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(Original Signature of Member)

119TH CONGRESS
2D SESSION

H. R. _____

To protect the national security of the United States by strengthening review of foreign adversary investments in the general aviation sector, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

Mr. HARRIGAN introduced the following bill; which was referred to the Committee on _____

A BILL

To protect the national security of the United States by strengthening review of foreign adversary investments in the general aviation sector, 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; TABLE OF CONTENTS.**

4 (a) **SHORT TITLE.**—This Act may be cited as the
5 “General Aviation Protection Act” or the “GAP Act”.

6 (b) **TABLE OF CONTENTS.**—The table of contents of
7 this Act is as follows:

Sec. 1. Short title; table of contents.

- Sec. 2. Mandatory CFIUS filing for covered aviation transactions.
- Sec. 3. Extended CFIUS real-estate jurisdiction for general aviation facilities.
- Sec. 4. Rebuttable presumption of prohibition for foreign adversary acquisitions of general aviation companies.
- Sec. 5. Review and classification of general aviation dual-use technologies.
- Sec. 6. Outbound investment notification for general aviation technologies.
- Sec. 7. Review of existing foreign adversary ownership of general aviation companies.
- Sec. 8. Supply chain integrity audits for foreign adversary-controlled aviation certificate holders.
- Sec. 9. Restrictions on Federal financial assistance; foreign ownership disclosure requirement.
- Sec. 10. Definitions.
- Sec. 11. Severability.
- Sec. 12. Effective date.

1 SEC. 2. MANDATORY CFIUS FILING FOR COVERED AVIA-
2 TION TRANSACTIONS.

3 (a) FINDINGS.—Congress finds the following:

4 (1) The general aviation sector of the United
5 States represents a critical component of the na-
6 tional aerospace and defense industrial base. General
7 aviation aircraft, engines, avionics systems, and re-
8 lated technologies support pilot training pipelines for
9 both civilian and military aviators, serve as plat-
10 forms for surveillance, logistics, and emergency re-
11 sponse operations, and form an integral part of the
12 supply chains supporting the United States Armed
13 Forces and Federal agencies.

14 (2) The People’s Republic of China (PRC) has,
15 over the past two decades, systematically acquired
16 United States general aviation manufacturers, en-
17 gine producers, avionics firms, and flight training in-
18 frastructure, including through entities wholly-owned

1 or directed by the Aviation Industry Corporation of
2 China (AVIC), a conglomerate designated as a Chi-
3 nese military company under section 1237 of the
4 National Defense Authorization Act for Fiscal Year
5 1999 (50 U.S.C. 1701 note) and listed on the Non-
6 SDN Chinese Military-Industrial Complex Compa-
7 nies List (NS-CMIC List) maintained by the Office
8 of Foreign Assets Control.

9 (3) PRC entities have made more than 20 ac-
10 quisitions of, investments in, or joint venture agree-
11 ments with United States general aviation compa-
12 nies since 2005, spanning engine manufacturers, air-
13 frame producers, avionics developers, helicopter
14 manufacturers, and flight training operators. The
15 pattern and pace of these transactions, their con-
16 centration in strategically sensitive subsectors, and
17 their alignment with stated PRC industrial policy
18 objectives constitute a coordinated campaign rather
19 than ordinary commercial investment activity.

20 (4) These acquisitions have resulted in the
21 transfer to PRC-controlled entities of Federal Avia-
22 tion Administration (FAA) production certificates,
23 advanced composite airframe manufacturing exper-
24 tise, high-efficiency piston engine technology, and
25 FAA-certified avionics integration knowledge, capa-

1 bilities that carry direct application to unmanned
2 aerial systems, military trainers, and dual-use avia-
3 tion platforms.

4 (5) Congress has previously recognized analo-
5 gous national security risks in other sectors and
6 taken corrective action, including through the Pro-
7 tecting Americans from Foreign Adversary Con-
8 trolled Applications Act (Public Law 118–50), re-
9 strictions on Huawei and ZTE Corporation equip-
10 ment in United States telecommunications networks
11 under the Secure and Trusted Communications Net-
12 works Act of 2019 (47 U.S.C. 1601 et seq.), and
13 prohibitions on AVIC-affiliated entities in United
14 States defense procurement. The general aviation
15 sector warrants equivalent congressional attention
16 and protection.

17 (b) AMENDMENTS TO THE DEFENSE PRODUCTION
18 ACT OF 1950.—Section 721 of the Defense Production
19 Act of 1950 (50 U.S.C. 4565) is amended—

20 (1) in subsection (a)—

21 (A) by redesignating paragraphs (8)
22 through (13) as paragraphs (10) through (15),
23 respectively; and

24 (B) by inserting after paragraph (7) the
25 following new paragraphs:

1 “(8) COVERED AVIATION TRANSACTION.—The
2 term ‘covered aviation transaction’ means any cov-
3 ered transaction in which—

4 “(A) the acquirer is a foreign person from
5 a country of concern; and

6 “(B) the United States business is a cov-
7 ered general aviation entity.

