technologies, and other important
goods on PRC supply chains and technical standards.

(b) SENSE OF CONGRESS.—It is the sense of Congress that—

(1) the challenges presented by a nonmarket economy like the PRC’s economy, which has captured such a large share of global economic exchange, are in many ways unprecedented and require sufficiently elevated and sustained long-term 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—
(A) expose the full scope and scale of intellectual property theft and mass subsidization of Chinese firms, and the resulting harm to the United States, foreign markets, and the global economy;

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

(C) provide options for affected United States persons to address and respond to unreasonable and discriminatory CCP-directed industrial policies; and

(D) strengthen the protection of critical technology and sensitive data, while still fostering an environment that provides incentives for innovation and competition;

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

(A) to reinforce long-standing generally accepted principles of fair competition and market behavior and address the PRC’s anticompetitive economic and industrial polices that undermine decades of global growth and innovation;
(B) to ensure that the PRC is not granted the same treatment as that of a free-market economy until it ceases the implementation of laws, regulations, policies, and practices that provide unfair advantage on PRC firms in furtherance of national objectives and impose unreasonable, discriminatory, and illegal burdens on market-based international commerce; and

(C) to align policies with respect to curbing state-directed subsidization of the private sector, such as advocating for global rules related to transparency and adherence to notification requirements, including through the efforts currently being advanced by the United States, Japan, and the European Union; and

(5) the United States and its allies and partners must collaborate to provide incentives to their respective companies to cooperate in areas such as—

(A) advocating for protection of intellectual property rights in markets around the world;
(B) fostering open technical standards; and
(C) increasing joint investments in overseas markets.
SEC. 202. INTELLECTUAL PROPERTY VIOLATORS LIST.

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

(1) a significant act or series of acts of intellectual property theft that subjected a United States economic sector or particular company incorporated in the United States to harm; or

(2) an act or government policy of involuntary or coerced technology transfer of intellectual property ultimately owned by a company incorporated in the United States.

(b) RULES FOR IDENTIFICATION.—To determine whether there is a credible basis for determining that a company should be included on the intellectual property violators list, the Secretary of State, in coordination with the Secretary of Commerce, the United States Trade Representative, and the Director of National Intelligence, shall consider—
(1) any finding by a United States court that the company has violated relevant United States laws intended to protect intellectual property rights;

(2) a decision by the President to impose sanctions authorized under section 204(e); or

(3) substantial and credible information received from any entity described in subsection (c) or other interested persons.

(e) CONSULTATION.—In carrying out this section, the Secretary of State, in coordination with the Secretary of Commerce, the United States Trade Representative, and the Director of National Intelligence, may consult, as necessary and appropriate, with—

(1) other Federal agencies, including independent agencies;

(2) the private sector; and

(3) civil society organizations with relevant expertise.

(d) REPORT.—

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

(A) lists the companies engaged in the activities described in subsection (a)(1); and
(B) describes the circumstances surrounding actions described in subsection (a)(2), including any role of the Government of the PRC; and

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

(2) FORM.—The report published under paragraph (1) shall be unclassified, but may include a classified annex.

(e) DECLASSIFICATION AND RELEASE.—The Director of National Intelligence may authorize the declassification of information, as appropriate, to inform the contents of the report published pursuant to subsection (d).

(f) REQUIREMENT TO PROTECT BUSINESS-CONFIDENTIAL INFORMATION.—

(1) IN GENERAL.—The Secretary of State and the heads of all other Federal agencies involved in the production of the intellectual property violators list shall protect from disclosure any proprietary information submitted by a private sector participant and marked as business-confidential information, unless the party submitting the confidential business information—
(A) had notice, at the time of submission, that such information would be released by the Secretary; or

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

(2) Nonconfidential Version of Report.—If confidential business information is provided by a private sector participant, a nonconfidential version of the report under subsection (d) shall be published in the Federal Register that summarizes or deletes, if necessary, the confidential business information.

(3) Treatment as Trade Secrets.—Proprietary information submitted by a private party under this section—

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

(B) shall be exempt from disclosure without the express approval of the private party.

SEC. 203. GOVERNMENT OF THE PEOPLE’S REPUBLIC OF CHINA SUBSIDIES LIST.

(a) Report.—Not later than 1 year after the date of the enactment of this Act, and annually thereafter, the 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
over foreign market participants in contravention of generally accepted market principles; and

(3) any subsidy that violates the agreement referred to in section 101(d)(12) of the Uruguay Round Agreements Act (19 U.S.C. 3511(d)(12)) (commonly known as the World Trade Organization’s Agreement on Subsidies and Countervailing Measures).

(e) CONSULTATION.—The Secretary of State, in coordination with the Secretary of Commerce and the United States Trade Representative, may, as necessary and appropriate, consult with—

(1) other Federal agencies, including independent agencies;

(2) the private sector; and

(3) civil society organizations with relevant expertise.

SEC. 204. REVIEW OF PETITIONS RELATED TO INTELLECTUAL PROPERTY THEFT AND FORCED TECHNOLOGY TRANSFER.

(a) DEFINITIONS.—In this section:

(1) APPROPRIATE CONGRESSIONAL COMMITTEES.—The term “appropriate congressional committees” means—
(A) the Committee on Foreign Relations of the Senate;

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

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

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

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

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

(G) the Committee on Energy and Commerce of the House of Representatives; and

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

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

(3) FOREIGN PERSON.—The term “foreign person” means a person that is not a United States person.

(4) INTELLECTUAL PROPERTY.—The term “intellectual property” means—
(A) any work protected by a copyright under title 17, United States Code;

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

(C) any word, name, symbol, or device, or any combination thereof, that is registered as a trademark with the United States Patent and Trademark Office under the Act entitled “An Act to provide for the registration and protection of trademarks used in commerce, to carry out the provisions of certain international conventions, and for other purposes”, approved July 5, 1946 (commonly known as the “Lanham Act” or the “Trademark Act of 1946”) (15 U.S.C. 1051 et seq.);

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

(E) any other form of intellectual property.

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

(A) a United States citizen or an alien lawfully admitted for permanent residence to the United States; or
(B) an entity organized under the laws of
the United States or any jurisdiction within the
United States, including a foreign branch of
such an entity.

(b) Establishment of a Committee.—

(1) IN GENERAL.—The President shall—

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

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

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

(A) The Secretary of the Treasury.

(B) The Secretary of Commerce.

(C) The Secretary of State.

(D) The Attorney General.

(E) The Director of National Intelligence.

(F) The heads of such other agencies as
the President determines appropriate, generally
or on a case-by-case basis.
(3) Designee.—An official specified in paragraph (2) may select a designee to serve on the Committee from among individuals serving in positions appointed by the President by and with the advice 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.—A significant act or series of acts described in this paragraph is a significant act or series of acts of—
(A) theft of intellectual property of a United States person; or

(B) forced transfer of technology that is the intellectual property of a United States person.

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

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

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

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

(iii) the foreign person is using that intellectual property without the permission of the United States person; and

(B) the United States person can provide clear and convincing evidence to the Committee that the value of the economic loss to the
United States person resulting from the significant 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-
curity of the United States posed by the significant act or series of acts identified in the petition.

(2) NOTICE TO CONGRESS.—Not later than 30 days after the Committee refers a petition to the President with a recommendation under subsection (d)(2), the President shall submit to the appropriate congressional committees a notice of the determination of the President under paragraph (1) with respect to whether or not to impose sanctions described in paragraph (3) with respect to each foreign person identified in the petition. Each notice required under this paragraph shall be submitted in unclassified form, but may include a classified 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—

(i) the Export Control Reform Act of 2018 (50 U.S.C. 4801 et seq.);
(ii) the Arms Export Control Act (22 U.S.C. 2751 et seq.);

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

(iv) any other statute that requires the prior review and approval of the United States Government as a condition for the export or reexport of goods or services.

(B) Loans from United States Financial Institutions.—The President may prohibit any United States financial institution from making loans or providing credits to the person totaling more than $10,000,000 in any 12-month period unless the person is engaged in activities to relieve human suffering and the loans or credits are provided for such activities.

(C) Loans from International Financial Institutions.—The President may direct the United States executive director to each international financial institution to use the voice and vote of the United States to oppose any loan from the international financial institution that would benefit the person.
(D) **Prohibitions on financial institutions.**—The following prohibitions may be imposed against the person if the person is a financial institution:

(i) **Prohibition on designation as primary dealer.**—Neither the Board of Governors of the Federal Reserve System nor the Federal Reserve Bank of New York may designate, or permit the continuation of any prior designation of, the financial institution as a primary dealer in United States Government debt instruments.

