To bolster the AUKUS partnership, and for other purposes.

IN THE SENATE OF THE UNITED STATES

Mr. Risch (for himself and Mr. Hagerty) introduced the following bill; which was read twice and referred to the Committee on __________________________

A BILL

To bolster the AUKUS partnership, and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE; TABLE OF CONTENTS.

(a) Short Title.—This Act may be cited as the “Truncating Onerous Regulations for Partners and Enhancing Deterrence Operations (TORPEDO) Act of 2023”.

(b) Table of Contents.—The table of contents for this Act is as follows:

Sec. 1. Short title; table of contents.
Sec. 2. Definitions.
Sec. 3. Findings.
Sec. 4. Statement of policy.
Sec. 5. Department of State personnel and resources.
Sec. 6. Reporting requirements.
Sec. 7. Exemption for license requirements for export of defense items to the United Kingdom and Australia.
Sec. 8. United States Munitions List.
Sec. 9. Open general license for the export, reexport, transfer, and retransfer of certain defense articles to Australia, Canada, and the United Kingdom under ITAR.
Sec. 10. License exception for export, reexport, and in-country transfer of items on Commerce Control List to or between Australia, Canada, and the United Kingdom under Export Administration Regulations.
Sec. 11. Treatment of national technology and industrial base as domestic source under Defense Production Act of 1950.
Sec. 12. Expedited release of advanced technologies to Australia, Canada, and the United Kingdom through the Foreign Military Sales program.
Sec. 13. Anticipatory disclosure policy for Australia, Canada, and the United Kingdom.
Sec. 15. Australia, United Kingdom, and United States submarine security training.

SEC. 2. DEFINITIONS.

In this Act:

(1) APPROPRIATE CONGRESSIONAL COMMITTEES.—The term “appropriate congressional committees” means—

(A) the Committee on Foreign Relations, the Committee on Appropriations, and the Committee on Armed Services of the Senate; and

(B) the Committee on Foreign Affairs, the Committee on Appropriations, and the Committee on Armed Services of the House of Representatives.

(2) AUKUS; AUKUS PARTNERSHIP.—The terms “AUKUS” and “AUKUS partnership” means the
trilateral security partnership between the United States, the United Kingdom, and Australia, which includes the following two pillars:

(A) Pillar One of AUKUS is focused on developing a pathway for Australia to acquire conventionally armed, nuclear powered submarines.

(B) Pillar Two of AUKUS is focused on enhancing trilateral collaboration on advanced defense capabilities to include hypersonic and counter hypersonic capabilities, quantum technologies, undersea technologies, and artificial intelligence.

(3) AUKUS PARTNER.—The terms“‘AUKUS partner” refers to a member of AUKUS.

(4) DEFENSE ARTICLE; DEFENSE SERVICE.—The terms “defense article” and “defense service” have the meanings given those terms in section 47 of the Arms Export Control Act (22 U.S.C. 2794).

SEC. 3. FINDINGS.

Congress makes the following findings:

(1) The United States has entered into a period of intense strategic rivalry with China that includes military competition on a scale unseen in generations.
(2) The perpetuation of a military balance of power in the Indo-Pacific favorable to the United States and its allies and partners can no longer be assumed as China continues to invest massive resources in its military.

(3) China has undertaken a nuclear breakout, fields the world’s largest navy, and is fielding a fully modernized air force.

(4) North Korea remains an urgent and gathering threat as it fields an increasingly diverse and advanced nuclear and missile force backed by a massive conventional army.

(5) Iran continues to pursue a nuclear weapons capability while fomenting unrest in the Middle East and beyond.

(6) While China remains the pacing threat for the United States, Russia’s unprovoked and brutal invasion of Ukraine makes clear that multiple dissatisfied powers are coalescing into an informal bloc designed to challenge the existing United States-led global order.

(7) United States efforts to help Ukraine defend itself against Russian aggression and strengthen Taiwan’s ability to resist the coercion of the Chinese Communist Party have exposed the production
constraints inherent in the United States defense industrial base.