8 “(9) COVERED GENERAL AVIATION ENTITY.—
9 The term ‘covered general aviation entity’ means
10 any United States business that—

11 “(A) holds an FAA production certificate
12 issued pursuant to part 21 of title 14, Code of
13 Federal Regulations, for the manufacture of
14 aircraft engines, propellers, or airframes in-
15 tended for use in the United States civil avia-
16 tion fleet;

17 “(B) designs, manufactures, or sells avi-
18 onics or flight control systems, including auto-
19 pilot systems, glass cockpit displays, or air-to-
20 ground data link systems, intended primarily
21 for general aviation aircraft, as that term is de-
22 fined in section 40102(a)(17) of title 49, United
23 States Code;

24 “(C) is a type certificate holder or produc-
25 tion certificate holder under part 21 of title 14,

1 Code of Federal Regulations, for helicopters or
2 light rotorcraft with a maximum certificated
3 takeoff weight of 12,500 pounds or less; or

4 “(D) holds a certificate of approval as an
5 FAA-certificated pilot school under part 141 of
6 title 14, Code of Federal Regulations, or an
7 aviation training center under part 142 of title
8 14, Code of Federal Regulations and is located
9 within 50 nautical miles of a military installa-
10 tion (as such term is defined in section 802.227
11 of title 31, Code of Federal Regulations).”;

12 (2) in subsection (b)(1)(C)(v)(IV), by adding at
13 the end the following:

14 “(hh) COVERED AVIATION
15 TRANSACTION.—The Committee
16 shall require a declaration under
17 this subclause for a covered avia-
18 tion transaction.”; and

19 (3) in subsection (f)—

20 (A) in paragraph (10), by striking “and”
21 at the end;

22 (B) by redesignating paragraph (11) as
23 paragraph (13); and

24 (C) by inserting after paragraph (10) the
25 following:

1 “(11) with respect to a covered aviation trans-
2 action—

3 “(A) the applicability of the acquirer’s
4 home country’s military-civil fusion policies, or
5 analogous policies, to the acquired United
6 States business;

7 “(B) the dual-use potential of the prod-
8 ucts, technologies, or manufacturing processes
9 of the acquired business for unmanned aerial
10 systems or military aviation platforms; and

11 “(C) the acquired business’s participation
12 in FAA certification programs, supply chains
13 supporting Federal agencies, or flight training
14 programs that train foreign nationals;

15 “(12) if a business has an ultimate foreign par-
16 ent entity on the NS-CMIC List, the Entity List
17 maintained under part 744 of title 15, Code of Fed-
18 eral Regulations, or the Specially Designated Na-
19 tionals and Blocked Persons List; and”.

20 (c) IMPLEMENTING REGULATIONS.—Not later than
21 180 days after the date of enactment of this Act, the Sec-
22 retary of the Treasury, in coordination with the Secretary
23 of Defense, the Secretary of Transportation, and the Sec-
24 retary of Commerce, shall promulgate regulations imple-
25 menting the amendments made by subsection (b).

1 **SEC. 3. EXTENDED CFIUS REAL-ESTATE JURISDICTION FOR**
2 **GENERAL AVIATION FACILITIES.**

3 (a) IN GENERAL.—Section 721(a)(4)(B)(ii) of the
4 Defense Production Act of 1950 (50 U.S.C.
5 4565(a)(4)(B)(ii)) is further amended—

6 (1) in subclause (II)(bb)(CC), by striking
7 “and” at the end;

8 (2) in subclause (III), by striking the period at
9 the end and inserting “; and”; and

10 (3) by adding at the end the following:

11 “(IV) is general aviation airport
12 certificated under part 139 of title 14,
13 Code of Federal Regulations, or any
14 real property—

15 “(aa) used or intended to be
16 used as a fixed-base operator fa-
17 cility, hangar, flight school cam-
18 pus, or general aviation mainte-
19 nance facility; and

20 “(bb) located within 50 nau-
21 tical miles of a military installa-
22 tion (as such term is defined in
23 section 802.227 of title 31, Code
24 of Federal Regulations) or within
25 10 nautical miles of Class B or
26 Class C airspace surrounding a

1 major civil-military joint-use air-
2 port.”.

