

117TH CONGRESS
2D SESSION

H. R. 7302

To impose sanctions with respect to designated critical cyber threat actors,
and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

MARCH 30, 2022

Mr. PFLUGER (for himself, Mr. McCAUL, Mr. GIMENEZ, Mr. McKINLEY, and Mrs. MILLER-MEEKS) introduced the following bill; which was referred to the Committee on Foreign Affairs, and in addition to the Committees on Financial Services, Oversight and Reform, and the Judiciary, 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 impose sanctions with respect to designated critical cyber
threat actors, 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 “Cyber Deterrence and
5 Response Act of 2022”.

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

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

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

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

23 (i) causing a significant disruption to
24 the availability of a computer or network
25 of computers;

1 (ii) harming, or otherwise significantly
2 compromising the provision of service by, a
3 computer or network of computers that
4 support one or more entities in a critical
5 infrastructure sector;

6 (iii) significantly compromising the
7 provision of services by one or more enti-
8 ties in a critical infrastructure sector;

9 (iv) causing a significant misappro-
10 piation of funds or economic resources,
11 trade secrets, personal identifiers, health
12 or financial information for commercial or
13 competitive advantage or private financial
14 gain;

15 (v) destabilizing the financial sector of
16 the United States by tampering with, alter-
17 ing, or causing a misappropriation of data;

18 (vi) causing a significant disruption to
19 the energy sector of the United States by
20 tampering with or altering data or equip-
21 ment necessary for the operation of the en-
22 ergy sector in the United States; or

23 (vii) interfering with or undermining
24 election processes or government institu-

1 tions by tampering with, altering, or caus-
2 ing misappropriation of data;

3 (B) each foreign person that the President
4 has determined to have knowingly, significantly,
5 and materially assisted, sponsored, or provided
6 financial, material, or technological support for,
7 or goods or services to or in support of, any ac-
8 tivities described in subparagraph (A) by a for-
9 eign person or agency or instrumentality of a
10 foreign state designated as a critical cyber
11 threat actor under subparagraph (A);

12 (C) each agency or instrumentality of a
13 foreign state that the President has determined
14 to have significantly and materially assisted,
15 sponsored, or provided financial, material, or
16 technological support for, or goods or services
17 to or in support of, any activities described in
18 subparagraph (A) by a foreign person or agency
19 or instrumentality of a foreign state designated
20 as a critical cyber threat actor under subpara-
21 graph (A); and

22 (D) any person determined by the Presi-
23 dent to be responsible for or complicit in, or to
24 have engaged in, the receipt or use for commer-
25 cial or competitive advantage or private finan-

1 cial gain, or by a commercial entity, outside the
2 United States of data or information, including
3 trade secrets, misappropriated through cyber-
4 enabled means, knowing they have been mis-
5 appropriated, where the misappropriation of
6 such trade secrets is reasonably likely to result
7 in, or has materially contributed to, a signifi-
8 cant threat to the national security, foreign pol-
9 icy, or economic health or financial stability of
10 the United States or personal safety of Amer-
11 ican citizens.

12 (2) TRANSMISSION TO CONGRESS.—Not later
13 than 7 calendar days after designating a foreign per-
14 son or agency or instrumentality of a foreign state
15 as a critical cyber threat actor under paragraph (1),
16 the President shall transmit to the appropriate con-
17 gressional committees in classified or unclassified
18 form a report identifying the designee.

19 (b) NON-TRAVEL-RELATED SANCTIONS.—

20 (1) IN GENERAL.—The President shall impose
21 one or more of the applicable sanctions described in
22 paragraph (2) with respect to each foreign person
23 and each agency or instrumentality of a foreign
24 state designated as a critical cyber threat actor
25 under subsection (a).

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

3 (A) The President may provide for the
4 withdrawal, limitation, or suspension of non-hu-
5 manitarian United States development assist-
6 ance under chapter 1 of part I of the Foreign
7 Assistance Act of 1961 (22 U.S.C. 2151 et
8 seq.).

9 (B) The President may provide for the
10 withdrawal, limitation, or suspension of United
11 States security assistance under part II of the
12 Foreign Assistance Act of 1961 (22 U.S.C.
13 2301 et seq.).

14 (C) The President may direct the United
15 States executive director to each international
16 financial institution to use the voice and vote of
17 the United States to oppose any loan from the
18 international financial institution that would
19 benefit the designated foreign person or the
20 designated agency or instrumentality of a for-
21 eign state.