(ii) **Prohibition on service as a repository of government funds.**—The financial institution may not serve as agent of the United States Government or serve as repository for United States Government funds.

(E) **Procurement sanction.**—The President may prohibit the United States Government from procuring, or entering into any 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
which the person identified in the petition has any interest;

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

(iii) conducting any transaction involving such property.

(I) **Ban on Investment in Equity or Debt of Sanctioned Person.**—The President may, pursuant to such regulations or guidelines as the President may prescribe, prohibit any United States person from investing in or purchasing significant amounts of equity or debt instruments of the person.

(J) **Exclusion of Corporate Officers.**—The President may direct the Secretary of State to deny a visa to, and the Secretary of Homeland Security to exclude from the United States, any alien that the President determines is a corporate officer or principal of, or a shareholder with a controlling interest in, the person.

(K) **Sanctions on Principal Executive Officers.**—The President may impose on the principal executive officer or officers of the person, 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—
(A) had notice, at the time of submission, that the information would be released by the Committee; or

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

(2) TREATMENT AS TRADE SECRETS.—Proprietary information submitted by a United States person under this section shall be—

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

(B) exempt from disclosure without the express approval of the person.

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

SEC. 205. PREDATORY PRICING BY ENTITIES OWNED, CONTROLLED, OR DIRECTED BY A FOREIGN STATE.

(a) PROHIBITED ACTS.—

(1) IN GENERAL.—It is contrary to public policy, 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 defined 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.
(b) Recovery of Damages by Claimant for Violations of This Section.—Any person (as defined in section 1(a) of the Clayton Act (15 U.S.C. 12) whose business or property is injured as a result of the actions of an entity described in subsection (a) shall be entitled to recovery from the defendant for damages and other related costs under section 4 of such Act (15 U.S.C. 15).

(c) Elements of Prima Facie Case.—A plaintiff may initiate a claim against a defendant in an appropriate Federal court for a violation of subsection (a) in order to recover damages under subsection (b) by—

(1) establishing, by a preponderance of the evidence, that the defendant—

(A) is a foreign state or an agency or instrumentality of a foreign state (as defined in section 1603 of title 28, United States Code); and

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

(2) setting forth sufficient evidence to establish a reasonable inference that the defendant has violated subsection (a).

(d) Court Determination Leading to Evidentiary Burden Shifting to Defendant.—If a
Federal court finds that a plaintiff has met its burden of proof under subsection (c), the court may determine that—

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

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

(c) Filing of Amicus Briefs by the Department of State Regarding International Comity.—

(1) In general.—For the purposes of considering questions of international comity with respect to making decisions regarding commercial activity and the scope of applicable sovereign immunity, the Federal court may receive and consider relevant amicus briefs filed by the Secretary of State.

(2) Savings provision.—Nothing in paragraph (1) may be construed to limit the ability of the Federal court to receive and consider any other amicus briefs.

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

(a) DEFINED TERM.—In this section, the term “corporate social credit system,” as established by the “Planning Outline for the Construction of a Social Credit System” released by the State Council of the Government of the People’s Republic of China in 2014, means a nationwide network of systems operated by private and state actors, that—

(1) use existing financial credit systems, public records, online activity, government licenses and registrations, and other information to collect, aggregate, and integrate data regarding corporate entities that come within the jurisdiction of the PRC, including United States companies operating in the PRC;

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

(A) to monitor a corporate entity’s activities; and

(B) to evaluate and rate certain financial, social, religious, or political behaviors of the entity and its key personnel;

(3) rates such corporate entities according to their trustworthiness (as defined by the CCP and the Government of the PRC); and
(4) implements punishments and rewards based on such ratings that have a direct bearing on a corporate entity’s activities within the PRC.

(b) REPORTING REQUIREMENT.—The President, acting through the Secretary of Commerce, and in consultation with the Secretary of State and any other individuals the President determines should be consulted, shall issue regulations requiring United States entities with at least $100,000,000 of assets or other investment in the PRC to submit a semiannual report regarding the impact of the corporate social credit system on the ability of such United States companies to conduct business or otherwise operate in the PRC.

(e) MATTERS TO BE INCLUDED.—The regulations issued pursuant to subsection (b) shall require each entity described in such subsection to report information regarding—

(1) the positive and negative impacts of the corporate social credit system on the ability of the entity to conduct business in the PRC;

(2) major disruptions to the business operations of the entity that are directly linked to the corporate social credit system, including in hiring, making contracts, implementing partnerships with other entities, and other appropriate matters;
(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
(8) any instances in which the entity was required to provide sensitive proprietary business information to comply with the corporate social credit system.

(d) Consultation With the Private Sector.—In developing the regulations required under subsection (b), the Secretary of Commerce, in consultation with the Secretary of State, shall consult with United States entities with significant business operations in the PRC.

(e) Willful Failure To Report.—Not later than 180 days after the issuance of regulations pursuant to subsection (b), any United States entity required to report under such subsection who knowingly and willfully fails to make such report may, in addition to other penalties provided by law, be fined not more than $25,000.

SEC. 207. ANNUAL REVIEW ON THE PRESENCE OF CHINESE 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 Senate;

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

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

(5) the Permanent Select Committee on Intelligence of the House of Representatives; and

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

(b) REPORT.—

(1) IN GENERAL.—Not later than 180 days after the date of the enactment of this Act, and annually thereafter for the following 5 years, the Secretary of State, in consultation with the Director of National Intelligence and the Secretary of the Treasury, shall submit an unclassified report to the appropriate congressional committees that describes the risks posed to the United States by the presence in United States capital markets of companies incorporated in the PRC.

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

(A) identify companies incorporated in the PRC that—

(i) are listed or traded on 1 or several stock exchanges within the United States,
including over-the-counter market and “A Shares” added to indexes and exchange-traded funds out of mainland exchanges in the PRC; and

(ii) based on the factors for consideration described in paragraph (3), have knowingly and materially contributed to—

(I) activities that undermine United States national security;

(II) serious abuses of internationally recognized human rights; or

(III) a substantially increased financial risk exposure for United States-based investors;

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

(C) develop policy recommendations for the United States Government, State governments, United States financial institutions, United States equity and debt exchanges, and other relevant stakeholders to address the risks posed by the presence in United States capital markets of the companies identified pursuant to subparagraph (A).
(3) FACTORS FOR CONSIDERATION.—In completing the report under paragraph (1), the President shall consider whether a company identified pursuant to paragraph (2)(A)—

(A) has materially contributed to the development or manufacture, or sold or facilitated procurement by the PLA, of lethal military equipment or component parts of such equipment;

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

(C) has been sanctioned by the United States or has been determined to have conducted business with sanctioned entities;

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

(E) has engaged in corporate or economic espionage;

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

(G) has contributed to the repression of religious and ethnic minorities within the PRC,
including in Xinjiang Uyghur Autonomous Region or Tibet Autonomous Region;

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

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

(J) has contributed to other activities or behavior determined to be relevant by the President.

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

(d) PUBLICATION.—The unclassified portion of the report under subsection (b)(1) shall be made accessible to the public online through relevant United States Government websites.
TITLE III—REINVESTING IN AMERICAN AND ALLIED TECHNOLOGICAL COMPETITIVENESS

SEC. 301. REGULATORY EXCHANGES WITH ALLIES AND PARTNERS.

(a) In General.—The Secretary of State, in coordination with the heads of other participating executive branch agencies, shall establish and develop a program to facilitate and encourage regular dialogues between United States Government regulatory and technical agencies and their counterpart organizations in allied and partner countries, both bilaterally and in relevant multilateral institutions and organizations—

(1) to promote best practices in regulatory formation and implementation;

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

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

(4) to build consensus around industry and technical standards in emerging sectors that will drive future global economic growth and commerce; and
(5) to promote United States standards regarding environmental, labor, and other relevant protections in regulatory formation and implementation, in keeping with the values of free and open societies, including the rule of law.

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

(1) bilateral coordination and collaboration with countries where greater regulatory coherence, harmonization of standards, or communication and dialogue between technical agencies is achievable and best advances the economic and national security interests of the United States;

(2) multilateral coordination and coordination where greater regulatory coherence, harmonization of standards, or dialogue on other relevant regulatory matters is achievable and best advances the economic and national security interests of the United States, including with—

(A) the European Union;

(B) the Asia-Pacific Economic Cooperation;

(C) the Association of Southeast Asian Nations (ASEAN);
(D) the Organization for Economic Co-operation and Development (OECD); and

(E) multilateral development banks; and

(3) regulatory practices and standards setting bodies focused on key economic sectors and emerging technologies.