3 (b) RUBUTTABLE PRESUMPTION.— When evaluating
4 any real estate transaction described in subsection (a) in
5 which the acquirer is a foreign person from a country of
6 concern, the Committee shall presume that such trans-
7 action poses a risk to national security but such presump-
8 tion may be rebutted with a showing of clear and con-
9 vincing evidence that the transaction will not provide the
10 foreign person with—

11 (1) a capability to conduct surveillance, signals
12 collection, or intelligence gathering at or near a mili-
13 tary installation or restricted airspace;

14 (2) persistent physical access to aviation infra-
15 structure supporting United States civil or military
16 operations; or

17 (3) a base of operations for flight training ac-
18 tivities that would benefit the military aviation pro-
19 grams of a country of concern.

20 **SEC. 4. REBUTTABLE PRESUMPTION OF PROHIBITION FOR**
21 **FOREIGN ADVERSARY ACQUISITIONS OF**
22 **GENERAL AVIATION COMPANIES.**

23 Section 721 of the Defense Production Act of 1950
24 (50 U.S.C. 4565) is further amended by adding at the
25 end the following:

1 “(r) REBUTTABLE PRESUMPTION OF PROHIBITION
2 FOR COVERED AVIATION TRANSACTIONS.—

3 “(1) PRESUMPTION.—Notwithstanding any
4 other provision of this section, a covered aviation
5 transaction shall be prohibited with respect to any
6 covered aviation transaction in which the acquirer—

7 “(A) is an entity owned by, controlled by,
8 or subject to the jurisdiction or direction of a
9 country of concern, including any entity in
10 which a government of a country of concern
11 holds, directly or indirectly, a 5-percent or
12 greater equity interest;

13 “(B) is an entity on the Non-SDN Chinese
14 Military-Industrial Complex Companies List
15 (NS-CMIC List) maintained by the Office of
16 Foreign Assets Control, or any subsidiary, par-
17 ent, affiliate, or successor entity thereof;

18 “(C) is an entity, based on credible evi-
19 dence as determined by the Committee, that is
20 acting as a conduit, nominee, or front company
21 for any entity described in subparagraph (A) or
22 (B); or

23 “(D) derives 10 percent or more of its op-
24 erating income, as determined under the Gen-
25 eral Accepted Accounting Principles published

1 by the Financial Accounting Standards Board,
2 from an entity based in a country of concern.

3 “(2) REBUTTAL.—The presumption established
4 under paragraph (1) may be rebutted only by the
5 acquirer, by clear and convincing evidence submitted
6 to the Committee demonstrating that—

7 “(A) the transaction does not create any
8 risk of transfer of technology, manufacturing
9 know-how, FAA certification data, or engineer-
10 ing talent to a country of concern;

11 “(B) enforceable, verifiable mitigation
12 measures exist that would prevent any such
13 transfer;

14 “(C) the transaction does not undermine
15 the availability or integrity of the United States
16 civil aviation supply chain; and

17 “(D) approval of the transaction is in the
18 national security interest of the United States.

19 “(3) NO MITIGATION FOR CERTAIN ENTITIES.—
20 With respect to any acquirer that is an entity listed
21 on the NS-CMIC List or any entity in which the
22 government of a country of concern holds, directly or
23 indirectly, 25 percent or greater equity or voting in-
24 terest, no mitigation agreement under subsection (1)
25 shall be considered sufficient to rebut the presump-

1 tion established under paragraph (1). The President
2 may only approve such a transaction upon a written
3 determination to Congress, included in the reporting
4 required under subsection (m), that approval is in
5 the paramount national security interest of the
6 United States.”.

7 **SEC. 5. REVIEW AND CLASSIFICATION OF GENERAL AVIA-**
8 **TION DUAL-USE TECHNOLOGIES.**

9 (a) FINDINGS.—Congress finds that certain general
10 aviation technologies have significant dual-use potential,
11 including for unmanned aerial systems, military trainers,
12 and tactical aviation platforms, but are not currently clas-
13 sified as controlled items on the Commerce Control List
14 (CCL) maintained pursuant to part 774 of title 15, Code
15 of Federal Regulations, or are controlled at inadequate
16 levels relative to their strategic significance.

17 (b) REQUIRED REVIEW.—Not later than 180 days
18 after the date of enactment of this Act, the Secretary of
19 Commerce, in coordination with the Secretary of Defense
20 and the Secretary of State, shall conduct a comprehensive
21 review of the CCL and related Export Administration
22 Regulations under the Export Control Reform Act of 2018
23 (50 U.S.C. 4811 et seq.) to determine whether the fol-
24 lowing technologies should be newly classified or reclassi-

1 fied as controlled items requiring a license for export, reex-
2 port, or in-country transfer to countries of concern:

3 (1) HIGH-EFFICIENCY PISTON AND SMALL TUR-
4 BOPROP ENGINES.—

5 (A) Diesel-cycle and Jet-A-fuel capable
6 horizontally-opposed piston aircraft engines pro-
7 ducing 100 shaft horsepower or greater, includ-
8 ing associated type certificate data, manufac-
9 turing process know-how, and fuel injection and
10 ignition systems.

