AMENDMENT TO RULES COMM. PRINT 116–19
OFFERED BY MR. GALLAGHER OF WISCONSIN

At the end of title XII, add the following new subtitle:

Subtitle I—Telecommunications

Denial Order Enforcement Act

SEC. 1281. SHORT TITLE.

This subtitle may be cited as the “Telecommunications Denial Order Enforcement Act”.

SEC. 1282. STATEMENT OF POLICY.

It shall be the policy of the United States to enforce denial orders on covered telecommunications companies found to have violated the export control or sanctions laws of the United States.

SEC. 1283. IMPOSITION AND ENFORCEMENT OF DENIAL ORDERS WITH RESPECT TO COVERED TELECOMMUNICATIONS COMPANIES.

(a) IMPOSITION OF DENIAL ORDERS.—

(1) IN GENERAL.—Not later than 180 days after the date of the enactment of this Act, and annually thereafter—

(A) the President shall determine and report to the appropriate congressional commit-
tees if any covered telecommunications company
is in violation of an export control or sanctions
law of the United States; and

(B) if the President makes an affirmative
determination with respect to a covered tele-
communications company under subparagraph
(A), the President shall impose penalties pursu-
ant to a denial order with respect to the com-
pany or its agents or affiliates as described in
paragraph (2).

(2) PENALTIES DESCRIBED.—The penalties de-
scribed in this paragraph are the following:

(A) The covered telecommunications com-
pany and when acting for or on their behalf,
their successors, assigns, directors, officers, em-
ployees, representatives, or agents (hereinafter
each a “denied person”), may not, directly or
indirectly, participate in any way in any trans-
action involving any commodity, software or
technology (hereinafter collectively referred to
as “item”) exported or to be exported from the
United States that is subject to the Export Ad-
ministration Regulations (as codified in sub-
chapter C of chapter VII of title 15, Code of
Federal Regulations, or any successor regula-
tions), or in any other activity subject to the Export Administration Regulations.

(B) No person may, directly or indirectly, do any of the following:

(i) Export or reexport to or on behalf of a denied person any item subject to the Export Administration Regulations.

(ii) Take any action that facilitates the acquisition or attempted acquisition by a denied person of the ownership, possession, or control of any item subject to the Export Administration Regulations that has been or will be exported from the United States, including financing or other support activities related to a transaction whereby a denied person acquires or attempts to acquire such ownership, possession, or control.

(iii) Take any action to acquire from or to facilitate the acquisition or attempted acquisition from a denied person of any item subject to the Export Administration Regulations that has been exported from the United States.
(iv) Obtain from a denied person in the United States any item subject to the Export Administration Regulations with knowledge or reason to know that the item will be, or is intended to be, exported from the United States.

(v) Engage in any transaction to service any item subject to the Export Administration Regulations that has been or will be exported from the United States and which is owned, possessed or controlled by a denied person, or service any item, of whatever origin, that is owned, possessed or controlled by a denied person if such service involves the use of any item subject to the Export Administration Regulations that has been or will be exported from the United States.

(3) REPORT.—The President shall submit to the appropriate congressional committees an annual report on the implementation of this subsection.

(b) PROHIBITION ON MODIFICATION OF PENALTIES.—Notwithstanding any other provision of law, no official of an executive agency may modify any penalty, including a penalty imposed pursuant to a denial order,
implemented by the Government of the United States with respect to a covered telecommunications company or its agents or affiliates pursuant to a determination that the company has violated an export control or sanctions law of the United States until the date that is 30 days after the President certifies to the appropriate congressional committees that the company—

(1) has not, for a period of one year, conducted activities in violation of the laws of the United States; and

(2) is fully cooperating with investigations into the activities of the company conducted by the Government of the United States, if any.

(e) REGULATIONS.—The President is authorized to prescribe such regulations as may be necessary to carry out this section.

SEC. 1284. DEFINITIONS.

In this subtitle:

(1) APPROPRIATE CONGRESSIONAL COMMITTEES.—The term “appropriate congressional committees” means—

(A) the Committee on Financial Services and the Committee on Foreign Affairs of the House of Representatives; and
(B) the Committee on Banking, Housing, and Urban Affairs and the Committee on Foreign Relations of the Senate.

(2) COVERED TELECOMMUNICATIONS COMPANY.—The term “covered telecommunications company” means any of the following:

(A) Huawei Technologies Company or ZTE Corporation (or any subsidiary or affiliate of such entities).

(B) Any other telecommunications company domiciled in the People’s Republic of China (or any subsidiary or affiliate of such entities), excluding any subsidiary of a foreign company domiciled in the People’s Republic of China.

(3) EXECUTIVE AGENCY.—The term “executive agency” means—

(A) an executive department specified in section 101 of title 5, United States Code;

(B) a military department specified in section 102 of title 5, United States Code;

(C) an independent establishment as defined in section 104(1) of title 5, United States Code; and
(D) a wholly-owned Government corporation fully subject to chapter 91 of title 31, United States Code.