(8) The capacity limitations of the United States defense industrial base require urgent remedy to include a renewed examination of burden sharing roles with United States allies.

(9) To meet this comprehensive challenge to American interests, we must act at the speed of relevance to expand the resilience and capacity of our defense industrial base. United States allies should be full partners in this effort and the AUKUS partnership is a necessary first step to share the responsibility of perpetuating the existing rules-based order.

(10) The security partnership between Australia, the United Kingdom, and the United States (referred to as the “AUKUS partnership”) is meant to bolster capability of the United States and allies in the Indo-Pacific and beyond through technology sharing, cooperation, and defense exports.

(11) The AUKUS partnership’s focus on conventionally armed nuclear-powered submarines and advanced capabilities, known respectively as Pillars One and Two, rightly centers on cooperation at the highest end of security and geostrategic competition.
(12) Pillar One, while bold, is complex, highly contingent and unlikely to produce additive submarine capability in the Indo-Pacific until the 2030s.

(13) The Pillar One initiative will rely on the expertise developed by the United State and United Kingdom in operating their submarine fleets to bring an Australian capability into service at the earliest achievable date.

(14) Pillar Two proposes that AUKUS partners will also deepen cooperation and integration on advanced defense technologies to include hypersonic missiles, space technology, artificial intelligence, quantum technologies and additional undersea capabilities.

(15) Pillar Two, if executed with the vision described by the three allies in the AUKUS announcement of September 2021, offers the potential to produce meaningful capability and increase industrial capacity during the current decade.

(16) Pillar Two can also expand and build resilience across the supply chain of the AUKUS partners.

(17) However, certain statutory components of the United States export control and regulatory sys-
tem are overly cumbersome for industries in the United States, Australia, and the United Kingdom, delaying and complicating the United States from achieving national security objectives at the speed of relevance.

(18) Australia and the United Kingdom have legal, regulatory, and technology control regimes that are sufficiently comparable to those of the United States.

(19) United States technology controls and export licensing decisions must balance the relatively low risk of compromise that exists across all three AUKUS partners regulatory regimes against the requirements to respond at the speed of relevance to the rapid military advances made by the Chinese People’s Liberation Army.

(20) In order to implement the AUKUS agreement and realize the value of increased cooperation between the United States, the United Kingdom, and Australia, the United States must ensure cooperation is fostered, not inhibited, by the United States regulatory system.

(21) The United States export control system, encompassing both the International Traffic and Arms Regulations and the Export Administration
Regulations, is largely based on a bilateral government-to-government relationship, is not optimized for a trilateral arrangement, and must reflect the new era of allied partnership continuing evolution of United States export control regulation.

(22) The Department of State, in concert with the Department of Defense, the Department of Commerce, and other relevant United States agencies, should clearly communicate to our AUKUS partners any United States requirements to address matters related to the technology security and export control measures of Australia and the United Kingdom.

(23) Further, the Department of State, in concert with the Department of Defense, the Department of Commerce, and other relevant United States agencies, should work to reduce barriers to defense innovation, cooperation, trade, production, and sustainment with the governments and industry partners of the United Kingdom and Australia.

(24) These barriers include the overuse of “no foreign nationals” (NOFORN) and Controlled Unclassified Information (CUI) determinations that inhibit collaboration among AUKUS partners in determining requirements, design, development, acquisi-
tion, testing, operation, and sustainment of capabilities designed to be interoperable.

(25) The successful implementation of the AUKUS partnership requires regulatory and licensing changes on the part of all AUKUS partner countries and the continued enhancement of the export control and technology security regimes of all three nations.

(26) If AUKUS realizes its potential, it will set a precedent and incentivize similar agreements with other close United States allies, which will be necessary if we are to prevail in the long-term competition with China, Russia and its partners.

SEC. 4. STATEMENT OF POLICY.