11 (B) Small turboprop engines with a max-
12 imum continuous power output below 2,000
13 shaft horsepower, including associated reduction
14 gearboxes, full authority digital engine control
15 systems, and maintenance data packages.

16 (C) Engine test cell equipment, tooling,
17 and software capable of certifying the engines
18 described in subparagraphs (A) and (B) to
19 FAA or equivalent standards.

20 (2) ADVANCED COMPOSITE AIRFRAMES AND
21 STRUCTURAL SYSTEMS.—

22 (A) Carbon fiber and advanced composite
23 airframe structures, tooling, and layup proc-
24 esses used in the production of high-perform-
25 ance general aviation aircraft, including struc-

1 tural health monitoring systems using embed-
2 ded sensor arrays or acoustic emission detection
3 capable of real-time structural integrity assess-
4 ment.

5 (B) Associated design data, finite element
6 analysis models, and FAA-approved structural
7 repair manuals for composite airframes that
8 would enable foreign entities to reproduce or
9 adapt airframe designs for unmanned or mili-
10 tary platforms.

11 (3) AVIONICS AND FLIGHT CONTROL SYS-
12 TEMS.—

13 (A) Autopilot and flight director systems
14 capable of coupling with a flight management
15 system and executing instrument approaches to
16 Category I precision minimums or better, when
17 designed or adaptable for platforms with a max-
18 imum takeoff weight below 12,500 pounds.

19 (B) Fly-by-wire flight control systems for
20 general aviation or light sport aircraft.

21 (C) Integrated avionics suites combining
22 navigation, communication, surveillance, and
23 flight management functions on a common soft-
24 ware-defined architecture, when such architec-

1 ture is capable of software reconfiguration to
2 support unmanned flight operations.

3 (D) Air-to-ground and air-to-air data link
4 systems operating in frequency bands allocated
5 for aeronautical mobile services, when combined
6 with or capable of integration with an autopilot
7 or flight management system.

8 (c) REPORT TO CONGRESS.—Not later than 270 days
9 after the date of enactment of this Act, the Secretary of
10 Commerce shall submit to the Committee on Foreign Af-
11 fairs and the Committee on Armed Services of the House
12 of Representatives, and the Committee on Foreign Rela-
13 tions and the Committee on Armed Services of the Senate,
14 a report setting forth—

15 (1) the findings of the review conducted under
16 subsection (b);

17 (2) the specific Export Control Classification
18 Number revisions, new entries, or license require-
19 ments the Secretary has implemented or proposes to
20 implement with respect to each technology category
21 described in subsection (b); and

22 (3) any interagency disagreements regarding
23 classification decisions and how such disagreements
24 were or are being resolved.

1 (d) WASSENAAR ARRANGEMENT AND MULTILAT-
2 ERAL CONTROLS.—The Secretary of State, in coordina-
3 tion with the Secretary of Commerce and the Secretary
4 of Defense, shall seek to advance analogous control meas-
5 ures for the technologies described in subsection (b)
6 through the Wassenaar Arrangement on Export Controls
7 for Conventional Arms and Dual-Use Goods and Tech-
8 nologies and other applicable multilateral export control
9 regimes, consistent with United States national security
10 and foreign policy objectives.

11 **SEC. 6. OUTBOUND INVESTMENT NOTIFICATION FOR GEN-**
12 **ERAL AVIATION TECHNOLOGIES.**

13 (a) FINDINGS.—Congress finds that—

14 (1) the outbound investment notification pro-
15 gram established pursuant to Executive Order
16 14105 of August 9, 2023 (88 Fed. Reg. 54867), and
17 the implementing regulations promulgated by the
18 Department of the Treasury at part 850 of title 31,
19 Code of Federal Regulations, do not currently en-
20 compass general aviation-sector transactions; and

21 (2) United States persons investing in PRC
22 projects involving general aviation airframes, en-
23 gines, or avionics risk facilitating technology transfer
24 that serves PRC Military-Civil Fusion objectives and

1 strengthens the aviation-industrial base of a country
2 of concern.

