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(Original Signature of Member)

119TH CONGRESS
1ST SESSION

H. R. _____

To require the Under Secretary of Commerce for Industry and Security to require a license for the export, reexport, or in-country transfer of certain integrated circuits, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

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

A BILL

To require the Under Secretary of Commerce for Industry and Security to require a license for the export, reexport, or in-country transfer of certain integrated circuits, 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.**

4 This Act may be cited as the “Artificial Intelligence
5 Oversight of Verified Exports and Restrictions on
6 Weaponizable Advanced Technology to Covered High-Risk
7 Actors Act” or the “AI OVERWATCH Act”.

1 **SEC. 2. LICENSE REQUIREMENT FOR EXPORTS OF COV-**
2 **ERED INTEGRATED CIRCUITS TO COUNTRIES**
3 **OF CONCERN.**

4 Part I of the Export Control Reform Act of 2018 (50
5 U.S.C. 4811 et seq.) is amended by inserting after section
6 1758 the following:

7 **“SEC. 1758A. CONTROL OF EXPORTS OF COVERED INTE-**
8 **GRATED CIRCUITS.**

9 “(a) DEFINITIONS.—In this section:

10 “(1) APPROPRIATE CONGRESSIONAL COMMIT-

11 TEES.—the term ‘appropriate congressional commit-

12 tees’ means the Committee on Foreign Affairs of the

13 House of Representatives and the Committee on

14 Banking, Housing, and Urban Affairs of the Senate.

15 “(2) COMMERCE CONTROL LIST.—The term

16 ‘Commerce Control List’ means the list set forth in

17 Supplement No. 1 to part 774 of the Export Admin-

18 istration Regulations.

19 “(3) COUNTRY OF CONCERN.—The term ‘coun-

20 try of concern’ means—

21 “(A) the People’s Republic of China, in-

22 cluding the Hong Kong and Macau Special Ad-

23 ministrative Regions;

24 “(B) the Republic of Cuba;

25 “(C) the Islamic Republic of Iran;

1 “(D) the Democratic People’s Republic of
2 Korea;

3 “(E) the Russian Federation; and

4 “(F) the Bolivarian Republic of Venezuela
5 under the regime of Nicolás Maduro Moros.

6 “(4) COVERED INTEGRATED CIRCUIT.—

7 “(A) IN GENERAL.—Subject to subpara-
8 graphs (B), (C), and (D), the term ‘covered in-
9 tegrated circuit’ means—

10 “(i) an integrated circuit, computer,
11 or other product—

12 “(I) classified under Export Con-
13 trol Classification Number 3A090 or
14 4A090 or related Export Control
15 Classification Numbers; or

16 “(II) that is functionally equiva-
17 lent or substantially similar to a cir-
18 cuit, computer, or product described
19 in subclause (I), including certain
20 similar products listed under Export
21 Control Classification Number
22 5A002.z; or

23 “(ii) an integrated circuit that has 1
24 or more digital processing units with—

1 “(I) a total processing perform-
2 ance of 4,800 or more;

3 “(II) a total processing perform-
4 ance of 2,400 or more and a perform-
5 ance density of 1.6 or more;

6 “(III) a total processing perform-
7 ance of 1,600 or more and a perform-
8 ance density of 3.2 or more; or

9 “(IV) a total DRAM bandwidth
10 of 1,400 gigabytes per second or
11 more, interconnect bandwidth of
12 1,100 gigabytes per second or more,
13 or a sum of DRAM bandwidth and
14 interconnect bandwidth of 1,700
15 gigabytes per second or more.

16 “(B) AUTHORITY TO UPDATE TECHNICAL
17 PARAMETERS.—Beginning 18 months after the
18 date of the submission to Congress of the na-
19 tional security strategy required in subsection
20 (g), the Under Secretary may add or modify
21 technical parameters for the definition of ‘cov-
22 ered integrated circuit’ for purposes of this sec-
23 tion, if the Operating Committee for Export
24 Policy has approved the new or modified tech-
25 nical parameters by majority vote.

