

COMPENSATION FOR AMERICANS ACT
CONGRESSWOMAN ANN WAGNER
SECTION-BY-SECTION

Sec. 1. Short title; table of contents

Sec. 2. Definitions

Defines “China” as “People’s Republic of China,” “WHO” as “World Health Organization,” and “compensation fund” as “Coronavirus Compensation Fund.”

Sec. 3. Findings

Finds that:

- In the early weeks of the spread of the coronavirus, the Government of China systematically suppressed, misrepresented, and falsified information necessary to prevent a pandemic
- The CCP’s actions violated Articles 6 and 7 of the International Health Regulations
- The coronavirus pandemic has killed more than 89,000 Americans and hundreds of thousands worldwide
- Nearly 40 million Americans are currently unemployed because COVID-19
- The toll on the global economy could be as high as \$8.8 trillion
- If China had acted in accordance with its international obligations just three weeks earlier, the number of early cases of the coronavirus may have been reduced by 95 percent

Sec. 4. Sense of Congress

Establishes that it is the Sense of Congress that:

- The United States correctly designated Chinese state-owned media outlets as foreign missions
- The United States should limit the number of employees of Chinese state-owned media outlets in the United States to deter harassment of American or other independent journalists by China
- U.S. entities should avoid supporting or spreading propaganda from China by reviewing the policies of such entities relating to media advertisements created by China or advertising in media outlets owned or operated by China

Sec. 5. Statement of policy

Establishes that it is the policy of the United States to seek compensation from China for intentionally concealing and distorting information concerning the spread of the virus responsible for COVID–19 resulting in the avoidable loss of life, health, or property of citizens of the United States and damage to the national economy of the United States.

Sec. 6. Coronavirus compensation fund

Establishes a Coronavirus Compensation Fund in the Treasury of the United States. Directs proceeds from a bilateral settlement between the United States and China to be deposited in the Fund.

Sec. 7. Bilateral agreement on compensation between the United States and the Government of China

Directs the United States to enter into bilateral negotiations with the People’s Republic of China to seek compensation for China’s efforts to distort and conceal information concerning the spread of coronavirus.

Sec. 8. Authorization to freeze assets and holdings from a foreign country, foreign entity, or foreign official in certain circumstances

Directs the President to use his authorities under the International Emergency Economic Powers Act to freeze or block any necessary Chinese assets in the United States in order to reach a bilateral agreement on compensation with the Government of China. The President may reach an agreement with China to deposit all or some of these frozen funds into the compensation fund.

Directs the President to create a public repository of Chinese assets in the United States, including information related to Chinese state-owned entities in the United States; Chinese entities financed, directed, or controlled by the Government of China or the Chinese Communist Party; and U.S. entities financed, directed, or controlled by the Government of China or the Chinese Communist Party.

Requires U.S. entities employed by Chinese entities, including firms in the financial, consulting, and legal sectors, to self-report to the repository, but creates an exemption for confidential proprietary information.

Sec. 9. Encouraging developing nations to seek compensation from China

Requires the Secretary of State to report to Congress a strategy to encourage and support developing countries that are facing a severe health and economic crisis due to China’s actions during the spread of the virus responsible for COVID–19 and indebted to China to freeze, repossess, or seize Chinese assets and holdings in each such country, renege on loans or debt, and expropriate ports, in order to fund COVID-19 response efforts if China does not provide compensation.

Sec. 10. Suspension of requests made by Chinese entities to acquire United States entities under certain circumstances

Directs the President to temporarily suspend review of requests made by a Chinese entity to acquire a United States entity to the Committee on Foreign Investment in the United States during bilateral negotiations.

Sec. 11. Prohibition on the procurement of certain products, including those intended for the National Strategic Stockpile.

Prohibits the United States from purchasing items for the National Strategic Stockpile from China.

Directs the President, in collaboration with the Chinese Information Officers Council and the Secretaries of Health and Human Services, Homeland Security, Defense, and Veterans’ Affairs, to report on supply chain risks and vulnerabilities posed by China to the national security, including health security, of the United States, and methods to mitigate such risks and vulnerabilities. Such

report must include information relating to the pharmaceutical, medical, rare earth, cybersecurity, information security, communication and 5G, and electronics sectors.

Pursuant to the information published in this report, prohibits the Secretaries of Defense, Health and Human Services, Homeland Security, and Veterans' Affairs from procuring items from China that pose a supply chain risk to the national security, including health security, of the United States.

Includes a national security waiver and allows the President to terminate prohibitions when negotiations have concluded.

Sec. 12. Report on integrity of the United States supply chain

Requires the Secretary of Commerce to report on strategies to incentivize, require, or compensate United States persons for relocating or repatriating United States business activities and assets from China to the United States.