22 (D) The President may direct the United
23 States International Development Finance Cor-
24 poration, or any other United States Govern-
25 ment agency not to approve the issuance of any

1 (or a specified number of) guarantees, insur-
2 ance, extensions of credit, or participation in
3 the extension of credit.

4 (E) The President may, pursuant to such
5 regulations or guidelines as the President may
6 prescribe, prohibit any United States person
7 from purchasing or selling any publicly traded
8 securities, or any publicly traded securities that
9 are derivative of such securities or are designed
10 to provide investment exposure to such securi-
11 ties or investing in or purchasing significant
12 amounts of equity or debt instruments of the
13 designated foreign person.

14 (F) The President may, pursuant to proce-
15 dures the President shall prescribe, which shall
16 include the opportunity to appeal actions under
17 this subparagraph, prohibit any United States
18 agency or instrumentality from procuring, or
19 entering into any contract for the procurement
20 of, any goods, technology, or services, or classes
21 of goods, technology, or services, from the des-
22 ignated foreign person or the designated agency
23 or instrumentality of a foreign state.

24 (G) The President may terminate—

1 (i) sales to that country under the
2 Arms Export Control Act (22 U.S.C. 2751
3 et seq.) of any defense articles, defense
4 services, or design and construction serv-
5 ices; and

6 (ii) sales to that country of any item
7 on the United States Munitions List main-
8 tained pursuant to part 121 of title 22,
9 Code of Federal Regulations.

10 (H) The President may prohibit the entity
11 and, when acting for or on the entity's behalf,
12 its successors, assigns, directors, officers, em-
13 ployees, representatives, or agents, from directly
14 or indirectly participating in transactions in-
15 volving any commodity, software, or technology
16 subject to United States jurisdiction under the
17 Export Administration Regulations ("EAR") or
18 any other activity subject to the EAR, includ-
19 ing—

20 (i) applying for, obtaining, or using
21 any license, license exception, or export
22 control document;

23 (ii) carrying out negotiations con-
24 cerning, ordering, buying, receiving, using,
25 selling, delivering, storing, disposing of,

1 forwarding, transporting, financing, or
2 servicing in any way any item exported or
3 to be exported from the United States that
4 is subject to the EAR; and

5 (iii) benefitting in any way from any
6 transaction involving any item exported or
7 to be exported from the United States that
8 is subject to the EAR.

9 (I) The President may prohibit any person,
10 whether a United States or non-United States
11 person, from engaging in the following activi-
12 ties, either directly or indirectly, with the entity:

13 (i) Exporting or reexporting to or on
14 behalf of the entity any item subject to the
15 EAR.

16 (ii) Facilitating the acquisition or at-
17 tempted acquisition by the entity of the
18 ownership, possession, or control of any
19 item subject to the EAR that has been or
20 will be exported from the United States,
21 including financing or other support activi-
22 ties related to a transaction whereby the
23 entity acquires or attempts to acquire such
24 ownership, possession or control.

1 (iii) Acquiring from or facilitating the
2 acquisition or attempted acquisition from
3 the entity or any item subject to the EAR
4 that has been exported from the United
5 States.

6 (iv) Obtaining from the entity in the
7 United States any item subject to the EAR
8 with knowledge or reason to know that the
9 item will be, or is intended to be, exported
10 from the United States.

11 (v) Engaging in any transaction to
12 service any item subject to the EAR that
13 has been or will be exported from the
14 United States and which is owned, pos-
15 sessed, or controlled by the entity if such
16 service involves the use of any item subject
17 to the EAR that has been or will be ex-
18 ported from the United States (for pur-
19 poses of this paragraph “service” means
20 installation, maintenance, repair, modifica-
21 tion, or testing).

22 (J)(i) The President may exercise all of
23 the powers granted to the President under the
24 International Emergency Economic Powers Act
25 (50 U.S.C. 1701 et seq.) (except that the re-

1 quirements of section 202 of such Act (50
2 U.S.C. 1701) shall not apply) to the extent nec-
3 essary to block and prohibit all transactions in
4 property and interests in property of the des-
5 ignated foreign person if such property and in-
6 terests in property are in the United States,
7 come within the United States, or are or come
8 within the possession or control of a United
9 States person.

