

OSP Memorandum: New Federal Prohibitions on Purchase of Certain Telecommunications and Video Surveillance Services or Equipment

Prohibited Telecommunications and Video Surveillance Equipment and Services Companies

Effective August 13, 2020 and pursuant to new [federal acquisitions regulations 52.204-24 Representation Regarding Certain Telecommunications and Video Surveillance Services or Equipment](#), [52.204-25 Prohibition on Contracting for Certain Telecommunications and Video Surveillance Services or Equipment](#), and [52.204-26 Covered Telecommunications Equipment or Services—Representation](#),

Virginia Tech is required to represent:

- It does not provide certain covered telecommunications or video surveillance equipment or services as a part of its offered products or services to the federal government in the performance of any contract, subcontract, or other contractual instrument funded by the federal government.
- After reasonable inquiry, it does not use covered telecommunications equipment or services, or any equipment, system, or service that uses covered telecommunications equipment or services as a substantial or essential component of any system, or as critical technology as part of any system, unless an exception applies.¹

The Department of Defense has also issued agency-specific Defense Acquisition [Regulations 252.204-7016 Covered Defense Telecommunications Equipment or Services-Representation](#), [252.204-7017 Prohibition on the Acquisition of Covered Defense Telecommunications Equipment or Services-Representation](#), and [252.204-7018 Prohibition on the Acquisition of Covered Defense Telecommunications Equipment or Services](#).

Virginia Tech is required to represent that it does not provide covered defense telecommunications equipment or services as a part of its offered products or services to the Government in the performance of any contract, subcontract, or other contractual instrument.

Additionally, effective October 2020, pursuant to [new uniform guidance regulations 200.216 Prohibition on certain telecommunications and video surveillance services or equipment](#), and [200.471 Telecommunication costs and video surveillance costs](#), Virginia Tech and any subrecipients are prohibited from obligating or expending federal loan or grant funds to:

- (1) Procure or obtain;
- (2) Extend or renew a contract to procure or obtain; or
- (3) Enter into a contract (or extend or renew a contract) to procure or obtain equipment, services, or systems that uses covered telecommunications equipment or services as a substantial or essential component of any system, or as critical technology as part of any system.

¹ See 85 FR 42665 August 7, 2020 Background: “The statute is not limited to contracting with entities that use end-products produced by those companies; it also covers the use of any equipment, system, or service that uses covered telecommunications equipment or services as a substantial or essential component of any system, or as critical technology as part of any system.”

Covered telecommunications and video surveillance equipment and services are specified in [Public Law 115-232 section 889 of the 2019 National Defense Authorization Act \(NDAA\)](#). They include telecommunications equipment or services produced by **Huawei Technologies Company or ZTE Corporation (or any subsidiary or affiliate of such entities)** or, in certain cases, telecommunications or surveillance equipment or services produced by **Hytera Communications Corporation, Hangzhou Hikvision Digital Technology Company, or Dahua Technology Company (or any subsidiary or affiliate of those entities)**. This list of covered entities includes more than [500 subsidiary or affiliates of the prohibited companies](#). The U.S. Government System for Award Management (SAM) [Excluded Party List Search \(EPLS\)](#) may be used to screen for covered entities. The prohibitions are not limited to end products produced by those companies; they also cover most telecommunications components from those companies that are incorporated into end products.

Further agency specific guidance regarding prohibited telecommunications or surveillance equipment and services is available from the Office of Management and Budget (OMB) [FAQs](#), the National Institutes of Health Notice [NOT-OD-21-041](#), and the US Agency for International Development (USAID) [FAQs](#).

Communist Chinese Military Companies

Additionally, in several lists published in 2020, the Department of Defense (DoD) released the names of “Communist Chinese military companies” operating directly or indirectly in the United States in accordance with the statutory requirement of Section 1237 of the National Defense Authorization Act for Fiscal Year 1999, as amended. For the lists of companies, [click here](#), [here](#) and [here](#).

Effective January 21, 2021, Executive Order (EO) 13959 “Addressing the Threat from Securities Investments That Finance Communist Chinese Military Companies,” provided guidance to federal contractors regarding the listed Chinese military companies. Based on existing rules addressing the U.S. government supply chain, Virginia Tech” should assess whether the DoD list triggers any existing prohibitions on doing business with companies owned or controlled by the Chinese military or a foreign government. Some of these rules include the Federal Acquisition Regulation and Section 514 of the Consolidated Appropriations Act for FY 2018.” Other regulations may restricted export transactions with these companies (see 15 CFR 744.21 Military End Users).

This requirement will be flowed down to subrecipients which **may** cause an issue with some entities, in particular foreign entities. If it is determined this is an issue during the subcontract/subrecipient risk assessment phase the Principal Investigator will be engaged in discussion with OSP staff.

Virginia Tech Process

The Office of Sponsored Programs (OSP), the Office of Export and Secure Research Compliance (OESRC), and Procurement Department work together to screen vendors to ensure no purchases are made from prohibited companies, or exports military end user companies.

The purchasing of telecommunication and video surveillance equipment must be purchased through HokieMart and not on a Pcard in order to ensure compliance with these new regulations.