It is the policy of the United States—

(1) to support a transformation and expansion of our already close cooperation on a range of defense and security issues with the United Kingdom and Australia, including enhancing cooperation in the development and fielding of advanced commercial and defense capabilities and in pursuing deeper integration of our defense industrial bases and supporting supply chains;

(2) to use AUKUS to enhance trilateral cooperation across the submarine fleets of the partner
countries and to support Australian efforts to acquire nuclear-powered submarines for the Royal Australian Navy;

(3) to reassess, and as needed revise, existing regulatory and legal regimes, to include licensing, technology release and contracting procedures to meet the objectives outlined in the September 15, 2021, announcement of the AUKUS partnership;

(4) to reinvigorate burden sharing with United States allies as a key component of adopting a sustainable long-term strategy to compete with China, Russia, and other revanchist dissatisfied powers; and

(5) to modernize the United States export control system to reflect the new era of cooperation with partners and allies, incorporating commercial and defense technology that preserve, and enhance our way of life.

SEC. 5. DEPARTMENT OF STATE PERSONNEL AND RESOURCES.

(a) SENIOR ADVISOR AT THE STATE DEPARTMENT FOR AUKUS.—

(1) DESIGNATION.—The Secretary of State shall appoint a senior advisor at the Department of State to oversee and coordinate the implementation of the AUKUS agreement by the Department of
State (referred to in this Act as the “Senior Advisor”).

(2) REPORTING.—The senior advisor shall report directly to the Secretary of State.

(3) RESPONSIBILITIES.—It shall be the responsibility of the senior advisor—

(A) to coordinate AUKUS implementation between relevant Department of State bureaus, directorates, and offices;

(B) to represent the Department of State on matters relating to AUKUS in the inter-agency process;

(C) to engage with relevant government and industry entities in the United Kingdom and Australia; and

(D) to issue guidance, including promulgating regulations, in order to reduce barriers to defense collaboration, innovation, trade, and production with the Governments and industry partners of the United States, United Kingdom, and Australia.

(4) SALARY.—The annual salary of the senior advisor described in this section shall not exceed salaries authorized in the Office of Personnel Management’s Executive pay scale.
(b) **Directorate of Defense Trade Controls Staffing.**—Section 45 of the State Department Basic Authorities Act of 1956 (22 U.S.C. 2717) is amended—

(1) in the first sentence, by striking “100 percent of the registration fees collected by the Office of Defense Trade Controls of the Department of State” and inserting “100 percent of the defense trade control registration fees collected by the Department of State”;

(2) in the second sentence, by inserting “management, licensing, compliance, and policy activities in the defense trade controls function, including” after “incurred for”;

(3) in paragraph (1), by striking “contract personnel to assist in”;

(4) in paragraph (2), by striking “; and” and inserting a semicolon;

(5) in paragraph (3), by striking the period at the end and inserting “; and”;

(6) by adding at the end the following new paragraphs:

“(4) the facilitation of defense trade policy development, implementation, and cooperation with a specific focus on Canada, Australia, and the United Kingdom, review of commodity jurisdiction deter-
minations, outreach to United States industry and
foreign parties, and analysis of scientific and techno-
logical developments as they relate to the exercise of
defense trade control authorities; and

“(5) contract personnel to assist in such activi-
ties.”.

SEC. 6. REPORTING REQUIREMENTS.

(a) Report on Department of State Implement-
tation of Partnership.—

(1) In general.—Not later than 90 days after
the date of the enactment of this Act, the Secretary
of State, in coordination with the Secretary of De-
fense and, as appropriate, the Secretary of Com-
merce and the Secretary of Energy, shall submit to
the appropriate congressional committees a report
on efforts of the Department of State to implement
the AUKUS partnership.

(2) Elements.—The report required under
paragraph (1) shall include the following elements:

(A) Regarding the achievement of Phase
One goals for of the Optimal Pathway for
AUKUS Pillar One for each of calendar years
2023, 2024, 2025, 2026, and 2027, the fol-
lowing:
(i) A description of progress by the Government of Australia in negotiating an Article 14 Arrangement with the International Atomic Energy Agency.

