AMENDMENT IN THE NATURE OF A SUBSTITUTE TO H.R. 6058 OFFERED BY MR. HUIZENGA OF MICHIGAN

Strike all after the enacting clause and insert the following:

SECTION 1. SHORT TITLE.

This Act may be cited as the ''Semiconductor Technology Resilience, Integrity, and Defense Enhancement Act'' or the ''STRIDE Act''.

SEC. 2. SENSE OF CONGRESS.

It is the sense of Congress that—

(1) the global semiconductor technology supply chain is critical to United States and allied national security, economic competitiveness, and technological leadership;

(2) the People's Republic of China (PRC) seeks to dominate the semiconductor technology industry, which will assist in its military modernization efforts and human rights abuses through non-market practices, export control violation and avoidance, economic espionage, military-civil fusion, and predatory investment;

(3) export controls to protect critical semiconductor technologies can be more effective when done in partnership with key allies and partners; and

(4) fully utilizing certain United States export control authorities has proven effective at preventing circumvention or avoidance of United States export controls through third-country production.

SEC. 3. STATEMENT OF POLICY.

It is the policy of the United States to—

(1) maintain United States and allied partner technological leadership in semiconductor technology research, design, manufacturing, and advanced materials;

(2) prevent the PRC from capturing key chokepoints in the global semiconductor technology supply chain;

(3) coordinate with allied and partner nations to expand and enhance semiconductor technology protection;

(4) ensure that United States technology and intellectual property do not contribute to the PRC's military modernization, human rights abuses, and pursuit of technological dominance over the United States and its allies and partners; and

(5) promote resilient, secure, and trusted semiconductor supply chains among United States allies and partners.

SEC. 4. MULTILATERAL SEMICONDUCTOR TECHNOLOGY SUPPLY CHAIN COORDINATION.

(a) IN GENERAL.—The Secretary of State shall coordinate with governments of countries that maintain significant capabilities in semiconductor technology research, design, manufacturing, materials, equipment, or equipment subsystems and components to establish a coordinated joint approach for protecting critical semiconductor technologies from acquisition by countries of concern in ways that would harm the national security of the United States and its allies and partners.

(b) COORDINATION OBJECTIVES.—In carrying out subsection (a), the Secretary of State shall seek to identify a shared set of objectives with allies and partners regarding—

(1) alignment of export control policies regarding semiconductor technology manufacturing equipment, as well as the critical subcomponents needed to produce such equipment;

(2) expanded restrictions on semiconductor technology design tools, intellectual property transfers, equipment servicing, and technical assistance

that could enable indigenous semiconductor technology development capabilities in countries of concern;

(3) harmonized approaches to controlling dual-use semiconductor technology materials, including photoresists, specialty gases, and advanced substrates;

(4) joint monitoring, enforcement, and administration to prevent circumvention of semiconductor technology controls through third-country entities as well as prevent foreign backfilling of restricted items, including by entities owned or controlled by, or headquartered in, countries of concern;

(5) information sharing regarding semiconductor technology transfer risks, personal vetting and insider threat security, end-user verification, and supply chain security threats;

(6) establishment of trusted supplier networks for critical semiconductor technology components and manufacturing services;

(7) rigorous reviews of the effectiveness of existing and proposed semiconductor technology export controls in achieving shared national security and foreign policy objectives and their economic and

technological impact on the United States and allied semiconductor countries;

(8) establishment of other harmonized policy approaches to prevent the outflow of critical semiconductor technologies, including through foreign direct investment, talent outflow of researchers and engineers, and espionage.

(c) CONSEQUENCES FOR NON-COOPERATION.—

(1) ASSESSMENT OF COOPERATION.—Not later than 180 days after the date of the enactment of this Act, and annually thereafter for two years, the Secretary of State, in consultation with the Secretary of Commerce, shall assess the extent to which countries engaged pursuant to subsection (a) are implementing measures consistent with the shared objectives established with partners pursuant to subsection (b).

(2) DETERMINATION OF INSUFFICIENT SECURITY MEASURES.—If the Secretary of State determines that a country engaged with pursuant to subsection (a) is failing to implement and adopt critical security measures to advance shared national security and foreign policy objectives, the Secretary shall—

(A) make a determination detailing the specific deficiencies in the country's semiconductor technology protection measures;

(B) engage with the country about the determination and seek a response;

(C) notify the appropriate congressional committees of such determination not later than 30 days after making such determination and provide routine updates on the country's response, as appropriate;

(D) coordinate with the Secretary of Commerce through the Export Advisory Review Board to recommend a set of actions to address the national security impact from the inadequate cooperation; and

(E) if the country remains unwilling to cooperate after 90 days, take steps consistent with the recommendations in subparagraph (D).

(3) ALIGNING SEMICONDUCTOR SECURITY MEASURES.—In carrying out the process described in paragraph (2)(B), the Secretary of State shall provide to the Export Advisory Review Board—

(A) recommendations for incentive mechanisms to spur non-cooperating countries to implement security measures sufficient to fully

prevent semiconductor technology transfer to countries of concern;

(B) recommendations for methods to share information to non-cooperating countries relevant to the risks posed by semiconductor technology transfer to countries of concern;

(C) recommendations on using all authorities pursuant to the Export Control Reform Act of 2018 (50 U.S.C. 4801 et seq.) to address national security harm to the United States;

(D) recommendations for coordination with non-cooperating countries in enforcement of export controls and other measures; and

(E) guidance on what additional steps may be needed to prevent foreign backfilling of United States technology in restricted sectors or entities in countries of concern, including by entities owned or controlled by, or headquartered in, countries of concern.

(d) REPORTS.—

(1) IN GENERAL.—Not later than 90 days after the date of enactment of this Act, and annually thereafter for 3 years, the Secretary of State shall submit to the appropriate congressional committees a report on—

(A) the status of diplomatic engagement with key semiconductor technology-producing countries;

(B) progress toward achieving the shared coordination objectives specified in subsection (b); and

(C) the effectiveness of multilateral coordination in preventing semiconductor technology transfer to countries of concern.

(2) FORM.—The report required by this subsection shall be submitted in unclassified form but may include a classified annex.

(e) DEFINITIONS.—In this section:

(1) APPROPRIATE CONGRESSIONAL COMMITTEES.—The term ''appropriate congressional committees'' means—

(A) the Committee on Foreign Affairs of the House of Representatives; and

(B) the Committee on Foreign Relations and the Committee on Banking, Housing, and Urban Affairs of the Senate.

(2) COUNTRIES OF CONCERN.—The term ''countries of concern'' has the meaning given the term ''covered nation'' in section 4872(f) of title 10, United States Code.

(3) ENTITY LIST.—The term ''Entity List'' means the list maintained by the Bureau of Industry and Security of the Department of Commerce and set forth in Supplement No. 4 to part 744 of title 15, Code of Federal Regulations, or successor regulations.

(4) SEMICONDUCTOR TECHNOLOGY.—The term ''semiconductor technology'' includes—

(A) integrated circuits, microprocessors, and memory devices;

(B) semiconductor manufacturing equipment and tools, including subsystems and components;

(C) semiconductor design software and intellectual property;

(D) semiconductor materials and specialty chemicals;

(E) testing, assembly, and packaging equipment; and

(F) any technology, component, or service that is essential to semiconductor design, manufacturing, or testing processes.