

DHS RESTRICTIONS ON CONFUCIUS INSTITUTES AND
CHINESE ENTITIES OF CONCERN ACT

AUGUST 19, 2022.—Committed to the Committee of the Whole House on the State
of the Union and ordered to be printed

Mr. THOMPSON of Mississippi, from the Committee on Homeland
Security, submitted the following

R E P O R T

[To accompany H.R. 7779]

The Committee on Homeland Security, to whom was referred the bill (H.R. 7779) to establish Department of Homeland Security funding restrictions on institutions of higher education that have a relationship with Confucius Institutes, and for other purposes, having considered the same, reports favorably thereon with an amendment and recommends that the bill as amended do pass.

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The amendment is as follows:

Strike all after the enacting clause and insert the following:

SECTION 1. SHORT TITLE.

This Act may be cited as the “DHS Restrictions on Confucius Institutes and Chinese Entities of Concern Act”.

SEC. 2. LIMITATIONS ON CONFUCIUS INSTITUTES' HOST SCHOOLS.**(a) DEFINITIONS.—**In this section:

(1) **CHINESE ENTITY OF CONCERN.**—The term “Chinese entity of concern” means any university or college in the People’s Republic of China that—

- (A) is involved in the implementation of military-civil fusion;
- (B) participates in the Chinese defense industrial base;
- (C) is affiliated with the Chinese State Administration for Science, Technology and Industry for the National Defense;
- (D) receives funding from any organization subordinate to the Central Military Commission of the Chinese Communist Party; or
- (E) provides support to any security, defense, police, or intelligence organization of the Government of the People’s Republic of China or the Chinese Communist Party.

(2) **CONFUCIUS INSTITUTE.**—The term “Confucius Institute” means a cultural institute funded by the Government of the People’s Republic of China.

(3) **INSTITUTION OF HIGHER EDUCATION.**—The term “institution of higher education” has the meaning given such term in section 102 of the Higher Education Act of 1965 (20 U.S.C. 1002).

(4) **RELATIONSHIP.**—The term “relationship” means, with respect to an institution of higher education, any contract awarded, or agreement entered into, as well as any in-kind donation or gift, received from a Confucius Institute or Chinese entity of concern.

(b) RESTRICTIONS ON INSTITUTIONS OF HIGHER EDUCATION.—Beginning with the first fiscal year that begins after the date that is 12 months after the date of the enactment of this Act, the Secretary of Homeland Security shall ensure that an institution of higher education (referred to in this section as an “institution”) which has a relationship with a Confucius Institute is ineligible to receive any Science and Technology or Research and Development funds from the Department of Homeland Security, unless the institution terminates the relationship between the institution and such Confucius Institute. Upon the termination of such a relationship, the institution at issue shall be eligible to receive Science and Technology or Research and Development funds from the Department of Homeland Security.

(c) CHINESE ENTITIES OF CONCERN RELATIONSHIP DISCLOSURES.—Beginning on the date that is 12 months after the date of the enactment of this Act, the Secretary of Homeland Security shall require each institution of higher education which has a relationship with a Chinese entity of concern that is seeking or receives Science and Technology or Research and Development funds from the Department of Homeland Security to notify the Secretary of such relationship. Such notification shall include the following with respect to such relationship:

- (1) An identification of the Chinese entity of concern.
- (2) Information relating to the length of such relationship.
- (3) A description of the nature of such institution’s relationship with such Chinese entity of concern, including the monetary value of any contract awarded, or agreement entered into, as well as any in-kind donation or gift, from such Chinese entity of concern.

(d) ASSISTANCE.—The Secretary of Homeland Security shall provide outreach and, upon request, technical assistance to institutions of higher education relating to compliance with this Act. In carrying out this subsection, the Secretary shall provide particular attention to institutions assisting historically Black colleges and universities (as such term is defined in part B of section 322(2) of the Higher Education Act of 1965 (22 U.S.C. 1061(2)), Hispanic serving institutions (as such term is defined in section 502 of the Higher Education Act of 1965 (20 U.S.C. 1101a)), Tribal colleges and universities (as such term is defined in section 316(b) of the Higher Education Act of 1965 (20 U.S.C. 1059c(b)), and other minority serving institutions (as such defined in section 371(a) of the Higher Education Act of 1965 (20 U.S.C. 1067q(a))).

