

**AMENDMENT TO RULES COMM. PRINT 117-54**  
**OFFERED BY MR. PFLUGER OF TEXAS**

At the appropriate place in title LVIII, insert the following:

1 **SEC. \_\_\_\_ . ACTIONS TO ADDRESS STATE-SPONSORED**  
2 **CYBER ACTIVITIES AGAINST THE UNITED**  
3 **STATES.**

4 (a) DESIGNATION AS A CRITICAL CYBER THREAT  
5 ACTOR.—

6 (1) IN GENERAL.—The President, acting  
7 through the Secretary of State, and in coordination  
8 with the heads of other relevant Federal depart-  
9 ments and agencies, shall designate as a critical  
10 cyber threat actor—

11 (A) each foreign person and each agency  
12 or instrumentality of a foreign state that the  
13 President determines to be knowingly respon-  
14 sible for or complicit in, or have engaged in, di-  
15 rectly or indirectly, state-sponsored cyber activi-  
16 ties originating from, or directed by persons lo-  
17 cated, in whole or in substantial part, outside  
18 the United States that are reasonably likely to  
19 result in, or have contributed to, a significant

1 threat to the national security, foreign policy, or  
2 economic health or financial stability of the  
3 United States and that have the purpose or ef-  
4 fect of—

5 (i) causing a significant disruption to  
6 the availability of a computer or network  
7 of computers;

8 (ii) harming, or otherwise significantly  
9 compromising the provision of service by, a  
10 computer or network of computers that  
11 support one or more entities in a critical  
12 infrastructure sector;

13 (iii) significantly compromising the  
14 provision of services by one or more enti-  
15 ties in a critical infrastructure sector;

16 (iv) causing a significant misappro-  
17 priation of funds or economic resources,  
18 trade secrets, personal identifiers, health  
19 or financial information for commercial or  
20 competitive advantage or private financial  
21 gain;

22 (v) destabilizing the financial sector of  
23 the United States by tampering with, alter-  
24 ing, or causing a misappropriation of data;

1 (vi) causing a significant disruption to  
2 the energy sector of the United States by  
3 tampering with or altering data or equip-  
4 ment necessary for the operation of the en-  
5 ergy sector in the United States; or

6 (vii) interfering with or undermining  
7 election processes or government institu-  
8 tions by tampering with, altering, or caus-  
9 ing misappropriation of data;

10 (B) each foreign person that the President  
11 has determined to have knowingly, significantly,  
12 and materially assisted, sponsored, or provided  
13 financial, material, or technological support for,  
14 or goods or services to or in support of, any ac-  
15 tivities described in subparagraph (A) by a for-  
16 eign person or agency or instrumentality of a  
17 foreign state designated as a critical cyber  
18 threat actor under subparagraph (A);

19 (C) each agency or instrumentality of a  
20 foreign state that the President has determined  
21 to have significantly and materially assisted,  
22 sponsored, or provided financial, material, or  
23 technological support for, or goods or services  
24 to or in support of, any activities described in  
25 subparagraph (A) by a foreign person or agency

1 or instrumentality of a foreign state designated  
2 as a critical cyber threat actor under subpara-  
3 graph (A); and

4 (D) any person determined by the Presi-  
5 dent to be responsible for or complicit in, or to  
6 have engaged in, the receipt or use for commer-  
7 cial or competitive advantage or private finan-  
8 cial gain, or by a commercial entity, outside the  
9 United States of data or information, including  
10 trade secrets, misappropriated through cyber-  
11 enabled means, knowing they have been mis-  
12 appropriated, where the misappropriation of  
13 such trade secrets is reasonably likely to result  
14 in, or has materially contributed to, a signifi-  
15 cant threat to the national security, foreign pol-  
16 icy, or economic health or financial stability of  
17 the United States or personal safety of Amer-  
18 ican citizens.

19 (2) TRANSMISSION TO CONGRESS.—Not later  
20 than 7 calendar days after designating a foreign per-  
21 son or agency or instrumentality of a foreign state  
22 as a critical cyber threat actor under paragraph (1),  
23 the President shall transmit to the appropriate con-  
24 gressional committees in classified or unclassified  
25 form a report identifying the designee.