3 (b) COVERED OUTBOUND GENERAL AVIATION
4 TRANSACTIONS.—Not later than 180 days after the date
5 of enactment of this Act, the Secretary of the Treasury,
6 in consultation with the Secretary of Commerce and the
7 Secretary of Defense, shall promulgate regulations to re-
8 quire any United States person to—

9 (1) submit a mandatory notification to the De-
10 partment of the Treasury before completing any
11 transaction that would constitute a covered out-
12 bound general aviation transaction; and

13 (2) for any transaction described in subsection
14 (c)(2)(B), obtain prior approval from the Depart-
15 ment of the Treasury before completing such trans-
16 action.

17 (c) DEFINITIONS.—For purposes of this section:

18 (1) COVERED FOREIGN ENTITY.—The term
19 “covered foreign entity” means an entity organized
20 under the laws of, or with its principal place of busi-
21 ness in, a country of concern.

22 (2) COVERED OUTBOUND GENERAL AVIATION
23 TRANSACTION.—The term “covered outbound gen-
24 eral aviation transaction” means any of the following

1 transactions by a United States person with a cov-
2 ered foreign entity:

3 (A) NOTIFICATION-REQUIRED TRANS-
4 ACTIONS.—Any acquisition of an equity interest
5 or contingent equity interest in a covered for-
6 eign entity that is engaged in the development,
7 manufacture, or sale of—

8 (i) general aviation airframes or rotor-
9 craft structures, including composite air-
10 frame manufacturing;

11 (ii) aircraft engines or propulsion sys-
12 tems designed or adaptable for general
13 aviation or unmanned aerial system appli-
14 cations; or

15 (iii) avionics, autopilot, or flight man-
16 agement systems for general aviation plat-
17 forms.

18 (B) APPROVAL-REQUIRED TRANS-
19 ACTIONS.—Any transaction described in sub-
20 paragraph (A) in which the covered foreign en-
21 tity—

22 (i) is owned by, controlled by, or sub-
23 ject to the direction of the government of
24 a country of concern;

1 (ii) is listed, or whose ultimate parent
2 is listed, on the NS-CMIC List; or
3 (iii) has, within the preceding 5 years,
4 entered into a formal cooperation agree-
5 ment, joint venture, or technology-sharing
6 arrangement with an entity of a country of
7 concern's military, paramilitary, or state
8 security apparatus.

9 (3) UNITED STATES PERSON.—The term
10 “United States person” has the meaning given that
11 term in section 850.101 of title 31, Code of Federal
12 Regulations (or any successor regulation).

13 (d) CIVIL PENALTIES.—Any United States person
14 that fails to submit a notification required under sub-
15 section (b)(1), or that completes a transaction requiring
16 prior approval under subsection (b)(2) without such ap-
17 proval, shall be subject to civil monetary penalties in ac-
18 cordance with section 206 of the International Emergency
19 Economic Powers Act (50 U.S.C. 1705), as applicable.

20 (e) RELATIONSHIP TO EXISTING OUTBOUND INVEST-
21 MENT PROGRAM.—The notification and approval require-
22 ments established pursuant to this section shall be imple-
23 mented as an amendment to, or in coordination with, the
24 program established under part 850 of title 31, Code of
25 Federal Regulations, and shall apply in addition to, and

1 not in lieu of, any requirements under Executive Order
2 14105 or any successor order.

3 **SEC. 7. REVIEW OF EXISTING FOREIGN ADVERSARY OWN-**
4 **ERSHIP OF GENERAL AVIATION COMPANIES.**

5 Not later than 180 days after the date of enactment
6 of this Act, the Committee on Foreign Investment in the
7 United States shall—

8 (1) conduct a comprehensive review of all pre-
9 viously completed transactions in which a foreign
10 person from a country of concern acquired a covered
11 general aviation entity;

12 (2) determine, for each such transaction,
13 whether—

14 (A) the national security agreement or
15 mitigation measures (if any) in effect with re-
16 spect to such transaction remain adequate to
17 protect United States national security in light
18 of the designations of the acquirer or its affili-
19 ates under the NS-CMIC List, the Department
20 of Defense's Section 1260H list, or any applica-
21 ble export control order; and

22 (B) changed circumstances, including ap-
23 plicable designations or new intelligence assess-
24 ments, warrant reopening the review of such
25 transaction pursuant to section 721 of the De-

1 fense Production Act of 1950 (50 U.S.C.
2 4565); and

3 (3) submit to the Committee on Financial Serv-
4 ices and the Committee on Armed Services of the
5 House of Representatives, and the Committee on
6 Banking, Housing, and Urban Affairs and the Com-
7 mittee on Armed Services of the Senate, a classified
8 report setting forth—

9 (A) the transactions reviewed pursuant to
10 paragraph (1), including the identity of each
11 foreign acquirer and each acquired general avia-
12 tion entity;

13 (B) the determination made pursuant to
14 paragraph (2) with respect to each such trans-
15 action; and

16 (C) any actions taken or recommended by
17 the Committee as a result of such determina-
18 tions, including any recommendation for divesti-
19 ture pursuant to section 721 of the Defense
20 Production Act of 1950 (50 U.S.C. 4565).