(ii) A description of the status of efforts by the Government of Australia to build the supporting infrastructure to base conventionally armed nuclear powered attack submarines.

(iii) Updates on the efforts by the Government of Australia to train a workforce that can build, sustain, and operate conventionally armed nuclear powered attack submarines.

(iv) A description of progress by the Government of Australia in building a new submarine facility to support the basing and disposition of a nuclear attack submarine on the east coast of Australia.

(v) The number of Australian personnel embedded on United States Navy ships during Phase One of the Optimal Pathway.
(vi) A description of progress in establishing basing to support submarine rotational forces in western Australia by 2027.

(vii) A description of how the United States plans to provide up to five Virginia Class submarines to Australia by the early to mid-2030’s.

(viii) A strategy for AUKUS partners to integrate newly built SSN-AUKUS submarines and five United States Virginia Class submarines into a single, cohesive fleet.

(ix) A detailed assessment of how Australia’s sovereign conventionally armed nuclear attack submarines contribute to United States defense and deterrence objectives in the Indo-Pacific region.

(B) For each of the calendar years 2021 and 2022—

(i) the average and median times for the United States Government to review applications for licenses, disaggregated by license type and other agreements, to export defense articles or defense services to persons, corporations, and the governments
(including agencies and subdivisions of such governments, including official missions of such governments) of Australia and the United Kingdom;

(ii) the number of applications from Australia and the United Kingdom for licenses to export defense articles and defense services that were denied, returned without action, or approved with provisos, listed by year;

(iii) the average and median times for the United States Government to review applications from Australia and the United Kingdom for foreign military sales beginning from the date Australia or the United Kingdom submitted a letter of request that resulted in a letter of acceptance; and

(iv) the number of requests from Australia and the United Kingdom for foreign military sales that were denied.

(C) A list of relevant United States laws, regulations, and treaties and other international agreements to which the United States is a party that govern authorizations to export de-
defense articles or defense services that are required to implement the AUKUS partnership.

(D) An assessment of key recommendations the United States Government has provided to the Governments of Australia and the United Kingdom to revise laws, regulations, and policies of such countries that are required to implement the AUKUS partnership.

(E) An assessment of—

(i) recommended improvements to export control laws and regulations of Australia, the United Kingdom, and the United States that such countries should make to implement the AUKUS partnership and to otherwise meet the requirements of section 38(j)(2) of the Arms Export Control Act (22 U.S.C. 2778(j)(2)); and

(ii) the challenges the Governments of Australia and the United Kingdom have conveyed in meeting these requirements, including with respect to sensitive defense technology security controls.

(b) REPORT ON INTERAGENCY ACTIONS.—
(1) IN GENERAL.—Not later than 90 days after
the date of the enactment of this Act, the Secretary
of State, in coordination with the Secretary of De-
fense, the Secretary of Energy, and the Secretary of
Commerce, shall submit to the appropriate congr-es-
sional committees a report on actions taken at the
interagency level to implement the advanced capa-
bilities pillar of the AUKUS agreement.

(2) ELEMENTS.—The report required under
paragraph (1) shall include the following elements:

(A) A description of changes to the Inter-
national Traffic in Regulations (ITAR) and the
United States export control regime that are
necessary to implement the AUKUS agreement
and to permit AUKUS member states and Can-
da to exchange defense items at classified and
unclassified levels.

(B) A plan for reducing barriers and im-
plementing the changes as described in ITAR,
including a description of any changes that will
require new authorities from Congress.

(C) A description of the progress the De-
partment of Defense, the Department of En-
ergy, and the Department of Commerce have
made in implementing any changes as described in subparagraphs (A) and (B).

(D) A list of actions the Departments have requested the Governments of the United Kingdom and Australia to take in order to amend their export control systems in a way that is comparable to that of the United States.

(E) An assessment of the efforts of AUKUS partners to enhance collaboration across the following eight trilateral Lines of Effort:

(i) Undersea capabilities.

