

AMENDMENT NO. _____ Calendar No. _____

Purpose: In the nature of a substitute.

IN THE SENATE OF THE UNITED STATES—119th Cong., 1st Sess.

S. 2960

To develop economic tools to deter aggression by the People's Republic of China against Taiwan.

Referred to the Committee on _____ and
ordered to be printed

Ordered to lie on the table and to be printed

AMENDMENT IN THE NATURE OF A SUBSTITUTE intended
to be proposed by Mr. RISCH (for himself and Mrs.
SHAHEEN)

Viz:

1 Strike all after the enacting clause and insert the fol-
2 lowing:

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Deter PRC Aggression
5 Against Taiwan Act”.

6 **SEC. 2. SENSE OF CONGRESS.**

7 (a) SENSE OF CONGRESS REGARDING PREPARED-
8 NESS TO IMPOSE SANCTIONS IN THE EVENT OF A TAIWAN
9 CONTINGENCY.—It is the sense of Congress that the
10 United States must be prepared to take immediate action
11 to impose sanctions with respect to any military or non-

1 military entities owned, controlled, or acting at the direc-
2 tion of the Government of the PRC or the Chinese Com-
3 munist Party that are supporting actions by the Govern-
4 ment of the PRC or by the Chinese Communist Party—

5 (1) to overthrow or dismantle the governing in-
6 stitutions in Taiwan;

7 (2) to occupy any territory controlled or admin-
8 istered by Taiwan;

9 (3) to violate the territorial integrity of Taiwan;

10 or

11 (4) to take significant action against Taiwan,
12 including—

13 (A) conducting a naval blockade of Tai-
14 wan;

15 (B) seizing any outlying island of Taiwan;

16 or

17 (C) perpetrating a significant physical or
18 cyber attack on Taiwan that erodes the ability
19 of the governing institutions in Taiwan to oper-
20 ate or provide essential services to the citizens
21 of Taiwan.

22 (b) SENSE OF CONGRESS REGARDING UNITED
23 STATES POLICY TOWARD TAIWAN AND THE GOVERN-
24 MENT OF THE PRC.—It is the sense of Congress that—

1 (1) planning and recommendations developed by
2 the PRC Sanctions Task Force pursuant to section
3 4 are intended to compliment other United States
4 responses to PRC aggression and not contravene
5 long-standing United States policy on Taiwan;

6 (2) The United States remains committed to its
7 “One China” policy, guided by the Taiwan Relations
8 Act (22 U.S.C. 3301 et seq.), the three United
9 States-People’s Republic of China Joint
10 Communiqués, and the Six Assurances;

11 (3) any attempt by the People’s Republic of
12 China to resolve Taiwan’s status through force, coer-
13 cion, or other non-peaceful means is contrary to
14 United States policy and national interests; and

15 (4) the future of Taiwan should be determined
16 peacefully, free from the use of military force or any
17 other forms of military, economic, or other forms of
18 coercion from the People’s Republic of China, and in
19 a manner that is acceptable to the people of Taiwan.

20 **SEC. 3. DEFINITIONS.**

21 In this Act:

22 (1) APPROPRIATE CONGRESSIONAL COMMIT-
23 TEES.—The term “appropriate congressional com-
24 mittees” means—

1 (A) the Committee on Foreign Relations of
2 the Senate;

3 (B) the Committee on Banking, Housing,
4 and Urban Affairs of the Senate;

5 (C) the Committee on Commerce, Science,
6 and Transportation of the Senate;

7 (D) the Committee on Finance of the Sen-
8 ate;

9 (E) the Committee on Foreign Affairs of
10 the House of Representatives;

11 (F) the Committee on Financial Services
12 of the House of Representatives;

13 (G) the Committee on Energy and Com-
14 merce of the House of Representatives; and

15 (H) the Committee on Ways and Means of
16 the House of Representatives.

17 (2) PRC.—The term “PRC” means the Peo-
18 ple’s Republic of China.

19 (3) PRC SANCTIONS TASK FORCE; TASK
20 FORCE.—The terms “PRC Sanctions Task Force”
21 and “Task Force” mean the task force established
22 pursuant to section 4.

23 **SEC. 4. PRC SANCTIONS TASK FORCE.**

24 (a) ESTABLISHMENT.—Not later than 180 days after
25 the date of the enactment of this Act, the Coordinator for

1 Sanctions of the Department of State and the Director
2 of the Office of Foreign Assets Control of the Department
3 of the Treasury, in coordination with the Director of Na-
4 tional Intelligence and the heads of other Federal agen-
5 cies, as appropriate, shall establish an interagency task
6 force to identify military and non-military entities that
7 could be subject to sanctions or other economic actions
8 imposed by the United States immediately following any
9 action taken by the PRC that demonstrates an attempt
10 to achieve, or has the significant effect of achieving, the
11 physical or political control of Taiwan, including by taking
12 any of the actions described in paragraphs (1) through
13 (4) of section 2.

