

**AMENDMENT TO THE AMENDMENT IN THE
NATURE OF A SUBSTITUTE TO H.R. 9624
OFFERED BY MR. FALLON OF TEXAS**

At the appropriate place, insert the following new section:

1 **SEC. ____.** **FUNDING RESTRICTION ON INSTITUTIONS OF**
2 **HIGHER EDUCATION THAT HAVE A RELA-**
3 **TIONSHIP WITH CERTAIN ENTITIES OF THE**
4 **PEOPLE’S REPUBLIC OF CHINA.**

5 The National Security Act of 1947 (50 U.S.C. 3001
6 et seq.) is amended by inserting after section 121 (50
7 U.S.C. 3061) the following new section:

8 **“SEC. 121A.** **FUNDING RESTRICTION ON INSTITUTIONS OF**
9 **HIGHER EDUCATION THAT HAVE A RELA-**
10 **TIONSHIP WITH CERTAIN ENTITIES OF THE**
11 **PEOPLE’S REPUBLIC OF CHINA.**

12 “(a) **DEFINITIONS.**—In this section:

13 “(1) **COVERED ENTITY.**—The term ‘covered en-
14 tity’ means a Confucius Institute, Thousand Talents
15 Program, Chinese university of concern, or entity on
16 the 1260H list.

17 “(2) **CHINESE UNIVERSITY OF CONCERN.**—The
18 term ‘Chinese university of concern’ means any uni-

1 versity or college in the People’s Republic of China
2 that—

3 “(A) is involved in the implementation of
4 military-civil fusion;

5 “(B) participates in the Chinese defense
6 industrial base;

7 “(C) is affiliated with the Chinese State
8 Administration for Science, Technology and In-
9 dustry for the National Defense;

10 “(D) receives funding from any organiza-
11 tion subordinate to the Central Military Com-
12 mission of the Chinese Communist Party;

13 “(E) provides support to any security, de-
14 fense, police, or intelligence organization of the
15 Government of the People’s Republic of China
16 or the Chinese Communist Party;

17 “(F) purposefully undermines the United
18 States’ relationship with Taiwan;

19 “(G) aids, abets, or enables the detention,
20 imprisonment, persecution, or forced labor of
21 Uyghur Muslims in the People’s Republic of
22 China;

23 “(H) willfully and knowingly engages in
24 malicious activities, including online
25 disinformation campaigns and propaganda, for

1 the purpose of interfering with United States
2 Federal, State, or local elections; or

3 “(I) is affiliated with the Chinese Academy
4 of Sciences.

5 “(3) CONFUCIUS INSTITUTE.—The term ‘Con-
6 fucius Institute’ means a cultural institute funded by
7 the Government of the People’s Republic of China.

8 “(4) INSTITUTION OF HIGHER EDUCATION.—
9 The term ‘institution of higher education’ has the
10 meaning given such term in section 102 of the High-
11 er Education Act of 1965 (20 U.S.C. 1002).

12 “(5) RELATIONSHIP.—The term ‘relationship’
13 means, with respect to an institution of higher edu-
14 cation, any contract awarded to or from, agreement
15 entered into with, or in-kind donation or gift re-
16 ceived from, any covered entity.

17 “(6) THOUSAND TALENTS PROGRAM.—The
18 term ‘Thousand Talents Program’ means any tech-
19 nological or educational program funded or adminis-
20 tered by the Chinese Communist Party’s Ministry of
21 Industry and Information Technology.

22 “(7) 1260H LIST.—The term ‘1260H list’
23 means the list of Chinese military companies oper-
24 ating in the United States most recently submitted
25 under section 1260H(b)(1) of the William M. (Mac)

1 Thornberry National Defense Authorization Act for
2 Fiscal Year 2021 (10 U.S.C. 113 note).

3 “(b) RESTRICTIONS ON INSTITUTIONS OF HIGHER
4 EDUCATION.—Except as provided by subsection (c), be-
5 ginning with the first fiscal year that begins after the date
6 that is 12 months after the date of the enactment of this
7 section, the Director of National Intelligence shall ensure
8 that an institution of higher education (referred to in this
9 subsection as an ‘institution’) which has a relationship
10 with a covered entity is ineligible to receive any funds from
11 any element of the intelligence community, unless the in-
12 stitution terminates its relationship with the covered enti-
13 ty. Upon termination of any such relationship, the ineligi-
14 bility imposed under this section shall no longer apply.

15 “(c) WAIVER.—

16 “(1) IN GENERAL.—The Director of National
17 Intelligence, on a case-by-case basis and for a period
18 not to exceed one year, may waive the application of
19 the restriction under subsection (b) with respect to
20 an institution of higher education if the Director de-
21 termines—

22 “(A) the institution maintains robust safe-
23 guards and enforcement protocols to monitor
24 the relationship with a covered entity, including
25 active measures to detect and deter attempts by

1 Chinese nationals affiliated with a covered enti-
2 ty to gain unauthorized access to sensitive re-
3 search, data, or federally funded development
4 activities conducted at or on the premises of, or
5 by, such institution; and

6 “(B) either—

7 “(i) the relationship is in the national
8 security interests of the United States; or

9 “(ii) the relationship does not present
10 a direct or indirect national security risk to
11 the United States or the allies of the
12 United States.

13 “(2) RENEWAL.—On an annual basis, the Di-
14 rector may renew a waiver issued under paragraph
15 (1) if the Director determines all of the conditions
16 described in such paragraph continue to be satisfied.

17 “(3) EFFECTIVE DATES.—A waiver issued or
18 renewed pursuant to paragraph (1) or (2), respec-
19 tively, takes effect and applies beginning on the date
20 that is 30 days after such issuance or renewal, as
21 the case may be.

22 “(4) NOTIFICATION.—If the Director issues or
23 renews a waiver pursuant to paragraph (1) or (2),
24 respectively, not later than 30 days before such
25 issuance or renewal, as the case may be, takes ef-

1 fect, the Director shall submit to the Permanent Se-
2 lect Committee on Intelligence of the House of Rep-
3 resentatives and Select Committee on Intelligence of
4 the Senate written notification regarding such
5 issuance or renewal, including a justification relating
6 thereto.

7 “(d) ASSISTANCE.—The Director of National Intel-
8 ligence shall provide outreach and, upon request, technical
9 assistance to institutions of higher education relating to
10 compliance with this Act.

11 “(e) ASSISTANCE.—The Director of National Intel-
12 ligence shall provide outreach and, upon request, technical
13 assistance to institutions of higher education relating to
14 compliance with this section.

15 “(f) REPORTS.—Not later than 18 months after the
16 date of the enactment of this section and annually there-
17 after, the Director of National Intelligence shall submit
18 to the congressional intelligence committees a report re-
19 garding implementation of this section during the imme-
20 diately preceding 12-month period. Each such report shall
21 include information relating to the following:

22 “(1) Any institution of higher education that
23 has a relationship with a covered entity and receives
24 funds from any element of the intelligence commu-
25 nity.

1 “(2) The implementation of subsections (b) and
2 (d).”.

