

COMPREHENSIVE LIST OF THE COMMISSION'S RECOMMENDATIONS

Chapter 2: China's Efforts to Subvert Norms and Exploit Open Societies

Section 1: Rule by Law: China's Increasingly Global Legal Reach

The Commission recommends:

1. Congress enact legislation to address politically oppressive lawsuits initiated by the Chinese government or its proxies attempting to silence, intimidate, or impose significant litigation costs on parties for exercising protected rights through political engagement or other public participation. Such legislation would create a procedure providing for expedited consideration of efforts to dismiss such lawsuits and staying expensive discovery proceedings until the court has made a threshold determination on the merits of the lawsuit.
2. Congress pass legislation requiring the Judicial Conference of the United States to prepare an evaluation and guidance for U.S. courts and administrative personnel on the Chinese legal system and body of law for purposes of assisting courts in assessing recognition of Chinese judgments and change of venue, choice of law, and forum non conveniens inquiries.

Section 2: Battling for Overseas Hearts and Minds: China's United Front and Propaganda Work

The Commission recommends:

3. Congress address China's state-sponsored influence and interference in the United States by amending the Higher Education Act of 1965 as follows:
 - To require the U.S. Department of Education to share data on U.S. universities and colleges' foreign gifts and contract disclosures, required under section 117 of the act, with U.S. federal law enforcement, intelligence agencies, and other relevant agencies, including but not limited to the Federal Bureau of Investigation and the Office of the Director of National Intelligence (ODNI). Such information sharing should encompass gifts and contracts extending back at least ten years, or a period of time determined by Congress, as well as all future gifts and contracts as they are disclosed to the department.
 - To direct an interagency review, led by ODNI, to assess the section 117 data to identify risks posed by China- and Hong

Kong-origin money received by U.S. universities and colleges. The interagency findings should be reported to Congress and inform steps, including potential suspension of federal funds, to mitigate risks associated with continued receipt of China-origin money by U.S. universities and colleges.

- To require universities and colleges to include in their section 117 reporting when a foreign gift or contract disclosure has been added retroactively or when a past entry has been revised and to establish penalties for late reporting. Penalties may include loss of federal financial assistance within three consecutive or nonconsecutive years of failing to disclose gifts or contracts above the current threshold of \$250,000.
 - To direct the U.S. Department of Education to evaluate the adequacy of the current reporting threshold of \$250,000 by conducting a study on the average amount of foreign gifts and contracts received or signed by U.S. universities and colleges in a variety of academic disciplines and to determine whether the threshold needs to be adjusted for programs in disciplines that Congress deems critical to U.S. national security. The study should also include an analysis of the amount, focus, and potential impact of China- and Hong Kong-origin gifts and contracts received by U.S. universities and colleges over the last ten years.
4. Congress pass legislation to amend the Foreign Investment Risk Review Modernization Act (FIRRMA) to expand the definition of “covered transaction” to include “research contracts.” Under the expanded definition, the Committee on Foreign Investment in the United States (CFIUS) should have the authority to review investments made by Chinese entities in the U.S. education system in the form of contracts. All parties to the transaction, including the foreign contracting organizations and U.S. institutions, should file a joint declaration to CFIUS ahead of their contract start date. Upon passage of this legislation, reporting requirements under section 117 of the Higher Education Act should be adjusted through regulation to include foreign gifts to U.S. universities and colleges, effectively transferring the administrative authority to receive and oversee the collection of foreign research contract reporting to CFIUS.
 5. Congress amend the Lobbying Disclosure Act to require domestic associations, such as industry or trade associations, who employ an individual registered as a lobbyist to publicly disclose any donations or member contributions from entities based in China and other countries of concern, as well as their U.S. affiliates.
 6. Congress support the establishment of a new entity under the U.S. Agency for Global Media (USAGM) to coordinate and disseminate news content internationally in Chinese, English, and other languages to promote fact-based information on China and counter Chinese Communist Party (CCP) global information manipulation. The entity could facilitate partnerships with

international journalists and media and provide independent content, particularly where Chinese state and state-sponsored entities seek to discredit the United States and the values of liberal democracy and promote false narratives about China. This digital service will:

