H. R. 8520

To establish certain reporting and other requirements relating to telecommunications equipment and services produced or provided by certain entities, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

JULY 26, 2022

Ms. WILD (for herself, Mrs. WAGNER, and Mr. MEEKS) introduced the following bill; which was referred to the Committee on Foreign Affairs, and in addition to the Committee on Financial Services, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned

A BILL

To establish certain reporting and other requirements relating to telecommunications equipment and services produced or provided by certain entities, 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. SHORT TITLE.
4 This Act may be cited as the “Countering Untrusted
5 Telecommunications Abroad Act”.


SEC. 2. SENSE OF CONGRESS.

It is the sense of Congress that—

(1) the national security of the United States is affected by the telecommunications security of United States allies, partners, and other countries around the globe;

(2) the importance of mobile and internet services makes such services tempting and effective tools for malign influence and economic coercion;

(3) Huawei Technologies Company and ZTE Corporation (and any subsidiary or affiliate of either such entity) should not serve as a vendor of telecommunications equipment or services given the close ties to, and control over, such entities by the People’s Republic of China; and

(4) it is in the economic and national security interests of the United States to ensure that countries around the globe use trusted telecommunications equipment or services.

SEC. 3. REPORT ON UNTRUSTED TELECOMMUNICATIONS EQUIPMENT OR SERVICES IN COUNTRIES WITH COLLECTIVE DEFENSE AGREEMENT WITH UNITED STATES.

(a) Report.—Not later than 180 days after the date of the enactment of this Act, and annually thereafter for two years, the Secretary of State shall submit to the Com-
mittee on Foreign Affairs of the House of Representatives and the Committee on Foreign Relations of the Senate a report on the prevalence of untrusted telecommunications equipment or services in the networks of United States allies and partners.

(b) MATTERS.—The report under subsection (a) shall enumerate each United States ally or partner with respect to which the United States has entered into a collective defense agreement and include, for each such country, the following:

(1) A description of the presence, or lack thereof, of untrusted telecommunications equipment or services in any 5G network of the country.

(2) If any untrusted telecommunications equipment or service is present in such a network—

(A) an enumeration of any mobile carriers that are using the untrusted telecommunications equipment or service present, and any mobile carriers that are not;

(B) a determination of whether the untrusted telecommunications equipment or service present is in the core or periphery of the network; and

(C) any plans to rip and replace the untrusted telecommunications equipment or
service present with a trusted telecommunications equipment or service.

(3) A description of any plans by network operators to use untrusted telecommunications equipment or services in the deployment of Open Radio Access Network (Open RAN) technology, or any successor to such technology, or in future 6G networks.

SEC. 4. REPORT ON COVERED TELECOMMUNICATIONS EQUIPMENT OR SERVICES IN UNITED STATES EMBASSIES.

(a) FINDINGS.—Congress finds the following:

(1) The Comptroller General of the United States has reported that 23 percent of all telecommunications device manufacturers of the Department of State have at least one supplier reported to be headquartered in the People’s Republic of China or the Russian Federation.

(2) The Comptroller General has reported that four percent of all telecommunications contractors of the Department of State have at least one supplier reported to be headquartered in the People’s Republic of China.

(b) REPORT.—

(1) IN GENERAL.—Not later than 180 days after the date of the enactment of this Act, the Sec-
retary of State, in consultation with the heads of such other departments and agencies as the Sec-
retary determines necessary, shall submit to the Committee on Foreign Affairs of the House of Rep-
resentatives and the Committee on Foreign Rela-
tions of the Senate a report containing an assess-
ment of the use of covered telecommunications equipment or services in United States embassies and by United States embassy staff and personnel.

(2) MATTERS.—The report under paragraph (1) shall include information on the following:

(A) The status of the implementation by the Secretary of State of the prohibition under subsection (a)(1) of section 889 of the John S. McCain National Defense Authorization Act for Fiscal Year 2019 (Public Law 115–232; 132 Stat. 1917; 41 U.S.C. 3901 note prec.) with re-
spect to equipment, systems, and services used at United States embassies, including—

(i) an identification of the United States embassies with respect to which the Secretary has implemented such prohibi-
tion, and an identification of those with re-
spect to which the Secretary has not imple-
mented such prohibition, if any;
(ii) an identification of any difficulties that have delayed the implementation of such prohibition by the Secretary with respect to United States embassies, such as visibility into supply chains, costs of equipment replacement, and plans for timely remediation;

(iii) information on any waivers that have been granted to an entity under subsection (d) of such section 889 for equipment, systems, or services used at United States embassies, including a justification of why each waiver was granted and any other information required pursuant to paragraph (1)(B) of such subsection; and

(iv) for any entity that has sought a waiver specified in clause (iii), the implementation status of the phase-out plan of the entity submitted by the entity pursuant to subsection (d) of such section 889.

