

Memorandum

U.S. House of Representatives Pass BIOSECURE, Cloud Access and Multiple Other Bills Targeting China

September 23, 2024

During a self-described “China Week” (September 9-13, 2024), the U.S. House of Representatives voted to pass a series of legislations targeting China and Chinese companies. Among them are the BIOSECURE Act targeting biotechnology companies like BGI and WuXi, the Remote Access Security Act shutting down access to advanced AI chips via cloud computing, and various export control bills that strengthen controls to protect U.S. national security interests. In total, 25 China-related bills were passed in the House.

To be clear, none of the bills will become law unless and until passed by the U.S. Senate and signed by the President. It is unclear if and when the Senate will take on any of the bills, and the upcoming election adds further uncertainty to the legislative process.

Notably absent from the China Week agenda was any legislation to regulate outbound investment to China. There has been extensive discussion of passage of legislation separate and apart from the proposed administrative rules issued by U.S. Treasury on June 21, 2024 (we covered such rules in detail in a prior [client memo](#)). House Representatives working on that legislation reportedly intend to pursue passage of an outbound investment bill this year. We will continue to monitor legislative developments following these activities.

The BIOSECURE Act

An overwhelming bipartisan majority of the House passed the BIOSECURE Act, which we previously covered in our [client memo](#) in detail. In general, the BIOSECURE Act would prohibit the heads of U.S. executive agencies from entering into or renewing any contract with, or providing loans or granting funds to, any entity that, in the performance of that contract (1) uses a biotechnology equipment or service produced or provided by a biotechnology company of concern or (2) knows or has reason to believe will require use of biotechnology equipment or services produced or provided by a biotechnology company of concern.

As in the draft previously released, the passed bill names the following as specific “biotechnology companies of concern”: BGI, MGI, Complete Genomics, WuXi Apptec and WuXi Biologics as well as any subsidiary, parent, affiliate, or successor. The U.S. Senate’s Homeland Security committee voted in March to approve a similar bill, but it is uncertain if and when the full Senate will vote on the legislation.

The Remote Access Security Act

One notable export control-related bill the House passed is the Remote Access Security Act, which aims to close a loophole that has allowed Chinese and other foreign companies to use access U.S. advanced computing chips through cloud service providers.

The bill would expand the jurisdiction of U.S. export control laws by authorizing the U.S. Bureau of Industry and Security (“BIS”) to regulate not only the export, reexport and in-country transfer of a U.S. item but also the “remote access” of the item. The term “remote access” is defined to capture access by a foreign person “through a network connection, including the internet or a cloud computing service ... to use the functions of the item” contrary to U.S. national security or foreign policy interests, such as by “training an artificial intelligence model” that enables malicious activities.

Last year, when expanding controls on exports of semiconductor to China, the BIS already solicited public comments on potentially restricting access to advanced U.S. chips over cloud or Infrastructure as a Service under existing regulations. The Remote Access Security Act, however, would provide the BIS with clear authority to prohibit cloud service providers anywhere in the world from servicing Chinese or other foreign customers to the extent the services are powered by U.S. chips.

Other Export Control Bills

In addition to the Remote Access Security Act, the House passed a number of bills tightening the export controls against particular countries of concern, including China. For example, the Export Control Enforcement and Enhancement Act would allow federal agencies to expedite the Entity List designation process, mandating the interagency committee responsible for administering the Entity List to vote on any committee member’s request to add or modify the Entity List within 30 days. Another passed export control bill is the Maintaining American Superiority by Improving Export Control Transparency Act, which would require the Department of Commerce to report to Congress every 90 days on information relating to license applications, enforcement actions, and other requests for authorization. Together, these bills passed in the House during the “China Week” signaled strong bipartisan focus on employing export control law as a major tool to protect U.S. national security and foreign interests amid geopolitical tensions.

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