

**AMENDMENT TO THE AMENDMENT IN THE
NATURE OF A SUBSTITUTE TO H.R. 9087
OFFERED BY MR. SELF OF TEXAS**

At the appropriate place, insert the following:

1 **SEC. ____ . APPLICATION OF LICENSING REQUIREMENTS**
2 **UNDER THE EXPORT CONTROL REFORM ACT**
3 **OF 2018 TO SUBSIDIARIES OF ENTITIES LIST-**
4 **ED ON THE ENTITY LIST OR MILITARY END**
5 **USER LIST.**

6 (a) IN GENERAL.—The Secretary of Commerce shall
7 apply the licensing requirement under the Export Control
8 Reform Act of 2018 to affiliates owned 50 percent or more
9 in aggregate, directly or indirectly, by an entity listed on
10 the Entity List or the Military End User List.

11 (b) FOREIGN DIRECT PRODUCT RULE ASSESS-
12 MENT.—

13 (1) IN GENERAL.—Prior to adding an entity to
14 the Entity List or Military End User List, the Sec-
15 retary of Commerce shall conduct an assessment to
16 determine whether application of the Foreign Direct
17 Product Rule to the licensing requirement for the
18 entity would advance United States national security
19 or foreign policy interests.

1 (2) CONGRESSIONAL NOTIFICATION.—Not later
2 than 2 days after adding an entity to the Entity
3 List, the Secretary shall provide the appropriate
4 congressional committees with the Foreign Direct
5 Product Rule assessment with respect to the entity.

6 (c) WAIVER.—

7 (1) IN GENERAL.—The Secretary of Commerce
8 is authorized to exempt, on a case-by-case basis,
9 from the requirement set forth in subsection (a) any
10 entity whose exemption is in the national security in-
11 terests of the United States, as determined by the
12 Secretary of Commerce in consultation with the Sec-
13 retary of State, the Secretary of Defense, and the
14 Secretary of Energy.

15 (2) CONGRESSIONAL NOTIFICATION.—Not later
16 than 2 days after issuing a waiver under this sub-
17 section, the Secretary shall notify the appropriate
18 congressional committees and include a detailed ex-
19 planation of the national security or foreign policy
20 interest that justified the waiver.

21 (d) DEFINITIONS.—In this section:

22 (1) APPROPRIATE CONGRESSIONAL COMMIT-
23 TEES.—The term “appropriate congressional com-
24 mittees” means—

1 (A) the Committee on Foreign Affairs and
2 the Committee on Armed Services of the House
3 of Representatives; and

4 (B) the Committee on Banking, Housing,
5 and Urban Affairs and the Committee on
6 Armed Services of the Senate.

7 (2) ENTITY LIST.—The term “Entity List”
8 means the list maintained by the Bureau of Industry
9 and Security of the Department of Commerce and
10 set forth in Supplement No. 4 to part 744 of title
11 15, Code of Federal Regulations, or successor regu-
12 lations.

13 (3) FOREIGN DIRECT PRODUCT RULE.—The
14 term “Foreign Direct Product Rule” has the mean-
15 ing as described in part 734.9 of title 15, Code of
16 Federal Regulations, or successor regulations.

17 (4) MILITARY END USER LIST.—The term
18 “Military End User List” means the list maintained
19 by the Bureau of Industry and Security of the De-
20 partment of Commerce and set forth in Supplement
21 No. 7 to part 744 of title 15, Code of Federal Regu-
22 lations, or successor regulations.

