

**AMENDMENT TO RULES COMMITTEE PRINT 118-**

**10**

**OFFERED BY MR. GALLAGHER OF WISCONSIN**

At the appropriate place in subtitle A of title VIII,  
insert the following:

1 **SEC. 8\_\_\_. PROHIBITION OF THE DEPARTMENT OF DE-**  
2 **FENSE PROCUREMENT RELATED TO ENTI-**  
3 **TIES IDENTIFIED AS CHINESE MILITARY**  
4 **COMPANIES OPERATING IN THE UNITED**  
5 **STATES IN ACCORDANCE WITH SECTION**  
6 **1260H OF THE WILLIAM M. THORNBERRY NA-**  
7 **TIONAL DEFENSE AUTHORIZATION ACT FOR**  
8 **FISCAL YEAR 2021.**

9 (a) PROHIBITION ON USE OR PROCUREMENT.—

10 (1) IN GENERAL.—Except as provided under  
11 subsection (d)(1), the Secretary may not—

12 (A) enter into, renew, or extend a contract  
13 for the procurement of goods, services, or tech-  
14 nology with an entity described in paragraph  
15 (2); or

16 (B) enter into, renew, or extend a contract  
17 for the procurement of goods services, or tech-  
18 nology that include goods, services, or tech-

1           nology produced or developed by an entity de-  
2           scribed in paragraph (2).

3           (2) ENTITIES DESCRIBED.—An entity described  
4           in this paragraph is—

5                   (A) an entity that is identified in the an-  
6                   nual list the Department of Defense publishes  
7                   of Chinese military companies operating in the  
8                   United States in pursuant to section 1260H of  
9                   the William M. (Mac) Thornberry National De-  
10                  fense Authorization Act for Fiscal Year 2021  
11                  (10 U.S.C. 113 note);

12                   (B) any entity subject to the control of an  
13                  entity described in subparagraph (A); or

14                   (C) any individual working for or on behalf  
15                  of an entity described in subparagraph (A) or  
16                  (B).

17           (3) LIMITATION ON APPLICABILITY.—Nothing  
18           in paragraph (1) shall prohibit the Secretary from  
19           entering into, renewing, or extending a contract for  
20           the procurement of goods, services, or technology to  
21           provide a service that connects to the facilities of a  
22           third-party, including backhaul, roaming, or inter-  
23           connection arrangements.

24           (4) GUIDANCE.—

1 (A) ENTITY PROHIBITION.—Not later than  
2 180 days after the enactment of this Act, the  
3 Secretary shall issue procurement policies and  
4 other guidance for implementation of the prohi-  
5 bitions in paragraph (1)(A) for the Department  
6 of Defense.

7 (B) GOODS, SERVICES, AND TECHNOLOGY  
8 PROHIBITION.—Not later than 545 days after  
9 the enactment of this Act, the Secretary shall  
10 issue procurement policies and other guidance  
11 for the implementation of the prohibitions in  
12 paragraph (1)(B) for the Department of De-  
13 fense, including—

14 (i) best practices to avoid being sub-  
15 ject to the prohibitions described in para-  
16 graph (1)(B); and

17 (ii) technical support to assist affected  
18 businesses, institutions and organizations  
19 as is reasonably necessary for those af-  
20 fected entities to comply with this section,  
21 including the creation of a supply chain  
22 mapping tool software made available with-  
23 out cost to affected entities.

24 (b) EFFECTIVE DATES.—The prohibition under sub-  
25 section (a)(1)(A) shall take effect one year after the date

1 of the enactment of this Act, and the prohibitions under  
2 subsections (a)(1)(B) shall take effect two years after the  
3 date of the enactment of this Act.

4 (c) WAIVER AUTHORITY.—

5 (1) IN GENERAL.—The Secretary may waive  
6 the requirements under subsection (a) with respect  
7 to an entity that requests such a waiver if the entity  
8 seeking the waiver—

9 (A) provides to the Secretary a compelling  
10 justification for the additional time to imple-  
11 ment the requirements under such subsection,  
12 as determined by the Secretary of Defense; and

13 (B) provides to the Secretary a phase-out  
14 plan to eliminate goods, services, or technology  
15 produced or developed by an entity described in  
16 subsection (a)(2) from the systems of the enti-  
17 ty.

18 (2) DURATION.—A waiver granted under para-  
19 graph (1) may be for a period of not more than two  
20 years after the effective dates described in sub-  
21 section (c).

22 (d) EXCEPTION.—The President shall not be re-  
23 quired to apply or maintain the prohibition under sub-  
24 section (a) for activities subject to the reporting require-  
25 ments under title V of the National Security Act of 1947

1 (50 U.S.C. 3091 et seq.), or to any authorized intelligence  
2 activities of the United States.

3 (e) DEFINITIONS.—In this section:

4 (1) CONTROL.—The term “control” has the  
5 meaning given that term in part 800.208 of title 31,  
6 Code of Federal Regulations or any successor regu-  
7 lations.

8 (2) SECRETARY.—The term “Secretary” means  
9 the Secretary of Defense.

