

**AMENDMENT TO COMMITTEE PRINT 119-33
OFFERED BY MR. BEGICH OF ALASKA**

Sec. 8XX. Feasibility Study and Strategy on Department of Defense Reliance on Transportation Systems Incorporating Chinese-Origin Components; Comptroller General Review.

(a) Findings.—

(1) Foreign ownership, embedded hardware, and licensing failures within United States transportation systems present a significant threat to the operational security of the Armed Forces and to the protection of sensitive defense-related information.

(2) Department of Defense personnel, facilities, and operations rely on commercial transportation systems and logistics services across rail, port, intermodal, transit, drayage, and aviation modalities, and the embedded components and software in those systems may present an unacceptable risk to the national security of the United States.

(3) A rigorous understanding of the extent and nature of Department of Defense reliance on such systems is a necessary predicate to the development of any prohibition, mitigation, or alternative-sourcing strategy.

(b) Definitions.—In this section:

(1) Covered Chinese entity.—The term “covered Chinese entity” means an entity that—

(A) is organized under the laws of, or has its principal place of business in, the People's Republic of China;

(B) is owned, controlled by, or operates under the direction of the Government of the People's Republic of China, the Chinese Communist Party, or the People's Liberation Army;

(C) appears on the list maintained under section 1260H of the William M. (Mac) Thornberry National Defense Authorization Act for Fiscal Year 2021 (Public Law 116–283; 10 U.S.C. 113 note), or on a similar list maintained by the Department of Defense, the Department of Commerce, the Department of the Treasury, or the Federal Communications Commission; or

(D) is otherwise determined by the Secretary of Defense, in consultation with the Director of National Intelligence, to be subject to influence or direction by the Government of the People's Republic of China such that its inclusion in a transportation system would present a national security risk.

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(2) Covered component.— The term "covered component" means—

(A) any covered telecommunications equipment or services, as defined in section 889(f)(3) of the John S. McCain National Defense Authorization Act for Fiscal Year 2019 (Public Law 115–232);

(B) any covered communications equipment or service on the list maintained by the Federal Communications Commission pursuant to section 2(a) of the Secure and Trusted Communications Networks Act of 2019 (47 U.S.C. 1601(a));

(C) any equipment, hardware, firmware, software, sensor, communications module, or technology component produced, developed, manufactured, supplied, maintained, or remotely updated by a covered Chinese entity; and

(D) any goods, services, or technology that the Department of Defense is prohibited from procuring under section 805 of the National Defense Authorization Act for Fiscal Year 2024 (Public Law 118–31).

(3) Covered transportation system.— The term "covered transportation system" means—

(A) any transportation, as defined in section 13102(23) of title 49, United States Code;

(B) any aircraft or air navigation facility, as those terms are defined in section 40102(a) of title 49, United States Code;

(C) any rolling stock, as that term is used in section 5302 of title 49, United States Code, and any rail fixed guideway public transportation system;

(D) any port facility, terminal operating system, or cargo handling equipment used at a strategic seaport, as defined in section 54301(a)(12)(E) of title 46, United States Code;

(E) any unmanned aircraft system, as that term is defined in section 44801(12) of title 49, United States Code; and

(F) any control system, telematics, or other connected-vehicle technology used in connection with a transportation system described in subparagraphs (A) through (E).

(c) Feasibility Study.—Not later than 180 days after the date of the enactment of this Act, the Secretary of Defense, in coordination with the Secretary of Transportation, the Secretary of Homeland Security, and the Director of National Intelligence, shall transmit to the appropriate congressional committees a study on the feasibility and advisability of restricting Department of Defense procurement, use, and financial support of covered transportation systems and companies that incorporate covered components. The study shall include—

- (1) an inventory of the covered transportation systems on which the Department of Defense relies, organized by modality (rail, port, intermodal, transit, drayage, aviation, and unmanned aerial) and by combatant command;
- (2) an assessment of the extent to which such systems incorporate covered components, including, where practicable, identification at the level of supplier, subcomponent, and software supply chain;
- (3) an assessment of the national security risks presented by such reliance, including risks to operational security, supply chain integrity, command and control systems, and the protection of sensitive defense-related information;
- (4) an analysis of the availability of non-covered alternative components, suppliers, and systems, including domestic and allied-nation sources;
- (5) an assessment of the cost, schedule, and operational impacts of replacing or mitigating covered components in existing Department of Defense transportation reliance;
- (6) an evaluation of existing authorities, including section 889 of the John S. McCain National Defense Authorization Act for Fiscal Year 2019 (Public Law 115–232) and section 805 of the National Defense Authorization Act for Fiscal Year 2024 (Public Law 118–31), and any gaps in those authorities with respect to covered transportation systems; and
- (7) any other matters the Secretary of Defense determines appropriate.

(d) Strategy.—Not later than 60 days after the date on which the feasibility study under subsection (c) is completed, the Secretary of Defense, in coordination with the officials described in subsection (c), shall submit to the appropriate congressional committees a strategy to mitigate the risks identified in the feasibility study. The strategy shall include—

- (1) a phased approach to identifying, prioritizing, and mitigating covered components in Department of Defense transportation reliance, with defined milestones and timelines;
- (2) recommendations on the desirability and feasibility of a prohibition on Department of Defense procurement, use, or financial support of covered transportation systems and companies that incorporate covered components, including any recommended scope, exceptions, and waiver criteria for such a prohibition;
- (3) recommendations on the use of existing authorities, including those identified under subsection (c)(6), and any additional legislative or administrative authorities required to implement the strategy;
- (4) an assessment of the resources, personnel, and inter-agency coordination required to implement the strategy;
- (5) an assessment of the implications of the strategy for cooperation with allies and partners, including allies and partners that may face comparable reliance; and
- (6) metrics and milestones for measuring the implementation of the strategy.

(e) Comptroller General Review.—Not later than 120 days after the date on which the strategy under subsection (d) is submitted, the Comptroller General of the United States shall submit to the appropriate congressional committees a report that—

- (1) evaluates the methodology, completeness, and conclusions of the feasibility study under subsection (c);
- (2) evaluates the strategy under subsection (d), including the extent to which it addresses the risks identified in the feasibility study;
- (3) assesses the adequacy of existing authorities to implement the strategy, in consultation with the Secretary of Defense, the Secretary of Transportation, the Secretary of Homeland Security, and the Director of National Intelligence; and
- (4) makes recommendations for any legislative or administrative action.

(f) Form.—The feasibility study, strategy, and report required under this section shall be submitted in unclassified form, but each may include a classified annex.

(g) Appropriate Congressional Committees Defined.—In this section, the term “appropriate congressional committees” means—

- (1) the Committees on Armed Services and Commerce, Science, and Transportation of the Senate; and
- (2) the Committees on Armed Services and Transportation and Infrastructure of the House of Representatives.