(e) Participation by Nongovernmental Entities.—With regard to the program described in subsection (a), the Secretary may facilitate, including through the use of amounts appropriated pursuant to subsection (e), the participation of private sector representatives and other relevant organizations and individuals with relevant expertise, as appropriate and to the extent that such participation advances the goals of such program.

(d) Delegation of Authority by the Secretary.—The Secretary of State is authorized to delegate the responsibilities described in this section to the Under Secretary of State for Economic Growth, Energy, and the Environment.

(e) Authorization of Appropriations.—

(1) In general.—There is authorized to be appropriated $2,500,000 for each of the fiscal years 2021 through 2025 to carry out this section.
(2) USE OF FUNDS.—The Secretary may obligate amounts appropriated pursuant to paragraph (1) in a manner that—

(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—
(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.

SEC. 302. AUTHORIZATION TO ASSIST UNITED STATES COMPANIES WITH SUPPLY CHAIN DIVERSIFICATION AND MANAGEMENT.

(a) AUTHORIZATION TO CONTRACT SERVICES.—The Secretary of State, in coordination with the Secretary of Commerce, is authorized to establish a program to facilitate the contracting by United States embassies for the professional services of qualified experts, on a reimbursable fee for service basis, to assist interested United States persons and business entities with supply chain management issues related to the PRC, including—

(1) exiting from the PRC market or relocating certain production facilities to locations outside the PRC;
(2) diversifying sources of inputs, and other ef-
forts to diversify supply chains to locations outside
of the PRC;

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

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

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

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

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

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

(c) PRIORITIZATION OF MICRO-, SMALL-, AND ME-
DIUM-SIZED ENTERPRISES.—The services described in
subsection (a) shall be prioritized to assisting micro-, small-, and medium-sized enterprises.

(d) Authorization of Appropriations.—There is authorized to be appropriated $15,000,000 for each of the fiscal years 2021 through 2025 for the purposes of carrying out this section.

SEC. 303. SCIENTIFIC AND PRIVATE SECTOR ADVISORY PANEL ON PROTECTION OF CRITICAL TECHNOLOGIES.

(a) In General.—Not later than 180 days after the date of the enactment of this Act, the President shall establish an advisory panel comprised of representatives of the United States private sector, and other members of the scientific and technology community—

(1) to advise the President on regulatory and policy matters related to critical infrastructure and critical technologies (as such terms are defined in paragraphs (5) and (6) of section 721(a) of the Defense Production Act of 1950 (50 U.S.C. 4565(a)); and

(2) to ensure regular consultation and engagement by the Federal Government with the United States private sector and scientific and technology community with respect to the matters described in paragraph (1).
(b) DUTIES.—In addition to other topics considered relevant by the President, the National Security Advisor, the Director of the National Economic Council, or the advisory panel established pursuant to subsection (a), the advisory panel shall provide information, analysis, and recommendations to the President, including—

(1) assessing key developments in the economic and industrial sectors relevant to critical technologies and critical infrastructure;

(2) safeguarding critical technologies and critical infrastructure, including the Federal Government’s role and the role of the United States private sector;

(3) developing regulations and policies to contribute to and sustain the United States technology base;

(4) developing partnerships with United States allies and partners in scientific and technological development, including changes to existing regulations and policies to better facilitate the development of such partnerships;

(5) providing assessments of the impact on the United States private sector and United States economic competitiveness of current and planned regu-
lations and policies related critical technologies and
critical infrastructure;

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

(7) making available to the United States pri-
ivate sector an accurate understanding of new regula-
tions and policies.

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

(1) shall be appointed by the President, based
on recommendations of the National Security Advi-
sor, 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 tech-
tology 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
States critical infrastructure, including at least 2 members from the National Academies of Sciences, Engineering, and Medicine.

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

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

(2) the Secretary of State, the Secretary of Commerce, the Secretary of the Treasury, the Secretary of Homeland Security, the Secretary of Defense, the Secretary of Energy, and the head of any other relevant Federal agency to provide personnel to participate in the task force.

(e) DESIGNATED FEDERAL OFFICER.—The President shall appoint a full-time or permanent part-time Federal officer or employee to manage the activities of the advisory panel.

(f) AUTHORITIES.—The advisory panel shall be governed by the Federal Advisory Committee Act (5 U.S.C. App.).

SEC. 304. ESTABLISHMENT OF A TECH COALITION.

(a) SENSE OF CONGRESS.—It is the sense of Congress that—
(1) the United States and its allies and partners should collaborate to advance and encourage the use of international technical standards for new and emerging technologies;

(2) widespread acceptance of international standards—
   (A) improves the quality of technologies;
   (B) reduces barriers to market access for technology companies; and
   (C) ensures the global interoperability of products and services;

(3) the United States and its allies and partners should lead in defining and upholding norms for the responsible and ethical development and use of new and emerging technologies, including—
   (A) cybersecurity technologies;
   (B) artificial intelligence;
   (C) next-generation telecommunications;
   (D) semiconductors;
   (E) quantum computing;
   (F) biotechnology;
   (G) the internet; and
   (H) the Internet of Things;

(4) the United States should collaborate with allies and partners to “work internationally to pro-
mote an open, interoperable, secure, and reliable in-
formation and communications infrastructure that
supports international trade and commerce,
strengthens international security, and fosters free
expression and innovation in which norms of respon-
sible behavior guide states’ actions, sustain partner-
ships, and support the rule of law in cyberspace,” as
stated in the United States International Strategy
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-bind-
ing norms of responsible state behavior in cyber-
space provide stabilizing, security-enhancing stand-
ards 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 ac-
cepted expectations of state behavior and thus con-
tribute to greater predictability and stability in
cyberspace.”;

(6) the United States and its allies and part-
ers—

(A) should be at the forefront of—
(i) promoting and sustaining a multi-

stakeholder model for internet governance;

and

(ii) defining standards and norms in

the use of emerging technologies;

(B) should develop norms for the respon-
sible and ethical development and use of tech-

ology, in consultation with the private sectors,
academic institutions, international organiza-
tions, and other relevant experts; and

(C) must collaborate to advance appro-
prite confidence-building measures between

states regarding the development of new and
emerging technologies, which will create a
framework for cooperation and promote greater

stability in cyberspace;

(7) the private sector must continue to play the

leading role in—

(A) developing and deploying new and

emerging technologies;

(B) advancing international technical

standards in appropriate standards-setting in-
stitutions; and

(C) sharing responsibility for implementing

norms and standards;
(8) the United States should ensure a coordinated approach across the entire Federal Government for advocating for international standards and norms relevant to new and emerging technologies;

(9) the United States Government should review how it can best support private sector-led initiatives to set new international standards and norms;

and

(10) the establishment of a technology coalition between the United States and interested, like-minded partners is necessary to uphold existing, and to establish new, standards and norms that will sustain an open internet, safeguard free and open societies, and set the standards for new and emerging technologies.

(b) APPROPRIATE CONGRESSIONAL COMMITTEES.—
In this section, the term “appropriate congressional committees” means—

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

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

(e) TECH COALITION.—The President should seek to establish a coalition of countries that are committed to—
(1) the safe and responsible development and use of new and emerging technologies and the establishment of related norms and standards;

(2) a secure internet architecture governed by a multi-stakeholder model instead of centralized government 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.

(d) FUNCTIONS.—The President, acting through the Secretary of State, should undertake regular efforts to coordinate with other members of the coalition established pursuant to subsection (c)—

(1) to establish and advocate for norms, standards, and regulations to ensure that the development and application of new and emerging technologies uphold the goals of shared prosperity, security, and commitment to human rights, including through en-
gagement in international organizations and standards-setting bodies, such as—

(A) the International Organization for Standardization;

(B) the Internet Engineering Task Force;

(C) the Internet Electrotechnical Commission;

(D) the United Nations International Telecommunication Union;

(E) the United Nations Internet Governance Forum;

(F) the United Nations Group of Governmental Experts on Developments in the Field of Information and Telecommunications in the Context of International Security (UN CGE);

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

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

(I) the Directorate for Science, Technology and Innovation of the Organisation for Economic Co-operation and Development; and
(J) other international standards organizations and multilateral norm-setting bodies, as appropriate; and

(2) to support and expand adherence to international treaties and frameworks governing responsible behavior in cyberspace and the use of new and emerging technologies, including—

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

(B) the Organization for Security and Co-operation in Europe Decision 1202 on Confidence-Building Measures to Reduce the Risks of Conflict Stemming from the Use of Information and Communication Technologies, decided in Vienna March 10, 2016;

(C) the North Atlantic Treaty Organization Cyber Defense Pledge, done in Warsaw July 8, 2016;

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

(E) the Prague Proposals, done in Prague May 3, 2019; and
(F) other relevant international frameworks, as appropriate.

