

119TH CONGRESS  
1ST SESSION

**S.** \_\_\_\_\_

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

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IN THE SENATE OF THE UNITED STATES

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Mr. RISCH introduced the following bill; which was read twice and referred  
to the Committee on \_\_\_\_\_

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**A BILL**

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

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 “Deter PRC Aggression  
5       Against Taiwan Act”.

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

7       It is the sense of Congress that the United States  
8       must be prepared to take immediate action to impose  
9       sanctions with respect to any military or non-military enti-  
10      ties owned, controlled, or acting at the direction of the

1 Government of the PRC or the Chinese Communist Party  
2 that are supporting actions by the Government of the PRC  
3 or by the Chinese Communist Party—

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

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

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

9 or

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

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

14 (B) seizing any outlying island of Taiwan;

15 or

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

21 **SEC. 3. DEFINITIONS.**

22 In this Act:

23 (1) APPROPRIATE CONGRESSIONAL COMMIT-  
24 TEES.—The term “appropriate congressional com-  
25 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).