AMENDMENT TO
RULES COMMITTEE PRINT 117–54
OFFERED BY MRS. CAROLYN B. MALONEY OF
NEW YORK

At the end of division E, insert the following:

SEC. 5806. FEDERAL CONTRACTING FOR PEACE AND SECURITY.

(a) PURPOSE.—It is the policy of the Federal Government not to conduct business with companies that undermine United States national security interests by continuing to operate in the Russian Federation during its ongoing war of aggression against Ukraine.

(b) CONTRACTING PROHIBITION.—

(1) PROHIBITION.—The head of an executive agency may not enter into, extend, or renew a covered contract with a company that continues to conduct business operations in territory internationally recognized as the Russian Federation during the covered period.

(2) EXCEPTIONS.—

(A) GOOD FAITH EXEMPTION.—The Office of Management and Budget, in consultation with the General Services Administration, may
exempt a contractor from the prohibition in paragraph (1) if the contractor has—

(i) pursued and continues to pursue all reasonable steps in demonstrating a good faith effort to comply with the requirements of this Act; and

(ii) provided to the executive agency a reasonable, written plan to achieve compliance with such requirements.

(B) PERMISSIBLE OPERATIONS.—The prohibition in paragraph (1) shall not apply to business operations in Russia authorized by a license issued by the Office of Foreign Assets Control or the Bureau of Industry and Security or is otherwise allowed to operate notwithstanding the imposition of sanctions.

(C) AMERICAN DIPLOMATIC MISSION IN RUSSIA.—The prohibition in paragraph (1) shall not apply to contracts related to the operation and maintenance of the United States Government’s consular offices and diplomatic posts in Russia.

(D) INDIVIDUAL CONTRACTS.—The prohibition under paragraph (1) shall not apply to any contract that is any of the following:
For the benefit, either directly or through the efforts of regional allies, of the country of Ukraine.

(ii) For humanitarian purposes to meet basic human needs.

(3) National security and public interest waivers.—

(A) In general.—The head of an executive agency is authorized to waive the prohibition under paragraph (1) with respect to a covered contract if the head of the agency certifies in writing to the President that such waiver is for the national security of the United States or in the public interest of the United States, and includes in such certification a justification for the waiver and description of the contract to which the waiver applies. The authority in this subparagraph may not be delegated below the level of the senior procurement executive of the agency.

(B) Congressional notification.—The head of an executive agency shall, not later than 7 days before issuing a waiver described in subparagraph (A), submit to the appropriate
congressional committees the certification described in such subparagraph.

(4) **Emergency Rulemaking Authority.**—Not later than 60 days after the date of the enactment of this Act, the Director of the Office of Management and Budget, in consultation with the Administrator of General Services and the Secretary of Defense, shall promulgate regulations for agency implementation of this Act using emergency rulemaking procedures while considering public comment to the greatest extent practicable, that includes the following:

(A) A list of equipment, facilities, personnel, products, services, or other items or activities, the engagement with which would be considered business operations, subject to the prohibition under paragraph (1).

(B) A requirement for a contractor or offeror to represent whether such contractor or offeror uses any of the items on the list described in subparagraph (A).

(C) A description of the process for determining a good faith exemption described under paragraph (2).

(5) **Definitions.**—In this section:
(A) APPROPRIATE CONGRESSIONAL COMMITTEES.—The term “appropriate congressional committees” means the Committee on Homeland Security and Governmental Affairs of the Senate and the Committee on Oversight and Reform of the House of Representatives.

(B) BUSINESS OPERATIONS.—

   (i) IN GENERAL.—Except as provided in clauses (ii) and (iii), the term “business operations” means engaging in commerce in any form, including acquiring, developing, selling, leasing, or operating equipment, facilities, personnel, products, services, personal property, real property, or any other apparatus of business or commerce.

   (ii) EXCEPTIONS.—The term “business operations” does not include any of the following:

      (I) Action taken for the benefit of the country of Ukraine.

      (II) Action serving humanitarian purposes to meet basic human needs, including through a hospital, school, or non-profit organization.
(III) The provision of products or services for compliance with legal, reporting, or other requirements of the laws or standards of countries other than the Russian Federation.

(IV) Journalistic and publishing activities, news reporting, or the gathering and dissemination of information, informational materials, related services, or transactions ordinarily incident to journalistic and publishing activities.

(iii) Exception for Suspension or Termination Actions.—The term “business operations” does not include action taken to support the suspension or termination of business operations (as described in clause (i)) for the duration of the covered period, including—

(I) an action to secure or divest from facilities, property, or equipment;

(II) the provision of products or services provided to reduce or eliminate operations in territory inter-
nationally recognized as the Russian Federation or to comply with sanctions relating to the Russian Federation; and

(III) activities that are incident to liquidating, dissolving, or winding down a subsidiary or legal entity in Russia through which operations had been conducted.

(C) COVERED CONTRACT.—The term “covered contract” means a prime contract entered into by an executive agency with a company conducting business operations in territory internationally recognized as the Russian Federation during the covered period.

(D) COVERED PERIOD.—The term “covered period” means the period of time beginning 90 days after the date of the enactment of this Act and ending on a date that is determined by the Secretary of State based on steps taken by the Russian Federation to restore the safety, sovereignty, and condition of the country of Ukraine, or 10 years after the date of the enactment of this Act, whichever is sooner.
(E) EXECUTIVE AGENCY.—The term “executive agency” has the meaning given the term in section 133 of title 41, United States Code.