

116TH CONGRESS  
1ST SESSION

# H. R. 3532

To control the export to the People’s Republic of China of certain technology and intellectual property important to the national interest of the United States, and for other purposes.

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## IN THE HOUSE OF REPRESENTATIVES

JUNE 27, 2019

Mr. GREEN of Tennessee (for himself, Mr. CUELLAR, Mr. BIGGS, Mr. CRAWFORD, Mr. DIAZ-BALART, Mr. FLORES, Mr. GAETZ, Mr. GALLAGHER, Mr. GIBBS, Mr. HAGEDORN, Mr. HUNTER, Mr. LAMBORN, Mrs. LURIA, Mr. RIGGLEMAN, Mr. STEWART, and Mr. ESPAILLAT) introduced the following bill; which was referred to the Committee on Foreign Affairs, and in addition to the Committee on Ways and Means, 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 control the export to the People’s Republic of China of certain technology and intellectual property important to the national interest of the United States, 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 “China Technology  
5 Transfer Control Act of 2019”.

1 **SEC. 2. DEFINITIONS.**

2 In this Act:

3 (1) CHINESE PERSON.—The term “Chinese  
4 person” means—

5 (A) an individual who is a citizen or na-  
6 tional of the People’s Republic of China; or

7 (B) an entity organized under the laws of  
8 the People’s Republic of China or otherwise  
9 subject to the jurisdiction of the Government of  
10 the People’s Republic of China.

11 (2) COVERED NATIONAL INTEREST TECH-  
12 NOLOGY OR INTELLECTUAL PROPERTY.—The term  
13 “covered national interest technology or intellectual  
14 property” includes the following:

15 (A) Technology or intellectual property  
16 that would make a significant contribution to  
17 the military potential of the People’s Republic  
18 of China that would prove detrimental to the  
19 national security of the United States.

20 (B) Technology or intellectual property  
21 that is a component of the production of prod-  
22 ucts included in the most recent list required  
23 under section 183 of the Trade Act of 1974, as  
24 added by section 6(a), determined in consulta-  
25 tion with the United States Trade Representa-  
26 tive.

1           (C) Technology used by the Government of  
2           the People’s Republic of China to carry out vio-  
3           lations of human rights or religious liberties.

4           (3) FOREIGN PERSON.—The term “foreign per-  
5           son” means any person that is not a United States  
6           person.

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

12          (5) INTELLECTUAL PROPERTY.—The term “in-  
13          tellectual property” means—

14                (A) any work protected by a copyright  
15                under title 17, United States Code;

16                (B) any property protected by a patent  
17                granted by the United States Patent and  
18                Trademark Office under title 35, United States  
19                Code;

20                (C) any word, name, symbol, or device, or  
21                any combination thereof, that is registered as a  
22                trademark with the United States Patent and  
23                Trademark Office under the Act entitled “An  
24                Act to provide for the registration and protec-  
25                tion of trademarks used in commerce, to carry

1 out the provisions of certain international con-  
2 ventions, and for other purposes”, approved  
3 July 5, 1946 (commonly known as the  
4 “Lanham Act” or the “Trademark Act of  
5 1946”) (15 U.S.C. 1051 et seq.);

6 (D) a trade secret (as defined in section  
7 1839 of title 18, United States Code); or

8 (E) any other form of intellectual property.

9 (6) TECHNOLOGY.—The term “technology” in-  
10 cludes goods or services relating to information sys-  
11 tems, internet-based services, production-enhancing  
12 logistics, robotics, artificial intelligence, bio-  
13 technology, or computing.

14 (7) UNITED STATES PERSON.—The term  
15 “United States person” means—

16 (A) a United States citizen or an alien law-  
17 fully admitted for permanent residence to the  
18 United States; or

19 (B) an entity organized under the laws of  
20 the United States or of any jurisdiction within  
21 the United States, including a foreign branch of  
22 such an entity.

23 **SEC. 3. SENSE OF CONGRESS.**

24 It is the sense of Congress that—

1           (1) while the United States is committed to  
2           promoting cultural and technological exchange with  
3           other countries, it is our responsibility to protect the  
4           United States when channels for such exchange are  
5           exploited by adversaries; and

6           (2) the People’s Republic of China consistently  
7           seeks to exploit those channels, not only in its theft  
8           of intellectual property but also in its manipulation  
9           of lawful transfer and uses of technology in ways  
10          that directly support its military objectives and  
11          threaten the United States.