(ii) Quantum technologies.

(iii) Artificial Intelligence and autonomy.

(iv) Advanced cyber capabilities.

(v) Hypersonic and counter-hypersonic capabilities.

(vi) Electronic warfare.

(vii) Innovation.

(viii) Information sharing.

(F) An annex describing the content and timing of consultations amongst AUKUS partners on Pillar One and for the eight Lines of Effort in Pillar Two.
(c) Briefing.—Not later than 90 days after the date of enactment of this Act, and annually thereafter for 7 years, the President shall provide a briefing to the appropriate congressional committees regarding the status of AUKUS implementation across both pillars and on all lines of effort.

SEC. 7. EXEMPTION FOR LICENSE REQUIREMENTS FOR EXPORT OF DEFENSE ITEMS TO THE UNITED KINGDOM AND AUSTRALIA.

Section 38(j)(1) of the Arms Export Control Act (22 U.S.C. 2778(j)(1)) is amended—

(1) in subparagraph (B)—

(A) in the subsection heading, by inserting “, the United Kingdom, and Australia” after “Canada”; and

(B) by inserting “, the United Kingdom, or Australia” after “Canada”; and

(2) in subparagraph (C)—

(A) by striking “TREATIES.—” and all that follows through “(i) In general.—The requirement” and inserting “TREATIES.—The requirement”;

(B) by striking clause (ii); and
(C) by redesignating subclauses (I) and (II) as clauses (i) and (ii) and moving such clauses, as so redesignated, two ems to the left.

SEC. 8. UNITED STATES MUNITIONS LIST.

(a) EXEMPTION FOR THE GOVERNMENTS OF THE UNITED KINGDOM AND AUSTRALIA FROM CERTIFICATION AND CONGRESSIONAL NOTIFICATION REQUIREMENTS APPLICABLE TO CERTAIN TRANSFERS.—Section 38(f)(3) of the Arms Export Control Act (22 U.S.C. 2778(f)(3)) is amended by inserting “, the United Kingdom, or Australia” after “Canada”.

(b) UNITED STATES MUNITIONS LIST PERIODIC REVIEWS.—

(1) IN GENERAL.—The Secretary of State, acting through authority delegated by the President to carry out period reviews of items on the United States Munitions List under subsection (f) of section 38 of the Arms Export Control Act (22 U.S.C. 2778) and in coordination with the Secretary of Defense, the Secretary of Energy, the Secretary of Commerce, and the Director of the Office of Management and Budget, shall carry out such reviews not less than every 2 years.

(2) SCOPE.—The periodic reviews described under paragraph (1) shall focus on interagency re-
sources to address current threats faced by the United States, the evolving technological and economic landscape, and the widespread availability of certain technologies and items on the United States Munitions List.

(3) CONSULTATION.—The periodic reviews described under paragraph (1) shall be conducted in coordination with the Defense Trade Advisory Group (DTAG), who shall provide relevant industry expertise and recommendations for improvements to facilitate cooperation.

SEC. 9. OPEN GENERAL LICENSE FOR THE EXPORT, REEXPORT, TRANSFER, AND RETRANSFER OF CERTAIN DEFENSE ARTICLES TO AUSTRALIA, CANADA, AND THE UNITED KINGDOM UNDER ITAR.

(a) IN GENERAL.—Not later than 90 days after the date of the enactment of this Act, the Secretary of State shall publish in the Federal Register a notice of proposed rulemaking relating to amending the International Traffic in Arms Regulations (ITAR) to establish a Final Rule establishing an Open General Export License for export, re-export, transfer, and retransfer of certain defense articles and services to or between the United States, Australia, Canada, and the United Kingdom. The Open General Li-
cense shall be available for exports, reexports, transfers, and retransfers of defense articles and services between or among—

(1) the Government of Australia;

(2) the Government of Canada;

(3) the Government of the United Kingdom;

(4) members of the Australian Community as defined in part 126.16(d) of the ITAR, at all locations in Australia;

(5) members of the United Kingdom Community as defined in part 126.17(d) of the ITAR, at all locations in the United Kingdom; and

(6) Canadian-registered persons as defined in part 126.5(b) of the ITAR.

