AMENDMENT TO RULES COMM. PRINT 118–10
OFFERED BY MR. MEEKS OF NEW YORK

At the end of title XIII, add the following:

Subtitle C—AUKUS Undersea Defense Act

SEC. 1321. SHORT TITLE.

This subtitle may be cited as the “AUKUS Undersea Defense Act”.

SEC. 1322. FINDINGS.

Congress finds the following:

(1) The new trilateral security partnership between Australia, the United Kingdom, and the United States (in this section referred to as the “AUKUS partnership”) is intended to positively contribute to peace and stability in the Indo-Pacific region through enhanced deterrence.

(2) This trilateral security partnership builds on and enhances the United States, Australia, and the United Kingdom’s commitment to a free and open Indo-Pacific, and more broadly to a rules-based international order.

(3) Australia has a strong record of leadership in the international nuclear non-proliferation regime.
and is fully committed to responsible stewardship of naval nuclear propulsion technology.

(4) Pillar 1 of the AUKUS partnership aims to provide Australia with a conventionally-armed, nuclear-powered submarine capability while upholding the highest non-proliferation standards.

(5) In support of this Pillar 1 goal, the United States and the United Kingdom plan to increase port visits to Australia of conventionally-armed, nuclear-powered submarines then begin forward rotations of such submarines to Australia at Submarine Rotational Force-West.

(6) In support of these goals, the United States will transfer Virginia-class submarines to Australia to bolster its critical undersea capabilities and enhance its undersea presence in the Indo-Pacific region.

(7) Pillar 1 of the AUKUS partnership will enhance all three nations’ defense industrial capacity to produce and sustain interoperable nuclear-powered submarines, expand collective undersea presence in the Indo-Pacific, and contribute to freedom of navigation, security, and stability in the Indo-Pacific region.
(8) Trilateral security cooperation that strengthens joint capabilities, enhances the ability to share information and technology safely, and integrates defense industrial bases and supply chains will contribute to the security of each nation as well as peace and stability in the Indo-Pacific region.

SEC. 1323. AUSTRALIA, UNITED KINGDOM, AND UNITED STATES SUBMARINE SECURITY ACTIVITIES.

(a) Authorization to Transfer Submarines.—

(1) In general.—Subject to paragraph (6), the President may transfer not more than two Virginia class submarines from the inventory of the Navy to the Government of Australia on a sale basis under section 21 of the Arms Export Control Act (22 U.S.C. 2761).

(2) Costs of transfer.—Any expense incurred by the United States in connection with the transfer authorized by this subsection shall be charged to the Government of Australia.

(3) Waiver of certification requirement.—The requirement for the Chief of Naval Operations to make a certification under section 8678 of title 10, United States Code, shall not apply to a transfer under this subsection.
(4) **Use of Funds.**—The Secretary of the Navy may use the proceeds of a transfer under this subsection—

(A) for the acquisition of vessels to replace the vessels transferred to the Government of Australia; or

(B) to carry out any other authority the use of which the Secretary of the Navy determines would improve the submarine industrial base.

(5) **Crediting of Receipts.**—Notwithstanding any provision of law pertaining to the crediting of amounts received from a sale under the terms of the Arms Export Control Act (22 U.S.C. 2761), any receipt of the United States as a result of a transfer under this section shall—

(A) be credited, at the discretion of the Secretary of the Navy to—

(i) the appropriation, fund, or account used in incurring the original obligation;

(ii) an appropriate appropriation, fund, or account currently available for the purposes for which the expenditures were made; or
(iii) any other appropriation, fund, or account available for the purpose specified in paragraph (4)(B); and

(B) remain available for obligation until expended for the same purpose as the appropriation to which the receipt is credited.

(6) APPLICABILITY OF EXISTING LAW TO TRANSFER SPECIAL NUCLEAR MATERIAL AND UTILIZATION FACILITIES FOR MILITARY APPLICATIONS.—

(A) IN GENERAL.—With respect to any special nuclear material for use in utilization facilities or any portion of a vessel transferred under this subsection constituting utilization facilities for military applications under section 91 of the Atomic Energy Act of 1954 (42 U.S.C. 2121), transfer of such material or such facilities shall only occur in accordance with such section 91.

