

## Calendar No. 583

106TH CONGRESS  
2D SESSION**S. 2645**

To provide for the application of certain measures to the People's Republic of China in response to the illegal sale, transfer, or misuse of certain controlled goods, services, or technology, and for other purposes.

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IN THE SENATE OF THE UNITED STATES

MAY 25, 2000

Mr. THOMPSON (for himself, Mr. TORRICELLI, Ms. COLLINS, Mr. KYL, Mr. INHOFE, Mr. SANTORUM, Mr. DEWINE, and Mr. SPECTER) introduced the following bill; which was read the first time

JUNE 6, 2000

Read the second time and placed on the calendar

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**A BILL**

To provide for the application of certain measures to the People's Republic of China in response to the illegal sale, transfer, or misuse of certain controlled goods, services, or technology, 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 Nonproliferation  
5 Act”.

1 **SEC. 2. DEFINITIONS.**

2 In this Act:

3 (1) **ADVANCED CONVENTIONAL WEAPONS.**—The  
4 term “advanced conventional weapons” includes—

5 (A) long-range precision-guided munitions,  
6 fuel air explosives, cruise missiles, low observ-  
7 ability aircraft or vessels, other radar evading  
8 aircraft or vessels, advanced military aircraft,  
9 military satellites, electromagnetic weapons, and  
10 laser weapons;

11 (B) advanced command, control, and com-  
12 munications systems, electronic warfare sys-  
13 tems, and intelligence collection systems; and

14 (C) such other items or systems as the  
15 President may, by regulation, determine nec-  
16 essary for purposes of this title.

17 (2) **GOODS AND TECHNOLOGY.**—The terms  
18 “goods” and “technology” mean—

19 (A) any article, natural or manmade sub-  
20 stance, material, supply, or manufactured prod-  
21 uct, including inspection and test equipment;  
22 and

23 (B) any information and know-how (wheth-  
24 er in tangible form, such as models, prototypes,  
25 drawings, sketches, diagrams, blueprints, or  
26 manuals, or in intangible form, such as training

1 or technical services) that can be used to de-  
2 sign, produce, manufacture, utilize, improve the  
3 performance of or reconstruct goods, including  
4 computer software and technical data.

5 (3) PERSON.—The term “person” means—

6 (A) any United States or People’s Republic  
7 of China individual, partnership, corporation, or  
8 other form of association, or any of their suc-  
9 cessor entities, parents, or subsidiaries;

10 (B) any other nongovernmental entity, or-  
11 ganization, or group, that is organized under  
12 the laws of the United States or the People’s  
13 Republic of China or has its principal place of  
14 business in the United States or the People’s  
15 Republic of China;

16 (C) any governmental entity of the Peo-  
17 ple’s Republic of China operating as a business  
18 enterprise; and

19 (D) any successor, subunit, or subsidiary  
20 of any entity described in subparagraphs (A)  
21 through (C).

22 (4) PROLIFERATION ACTIVITY.—The term  
23 “proliferation activity” means the activity described  
24 in section 3(a)(1).

1           (5) STATE-OWNED ENTERPRISE OF THE PEO-  
2           PLE’S REPUBLIC OF CHINA.—

3           (A) IN GENERAL.—The term “state-owned  
4           enterprise of the People’s Republic of China”  
5           means a person who is affiliated with or wholly  
6           owned, controlled, or subsidized by the Govern-  
7           ment of the People’s Republic of China or the  
8           People’s Liberation Army and whose means of  
9           production, products, and revenues are owned  
10          or controlled by a central or provincial govern-  
11          ment authority. A person shall be considered to  
12          be state-owned if—

13               (i) the person’s assets are primarily  
14               owned by a central or provincial govern-  
15               ment authority;

16               (ii) a substantial proportion of the  
17               person’s profits are required to be sub-  
18               mitted to a central or provincial govern-  
19               ment authority;

20               (iii) the person’s production, pur-  
21               chases of inputs, and sales of output, in  
22               whole or in part, are subject to state, sec-  
23               toral, or regional plans; or

1 (iv) a license issued by a government  
2 authority classifies the person as state-  
3 owned.