10 (ii) The penalties provided for in sub-
11 sections (b) and (c) of section 206 of the Inter-
12 national Emergency Economic Powers Act (50
13 U.S.C. 1705) shall apply to a person that vio-
14 lates, attempts to violate, conspires to violate,
15 or causes a violation of regulations prescribed
16 under clause (i) to the same extent that such
17 penalties apply to a person that commits an un-
18 lawful act described in subsection (a) of such
19 section 206.

20 (K) The President may, pursuant to such
21 regulations as the President may prescribe, pro-
22 hibit any transfers of credit or payments be-
23 tween one or more financial institutions or by,
24 through, or to any financial institution, to the
25 extent that such transfers or payments are sub-

1 ject to the jurisdiction of the United States and
2 involve any interest of the designated foreign
3 person.

4 (c) TRAVEL-RELATED SANCTIONS.—

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

8 (A) inadmissible to the United States;

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

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

15 (2) CURRENT VISAS REVOKED.—The issuing
16 consular officer, the Secretary of State, or the Sec-
17 retary of Homeland Security (or a designee of either
18 such Secretaries) shall revoke any visa or other
19 entry documentation issued to the foreign person
20 designated as a critical cyber threat actor under sub-
21 section (a) regardless of when issued. A revocation
22 under this clause shall take effect immediately and
23 shall automatically cancel any other valid visa or
24 entry documentation that is in the possession of
25 such foreign person.

1 (d) ADDITIONAL SANCTIONS WITH RESPECT TO
2 FOREIGN COUNTRIES.—

3 (1) IN GENERAL.—The President may impose
4 any of the sanctions described in paragraph (2) with
5 respect to the government of each country that the
6 President has determined aided, abetted, or directed
7 a foreign person or agency or instrumentality of a
8 foreign state designated as a critical cyber threat
9 actor under subsection (a).

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

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

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

23 (C) The President may instruct the United
24 States Executive Director to each appropriate
25 international financial institution to oppose, and

1 vote against the extension by such institution of
2 any loan or financial assistance to the govern-
3 ment of the country.

4 (D) No item on the United States Muni-
5 tions List (maintained pursuant to part 121 of
6 title 22, Code of Federal Regulations) or the
7 Commerce Control List set forth in Supplement
8 No. 1 to part 774 of title 15, Code of Federal
9 Regulations, may be exported to the govern-
10 ment of the country or any entity under its in-
11 fluence, control, or ownership.

12 (E)(i) No intrusion software or IP network
13 communications surveillance systems or related
14 items that are subject to the Export Adminis-
15 tration Regulations, whether or not enumerated
16 on the Commerce Control List, may be ex-
17 ported, reexported, or transferred, directly or
18 indirectly, to the government of the country or
19 any entity under its influence, control, or own-
20 ership.

21 (ii) For purposes of this subparagraph, the
22 terms “intrusion software” and “IP network
23 communications” mean any—

24 (I) systems, equipment, or compo-
25 nents specially designed for the generation,

1 operation or delivery of, or communication
2 with, with intrusion software;

3 (II) software specially designed or
4 modified for the development or production
5 of such systems, equipment or components;

6 (III) software specially designed for
7 the generation, operation or delivery of, or
8 communication with, intrusion software;
9 technology required for the development of
10 intrusion software; and

11 (IV) internet protocol network com-
12 munications surveillance systems or equip-
13 ment and test, inspection, production
14 equipment, specially designed components
15 therefor, and development and production
16 software and technology therefor.

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

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

22 (1) actions taken by the President pursuant to
23 this section should be coordinated with United
24 States allies and partners; and

1 (2) the Secretary of State should work with
2 United States allies and partners, on a voluntary
3 basis, to lead an international diplomatic initiative
4 to—

5 (A) deter critical cyber threat actors and
6 state-sponsored cyber activities; and

7 (B) provide mutual support to such allies
8 and partners participating in such initiative to
9 respond to such state-sponsored cyber activities.

10 (g) EXEMPTIONS, WAIVERS, AND REMOVALS OF
11 SANCTIONS AND DESIGNATIONS.—

12 (1) MANDATORY EXEMPTIONS.—Activities sub-
13 ject to the reporting requirements of title V of the
14 National Security Act of 1947 (50 U.S.C. 413 et
15 seq.), and any authorized intelligence activities of
16 the United States, shall be exempt from the imposi-
17 tion of sanctions under this section.