(B) USE OF FUNDS.—The Secretary of Energy may use proceeds from a transfer described in subparagraph (A) for the acquisition of submarine naval nuclear propulsion plants and the nuclear fuel to replace the propulsion plants and fuel transferred to the Government of Australia.
(b) REPAIR AND REFURBISHMENT OF AUKUS SUBMARINES.—Section 8680 of title 10, United States Code, is amended—

(1) by redesignating subsection (c) as subsection (d); and

(2) by inserting after subsection (b) the following:

“(c) REPAIR AND REFURBISHMENT OF CERTAIN SUBMARINES.—(1) Notwithstanding any other provision of this section, the Secretary of the Navy shall determine the appropriate shipyard in the United States, Australia, or the United Kingdom to perform any repair or refurbishment of a United States submarine involved in submarine security activities between Australia, the United Kingdom, and the United States (in this section referred to as ‘AUKUS’).

“(2) Repair or refurbishment described in paragraph (1) may be carried out by personnel of the United States, United Kingdom, or Australia in accordance with the international arrangements governing AUKUS submarine security activities.”.
SEC. 1324. ACCEPTANCE OF CONTRIBUTIONS IN SUPPORT
OF AUSTRALIA, UNITED KINGDOM, AND
UNITED STATES SUBMARINE SECURITY ACTIVITIES.

(a) IN GENERAL.—Chapter 155 of title 10, United
States Code, is amended by inserting after section 2608
the following new section:

§ 2609. Acceptance of contributions for Australia,
United Kingdom, and United States submarine security activities; Submarine Security Activities Account

“(a) ACCEPTANCE AUTHORITY.—The Secretary of
Defense may accept from the Government of Australia
contributions of money made by the Government of Aus-
tralia for use by the Department of Defense in support
of non-nuclear related aspects of submarine security ac-
tivities between Australia, the United Kingdom, and the
United States (in this section referred to as ‘AUKUS’).

“(b) ESTABLISHMENT OF SUBMARINE SECURITY AC-
TIVITIES ACCOUNT.—(1) There is established in the
Treasury of the United States a special account to be
known as the ‘Submarine Security Activities Account’.

“(2) Contributions of money accepted by the Sec-
retary of Defense under subsection (a) shall be credited
to the Submarine Security Activities Account.
“(c) USE OF THE SUBMARINE SECURITY ACTIVITIES ACCOUNT.—(1) The Secretary of Defense may use funds in the Submarine Security Activities Account—

“(A) for any purpose authorized by law that the Secretary determines would support AUKUS submarine security activities; or

“(B) to carry out a military construction project that is consistent with the purposes for which the contributions were made and is not otherwise authorized by law.

“(2) Funds in the Submarine Security Activities Account may be used as described in this subsection without further specific authorization in law.

“(d) TRANSFERS OF FUNDS.—(1) In carrying out subsection (c), the Secretary of Defense may transfer funds available in the Submarine Security Activities Account to appropriations available to the Department of Defense.

“(2) In carrying out subsection (c), and in accordance with the Atomic Energy Act of 1954 (42 U.S.C. 2011 et seq.), the Secretary of Defense may transfer funds available in the Submarine Security Activities Account to appropriations or funds of the Department of Energy available to carry out activities related to AUKUS submarine security activities.
“(3) Funds transferred under this subsection shall be available for obligation for the same time period and for the same purpose as the appropriation to which transferred.

“(4) Upon a determination by the Secretary that all or part of the funds transferred from the Submarine Security Activities Account are not necessary for the purposes for which such funds were transferred, all or such part of such funds shall be transferred back to the Submarine Security Activities Account.

“(e) INVESTMENT OF MONEY.—(1) Upon request by the Secretary of Defense, the Secretary of the Treasury may invest money in the Submarine Security Activities Account in securities of the United States or in securities guaranteed as to principal and interest by the United States.

“(2) Any interest or other income that accrues from investment in securities referred to in paragraph (1) shall be deposited to the credit of the Submarine Security Activities Account.

