

**AMENDMENT IN THE NATURE OF A SUBSTITUTE
TO H.R. 7185
OFFERED BY MRS. CAROLYN B. MALONEY OF
NEW YORK**

Strike all after the enacting clause and insert the following:

1 SECTION 1. SHORT TITLE.

2 This Act may be cited as the “Federal Contracting
3 for Peace and Security Act”.

4 SEC. 2. PURPOSE.

5 It is the policy of the Federal Government not to con-
6 duct business with companies that undermine United
7 States national security interests and international law by
8 continuing to operate in the Russian Federation during
9 its ongoing war of aggression against Ukraine.

10 SEC. 3. CONTRACTING PROHIBITION.

11 (a) PROHIBITION.—The head of an executive agency
12 may not enter into, continue, extend, or renew a covered
13 contract with a company that continues to conduct busi-
14 ness operations in territory internationally recognized as
15 the Russian Federation beginning on the date of the en-
16 actment of this Act and ending on the date on which the
17 covered period ends.

1 (b) TERMINATION OF COVERED CONTRACTS.—

2 (1) INITIATION OF TERMINATION PRO-
3 CEEDINGS.—The head of an executive agency shall
4 initiate termination proceedings for any covered con-
5 tract on the date on which the covered period begins
6 and shall provide written notice to any impacted
7 contractor of such contract at least 15 days before
8 such initiation.

9 (2) GOOD FAITH EXTENSION.—The head of an
10 executive agency may grant an extension to the initi-
11 ation of termination proceedings required pursuant
12 to paragraph (1) for a period of 30 days for any cov-
13 ered contract in which the contractor has—

14 (A) pursued and continues to pursue all
15 reasonable steps in demonstrating a good faith
16 effort to comply with the requirements of this
17 Act; and

18 (B) provided to the executive agency a rea-
19 sonable, written plan to achieve compliance with
20 such requirements.

21 (3) ADDITIONAL GOOD FAITH EXTENSIONS.—
22 The head of an executive agency may grant addi-
23 tional 30-day good faith extensions to the initiation
24 of termination proceedings required pursuant to
25 paragraph (1) after the expiration of an extension

1 granted under paragraph (2) for any covered con-
2 tract in which a contractor continues to—

3 (A) pursue all reasonable steps in dem-
4 onstrating a good faith effort to comply with
5 the requirements of this Act; and

6 (B) demonstrate satisfactory progress in
7 implementing the written plan submitted under
8 paragraph (2)(B).

9 (c) EXEMPTIONS.—The prohibition under subsection
10 (a) and the termination requirement under subsection (b)
11 shall not apply to any contract that is any of the following:

12 (1) For the benefit, either directly or through
13 the efforts of regional allies, of the country of
14 Ukraine.

15 (2) For humanitarian purposes to meet basic
16 human needs.

17 (3) With a contractor that has suspended or
18 terminated the business operations of that con-
19 tractor in the Russian Federation.

20 (d) NATIONAL SECURITY AND PUBLIC INTEREST
21 WAIVERS.—

22 (1) IN GENERAL.—The head of an executive
23 agency is authorized to waive the prohibition under
24 subsection (a) and the termination requirement
25 under subsection (b) with respect to a covered con-

1 tract if the head of the agency certifies in writing to
2 the President that such waiver is for the national se-
3 curity of the United States or in the public interest
4 of the United States, and includes in such certifi-
5 cation a justification for the waiver and description
6 of the contract to which the waiver applies. The au-
7 thority in this paragraph may not be delegated below
8 the level of the senior procurement executive of the
9 agency.

10 (2) CONGRESSIONAL NOTIFICATION.—The head
11 of an executive agency shall, not later than 7 days
12 before issuing a waiver described in paragraph (1),
13 submit to the appropriate congressional committees
14 the certification described in such paragraph.

