

119TH CONGRESS
1ST SESSION

H. R. 1486

AN ACT

To impose sanctions with respect to economic or industrial espionage by foreign adversarial companies, 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,*

1 **SECTION 1. SHORT TITLE.**

2 This Act may be cited as the “Economic Espionage
3 Prevention Act”.

4 **SEC. 2. FINDINGS.**

5 Congress finds the following:

6 (1) On March 14, 2024, the Department of
7 State notified Congress of the following:

8 (A) People’s Republic of China exports of
9 semiconductors to Russia have increased sub-
10 stantially since Russia’s full-scale invasion of
11 Ukraine.

12 (B) In the second half of 2023, China ex-
13 ported between \$25,000,000 and \$50,000,000
14 in additional semiconductors to Russia every
15 month relative to pre-invasion levels.

16 (C) During the same period, China also ex-
17 ported between \$50,000,000 and \$100,000,000
18 in additional exports to Russia every month to
19 known transshipment hubs.

20 (D) These exports include both Chinese
21 and United States-branded semiconductors (in-
22 tegrated circuits), according to analysis of com-
23 mercially available trade data by the Bureau of
24 Industry and Security of the Department of
25 Commerce, and are almost certainly supporting

1 Russia’s military capabilities based on Ukrain-
2 ian analysis of recovered Russian weapons.

3 (E) Because of the prevalence of United
4 States manufacturing equipment in global semi-
5 conductor supply chains, nearly all chips pro-
6 duced worldwide, including in the People’s Re-
7 public of China, are subject to United States
8 export controls if destined for Russia or
9 Belarus.

10 (F) All advanced semiconductors described
11 on the Commerce Control List have been sub-
12 ject to a license requirement if destined to an
13 entity in Russia since its further invasion of
14 Ukraine.

15 (2) On April 3, 2024, Deputy Secretary of
16 State, Kurt Campbell, said “I think we have as-
17 sessed, over the course of the last couple of months
18 that Russia has almost completely reconstituted
19 militarily. And after the initial setbacks on the bat-
20 tlefield delivered to them by a brave and hearty
21 group in Ukraine, with the support of China in par-
22 ticular, dual use capabilities and a variety of other
23 efforts, industrial and commercial, Russia has re-
24 tooled and now poses a threat to Ukraine . . . But
25 not just to Ukraine, its new found capabilities pose

1 a longer term challenge to stability in Europe and
2 threatens NATO allies.”.

3 **SEC. 3. REPORT.**

4 (a) IN GENERAL.—Not later than 90 days after the
5 date of the enactment of this Act, the Secretary of State,
6 in coordination with the heads of relevant Federal depart-
7 ments and agencies, as appropriate, shall submit to the
8 appropriate congressional committees, a written report
9 that contains the following:

10 (1) An analysis and description of the extent to
11 which any foreign person who is a citizen of the Peo-
12 ple’s Republic of China or an entity organized under
13 the laws of the People’s Republic of China, or any
14 foreign person or entity controlled by or operating at
15 the direction of the Government of the People’s Re-
16 public of China—

17 (A) is knowingly a material source of crit-
18 ical components necessary for the manufacture
19 of weapons, vehicles, and other military equip-
20 ment by the defense industrial base of the Rus-
21 sian Federation;

22 (B) has knowingly delivered critical compo-
23 nents to or entered into any agreement relating
24 to the sale or delivery of critical components
25 with any entity operating in the defense or in-

1 intelligence sectors of the Government of the Rus-
2 sian Federation;

3 (C) has knowingly delivered critical compo-
4 nents to or entered into any agreement relating
5 to the sale or delivery of critical components
6 with any country or entity with which the de-
7 fense or intelligence sectors of the Government
8 of Russian Federation are cooperating in sup-
9 port of Russia's war against Ukraine; or

10 (D) has knowingly delivered critical compo-
11 nents to or entered into any agreement relating
12 to the sale or delivery of critical components
13 with a foreign person that knowingly and di-
14 rectly provides these components to the defense
15 or intelligence sectors of the Government of the
16 Russian Federation.

17 (2) The extent to which—

18 (A) any foreign person that is a citizen of
19 the People's Republic of China or an entity or-
20 ganized under the laws of the People's Republic
21 of China has knowingly engaged, on or after the
22 date of the enactment of this Act, in trans-
23 actions with a person that is part of, or oper-
24 ates on behalf of, the defense or intelligence

1 sectors of the Government of the Russian Fed-
2 eration;

3 (B) any foreign person identified pursuant
4 to subparagraph (A) has engaged in trans-
5 actions which would constitute a significant
6 transaction with persons that have been sanc-
7 tioned for being part of, or operating on behalf
8 of, the defense or intelligence sectors of the
9 Government of the Russian Federation; or

10 (C) any foreign person identified pursuant
11 to subparagraph (A) has been subjected to
12 sanctions imposed pursuant to sections 231 and
13 235 of the Countering America's Adversaries
14 Through Sanctions Act (22 U.S.C. 9525 and
15 9529).

