

116TH CONGRESS  
1ST SESSION

# H. R. 2565

To implement the recommendations of the U.S.–China Economic and Security Review Commission, and for other purposes.

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## IN THE HOUSE OF REPRESENTATIVES

MAY 7, 2019

Mr. SHERMAN (for himself and Mr. GALLAGHER) introduced the following bill; which was referred to the Committee on Ways and Means, and in addition to the Committees on Foreign Affairs, Oversight and Reform, the Judiciary, Intelligence (Permanent Select), Armed Services, and Energy and Commerce, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned

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## A BILL

To implement the recommendations of the U.S.–China Economic and Security Review Commission, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*  
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “U.S.–China Economic  
5 and Security Review Act of 2019”.

1 **SEC. 2. ANNUAL REPORT ON SUPPLY CHAIN VULNERABILI-**  
2 **TIES RELATED TO THE PEOPLE’S REPUBLIC**  
3 **OF CHINA.**

4 Section 3603 of title 44, United States Code, is  
5 amended by adding at the end the following:

6 “(g)(1) In this subsection, the term ‘Internet of  
7 Things’ means physical devices embedded with sensors  
8 that can collect data and connect to each other and the  
9 broader internet.

10 “(2) Not later than 180 days after the date of the  
11 enactment of this subsection, and not less frequently than  
12 annually thereafter, the Chief Information Officers Coun-  
13 cil shall submit to Congress a report on supply chain  
14 vulnerabilities related to the People’s Republic of China  
15 that includes the following:

16 “(A) An assessment of the supply chain risk  
17 posed by the People’s Republic of China to each  
18 Federal agency.

19 “(B) A description of how each Federal agency  
20 is mitigating the supply chain risk posed by the Peo-  
21 ple’s Republic of China.

22 “(C) An assessment of the existing procurement  
23 and security policies and guidance of each Federal  
24 agency with respect to cybersecurity, operations se-  
25 curity, physical security, information security, and  
26 data security that may affect information and com-

1       communications technology, fifth generation mobile net-  
2       works (commonly known as ‘5G networks’), and the  
3       Internet of Things, that describes the following:

4               “(i) Areas for which new policies and guid-  
5               ance may be needed, including for specific in-  
6               formation and communications technology, 5G  
7               networks, and the Internet of Things, including  
8               applications or procedures related to the Inter-  
9               net of Things.

10              “(ii) Areas for which existing security poli-  
11              cies and guidance can be updated to address  
12              vulnerabilities with respect to supply chain se-  
13              curity, cybersecurity, operations security, phys-  
14              ical security, information security, and data se-  
15              curity.”.

16   **SEC. 3. REPORT ON WTO PROCEEDINGS.**

17       (a) IN GENERAL.—Not later than 180 days after the  
18       date of the enactment of this Act, the United States Trade  
19       Representative shall submit to Congress a report assessing  
20       whether it is in the national interests of the United States  
21       to file, in coordination with allies and partners of the  
22       United States, a complaint against the People’s Republic  
23       of China at the World Trade Organization under section  
24       1 of Article XXIII of GATT 1994 alleging that the Peo-  
25       ple’s Republic of China has—

1 (1) nullified or impaired a benefit accruing to  
2 the United States under the WTO Agreement with-  
3 out violating that Agreement; and

4 (2) committed other specific violations of com-  
5 mitments under that Agreement.

6 (b) DEFINITIONS.—In this section, the terms “GATT  
7 1994” and “WTO Agreement” have the meanings given  
8 those terms in section 2 of the Uruguay Round Agree-  
9 ments Act (19 U.S.C. 3501).

10 **SEC. 4. REPORT ON INTIMIDATION OF UNITED STATES**  
11 **RESIDENTS.**

12 Not later than 180 days after the date of the enact-  
13 ment of this Act, the Attorney General shall submit to  
14 Congress a report explaining whether, and if so, how, the  
15 Department of Justice is utilizing Federal criminal law,  
16 including section 241 of title 18, United States Code (re-  
17 lating to conspiracy against rights), to prosecute affiliates  
18 of the Chinese Communist Party who threaten, coerce, or  
19 otherwise intimidate United States residents.

20 **SEC. 5. CLEAR LABELING FOR INFORMATIONAL MATE-**  
21 **RIALS DISTRIBUTED ON BEHALF OF FOREIGN**  
22 **PRINCIPALS.**

23 Section 4(b) of the Foreign Agents Registration Act  
24 of 1938 (22 U.S.C. 614(b)) is amended by adding at the  
25 end the following: “Informational materials which are re-

1 quired to be labeled under this subsection and which are  
2 in the form of prints shall be marked or stamped conspicu-  
3 ously at the top of the first page of such materials with  
4 a statement in the language or languages used therein,  
5 setting forth such information as is required under this  
6 subsection.”.