(e) WAIVER.—

(1) **IN GENERAL.**—The Secretary of Homeland Security may waive, on a case-by-case basis, and for a period of not more than one year, the application of subsection (b) to an institution of higher education if the Secretary determines such is in the national security interests of the United States.

(2) **RENEWAL.**—The Secretary of Homeland Security may annually renew a waiver issued pursuant to paragraph (1) if the Secretary determines such is in the national security interests of the United States.

(3) **NOTIFICATION.**—If the Secretary of Homeland Security issues or renews a waiver pursuant to paragraph (1) or (2), respectively, not later than 30 days after such issuance or renewal, as the case may be, the Secretary shall provide written notification to the Committee on Homeland Security of the House of Representatives and the Committee on Homeland Security and Governmental

Affairs of the Senate regarding such issuance or renewal, including a justification relating thereto.

(f) REPORTS.—Not later than 18 months after the date of the enactment of this Act and annually thereafter, the Secretary of Homeland Security shall report to the Committee on Homeland Security of the House of Representatives and the Committee on Homeland Security and Governmental Affairs of the Senate regarding implementation of this Act during the immediately preceding 12 month period. Each such report shall include information relating to—

(1) the implementation of subsections (b) and (c), including the information disclosed pursuant to such subsection (c); and

(2) outreach and the provision of technical assistance pursuant to subsection (d).

PURPOSE AND SUMMARY

H.R. 7779, the “DHS Restrictions on Confucius Institutes and Chinese Entities of Concern Act,” prohibits the Department of Homeland Security (DHS) from providing Science and Technology (S&T) or Research and Development (R&D) funds to any United States institution of higher education that has a relationship with a Confucius Institute funded by the Government of the People’s Republic of China (PRC). It also requires any U.S. institution of higher education seeking or receiving S&T or R&D funds from DHS to notify the Department of any relationship with a “Chinese Entity of Concern.”

BACKGROUND AND NEED FOR LEGISLATION

Starting in the early 2000s, the PRC created Confucius Institutes where Chinese language instruction was offered at U.S. institutions of higher education as well as academic institutions in 160 countries. While these institutes were marketed as a mechanism to promote Chinese language and culture, support local Chinese teaching internationally, and facilitate cultural exchanges, evidence emerged that the Chinese government sought to leverage the Institutes in ways that pose risks to United States national security.¹ Confucius Institutes are almost entirely controlled by the Chinese government and pose risks in a variety of ways from stifling academic freedom to aggressive talent-recruitment programs, among others.² For example, in 2019, the Department of Justice lodged a complaint against Zhongsan Liu, along with several accomplices, for attempting to convince at least 7 U.S. universities to sponsor visas for purported Chinese research scholars who in reality aimed to recruit American science talent. The group of conspirators were successful in at least one attempt to defraud a targeted university. The complaint also alleged that the head of the University of Massachusetts Boston’s Confucius Institute offered to assist Mr. Liu in the alleged fraud.³ In March 2022, Mr. Liu was convicted of partici-

¹Thomas Lum and Hannah Fischer, “Confucius Institutes in the United States: Selected Issues,” Congressional Research Service, (May 20, 2022), available at <https://crsreports.congress.gov/product/pdf/IF/IF11180>.

²“Senators Portman & Carper Unveil Bipartisan Report on Confucius Institutes at U.S. Universities & K–12 Classrooms,” Senate Committee on Homeland Security and Governmental Affairs Permanent Subcommittee on Investigations, Press Release, (Feb. 27, 2019), available at https://www.hsgac.senate.gov/subcommittees/investigations/media/senators-portman-and-carper-unveil-bipartisan-report-on-confucius-institutes-at-us-universities_k-12-classrooms; “Agreements Establishing Confucius Institutes at U.S. Universities Are Similar, but Institute Operations Vary,” U.S. Government Accountability Office, GAO–19–278, (Feb. 2019), available at <https://www.gao.gov/assets/gao-19-278.pdf>.