1 “(C) PRODUCTS INCLUDED.—Except as
2 provided by subparagraph (D), the term ‘cov-
3 ered integrated circuit’ includes a product con-
4 taining such a covered integrated circuit.

5 “(D) EXCLUSION.—The term ‘covered in-
6 tegrated circuit’ does not include a covered inte-
7 grated circuit or a product containing such a
8 covered integrated circuit that is not designed
9 or marketed for use in data centers.

10 “(5) OPERATING COMMITTEE FOR EXPORT POL-
11 ICY.—The term ‘Operating Committee for Export
12 Policy’ means the Operating Committee for Export
13 Policy referred to in section 1763(c) of the John S.
14 McCain National Defense Authorization Act for Fis-
15 cal Year 2019 (50 U.S.C. 4822(c)).

16 “(6) PERFORMANCE DENSITY; TOTAL PROC-
17 ESSING PERFORMANCE.—The terms ‘performance
18 density’ and ‘total processing performance’ have the
19 meanings given those terms in, and are calculated as
20 provided for under, Export Control Classification
21 Number 3A090 in the Commerce Control List (as in
22 effect on December 15, 2025).

23 “(7) TRUSTED UNITED STATES PERSON.—The
24 term ‘trusted United States person’ means any

1 United States person designated as a trusted United
2 States person pursuant to subsection (d)(2).

3 “(b) LICENSE REQUIREMENT.—

4 “(1) IN GENERAL.—Beginning on the date of
5 the enactment of this section, the Under Secretary
6 of Commerce for Industry and Security, in coordina-
7 tion with each agency that is part of the Operating
8 Committee for Export Policy, shall require a license
9 for the export, reexport, or in-country transfer of a
10 covered integrated circuit to an entity that is located
11 or headquartered in, or the ultimate parent company
12 of which is headquartered in, a country of concern.

13 “(2) GENERAL LICENSE PROHIBITED.—The
14 Under Secretary may not issue a general license for
15 the purpose of fulfilling the license requirement in
16 paragraph (1).

17 “(c) CERTIFICATION TO CONGRESS.—

18 “(1) CERTIFICATION REQUIREMENT.—Not
19 fewer than 30 days prior to approving any license
20 for the export, reexport, or in-country transfer of a
21 covered integrated circuit to an entity that is located
22 or headquartered in, or the ultimate parent company
23 of which is headquartered in, a country of concern,
24 the Under Secretary of Commerce for Industry and
25 Security, in coordination with each agency that is

1 part of the Operating Committee for Export Policy,
2 shall submit to the appropriate congressional com-
3 mittees a copy of the license application, including—

4 “(A) the quantity of covered integrated cir-
5 cuit, identified by an Export Control Classifica-
6 tion Number, as applicable, and by technical
7 parameters of the covered integrated circuit;

8 “(B) the ultimate consignee or end-user of
9 the covered integrated circuit;

10 “(C) any and all license conditions;

11 “(D) a certification that the export, reex-
12 port, or in-country transfer of the covered inte-
13 grated circuit has verifiable and enforceable
14 mechanisms for ensuring the ultimate consignee
15 or end-user has not, does not, and will not sup-
16 port or enable, directly or indirectly, the mili-
17 tary, intelligence, surveillance, or cyber-enabled
18 capabilities of a country of concern, including—

19 “(i) an explanation of how the license
20 conditions support the certification; and

21 “(ii) in the case that the license con-
22 cerns a country of concern that engages in
23 a military-civil fusion policy or maintains a
24 law that requires persons to provide sup-
25 port and assistance to national security

1 bodies, public security bodies, or relevant
2 military bodies of the country of concern,
3 details on how the license conditions ad-
4 dress the specific threats arising from such
5 policy or law;