(3) to support and expand adherence to international frameworks governing responsible regulation of new and emerging technologies to support international trade and economic development, including through World Trade Organization agreements, such as—

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

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

and

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

(4) to coordinate export control policies, including through the Wassenaar Arrangement On Export Controls for Conventional Arms and Dual-Use Goods and Technologies, done at The Hague December 1995, supply chain security, and investment in or licensing of critical infrastructure and dual-use technologies;

(5) to coordinate basic and pre-competitive research and development initiatives and to pool resources and talent to pursue opportunities in artifi-
cial intelligence, semiconductors, quantum computing, and other industries;

(6) to coordinate, as appropriate, dialogues and other initiatives between United States domestic regulatory agencies, States, local governments, private sector entities, and nongovernmental organizations, with their counterpart organizations in other countries that are members of the coalition established pursuant to subsection (e), on best practices in developing and upholding standards and norms for emerging technologies, including through the program 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.

(e) BRIEFING.—The Secretary of State, or the Secretary’s designee, shall semiannually brief the appropriate congressional committees regarding the activities described in subsection (d). Such briefings shall include representatives from other Federal agencies who participate in such activities, as appropriate.

(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—

(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.
SEC. 305. UNITED STATES REPRESENTATION IN STANDARDS-SETTING BODIES.

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

(b) SENSE OF CONGRESS.—It is the sense of Congress that—

(1) the United States and its allies and partners should maintain participation and leadership at international standards-setting bodies for 5th and future generations mobile telecommunications systems and infrastructure;

(2) the United States should work with its allies and partners to encourage and facilitate the development of secure supply chains and networks for 5th and future generations mobile telecommunications systems and infrastructure; and

(3) the maintenance of a high standard of security in telecommunications and cyberspace between the United States and its allies and partners is a national security interest of the United States.

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

(1) IN GENERAL.—The President shall—
(A) establish an interagency working group to provide assistance and technical expertise to enhance the representation and leadership of the United States at international bodies that set standards for equipment, systems, software, and virtually-defined networks that support 5th and future generations mobile telecommunications systems and infrastructure, such as the International Telecommunication Union and the 3rd Generation Partnership Project; and

(B) work with allies, partners, and the private sector to increase productive engagement.

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

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

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

(3) BRIEFING.—

(A) IN GENERAL.—Not later than 180 days after the date of the enactment of this Act, and subsequently thereafter as provided in
subparagraph (A), the interagency working
group described in paragraph (1) shall provide
a briefing to the Committee on Foreign Rela-
tions of the Senate and the Committee on For-

ty Affairs of the House of Representatives
that includes—

(i) a strategy to promote United
States leadership at international stand-
ards-setting bodies for equipment, systems,
software, and virtually-defined networks
relevant to 5th and future generation mo-

telecommunications systems and infra-
structure, taking into account the different
processes followed by the various inter-
national standard-setting bodies;

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

(iii) a discussion of China’s presence
and activities at international standards-
setting bodies relevant to 5th and future
generation mobile telecommunications sys-
tems and infrastructure, including infor-
mation 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 infor-
mation service providers, equipment devel-
opers, academia, federally funded research
and development centers, and other pri-
ivate-sector stakeholders to propose and de-
velop secure standards for equipment, sys-
tems, software, and virtually-defined net-
works that support 5th and future genera-
tion mobile telecommunications systems
and infrastructure.

(B) SUBSEQUENT BRIEFINGS.—Upon re-
ceiving a request from the Committee on For-
eign Relations of the Senate and the Committee
on Foreign Affairs of the House of Representa-
tives, or as determined appropriate by the chair
of the interagency working group established pursuant to paragraph (1), the interagency working group shall provide the requesting committee an updated briefing that covers the matters described in clauses (i) through (iv) of subparagraph (A).

**TITLE IV—SAFEGUARDING AMERICAN INSTITUTIONS**

**SEC. 401. AMENDMENTS TO HIGHER EDUCATION ACT OF 1965.**

(a) Prompt Disclosures; Designated Point of Contact Responsible for Reporting Qualifying Gifts to a University; Compliance Plans.—Section 117 of the Higher Education Act of 1965 (20 U.S.C. 1011f) is amended—

(1) in subsection (a)—

(A) by striking “or enters into a contract with” and inserting “, or enters into a contract, agreement, affiliation, or similar transaction (not including tuition payments) conferring value upon the recipient institution with,”; and

(B) by striking “January 31 or July 31, whichever is sooner” and inserting “not later than 90 days after the receipt of such gift or
the execution of such contract, agreement, affiliation, or transaction’’;

(2) by redesignating subsections (g) and (h) as subsections (i) and (j), respectively and

(3) by inserting after subsection (f) the following:

“(g) CHIEF COMPLIANCE OFFICER.—Each institution subject to the provisions of this title that receives a gift from, or enters into a contract, agreement, affiliation, or similar transaction (not including tuition payments) with, a foreign source conferring value equal to not less than $250,000 during a calendar year upon the recipient institution, shall designate a chief compliance officer, who—

“(1) shall be a current employee or legally authorized agent of such institution; and

“(2) shall be directly responsible, on behalf of the institution, for full and timely compliance with the foreign gift reporting requirements under this section.

“(h) REPORTING OF FOREIGN GIFT DISCLOSURE COMPLIANCE PLANS TO THE DEPARTMENT OF EDUCATION.—

“(1) IN GENERAL.—Any institution that received any gift from, or entered into any contract,
agreement, affiliation, or similar transaction (excluding tuition payments) with, a foreign source, as described in subsection (a), during the 15-year period ending on the date of the enactment of the Strengthening Trade, Regional Alliances, Technology, and Economic and Geopolitical Initiatives concerning China Act, shall, not later than 120 days after such date of enactment, submit to the Secretary of Education a comprehensive plan of compliance for the reporting of foreign source contracts, agreements, affiliations, or similar transactions in accordance with this section.

“(2) Changes to compliance plan.—Not later than 90 days after an institution makes any change to a compliance plan described in paragraph (1) or designates a new chief compliance officer pursuant to subsection (g), the institution shall notify the Secretary of Education of such change or designation.”.

(b) Require All Institutions Reporting Foreign Gifts to Establish Public Notification of Receipt of Certain Foreign Gifts.—Section 117(c) of such Act (22 U.S.C. 1011f(e)) is amended—

(1) in the matter preceding paragraph (1)—
(A) by striking “or contract” and inserting
“, or enters into a contract, agreement, affiliation, or similar transaction (not including tuition payments) conferring value upon the institution”; and

(B) by striking “disclose the following:” and inserting an em dash;

(2) in paragraph (1)—

(A) by striking “For” and inserting “disclose, for”;

(B) by inserting “, agreements, affiliations, or similar transactions (not including tuition payments)” after “contracts”; and

(C) by striking the period at the end and inserting a semicolon;

(3) in paragraph (2)—

(A) by striking “For” and inserting “disclose, for”;

(B) by inserting “, agreements, affiliations, or similar transactions (not including tuition payments)” after “contracts”; and

(C) by striking the period at the end and inserting “; and”; and

(4) by adding at the end the following:
“(3) publish the name of the institution, along with a summary of the terms and conditions associated with such gift, contract, agreement, affiliation or similar transaction, on a publicly available internet website.”.

(c) Gifts, Contracts, Agreements, Affiliations, or Similar Transactions That Violate Public Policy.—Section 117(f) of such Act (22 U.S.C. 1011f(f)) is amending by adding at the end the following:

“(3) Assessment and Recommendation Regarding Foreign Source Gift, Contract, Agreement, Affiliation, or Similar Transaction.—The Secretary of Education and the Secretary of State may submit a joint recommendation to the President regarding a foreign source gift to, or a contract, agreement, affiliation or similar transaction with, an institution after considering—

“(A) whether such gift, contract, agreement, affiliation, or similar transaction contains conditions or places restrictions upon the recipient that constrain free speech in a manner inconsistent with United States law;

“(B) whether such gift, contract, agreement, affiliation, or similar transaction requires the recipient comply with the laws and regula-
tions of a foreign jurisdiction in a manner in-
consistent with United States law;

“(C) whether the institution failed to dis-
close the gift, contract, agreement, affiliation,
or similar transaction in accordance with sub-
section (a); and

“(D) any other factors that the President,
with the advice of the Secretary of Education
and the Secretary of State, determines to be
appropriate to upholding academic integrity or
national security.

