AMENDMENT TO H.R. 1540, AS REPORTED
OFFERED BY MS. DE LAURO 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:

SEC. 12xx. PROHIBITION ON PROCUREMENTS FROM COMMUNIST CHINESE MILITARY COMPANIES.

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

“(c) WAIVER AUTHORIZED.—The Secretary of Defense may waive the limitation on procurement of a good or service under subsection (a) if the good or service is critical to the needs of the Department of Defense and is otherwise unavailable to the Department of Defense and the Secretary submits to the congressional defense committees a report described in subsection (d) not less than 15 days before issuing the waiver under this subsection.”.

(b) REPORT.—Such section is amended—

(1) by redesignating subsection (d) as subsection (e); and
(2) by inserting after subsection (c) the fol-
lowing:

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

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

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

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

“(B) any other person that—

“(i) is owned or controlled by, di-
rected by or from, operating with delegated
authority from, or affiliated with, the Peo-
ple’s Liberation Army or the government
of the People’s Republic of China or that
is owned or controlled by an entity affiliated with the defense industrial base of the People’s Republic of China; and

“(ii) is engaged in providing commercial services, manufacturing, producing, or exporting.”.

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