³Kate O’Keefe and Aruna Viswanatha, “Chinese Official Charged in Alleged Visa Scheme to Recruit U.S. Science Talent,” *Wall Street Journal*, (Sept. 24, 2019), available at <https://>

Continued

pating in a conspiracy to defraud the United States by obstructing the lawful functions of the U.S. Departments of State and Homeland Security and with committing visa fraud.⁴

In response, the Fiscal Year (FY) 2019 and FY 2021 National Defense Authorization Acts restricted Department of Defense funding from going to United States institutions of higher education that host Confucius Institutes.⁵ Following enactment of this legislation, Confucius Institutes began to close their doors across America. There were 113 active Confucius Institutes in 2018, and 79 were closed between 2018 and 2021.⁶ As of July 2022, 16 Confucius Institutes remained open in the United States.⁷ With this trend toward ending Confucius Institutes, there is concern that the PRC has alternate potential avenues to influence American academia and society.

H.R. 7779 seeks to bolster homeland security against potential intelligence, national security, and cyber espionage threats posed by Confucius Institutes and is an extension of the limitations in place at the Department of Defense since 2019. H.R. 7779 restricts DHS S&T and R&D funding from United States institutions of higher education that have a relationship with a Confucius Institute and establishes a reporting requirement for institutions that have relationships with a “Chinese Entity of Concern.” Chinese Entities of Concern include Chinese universities that are involved in the implementation of Military-Civil Fusion; participates in the PRC’s military industrial base; or provides support to any security, defense, police, or intelligence organization of the PRC or the CCP.

H.R. 7779 recognizes that the Chinese Entity of Concern reporting requirement may place an additional burden upon universities, so the bill requires DHS to provide technical assistance to colleges and universities in carrying out this requirement with particular attention to historically Black colleges and universities and other minority-serving institutions. With respect to the funding restrictions on United States institutions with relationships with Confucius Institutes, the bill provides the Secretary of Homeland Security the authority to issue a waiver from funding restrictions for no longer than 1 year, should the Secretary deem it is in the interest of America’s national security. Should such a waiver authority be utilized, the Secretary must provide written notification to the Committee on Homeland Security of the House of Representatives and the Committee on Homeland Security and Governmental Affairs of the Senate regarding such issuance or renewal, including a related justification.

www.wsj.com/articles/chinese-official-charged-in-alleged-visa-scheme-to-recruit-u-s-science-talent-11569332862.

⁴“Chinese Government Employee Convicted Of Participating In Conspiracy To Defraud The United States And Fraudulently Obtain U.S. Visas,” U.S. Department of Justice, (Mar. 23, 2022), available at <https://www.justice.gov/usao-sdny/pr/chinese-government-employee-convicted-participating-conspiracy-defraud-united-states>.

⁵See *supra*, at note 1.

⁶Craig Singleton, “The Middle Kingdom Meets Higher Education: How U.S. Universities Support China’s Military-Industrial Complex,” The Foundation for Defense of Democracies, (Dec. 9, 2021), available at <https://www.fdd.org/analysis/2021/12/09/the-middle-kingdom-meets-higher-education/>.

⁷“How Many Confucius Institutes Are in the United States?,” National Association of Scholars, (April 5, 2022), available at https://www.nas.org/blogs/article/how_many_confucius_institutes_are_in_the_united_states.

HEARINGS

For the purposes of clause 3(c)(6) of rule XIII of the Rules of the House of Representatives, no hearings were used to develop H.R. 7779.

COMMITTEE CONSIDERATION

The Committee met on May 19, 2022, a quorum being present, to consider H.R. 7779 and ordered the measure to be favorably reported to the House, as amended, by voice vote.

COMMITTEE VOTES

Clause 3(b) of rule XIII requires the Committee to list the recorded votes on the motion to report legislation and amendments thereto.

No recorded votes were requested during consideration of H.R. 7779.