12 **SEC. 4. CONTROL OF EXPORT OF COVERED NATIONAL IN-**  
13                   **TEREST TECHNOLOGY AND INTELLECTUAL**  
14                   **PROPERTY TO PEOPLE’S REPUBLIC OF**  
15                   **CHINA.**

16          (a) **IN GENERAL.**—On and after the date that is 180  
17          days after the date of the enactment of this Act, the Presi-  
18          dent shall control the export or re-export to, or transfer  
19          in, the People’s Republic of China of any covered national  
20          interest technology or intellectual property subject to the  
21          jurisdiction of the United States or exported by any  
22          United States person.

23          (b) **REPORT REQUIRED.**—Not later than 90 days  
24          after the date of the enactment of this Act, the Secretary  
25          of State and the Secretary of Commerce shall jointly sub-

1 mit to Congress a report assessing whether covered na-  
2 tional interest technology or intellectual property should  
3 be controlled as required by subsection (a) under—

4 (1) the International Traffic in Arms Regula-  
5 tions under subchapter M of chapter I of title 22,  
6 Code of Federal Regulations; or

7 (2) the Export Administration Regulations  
8 under subchapter C of chapter VII of title 15, Code  
9 of Federal Regulations.

10 (c) REGULATIONS.—Not later than 180 days after  
11 the date of the enactment of this Act, the President shall  
12 prescribe such regulations as are necessary to carry out  
13 subsection (a).

14 **SEC. 5. IMPOSITION OF SANCTIONS WITH RESPECT TO PRO-**  
15 **VISION TO OR PURCHASE FROM PEOPLE'S**  
16 **REPUBLIC OF CHINA OF COVERED NATIONAL**  
17 **INTEREST TECHNOLOGY AND INTELLECTUAL**  
18 **PROPERTY.**

19 (a) IN GENERAL.—The President shall, pursuant to  
20 the International Emergency Economic Powers Act (50  
21 U.S.C. 1701 et seq.), block and prohibit all transactions  
22 in all property and interests in property of a person de-  
23 scribed in subsection (b) if such property and interests in  
24 property are in the United States, come within the United

1 States, or are or come within the possession or control  
2 of a United States person.

3 (b) PERSONS DESCRIBED.—A person described in  
4 this subsection is—

5 (1) a foreign person that, on or after the date  
6 of the enactment of this Act, knowingly sells or oth-  
7 erwise provides to, or knowingly purchases from, the  
8 People’s Republic of China any covered national in-  
9 terest technology or intellectual property subject to  
10 the jurisdiction of the United States; or

11 (2) a Chinese person that, on or after such date  
12 of enactment, knowingly uses covered national inter-  
13 est technology or intellectual property provided to  
14 the Chinese person in violation of section 4 or any  
15 other export control law of the United States.

16 (c) EXCEPTION RELATING TO IMPORTATION OF  
17 GOODS.—

18 (1) IN GENERAL.—The requirement to block  
19 and prohibit all transactions in all property and in-  
20 terests in property under subsection (a) shall not in-  
21 clude the authority to impose sanctions on the im-  
22 portation of goods.

23 (2) GOOD DEFINED.—In this subsection, the  
24 term “good” means any article, natural or man-  
25 made substance, material, supply or manufactured

1 product, including inspection and test equipment,  
2 and excluding technical data.

3 (d) WAIVER.—The President may waive the imposi-  
4 tion of sanctions under subsection (a) with respect to a  
5 person if the President determines and reports to Con-  
6 gress that the waiver is in the national security interests  
7 of the United States.

8 (e) IMPLEMENTATION; PENALTIES.—

9 (1) IMPLEMENTATION.—The President may ex-  
10 ercise all authorities provided under sections 203  
11 and 205 of the International Emergency Economic  
12 Powers Act (50 U.S.C. 1702 and 1704) to carry out  
13 this section.

14 (2) PENALTIES.—A person that violates, at-  
15 tempts to violate, conspires to violate, or causes a  
16 violation of subsection (a) or any regulation, license,  
17 or order issued to carry out that subsection shall be  
18 subject to the penalties set forth in subsections (b)  
19 and (c) of section 206 of the International Emer-  
20 gency Economic Powers Act (50 U.S.C. 1705) to the  
21 same extent as a person that commits an unlawful  
22 act described in subsection (a) of that section.

