

118TH CONGRESS
1ST SESSION

S. _____

To prohibit the purchase of certain telecommunications or aerospace goods or service from entities affiliated with the People's Republic of China or the Russian Federation and to require reporting relating to investment by foreign persons in the aerospace industry in the United States, and for other purposes.

IN THE SENATE OF THE UNITED STATES

Mr. RUBIO (for himself, Mr. CORNYN, Mrs. BLACKBURN, Mr. BRAUN, and Mr. WICKER) introduced the following bill; which was read twice and referred to the Committee on _____

A BILL

To prohibit the purchase of certain telecommunications or aerospace goods or service from entities affiliated with the People's Republic of China or the Russian Federation and to require reporting relating to investment by foreign persons in the aerospace industry in the United States, 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 “Space Protection of
3 American Command and Enterprise Act” or the “SPACE
4 Act”.

5 **SEC. 2. DEFINITIONS.**

6 In this Act:

7 (1) CERTAIN TELECOMMUNICATIONS AND
8 AEROSPACE GOODS OR SERVICE.—The term “certain
9 telecommunications and aerospace goods or service”
10 means any equipment, hardware or software, and
11 services designed specifically to be used in—

12 (A) offering telecommunications, as de-
13 fined in section 3 of the Communications Act of
14 1934 (47 U.S.C. 153); or

15 (B) the design, development, and making
16 of aircraft, spacecraft, and rockets.

17 (2) COVERED ENTITY.—The term “covered en-
18 tity” means an entity—

19 (A) that is a United States business; and

20 (B) the business of which relates to explo-
21 ration, manufacturing, telecommunications, or
22 national security activities involving space.

23 (3) FOREIGN PERSON.—The term “foreign per-
24 son” means a person that is not a United States
25 person.

1 (4) UNITED STATES PERSON.—The term
2 “United States person” means—

3 (A) a United States citizen or an alien law-
4 fully admitted to the United States for perma-
5 nent residence; and

6 (B) an entity organized under the laws of
7 the United States or any jurisdiction within the
8 United States (including any foreign branch of
9 such an entity).

10 **SEC. 3. REPORT ON SPACE INVESTMENT COMPETITION**
11 **FROM THE PEOPLE’S REPUBLIC OF CHINA**
12 **AND THE RUSSIAN FEDERATION.**

13 (a) IN GENERAL.—Not later than 180 days after the
14 date of the enactment of this Act, the National Space
15 Council shall submit to Congress a report on space invest-
16 ment competition from the People’s Republic of China and
17 the Russian Federation.

18 (b) ELEMENTS.—The report required by subsection
19 (a) shall include the following:

20 (1) A description of commercial investment ac-
21 tivities used by the People’s Republic of China and
22 the Russian Federation to produce technologies and
23 devices for space activities and programs, includ-
24 ing—

25 (A) launch vehicles and technologies;

1 (B) satellites and telecommunications
2 equipment and services;

3 (C) manned spaceships, cargo spaceships,
4 deep space explorers, and space stations;

5 (D) nuclear missiles, conventional ground-
6 to-ground missiles, and air and missile defense
7 equipment;

8 (E) space and zero-gravity manufacturing;

9 (F) space-based precious minerals exca-
10 vation and exploration technologies;

11 (G) space-based solar power technologies;
12 and

13 (H) any other critical technologies and in-
14 vestment activities as determined by the Na-
15 tional Space Council, particularly activities con-
16 ducted by—

17 (i) China Aerospace Science and In-
18 dustry Corporation Limited;

19 (ii) China Aerospace Science and
20 Technology Corporation;

21 (iii) the China National Space Admin-
22 istration;

23 (iv) the BeiDou Satellite Navigation
24 Experimental System;

1 (v) the Government of the People's
2 Republic of China; or

3 (vi) the People's Liberation Army.

4 (2) An assessment of military-civil fusion activi-
5 ties in the People's Republic of China and the Rus-
6 sian Federation regarding space-related investments,
7 including—

8 (A) converting space-related technologies
9 and resources to civilian entities;

10 (B) increasing commercial enterprise par-
11 ticipation in space-related investments; and

12 (C) using investment vehicles affiliated
13 with the People's Republic of China or the Rus-
14 sian Federation to acquire critical technologies
15 in other countries.

16 (3) An assessment of and recommendation to
17 strengthen the ability of the United States to protect
18 the intellectual property and critical technologies of
19 the United States regarding space-related invest-
20 ments from export, transfer, and foreign theft or
21 imitation, particularly from entities affiliated with
22 the Government of the People's Republic of China or
23 the Government of the Russian Federation.