4 (B) EXCEPTION.—Any person that—

5 (i) is a qualified foreign joint venture  
6 or is licensed by a governmental authority  
7 as a collective, cooperative, or private en-  
8 terprise; or

9 (ii) is wholly owned by a foreign per-  
10 son,

11 shall not be considered to be state-owned.

12 (C) QUALIFIED FOREIGN JOINT VEN-  
13 TURE.—The term “qualified foreign joint ven-  
14 ture” means any person—

15 (i) which is registered and licensed in  
16 the agency or department of the Govern-  
17 ment of the People’s Republic of China  
18 concerned with foreign economic relations  
19 and trade as an equity, cooperative, con-  
20 tractual joint venture, or joint stock com-  
21 pany with foreign investment;

22 (ii) in which the foreign investor part-  
23 ner and a person of the People’s Republic  
24 of China share profits and losses and joint-  
25 ly manage the venture;

1 (iii) in which the foreign investor  
2 partner holds or controls at least 25 per-  
3 cent of the investment and the foreign in-  
4 vestor partner is not substantially owned  
5 or controlled by a state-owned enterprise of  
6 the People’s Republic of China;

7 (iv) in which the foreign investor part-  
8 ner is not a person of a country the gov-  
9 ernment of which the Secretary of State  
10 has determined under section 6(j) of the  
11 Export Administration Act of 1979 (50  
12 U.S.C. App. 2405(j)) to have repeatedly  
13 provided support for acts of international  
14 terrorism; and

15 (v) which does not use state-owned  
16 enterprises of the People’s Republic of  
17 China to export its goods or services.

18 (6) UNITED STATES ASSISTANCE.—The term  
19 “United States assistance” means—

20 (A) any assistance under the Foreign As-  
21 sistance Act of 1961, other than urgent human-  
22 itarian assistance or medicine;

23 (B) sales and assistance under the Arms  
24 Export Control Act;

1 (C) financing by the Commodity Credit  
 2 Corporation for export sales of agricultural  
 3 commodities; and

4 (D) financing under the Export-Import  
 5 Bank Act.

6 **SEC. 3. REPORTS ON PROLIFERATION BY PEOPLE'S REPUB-**  
 7 **LIC OF CHINA.**

8 (a) REPORTS.—

9 (1) IN GENERAL.—The President shall, at the  
 10 times specified in subsection (b), submit to the Com-  
 11 mittee on International Relations of the House of  
 12 Representatives, the Committee on Foreign Rela-  
 13 tions of the Senate, the Committee on Armed Serv-  
 14 ices of the Senate, the Select Committee on Intel-  
 15 ligence of the Senate, and the Committee on Govern-  
 16 mental Affairs of the Senate, a report identifying  
 17 every person with respect to whom there is credible  
 18 information indicating that that person, on or after  
 19 January 1, 2000, transferred, retransferred, sold,  
 20 misused, or diverted from, or within, the People's  
 21 Republic of China to a foreign person or national of  
 22 the People's Republic of China involved in the devel-  
 23 opment or acquisition of nuclear, chemical, or bio-  
 24 logical weapons or ballistic or cruise missiles—

1 (A) goods, services, or technology listed  
2 on—

3 (i) the Nuclear Suppliers Group  
4 Guidelines for the Export of Nuclear Mate-  
5 rial, Equipment and Technology (published  
6 by the International Atomic Energy Agen-  
7 cy as Information Circular INFCIRC/254/  
8 Rev. 3/Part 1, and subsequent revisions)  
9 and Guidelines for Transfers of Nuclear-  
10 Related Dual-Use Equipment, Material,  
11 and Related Technology (published by the  
12 International Atomic Energy Agency as In-  
13 formation Circular INFCIRC/254/Rev. 3/  
14 Part 2, and subsequent revisions);

15 (ii) the Missile Technology Control  
16 Regime Equipment and Technology Annex  
17 of June 11, 1996, and subsequent revi-  
18 sions;

19 (iii) the lists of items and substances  
20 relating to biological and chemical weapons  
21 the export of which is controlled by the  
22 Australia Group;

23 (iv) the Schedules of the Convention  
24 on the Prohibition of the Development,  
25 Production, Stockpiling and Use of Chem-



1 ical Weapons and on Their Destruction, in-  
2 cluding chemicals, precursors, and other  
3 substances; or

