

117TH CONGRESS  
2D SESSION

# H. R. 8636

To counter the military-civil fusion strategy of the Chinese Communist Party and prevent United States contributions to the development of dual-use technology in China.

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## IN THE HOUSE OF REPRESENTATIVES

AUGUST 2, 2022

Mr. BANKS introduced the following bill; which was referred to the Committee on Armed Services, and in addition to the Committees on Science, Space, and Technology, Energy and Commerce, and Education and Labor, 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 counter the military-civil fusion strategy of the Chinese Communist Party and prevent United States contributions to the development of dual-use technology in China.

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 “Preventing PLA Ac-  
5 quisition of United States Technology Act of 2022”.

1 **SEC. 2. COUNTERING THE MILITARY-CIVIL FUSION STRAT-**  
2 **EGY OF THE CHINESE COMMUNIST PARTY.**

3 (a) DEFINITIONS.—In this section:

4 (1) CHINESE ENTITY OF CONCERN.—The term  
5 “Chinese entity of concern” means—

6 (A) any college or university in the Peo-  
7 ple’s Republic of China that is determined by  
8 the Secretary of Defense to be involved in the  
9 implementation of the military-civil fusion strat-  
10 egy, including—

11 (i) any college or university known as  
12 the “Seven Sons of National Defense”;

13 (ii) any college or university that re-  
14 ceives funding from—

15 (I) the People’s Liberation Army;

16 or

17 (II) the Equipment Development  
18 Department, or the Science and Tech-  
19 nology Commission, of the Central  
20 Military Commission;

21 (iii) any college or university in the  
22 People’s Republic of China involved in  
23 military training and education, including  
24 any such college or university in partner-  
25 ship with the People’s Liberation Army;

1           (iv) any college or university in the  
2           People’s Republic of China that conducts  
3           military research or hosts dedicated mili-  
4           tary initiatives or laboratories, including  
5           such a college or university designated  
6           under the “double first-class university  
7           plan”;

8           (v) any college or university in the  
9           People’s Republic of China that is des-  
10          ignated by the State Administration for  
11          Science, Technology, and Industry for the  
12          National Defense to host “joint construc-  
13          tion” programs;

14          (vi) any college or university in the  
15          People’s Republic of China that has  
16          launched a platform for military-civil fu-  
17          sion or created national defense labora-  
18          tories; and

19          (vii) any college or university in the  
20          People’s Republic of China that conducts  
21          research or hosts dedicated initiatives or  
22          laboratories for any other related security  
23          entity beyond the People’s Liberation  
24          Army, including the People’s Armed Po-

1           lice, the Ministry of Public Security, and  
2           the Ministry of State Security;

3           (B) any enterprise for which the majority  
4           shareholder or ultimate parent entity is the  
5           Government of the People's Republic of China  
6           at any level of that government;

7           (C) any privately owned company in the  
8           People's Republic of China—

9                   (i) that has received a military pro-  
10                  duction license, such as the Weapons and  
11                  Equipment Research and Production Cer-  
12                  tificate, the Equipment Manufacturing  
13                  Unit Qualification, the Weapons and  
14                  Equipment Quality Management System  
15                  Certificate, or the Weapons and Equip-  
16                  ment Research and Production Unit Clas-  
17                  sified Qualification Permit;

18                   (ii) that is otherwise known to have  
19                  set up mechanisms for engaging in activity  
20                  in support of military initiatives;

21                   (iii) that has a history of subcon-  
22                  tracting for the People's Liberation Army  
23                  or its affiliates;

1 (iv) that is participating in, or receiv-  
2 ing benefits under, a military-civil fusion  
3 demonstration base; or

4 (v) that has an owner, director, or a  
5 senior management official who has served  
6 as a delegate to the National People's Con-  
7 gress, a member of the Chinese People's  
8 Political Consultative Conference, or a  
9 member of the Central Committee of the  
10 Chinese Communist Party; and

11 (D) any entity that—

12 (i) is identified by the Secretary of  
13 Defense under section 1260H(a) of the  
14 William M. (Mac) Thornberry National  
15 Defense Authorization Act for Fiscal Year  
16 2021 (10 U.S.C. 113 note) as a Chinese  
17 military company; and

18 (ii) is included in the Non-SDN Chi-  
19 nese Military-Industrial Complex Compa-  
20 nies List published by the Department of  
21 the Treasury.

22 (2) COVERED ENTITY.—The term “covered en-  
23 tity” means—

24 (A) any Federal agency that engages in re-  
25 search or provides funding for research, includ-

1 ing the National Science Foundation and the  
2 National Institutes of Health;

3 (B) any institution of higher education, or  
4 any other private research institution, that re-  
5 ceives any Federal financial assistance; and

6 (C) any private company headquartered in  
7 the United States that receives Federal finan-  
8 cial assistance.

9 (3) FEDERAL FINANCIAL ASSISTANCE.—The  
10 term “Federal financial assistance” has the meaning  
11 given the term in section 200.1 of title 2, Code of  
12 Federal Regulations (or successor regulations).