6 “(E) a certification that approving the li-
7 cense will not adversely impact the availability
8 of covered integrated circuits for United States
9 persons, including a certification that all of the
10 major subcomponents of the covered integrated
11 circuits, such as high-bandwidth memory, are
12 available in sufficient supply to fulfill the en-
13 tirety of the demand of United States persons;
14 and

15 “(F) a certification that approving the li-
16 cense will not adversely impact the advantage of
17 the United States in total nationally-installed
18 processing power capacity relative to the coun-
19 try of concern related to the ultimate consignee
20 or end user of the covered integrated circuit;

21 “(G) the underlying analyses supporting
22 the certifications required in subparagraphs
23 (D), (E), and (F); and

24 “(H) a technical assessment (including an
25 alternative assessment by the Director of Na-

1 tional Intelligence, if applicable) of how the ex-
2 port, re-export, or in-country transfer of the
3 covered integrated circuit to an entity that is lo-
4 cated or headquartered in, or the ultimate par-
5 ent company of which is headquartered in, a
6 country of concern affects the artificial intel-
7 ligence leadership of the United States, includ-
8 ing in terms of global market share, in artificial
9 intelligence models, artificial intelligence cloud
10 services, and covered integrated circuits, respec-
11 tively.

12 “(2) LIMITATION.—

13 “(A) IN GENERAL.—The license described
14 in subsection (b) may not be issued—

15 “(i) until the date that is not fewer
16 than 30 days after the committees de-
17 scribed paragraph (1) received the certifi-
18 cation required in such paragraph; and

19 “(ii) if Congress, prior to the date
20 that is 30 days after such committees re-
21 ceived such certification, enacts a joint res-
22 olution prohibiting the proposed export, re-
23 export, or in-country transfer.

24 “(B) JOINT RESOLUTION.—

1 “(i) CONSIDERATION IN THE SEN-
2 ATE.—Any joint resolution under this sub-
3 section shall be considered in the Senate in
4 accordance with the provisions of section
5 601(b) of the International Security As-
6 sistance and Arms Export Control Act of
7 1976 (Public Law 94–329; 90 Stat. 765).

8 “(ii) CONSIDERATION IN THE HOUSE
9 OF REPRESENTATIVES.—For the purpose
10 of expediting the consideration and enact-
11 ment of joint resolutions under this sub-
12 section, a motion to proceed to the consid-
13 eration of any such joint resolution after it
14 has been reported by the appropriate com-
15 mittee shall be treated as highly privileged
16 in the House of Representatives.

17 “(d) EXEMPTION FROM CERTAIN LICENSE RE-
18 QUIREMENTS FOR TRUSTED UNITED STATES PERSONS.—

19 “(1) IN GENERAL.—The requirement for a li-
20 cense under sections 742.6 and 744.23 of the Ex-
21 port Administration Regulations shall not apply to
22 the export, reexport, or in-country transfer of a cov-
23 ered integrated circuit if the covered integrated cir-
24 cuit—

1 “(A) is destined for a country that is not
2 a country of concern; and

3 “(B) remains under the ownership and
4 control of a trusted United States person or the
5 subsidiaries of a trusted United States person
6 once the covered integrated circuit is in oper-
7 ation.

8 “(2) IMPLEMENTATION.—Not later than 90
9 days after the date of the enactment of this section,
10 the Under Secretary of Commerce for Industry and
11 Security, in coordination with each agency that is
12 part of the Operating Committee for Export Policy,
13 shall—

14 “(A) seek input from the public regarding
15 the standards and requirements a United
16 States person should be required to meet to ob-
17 tain a designation as a trusted United States
18 person;

19 “(B) based on such input, prescribe regu-
20 lations establishing such standards and require-
21 ments, which shall include—

22 “(i) establishment by the United
23 States person of reasonable security stand-
24 ards, including physical security, cyberse-
25 curity, remote access, secure covered inte-

1 grated circuit repair and disposal proce-
2 dures, and other measures designed to pre-
3 vent the illicit transfer, diversion, or access
4 to covered integrated circuits;