4 (v) the Wassenaar Arrangement list of  
5 Dual Use Goods and Technologies and  
6 Munitions list of July 12, 1996, and subse-  
7 quent revisions; or

8 (B) goods, services, or technology not list-  
9 ed on any list identified in subparagraph (A)  
10 but which nevertheless would be, if the goods,  
11 services, or technology were United States  
12 goods, services, or technology, prohibited or  
13 controlled for export to the People's Republic of  
14 China, or any tier IV countries as defined by  
15 the Bureau of Export Administration of the De-  
16 partment of Commerce, and that have the po-  
17 tential to make a contribution to the develop-  
18 ment, improvement, or production of nuclear,  
19 biological, or chemical weapons, or of ballistic  
20 or cruise missile systems, or advanced conven-  
21 tional weapons or munitions.

22 (2) ACTION BY PERSONS IDENTIFIED.—The  
23 President shall include in the report information on  
24 any action taken by a person identified in a prior  
25 annual report under this subsection that establishes

1       that the person has discontinued, rectified, or miti-  
2       gated a prior proliferation activity identified under  
3       this Act.

4           (3) ACTION BY PRESIDENT.—The President  
5       shall include in the report information on actions  
6       taken by the President under sections 4 and 5, in  
7       response to proliferation activities conducted by per-  
8       sons identified in this section. The President shall  
9       include in the report information on any determina-  
10      tions made under section 7. If the President fails to  
11      exercise the authority under sections 4 and 5, or if  
12      the President makes a determination under section  
13      7, with respect to a person identified in a report  
14      submitted pursuant to this section, the President  
15      shall include that information and the reasons there-  
16      fore in the report required under this section.

17          (4) OTHER INFORMATION.—In addition to the  
18      information required by paragraphs (1) through (3),  
19      the President shall include in the report information  
20      on—

21           (A) noncompliance with any international  
22      nonproliferation treaties, agreements, arrange-  
23      ments, or commitments (verbal, written, or oth-  
24      erwise) by the People’s Republic of China, in-

cluding the Missile Technology Control Regime  
and the annexes to that Regime;

(B) noncompliance with United States export control laws, Executive orders, regulations, or export license conditions by the People's Republic of China;

(C) the performance of the Department of Commerce in licensing, regulating, and controlling the export of dual-use technology to the People's Republic of China, including the number and type of post-shipment verifications conducted and enforcement actions taken;

(D) the threats to the security interests of the United States, or the security interests of its allies resulting from—

(i) proliferation activities on the part of the People's Republic of China or persons identified in reports submitted under this section;

(ii) the transfer or sale to the Government of, or persons within the People's Republic of China of dual-use technologies and goods listed on the Commerce Control List;

1 (iii) the misuse or diversion by the  
2 People's Republic of China of dual-use  
3 technology; and

4 (iv) the transfer or sale of goods, serv-  
5 ices, or technology identified by the Direc-  
6 tor of Central Intelligence as having a sig-  
7 nificant potential to make a contribution to  
8 the development, improvement, or produc-  
9 tion of nuclear, biological, or chemical  
10 weapons, or of ballistic or cruise missile  
11 systems, or advanced conventional weapons  
12 or munitions; and

13 (E) transfers to persons of the People's  
14 Republic of China of technology under arms  
15 control and nonproliferation agreements and  
16 opportunities for the People's Republic of China  
17 to engage in proliferation activities under agree-  
18 ments such as Nuclear Nonproliferation Treaty,  
19 Chemical Weapons Convention, Comprehensive  
20 Test Ban Treaty, and Biological Weapons Con-  
21 vention.

22 (b) TIMING OF REPORTS.—The reports required  
23 under subsection (a) shall be submitted no later than 90  
24 days after the date of enactment of this Act, and on June  
25 1 of each year thereafter.

1 (c) EXCEPTIONS.—Any person who—

2 (1) has engaged in the transfer, sale, or misuse  
3 of any goods, services, or technology on behalf of, or  
4 in concert with, the Government of the United  
5 States; or

6 (2) has transferred, retransferred, or sold such  
7 goods, services, or technology in a manner fully con-  
8 sistent with all applicable international nonprolifera-  
9 tion treaties, agreements, and commitments with re-  
10 spect to which the People's Republic of China is a  
11 party,

12 is not required to be identified on account of that transfer  
13 in any report submitted under this section, except to the  
14 degree that credible information indicates that the par-  
15 ticular transfer, sale, or misuse may have continued, or  
16 been larger, more significant, or different in nature than  
17 permitted on behalf of the Government of the United  
18 States or under such international nonproliferation treaty  
19 or agreement.