23 (3) INAPPLICABILITY OF NATIONAL EMER-  
24 GENCY REQUIREMENT.—The requirements of section  
25 202 of the International Emergency Economic Pow-



1       ers Act (50 U.S.C. 1701) shall not apply for pur-  
2       poses of this section.

3 **SEC. 6. ESTABLISHMENT OF LIST OF CERTAIN PRODUCTS**  
4                   **RECEIVING SUPPORT FROM GOVERNMENT**  
5                   **OF PEOPLE’S REPUBLIC OF CHINA OR USED**  
6                   **BY THAT GOVERNMENT FOR HUMAN RIGHTS**  
7                   **VIOLATIONS.**

8       (a) IN GENERAL.—Chapter 8 of title I of the Trade  
9 Act of 1974 (19 U.S.C. 2241 et seq.) is amended by add-  
10 ing at the end the following:

11 **“SEC. 183. LIST OF CERTAIN PRODUCTS RECEIVING SUP-**  
12                   **PORT FROM GOVERNMENT OF PEOPLE’S RE-**  
13                   **PUBLIC OF CHINA OR USED BY THAT GOV-**  
14                   **ERNMENT FOR HUMAN RIGHTS VIOLATIONS.**

15       “(a) IN GENERAL.—Not later than 120 days after  
16 the date of the enactment of the China Technology Trans-  
17 fer Control Act of 2019, and annually thereafter, the  
18 United States Trade Representative shall set forth a list  
19 of products manufactured or produced in, or exported  
20 from, the People’s Republic of China that are determined  
21 by—

22                   “(1) the Trade Representative—

23                               “(A) to receive support from the Govern-  
24                               ment of the People’s Republic of China pursu-

1 ant to the Made in China 2025 industrial policy  
2 of that Government; or

3 “(B) to otherwise receive support from  
4 that Government and that have or will in the  
5 future displace net exports of like products by  
6 the United States; or

7 “(2) the Secretary of State to be used by the  
8 Government of the People’s Republic of China to  
9 carry out violations of human rights or religious lib-  
10 erties.

11 “(b) IDENTIFICATION OF PRODUCTS RECEIVING  
12 SUPPORT PURSUANT TO MADE IN CHINA 2025 POLICY.—

13 “(1) IN GENERAL.—The Trade Representative  
14 shall include in the list under subsection (a)(1)(A)  
15 any product specified in the following documents set  
16 forth by the Government of the People’s Republic of  
17 China:

18 “(A) Notice on Issuing Made in China  
19 2025.

20 “(B) China Manufacturing 2025.

21 “(C) Notice on Issuing the 13th Five-year  
22 National Strategic Emerging Industries Devel-  
23 opment Plan.

1           “(D) Guiding Opinion on Promoting Inter-  
2           national Industrial Capacity and Equipment  
3           Manufacturing Cooperation.

4           “(E) Any other document that expresses a  
5           national strategy or stated goal in connection  
6           with the Made in China 2025 industrial policy  
7           set forth by the Government of the People’s Re-  
8           public of China, the Communist Party of China,  
9           or another entity or individual capable of im-  
10          pacting the national strategy of the People’s  
11          Republic of China.

12          “(2) INCLUDED PRODUCTS.—In addition to  
13          such products as the Trade Representative shall in-  
14          clude pursuant to paragraph (1) in the list under  
15          subsection (a)(1)(A), the Trade Representative shall  
16          include products in the following industries:

17                 “(A) Civil aircraft.

18                 “(B) Turbine engines.

19                 “(C) Motor car and vehicle.

20                 “(D) Advanced medical equipment.

21                 “(E) Advanced construction equipment.

22                 “(F) Agricultural machinery.

23                 “(G) Railway equipment.

24                 “(H) Diesel locomotive.

25                 “(I) Moving freight.

- 1                   “(J) Semiconductor.
- 2                   “(K) Lithium battery manufacturing.
- 3                   “(L) Artificial intelligence.
- 4                   “(M) High-capacity computing.
- 5                   “(N) Quantum computing.
- 6                   “(O) Robotics.
- 7                   “(P) Biotechnology.”.

8           (b) CLERICAL AMENDMENT.—The table of contents  
9 for the Trade Act of 1974 is amended by inserting after  
10 the item relating to section 182 the following:

“Sec. 183. List of certain products receiving support from Government of People’s Republic of China or used by that Government for human rights violations.”.

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