

# DETERRENT ACT MYTH vs. FACT

Rep. Michael Baumgartner (R-WA)

**Here's What You Need to Know About the DETERRENT Act:** While it's not uncommon for American institutions to have research and financial partnerships with foreign institutions, we know that our adversaries like the Chinese Communist Party often hijack these legitimate partnerships to steal research, indoctrinate students, and undermine our nation's interests.

H.R. 1048, the DETERRENT Act, is a bipartisan solution to combat this problem and bring much needed transparency to the financial ties that our universities have with foreign entities. **To help cut through the noise surrounding the DETERRENT Act, we separate myth from fact:**

**Myth:** Universities have no easy way of tracking information about gifts and contracts from foreign sources without large compliance costs. Increasing reporting requirements will be burdensome.

**Fact:** **Universities easily track millions of dollars in contributions from sources such as athletic boosters. If institutions can keep tabs on these funds, there is no reason they can't also keep tabs on funds they receive from foreign actors.** Sadly, American collaboration time and time again has been exploited by other nations for their own self-interest. Transparency is the best way to "trust but verify" that our students and citizens, not foreign adversaries, are benefiting. This is especially true regarding countries of concern like China and Russia; universities should be proactive, wary, and open about these relationships.

**Myth:** The DETERRENT Act and Section 117 of the *Higher Education Act* are duplicative of other existing laws and unnecessary.

**Fact:** **The DETERRENT Act is aligned with existing laws and statutes.** Unlike other laws, DETERRENT's Section 117 reforms would give the American public the ability to also hold schools accountable with transparent, available data.

**Myth:** The DETERRENT Act's disclosure requirements on research faculty would require disclosure of harmless transactions like a cup of coffee.

**Fact:** **The DETERRENT Act holds research faculty to the same standard as Members of Congress and only covers gifts above the same de minimis threshold (\$480).** Foreign gifts of high monetary value rightfully raise questions about potential conflicts of interest.

**Myth:** DETERRENT hurts the privacy of research faculty and puts them at risk of being targeted.

**Fact:** The DETERRENT Act balances transparency with common-sense privacy protections and does not disclose names or addresses of faculty.

**Myth:** Students aren't really affected by foreign influence.

**Fact:** Foreign adversaries like the Chinese Communist Party have a proven track record of harming students through censoring academic discussion and intimidating international students through transnational repression. Countries hostile to Israel also use their money in academia to spread antisemitic ideas and create hostile campus climates.

**Myth:** Concerns about foreign influence are in the past, overblown, and being addressed.

**Fact:** Unfortunately, there have been countless recent examples of malign influence in the last two years. For example, prominent research faculty at Harvard, Stanford, the University of Maryland, and the University of Delaware failed to disclose foreign funding from Chinese sources. A congressional investigation last year of two top research universities uncovered nearly \$40 million in unreported military technology research contracts with the Chinese Communist Party. This is likely just the tip of the iceberg.

**Myth:** Institutions are reporting more transactions than before so the DETERRENT Act's reforms are unnecessary.

**Fact:** Quality matters, not just quantity. Even when disclosures are made, they often lack names, dates and purpose of funds, rendering them useless for true transparency. The DETERRENT Act asks for common-sense disclosures, including the intended purpose of the gift or contract, the department responsible for the gift or contract, and the relevant dates.

**Myth:** DETERRENT would apply to all schools, whether they accept federal student aid or not.

**Fact:** The Rules Committee Print includes a technical correction to clarify that the DETERRENT Act's provisions would only apply to universities accepting federal student aid.