20 (d) SUBMISSION IN CLASSIFIED FORM.—Reports  
21 shall be submitted in unclassified form, with classified an-  
22 nexes as necessary.

1 **SEC. 4. APPLICATION OF MANDATORY MEASURES TO CER-**  
2 **TAIN PERSONS.**

3 (a) APPLICATION OF MEASURES.—Subject to section  
4 7, the President shall apply with respect to each person  
5 identified in a report submitted pursuant to section 3(a),  
6 for such period of time as the President may determine  
7 but not less than one year, all of the measures described  
8 in subsection (b).

9 (b) DESCRIPTION OF MEASURES.—The measures re-  
10 ferred to in subsection (a) are the following:

11 (1) EXECUTIVE ORDER NO. 12938 PROHIBI-  
12 TIONS.—Imposition of the measures set forth in sub-  
13 sections (b) and (c) of section 4 of Executive Order  
14 No. 12938.

15 (2) ARMS EXPORT.—Prohibition on United  
16 States Government transfers or sales to such person  
17 of any item on the United States Munitions List as  
18 in effect on August 8, 1995, and termination of all  
19 sales and after-sale servicing to such person of any  
20 defense articles, defense services, or design and con-  
21 struction services under the Arms Export Control  
22 Act.

23 (3) DUAL-USE EXPORT PROHIBITION.—Denial  
24 of licenses, suspension of existing licenses, and ter-  
25 mination of all transfers or sales and after-sale serv-  
26 icing for the transfer to such person of any item the

1 export of which is controlled under the Export Ad-  
2 ministration Act of 1979 (as extended pursuant to  
3 the International Emergency Economic Powers Act)  
4 or the Export Administration regulations.

5 (4) PROCUREMENT SANCTION.—Prohibition on  
6 the United States Government procuring, or enter-  
7 ing into any contract for the procurement of, any  
8 goods or services from such person.

9 (5) UNITED STATES ASSISTANCE PROHIBI-  
10 TION.—Prohibition on the provision of United States  
11 assistance in the form of grants, loans, credits, guar-  
12 antees, or otherwise, to such person.

13 (6) SUSPENSION OF AGREEMENTS.—Immediate  
14 suspension of any agreements or efforts for the co-  
15 development or co-production with such person of  
16 any item on the United States Munitions List.

17 (c) EFFECTIVE DATE OF MEASURES.—Each meas-  
18 ure imposed pursuant to subsection (a) shall take effect  
19 with respect to such person 30 days after the date that  
20 the report identifying the person is submitted to Congress.

21 (d) PUBLICATION IN FEDERAL REGISTER.—Notice  
22 of the imposition of the measure described in subsection  
23 (b) to a person identified pursuant to section 3(a) shall  
24 be published in the Federal Register, unless the President

1 determines that doing so would threaten the national secu-  
2 rity or intelligence interests of the United States.

3 (e) DURATION OF MEASURES.—Each measure im-  
4 posed under this section shall apply for a period of at least  
5 12 months following the imposition of the measure and  
6 shall cease to apply only if the President determines and  
7 certifies to Congress that—

8 (1) credible information indicates that the per-  
9 son with respect to whom the determination was  
10 made under section 3(a) has ceased the activities for  
11 which the measure was imposed;

12 (2) credible information indicates that the per-  
13 son has taken reasonable steps to rectify the viola-  
14 tion; and

15 (3) the President has received reasonable assur-  
16 ances from the person that such person will not en-  
17 gage in similar activities in the future.

18 **SEC. 5. APPLICATION OF ADDITIONAL MEASURES DI-**  
19 **RECTED AT THE GOVERNMENT OF THE PEO-**  
20 **PLE’S REPUBLIC OF CHINA.**

21 (a) IN GENERAL.—In addition to the mandatory  
22 measures described in section 4 applied against persons  
23 identified pursuant to section 3(a), the President shall  
24 apply additional measures as follows against the People’s  
25 Republic of China:



1           (1) TIER 1 MEASURES.—The President shall  
2       apply one or more of the measures listed in tier 1  
3       that are not in effect under this or any other Act  
4       or Executive order with respect to the People’s Re-  
5       public of China in conjunction with, and at the same  
6       time, as the mandatory measures applied against the  
7       person under section 4.