(B) Information regarding the extent to which the digital devices of United States embassy staff and personnel are serviced by Huawei Technologies Company or ZTE Corporation (or any subsidiary or affiliate of either
such entity), or any other entity headquartered
in the People's Republic of China, and an as-
assessment of the likelihood of the intelligence
services of the People's Republic of China gain-
ing access to the contents and data of the dig-
ital devices used by United States embassy per-
sonnel as a result of any such servicing.

(C) Any other information regarding ongo-
ing efforts to safeguard the telecommunications
security of United States embassies.

(3) FORM.—The report under paragraph (1)
shall be submitted in unclassified form, but may in-
clude a classified annex.

SEC. 5. SUPPORTING TRUSTED TELECOMMUNICATIONS.

(a) IN GENERAL.—The Secretary of State shall select
for the provision of support under this section tele-
communications infrastructure projects that have the po-
tential, as determined by the Secretary, to promote the
national security of the United States and meet such other
requirements as the Secretary may prescribe.

(b) DIPLOMATIC AND POLITICAL SUPPORT.—The
Secretary of State shall provide to each project selected
under subsection (a), as appropriate, diplomatic and polit-
ical support, including by using the diplomatic and polit-
ical influence and expertise of the Department of State
to build the capacity of countries to resolve any impediments to the development of the project.

(c) Early Stage Project Support.—The Director of the United States Trade and Development Agency should provide, as appropriate, early-stage project support with respect to projects selected under subsection (a).

SEC. 6. DISCLOSURE AND TRANSPARENCY OF UNTRUSTED COMMUNICATIONS EQUIPMENT.

(a) In General.—Section 13 of the Securities Exchange Act of 1934 (15 U.S.C. 78m) is amended by adding at the end the following new subsection:

“(s) Disclosure of Certain Activities Related to Untrusted Telecommunications Equipment.—

“(1) In general.—Each issuer required to file an annual or quarterly report under subsection (a) shall disclose in that report the information required in paragraph (2) if, during the period covered by the report, the issuer or any affiliate of the issuer used or contracted to use covered telecommunications equipment or services.

“(2) Information required.—If an issuer or affiliate of the issuer has engaged in an activity described in paragraph (1), the issuer shall disclose such activity, including a detailed description of—
“(A) whether the covered telecommunications equipment or services are being used in a mobile network run by the issuer, and whether those equipment or services were used in the core or periphery of the network;

“(B) whether the covered telecommunications equipment or services were used for cloud computing or data storage;

“(C) whether any covered telecommunications equipment or services were replaced with other vendors; and

“(D) whether the issuer is currently engaging in negotiations or planning to contract to use additional covered telecommunications equipment or services.

“(3) NOTICE OF DISCLOSURES.—If an issuer reports under paragraph (1) that the issuer or an affiliate of the issuer has knowingly engaged in any activity described in that paragraph, the issuer shall separately file with the Commission, concurrently with the annual or quarterly report under subsection (a), a notice that the disclosure of that activity has been included in that annual or quarterly report that identifies the issuer and contains the information required by paragraph (2).
“(4) Public disclosure of information.—

Upon receiving a notice under paragraph (3) that an annual or quarterly report includes a disclosure of an activity described in paragraph (1), the Commission shall promptly—

“(A) transmit the report to—

“(i) the President;

“(ii) the Committee on Foreign Affairs and the Committee on Financial Services of the House of Representatives;

and

“(iii) the Committee on Foreign Relations and the Committee on Banking, Housing, and Urban Affairs of the Senate;

and

“(B) make the information provided in the disclosure and the notice available to the public by posting the information on the Internet website of the Commission.

“(5) Covered telecommunications equipment or service defined.—In this subsection, the term ‘covered telecommunications equipment or service’ has the meaning given that term under section 7 of the Countering Untrusted Telecommunications Abroad Act.”.
(b) Effective Date.—The amendment made by subsection (a) shall take effect with respect to reports required to be filed with the Securities and Exchange Commission after the date that is 180 days after the date of the enactment of this Act.

SEC. 7. DEFINITIONS.

In this Act:

(1) Covered telecommunications equipment or service; untrusted telecommunications equipment or service.—The terms “covered telecommunications equipment or service” and “untrusted telecommunications equipment or service” mean any telecommunications equipment or service produced or provided by any of the following:

(A) Huawei Technologies Company or ZTE Corporation (or any subsidiary or affiliate of either such entity).

(B) Any entity that the Secretary of State reasonably believes to be an entity owned or controlled by the People’s Republic of China or the Russian Federation.

(2) Telecommunications equipment or service.—The term “telecommunications equipment or service” means any of the following:
(A) Hardware or software used by a telecommunications carrier or internet service provider.

(B) Data storage or cloud computing services used by an issuer that is required to file an annual or quarterly report under section 13(a) of the Securities Exchange Act of 1934 (15 U.S.C. 78m(a)).

(3) TRUSTED TELECOMMUNICATIONS EQUIPMENT OR SERVICE.—The term “trusted telecommunications equipment or service” means any telecommunications equipment or service that is not a covered telecommunications equipment or service.