

**AMENDMENT TO H.R. 1540, AS REPORTED
OFFERED BY MS. DELAURO OF CONNECTICUT
AND MR. WOLF OF VIRGINIA**

At the end of subtitle C of title XII of division A
of the bill, add the following:

**1 SEC. 12xx. PROHIBITION ON PROCUREMENTS FROM COM-
2 MUNIST CHINESE MILITARY COMPANIES.**

3 (a) WAIVER AUTHORIZED.—Subsection (c) of section
4 1211 of the National Defense Authorization Act for Fiscal
5 Year 2006 (Public Law 109–163; 119 Stat. 3461; 10
6 U.S.C. 2302 note) is amended to read as follows:

7 “(c) WAIVER AUTHORIZED.—The Secretary of De-
8 fense may waive the limitation on procurement of a good
9 or service under subsection (a) if the good or service is
10 critical to the needs of the Department of Defense and
11 is otherwise unavailable to the Department of Defense and
12 the Secretary submits to the congressional defense com-
13 mittees a report described in subsection (d) not less than
14 15 days before issuing the waiver under this subsection.”.

15 (b) REPORT.—Such section is amended—

16 (1) by redesignating subsection (d) as sub-
17 section (e); and

1 (2) by inserting after subsection (c) the fol-
2 lowing:

3 “(d) REPORT.—The report referred to in subsection
4 (c) is a report that identifies the specific reasons for the
5 waiver issued under subsection (c) and includes rec-
6 ommendations as to what actions may be taken to develop
7 alternative sourcing capabilities in the future.”.

8 (c) DEFINITION OF COMMUNIST CHINESE MILITARY
9 COMPANY.—Subsection (e) of such section, as redesign-
10 nated by subsection (b)(1) of this section, is amended by
11 striking paragraph (1) and inserting the following:

12 “(1) The term ‘Communist Chinese military
13 company’ means—

14 “(A) any person identified in the Defense
15 Intelligence Agency publication numbered VP-
16 1920-271-90, dated September 1990, or PC-
17 1921-57-95, dated October 1995, and any up-
18 date of those publications for the purposes of
19 this section; and

20 “(B) any other person that—

21 “(i) is owned or controlled by, di-
22 rected by or from, operating with delegated
23 authority from, or affiliated with, the Peo-
24 ple’s Liberation Army or the government
25 of the People’s Republic of China or that

1 is owned or controlled by an entity affli-
2 ated with the defense industrial base of the
3 People’s Republic of China; and

4 “(ii) is engaged in providing commer-
5 cial services, manufacturing, producing, or
6 exporting.”.

7 (d) EFFECTIVE DATE.—The amendments made by
8 this section take effect on the date of the enactment of
9 this Act and apply with respect to contracts and sub-
10 contracts of the Department of Defense entered into on
11 or after the date of the enactment of this Act.