8           (2) TIER 2 MEASURES.—If, one year after the  
9       measures described in section 4 are imposed, the  
10      proliferation activities upon which the measures were  
11      based are not rectified as described in section 4(e),  
12      or the person has engaged in additional proliferation  
13      activities, the President shall continue to apply the  
14      measures described in section 4, any tier 1 measure  
15      in effect, and shall also impose one or more tier 2  
16      measures not in effect under this or any other Act  
17      or Executive order with respect to the People’s Re-  
18      public of China.

19          (3) TIER 3 MEASURES.—If 2 years after the  
20      measures described in section 4 are imposed, the  
21      proliferation activities upon which the measures were  
22      based are not rectified as described in section 4(e),  
23      or the person has engaged in additional proliferation  
24      activities, the President shall continue to apply the  
25      measures described in section 4, any tier 1 or tier

1        2 measures in effect, and shall also impose one or  
2        more tier 3 measures not in effect under this or any  
3        other Act or Executive order with respect to the  
4        People’s Republic of China.

5        (b) DEFINITION OF TIER 1, TIER 2, AND TIER 3  
6 MEASURES.—

7            (1) TIER 1 MEASURE.—The term “tier 1 meas-  
8        ure” includes any or all of the following:

9            (A) Suspension of all military-to-military  
10        contacts and exchanges between the People’s  
11        Republic of China and the United States.

12        (B) Suspension of all United States assist-  
13        ance to the People’s Republic of China by the  
14        United States Government.

15        (C) Prohibition on United States bank  
16        loans or bond offerings in United States mar-  
17        kets on the part of any national of the People’s  
18        Republic of China or any state-owned enterprise  
19        of the People’s Republic of China.

20        (D) Prohibition on the transfer or sale or  
21        after-sale servicing, including the provision of  
22        replacement parts, to the People’s Republic of  
23        China or any national of the People’s Republic  
24        of China of any item on the United States Mu-  
25        nitions List and suspension of any agreement

1 with the People’s Republic of China or any na-  
2 tional of the People’s Republic of China or any  
3 state-owned enterprise of the People’s Republic  
4 of China for the co-development or co-produc-  
5 tion of any item on the United States Muni-  
6 tions List.

7 (2) TIER 2 MEASURE.—The term “tier 2 meas-  
8 ure” includes any or all of the following:

9 (A) Suspension of all scientific, academic,  
10 and technical exchanges between the People’s  
11 Republic of China and the United States.

12 (B) Direction of the Export-Import Bank  
13 of the United States not to approve the  
14 issuance of any guarantees, insurance, exten-  
15 sion of credit, or participation in the extension  
16 of credit to the People’s Republic of China.

17 (C) Denial of access to the capital markets  
18 of the United States by all state-owned enter-  
19 prises of the People’s Republic of China.

20 (D) Prohibition on the transfer or sale to  
21 the People’s Republic of China or any national  
22 of the People’s Republic of China of any item  
23 on the Commerce Control List that is controlled  
24 for national security purposes and prohibition

1 of after-sale servicing, including the provision of  
2 replacement parts for such items.

3 (3) TIER 3 MEASURE.—The term “tier 3 meas-  
4 ure” includes any or all of the following:

5 (A) Prohibition on procurement by the  
6 United States Government or entering into any  
7 contract for the procurement of, any goods or  
8 services from the People’s Republic of China or  
9 any national of the People’s Republic of China.

10 (B) Designation of the People’s Republic  
11 of China in a country tier under the Export Ad-  
12 ministration Regulations that is higher than the  
13 country tier in effect.

14 (C) Denial of access to the capital markets  
15 of the United States by any company owned or  
16 controlled by nationals of the People’s Republic  
17 of China.

18 (D) Prohibition on the transfer or sale to  
19 the People’s Republic of China or any national  
20 of the People’s Republic of China of any item  
21 on the Commerce Control List and prohibition  
22 of after-sale servicing, including replacement  
23 parts for such items.