5 “(ii) a requirement that the United
6 States person may not transfer or install a
7 majority of its aggregate total processing
8 performance of covered integrated circuits
9 outside the United States;

10 “(iii) a requirement that not more
11 than 10 percent of the ultimate beneficial
12 ownership of the United States person may
13 be held, directly or indirectly, by any entity
14 that primarily resides, is domiciled, or con-
15 ducts the majority of its business in a
16 country of concern;

17 “(iv) a preference for sourcing ad-
18 vanced integrated circuits and subcompo-
19 nents from production facilities that sup-
20 port the revival of semiconductor manufac-
21 turing in the United States; and

22 “(v) annual audit or attestation re-
23 quirements to ensure compliance with
24 clauses (i), (ii), and (iii); and

1 “(C) prescribe regulations establishing the
2 process by which the Under Secretary, in co-
3 ordination with each agency that is part of the
4 Operating Committee for Export Policy, shall
5 approve such a designation.

6 “(3) ALLIED EXPANSION.—The Under Sec-
7 retary, in coordination with each agency that is part
8 of the Operating Committee for Export Policy, shall
9 consider options for securely expanding the license
10 exemption program described in this subsection to
11 allies of the United States.

12 “(e) TERMINATION OF LICENSES.—Any license
13 issued or approved prior to the date of the enactment of
14 this section for the export, reexport, or in-country transfer
15 of a covered integrated circuit to an entity that is located
16 or headquartered in, or the ultimate parent company of
17 which is headquartered in, a country of concern is termi-
18 nated.

19 “(f) TEMPORARY PROHIBITION.—The Under Sec-
20 retary, in coordination with each agency that is part of
21 the Operating Committee for Export Policy, shall deny all
22 licenses for the export, reexport, or in-country transfer of
23 a covered integrated circuit to an entity that is located
24 or headquartered in, or the ultimate parent company of
25 which is headquartered in, a country of concern until the

1 date that is 14 days after the submission to Congress of
2 the national security strategy required in subsection (g).

3 “(g) NATIONAL SECURITY STRATEGY.—The Sec-
4 retary of Commerce, in conjunction with the Secretary of
5 State, the Secretary of Defense, the Secretary of Energy,
6 the United States Trade Representative, the Secretary of
7 the Treasury, and the Director of the White House Office
8 of Science and Technology Policy, and in consultation with
9 the Director of National Intelligence, shall submit to the
10 appropriate congressional committees a strategy that de-
11 tails—

12 “(1) the national security implications of and
13 goals that should govern the physical and remote ac-
14 cess by countries of concern to covered integrated
15 circuits, semiconductor manufacturing equipment,
16 and related subcomponents that are from the United
17 States or allies of the United States;

18 “(2) an assessment of the implications of the
19 export, re-export, or in-country transfer of covered
20 integrated circuits to countries of concern for the
21 military, intelligence, surveillance, or cyber-enabled
22 capabilities of such countries; and

23 “(3) an assessment by the Director of National
24 Intelligence of the covered integrated circuit produc-

1 tion numbers and capabilities of the People’s Repub-
2 lic of China for fiscal year 2026, including—

3 “(A) a determination of whether the Chi-
4 nese Communist Party would cease or reduce
5 its efforts to pursue indigenous production and
6 use of Chinese-designed and manufactured cov-
7 ered integrated circuits if entities located or
8 headquartered in, or the ultimate parent com-
9 pany of which is headquartered in, the People’s
10 Republic of China are provided access to cov-
11 ered integrated circuits designed in the United
12 States;

13 “(B) a comparison of the covered inte-
14 grated circuit production numbers and capabili-
15 ties of the People’s Republic of China to the
16 covered integrated circuit production numbers
17 and capabilities of the United States and allies
18 of the United States; and

19 “(C) a quantitative analysis examining the
20 artificial intelligence capabilities of countries of
21 concern if such countries relied solely on indige-
22 nous production of covered integrated circuits
23 using indigenously produced manufacturing
24 equipment and related subcomponents.”.