21 **SEC. 8. SUPPLY CHAIN INTEGRITY AUDITS FOR FOREIGN**
22 **ADVERSARY-CONTROLLED AVIATION CER-**
23 **TIFICATE HOLDERS.**

24 (a) DIRECTED REVIEW.—Not later than 270 days
25 after the date of enactment of this Act, the Administrator

1 of the Federal Aviation Administration, in coordination
2 with the Director of the Cybersecurity and Infrastructure
3 Security Agency and the Secretary of Defense, shall con-
4 duct a comprehensive supply chain integrity audit of all
5 avionics systems, flight control systems, and aircraft en-
6 gine control systems (including full authority digital en-
7 gine control systems) that are designed, manufactured, or
8 maintained by any covered general aviation entity that is
9 owned, controlled, or directed by a foreign person from
10 a country of concern and that holds any of the following:

11 (1) A production certificate issued pursuant to
12 part 21 of title 14, Code of Federal Regulations.

13 (2) A parts manufacturer approval issued pur-
14 suant to part 21 of title 14, Code of Federal Regula-
15 tions.

16 (3) A technical standard order authorization
17 issued pursuant to part 21 of title 14, Code of Fed-
18 eral Regulations.

19 (b) SCOPE.—The audit required under subsection (a)
20 shall assess—

21 (1) whether any such system contains unau-
22 thorized hardware components, embedded firmware,
23 or software code capable of enabling remote access,
24 data exfiltration, or operational interference by a
25 foreign person;

1 (2) whether existing FAA certification processes
2 are adequate to detect such components; and

3 (3) whether any mitigation agreements in effect
4 with respect to such entities adequately address supply chain integrity risks.

6 (c) TECHNICAL ASSISTANCE.—In carrying out the
7 audit required under subsection (a), the FAA Administrator and the Director of the Cybersecurity and Infrastructure Security Agency may request technical assistance from the Director of the National Security Agency
10 and the Director of the Defense Advanced Research Projects Agency, including hardware forensic analysis,
13 firmware reverse engineering, and adversarial threat assessment support. The Director of the National Security
15 Agency and the Director of the Defense Advanced Research Projects Agency are authorized to provide such assistance consistent with their respective statutory authori-
18 ties.

19 (d) REMEDIAL AUTHORITY.—Upon a finding that
20 any system audited under subsection (a) contains a component described in subsection (b)(1), the FAA Administrator may, consistent with part 39 of title 14, Code of
23 Federal Regulations, issue an airworthiness directive requiring inspection, modification, or replacement of the affected system.

1 (e) REPORT.—Not later than 1 year after the date
2 of enactment of this Act, the FAA Administrator shall
3 submit to the relevant congressional committees a report,
4 which may include a classified annex, describing the find-
5 ings of the audit and any remedial actions taken or rec-
6 ommended.

7 **SEC. 9. RESTRICTIONS ON FEDERAL FINANCIAL ASSIST-**
8 **ANCE; FOREIGN OWNERSHIP DISCLOSURE**
9 **REQUIREMENT.**

10 (a) PROHIBITION.—Notwithstanding any other provi-
11 sion of law, no Federal funds appropriated or otherwise
12 made available on or after the date of enactment of this
13 Act shall be obligated or expended as a loan, loan guar-
14 antee, grant, or contract with any covered general aviation
15 entity that—

16 (1) that is owned by, controlled by, or subject
17 to the direction of—

18 (A) a foreign person from a country of
19 concern;

20 (B) any entity listed on the NS-CMIC
21 List; or

22 (C) any entity in which the government of
23 a country of concern holds, directly or indi-
24 rectly, a 5 percent or greater equity interest; or

1 (2) that derives 10 percent or more of its oper-
2 ating income, as determined under the General Ac-
3 cepted Accounting Principles published by the Fi-
4 nancial Accounting Standards Board, from an entity
5 based in a country of concern.

6 (b) CLAWBACK AUTHORITY.—The head of any Fed-
7 eral agency shall take all available legal measures to re-
8 cover Federal financial assistance, including through de-
9 mand letters, administrative offset under section 3716 of
10 title 31, United States Code, or referral to the Department
11 of Justice for civil recovery under section 516 of title 28,
12 United States Code, where—

13 (1) such assistance was obligated or expended
14 on or after the date of enactment of this Act in vio-
15 lation of the prohibition established under subsection
16 (a); or

17 (2) such assistance was obligated or expended
18 on or after the date of enactment of this Act to an
19 entity that subsequently became subject to the prohi-
20 bition under subsection (a) as a result of a post-en-
21 actment change in ownership or control.

