

117TH CONGRESS
2D SESSION

H. R. 7138

To establish procedures to include certain foreign persons that pose a threat to the security of supply chains of Internet of Things devices on the Department of Commerce’s Entity List, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

MARCH 17, 2022

Mr. OBERNOLTE (for himself and Ms. JACOBS of California) introduced the following bill; which was referred to the Committee on Foreign Affairs, and in addition to the Committee on Oversight and Reform, 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

A BILL

To establish procedures to include certain foreign persons that pose a threat to the security of supply chains of Internet of Things devices on the Department of Commerce’s Entity List, 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 “Protecting Against
5 Compromised Internet of Things Technology Act”.

1 **SEC. 2. RECOMMENDATIONS TO INCLUDE COVERED FOR-**
2 **EIGN PERSONS ON THE ENTITY LIST.**

3 (a) IN GENERAL.—Not later than 90 days after the
4 date of the enactment of this Act, the Secretary of Com-
5 merce, acting through the Bureau of Industry and Secu-
6 rity, shall submit to the End-User Review Committee—

7 (1) a list of covered foreign persons, if any, that
8 the Secretary determines pose a threat to the secu-
9 rity of supply chains of Internet of Things devices;
10 and

11 (2) a recommendation of whether or not to in-
12 clude each such covered foreign person on the Entity
13 List or make other modifications to the Entity List
14 as appropriate.

15 (b) UPDATES OF LIST.—The Secretary of Commerce
16 shall submit to the End-User Review Committee an up-
17 dated list and corresponding recommendations under
18 paragraph (1)—

19 (1) not later than 180 days after the date of
20 the enactment of this Act, and every 180 days there-
21 after; and

22 (2) as new information becomes available.

23 **SEC. 3. CONSIDERATION AND VOTE TO INCLUDE COVERED**
24 **FOREIGN PERSONS ON THE ENTITY LIST.**

25 Not later than 90 days after receiving a list of cov-
26 ered foreign persons and corresponding recommendations

1 required by section 2, the End-User Review Committee
2 shall convene a meeting—

3 (1) to consider such list of covered foreign per-
4 sons and corresponding recommendations; and

5 (2) to hold a vote with respect to including each
6 such covered foreign person on the Entity List or
7 make other modifications to the Entity List as ap-
8 propriate.

9 **SEC. 4. FEDERAL FINANCIAL ASSISTANCE PROHIBITION.**

10 In the event that any company is on the list described
11 under section 3—

12 (1) that company may not receive any Federal
13 financial assistance; and

14 (2) the Federal Government may not enter into
15 any contract with such company for any Internet of
16 Things device.

17 **SEC. 5. DEFINITIONS.**

18 In this Act:

19 (1) COVERED FOREIGN PERSON.—The term
20 “covered foreign person”—

21 (A) means a foreign person that produces
22 an Internet of Things device; and

23 (B) includes a parent company, subsidiary,
24 or relevant senior officer or other official of
25 such foreign person.

1 (2) END-USER REVIEW COMMITTEE.—The term
2 “End-User Review Committee” means the End-User
3 Review Committee described in Supplement No. 9 to
4 part 748 of the Export Administration Regulations.

5 (3) ENTITY LIST.—The term “Entity List”
6 means the list maintained by the Bureau of Industry
7 and Security of the Department of Commerce and
8 set forth in Supplement No. 4 to part 744 of title
9 15, Code of Federal Regulations.

10 (4) EXPORT ADMINISTRATION REGULATIONS.—
11 The term “Export Administration Regulations”
12 means subchapter C of chapter VII of title 15, Code
13 of Federal Regulations.

14 (5) FEDERAL FINANCIAL ASSISTANCE.—The
15 term “Federal financial assistance” means any form
16 of loan, grant, guarantee, insurance, payment, re-
17 bate, subsidy, or any other form of direct or indirect
18 Federal assistance (including general or special rev-
19 enue sharing or formula grants made to States) ap-
20 proved by any Federal officer or agency.

21 (6) FOREIGN PERSON.—The term “foreign per-
22 son” means a person that is not a United States
23 person.

24 (7) INTERNET OF THINGS DEVICE.—The term
25 “Internet of Things device” means a device de-

1 scribed in section 2(4) of the Internet of Things Cy-
2 bersecurity Improvement Act of 2020 (15 U.S.C.
3 278g–3a note).

4 (8) UNITED STATES PERSON.—The term
5 “United States person” means—

6 (A) a United States citizen or an alien law-
7 fully admitted for permanent residence to the
8 United States; or

9 (B) an entity organized under the laws of
10 the United States or of any jurisdiction within
11 the United States, including a foreign branch of
12 such an entity.

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