1 **SEC. 6. PROCEDURES FOR CONGRESSIONAL REVIEW.**

2 (a) WRITTEN JUSTIFICATION.—Any notification sub-  
3 mitted by the President under section 3 indicating that  
4 the President is not imposing a measure or exercising au-  
5 thority under section 4 or 5 or that the President is mak-  
6 ing a determination under section 7 shall include a written  
7 justification describing in detail the facts and cir-  
8 cumstances relating specifically to the person identified in  
9 a report submitted pursuant to section 3(a) that supports  
10 the President’s decision not to exercise the authority of  
11 section 4 or section 5 or the President’s decision to make  
12 a determination under section 7 with respect to that per-  
13 son.

14 (b) CONGRESSIONAL ACTION.—If Congress receives  
15 a notification described in section 3 and does not agree  
16 with the justification described in subsection (a), the ap-  
17 propriate measure shall be imposed with respect to the  
18 person identified in the notification if a joint resolution  
19 described in this section is enacted into law.

20 (c) JOINT RESOLUTION.—

21 (1) DEFINITION.—For purposes of this section,  
22 a joint resolution means a resolution introduced by  
23 any Member of Congress after the date the notifica-  
24 tion described in section 3 is received, the resolving  
25 clause of which contains only the following: “That  
26 Congress does not agree with the justification con-

1       tained in the notification submitted by the President  
 2       pursuant to the China Nonproliferation Act on  
 3                               and that the President shall exer-  
 4       cise the mandatory measures under section 4 of the  
 5       Act and one or all of the tier       measures under  
 6       that Act.”; with the first blank space being filled  
 7       with the appropriate date and the second blank  
 8       space being filled with the appropriate tier.

9               (2) REFERRAL TO COMMITTEE.—

10              (A) SENATE.—A joint resolution intro-  
 11              duced in the Senate shall be referred to the  
 12              Committee on Foreign Relations of the Senate.

13              (B) HOUSE OF REPRESENTATIVES.—A  
 14              joint resolution introduced in the House of Rep-  
 15              resentatives shall be referred to the Committee  
 16              on International Relations of the House of Rep-  
 17              resentatives.

18              (C) REPORTING.—A joint resolution may  
 19              not be reported before the 8th day after the  
 20              date on which the joint resolution is introduced.

21              (3) DISCHARGE OF COMMITTEE.—If the com-  
 22              mittee to which a joint resolution is referred in ei-  
 23              ther House has not reported the joint resolution (or  
 24              an identical joint resolution) at the end of 15 cal-  
 25              endar days during which that House is in session

1 after the date on which the joint resolution is  
2 introduced—

3 (A) the committee shall be deemed to be  
4 discharged from further consideration of the  
5 joint resolution; and

6 (B) the joint resolution shall be placed on  
7 the appropriate calendar of that House.

8 (4) FLOOR CONSIDERATION.—

9 (A) IN GENERAL.—

10 (i) MOTION TO PROCEED TO CONSID-  
11 ERATION.—When the committee to which a  
12 joint resolution is referred in either House  
13 has reported, or has been deemed to be  
14 discharged (under paragraph (3)) from  
15 further consideration of, a joint  
16 resolution—

17 (I) it is at any time thereafter in  
18 order (even though a previous motion  
19 to the same effect has been disagreed  
20 to) for any Member of that House to  
21 move to proceed to the consideration  
22 of the joint resolution; and

23 (II) all points of order against  
24 the joint resolution (and against con-

1                   sideration of the joint resolution) are  
2                   waived.

3                   (ii) TREATMENT OF MOTION.—A mo-  
4                   tion under clause (i)—

5                   (I) is privileged in the Senate  
6                   and is highly privileged in the House  
7                   of Representatives;

8                   (II) is not debatable; and

9                   (III) is not subject to amend-  
10                  ment, a motion to postpone, or a mo-  
11                  tion to proceed to the consideration of  
12                  other business.

13                  (iii) NO MOTION TO RECONSIDER.—A  
14                  motion to reconsider the vote by which a  
15                  motion under clause (i) is agreed to or dis-  
16                  agreed to shall not be in order.

17                  (iv) AGREEMENT TO MOTION.—If a  
18                  motion under clause (i) is agreed to, the  
19                  joint resolution shall remain the unfinished  
20                  business of the House until the House dis-  
21                  poses of the joint resolution.