14 (b) STRATEGY.—Not later than 180 days after the
15 establishment of the PRC Sanctions Task Force, the Task
16 Force shall provide a briefing to the appropriate congres-
17 sional committees for identifying proposed targets for
18 sanctions or other economic actions referred to in sub-
19 section (a), which shall—

- 20 (1) assess how existing sanctions programs
21 could be used to impose sanctions with respect to en-
22 tities identified by the Task Force;
- 23 (2) develop or propose, as appropriate, new
24 sanctions authorities that might be required to im-
25 pose sanctions with respect to such entities;

1 (3) analyze the potential economic consequences
2 to the United States, and to allies and partners of
3 the United States, of imposing various types of such
4 sanctions with respect to such entities;

5 (4) assess measures that could be taken to miti-
6 gate the consequences referred to in paragraph (3),
7 including through the use of licenses, exemptions,
8 carve-outs, and other approaches;

9 (5) include coordination with allies and partners
10 of the United States—

11 (A) to leverage sanctions and other eco-
12 nomic tools including actions targeting the
13 PRC's financial and industrial sectors to deter
14 or respond to aggression against Taiwan;

15 (B) to identify and resolve potential im-
16 pediments to coordinating sanctions-related ef-
17 forts or other economic actions with respect to
18 responding to or deterring aggression against
19 Taiwan; and

20 (C) to identify industries, sectors, or goods
21 and services where the United States and allies
22 and partners of the United States can take co-
23 ordinated action through sanctions or other eco-
24 nomic tools that will have a significant negative
25 impact on the economy of the PRC; and

1 (D) to coordinate actions with partners
2 and allies to provide economic support to Tai-
3 wan and other countries being threatened by
4 the PRC, including measures to counter eco-
5 nomic coercion by the PRC;

6 (6) assess the resource gaps and needs at the
7 Department of State, the Department of the Treas-
8 ury, the Department of Commerce, the United
9 States Trade Representative, and other Federal
10 agencies, as appropriate, to most effectively use
11 sanctions and other economic tools to respond to the
12 threats posed by the PRC;

13 (7) recommend how best to target sanctions
14 and other economic tools against individuals, enti-
15 ties, and economic sectors in the PRC, which shall
16 take into account—

17 (A) the role of such targets in supporting
18 policies and activities of the Government of the
19 PRC, or of the Chinese Communist Party, that
20 pose a threat to the national security or foreign
21 policy interests of the United States;

22 (B) the negative economic implications of
23 such sanctions and tools for the Government of
24 the PRC, including its ability to achieve its ob-
25 jectives with respect to Taiwan; and

1 (C) the potential impact of such sanctions
2 and tools on the stability of the global financial
3 system, including with respect to—

4 (i) state-owned enterprises;

5 (ii) officials of the Government of the
6 PRC and of the Chinese Communist Party;

7 (iii) financial institutions associated
8 with the Government of the PRC; and

9 (iv) companies in the PRC that are
10 not formally designated by the Government
11 of the PRC as state-owned enterprises; and

12 (8) identify any foreign military or non-military
13 entities that would likely be used to achieve the out-
14 comes specified in section 2, including entities in the
15 shipping, logistics, energy (including oil and gas),
16 maritime, aviation, ground transportation, and tech-
17 nology sectors.

18 **SEC. 5. ANNUAL REPORT.**

19 Not later than 180 days after the briefing required
20 under section 4(b), and annually thereafter, the PRC
21 Sanctions Task Force shall submit a classified report to
22 the appropriate congressional committees that includes in-
23 formation regarding—

24 (1) any entities identified pursuant to section
25 4(b)(8);

1 (2) any new authorities required to impose
2 sanctions with respect to such entities;

3 (3) potential economic impacts on the PRC, the
4 United States, and allies and partners of the United
5 States resulting from the imposition of sanctions
6 with respect to such entities;

7 (4) mitigation measures that could be employed
8 to limit any deleterious economic impacts on the
9 United States and allies and partners of the United
10 States of such sanctions;

11 (5) the status of coordination with allies and
12 partners of the United States regarding sanctions
13 and other economic tools identified under this Act;

14 (6) resource gaps and recommendations to en-
15 able the Department of State and the Department
16 of the Treasury to use sanctions to more effectively
17 respond to the malign activities of the Government
18 of the PRC; and

19 (7) any additional resources that may be nec-
20 essary to carry out the strategies and recommenda-
21 tions included in the report submitted pursuant to
22 section 4(b).

23 **SEC. 6. RULES OF CONSTRUCTION.**

24 (a) RULE OF CONSTRUCTION REGARDING CONTIN-
25 UED UNITED STATES POLICY TOWARD TAIWAN AND THE

1 GOVERNMENT OF THE PRC.—Nothing in this Act may
2 be construed as a change to the One China Policy of the
3 United States, which is guided by the Taiwan Relations
4 Act (22 U.S.C. 3301 et seq.), the three United States-
5 People’s Republic of China Joint Communiqués, and the
6 Six Assurances.

7 (b) RULE OF CONSTRUCTION REGARDING SANC-
8 TIONS AUTHORITIES IDENTIFIED OR RECOMMENDED BY
9 THE TASK FORCE.—None of the sanctions identified or
10 recommended pursuant to this Act are self-executing. Any
11 such sanctions may only be imposed on an entity if they
12 are explicitly authorized under—

13 (1) a Federal law that was in effect on the day
14 before the date of the enactment of this Act; or

15 (2) an Act of Congress that is enacted after the
16 date of the enactment of this Act.