1 (b) NON-TRAVEL-RELATED SANCTIONS.—

2 (1) IN GENERAL.—The President shall impose  
3 one or more of the applicable sanctions described in  
4 paragraph (2) with respect to each foreign person  
5 and each agency or instrumentality of a foreign  
6 state designated as a critical cyber threat actor  
7 under subsection (a).

8 (2) SANCTIONS DESCRIBED.—The sanctions de-  
9 scribed in this paragraph are the following:

10 (A) The President may provide for the  
11 withdrawal, limitation, or suspension of non-hu-  
12 manitarian United States development assist-  
13 ance under chapter 1 of part I of the Foreign  
14 Assistance Act of 1961 (22 U.S.C. 2151 et  
15 seq.).

16 (B) The President may provide for the  
17 withdrawal, limitation, or suspension of United  
18 States security assistance under part II of the  
19 Foreign Assistance Act of 1961 (22 U.S.C.  
20 2301 et seq.).

21 (C) The President may direct the United  
22 States executive director to each international  
23 financial institution to use the voice and vote of  
24 the United States to oppose any loan from the  
25 international financial institution that would

1 benefit the designated foreign person or the  
2 designated agency or instrumentality of a for-  
3 eign state.

4 (D) The President may direct the United  
5 States International Development Finance Cor-  
6 poration, or any other United States Govern-  
7 ment agency not to approve the issuance of any  
8 (or a specified number of) guarantees, insur-  
9 ance, extensions of credit, or participation in  
10 the extension of credit.

11 (E) The President may, pursuant to such  
12 regulations or guidelines as the President may  
13 prescribe, prohibit any United States person  
14 from purchasing or selling any publicly traded  
15 securities, or any publicly traded securities that  
16 are derivative of such securities or are designed  
17 to provide investment exposure to such securi-  
18 ties or investing in or purchasing significant  
19 amounts of equity or debt instruments of the  
20 designated foreign person.

21 (F) The President may, pursuant to proce-  
22 dures the President shall prescribe, which shall  
23 include the opportunity to appeal actions under  
24 this subparagraph, prohibit any United States  
25 agency or instrumentality from procuring, or

1 entering into any contract for the procurement  
2 of, any goods, technology, or services, or classes  
3 of goods, technology, or services, from the des-  
4 ignated foreign person or the designated agency  
5 or instrumentality of a foreign state.

6 (G) The President may terminate—

7 (i) sales to that country under the  
8 Arms Export Control Act (22 U.S.C. 2751  
9 et seq.) of any defense articles, defense  
10 services, or design and construction serv-  
11 ices; and

12 (ii) sales to that country of any item  
13 on the United States Munitions List main-  
14 tained pursuant to part 121 of title 22,  
15 Code of Federal Regulations.

16 (H) The President may prohibit the entity  
17 and, when acting for or on the entity's behalf,  
18 its successors, assigns, directors, officers, em-  
19 ployees, representatives, or agents, from directly  
20 or indirectly participating in transactions in-  
21 volving any commodity, software, or technology  
22 subject to United States jurisdiction under the  
23 Export Administration Regulations (“EAR”) or  
24 any other activity subject to the EAR, includ-  
25 ing—

1 (i) applying for, obtaining, or using  
2 any license, license exception, or export  
3 control document;

4 (ii) carrying out negotiations con-  
5 cerning, ordering, buying, receiving, using,  
6 selling, delivering, storing, disposing of,  
7 forwarding, transporting, financing, or  
8 servicing in any way any item exported or  
9 to be exported from the United States that  
10 is subject to the EAR; and

11 (iii) benefitting in any way from any  
12 transaction involving any item exported or  
13 to be exported from the United States that  
14 is subject to the EAR.

15 (I) The President may prohibit  
16 any person, whether a United States  
17 or non-United States person, from en-  
18 gaging in the following activities, ei-  
19 ther directly or indirectly, with the en-  
20 tity:

21 (i) Exporting or reexporting to or on  
22 behalf of the entity any item subject to the  
23 EAR.