“(f) REPORT.—(1) Not later than 60 days after the date on which contributions of money accepted by the Secretary of Defense under subsection (a) are credited to the Submarine Security Activities Account under subsection
(b), the Secretary of Defense shall submit to the appropriate congressional committees a report on—

“(A) the amount of money so transferred;

“(B) a description of the intended use of the funds; and

“(C) any other matters related to the administration of the Submarine Security Activities Account as determined necessary by the Secretary.

“(2) The report required by this subsection shall be submitted in unclassified form but may include a classified annex.

“(3) In this subsection, the term ‘appropriate congressional committees’ means—

“(A) the congressional defense committees; and

“(B) the Committee on Foreign Affairs of the House of Representatives and the Committee on Foreign Relations of the Senate.

“(g) RELATIONSHIP TO OTHER LAWS.—The authority to accept or transfer funds under this section is in addition to any other authority to accept or transfer funds.”.

(b) CLERICAL AMENDMENT.—The table of sections at the beginning of such chapter is amended by inserting after the item relating to section 2608 the following:

“2609. Acceptance of contributions for Australia, United Kingdom, and United States submarine security activities; Submarine Security Activities Account.”.
SEC. 1325. AUSTRALIA, UNITED KINGDOM, AND UNITED STATES SUBMARINE SECURITY TRAINING.

(a) In General.—The President may transfer or authorize the export of defense services to the Government of Australia under the Arms Export Control Act (22 U.S.C. 2751 et seq.) that may also be directly exported to Australian private-sector personnel to support the development of the Australian submarine industrial base necessary for submarine security activities between Australia, the United Kingdom, and the United States (in this section referred to as “AUKUS”), including in cases in which such private-sector personnel are not officers, employees, or agents of the Government of Australia.

(b) Application of Requirements for Further Transfer.—Any transfer of defense services to the Government of Australia pursuant to subsection (a) to persons other than those directly provided such defense services pursuant to subsection (a) shall only be made in accordance with the requirements of the Arms Export Control Act (22 U.S.C. 2751 et seq.).

SEC. 1326. AUSTRALIA, UNITED KINGDOM, AND UNITED STATES DEFENSE TRADE PARTNERSHIP.

Section 38 of the Arms Export Control Act of 1976 (22 U.S.C. 2778) is amended by adding at the end the following new subsection:
“(1) AUSTRALIA, UNITED KINGDOM, AND UNITED STATES DEFENSE TRADE COOPERATION.—

“(1) EXEMPTION FROM LICENSING AND APPROVAL REQUIREMENTS.—Subject to paragraph (2) and notwithstanding any other provision of this section, the Secretary of State may exempt from the licensing or other approval requirements of this section exports and transfers (including reexports, retransfers, temporary imports, and brokering activities) of defense articles and defense services between or among the United States, the United Kingdom, and Australia that—

“(A) are not excluded by those countries;

“(B) are not referred to in subsection (j)(1)(C)(ii); and

“(C) involve only entities that are approved by relevant authorities within those countries.

“(2) REQUIRED STANDARDS OF EXPORT CONTROLS.—The Secretary of State may only exercise the authority under paragraph (1) with respect to the United Kingdom or Australia after the Secretary submits to Congress a certification that the country concerned has implemented standards for a system of export controls that satisfies the elements of subsection (j)(2)(A) for defense articles and defense
services, and for controlling the provision of military
training, that are at least comparable to those ad-
ministered by the United States.

“(3) Reexports and retransfers.—

“(A) Exemption from certain certification requirements.—Paragraphs (1)
through (3) of section 3(d) shall not apply to transfers (including transfers of United States
Government sales or grants, or commercial ex-
ports authorized under this chapter) among the
United States, the United Kingdom, or Aus-
tralia described in paragraph (1).

“(B) Reports of transfers.—The Sec-
retary of State shall require all transfers that
would be subject to the requirements of para-
graphs (1) through (3) of section 3(d) but for
the application of subparagraph (A) of this
paragraph to be reported to the Secretary on a
quarterly basis.”.