7 **SEC. 6. NATIONAL INTELLIGENCE ESTIMATE ON ACCESS**  
8 **AND BASING FACILITIES OF THE PEOPLE’S**  
9 **REPUBLIC OF CHINA.**

10 (a) IN GENERAL.—Not later than 180 days after the  
11 date of the enactment of this Act, the Director of National  
12 Intelligence shall submit to Congress a National Intel-  
13 ligence Estimate on the access and basing facilities of the  
14 People’s Republic of China.

15 (b) CONTENTS.—The National Intelligence Estimate  
16 submitted under subsection (a) shall include a description  
17 of the effect of existing and potential access and basing  
18 facilities of the People’s Republic of China along the Silk  
19 Road Economic Belt and the New Maritime Silk Road on  
20 the following:

21 (1) Freedom of navigation and sea control, in  
22 peacetime and during periods of conflict.

23 (2) The regional political and security interests  
24 of the United States and allies of the United States.

1 (c) FORM.—The National Intelligence Estimate sub-  
 2 mitted under subsection (a) shall be submitted in unclassi-  
 3 fied form, but may include a classified annex.

4 **SEC. 7. ANNUAL REPORT ON INFLUENCE AND PROPAGANDA**  
 5 **ACTIVITIES OF THE CHINESE COMMUNIST PARTY IN THE UNITED STATES.**  
 6

7 (a) IN GENERAL.—Title IX of the Intelligence Au-  
 8 thorization Act for Fiscal Year 2003 (Public Law 107–  
 9 306) is amended by adding at the end the following:

10 **“SEC. 905. ANNUAL REPORT ON INFLUENCE AND PROPAGANDA**  
 11 **ACTIVITIES OF THE CHINESE COMMUNIST PARTY IN THE UNITED STATES.**  
 12

13 “(a) ANNUAL REPORT REQUIRED.—Not later than  
 14 180 days after the date of the enactment of this section,  
 15 and not less frequently than annually thereafter, the Di-  
 16 rector of the National Counterintelligence and Security  
 17 Center shall submit to Congress a report on the influence  
 18 and propaganda activities of the Chinese Communist  
 19 Party in the United States.

20 “(b) FORM.—The report submitted under subsection  
 21 (a) shall be submitted in unclassified form, but may in-  
 22 clude a classified annex.”.

23 (b) CLERICAL AMENDMENT.—The table of contents  
 24 in section 1(b) of the Intelligence Authorization Act for  
 25 Fiscal Year 2003 (Public Law 107–306) is amended by

1 inserting after the item relating to section 904 the fol-  
2 lowing:

“Sec. 905. Annual report on influence and propaganda activities of the Chinese  
Communist Party in the United States.”.

3 **SEC. 8. REPORT ON THE CHINA COAST GUARD.**

4 (a) IN GENERAL.—Not later than 180 days after the  
5 date of the enactment of this Act, the Secretary of Defense  
6 and the Secretary of Homeland Security shall jointly sub-  
7 mit to the appropriate congressional committees a report  
8 on the China Coast Guard (referred to in this section as  
9 the “CCG”).

10 (b) CONTENTS.—The report submitted under sub-  
11 section (a) shall include an assessment of the following:

12 (1) How the change in the command structure  
13 of the CCG affects the status of the CCG as a law  
14 enforcement entity considering that the CCG now re-  
15 ports to the Central Military Commission.

16 (2) The implications of the new command  
17 structure of the CCG with respect to the use of the  
18 CCG as a coercive tool in “gray zone” activity in the  
19 East China Sea and the South China Sea.

20 (3) How the change in the command structure  
21 of the CCG may affect interactions between the  
22 United States Navy and the United States Coast  
23 Guard and the China Coast Guard.

1           (4) Whether the China Coast Guard should be  
2           designated as a military force by the Secretary of  
3           Defense and the Secretary of Homeland Security.

4           (c) FORM.—The report submitted under subsection  
5           (a) shall be submitted in unclassified form, but may in-  
6           clude a classified annex.

7           (d) APPROPRIATE CONGRESSIONAL COMMITTEES  
8           DEFINED.—In this section, the term “appropriate con-  
9           gressional committees” means—

10           (1) the Committee on Foreign Relations, the  
11           Committee on Armed Services, the Committee on  
12           Homeland Security and Governmental Affairs, and  
13           the Committee on Appropriations of the Senate; and

14           (2) the Committee on Foreign Affairs, the  
15           Committee on Armed Services, the Committee on  
16           Homeland Security, and the Committee on Appro-  
17           priations of the House of Representatives.

