

AMENDMENT TO RULES COMMITTEE PRINT 119-

33

OFFERED BY MR. MOOLENAAR OF MICHIGAN

Add at the end of subtitle F of title XII the following new section:

1 **SEC. 12__ . REPORT ON THE NATIONAL SECURITY IMPLI-**
2 **CATIONS OF APPLYING NONDISCRIMINATORY**
3 **TREATMENT TO THE PEOPLE'S REPUBLIC OF**
4 **CHINA.**

5 (a) REPORT TO CONGRESSIONAL DEFENSE COMMIT-
6 TEES.—

7 (1) IN GENERAL.—Not later than 270 days
8 after the date of the enactment of this Act, the Sec-
9 retary of Defense, in consultation with the Secretary
10 of Commerce and the Director of National Intel-
11 ligence, shall submit to the congressional defense
12 committees a report on the national security implica-
13 tions of applying nondiscriminatory treatment to the
14 People's Republic of China.

15 (2) CONTENTS.—The report under paragraph
16 (1) shall include each of the following:

17 (A) An identification of defense-relevant
18 sectors and prime contractors and subcontractors.

1 tors of the Department of Defense that rely on
2 covered items sourced from the People's Repub-
3 lic of China, either directly or through third-
4 country intermediaries.

5 (B) An assessment of the extent to which
6 any cost savings for using such covered items
7 are attributable to nondiscriminatory treatment
8 and associated trade policy, including whether
9 the revocation of permanent normal trade rela-
10 tions or the application of higher tariff sched-
11 ules to goods manufactured or distributed by
12 defense-relevant sectors would materially alter
13 the cost, availability, and reliability of such cov-
14 ered items.

15 (C) An assessment of how such reliance
16 may, in a contingency operation (as such term
17 is defined in section 101 of title 10, United
18 States Code) or a national security emergency
19 in which the People's Republic of China is an
20 adversary party, cause vulnerability to economic
21 coercion, supply disruption, or the intentional
22 degradation of the quality or availability of such
23 covered items by the People's Republic of
24 China.

1 (D) Any recommendations with respect to
2 legislative and administrative options to address
3 any such vulnerabilities, including changes to
4 trade status, procurement regulations, domestic
5 production incentives, and allied and partner
6 sourcing alternatives.

7 (b) FORM.—The report required under subsection (a)
8 shall be submitted in unclassified form, but may include
9 a classified annex.

10 (c) DEFINITIONS.—In this section:

11 (1) The term “covered item” means any mate-
12 rial, component, or end product.

13 (2) The term “defense-relevant sector” means
14 any entity that manufactures or distributes goods or
15 provides services at any tier of the manufacture,
16 maintenance, or operation of a defense system of the
17 Department of Defense.

18 (3) The term “defense system” means a weap-
19 on system, platform, vehicle, munition, command
20 and control system, or any other system or equip-
21 ment procured or developed by the Department of
22 Defense for military or national security purposes,
23 including any associated software, components, or
24 support equipment.

1 (4) The term “nondiscriminatory treatment”
2 has the meaning given that term in section 601 of
3 the Trade Act of 1974 (19 U.S.C. 2481).

