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AMENDMENT TO H.R. 5658
OFFERED BY MR. ELLSWORTH OF INDIANA

In the appropriate place in title VIII, insert the following:

1 **SEC. 8. REQUIREMENT FOR DEFENSE CONTRACT**
2 **CLAUSE PROHIBITING CERTAIN USES OF**
3 **FOREIGN SHELL COMPANIES.**

4 (a) **CONTRACT CLAUSE REQUIREMENT.**—Not later
5 than 180 days after the date of the enactment of this Act,
6 the Federal Acquisition Regulation shall be revised to re-
7 quire each contract awarded by the Department of De-
8 fense to contain a clause prohibiting the contractor from
9 performing the contract using a subsidiary or subcon-
10 tractor that is a foreign shell company if the foreign shell
11 company will perform the work of the contract or sub-
12 contract using United States citizens or permanent resi-
13 dents of the United States.

14 (b) **FOREIGN SHELL COMPANY.**—In this section, the
15 term “foreign shell company” means an entity—

16 (1) that is incorporated outside the United
17 States or Canada; and

1 (2) that does not manage, direct, or exercise
2 operational control over personnel performing work
3 under a contract of the entity.

4 (c) APPLICABILITY.—The contract clause required by
5 this section shall apply to contracts in amounts greater
6 than the simplified acquisition threshold (as defined in
7 section 2302a of title 10, United States Code) entered into
8 after the 210-day period beginning on the date of the en-
9 actment of this Act.