(b) Applicable Requirements and Limitations.—The export, reexport, transfer, or retransfer of any unclassified defense article pursuant to subsection (a) to any of the parties listed in such subsection shall be subject to the following requirements and limitations:

(1) Compliance with the requirements of part 123.9(b) of the ITAR.

(2) Maintenance of the following records with respect to each export, reexport, transfer, and retransfer:
(A) A description of the defense article or service, including technical data.

(B) The name and address of the recipient and the end-user, and other available contract information.

(C) The name of the person responsible for the transaction.

(D) The stated end use of the defense article.

(E) The date of the transaction.

(F) The method of transfer.

(3) Ensuring that such records are made available upon request to the Directorate of Defense Trade Controls (DDTC) of the Department of State.

(4) Defense articles may not be exported, reexported, transferred, or retransferred under the licenses under subsection (a) if they will be used to support the design, development, engineering, manufacture, production, assembly, testing, repair, maintenance, modification, operation, destruction or processing of missile or space launch vehicles listed as missile technology on the United States Munitions List (USML) maintained under part 121 of the ITAR.
(5) The export, reexport, transfer, or retransfer must take place wholly within or between the physical territory of Australia, Canada, or the United Kingdom and the United States except for the purposes of maintenance, repair, replacement, or overhaul.

(6) Any export, reexport, transfer, or retransfer of a defense article other than technical data shall be for end use by, or operation on behalf of, the Government of Australia, the Government of Canada, the Government of the United Kingdom, or the Government of the United States.

(7) A license issued pursuant to subsection (a) may not be utilized by persons to whom a presumption of denial is applied by DDTC pursuant to parts 120.1(e) or 127.11(a) of the ITAR, including, among other reasons, for past convictions of certain United States criminal statutes or because the persons are otherwise ineligible to contract with or receive an export or import license from an agency of the United States Government.

(8) No exporter may use a license issued pursuant to subsection (a) to export, reexport, transfer, retransfer, or otherwise provide defense articles, defense services, or technical data to any foreign per-
son subject to any United States sanctions as administered by the Office of Foreign Assets Control (OFAC), subject to any embargo maintained by the United States, or otherwise ineligible to receive defense articles, defense services, or technical data under ITAR license or authorizations.

(c) CONGRESSIONAL NOTIFICATION.—The export, re-export, transfer, or retransfer pursuant to subsection (a) of any major defense equipment (as defined in part 120.8 of the ITAR) valued (in terms of its original acquisition cost) at $25,000,000 or more or any defense article or related training or other defense service valued (in terms of its original acquisition cost) at $100,000,000 or more shall be notified to Congress for a 15 day formal review period as outlined in the Arms Export Control Act (22 U.S.C. 2751 et seq.).

SEC. 10. LICENSE EXCEPTION FOR EXPORT, REEXPORT, AND IN-COUNTRY TRANSFER OF ITEMS ON COMMERCE CONTROL LIST TO OR BETWEEN AUSTRALIA, CANADA, AND THE UNITED KINGDOM UNDER EXPORT ADMINISTRATION REGULATIONS.

(a) IN GENERAL.—Not later than 90 days after the date of the enactment of this Act, the Secretary of Commerce shall publish in the Federal Register a notice of
proposed rulemaking relating to amending the Export Administration Regulations to establish a license exception for the export, reexport, and in-country transfer of items on the Commerce Control List to or between covered persons in Australia, Canada, and the United Kingdom.