15 (e) EMERGENCY RULEMAKING AUTHORITY.—Not
16 later than 30 days after the date of the enactment of this
17 Act, the Director of the Office of Management and Budg-
18 et, in consultation with the Administrator of General Serv-
19 ices and the Secretary of Defense, shall promulgate regu-
20 lations for agency implementation of this Act using emer-
21 gency rulemaking procedures while considering public
22 comment to the greatest extent practicable, that includes
23 the following:

24 (1) A list of equipment, facilities, personnel,
25 products, services, or other items or activities, the

1 engagement with which would be considered business
2 operations, subject to the prohibition under sub-
3 section (a).

4 (2) A requirement for a contractor or offeror to
5 represent whether such contractor or offeror uses
6 any of the items on the list described in paragraph
7 (1).

8 (3) A definition of the characteristics of any
9 major subcontract that qualifies as a covered con-
10 tract under this Act.

11 (4) A description of the process for determining
12 a good faith extension described under subsection
13 (b).

14 (f) DEFINITIONS.—In this section:

15 (1) APPROPRIATE CONGRESSIONAL COMMIT-
16 TEES.—The term “appropriate congressional com-
17 mittees” means the Committee on Homeland Secu-
18 rity and Governmental Affairs of the Senate and the
19 Committee on Oversight and Reform of the House
20 of Representatives.

21 (2) BUSINESS OPERATIONS.—

22 (A) IN GENERAL.—Except as provided in
23 subparagraphs (B) and (C), the term “business
24 operations” means engaging in commerce in
25 any form, including acquiring, developing, sell-

1 ing, leasing, or operating equipment, facilities,
2 personnel, products, services, personal property,
3 real property, or any other apparatus of busi-
4 ness or commerce.

5 (B) EXCEPTIONS.—The term “business
6 operations” does not include any of the fol-
7 lowing:

8 (i) Action taken for the benefit of the
9 country of Ukraine.

10 (ii) Action serving humanitarian pur-
11 poses to meet basic human needs, includ-
12 ing through a hospital, school, or non-prof-
13 it organization.

14 (iii) The provision of products or serv-
15 ices for compliance with legal, reporting, or
16 other requirements of the laws or stand-
17 ards of countries other than the Russian
18 Federation.

19 (iv) Journalistic activities, news re-
20 porting, or the gathering and dissemina-
21 tion of information, information materials,
22 related services, or transactions ordinarily
23 incident to journalistic activities.

24 (C) EXCEPTION FOR SUSPENSION OR TER-
25 MINATION ACTIONS.—The term “business oper-

1 actions” does not include action taken to support
2 the suspension or termination of business oper-
3 ations (as described in subparagraph (A)) for
4 the duration of the covered period, including—

5 (i) an action to secure or divest from
6 facilities, property, or equipment; and

7 (ii) the provision of products or serv-
8 ices provided to reduce or eliminate oper-
9 ations in territory internationally recog-
10 nized as the Russian Federation or to com-
11 ply with sanctions relating to the Russian
12 Federation.

13 (3) COVERED CONTRACT.—The term “covered
14 contract” means a prime contract entered into by an
15 executive agency and any major subcontract of that
16 contract (as that term is defined by the rulemaking
17 required pursuant to subsection (e)) with a company
18 (including any parent, subsidiary, successor entity,
19 or beneficial owner of such company) conducting
20 business operations in territory internationally rec-
21 ognized as the Russian Federation during the cov-
22 ered period.

23 (4) COVERED PERIOD.—The term “covered pe-
24 riod” means the period of time beginning 60 days
25 after the date of the enactment of this Act and end-

1 ing on a date that is determined jointly by the Sec-
2 retary of State and the Secretary of the Treasury
3 based on steps taken by the Russian Federation to
4 restore the safety, sovereignty, and condition of the
5 country of Ukraine.

6 (5) EXECUTIVE AGENCY.—The term “executive
7 agency” has the meaning given the term in section
8 133 of title 41, United States Code.