16 (b) FORM AND AVAILABILITY.—

17 (1) FORM.—The report required by subsection
18 (a) shall be submitted in unclassified form, but may
19 include a classified annex.

20 (2) AVAILABILITY.—The unclassified portion of
21 the report required by subsection (a) may also be
22 made available to the public.

1 **SEC. 4. IMPOSITION OF SANCTIONS WITH RESPECT TO ECO-**
2 **NOMIC OR INDUSTRIAL ESPIONAGE BY FOR-**
3 **EIGN ADVERSARY ENTITIES.**

4 (a) **IN GENERAL.**—On and after the date that is 30
5 days after the date of the enactment of this Act, the Presi-
6 dent (a) may impose the sanctions described in subsection
7 (c) against any of the foreign persons described in sub-
8 section (b).

9 (b) **FOREIGN PERSONS DESCRIBED.**—A foreign per-
10 son is described in this subsection if the President deter-
11 mines on or after the date of the enactment of this Act
12 that the person is a foreign adversary entity that know-
13 ingly engages in—

14 (1) economic or industrial espionage with re-
15 spect to trade secrets or proprietary information
16 owned by United States persons;

17 (2) the provision of material support or services
18 to a foreign adversaries' military, intelligence, or
19 other national security entities; or

20 (3) the violation of United States export control
21 laws.

22 (c) **SANCTIONS DESCRIBED.**—The sanctions that
23 may be imposed with respect to a foreign person under
24 subsection (b) are the following:

25 (1) **PROPERTY BLOCKING.**—The exercise of all
26 powers granted to the President by the International

1 Emergency Economic Powers Act (50 U.S.C. 1701
2 et seq.) to the extent necessary to block and prohibit
3 all transactions in property and interests in property
4 of the foreign person if such property and interests
5 in property are in the United States, come within
6 the United States, or are or come within the posses-
7 sion or control of a United States person.

8 (2) INELIGIBILITY FOR VISAS, ADMISSION, OR
9 PAROLE.—

10 (A) VISAS, ADMISSION, OR PAROLE.—An
11 alien described in subsection (b) is—

12 (i) inadmissible to the United States;

13 (ii) ineligible to receive a visa or other
14 documentation to enter the United States;
15 and

16 (iii) otherwise ineligible to be admitted
17 or paroled into the United States or to re-
18 ceive any other benefit under the Immigra-
19 tion and Nationality Act (8 U.S.C. 1101 et
20 seq.).

21 (B) CURRENT VISAS REVOKED.—

22 (i) IN GENERAL.—An alien described
23 in subsection (b) is subject to revocation of
24 any visa or other entry documentation re-

1 regardless of when the visa or other entry
2 documentation is or was issued.

3 (ii) IMMEDIATE EFFECT.—A revoca-
4 tion under clause (i) shall take effect im-
5 mediately and automatically cancel any
6 other valid visa or entry documentation
7 that is in the alien’s possession.

8 (d) EXCEPTIONS.—

9 (1) EXCEPTION FOR INTELLIGENCE ACTIVI-
10 TIES.—Sanctions under this section shall not apply
11 to any activity subject to the reporting requirements
12 under title V of the National Security Act of 1947
13 (50 U.S.C. 3091 et seq.) or any authorized intel-
14 ligence activities of the United States.

15 (2) EXCEPTION TO COMPLY WITH INTER-
16 NATIONAL OBLIGATIONS.—Sanctions under sub-
17 section (c)(2) shall not apply with respect to the ad-
18 mission of an alien if admitting or paroling the alien
19 into the United States is necessary to permit the
20 United States to comply with—

21 (A) the Agreement regarding the Head-
22 quarters of the United Nations, signed at Lake
23 Success June 26, 1947, and entered into force
24 November 21, 1947, between the United Na-
25 tions and the United States; or

1 (B) other applicable international obliga-
2 tions.

3 (3) EXCEPTION TO CARRY OUT OR ASSIST LAW
4 ENFORCEMENT ACTIVITIES.—Sanctions under sub-
5 section (c)(2) shall not apply with respect to an alien
6 if admitting or paroling the alien into the United
7 States is necessary to carry out or assist law en-
8 forcement activity in the United States.