“(4) PRESIDENTIAL AUTHORITY.—The Presi-
dent, after considering an assessment and rec-
ommendation received under paragraph (3), may de-
terminate that the receipt by an institution from a for-

gn source of a gift, or the entering into a contract,
agreement, affiliation, or similar transaction (not in-
cluding tuition payments) with a foreign source un-
dermines national security or academic freedom.

“(5) IMPACT ON FEDERAL FUNDING.—If the
President determines, after considering a rec-
ommendation under paragraph (3), that a gift, con-
tract, agreement, affiliation, or similar transaction
undermines national security or academic freedom,
the President may direct the reduction or suspension
of Federal funding until the recipient institution—
“(A) returns the gift to the foreign source;
or
“(B) cancels the offending contract, agree-
ment, affiliation, or similar transaction.”.

SEC. 402. AMENDMENT TO FOREIGN AGENT REGISTRATION
ACT REGARDING GIFTS MADE TO UNIVERSITIES.

Section 3(e) of the Foreign Agents Registration Act
of 1938 (22 U.S.C. 613(e) is amended—
(1) by striking “Any person” and inserting the
following:
“(1) IN GENERAL.—Any person”; and
(2) by adding at the end the following:
“(2) WAIVER OF EXEMPTION RECOMMENDA-
TION.—The Secretary of Education, the Secretary of
State, and the Attorney General may jointly submit
a recommendation to the President to waive the ex-
ception under this subsection for an institution of
higher education (as defined in section 101 of the
that has accepted a gift from, or has entered into a
contract, agreement, affiliation, or similar trans-
action (not including tuition payments) with, a for-
eign government that requires a disclosure under section 117 of such Act (20 U.S.C. 1011f).

“(3) PRESIDENTIAL DETERMINATION.—The President, after consideration of a joint recommendation submitted pursuant to paragraph (2), may determine that a foreign source gift, contract, agreement or similar transaction required to be disclosed under section 117 of the Higher Education Act of 1965 (20 U.S.C. 1011f) that has been accepted 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).”.

SEC. 403. DESIGNATION OF A COUNTRY OF NATIONAL SECURITY CONCERN IN THE FOREIGN AGENT REGISTRATION ACT.

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

“(i) COUNTRIES OF NATIONAL SECURITY CONCERN.—The President may issue a finding that a country constitutes a significant threat to the national security of the United States and should be designated a ‘country of national security concern’ after—
“(1) considering a joint recommendation submitted pursuant to section 403(c) of the Strengthening Trade, Regional Alliances, Technology, and Economic and Geopolitical Initiatives concerning China Act;

“(2) consulting with the Committee on Foreign Relations of the Senate, the Committee on the Judiciary of the Senate, the Committee on Foreign Affairs of the House of Representatives, and the Committee on the Judiciary of the House of Representatives; and

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

(b) WAIVER OF EXEMPTIONS.—

(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 may waive any of the exemptions for agents of foreign principals set forth in subsections (d), (e), and (h) of section 3 of such Act (22 U.S.C. 613) for up to 1 year.

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

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

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

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

(e) ADDITIONAL DISCLOSURE MEASURES.—The At-
torney General, in coordination with the Secretary of
State, may establish enhanced reporting requirements under the Foreign Agents Registration Act of 1938 (22 U.S.C. 611 et seq.) for agents representing foreign principals of a designated “country of national security concern” under section 613(i) of such Act, as added by subsection (a), including enhanced transparency and reporting requirements, as appropriate.

SEC. 404. BAN ON SENATE-CONFIRMED DEPARTMENT OF STATE OFFICIALS REPRESENTING COUNTRIES OF NATIONAL SECURITY CONCERN.

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

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

(b) Representation After Service.—Section 207(f) of title 18, United States Code, is amended—

(1) by redesignating paragraph (3) as paragraph (4); and

(2) by inserting after paragraph (2) the following:

“(3) Special rule for senior officials of the Department of State.—With respect to a person serving as a senior official at the Department of State who was appointed by the President and
confirmed by the Senate, the restrictions described in paragraph (1) shall apply to representing the government of a country of national security concern (as defined in section 1(j) of the Foreign Agents Registration Act of 1938 (22 U.S.C. 611(j))) at any time—

“(A) after the termination of such service;

and

“(B) during the period that such country is designated a country of national security concern.”.

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

“(h) LIMITATION ON APPOINTMENTS.—A person who has directly represented the government of a country of national security concern (as defined in section 1(j) of the Foreign Agents Registration Act of 1938 (22 U.S.C. 611(j))) may not be appointed by the President to serve in a position within the Department of State that requires Senate confirmation.”.
SEC. 405. AMENDMENT TO THE MUTUAL EDUCATIONAL
AND CULTURAL EXCHANGE ACT.

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

“SEC. 108B. REPORTING REQUIREMENTS WITH RESPECT TO
PARTICIPATION BY FEDERAL EMPLOYEES IN
CULTURAL EXCHANGE PROGRAMS INVOLVING
THE PEOPLE'S REPUBLIC OF CHINA.

“(a) In General.—In applying section 108A of the
Mutual Educational and Cultural Exchange Act (22
U.S.C. 2458a) with respect to any cultural exchange pro-
gram that involves the Government of the People’s Republic
of China, the Secretary of State shall require a report
to be submitted to the Department of State, not later than
January 31, 2021, and annually thereafter through 2026,
by—

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

“(2) any United States entity that carries out
a program pursuant to an agreement described in
paragraph (1).
“(b) MATTERS TO BE INCLUDED.—Each report submitted under subsection (a) shall include, for the relevant reporting period—

“(1) the total number of cultural exchange programs conducted by the reporting entity;

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

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

“(B) an agenda or itinerary that describes the activities engaged in by program participants; and

“(3) a list of participants in each such program, including the names and professional affiliation of the participants during such program.

“(c) FAILURE TO REPORT BY THE GOVERNMENT OF THE PEOPLE’S REPUBLIC OF CHINA.—If any entity described in subsection (a)(1) fails to submit the report required under subsection (a), the Secretary of State shall suspend the agreement between the entity and the Department of State until the entity within the Government of the People’s Republic of China has submitted such report.

“(d) FAILURE TO REPORT BY A UNITED STATES ENTITY.—Any United States entity described in subsection (a)(2) that fails to submit the report required
under subsection (a) shall be ineligible to receive any funds, in the form of grants or otherwise, from the Department of State until such entity has submitted such report.

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

“(f) SUMMARY REPORT.—

“(1) SUBMISSION TO CONGRESS.—Not later than July 30, 2021, and annually thereafter through 2026, the Secretary of State shall submit a summary of the reports received from the entities described in subsection (a) to the appropriate congressional committees.

“(2) MATTERS TO BE INCLUDED.—The summary required under paragraph (1) shall include, for the reporting period—

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

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

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

“(D) an overview of the cultural exchange programs, including illustrative examples of activities in which participants engaged;
“(E) an assessment of whether the cultural programs conducted during the reporting period adhere to purposes set forth in section 101, including a description of any noticeable deviations from such purposes; and

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

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

TITLE V—MAINTAINING THE INTEGRITY OF INTERNATIONAL ORGANIZATIONS

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

(a) Establishment.—

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

(2) OFFICE LEADERSHIP.—

(A) HEAD OF OFFICE.—The Secretary of State shall appoint a career member of the Sen-
ior Foreign Service to head the UN Integrity Office.

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

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

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

(2) ensuring that United Nations employees uphold the principals of impartiality enshrined in the United Nations charter, rules, and regulations;

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

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

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

(c) AUTHORIZATION OF APPROPRIATIONS.—Of the amounts authorized to be appropriated to the Department of State for administration of foreign affairs, not less than $1,000,000 is authorized to be appropriated for fiscal year
2021 and for each subsequent fiscal year for the UN Integrity Office.

TITLE VI—BOLSTERING UNITED STATES AND ALLIED DEFENSE AND SECURITY

SEC. 601. FINDINGS.

Congress makes the following findings:

(1) The People’s Republic of China aims to use its growing military might in concert with other instruments of its national power to displace the United States in the Indo-Pacific and establish hegemony over the region.