22                  (B) DEBATE.—

23                  (i) TIME.—Debate on a joint resolu-  
24                  tion, and on all debatable motions and ap-  
25                  peals in connection with consideration of a



1 joint resolution, shall be limited to not  
2 more than 10 hours, which shall be divided  
3 equally between those favoring and those  
4 opposing the joint resolution. A motion  
5 further to limit debate is in order and not  
6 debatable.

7 (ii) AMENDMENTS AND MOTIONS OUT  
8 OF ORDER.—An amendment to a joint res-  
9 olution, a motion to postpone, to proceed  
10 to the consideration of other business, or  
11 to recommit such a joint resolution, or a  
12 motion to reconsider the vote by which  
13 such a joint resolution is agreed to or dis-  
14 agreed to is not in order.

15 (C) VOTE ON FINAL PASSAGE.—A vote on  
16 final passage of the joint resolution shall be  
17 taken in each House on or before the close of  
18 the 15th calendar day during which that House  
19 is in session after the resolution is reported by  
20 the committee of that House to which it was re-  
21 ferred, or after the committee has been dis-  
22 charged from further consideration of the reso-  
23 lution.

24 (D) RULINGS OF THE CHAIR OF PROCE-  
25 DURE.—Appeals from the decisions of the Chair

1 relating to the application of the rules of either  
 2 House to the procedure relating to a joint reso-  
 3 lution shall be decided without debate.

4 (5) COORDINATION WITH ACTION BY OTHER  
 5 HOUSE.—

6 (A) IN GENERAL.—If, before the passage  
 7 by 1 House of a joint resolution of that House,  
 8 that House receives from the other House a  
 9 joint resolution, the procedures stated in this  
 10 paragraph shall apply.

11 (B) NO REFERRAL.—The joint resolution  
 12 of the other House shall not be referred to a  
 13 committee.

14 (C) PROCEDURE.—With respect to a joint  
 15 resolution of the House receiving the joint  
 16 resolution—

17 (i) the procedure in that House shall  
 18 be the same as if no joint resolution had  
 19 been received from the other House; but

20 (ii) the vote on final passage shall be  
 21 on the joint resolution of the other House.

22 (6) RULES OF THE SENATE AND THE HOUSE  
 23 OF REPRESENTATIVES.—This subsection is enacted  
 24 by Congress—

(A) as an exercise of the rulemaking power of the Senate and the House of Representatives, respectively; and

(i) is deemed a part of the rules of each House, respectively, but applicable only with respect to the procedure to be followed in that House in the case of a joint resolution; and

(ii) supersedes other rules only to the extent that the subsection is inconsistent with those rules; and

(B) with full recognition of the constitutional right of either House to change the rules (so far as the rules relate to the procedure of that House) at any time, in the same manner and to the same extent as in the case of any other rule of that House.

**SEC. 7. DETERMINATION EXEMPTING PERSON OR THE PEOPLE'S REPUBLIC OF CHINA FROM SECTIONS 4 AND 5.**

(a) IN GENERAL.—Sections 4 and 5 shall not apply to a person or to the People's Republic of China 15 days after the President reports to the Committee on International Relations of the House of Representatives, the Committee on Foreign Relations of the Senate, the Com-

1 mittee on Armed Services of the Senate, the Select Com-  
2 mittee on Intelligence of the Senate, and the Committee  
3 on Governmental Affairs of the Senate, that the President  
4 has determined, on the basis of information provided by  
5 that person, or otherwise obtained by the President,  
6 that—

7           (1) the person did not, on or after January 1,  
8           2000, knowingly transfer to or export from the Peo-  
9           ple's Republic of China the goods, services, or tech-  
10          nology the apparent transfer or export of which  
11          caused that person to be identified in a report sub-  
12          mitted pursuant to section 3(a);

13          (2) the person is subject to the primary juris-  
14          diction of a government that is an adherent to one  
15          or more relevant nonproliferation regimes, the per-  
16          son was identified in a report submitted pursuant to  
17          section 3(a) with respect to a transfer of goods,  
18          services, or technology described in section 3(a)(1),  
19          and such transfer was made consistent with the  
20          guidelines and parameters of all such relevant re-  
21          gimes of which such government is an adherent; or

22          (3) it is important to the national security of  
23          the United States not to apply the provisions of sec-  
24          tion 4 or 5.

