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.

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

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

(a) Study Required.—

(1) Defense Intelligence Agency Study.—
Not later than 180 days after the date of the enact-
ment of this Act, the Director of the Defense Intel-
ligence Agency shall complete and submit to the ap-
propriate committees of Congress a public compara-
tive study on the defense budgets of the People's Re-
public of China and the United States.

(2) Methodology.—The study required by
paragraph (1) shall employ a robust methodology
that—

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

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

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

(3) Goal.—The goal of the study required by
paragraph (1) shall be to provide the people of the
United States with an accurate comparison of the
defense spending of the People’s Republic of China and the United States.
(4) **PUBLIC AVAILABILITY.**—The Director shall make the study required by paragraph (1) available to the public on the internet website of the Defense Intelligence Agency.
(b) **ELEMENTS.**—The study required by this section shall do the following:
(1) Determine the amounts invested by each subject country across functional categories for spending, including—
(A) defense-related research and development;
(B) weapons procurement from domestic and foreign sources;
(C) operations and maintenance;
(D) pay and benefits; and
(E) military pensions.
(2) Consider the effects of purchasing power parity and market exchange rates, particularly on nontraded goods.
(3) Estimate the magnitude of omitted spending from official defense budget information and account for such spending in the comparison.
(4) Exclude spending related to veterans' benefits, other than military pensions provided to veterans.

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

(1) The effects of state-owned enterprises on the defense expenditures of the People’s Republic of China.

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

(3) Any other matter relevant to evaluating the resources dedicated to the defense spending or the various military-related outlays of the People’s Republic of China.

(d) FORM.—The study required by this section shall be submitted in unclassified form, but may include a classified annex.

(e) APPROPRIATE COMMITTEES OF CONGRESS DEFINED.—In this section, the term “appropriate committees of Congress” means—

(1) the Committee on Appropriations, the Committee on Armed Services, the Committee on Foreign Relations, and the Select Committee on Intelligence of the Senate; and
(2) the Committee on Appropriations, the Committee on Armed Services, the Committee on Foreign Affairs, and the Permanent Select Committee on Intelligence of the House of Representatives.