18 **SEC. 9. REPORT ON STEPS TO PROTECT 5G NETWORKS.**

19           Not later than 180 days after the date of the enact-  
20           ment of this Act, the Assistant Secretary of Commerce  
21           for Communications and Information and the Federal  
22           Communications Commission shall jointly submit to Con-  
23           gress a report that includes the following:

24           (1) The steps required to ensure the rapid and  
25           secure deployment of fifth generation mobile net-



works (commonly known as “5G networks”), with a particular focus on the threat posed by equipment and services designed or manufactured in the People’s Republic of China.

(2) How the executive branch agencies are implementing the steps described in paragraph (1).

(3) Any new statutory authorities that may be required to ensure the security of domestic 5G networks.

**SEC. 10. GAO REPORT ON UNITED STATES–CHINA TECHNICAL COOPERATION.**

(a) ASSESSMENT.—

(1) IN GENERAL.—The Comptroller General of the United States shall conduct an assessment of collaborative initiatives between the United States and the People’s Republic of China relating to technical cooperation.

(2) DUTIES.—In carrying out the assessment required by paragraph (1), the Comptroller General shall—

(A) describe the nature of technical cooperation between the United States and the People’s Republic of China, including funding, participation, and reporting on the outcomes;

1 (B) detail the licensing and regulatory re-  
2 gime under which collaborative initiatives de-  
3 scribed in paragraph (1) occur;

4 (C) consider whether the intellectual prop-  
5 erty rights of researchers and entities of the  
6 United States are being adequately protected;

7 (D) examine whether state-owned enter-  
8 prises or the military of the People's Republic  
9 of China are benefitting from research funded  
10 by the taxpayers of the United States;

11 (E) investigate if any researchers of the  
12 People's Republic of China participating in col-  
13 laborative initiatives described in paragraph (1)  
14 have ties to the Government or the military of  
15 the People's Republic of China;

16 (F) investigate if any institutions of higher  
17 education, laboratories, or other entities of the  
18 United States participating in collaboration led  
19 by the Government of the United States with  
20 the People's Republic of China have been sub-  
21 ject to cyber penetration originating in the Peo-  
22 ple's Republic of China;

23 (G) evaluate the benefits of the collabora-  
24 tion for the United States; and

1 (H) examine redundancies, if any, among  
2 various government-led collaborative programs  
3 between the United States and the People's Re-  
4 public of China, and make suggestions for im-  
5 proving technical collaboration.

6 (b) REPORT REQUIRED.—Not later than 180 days  
7 after the date of the enactment of this Act, the Comp-  
8 troller General shall submit to Congress a report on the  
9 assessment required by subsection (a)(1).

10 **SEC. 11. REPORT ON CHINESE ENFORCEMENT OF SANC-**  
11 **TIONS AGAINST NORTH KOREA.**

12 (a) IN GENERAL.—Not later than 180 days after the  
13 date of the enactment of this Act, the Secretary of the  
14 Treasury shall submit to Congress a report on the current  
15 state of the enforcement by the Government of the Peo-  
16 ple's Republic of China of sanctions imposed by the United  
17 Nations with respect to the Democratic People's Republic  
18 of Korea.

19 (b) FORM.—The report submitted under subsection  
20 (a) shall be submitted in unclassified form but shall in-  
21 clude a classified annex that includes the following:

22 (1) A list of financial institutions, other enti-  
23 ties, and officials of the People's Republic of China  
24 for which sanctions may be imposed with respect to  
25 the Democratic People's Republic of Korea.

1           (2) Whether the Government of the United  
2       States has imposed sanctions with respect to any in-  
3       stitution, entity, or official described paragraph (1)  
4       and, if so, an identification of such institution, enti-  
5       ty, or official.

6           (3) Whether any foreign country has imposed  
7       sanctions with respect to any institution, entity, or  
8       official described in paragraph (1) and, if so, an  
9       identification of such institution, entity, or official.

10 **SEC. 12. REPORT ON TRADE-DISTORTING PRACTICES OF**  
11 **THE PEOPLE’S REPUBLIC OF CHINA.**

12       Not later than 180 days after the date of the enact-  
13       ment of this Act, the United States Trade Representative  
14       shall submit to Congress a report that includes the fol-  
15       lowing:

16           (1) An identification of the trade-distorting  
17       practices of the state-owned enterprises of the Peo-  
18       ple’s Republic of China.

19           (2) A description of how the Office of the  
20       United States Trade Representative is counteracting  
21       the anticompetitive impact of the practices described  
22       in paragraph (1).

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