



Strengthening Our Supply Chains. Protecting Our Mission.

Section 851 of the FY 2025 National Defense Authorization Act (NDAA) establishes new contracting restrictions intended to strengthen the integrity of America's defense industrial base by addressing certain lobbying relationships involving companies determined to be a "Chinese military company" as defined in Section 1260H in the FY 2021 NDAA.

America's defense industrial base depends on trusted supply chains. PROJECT CLEAR helps organizations understand Section 851, evaluate lobbying relationships, and make informed decisions before they affect Department contracting opportunities.

THE CLEAR CHECK

- C** Confirm your lobbying relationships.
- L** Locate any Section 1260H entities.
- E** Evaluate potential contracting impacts.
- A** Assess and document your reasonable inquiry.
- R** Review PROJECT CLEAR guidance and respond as appropriate.



KNOW THE LAW

Section 851 is now in effect.

Section 851 prohibits the Department of War from entering into certain contracts when a contractor, its parent company, or subsidiary has a relationship with a covered lobbyist.

A covered lobbyist is a lobbying firm that represents both:

- A Department of War contractor (or its parent or subsidiary), and
- A company identified on the Department's 1260H List.

The 1260H List

Section 1260H requires the Department to identify companies determined to be Chinese military companies operating directly or indirectly in the United States. The list is maintained by the Department and you can view the current list at business.defense.gov/clear/1260h-list.

KNOW THE RISK

One conflicted lobbying relationship may affect contracting eligibility.

If your organization retains a lobbying firm that also represents a company identified on the 1260H List may affect your eligibility to:

- Enter into new Department contracts
- Renew existing contracts
- Extend current contracts

Organizations should understand:

- Who is covered by Section 851
- What constitutes a covered lobbying relationship
- How the 1260H List applies
- Contractor certification requirements
- Safe harbor and reasonable inquiry provisions

PROJECT CLEAR RESOURCES

business.defense.gov/clear

KNOW WHAT TO DO

One conflicted lobbying relationship may affect contracting eligibility.

Organizations should consider taking the following steps:

- Confirm your lobbying relationships.
- Locate any Section 1260H entities to determine whether your lobbying firm also represents companies on the 1260H List.
- Evaluate potential contracting impacts and consult legal counsel as appropriate.
- Assess and document your reasonable inquiry.
- Review PROJECT CLEAR guidance and respond as appropriate.