(2) The military balance in the Indo-Pacific region is increasingly unfavorable to the United States because—

(A) the PRC is rapidly modernizing and expanding the capabilities of the PLA to project power and create contested areas across the entire Indo-Pacific region;

(B) PLA modernization has largely focused on areas where it possesses operational advantages and can exploit weaknesses in the United States’ suite of capabilities; and

(C) current United States force structure and presence do not sufficiently counter threats
in the Indo-Pacific, as United States allies, bases, and forces at sea in the Indo-Pacific region are concentrated in large, close-in bases that are highly vulnerable to the PRC’s strike capabilities.

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

(6) The defense of Taiwan is critical to—

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

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

(C) defending the territorial integrity of Japan; and
(D) preventing the PLA from diverting military planning, resources, and personnel to broader military ambitions.

(7) The PRC has capitalized on the world’s attention to COVID–19 to advance its military objectives in the South China Sea, intensifying and accelerating trends already underway. The PRC has sent militarized survey vessels into the Malaysian Exclusive Economic Zone, announced the establishment of an administrative district in the Spratly and Paracel Islands under the Chinese local government of Sansha, aimed a fire control radar at a Philippine navy ship, encroached on Indonesia’s fishing grounds, sunk a Vietnamese fishing boat, announced new “research stations” on Fiery Cross Reef and Subi Reef, and landed special military aircraft on 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
the Indian Ocean. As Admiral Phil Davidson, Commander of Indo-Pacific Command, testified in 2019, “In short, China is now capable of controlling the South China Sea in all scenarios short of war with 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—
(A) positioning the PLA Navy to become a great maritime power or “blue-water” navy that can completely control all activity within the First Island Chain and project power beyond it with a massive fleet of 425 battle force ships by 2030;

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

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

(D) making critical investments in new domains of warfare, such as cyber warfare, electronic warfare, and space warfare.

(13) The PRC is pursuing this modernization through all means at its disposal, including its Military-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.
(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.”
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.

It is the policy of the United States—

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

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

(3) to reaffirm and strengthen United States commitments to treaty allies in the Indo-Pacific region, as articulated by successive United States administrations and in the Asia Reassurance Initiative Act of 2018 (Public Law 115–409; 132 Stat. 5387), including—

(A) with respect to Japan—

(i) upholding the Treaty of Mutual Cooperation and Security Between Japan and the United States of America, done at
Washington January 19, 1960, and all related and subsequent security agreements;

(ii) recognizing Japan’s administrative control over the Senkaku Islands and maritime exclusive economic zones in the East China Sea; and

(iii) further advancing defense cooperation in priority areas, such as long-range precision fires, missile defense, maritime security, space, cyberspace, and the electromagnetic spectrum;

(B) with respect to the Republic of Korea—

(i) upholding the Mutual Defense Treaty Between the United States and the Republic of Korea, done at Washington October 1, 1953, and all related and subsequent security agreements; and

(ii) strengthening alliance defense and deterrence capabilities;

(C) with respect to Australia and New Zealand—

(i) upholding the Security Treaty Between the United States, Australia, and New Zealand, done at San Francisco Sep-
tember 1, 1951, and all related and subsequent security agreements;

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

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

(D) with respect to the Philippines—

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

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

(E) with respect to Thailand—

(i) upholding the security treaties and all related and subsequent security arrangements that underpin the United States-Thailand alliance; and
(ii) reinvigorating defense cooperation and partnership through exercises, training, and interoperability that enable it to protect its sovereignty and resist external coercion;

(4) to collaborate with United States treaty allies in the Indo-Pacific to foster greater multilateral security and defense cooperation with other regional partners;

(5) to sustain the Taiwan Relations Act (Public Law 96–8; 22 U.S.C. 3301 et seq.) and the “Six Assurances” provided by the United States to Taiwan in July 1982 as the foundations for United States-Taiwan relations, and to deepen, to the fullest extent possible, the extensive, close, and friendly relations of the United States and Taiwan, including cooperation to support the development of a capable, ready, and modern forces necessary for the defense of Taiwan;

(6) to enhance security partnerships with India, across Southeast Asia, and with other nations of the Indo-Pacific, including as described in sections 204, 205, 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
advance interoperability with allies and partners;

(C) adopting a more dispersed force posture throughout the region, particularly the Western Pacific, and pursuing maximum access for United States mobile and relocatable launchers for long-range cruise, ballistic, and hypersonic weapons throughout the Indo-Pacific region;

(D) fielding long-range, precision-strike networks to United States and allied forces, including ground-launched cruise missiles, undersea and naval capabilities, and integrated air and missile defense in the First Island Chain and the Second Island Chain, in order to impose high risks on the PRC for operating in these zones, and maximize the United States’ ability to operate;

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

(F) collaborating with allies and partners to accelerate their roles in more equitably sharing the burdens of mutual defense, including
through the acquisition and fielding of advanced
capabilities and training that will better enable
them to repel PRC aggression or coercion; and
(9) to convey to the PRC that, in the event that
deterrence by denial fails, the United States, if nec-
essary—

(A) will impose prohibitive diplomatic, eco-

(B) will defend itself and its allies regard-

less of the point of origin of attacks against

SEC. 603. SENSE OF CONGRESS REGARDING BOLSTERING
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
long-range precision fires, air and missile defense ca-

(2) launching a United States-Japan national
security innovation fund to solicit and support pri-
vate sector cooperation for new technologies that
could benefit the United States’ and Japan’s mutual
security objectives;

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

(4) encouraging and facilitating Taiwan’s accel-
erated 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, con-
trol, communications, computers, intelligence, sur-
veillance 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 tech-
nology.

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

(a) Sense of Congress.—It is the sense of Con-
gress 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 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
(B) cooperate with allies to deliver such munitions, or when necessary, to increase allies’ capacity to produce such munitions.

(b) DEFINED TERM.—In this section, the term “appropriate congressional committees” means—

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

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

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

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

(c) REPORT.—

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

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

(B) identifies legal, regulatory, or other obstacles to advancing such priorities.
(2) MATTERS TO BE INCLUDED.—The report required under paragraph (1) shall—

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

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

   (C) identify—

      (i) actions required to prioritize United States Government resources and personnel to expedite fielding the capabilities identified in subparagraph (B); and

      (ii) steps needed to fully account for and a plan to integrate all means of United States foreign military sales, direct commercial sales, security assistance, and all applicable authorities of the Department of State and the Department of Defense;

   (D) assess the requirements for United States security assistance, including Inter-
national Military Education and Training, in
the Indo-Pacific region, as a part of the means
to deliver critical partner capability require-
ments identified in subparagraph (B);

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

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

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

(H) recommend changes to existing laws,
regulations, or other policies that would reduce
or eliminate limitations on providing critical ca-
pabilities to allies and partners in the Indo-Pa-
cific region;
(I) identify requirements to streamline the International Trafficking in Arms Regulations (22 C.F.R. 120 et seq.) that would enable more effective delivery of capabilities to allies and partners in the Indo-Pacific region;

(J) recommend improvements to the process for developing requirements for partners capabilities; and

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

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

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

It is the policy of the United States—

(1) to maintain its commitment to nonproliferation through voluntary adherence to the Missile Technology Control Regime (referred to in this section as “MTCR”);

(2) to exercise its sovereign right within that regime to define unmanned aerial systems (referred
to in this section as “UAS”) as aircraft rather than as cruise missiles;

(3) to consider UAS as not subject to MTCR guidelines, annexes, or any other United States policy subject to the MTCR;

(4) to ensure that exports of military UAS remain subject to the same export considerations as military aircraft; and

(5) to ensure that military UAS share the same co-development, co-production, and any other privilege or consideration afforded to military aircraft for the purposes of direct commercial sale or foreign military sale.

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 transfer of defense-related technologies and services to members of the national technology and industrial base (as defined in section 2500 of title 10, United
States Code) would advance United States security
interests by helping to leverage the defense-related
technologies and skilled workforces of trusted allies
to reduce the dependence on other countries, includ-
ing countries that pose challenges to United States
interests around the world, for defense-related inno-
vation and investment; and

(3) it is in the interest of the United States to
continue to increase cooperation with close allies to
protect critical defense-related technology and serv-
ices and leverage the investments of like-minded,
major ally nations in order to maximize the strategic
tiny of the United States to
edge afforded by defense technology innovation.
(b) DEFINED TERM.—In this section, the term “ap-
propriate congressional committees” means—

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

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

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

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

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

(A) describes the Department of State’s efforts to facilitate access among the national technology and industrial base to defense articles and services subject to the United States Munitions List under section 38(a)(1) of the Arms Export Control Act (22 U.S.C. 2778(a)(1)); and

(B) identifies legal, regulatory, foreign policy, or other challenges or considerations that prevent or frustrate these efforts, to include any gaps in the respective export control regimes implemented by United Kingdom of Great Britain and Northern Ireland, Australia, or Canada.