18 (2) WAIVER.—The President may waive, on a
19 case-by-case basis, the imposition of sanctions de-
20 scribed in this section for a period of not more than
21 1 year, and may renew such waiver for additional
22 periods of not more than 1 year, if the President
23 transmits to the appropriate congressional commit-
24 tees a written determination that such waiver meets
25 one or more of the following requirements:

1 (A) Such waiver is in the national interests
2 of the United States.

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

6 (C) Such waiver is for an important hu-
7 manitarian purpose.

8 (3) REMOVALS OF SANCTIONS AND DESIGNA-
9 TIONS.—The President may prescribe rules and reg-
10 ulations for the removal of sanctions under sub-
11 sections (b), (c), and (d) and the removal of designa-
12 tions under subsection (a) if the President deter-
13 mines that a foreign person, agency or instrumen-
14 tality of a foreign state, or government of a country
15 subject to such sanctions or such designations, as
16 the case may be, has verifiably ceased its participa-
17 tion in any of the conduct with respect to which
18 such foreign person, agency or instrumentality of a
19 foreign state, or government was subject to such
20 sanctions or designation, as the case may be, under
21 this section, and has given assurances that such for-
22 eign person, agency or instrumentality of a foreign
23 state, or government, as the case may be, will no
24 longer participate in such conduct.

1 (4) EXCEPTION TO COMPLY WITH UNITED NA-
2 TIONS HEADQUARTERS AGREEMENT.—Sanctions
3 under subsection (c) shall not apply to a foreign per-
4 son if admitting such foreign person into the United
5 States is necessary to permit the United States to
6 comply with the Agreement regarding the Head-
7 quarters of the United Nations, signed at Lake Suc-
8 cess June 26, 1947, and entered into force Novem-
9 ber 21, 1947, between the United Nations and the
10 United States, or other applicable international obli-
11 gations.

12 (h) RULE OF CONSTRUCTION.—Nothing in this sec-
13 tion may be construed to limit the authority of the Presi-
14 dent under the International Emergency Economic Powers
15 Act (50 U.S.C. 1701 et seq.) or any other provision of
16 law to impose sanctions to address critical cyber threat
17 actors and malicious state-sponsored cyber activities.

18 (i) DEFINITIONS.—In this section:

19 (1) ADMITTED; ALIEN.—The terms “admitted”
20 and “alien” have the meanings given such terms in
21 section 101 of the Immigration and Nationality Act
22 (8 U.S.C. 1101).

23 (2) APPROPRIATE CONGRESSIONAL COMMIT-
24 TEES.—The term “appropriate congressional com-
25 mittees” means—

1 (A) the Committee on Foreign Affairs, the
2 Committee on Financial Services, the Com-
3 mittee on the Judiciary, the Committee on
4 Oversight and Reform, and the Committee on
5 Homeland Security of the House of Representa-
6 tives; and

7 (B) the Committee on Foreign Relations,
8 the Committee on Banking, Housing, and
9 Urban Affairs, the Committee on the Judiciary,
10 and the Committee on Homeland Security and
11 Governmental Affairs of the Senate.

12 (3) AGENCY OR INSTRUMENTALITY OF A FOR-
13 EIGN STATE.—The term “agency or instrumentality
14 of a foreign state” has the meaning given such term
15 in section 1603(b) of title 28, United States Code.

16 (4) CRITICAL INFRASTRUCTURE SECTOR.—The
17 term “critical infrastructure sector” means any of
18 the designated critical infrastructure sectors identi-
19 fied in the Presidential Policy Directive entitled
20 “Critical Infrastructure Security and Resilience”,
21 numbered 21, and dated February 12, 2013.

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

1 (6) FOREIGN STATE.—The term “foreign state”
2 has the meaning given such term in section 1603(a)
3 of title 28, United States Code.

4 (7) KNOWINGLY.—The term “knowingly”, with
5 respect to conduct, a circumstance, or a result,
6 means that a person has actual knowledge, or should
7 have known, of the conduct, the circumstance, or the
8 result.

9 (8) MISAPPROPRIATION.—The term “misappro-
10 piation” means taking or obtaining by improper
11 means, without permission or consent, or under false
12 pretenses.

13 (9) STATE-SPONSORED CYBER ACTIVITIES.—
14 The term “state-sponsored cyber activities” means
15 any malicious cyber-enabled activities that—

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

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

23 (10) UNITED STATES PERSON.—The term
24 “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.

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