(b) REQUIREMENTS.—A person that exports, reexports, or in-country transfers an item on the Commerce Control List under the license exception established under subsection (a), and a recipient of such an item, shall—

1. comply with all applicable requirements of the Export Administration Regulations;
2. maintain, for each such export, reexport, or in-country transfer, a record of—
   (A) the exporter;
   (B) a description of the item, including technology
   (C) the name and address, and other available contact information, of the recipient and the end-user of the item;
   (D) the name of the person responsible for the transaction;
   (E) the stated end use of the item;
   (F) the date of the transaction; and
   (G) the method of transfer; and
(3) ensure that such records are made available, upon request, to the Under Secretary of Commerce for Industry and Security.

(c) LIMITATIONS.—

(1) LIMITATION ON REEXPORTS THROUGH THIRD COUNTRIES.—The export, reexport, or in-country transfer of an item under the license exception established under subsection (a) is required to take place wholly within or between the physical territory of Australia, Canada, the United Kingdom, or the United States, except for the export, reexport, or in-country transfer of such an item for the purposes of maintenance, repair, replacement, or overhaul.

(2) PROHIBITION ON EXPORTS TO RESTRICTED PERSONS.—An item may not be exported, reexported, or in-country transferred under the license exception established under subsection (a) to any foreign person—

(A) with respect to which sanctions have been imposed by the Office of Foreign Assets Control of the Department of the Treasury;

(B) on any restricted parties list;

(C) subject to any embargo maintained by the United States; or
(D) that is otherwise ineligible to receive
controlled dual-use or commercial articles or
technology on the Commerce Control List.

(d) DEFINITIONS.—In this section:

(1) COMMERCE CONTROL LIST.—The term
“Commerce Control List” means the list maintained
by the Bureau of Industry and Security of the De-
partment of Commerce and set forth in Supplement
No. 1 to part 774 of the Export Administration
Regulations.

(2) COVERED PERSON.—

(A) IN GENERAL.—Except as provided by
subparagraph (B), the term “covered person”
means—

(i) the government of Australia, Can-
da, or the United Kingdom;

(ii) a citizen or national of Australia,
Canada, or the United Kingdom; or

(iii) an entity organized under the
laws of, or otherwise subject to the juris-
diction of, Australia, Canada, or the
United Kingdom.

(B) EXCLUSIONS.—The term “covered per-
son” does not include any person on any a re-
stricted parties list.
(3) Restricted parties list.—The term “restricted parties list” means any of the following lists maintained by the Bureau of Industry and Security:

(A) The Entity List set forth in Supplement No. 4 to part 744 of the Export Administration Regulations.

(B) The Military End-User List set forth in Supplement No. 7 to part 744 of the Export Administration Regulations.

(C) The Denied Persons List maintained pursuant to section 764.3(a)(2) of the Export Administration Regulations.

(D) The Unverified List set forth in Supplement No. 6 to part 744 of the Export Administration Regulations.

(4) Other terms.—The terms “export”, “Export Administration Regulations”, “in-country transfer”, “item”, and “reexport” have the meanings given those terms in section 1742 of the Export Control Reform Act of 2018 (50 U.S.C. 4801).


Section 702(7)(A) of the Defense Production Act of 1950 (50 U.S.C. 4552(7)(A)) is amended by striking
“Canada” and inserting “a country of the national technology and industrial base (as defined in section 4801 of title 10, United States Code)”.

SEC. 12. EXPEDITED RELEASE OF ADVANCED TECHNOLOGIES TO AUSTRALIA, CANADA, AND THE UNITED KINGDOM THROUGH THE FOREIGN MILITARY SALES PROGRAM.

(a) Preclearance of Certain Military Sales Items.—

(1) In general.—Not later than 90 days after the date of the enactment of this Act, and annually thereafter, the Secretary of State, in coordination with the Secretary of Defense, and in conjunction with coordinating entities such as the National Disclosure Policy Committee, the Arms Transfer and Technology Release Senior Steering Group, and other appropriate entities, shall compile a list of available and emerging military platforms, technologies, and equipment that are pre-cleared and prioritized for sale and release to Australia, Canada, and the United Kingdom through the Foreign Military Sales program.