- Curate and repackage the best of USAGM entities' daily content to provide uncensored China-related news in Mandarin and English for countries around the world where China is making inroads promoting its values and attempting to discredit the United States; and
 - Engage audiences and partners through multiple platforms and multilateral means to promote responsible and fact-based journalism.
7. Congress establish an interagency group, led by the Office of the Director of National Intelligence, to create a public database to assist U.S. companies, universities, and individuals in conducting due diligence on potential business or academic partners in China. The database should enable users to identify how China's military, United Front Work Department, intelligence agencies, and security agencies may be linked to Chinese companies, investment firms and other financial institutions, research institutes, and universities.
 8. Congress direct the U.S. Department of State, in coordination with the U.S. Department of Commerce and U.S. Trade and Development Agency, to prepare a public biennial assessment of the impact of China's lending and other financial practices on Belt and Road Initiative participant countries and to recommend best practices for addressing the impacts of China's activities through U.S. diplomatic and programmatic engagements.
 - The assessment should consider the impact of these practices on corruption and social stability within recipient countries, among other issues.
 - Based on the findings of the report, Congress request the U.S. Department of State, in coordination with the Development Finance Corporation, U.S. Trade and Development Agency, and other relevant agencies, to work with the EU to develop a unified approach to addressing the impact of China's activities under the Belt and Road Initiative in third countries.
 9. Congress should consider legislative restrictions to address the national security and systemic risks raised by Chinese social media applications.
 10. Congress should require the U.S. Department of State to establish as grounds for student visa revocation any instance where a foreign student surveils on behalf of or reports to any foreign-state intelligence, security, law enforcement, or political party authority the civil or political speech of any other student, or threatens to do so. The Department of State shall develop appropriate evidentiary sources and standards for revocation.

Chapter 3: Potential Risks to China's Future Economic Competitiveness

Section 1: China Educating and Training Its Next Generation Workforce

The Commission recommends:

11. Congress request a Government Accountability Office report assessing the reciprocal nature of information sharing, including access to databases, and scientific collaboration between the United States and the People's Republic of China. Such a report shall include information on access by U.S. academics and experts to ongoing research activities, projects, symposia, and other scientific and technology activities in China. It should also assess whether such collaboration and activities provide comparable information and value to that which is available to researchers from China at international conferences and venues or in the United States.

Section 2: Fiscal, Financial, and Debt Problems Weigh Down Beijing's Ambitions

The Commission recommends:

12. To combat tariff evasion by Chinese exporters, Congress amend the procedures for investigating claims of trade remedy laws in the Enforce and Protect Act of 2015 to include merchandise subject to tariffs under the findings of the 2018 Section 301 investigation into China's acts, policies, and practices of related to technology transfer, intellectual property, and innovation.
13. Congress consider legislation establishing a framework for corporate disclosure requirements to provide investors greater transparency into risks from publicly traded companies' exposure to China. Factors encompassed within the framework may include but not be limited to the percentage of companies' total assets in China, their joint ventures with Chinese firms, the amount and nature of research and development they undertake in China, and the influence of any company personnel associated with the Chinese Communist Party in corporate decision-making.
14. The Joint Economic Committee should consider resuming production of an annual unclassified report on the state of the Chinese economy and economic policy decisions of the Chinese Communist Party. The report would analyze open source and classified data and analysis, leveraging expertise from across the U.S. government, including analysts and economists from the relevant agencies of the intelligence community.
15. Congress consider legislation requiring federal financial authorities, including the Federal Reserve, to seek specific information from bank and investment institutions regarding their exposure to, and involvement in, the People's Republic of China. Such information shall include any wealth management products they offer within China and any Chinese investment vehicles they may sell to citizens of the United States directly or indirectly.