24 (ii) Facilitating the acquisition or at-  
25 tempted acquisition by the entity of the



1 ownership, possession, or control of any  
2 item subject to the EAR that has been or  
3 will be exported from the United States,  
4 including financing or other support activi-  
5 ties related to a transaction whereby the  
6 entity acquires or attempts to acquire such  
7 ownership, possession or control.

8 (iii) Acquiring from or facilitating the  
9 acquisition or attempted acquisition from  
10 the entity or any item subject to the EAR  
11 that has been exported from the United  
12 States.

13 (iv) Obtaining from the entity in the  
14 United States any item subject to the EAR  
15 with knowledge or reason to know that the  
16 item will be, or is intended to be, exported  
17 from the United States.

18 (v) Engaging in any transaction to  
19 service any item subject to the EAR that  
20 has been or will be exported from the  
21 United States and which is owned, pos-  
22 sessed, or controlled by the entity if such  
23 service involves the use of any item subject  
24 to the EAR that has been or will be ex-  
25 ported from the United States (for pur-

1           poses of this paragraph “service” means  
2           installation, maintenance, repair, modifica-  
3           tion, or testing).

4           (J)(i) The President may exercise all of  
5           the powers granted to the President under the  
6           International Emergency Economic Powers Act  
7           (50 U.S.C. 1701 et seq.) (except that the re-  
8           quirements of section 202 of such Act (50  
9           U.S.C. 1701) shall not apply) to the extent nec-  
10          essary to block and prohibit all transactions in  
11          property and interests in property of the des-  
12          ignated foreign person if such property and in-  
13          terests in property are in the United States,  
14          come within the United States, or are or come  
15          within the possession or control of a United  
16          States person.

17                 (ii) The penalties provided for in sub-  
18                 sections (b) and (c) of section 206 of the  
19                 International Emergency Economic Powers  
20                 Act (50 U.S.C. 1705) shall apply to a per-  
21                 son that violates, attempts to violate, con-  
22                 spires to violate, or causes a violation of  
23                 regulations prescribed under clause (i) to  
24                 the same extent that such penalties apply  
25                 to a person that commits an unlawful act

1 described in subsection (a) of such section  
2 206.

3 (K) The President may, pursuant to such  
4 regulations as the President may prescribe, pro-  
5 hibit any transfers of credit or payments be-  
6 tween one or more financial institutions or by,  
7 through, or to any financial institution, to the  
8 extent that such transfers or payments are sub-  
9 ject to the jurisdiction of the United States and  
10 involve any interest of the designated foreign  
11 person.

12 (c) TRAVEL-RELATED SANCTIONS.—

13 (1) ALIENS INELIGIBLE FOR VISAS, ADMISSION,  
14 OR PAROLE.—An alien who is designated as a crit-  
15 ical cyber threat actor under subsection (a) is—

16 (A) inadmissible to the United States;

17 (B) ineligible to receive a visa or other doc-  
18 umentation to enter the United States; and

19 (C) otherwise ineligible to be admitted or  
20 paroled into the United States or to receive any  
21 other benefit under the Immigration and Na-  
22 tionality Act (8 U.S.C. 1101 et seq.).

23 (2) CURRENT VISAS REVOKED.—The issuing  
24 consular officer, the Secretary of State, or the Sec-  
25 retary of Homeland Security (or a designee of either

1 such Secretaries) shall revoke any visa or other  
2 entry documentation issued to the foreign person  
3 designated as a critical cyber threat actor under sub-  
4 section (a) regardless of when issued. A revocation  
5 under this clause shall take effect immediately and  
6 shall automatically cancel any other valid visa or  
7 entry documentation that is in the possession of  
8 such foreign person.

9 (d) ADDITIONAL SANCTIONS WITH RESPECT TO  
10 FOREIGN COUNTRIES.—

11 (1) IN GENERAL.—The President may impose  
12 any of the sanctions described in paragraph (2) with  
13 respect to the government of each country that the  
14 President has determined aided, abetted, or directed  
15 a foreign person or agency or instrumentality of a  
16 foreign state designated as a critical cyber threat  
17 actor under subsection (a).