24 (4) A review and assessment of the research,
25 technology, and commercial ties between the United

1 States and the People’s Republic of China and the
2 Russian Federation regarding space-related invest-
3 ments to assess exposure and risks that may con-
4 tribute to the development or enhancement of the
5 space capabilities of the People’s Republic of China
6 and the Russian Federation.

7 (5) An interagency strategy—

8 (A) to defend supply chains of the United
9 States that are critical to competitiveness in
10 space; and

11 (B) to ensure that the United States re-
12 mains the preeminent commercial leader in the
13 global space industry.

14 **SEC. 4. PROHIBITION ON USE OF FUNDS TO PURCHASE**
15 **CERTAIN TELECOMMUNICATIONS OR AERO-**
16 **SPACE GOODS OR SERVICE FROM ENTITIES**
17 **ASSOCIATED WITH THE GOVERNMENT OF**
18 **THE PEOPLE’S REPUBLIC OF CHINA OR THE**
19 **COMMUNIST PARTY OF CHINA.**

20 No funds made available to the Department of Com-
21 merce or the National Aeronautics and Space Administra-
22 tion may be used to purchase or lease certain tele-
23 communications or aerospace goods or service from any
24 telecommunications or aerospace corporation, subsidiary,
25 or affiliate associated with any of the following:

1 (1) The Government of the People’s Republic of
2 China.

3 (2) The Communist Party of China.

4 (3) The People’s Liberation Army.

5 (4) The China National Space Administration.

6 (5) China Aerospace Science and Industry Cor-
7 poration Limited.

8 (6) China Aerospace Science and Technology
9 Corporation.

10 (7) The BeiDou Satellite Navigation Experi-
11 mental System.

12 (8) Any Communist Chinese military company
13 identified by the Secretary of Defense under section
14 1237(b) of the Strom Thurmond National Defense
15 Authorization Act for Fiscal Year 1999 (50 U.S.C.
16 1701 note; Public Law 105–261).

17 **SEC. 5. SEC REPORTING.**

18 (a) DEFINITIONS.—In this section—

19 (1) the term “Commission” means the Securi-
20 ties and Exchange Commission;

21 (2) the term “Schedule 13D” means a state-
22 ment containing the information required under sec-
23 tion 240.13d–101 of title 17, Code of Federal Regu-
24 lations, or any successor regulation; and

1 (3) the term “Schedule 13G” means a state-
2 ment containing the information required under sec-
3 tion 240.13d–102 of title 17, Code of Federal Regu-
4 lations, or any successor regulation.

5 (b) REPORTING REQUIRED.—Notwithstanding sec-
6 tion 240.13d–1 of title 17, Code of Federal Regulations,
7 or any successor regulation, the Commission shall require
8 any foreign person who, after acquiring directly or indi-
9 rectly the beneficial ownership of any equity security of
10 a class which is specified in paragraph (i) of such section
11 240.13d–1 and that is issued by a covered entity, is di-
12 rectly or indirectly the beneficial owner of more than 2
13 percent of the class, to file with the Commission Schedule
14 13D or Schedule 13G, as determined under such section
15 240.13d–1.

16 (c) UPDATES TO RULES.—The Commission may
17 make any updates to the rules of the Commission that
18 may be necessary as a result of this section.

19 **SEC. 6. ANNUAL REPORT ON FOREIGN INVESTMENT IN**
20 **UNITED STATES EXPLORATION, MANUFAC-**
21 **TURING, TELECOMMUNICATIONS, AND NA-**
22 **TIONAL SECURITY INVOLVING SPACE.**

23 (a) IN GENERAL.—Not later than 1 year after the
24 date of the enactment of this Act, and annually thereafter,
25 the Secretary of Defense, in coordination with the Sec-

1 retary of Commerce and the Secretary of the Treasury,
2 shall submit to Congress a report on investment by foreign
3 persons in activities conducted in the United States or by
4 United States persons relating to exploration, manufac-
5 turing, telecommunications, or national security activities
6 involving space.

7 (b) ELEMENTS.—The report required by subsection
8 (a) shall include—

- 9 (1) the country of origin of the foreign person;
10 (2) the source of funds for investment by the
11 foreign person in space; and
12 (3) any other information that the Secretary of
13 Defense considers appropriate.

14 (c) FORM.—The report required by subsection (a)
15 shall be submitted in unclassified form but may contain
16 a classified annex.