(2) Rules of construction regarding selection of items.—
(A) No limitation on Foreign Military Sales Program activities.—The list compiled pursuant to paragraph (1) shall not be construed as limiting the type, timing, or quantity of items that may be requested by, or sold to, Australia, the United Kingdom, and Canada under the Foreign Military Sales program.

(B) Congressional notification requirements.—Nothing in this Act shall be construed to supersede congressional notification requirements under the Arms Export Control Act (22 U.S.C. 2751 et. seq.).

(b) Expedited Processing of Foreign Military Sales Requests.—The Secretary of State and the Secretary of Defense shall expedite the processing of requests of Australia, the United Kingdom, and Canada under the Foreign Military Sales program.

(c) Release Policy for Australia, Canada, and the United Kingdom.—The Secretary of State, in consultation with the Secretary of Defense, shall create an anticipatory release policy for key Foreign Military Sales capabilities for Australia, the United Kingdom, and Canada. Review of these capabilities for releasability shall be subject to a “fast track” decision making-process with a
presumption of approval. The capabilities subject to this policy should include—

(1) Pillar One technologies associated with submarine and associated combat systems; and

(2) Pillar Two technologies, including hypersonic missiles, cyber capabilities, artificial intelligence, quantum technologies, and undersea capabilities, and other advanced technologies.

(d) Interagency Policy.—The Secretary of State and the Secretary of Defense shall jointly review and update interagency policies and implementation guidance related to Foreign Military Sales requests, including incorporating the anticipatory release provisions of this section.

SEC. 13. ANTICIPATORY DISCLOSURE POLICY FOR AUSTRALIA, CANADA, AND THE UNITED KINGDOM.

The Secretary of Defense, in consultation with the Secretary of State, shall direct the National Disclosure Policy Committee (NDPC) to adopt a classification category for the purposes of anticipatory disclosure policy to facilitate information sharing on Pillar One, Pillar Two, and other critical technologies for Australia, Canada, and the United Kingdom.
SEC. 14. REPORT ON AUKUS STRATEGY.

(a) IN GENERAL.—Not later than 180 days after the date of the enactment of this Act, the Secretary of Defense and the Secretary of State shall submit a report to the appropriate congressional committees an AUKUS strategy identifying .

(b) ELEMENTS.—The strategy required under subsection (a) shall include the following elements:

(1) An identification of the defensive military capability gaps and capacity shortfalls that AUKUS seeks to offset.

(2) An explanation of the total cost associated with Pillar One of AUKUS and the operational rationale for Australia’s acquisition of nuclear submarines.

(3) An assessment of possible opportunity costs for other defense capabilities associated with investing in the SSN-AUKUS program.

(4) A detailed explanation of how the Australian industrial base will contribute to strengthening the United States strategic position in Asia.

(5) A detailed explanation of the military and strategic benefit provided by the improved access provided by Australian naval bases.

(6) An assessment of how sovereign United Kingdom and Australian submarines contribute to
the achievement of United States military objectives as defined in United States strategy and planning documents.

(7) A net assessment contrasting the investments the Government of the People’s Republic of China is making in its submarine, hypersonic missile, and unmanned antisubmarine technologies relative to that of the AUKUS partners.

SEC. 15. AUSTRALIA, UNITED KINGDOM, AND UNITED STATES SUBMARINE SECURITY TRAINING.

(a) IN GENERAL.—The President may transfer or authorize export of defense services to the Government of Australia under the Arms Export Control Act (22 U.S.C. 2751 et seq.) that may also be directly exported to Australian private sector personnel to support the development of the Australian submarine industrial base necessary for submarine security activities between Australia, the United Kingdom, and the United States, including where such private-sector personnel are not officers, employees, or agents of the Government of Australia.

(b) APPLICATION OF REQUIREMENTS FOR FURTHER TRANSFER.—Any transfer of defense services to the Government of Australia pursuant to subsection (a) to persons other than those directly provided such defense services pursuant to such subsection shall only be made in accord-
ance with the requirements of the Arms Export Control Act (22 U.S.C. 2751 et seq.).