AMENDMENT TO RULES COMM. PRINT 118–10
OFFERED BY MR. MORAN OF TEXAS

At the end of subtitle C of title XVIII, add the following:

1 SECE. 1. APPLICATION OF FOREIGN-DIRECT PRODUCT
   RULES TO IRAN.

   (a) IN GENERAL.—Beginning on the date that is 120
   days after the date of the enactment of this Act, a foreign-
   produced item shall be subject to the Export Administra-
   tion Regulations (pursuant to the Export Control Reform
   Act of 2018 (50 U.S.C. 4801 et seq.)) if the item—

   (1) meets—

      (A) the product scope requirements de-
           scribed in subsection (b); and

      (B) the destination scope requirements de-
           scribed in subsection (c); and

   (2) is exported, reexported, or in-country trans-
   ferred to Iran or involves persons affiliated with the
   Government of Iran.

   (b) PRODUCT SCOPE REQUIREMENTS.—A foreign-
   produced item meets the product scope requirements of
   this subsection if the item—
(1) is a direct product of United States-origin technology or software subject to the Export Administration Regulations that is specified in a covered Export Control Classification Number; or

(2) is produced by any plant or major component of a plant that is located outside the United States, if the plant or major component of a plant, whether made in the United States or a foreign country, itself is a direct product of United States-origin technology or software subject to the Export Administration Regulations that is specified in a covered Export Control Classification Number.

(e) DESTINATION SCOPE REQUIREMENTS.—A foreign-produced item meets the destination scope requirements of this subsection if there is knowledge that the foreign-produced item is destined to Iran or will be incorporated into or used in the production or development of any part, component, or equipment subject to the Export Administration Regulations and produced in or destined to Iran.

(d) LICENSE REQUIREMENTS.—

(1) IN GENERAL.—A license shall be required to export, reexport, or in-country transfer a foreign-produced item that meets the product scope requirements described in subsection (b) and the destina-
tion scope requirements described in subsection (c) and is subject to the Export Administration Regulations pursuant to this section.

(2) EXCEPTIONS.—The license requirements of paragraph (1) shall not apply to—

   (A) food or medicine that is—
      (i) designated as EAR99; or
      (ii) not designated under or listed on the Commerce Control List; or
   
   (B) services, software, or hardware (other than services, software, or hardware for end-users owned or controlled by the Government of Iran) that is—
      (i) incident to communications;
      (ii) designated as—
         (I) EAR99; or
         (II) Export Control Classification Number 5A992.e or 5D992.e, and classified in accordance with section 740.17 of title 15 Code of Federal Regulations; and
      (iii) subject to a general license issued by the Department of Commerce.

(c) DEFINITIONS.—In this section—
(1) the term “Commerce Control List” means the list maintained pursuant to part 744 of the Export Administration Regulations;

(2) the term “covered Export Control Classification Number” means an Export Control Classification Number in product groups D or E of Categories 3, 4, 5, 6, 7, 8, or 9 of the Commerce Control List;

(3) the terms “Export Administration Regulations”, “export”, “reexport”, and “in-country transfer” have the meanings given those terms in section 1742 of the Export Control Reform Act of 2018 (50 U.S.C. 4801); and

(4) the terms “direct product”, “technology”, “software”, “major component”, “knowledge”, “production”, “development”, “part”, “component”, “equipment”, and “government end users” have the meanings given those terms in section 734.9 or part 772 of the Export Administration Regulations, as the case may be.