COMMITTEE OVERSIGHT FINDINGS

In compliance with clause 3(c)(1) of rule XIII, the Committee advises that the findings and recommendations of the Committee, based on oversight activities under clause 2(b)(1) of rule X, are incorporated in the descriptive portions of this report.

CONGRESSIONAL BUDGET OFFICE ESTIMATE, NEW BUDGET AUTHORITY, ENTITLEMENT AUTHORITY, AND TAX EXPENDITURES

With respect to the requirements of clause 3(c)(2) of rule XIII and section 308(a) of the Congressional Budget Act of 1974, and with respect to the requirements of clause 3(c)(3) of rule XIII and section 402 of the Congressional Budget Act of 1974, the Committee has requested but not received from the Director of the Congressional Budget Office a statement as to whether this bill contains any new budget authority, spending authority, credit authority, or an increase or decrease in revenues or tax expenditures.

FEDERAL MANDATES STATEMENT

An estimate of Federal mandates prepared by the Director of the Congressional Budget Office pursuant to section 423 of the Unfunded Mandates Reform Act was not made available to the Committee in time for the filing of this report. The Chairman of the Committee shall cause such estimate to be printed in the *Congressional Record* upon its receipt by the Committee.

STATEMENT OF GENERAL PERFORMANCE GOALS AND OBJECTIVES

Pursuant to clause 3(c)(4) of rule XIII, the objective of H.R. 7779 is to increase the security and integrity of science and technology and research and development efforts at American institutions of higher education which DHS funds.

DUPLICATIVE FEDERAL PROGRAMS

Pursuant to clause 3(c)(5) of rule XIII, the Committee finds that H.R. 7779 does not contain any provision that establishes or reauthorizes a program known to be duplicative of another Federal program.

CONGRESSIONAL EARMARKS, LIMITED TAX BENEFITS, AND LIMITED
TARIFF BENEFITS

In compliance with rule XXI, this bill, as reported, contains no congressional earmarks, limited tax benefits, or limited tariff benefits as defined in clause 9(d), 9(e), or 9(f) of rule XXI.

ADVISORY COMMITTEE STATEMENT

No advisory committees within the meaning of section 5(b) of the Federal Advisory Committee Act were created by this legislation.

APPLICABILITY TO LEGISLATIVE BRANCH

The Committee finds that H.R. 7779 does not relate to the terms and conditions of employment or access to public services or accommodations within the meaning of section 102(b)(3) of the Congressional Accountability Act.

SECTION-BY-SECTION ANALYSIS OF THE LEGISLATION

Section 1. Short title

This section states that the Act may be cited as the “DHS Restrictions on Confucius Institutes and Chinese Entities of Concern Act”.

Sec. 2. Limitations on Confucius Institutes’ host schools

This section establishes the definitions for “Chinese Entity of Concern,” “Confucius Institute,” and “relationship.”

This section requires that an institution of higher education which has a relationship with a Confucius Institute is ineligible to receive S&T or R&D funds from DHS so long as the institution maintains such relationships. It also requires institutions of higher education which have relationships with a Chinese entity of concern to disclose such relationships to the Department when seeking S&T or R&D funds.

This section further requires the Secretary of Homeland Security to provide technical assistance, upon request, to institutions of higher education relating to compliance with this Act. In carrying out this subsection, the Secretary is directed to provide particular attention to historically Black colleges and universities and other minority-serving institutions who may experience additional burden. It is the Committee’s intent that the restrictions and reporting requirements established in H.R. 7779 are implemented in a timely manner.

Additionally, this section grants the Secretary of Homeland Security the authority to waive, on a case-by-case basis, and for a period of not more than 1 year, the funding restrictions on institutions of higher education if the Secretary determines it is in the national security interests of the United States. The Secretary shall provide written notification of the waiver, and any renewal of the waiver, to the Committee on Homeland Security of the House of Representatives and the Committee on Homeland Security and Governmental Affairs of the Senate (the Committees).

Finally, not later than 18 months after the date of the enactment of this Act, and annually thereafter, the Secretary of Homeland Se-

curity is required to report to the Committees on the implementation of this Act.