Chapter 4: China Seeking Military Influence and Advanced Capabilities

Section 1: China's Relations with Foreign Militaries

The Commission recommends:

16. Congress require the U.S. Department of Defense and the U.S. Department of State to provide to the appropriate committees of Congress within 180 days a classified briefing on China's efforts to educate and train foreign military personnel. The briefing should address how China's programs affect U.S. interests, including: (a) foreign military partners' assessment of the value of China's security assistance and training programs; and (b) whether the scale and offerings of U.S. military education and training programs are sufficient to maintain the United States' status as a preferred partner.
17. Congress require the U.S. Department of Defense (DOD) to submit a report within 180 days that builds upon the restrictions on DOD's contacts with the People's Liberation Army (PLA) outlined in section 1201 of the National Defense Authorization Act for Fiscal Year 2000 by detailing measures DOD is taking to mitigate the risk of the PLA gaining indirect knowledge of U.S. Armed Forces' equipment and operational tactics, techniques, and procedures through interactions with the militaries of U.S. allies and partners. The report should identify any obstacles to ensuring sufficient partner awareness of these risks and to conducting the necessary follow-up and end-use monitoring to ensure compliance.

Section 2: Weapons, Technology, and Export Controls

The Commission recommends:

18. Congress hold hearings to evaluate the potential for establishing a single export licensing system. Such a system would integrate the Commerce Control List, the dual-use technology licensing system managed by the U.S. Department of Commerce's Bureau of Industry and Security, and the U.S. Munitions List, the armaments licensing system managed by the U.S. Department of State's Directorate of Defense Trade Controls. In evaluating a single licensing system, Congress should consider:
 - Whether a single licensing system could improve the enforcement of export controls targeting specific end users, particularly those in jurisdictions with poor transparency into corporate ownership and commercial affiliations, such as China;
 - The potential commercial impact of combining the licensing systems, including how to reduce the compliance burden on industry without compromising national security;
 - Which technologies to include in a combined system and how to integrate appropriate technical expertise to scope evolving controls on dual-use emerging and foundational technologies;
 - Where such a system should be housed within the U.S. government and how to establish effective coordination between different agency stakeholders; and

- How to provide the Department of State and other relevant agencies with appropriate information and authorities to advocate for multilateral export controls that advance U.S. security, foreign policy, and economic competitiveness.
19. Congress provide the Committee on Foreign Investment in the United States (CFIUS) the authority to review investments in U.S. companies that could support foreign acquisition of capabilities to attain technological self-sufficiency or otherwise impair the economic competitiveness of the United States, including:
 - Investments in technology areas prioritized in potential adversaries' industrial policies, such as China's 14th Five-Year Plan, Made in China 2025, and other related initiatives;
 - Investments in U.S. firms that have received funding from the U.S. Departments of Defense, Commerce, Energy, and other U.S. government funding for projects critical to national security and competitiveness; and
 - Other investments that may provide privileged access to expertise, business networks, and production methods critical to maintaining U.S. economic and technological competitiveness.
 20. Congress establish a risk matrix framework to evaluate the national security threat posed by electronic products imported from the People's Republic of China. To eliminate or mitigate risks identified in the threat matrix evaluation, Congress should consider the use of all trade tools, including tariffs.
 21. Congress request an evaluation, to be completed within 180 days by the General Accountability Office, of the effectiveness of recently imposed semiconductor export control regulations in preventing China from either acquiring or developing the capacity to manufacture certain advanced semiconductors. The report should include an assessment of the extent of cooperation received from key allied governments, as well as both U.S. and foreign-based companies, and an evaluation of China's efforts to circumvent these controls or to negate their effectiveness by developing its own indigenous capabilities. This assessment should be prepared for public release but may include a classified annex. The report should be updated annually.