Sec. 13. Restriction on Federal funds to propose, finalize, implement, or enforce any rule that reconsiders or amends certain Bureau of Industry and Security rules

Codifies Administration rules to expand license requirements on exports, reexports, and in-country transfers of items intended for military end use or military end users in China, Russia, or Venezuela, such as those in the semiconductor, information security, telecommunications, consumer electronics and software, and aerospace categories; and to remove a Civil End Users license exemption and require a review of exports of certain controlled technologies to address civil-military integration.

Sec. 14. Authorization of sanctions

Authorizes visa and asset blocking sanctions on government officials of China and their senior associates; Chinese manufacturers and suppliers in the artificial intelligence, genetic engineering technologies, semiconductors, lithium battery manufacturing, high-capacity computing, quantum computing, medical equipment, pharmaceuticals, robotics, and biotechnology industries; Chinese medical equipment suppliers or pharmaceutical manufacturers that profited from the pandemic; any Chinese individual or entity that has participated in the theft of U.S. intellectual property; and any Chinese individual or entity that is complicit in or has engaged in censorship, surveillance, or any other similar or related activity through means of telecommunications, including the internet.

Sec. 15. Export controls on certain telecommunication equipment

Prohibits export to Chinese state-owned entities or entities controlled, financed, or directed by the People's Republic of China or the Chinese Communist Party of goods and technology that would serve the primary purpose of assisting the People's Republic of China in acquiring the capability to carry out censorship, surveillance, or any other similar or related activity through means of telecommunications, including the internet.

Sec. 16. Visa ban on researchers affiliated with the PLA

Prohibits visas for researchers affiliated with the People's Liberation Army (PLA), including any research, engineering, or scientific institutes funded by or associated with the PLA.

Sec. 17. Prohibition on Investment of TSP I Fund in China

Prohibits the Federal Retirement Thrift Investment Board from investing the TSP I Fund in any stock of an entity based in the People's Republic of China.

Sec. 18. Protecting Pharmaceutical Access for Americans

Requires the Commissioner of Food and Drugs to submit to the Congress a list of all critical drugs and critical active pharmaceutical ingredients that are produced in China; and the supply of which would be disrupted for United States consumers if such production were discontinued or interrupted.

Requires the Commissioner to certify to Congress whether the Chinese pharmaceutical industry is regulated for safety to the same degree as the U.S. pharmaceutical industry. If the Commissioner determines the Chinese pharmaceutical industry does not meet U.S. safety standards, the Commissioner must submit to Congress a plan to protect U.S. consumers from unsafe Chinese drugs.

Requires the Secretary of Defense, in coordination with the Secretary of Health and Human Services and the Commissioner of Food and Drugs, to submit to Congress a plan to ensure that by 2024 no pharmaceutical products purchased for beneficiaries of health care from the Department of Defense or any associated program are made in China and to assess the effects this would have on the resilience and capacity of the current supply chain.

Sec. 19. Removal of China's Designation as a Developing Country in International Bodies

States that it is the policy of the United States to oppose efforts by China to use its self-declared status as a developing country to lessen its obligations under international agreements, dispute settlement proceedings, negotiations, rules, and regulations.

Requires the Secretary of the Treasury to instruct the United States Executive Director at the International Bank for Reconstruction and Development to pursue the removal of China from eligibility for assistance from the Bank.

Establishes that China shall be treated as a developed country for purposes of U.S. trade law.

Requires the President to direct the United States Trade Representative to use the voice, vote, and influence of the United States to secure changes at the World Trade Organization to prevent China from receiving benefits under the rules and regulations of the World Trade Organization that are not justified by appropriate economic and other indicators and treat China as a developed country.

Requires the President to direct the United States Permanent Representative to the United Nations to use the voice, vote, and influence of the United States to revise the classification system of the United Nations Statistics Division necessary to ensure the classification of the China reflects justifiable economic and other indicators and to treat China as a developed country for purposes of the Standard Country or Area Codes for Statistical Use.

Sec. 20. Protecting America from cyberattacks

Allows U.S. companies to use attributional technology and active defense measures if they believe they are under cyberattack by an agent or an affiliate of Chinese state commercial actors in the

United States, other Chinese entities or individuals financed, directed, or controlled by the Chinese State, Government of China, or the Chinese Communist Party.

Sec. 21. Ensuring Transparency for Chinese Listings on U.S. Exchanges

Requires the Security Exchange Commission to maintain a publicly available list of Chinese issuers whose audit reports were prepared by foreign public accounting firms, and which the Public Company Accounting Oversight Board has not been able to inspect or investigate.

Requires Chinese issuers to disclose whether they have been audited by foreign public accounting firms; the percentage of shares owned by Chinese government entities; whether Chinese government entities have a controlling interest in the issuer; and the name of any official of the Chinese Communist Party who is a member of the board of directors of the issuer.

Requires brokers and dealers to disclose to investors whether a foreign public accounting firm has prepared an audit report for a Chinese issuer.

Authorizes the delisting of Chinese issuers that do not meet U.S. transparency requirements.