AMENDMENT TO RULES COMMITTEE PRINT 119–33

OFFERED BY MR. MOOLENAAR OF MICHIGAN

At the end of title XVII, insert the following:

Subtitle C—Biotech Investment National Security Act

SEC. 17___. AMENDMENTS.

Section 809 of the Defense Production Act of 1950 (50 U.S.C. 4589) is amended—

(1) in paragraph (10)(A), by adding at the end the following:

''(vi) Biotechnology, meaning the research, development, manufacturing, or commercialization of—

''(I) pharmaceutical products (which has the meaning given the term 'drug' in section 201(g)(1) of the Federal Food, Drug, and Cosmetic Act (21 U.S.C. 321(g)(1))));

''(II) biological products (as such term is defined in section 351(i) of the Public Health Service Act (42 U.S.C. 262(i))); and

''(III) therapeutic compounds, including drug discovery platforms, clinical research and development capabilities, biologics manufacturing, and intellectual property and know-how relating to therapeutic compounds,'';

(2) in paragraph (7)(A), by adding at the end the following:

''(vi) Biotechnology, meaning the research, development, manufacturing, or commercialization of—

''(I) pharmaceutical products (which has the meaning given the term 'drug' in section 201(g)(1) of the Federal Food, Drug, and Cosmetic Act (21 U.S.C. 321(g)(1)));

''(II) biological products (as such term is defined in section 351(i) of the Public Health Service Act (42 U.S.C. 262(i))); and

''(III) therapeutic compounds, including drug discovery platforms, clinical research and development capabilities, biologics manufacturing, and intellectual property and know-how re-

lating to therapeutic compounds,''; and

(3) in paragraph (4)(A), by adding at the end the following:

''(ix) licensing a prohibited technology from a covered foreign person.''.

SEC. 17___. RULEMAKING.

(a) IN GENERAL.—The Secretary of the Treasury shall, not later than 1 year after the date of the enactment of this Act, issue a rule to further define the parameters of the area of ''biotechnology'' as it is used in paragraphs (7)(A) and (10)(A) of the Defense Production Act of 1950, as amended by this subtitle.

(b) REQUIREMENTS.—When defining the parameters of the area of ''biotechnology'' pursuant to subsection (a), the Secretary of the Treasury shall—

(1) consult with the Secretary of Health and Human Services, the Secretary of Defense, and the Director of National Intelligence;

(2) give particular consideration to transactions involving the licensing of intellectual property, drug discovery platforms, clinical research and development capabilities, and biologics manufacturing know-how to covered foreign persons (as such term

is defined in section 809 of the Defense Production Act of 1950);

(3) give particular consideration to licensing transactions, joint ventures, and equity investments involving drug discovery platforms, clinical development capabilities, and biologics manufacturing as priority categories for both the prohibited and notifiable technology tiers within the biotechnology sector;

(4) consider the degree to which a transaction would transfer pharmaceutical innovation capacity, clinical development capabilities, or manufacturing know-how to entities subject to the direction or control of the People's Republic of China;

(5) define the biotechnology sector to include the research, development, manufacturing, and commercialization of pharmaceutical products, biological products, and therapeutic compounds, including drug discovery platforms, clinical research and development capabilities, biologics manufacturing, and related intellectual property and know-how transfers; and

(6) not define the biotechnology sector in a manner that includes or could be construed to include agricultural biotechnology, industrial fermenta-

tion unrelated to pharmaceutical or therapeutic production, or basic academic research with no direct pharmaceutical or therapeutic application.

SEC. 17___. REPORT REQUIRED.

(a) IN GENERAL.—Not later than 60 days after the date of the enactment of this Act, the Secretary of Defense shall submit a report to the appropriate congressional committees assessing whether flows of United States capital into China's biotechnology sector, including through licensing transactions with Chinese biotechnology firms, negatively affect United States national security and military readiness.

(b) FORM.—The report described in subsection (a) shall be submitted in unclassified form but may include a classified annex.

(c) APPROPRIATE CONGRESSIONAL COMMITTEES DEFINED.—The term ''appropriate congressional committees'' means—

(1) the Committee on Armed Services of the House of Representatives;

(2) the Committee on Financial Services of the House of Representatives;

(3) the Permanent Select Committee on Intelligence of the House of Representatives;

(4) the Select Committee on Strategic Competition between the United States and the Chinese Communist Party of the House of Representatives;

(5) the Committee on Armed Services of the Senate;

(6) the Committee on Banking of the Senate; and

(7) the Select Committee on Intelligence of the Senate.