(2) FORM.—This report required under paragraph (1) shall be unclassified, but may include a classified annex.
SEC. 607. AUTHORIZATION OF APPROPRIATIONS FOR SOUTHEAST ASIA MARITIME SECURITY PROGRAMS AND DIPLOMATIC OUTREACH ACTIVITIES.

(a) Southeast Asia Maritime Security Programs.—There are authorized to be appropriated to the Department of State for the Southeast Asia Maritime Security Initiative, the Southeast Asia Maritime Law Enforcement Initiative, and other related regional programs—

(1) $50,000,000 for fiscal year 2021;
(2) $60,000,000 for fiscal year 2022;
(3) $75,000,000 for fiscal year 2023;
(4) $90,000,000 for fiscal year 2024; and
(5) $100,000,000 for fiscal year 2025.

(b) Diplomatic Outreach Activities.—There is authorized to be appropriated to the Department of State, $1,000,000 for each of the fiscal years 2021 through 2025, which shall be used—

(1) to conduct, in coordination with the Department of Defense, outreach activities, including conferences and symposia, to familiarize partner countries, particularly in the Indo-Pacific region, with the United States’ interpretation of international law relating to freedom of the seas; and
(2) to work with allies and partners in the Indo-Pacific region to better align respective interpretations of international law relating to freedom of the seas, including on the matters of operations by military ships in exclusive economic zones, innocent passage through territorial seas, and transits through international straits.

SEC. 608. REPORT ON CHINA COAST GUARD.

(a) DEFINED TERM.—In this section, the term “appropriate congressional committees” means—

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

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

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

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

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

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

(b) IN GENERAL.—Not later than 180 days after the date of enactment of this Act, the Secretary of State, in consultation with the Secretary of Defense and the Sec-
retary of Homeland Security shall submit to the appro-
priate congressional committees a report on the China
Coast Guard (referred to in this section as the “CCG”).
(c) MATTERS TO BE INCLUDED.—The report re-
quired under subsection (b) shall—

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

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

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

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

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

(4) assess whether the CCG should be consid-
ered a military force rather than a civilian law en-
forcement entity, and the implications of such an as-
sessment on United States policy.
(d) **FORM OF REPORT.**—The report required under subsection (b) shall be unclassified, but may include a classified annex.

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

(a) **DEFINED TERM.**—In this section, the term “appropriate congressional committees” means—

1. the Committee on Foreign Relations of the Senate;
2. the Committee on Armed Services of the Senate;
3. the Committee on Foreign Affairs of the House of Representatives; and
4. the Committee on Armed Services of the House of Representatives.

(b) **IN GENERAL.**—Not later than 180 days after the date of the enactment of this Act, the Secretary of Defense, in coordination with the Secretary of State, shall submit a report to Congress regarding Chinese military activity in Djibouti.

(c) **MATTERS TO BE INCLUDED.**—The report required under subsection (b) shall include—

1. a summary of any incidents of harassment of United States military and embassy personnel by any element within the Government of the PRC; and
(2) an evaluation of the extent to which the presence of the PLA in Djibouti affects the United States military’s ability to operate in the region.

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

TITLE VII—FOSTERING CO-OPERATION BETWEEN THE UNITED STATES AND THE PEOPLE’S REPUBLIC OF CHINA

SEC. 701. SENSE OF CONGRESS REGARDING UNITED STATES-PEOPLE’S REPUBLIC OF CHINA CO-OPERATION ON CONSERVATION AND A HEALTHY ENVIRONMENT.

It is the sense of Congress that—

(1) a healthy environment is an integral element of development and economic growth;

(2) the United States and the PRC have successfully collaborated in the past to achieve positive outcomes for the global environment, including joint efforts to protect elephant populations by enacting nearly complete bans on the import and export of elephant ivory;

(3) the United States—
(A) should encourage the PRC to adhere to policies and goals established under pre-existing agreements, such as—

(i) the Convention on International Trade in Endangered Species of Wild Fauna and Flora, done at Washington March 3, 1973 (27 UST 1087; TIAS 8249), including effectively implementing resolutions and decisions on Asian big cats; and

(ii) the G20 Osaka Blue Ocean Vision, done at Osaka June 29, 2019; and

(B) should encourage the PRC to improve transparency and engage in information sharing with other governments and nongovernmental organizations regarding preexisting agreements on environmental and natural resource matters;

(4) the United States and the PRC should increase cooperation to protect and conserve the environment and the sustainable use and management of natural resources by—

(A) combating vulnerability to natural disasters, biodiversity loss, desertification, and environmental degradation;
(B) promoting mutually supportive environmental policies and practices;

(C) promoting high levels of environmental protection and effective enforcement of environmental laws;

(D) building capacity to address environmental issues, including through cooperative initiatives; and

(E) strengthening environmental governance; and

(5) the United States should engage with the PRC to develop policies that—

(A) reduce illegal timber harvesting;

(B) reduce illegal, unregulated, and unreported fishing;

(C) reduce pollution and marine debris, including abandoned, lost, or discarded fishing gear;

(D) reduce illegal wildlife trade, including by—

(i) building capacity to prosecute illegal wildlife trade through existing laws against money laundering, in accordance with the rule of law;
(ii) eliminating wildlife trade that poses a risk to public health; and

(iii) reducing demand for illegal wildlife products, including products used for food or medicine, through consumer education;

(E) reduce corruption related to environmental issues, particularly regarding customs enforcement along border areas; and

(F) encourage collaboration between health and environmental agencies related to wildlife consumption and trade, using a One Health approach.

SEC. 702. STRATEGY ON COOPERATION ON WILDLIFE AND RELATED TRAFFICKING.

(a) FINDINGS.—Congress makes the following findings:

(1) The illegal trade in wildlife and wildlife products, timber, fish, and other natural resources is one of the most lucrative criminal activities globally, dominated by sophisticated networks that are linked to other transnational organized criminal activities and pose a threat to United States economic and security interests.
(2) In addition to disrupting ecosystems and threatening the survival of imperiled species, poachers and traffickers frequently—

(A) kill park rangers devoted to protecting their countries’ wildlife;

(B) destabilize communities through violence and corruption of local law enforcement officials and others; and

(C) threaten tourism industries.

(3) The actions described in paragraph (2) have a significant and negative impact on the local and national economies of many countries.

(4) Well-managed natural resources, by communities or in partnership with others, can provide a significant and sustainable source of economic activity, particularly in impoverished rural areas. Allowing communities to share in the revenues generated by sustainable fishing or environment-based economic development can greatly reduce incentives to engage in illegal activities, while greatly increasing incentives to protect wildlife, timber, fish, and other natural resources.

(5) At the 18th meeting of the Conference of the Parties to the Convention on International Trade in Endangered Species of Wild Fauna and
Flora (referred to in this section as “CITES”), held in Geneva, Switzerland in August 2019, all parties to CITES agreed that poaching and illegal trade “required global responses and international co-operation to resolve.”.

(6) The United States and the PRC can play a pivotal role in cooperating to end trafficking in wildlife, timber, fish, and other natural resources and in ensuring that countries meet their international obligations under CITES by partnering to reduce demand for trafficked products, including through sustained diplomatic engagement and trade agreements.

(b) POLICY OF THE UNITED STATES.—It is the policy of the United States, pursuant to United States law—

(1) to take immediate action to stop global illegal wildlife and related trade and associated transnational organized crime through a collaborative international approach;

(2) to disrupt regional and global transnational organized criminal networks;

(3) to prevent the illegal wildlife and related trade from being used as a source of financing for criminal groups that undermine United States and global security interests;
(4) to reduce the global demand for wildlife and wildlife products, timber, fish, and other relevant products or materials taken and traded illegally;

(5) to support the efforts of, and to collaborate with, individuals, communities, local organizations, and national governments to combat poaching and wildlife trafficking, illegal, unreported, and unregulated fishing, illegal timber harvesting, and other related forms of trafficking, including by providing technical and other forms of assistance and assisting with development and implementation of national anti-trafficking and poaching laws; and

(6) to encourage cooperation with the PRC to stem the demand factors that contribute to wildlife and related trafficking.