9 (e) WAIVER.—The President may waive the applica-
10 tion of sanctions under this section with respect to a for-
11 eign person for renewable periods of not more than 180
12 days each if the President determines and submits to the
13 appropriate congressional committees a report that con-
14 tains a determination of the President that such a waiver
15 is in the national security interests of the United States.

16 (f) IMPLEMENTATION; PENALTIES.—

17 (1) IMPLEMENTATION.—The President may ex-
18 ercise the authorities provided to the President
19 under sections 203 and 205 of the International
20 Emergency Economic Powers Act (50 U.S.C. 1702
21 and 1704) to the extent necessary to carry out this
22 section.

23 (2) PENALTIES.—A person that violates, at-
24 tempts to violate, conspires to violate, or causes a
25 violation of subsection (a) or any regulation, license,

1 or order issued to carry out that subsection shall be
2 subject to the penalties set forth in subsections (b)
3 and (c) of section 206 of the International Emer-
4 gency Economic Powers Act (50 U.S.C. 1705) to the
5 same extent as a person that commits an unlawful
6 act described in subsection (a) of that section.

7 (3) PROCEDURES AND GUIDELINES FOR SANC-
8 TIONS.—The President shall establish procedures
9 and guidelines for the implementation and enforce-
10 ment of sanctions imposed under this section.

11 (4) ANNUAL REPORT.—

12 (A) Unless the exception in subparagraph
13 (B) applies, not later than one year after the
14 date of the enactment of this Act, and for each
15 of the 5 years thereafter, the President shall
16 submit to the appropriate congressional com-
17 mittees a report on any notable developments
18 regarding economic or industrial espionage ac-
19 tivities by foreign persons.

20 (B) The President shall not be required to
21 submit the annual report described by subpara-
22 graph (A) if the President has imposed sanc-
23 tions as authorized under this section within
24 the previous calendar year.

1 (g) RULE OF CONSTRUCTION.—For purposes of this
2 section, a transaction shall not be construed to include
3 participation in an international standards-setting body or
4 the activities of such a body.

5 **SEC. 5. IMPORTATION OF GOODS EXCEPTION.**

6 (a) IN GENERAL.—The authorities and requirements
7 to impose sanctions under this Act shall not include the
8 authority or a requirement to impose sanctions on the im-
9 portation of goods.

10 (b) GOOD DEFINED.—In this section, the term
11 “good” means any article, natural or manmade substance,
12 material, supply, or manufactured product, including in-
13 spection and test equipment, and excluding technical data.

14 **SEC. 6. DEFINITIONS.**

15 In this Act:

16 (1) APPROPRIATE CONGRESSIONAL COMMIT-
17 TEES.—The term “appropriate congressional com-
18 mittees” means—

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

21 (B) the Committee on Foreign Relations of
22 the Senate.

23 (2) ECONOMIC OR INDUSTRIAL ESPIONAGE.—

24 The term “economic or industrial espionage” has
25 the meaning given that term in section 1637(d) of

1 the Carl Levin and Howard P. “Buck” McKeon Na-
2 tional Defense Authorization Act for Fiscal Year
3 2015.

4 (3) FOREIGN PERSON.—The term “foreign per-
5 son” means any person that is not a United States
6 person.

7 (4) KNOWINGLY.—The term “knowingly”, with
8 respect to conduct, a circumstance, or a result,
9 means that a person has actual knowledge, or should
10 have known, of the conduct, the circumstance, or the
11 result.

12 (5) OWN, PROPRIETARY INFORMATION, AND
13 TRADE SECRET.—The terms “own”, “proprietary in-
14 formation”, and “trade secret” have the meanings
15 given those terms in section 1637(d) of the Carl
16 Levin and Howard P. “Buck” McKeon National De-
17 fense Authorization Act for Fiscal Year 2015 (50
18 U.S.C. 1708(d)).

19 (6) PERSON.—The term “person” means an in-
20 dividual or entity.

21 (7) UNITED STATES PERSON.—The term
22 “United States person” means—

23 (A) a United States citizen or an alien law-
24 fully admitted for permanent residence to the
25 United States; or

1 (B) an entity organized under the laws of
2 the United States or any jurisdiction within the
3 United States, including a foreign branch of
4 such an entity.

5 (8) FOREIGN ADVERSARY.—The term “foreign
6 adversary” means the countries listed in section 7.4
7 of title 15, Code of Federal Regulations.

Passed the House of Representatives May 5, 2025.

Attest:

Clerk.

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