

118TH CONGRESS  
1ST SESSION

**S.** \_\_\_\_\_

To require the Director of the Defense Intelligence Agency to conduct a comparative study on the defense budgets of the People's Republic of China and the United States, and for other purposes.

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IN THE SENATE OF THE UNITED STATES

Mr. ROMNEY (for himself, Mr. MANCHIN, Mr. SULLIVAN, and Mr. KING) introduced the following bill; which was read twice and referred to the Committee on \_\_\_\_\_

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**A BILL**

To require the Director of the Defense Intelligence Agency to conduct a comparative study on the defense budgets of the People's Republic of China and the United States, 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 "China Defense Spend-  
5 ing Transparency Act".

1 **SEC. 2. COMPARATIVE STUDY ON DEFENSE BUDGET**  
2 **TRANSPARENCY OF THE PEOPLE'S REPUBLIC**  
3 **OF CHINA AND THE UNITED STATES.**

4 (a) **STUDY REQUIRED.**—

5 (1) **DEFENSE INTELLIGENCE AGENCY STUDY.**—

6 Not later than 180 days after the date of the enact-  
7 ment of this Act, the Director of the Defense Intel-  
8 ligence Agency shall complete and submit to the ap-  
9 propriate committees of Congress a public compara-  
10 tive study on the defense budgets of the People's Re-  
11 public of China and the United States.

12 (2) **METHODOLOGY.**—The study required by  
13 paragraph (1) shall employ a robust methodology  
14 that—

15 (A) does not depend on the official pro-  
16 nouncements of the Government of the People's  
17 Republic of China or the Chinese Communist  
18 Party;

19 (B) takes into account the military-civil fu-  
20 sion present in the People's Republic of China;  
21 and

22 (C) employs the building block method of  
23 analysis or a similar method of analysis.

24 (3) **GOAL.**—The goal of the study required by  
25 paragraph (1) shall be to provide the people of the  
26 United States with an accurate comparison of the

1 defense spending of the People's Republic of China  
2 and the United States.

3 (4) PUBLIC AVAILABILITY.—The Director shall  
4 make the study required by paragraph (1) available  
5 to the public on the internet website of the Defense  
6 Intelligence Agency.

7 (b) ELEMENTS.—The study required by this section  
8 shall do the following:

9 (1) Determine the amounts invested by each  
10 subject country across functional categories for  
11 spending, including—

12 (A) defense-related research and develop-  
13 ment;

14 (B) weapons procurement from domestic  
15 and foreign sources;

16 (C) operations and maintenance;

17 (D) pay and benefits; and

18 (E) military pensions.

19 (2) Consider the effects of purchasing power  
20 parity and market exchange rates, particularly on  
21 nontraded goods.

22 (3) Estimate the magnitude of omitted spend-  
23 ing from official defense budget information and ac-  
24 count for such spending in the comparison.

1           (4) Exclude spending related to veterans' bene-  
2 fits, other than military pensions provided to vet-  
3 erans.

4           (c) CONSIDERATIONS.—The study required by this  
5 section may take into consideration the following:

6           (1) The effects of state-owned enterprises on  
7 the defense expenditures of the People's Republic of  
8 China.

9           (2) The role of differing acquisition policies and  
10 structures with respect to the defense expenditures  
11 of each subject country.

12           (3) Any other matter relevant to evaluating the  
13 resources dedicated to the defense spending or the  
14 various military-related outlays of the People's Re-  
15 public of China.

16           (d) FORM.—The study required by this section shall  
17 be submitted in unclassified form, but may include a clas-  
18 sified annex.

19           (e) APPROPRIATE COMMITTEES OF CONGRESS DE-  
20 FINED.—In this section, the term "appropriate commit-  
21 tees of Congress" means—

22           (1) the Committee on Appropriations, the Com-  
23 mittee on Armed Services, the Committee on For-  
24 eign Relations, and the Select Committee on Intel-  
25 ligence of the Senate; and

1           (2) the Committee on Appropriations, the Com-  
2       mittee on Armed Services, the Committee on For-  
3       eign Affairs, and the Permanent Select Committee  
4       on Intelligence of the House of Representatives.