(e) STRATEGY.—Not later than 180 days after the date of the enactment of this Act, the Secretary of State, in consultation with the Secretary of Agriculture, the Administrator of the United States Agency for International Development, the Director of the United States Fish and Wildlife Service, the Administrator of the National Oceanic and Atmospheric Administration, and the heads of other relevant Federal agencies, as appropriate, shall develop a strategy for cooperation with the PRC to combat wildlife and related trafficking that focuses on—
(1) wildlife protection and management of wildlife populations, including fish;
(2) illegal harvesting of timber;
(3) strategies to reduce demand for illegal wildlife products, fish, and timber;
(4) management and tracking of confiscated natural resource contraband; and
(5) trade networks of such products.

SEC. 703. STATEMENT OF POLICY REGARDING UNIVERSAL IMPLEMENTATION OF UNITED NATIONS 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—

(1) encouraging all nations, including the PRC, to implement and enforce existing United Nations sanctions with regard to the DPRK;

(2) encouraging all nations, including the PRC, and in accordance with United Nations Security Council resolutions, to end the practice of hosting DPRK citizens as guest workers, recognizing that such workers are demonstrated to constitute an il-
licit source of revenue for the DPRK regime and its nuclear ambitions;

(3) working with the PRC and the international community on rigorous interdiction of shipments to and from the DPRK, including ship-to-ship transfers, consistent with United Nations Security Council resolutions; and

(4) 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 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 (title LXXI of division F of Public Law 116–92), and relevant United States executive orders.

SEC. 704. GOVERNMENT ACCOUNTABILITY OFFICE REPORT ON UNITED STATES-PRC TECHNICAL RESEARCH COOPERATION.

(a) ASSESSMENT.—The Comptroller General of the United States shall conduct an assessment of scientific and technical cooperation initiatives between the United States and the PRC that receive official financial assistance from the United States Government.
(b) REPORT REQUIRED.—Not later than 180 days after the date of the enactment of this Act, the Comptroller General shall submit a report to Congress that describes the results of the assessment required under subsection (a), including the matters described in subsection (c).

(e) MATTERS TO BE INCLUDED.—The report required under subsection (b) shall—

(1) describe the nature of technical cooperation between the United States and the PRC, including examples of current initiatives, their sources of funding, participation, and any requirements for reporting;

(2) detail the licensing and regulatory regime under which the collaborative initiatives described in paragraph (1) occur;

(3) indicate whether the intellectual property rights of researchers and entities of the United States are being adequately protected;

(4) examine whether state-owned enterprises or the PLA are benefitting from research funded by the taxpayers of the United States;

(5) indicate whether any researchers from the PRC who are participating in collaborative initia-
tives referred to in paragraph (1) have ties to the PRC Government or the PLA;

(6) indicate whether any institutions of higher education, laboratories, or other entities of the United States participating in collaboration led by the Government of the United States with the PRC have been subject to cyber attacks or other intrusions originating in the PRC;

(7) evaluate the benefits to the United States of the collaboration with the PRC;

(8) examine redundancies, if any, among various government-led collaborative programs between the United States and the PRC; and

(9) recommend measures to facilitate scientific and technical collaboration with the PRC in areas that advance the interests of the United States.

SEC. 705. FINDINGS ON STRATEGIC STABILITY AND ARMS CONTROL.

Congress makes the following findings:

(1) The United States and the PRC have a shared interest in strategic stability through enforceable arms control and non-proliferation agreements.

(2) The United States has long pursued and continues to seek effective, verifiable, and enforce-
able arms control and nonproliferation agreements that support United States and allied security by—

(A) controlling the spread of nuclear materials and technology;

(B) placing limits on the production, stockpiling and deployment of nuclear weapons;

(C) decreasing misperception and miscalculation; and

(D) avoiding destabilizing nuclear arms competition.

(3) The PRC has long alleged that it does not seek to compete in an arms race with nuclear superpowers. Its 2019 Defense White Paper states, “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 April 2020, the Department of State raised concerns that the PRC is not complying with the “zero-yield” nuclear testing ban and accused it 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 stability, 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 in-
creasingly 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
conventional and nuclear strikes. Unlike the United
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 mis-
sions. Such intermingling could lead to inadvertent
escalation in a crisis. The United States Defense In-
telligence 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 moderniza-
tion efforts will not expand the United States nu-
clear deterrent and the United States Program of
Record remains within the limits set by the New Strategic Arms Reduction Treaty, done at Prague April 8, 2010 (commonly known as the “New START Treaty”).

(12) The United States’ extended nuclear deterrence—

(A) provides critical strategic stability around the world;

(B) is an essential element of United States military alliances; and

(C) serves a vital nonproliferation function.

(13) United States declaratory policy has profound implications for extended deterrence and alliance management. Since the PRC has no formal treaty allies, the PLA has no similar requirement for extended deterrence.

(14) While the United States has concluded numerous arms control agreements with Russia and has reduced its nuclear stockpile by 85 percent, the PRC has repeatedly refused to conduct arms control negotiations.

(15) As a signatory to the Treaty on the Non-Proliferation of Nuclear Weapons, done at Washington, London, and Moscow July 1, 1968, the PRC
is obligated under Article Six of the treaty to pursue arms control negotiations in good faith.

(16) In May and July 2019, President Trump called on the PRC to participate in arms control negotiations, but the PRC Foreign Ministry indicated that China would not participate in such talks without further reductions by the United States and Russia. In December 2019, the United States formally invited the PRC to begin arms control negotiations, but the PRC also rejected this invitation. In June 2020, the United States once again invited the PRC to join talks with the Russian Federation in Vienna, but the PRC declined.

(17) The governments of Poland, Slovenia, Denmark, Norway, Latvia, Lithuania, Estonia, the Netherlands, Romania, Austria, Albania, and the Deputy Secretary General of the North Atlantic Treaty Organization have all encouraged the PRC to join arms control discussions.

SEC. 706. COOPERATION ON A STRATEGIC NUCLEAR DIALOGUE.

(a) STATEMENT OF POLICY.—It is the policy of the United States—
(1) to pursue, in coordination with United States allies, arms control negotiations and sustained and regular engagement with the PRC—

(A) to enhance understanding of each other’s respective nuclear policies, doctrine, and capabilities;

(B) to improve transparency; and

(C) to help manage the risks of miscalculation and misperception;

(2) to pursue relevant capabilities in coordination with our allies and partners to ensure the security of United States and allied interests in the face of the PRC’s military modernization and expansion, including—

(A) ground-launched cruise and ballistic missiles,

(B) integrated air and missile defense;

(C) hypersonic missiles;

(D) intelligence, surveillance, and reconnaissance;

(E) space-based capabilities;

(F) cyber capabilities; and

(G) command, control, and communications;
(3) to maintain sufficient force structure, posture, and capabilities to provide extended nuclear deterrence to United States allies and partners;

(4) to maintain appropriate missile defense capabilities to protect threats to the United States homeland from rogue intercontinental ballistic missiles from the Indo-Pacific region; and

(5) to ensure that the United States declaratory policy reflects the requirements of extended deterrence, to both assure allies and to preserve its non-proliferation benefits.

(b) SENSE OF CONGRESS.—It is the sense of Congress that—

(1) in the midst of growing competition between the United States and the PRC, it is in the interest of both nations to cooperate in insulating their nuclear forces from such dynamics, and thereby reduce risks of escalation;

(2) a physical, cyber, electronic, or any other PLA attack on United States early warning satellites, other portions of the nuclear command and control enterprise, or critical infrastructure poses a high risk to inadvertent but rapid escalation;
(3) no PRC territory used to stage attacks on the United States or its allies should be considered safe from potential retaliation;

(4) PRC leaders are unlikely to view any United States “no first use” or “sole purpose” doctrine as credible, and are thus unlikely to change their behavior in a crisis if the United States adopted such a policy;

(5) 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

(6) United States allies and partners should share the burden of promoting and protecting such norms by voting against the PRC’s proposals regarding the weaponization of space, highlighting unsafe behavior by the PRC that violates international norms, such as in rendezvous and proximity operations, and promoting responsible behavior in space and all other domains.

SEC. 707. AGREEMENTS.

(a) Submission.—The text of any agreement concluded under the authorities provided under this title 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.

(b) EFFECTIVE DATE.—Each agreement described in
subsection (a) shall be legally effective and binding upon
the United States, in accordance with the terms provided
in the agreement, beginning on—

(1) the date on which appropriate implementing
legislation is enacted into law, which shall provide
for the approval of the specific agreement or agree-
ments, including attachments, annexes, and sup-
porting documentation; or

(2) if the agreement is concluded and submitted
as a treaty, the date on which such treaty is ratified
by the Senate.