Chapter 5: Changing Relations with Europe, Taiwan, and Hong Kong

Section 1: Europe-China Relations; Convergence and Divergence in Transatlantic Cooperation

The Commission recommends:

22. Congress direct the U.S. Department of Defense to work with European partners to protect the movement of U.S. military equipment, supplies, and personnel from Chinese surveillance via China's National Transportation and Logistics Public Information Platform (LOGINK) and any other logistics platform controlled by, affiliated with, or subject to the jurisdiction of the Chinese Communist Party or the Government of the Peo-

ple's Republic of China or any logistics platform that shares data with such a system. Coordination with European partners should include:

- Identifying ports in NATO countries that currently utilize or intend to utilize LOGINK or similar systems from China or other countries of concern;
 - Assessing the U.S. military's current and past potential exposure to Chinese surveillance via LOGINK or similar systems and the risks to U.S. interests and national security resulting from such exposure;
 - Identifying and assessing the feasibility of adopting alternative shipping routes through ports that do not currently utilize or intend to utilize LOGINK or similar systems, including by identifying any risks to U.S. military programs, activities, and movements that would be created by attempting to avoid exposure to such systems; and
 - Implementing joint measures to mitigate the identified risks of exposure to LOGINK and similar systems in European ports.
23. Congress direct the Administration to engage in discussion with European allies on plans and preparations to impose economic sanctions on China in the event of a confrontation over Taiwan, an escalation in China's support for Russia, or other contingencies. Congress also direct the Administration to consult with Congress on the progress of these discussions.
24. Congress direct the U.S. Trade and Development Agency, the Development Finance Corporation, and the National Institute of Standards and Technology (NIST) to report on how they are incorporating promotion of U.S.-supported technical standards into U.S.-funded development projects or technical assistance provided abroad.
25. Congress direct the Administration to establish a secure electric vehicle (EV) and new energy vehicle (NEV) supply chain by considering legislation that would foster U.S.-EU-UK coordination on:
- Raising or maintaining tariffs on Chinese EV, NEV, and related inputs and technology; and
 - Promoting supply chain diversification and resilience in the EV and NEV markets.

Section 2: Taiwan

The Commission recommends:

26. Congress should direct the U.S. Department of Defense (DOD) to expand the training of Taiwan's military to locations in the United States for the purpose of conducting weapons familiarization with systems that have been ordered by but not yet delivered to Taiwan in order to speed Taiwan's adoption of those systems once delivered. Congress should authorize DOD to station standing observer teams from Taiwan at U.S. train-

ing installations and bases to observe and participate in such training.

27. Congress should pass legislation establishing a joint “center of excellence” operated by the United States and Taiwan to uncover, analyze, and counter China’s disinformation and offensive cyber operations against Taiwan. This center could be modeled on the NATO Cooperative Cyber Defence Centre of Excellence and foster cooperation, capabilities, and information sharing on disinformation and cybersecurity through education, training, and research.
28. Congress direct the U.S. Department of State and relevant agencies to produce an unclassified report examining the expected economic impact of a People’s Liberation Army blockade and/or quarantine of Taiwan. The report should seek to assess the following under each scenario: (1) the impact on global trade and output on timelines up to one year; (2) the top ten sectors that will be most disrupted by a sustained blockade; and (3) the expected impact on the domestic economies of each G7 country from such action.

Section 3: Hong Kong

The Commission recommends:

29. Congress direct the U.S. Department of State to include in the annual report required by the Hong Kong Autonomy Act information on the Hong Kong government’s restriction of émigrés’ access to their financial accounts in the territory, including from the government-run Mandatory Provident Fund (MPF) pension scheme. Based on the findings of the report, the Administration should impose sanctions, as authorized under the 2020 Hong Kong Autonomy Act, on individuals involved in limiting freedom of emigration. Congress may consider further steps to prevent U.S.-based financial institutions involved in managing the funds of Hong Kongers from aiding in violating freedom of emigration by withholding pension funds from their rightful owners at the behest of Hong Kong’s government.
30. Congress amend the Hong Kong Autonomy Act to add to the contents of the required annual report an evaluation of limitations on Hong Kong’s judicial independence. Specifically, the evaluation should assess whether the chief executive or any other body acting on behalf of China’s government has exercised undue influence over the Hong Kong judicial system in ways that violate the right to a fair and independent trial as guaranteed under the Basic Law of Hong Kong. Based on the findings of the report, Congress may impose sanctions, as authorized under the 2020 Hong Kong Autonomy Act, on individuals involved with the Hong Kong judiciary serving in Hong Kong, including foreign national judges that serve on the Hong Kong Court of Final Appeal.