

118TH CONGRESS
2D SESSION

H. R. 10453

To prohibit the Secretary of Defense from entering into information technology contracts with entities that provide certain services to China, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

DECEMBER 17, 2024

Mr. FALLON (for himself, Mr. ALFORD, and Mr. ELLZEY) introduced the following bill; which was referred to the Committee on Armed Services

A BILL

To prohibit the Secretary of Defense from entering into information technology contracts with entities that provide certain services to China, 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. PROHIBITION ON INFORMATION TECHNOLOGY**

4 **CONTRACTS WITH ENTITIES THAT PROVIDE**
5 **CERTAIN SERVICES TO CHINA.**

6 (a) PROHIBITION.—The Secretary of Defense may
7 not enter into, renew, or extend an information technology
8 contract with an entity, including a parent, subsidiary, af-

1 filiate, or subcontractor (at any tier) of such an entity,
2 that—

3 (1) owns, operates, substantially funds, or has
4 a material interest in a facility or research organiza-
5 tion located on the mainland of the People’s Repub-
6 lic of China if such facility or research organization
7 has a primary purpose, as determined by the Sec-
8 retary, of researching or developing artificial intel-
9 ligence;

10 (2) has enabled a covered Chinese entity to ac-
11 cess a source code of software to be used by or on
12 behalf of the United States Government, if such con-
13 tract is for such software;

14 (3) provides software with a military or law en-
15 forcement application or a dual-use application to a
16 covered Chinese entity; or

17 (4) operates a data center (as such term is de-
18 fined in section 453 of the Energy Independence and
19 Security Act of 2007 (42 U.S.C. 17112)) in the
20 mainland of China, including a data center oper-
21 ated—

22 (A) by a parent, subsidiary, or affiliate of
23 an entity seeking to enter into, renew, or extend
24 a contract with the Secretary; or

1 (B) on behalf of such an entity by a cov-
2 ered Chinese entity.

3 (b) WAIVER AUTHORITY.—The Secretary may waive
4 the prohibition under this section for a contract if the Sec-
5 retary determines such a waiver is necessary to advance
6 the national security interests of the United States.

7 (c) APPLICABILITY.—This section shall apply only
8 with respect to contracts entered into, renewed, or ex-
9 tended within three years after the date of the enactment
10 of this Act.

11 (d) DEFINITIONS.—In this section:

12 (1) The term “covered Chinese entity” means
13 an entity that the Secretary of Defense, in consulta-
14 tion with the Director of National Intelligence or the
15 Director of the Federal Bureau of Investigation, de-
16 termines to be—

17 (A) owned, controlled, directed, or subcon-
18 tracted by, affiliated with, or otherwise con-
19 nected to, the government of China, or a par-
20 ent, subsidiary, or affiliate of such an entity; or

21 (B) a subcontractor (at any tier) of the
22 government of China.

23 (2) The term “material interest” means a fi-
24 nancial or other interest that the Secretary deter-

- 1 mines is significant enough to influence a decision or
- 2 action of an individual.