18 (2) SANCTIONS DESCRIBED.—The sanctions re-  
19 ferred to in paragraph (1) are the following:

20 (A) The President may provide for the  
21 withdrawal, limitation, or suspension of non-hu-  
22 manitarian or non-trade-related assistance  
23 United States development assistance under  
24 chapter 1 of part I of the Foreign Assistance  
25 Act of 1961 (22 U.S.C. 2151 et seq.).

1 (B) The President may provide for the  
2 withdrawal, limitation, or suspension of United  
3 States security assistance under part II of the  
4 Foreign Assistance Act of 1961 (22 U.S.C.  
5 2301 et seq.).

6 (C) The President may instruct the United  
7 States Executive Director to each appropriate  
8 international financial institution to oppose, and  
9 vote against the extension by such institution of  
10 any loan or financial assistance to the govern-  
11 ment of the country.

12 (D) No item on the United States Muni-  
13 cations List (maintained pursuant to part 121 of  
14 title 22, Code of Federal Regulations) or the  
15 Commerce Control List set forth in Supplement  
16 No. 1 to part 774 of title 15, Code of Federal  
17 Regulations, may be exported to the govern-  
18 ment of the country or any entity under its in-  
19 fluence, control, or ownership.

20 (E)(i) No intrusion software or IP network  
21 communications surveillance systems or related  
22 items that are subject to the Export Adminis-  
23 tration Regulations, whether or not enumerated  
24 on the Commerce Control List, may be ex-  
25 ported, reexported, or transferred, directly or

1 indirectly, to the government of the country or  
2 any entity under its influence, control, or own-  
3 ership.

4 (ii) For purposes of this subpara-  
5 graph, the terms “intrusion software” and  
6 “IP network communications” mean any—

7 (I) systems, equipment, or com-  
8 ponents specially designed for the gen-  
9 eration, operation or delivery of, or  
10 communication with, with intrusion  
11 software;

12 (II) software specially designed  
13 or modified for the development or  
14 production of such systems, equip-  
15 ment or components;

16 (III) software specially designed  
17 for the generation, operation or deliv-  
18 ery of, or communication with, intru-  
19 sion software; technology required for  
20 the development of intrusion software;  
21 and

22 (IV) internet protocol network  
23 communications surveillance systems  
24 or equipment and test, inspection,  
25 production equipment, specially de-

1 signed components therefor, and de-  
2 velopment and production software  
3 and technology therefor.

4 (e) IMPLEMENTATION.—The President may exercise  
5 all authorities provided under sections 203 and 205 of the  
6 International Emergency Economic Powers Act (50  
7 U.S.C. 1702 and 1704) to carry out this section.

8 (f) COORDINATION.—To the extent practicable—

9 (1) actions taken by the President pursuant to  
10 this section should be coordinated with United  
11 States allies and partners; and

12 (2) the Secretary of State should work with  
13 United States allies and partners, on a voluntary  
14 basis, to lead an international diplomatic initiative  
15 to—

16 (A) deter critical cyber threat actors and  
17 state-sponsored cyber activities; and

18 (B) provide mutual support to such allies  
19 and partners participating in such initiative to  
20 respond to such state-sponsored cyber activities.

21 (g) EXEMPTIONS, WAIVERS, AND REMOVALS OF  
22 SANCTIONS AND DESIGNATIONS.—

23 (1) MANDATORY EXEMPTIONS.—Activities sub-  
24 ject to the reporting requirements of title V of the  
25 National Security Act of 1947 (50 U.S.C. 413 et

1 seq.), and any authorized intelligence activities of  
2 the United States, shall be exempt from the imposi-  
3 tion of sanctions under this section.

4 (2) WAIVER.—The President may waive, on a  
5 case-by-case basis, the imposition of sanctions de-  
6 scribed in this section for a period of not more than  
7 1 year, and may renew such waiver for additional  
8 periods of not more than 1 year, if the President  
9 transmits to the appropriate congressional commit-  
10 tees a written determination that such waiver meets  
11 one or more of the following requirements:

12 (A) Such waiver is in the national interests  
13 of the United States.

14 (B) Such waiver will further the enforce-  
15 ment of this Act or is for an important law en-  
16 forcement purpose.

17 (C) Such waiver is for an important hu-  
18 manitarian purpose.