22 (c) COVERED FEDERAL FINANCIAL ASSISTANCE.—
23 For purposes of this section, the term “Federal financial
24 assistance” includes—

1 (1) loans, grants, or loan guarantees provided
2 under any provision of Federal law, including pro-
3 grams administered by the Small Business Adminis-
4 tration under the Small Business Act (15 U.S.C.
5 631 et seq.);

6 (2) contracts or subcontracts awarded pursuant
7 to the Federal Acquisition Regulation (48 C.F.R.
8 chpt. 1); and

9 (3) any other direct or indirect Federal finan-
10 cial benefit of a value exceeding \$50,000 in any 12-
11 month period.

12 (d) CERTIFICATION REQUIREMENT.—As a condition
13 of receiving any Federal financial assistance described in
14 subsection (c), a covered general aviation entity shall an-
15 nually certify to the relevant Federal agency, under pen-
16 alty of section 1001 of title 18, United States Code, that—

17 (1) it is not owned, controlled, or directed by a
18 foreign person from a country of concern and that
19 no such foreign person holds, directly or indirectly,
20 5 percent or more of any class of its equity or voting
21 interests; and

22 (2) it does not derive 10 percent or more of its
23 operating income, as determined under the General
24 Accepted Accounting Principles published by the Fi-

1 nancial Accounting Standards Board, from an entity
2 based in a country of concern.

3 (e) FOREIGN OWNERSHIP DISCLOSURE REQUIRE-
4 MENT.—

5 (1) IN GENERAL.—Any covered general aviation
6 entity that is owned, controlled, or directed, directly
7 or indirectly, by a foreign person holding 5 percent
8 or more of any class of equity or voting interests or
9 that derives 10 percent or more of its operating in-
10 come (as determined under the General Accepted
11 Accounting Principles published by the Financial Ac-
12 counting Standards Board) from an entity based in
13 a country of concern shall prominently disclose such
14 foreign ownership in each of the following:

15 (A) FAA PRODUCTION CERTIFICATE FIL-
16 INGS.—Any application for, renewal of, or
17 amendment to a production certificate issued
18 pursuant to part 21 of title 14, Code of Federal
19 Regulations, shall include a disclosure state-
20 ment identifying—

21 (i) the name, nationality, and jurisdic-
22 tion of organization of each foreign person
23 holding, directly or indirectly, 5 percent or
24 more of any class of equity or voting inter-
25 ests in the applicant or certificate holder;

- 1 (ii) the percentage interest held by
2 each such foreign person; and
3 (iii) whether any such foreign person
4 is an entity of a country of concern, is list-
5 ed on the NS-CMIC List, the Entity List
6 maintained under part 744 of title 15,
7 Code of Federal Regulations, or the Spe-
8 cially Designated Nationals and Blocked
9 Persons List.

10 (B) FEDERAL CONTRACT AND GRANT AP-
11 PPLICATIONS.—Any application, offer, bid, or
12 proposal submitted by a covered general avia-
13 tion entity in connection with any Federal con-
14 tract, subcontract, grant, cooperative agree-
15 ment, or other Federal financial assistance de-
16 scribed in subsection (c) shall include, on the
17 face of such submission, a disclosure statement
18 containing the information required under sub-
19 paragraph (A)(i) through (iii).

20 (2) IMPLEMENTING REGULATIONS.—Not later
21 than 180 days after the date of enactment of this
22 Act, the Administrator of the FAA and the Federal
23 Acquisition Regulatory Council shall each promul-
24 gate such regulations as may be necessary to imple-
25 ment paragraph (1) within their respective jurisdic-

1 tions, including regulations specifying the form,
2 placement, and timing of required disclosure state-
3 ments.

4 (3) PENALTIES.—

5 (A) Any covered general aviation entity
6 that knowingly fails to make a disclosure re-
7 quired under paragraph (1), or that knowingly
8 makes a false or misleading disclosure, shall be
9 subject to civil monetary penalties as deter-
10 mined by the relevant Federal agency.

11 (B) In addition to the civil penalties under
12 subparagraph (A), any knowing false or mis-
13 leading disclosure made in connection with a
14 Federal contract, grant, or financial assistance
15 application shall constitute a violation of section
16 1001 of title 18, United States Code, and may
17 subject the entity and its responsible officers to
18 criminal prosecution thereunder.

19 (C) The FAA Administrator may suspend
20 or revoke a production certificate held by any
21 entity that knowingly fails to make or falsifies
22 a disclosure required under paragraph (1)(A),
23 consistent with the procedures under part 13 of
24 title 14, Code of Federal Regulations.