13 (4) MILITARY-CIVIL FUSION STRATEGY.—The  
14 term “military-civil fusion strategy” means the  
15 strategy of the Chinese Communist Party aiming to  
16 mobilize non-military resources and expertise for  
17 military application, including the development of  
18 technology, improvements in logistics, and other uses  
19 by the People’s Liberation Army.

20 (b) PROHIBITIONS.—

21 (1) IN GENERAL.—No covered entity may en-  
22 gage with a Chinese entity of concern in any sci-  
23 entific research or technical exchange that has a di-  
24 rect bearing on, or the potential for dual use in, the  
25 development of technologies that the Chinese Com-

1       munist Party has identified as a priority of its na-  
2       tional strategy of military-civil fusion and that are  
3       listed on the website under subsection (c)(1)(A).

4               (2) PRIVATE PARTNERSHIPS.—No covered enti-  
5       ty described in subsection (a)(2)(C) may form a  
6       partnership or joint venture with another such cov-  
7       ered entity for the purpose of engaging in any sci-  
8       entific research or technical exchange described in  
9       paragraph (1).

10       (c) WEBSITE.—

11               (1) IN GENERAL.—The Secretary of Defense, in  
12       consultation with the Secretary of State, the Direc-  
13       tor of National Intelligence, the Director of the Fed-  
14       eral Bureau of Investigation, the Secretary of En-  
15       ergy, the Secretary of Education, the Secretary of  
16       the Treasury, and the Secretary of Commerce, shall  
17       establish, and periodically update not less than twice  
18       a year, a website that includes—

19               (A) a list of the specific areas of scientific  
20       research or technical exchange for which the  
21       prohibitions under subsection (b) apply, which  
22       shall initially include some or all aspects of the  
23       fields of quantum computing, photonics and la-  
24       sers, robotics, big data analytics, semiconduc-  
25       tors, new and advanced materials, biotechnology

(including synthetic biology and genetic engineering), 5G and all future generations of telecommunications, advanced nuclear technology (including nuclear power and energy storage), aerospace technology, and artificial intelligence; and

(B) to the extent practicable, a list of all Chinese entities of concern.

(2) LIST OF SPECIFIC AREAS.—In developing the list under paragraph (1)(A), the Secretary of Defense shall monitor and consider the fields identified by the State Administration for Science, Technology, and Industry for the National Defense of the People’s Republic of China as defense-relevant and consider, including the more than 280 fields of study designated as of the date of enactment of this Act, and any others designated thereafter, as disciplines with national defense characteristics that have the potential to support military-civil fusion.

(3) RESOURCES.—In establishing the website under paragraph (1), the Secretary of Defense may use as a model any existing resources, such as the China Defense Universities Tracker maintained by the Australian Strategic Policy Institute, subject to any other laws applicable to such resources.



1 (d) EXCEPTION.—The prohibitions under subsection  
2 (b) shall not apply to any collaborative study or research  
3 project in fields involving information that would not con-  
4 tribute substantially to the goals of the military-civil fu-  
5 sion strategy, as determined by regulations issued by the  
6 Secretary of Defense.

7 (e) ANNUAL REPORTING REQUIREMENTS.—

8 (1) IN GENERAL.—Not later than 180 days  
9 after the date of enactment of this Act, and Decem-  
10 ber 31 of each year thereafter, each covered entity  
11 shall submit to the Secretary of Defense a report  
12 that discloses—

13 (A) any research relationships the covered  
14 entity has with a Chinese entity of concern or  
15 has had during the previous year;

16 (B) any research relationships the covered  
17 entity has considered with a Chinese entity of  
18 concern during the previous year and declined;  
19 and

20 (C) any research relationships the covered  
21 entity has terminated with a Chinese entity of  
22 concern during the previous year because the  
23 relationship violates subsection (b) or as a re-  
24 sult of related concerns.

1           (2) AUDIT.—The Secretary of Defense may  
2       enter into a contract with an independent entity to  
3       conduct an audit of any report submitted under  
4       paragraph (1) to ensure compliance with the re-  
5       quirements of such paragraph.

6       (f) ENFORCEMENT.—

7           (1) IN GENERAL.—Notwithstanding any other  
8       provision of law, a covered entity described in sub-  
9       paragraph (B) or (C) of subsection (a)(2) that vio-  
10      lates a prohibition under subsection (b), or violates  
11      subsection (e), on or after the date of enactment of  
12      this Act shall be precluded from receiving any Fed-  
13      eral financial assistance on or after the date of such  
14      violation.

15          (2) REGULATIONS.—The Secretary of Defense,  
16      in consultation with the Secretary of State, the Di-  
17      rector of National Intelligence, the Director of the  
18      Federal Bureau of Investigation, the Secretary of  
19      Energy, the Secretary of Education, the Secretary of  
20      the Treasury, and the Secretary of Commerce,  
21      shall—

22              (A) promulgate regulations to enforce the  
23              prohibitions under subsection (b), the auditing  
24              requirements under subsection (e), and the re-  
25              quirement under paragraph (1); and

1                   (B) coordinate with the heads of other  
2           Federal agencies to ensure the enforcement of  
3           such prohibitions and requirements.

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