19 (3) REMOVALS OF SANCTIONS AND DESIGNA-  
20 TIONS.—The President may prescribe rules and reg-  
21 ulations for the removal of sanctions under sub-  
22 sections (b), (c), and (d) and the removal of designa-  
23 tions under subsection (a) if the President deter-  
24 mines that a foreign person, agency or instrumen-  
25 tality of a foreign state, or government of a country



1 subject to such sanctions or such designations, as  
2 the case may be, has verifiably ceased its participa-  
3 tion in any of the conduct with respect to which  
4 such foreign person, agency or instrumentality of a  
5 foreign state, or government was subject to such  
6 sanctions or designation, as the case may be, under  
7 this section, and has given assurances that such for-  
8 eign person, agency or instrumentality of a foreign  
9 state, or government, as the case may be, will no  
10 longer participate in such conduct.

11 (4) EXCEPTION TO COMPLY WITH UNITED NA-  
12 TIONS HEADQUARTERS AGREEMENT.—Sanctions  
13 under subsection (c) shall not apply to a foreign per-  
14 son if admitting such foreign person into the United  
15 States is necessary to permit the United States to  
16 comply with the Agreement regarding the Head-  
17 quarters of the United Nations, signed at Lake Suc-  
18 cess June 26, 1947, and entered into force Novem-  
19 ber 21, 1947, between the United Nations and the  
20 United States, or other applicable international obli-  
21 gations.

22 (h) RULE OF CONSTRUCTION.—Nothing in this sec-  
23 tion may be construed to limit the authority of the Presi-  
24 dent under the International Emergency Economic Powers  
25 Act (50 U.S.C. 1701 et seq.) or any other provision of

1 law to impose sanctions to address critical cyber threat  
2 actors and malicious state-sponsored cyber activities.

3 (i) DEFINITIONS.—In this section:

4 (1) The terms “admitted” and “alien” have the  
5 meanings given such terms in section 101 of the Im-  
6 migration and Nationality Act (8 U.S.C. 1101).

7 (2) The term “appropriate congressional com-  
8 mittees” means—

9 (A) the Committee on Foreign Affairs, the  
10 Committee on Financial Services, the Com-  
11 mittee on the Judiciary, the Committee on  
12 Oversight and Reform, and the Committee on  
13 Homeland Security of the House of Representa-  
14 tives; and

15 (B) the Committee on Foreign Relations,  
16 the Committee on Banking, Housing, and  
17 Urban Affairs, the Committee on the Judiciary,  
18 and the Committee on Homeland Security and  
19 Governmental Affairs of the Senate.

20 (3) The term “agency or instrumentality of a  
21 foreign state” has the meaning given such term in  
22 section 1603(b) of title 28, United States Code.

23 (4) The term “critical infrastructure sector”  
24 means any of the designated critical infrastructure  
25 sectors identified in the Presidential Policy Directive

1 entitled “Critical Infrastructure Security and Resilience”, numbered 21, and dated February 12, 2013.

3 (5) The term “foreign person” means a person  
4 that is not a United States person.

5 (6) The term “foreign state” has the meaning  
6 given such term in section 1603(a) of title 28,  
7 United States Code.

8 (7) The term “knowingly”, with respect to con-  
9 duct, a circumstance, or a result, means that a per-  
10 son has actual knowledge, or should have known, of  
11 the conduct, the circumstance, or the result.

12 (8) The term “misappropriation” means taking  
13 or obtaining by improper means, without permission  
14 or consent, or under false pretenses.

15 (9) The term “state-sponsored cyber activities”  
16 means any malicious cyber-enabled activities that—

17 (A) are carried out by a government of a  
18 foreign country or an agency or instrumentality  
19 of a foreign state; or

20 (B) are carried out by a foreign person  
21 that is aided, abetted, or directed by a govern-  
22 ment of a foreign country or an agency or in-  
23 strumentality of a foreign state.

24 (10) The term “United States person” means—

1                   (A) a United States citizen or an alien law-  
2                   fully admitted for permanent residence to the  
3                   United States; or

4                   (B) an entity organized under the laws of  
5                   the United States or of any jurisdiction within  
6                   the United States, including a foreign branch of  
7                   such an entity.