1 (4) RELATIONSHIP TO CERTIFICATION RE-
2 QUIREMENT.—The disclosure requirement under this
3 subsection is in addition to, and shall not be con-
4 strued to limit or substitute for, the annual certifi-
5 cation requirement under subsection (d).

6 **SEC. 10. DEFINITIONS.**

7 In this Act, unless otherwise provided:

8 (1) CFIUS.—The term “CFIUS” or “Com-
9 mittee” means the Committee on Foreign Invest-
10 ment in the United States established under section
11 721(k) of the Defense Production Act of 1950 (50
12 U.S.C. 4565(k)).

13 (2) COUNTRY OF CONCERN.—The term “coun-
14 try of concern” has the meaning given the term in
15 section 809 of the Defense Production Act of 1950
16 (50 U.S.C. 4589).

17 (3) COVERED GENERAL AVIATION ENTITY.—
18 The term “covered general aviation entity” means
19 any United States business that—

20 (A) holds an FAA production certificate
21 issued pursuant to part 21 of title 14, Code of
22 Federal Regulations, for the manufacture of
23 aircraft engines, propellers, or airframes in-
24 tended for use in the United States civil avia-
25 tion fleet;

1 (B) designs, manufactures, or sells avionics
2 or flight control systems, including autopilot
3 systems, glass cockpit displays, or air-to-ground
4 data link systems, intended primarily for gen-
5 eral aviation aircraft, as that term is defined in
6 section 40102(a)(17) of title 49, United States
7 Code;

8 (C) is a type certificate holder or produc-
9 tion certificate holder under part 21 of title 14,
10 Code of Federal Regulations, for helicopters or
11 light rotorcraft with a maximum certificated
12 takeoff weight of 12,500 pounds or less; or

13 (D) holds a certificate of approval as an
14 FAA-certificated pilot school under part 141 of
15 title 14, Code of Federal Regulations, or an
16 aviation training center under part 142 of title
17 14, Code of Federal Regulations, and is located
18 within 50 nautical miles of a military installa-
19 tion (as such term is defined in section 802.227
20 of title 31, Code of Federal Regulations).

21 (4) FAA.—The term “FAA” means the Fed-
22 eral Aviation Administration.

23 (5) GENERAL AVIATION.—The term “general
24 aviation” has the meaning given the term “general

1 aviation aircraft” in section 40102(a)(17) of title 49,
2 United States Code.

3 (6) **MILITARY-CIVIL FUSION.**—The term “mili-
4 tary-civil fusion” means the strategy of the People’s
5 Republic of China, codified in the PRC’s National
6 Intelligence Law of 2017 and related policies, that
7 requires civilian entities, including private compa-
8 nies, to support, cooperate with, and strengthen the
9 military, defense mobilization, and intelligence appa-
10 ratus of the PRC upon demand.

11 (7) **NS-CMIC LIST.**—The term “NS-CMIC
12 List” means the Non-SDN Chinese Military-Indus-
13 trial Complex Companies List maintained by the Of-
14 fice of Foreign Assets Control of the Department of
15 the Treasury pursuant to Executive Order 13959
16 (85 Fed. Reg. 73185), as amended, or any successor
17 list.

18 (8) **TYPE CERTIFICATE; PRODUCTION CERTIFI-**
19 **CATE.**—The terms “type certificate” and “produc-
20 tion certificate” have the meanings given those
21 terms under part 21 of title 14, Code of Federal
22 Regulations.

23 **SEC. 11. SEVERABILITY.**

24 If any provision of this Act, or the application of any
25 such provision to any person or circumstance, is held to

1 be unconstitutional, the remainder of this Act, and the ap-
2 plication of the remaining provisions to any person or cir-
3 cumstance, shall not be affected thereby.

4 **SEC. 12. EFFECTIVE DATE.**

5 Except as otherwise specifically provided in this Act,
6 this Act shall take effect on the date of its enactment.
7 The amendments made by sections 2, 3, and 4 shall apply
8 to transactions for which a definitive agreement is entered
9 into on or after the date of enactment. The review directed
10 under section 7 shall apply to all previously completed
11 transactions, regardless of the date of completion. The
12 prohibition and clawback authority under section 9(a) and
13 (b) shall apply only to Federal financial assistance obli-
14 gated or expended on or after the date of enactment; noth-
15 ing in section 9 shall be construed to impose liability, re-
16 quire repayment, or authorize recovery with respect to any
17 Federal financial assistance obligated or expended prior
18 to the date of enactment, except as may be available under
19 the False Claims Act (31 U.S.C. 3729 et seq.) or other
20 law in effect at the time such assistance was provided.