1 (b) OPPORTUNITY TO PROVIDE INFORMATION.—

2 Congress urges the President—

3 (1) in every appropriate case, to contact in a  
 4 timely fashion each person identified in each report  
 5 submitted pursuant to section 3(a), or the govern-  
 6 ment with primary jurisdiction over such person, in  
 7 order to afford such person or government, the op-  
 8 portunity to provide explanatory, exculpatory, or  
 9 other additional information with respect to the  
 10 transfer that caused such person to be identified in  
 11 a report submitted pursuant to section 3(a); and

12 (2) to exercise the authority in subsection (a) in  
 13 all cases where information obtained from a foreign  
 14 person identified in a report submitted pursuant to  
 15 section 3(a), or from the government with primary  
 16 jurisdiction over such person, establishes that the ex-  
 17 ercise of such authority is warranted.

18 (c) SUBMISSION IN CLASSIFIED FORM.—The deter-  
 19 mination and report of the President under subsection (a)  
 20 should be submitted in unclassified form, with classified  
 21 annexes as necessary.

22 **SEC. 8. NOTIFICATION TO SECURITIES COMMISSION OF IN-**  
 23 **CLUSION IN REPORT.**

24 (a) DEFINITIONS.—In this section, the following defi-  
 25 nitions shall apply:

1           (1) COMMISSION.—The term “Commission”  
2 means the Securities and Exchange Commission.

3           (2) REGISTERED NATIONAL SECURITIES ASSO-  
4 CIATION.—The term “registered national securities  
5 association” means an association registered under  
6 section 15A(b) of the Securities Exchange Act of  
7 1934 (15 U.S.C. 78o–3(b)).

8           (3) REGISTERED NATIONAL SECURITIES EX-  
9 CHANGE.—The term “registered national securities  
10 exchange” means a national securities exchange reg-  
11 istered under 6 of the Securities Exchange Act of  
12 1934 (15 U.S.C. 78f).

13          (4) REGISTRATION STATEMENT.—The term  
14 “registration statement” has the same meaning as  
15 in section 2 of the Securities Act of 1933 (15 U.S.C.  
16 77b).

17          (5) SECURITIES LAWS.—The terms “securities  
18 laws” and “security” have the same meanings as in  
19 section 3 of the Securities Exchange Act of 1934  
20 (15 U.S.C. 78c).

21          (b) NOTIFICATION TO THE COMMISSION.—Each re-  
22 port prepared by the President under section 3 shall be  
23 transmitted to the Commission at the times specified in  
24 section 3(b).

1       (c) REGULATIONS.—Not later than 6 months after  
2 the date of enactment of this Act, the Commission shall  
3 promulgate regulations—

4           (1) to ensure that securities investors are noti-  
5 fied of the identity of any person included in a re-  
6 port prepared by the President under section 3, the  
7 securities of which are listed, or authorized for list-  
8 ing, on a registered national securities exchange (or  
9 tier or segment thereof) or by a registered national  
10 securities association; and

11          (2) to require each person included in a report  
12 of the President under section 3 to provide notice of  
13 such inclusion in each written report, statement, or  
14 other filing or notice required from that person  
15 under the securities laws, including—

16           (A) any registration statement;

17           (B) any annual or quarterly report, state-  
18 ment, or other filing or notice;

19           (C) any proxy, consent, authorization, in-  
20 formation statement, or other notice required to  
21 be sent to shareholders with respect to any se-  
22 curity registered pursuant to the securities  
23 laws;

1                   (D) any report, statement, or other filing  
2                   or notice required in connection with an initial  
3                   public offering; and

4                   (E) any report, statement, or other filing  
5                   required in connection with a merger, acquisi-  
6                   tion, tender offer, or similar transaction.





**Calendar No. 583**

106TH CONGRESS  
2D SESSION

**S. 2645**

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**A BILL**

To provide for the application of certain measures to the People's Republic of China in response to the illegal sale, transfer, or misuse of certain controlled goods, services, or technology, and for other purposes.

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**JUNE 6, 2000**

Read the second time and placed on the calendar