

Calendar No. 98

118TH CONGRESS
1ST SESSION**S. 1074**

To require a strategy for countering the People's Republic of China.

IN THE SENATE OF THE UNITED STATES

MARCH 30, 2023

Mr. RUBIO (for himself and Mr. PETERS) introduced the following bill; which
was read twice and referred to the Committee on Foreign Relations

JUNE 13, 2023

Reported by Mr. MENENDEZ, with an amendment

[Strike out all after the enacting clause and insert the part printed in *italic*]**A BILL**

To require a strategy for countering the People's Republic
of China.

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 “Taiwan Protection and
5 National Resilience Act of 2023”.

1 **SEC. 2. STRATEGY FOR COUNTERING THE PEOPLE'S RE-**
 2 **PUBLIC OF CHINA.**

3 (a) IDENTIFICATION OF VULNERABILITIES AND LE-
 4 VERAGE.—Not later than 180 days after the date of the
 5 enactment of this Act, the Secretary of Defense, in con-
 6 sultation with the Secretary of State, the Secretary of
 7 Commerce, the Secretary of the Treasury, the Director of
 8 the Office of Federal Procurement Policy, and the Direc-
 9 tor of the Office of Science and Technology Policy, shall
 10 submit to the appropriate committees of Congress a report
 11 that identifies—

12 (1) goods and services from the United States
 13 that are relied on by the People's Republic of China
 14 such that that reliance presents a strategic oppor-
 15 tunity and source of leverage against the People's
 16 Republic of China; and

17 (2) procurement practices of the United States
 18 Armed Forces and other Federal agencies that are
 19 reliant on trade with the People's Republic of China
 20 and other inputs from the People's Republic of
 21 China, such that that reliance presents a strategic
 22 vulnerability and source of leverage that the Chinese
 23 Communist Party could exploit.

24 (b) STRATEGY TO RESPOND TO COERCIVE AC-
 25 TION.—

(1) IN GENERAL.—Not later than 180 days after the submission of the report required by subsection (a), the Secretary of the Treasury, in consultation with the Secretary of the Defense, the Secretary of Commerce, the Secretary of State, the Director of the Office of Federal Procurement Policy, and the Director of the Office of Science and Technology Policy, shall submit to the appropriate committees of Congress a report, utilizing the findings of the report required by subsection (a), that describes a comprehensive sanctions strategy to advise policymakers on policies the United States and allies and partners of the United States could adopt with respect to the People’s Republic of China in response to any coercive action, including an invasion, by the People’s Republic of China that infringes upon the territorial sovereignty of Taiwan by preventing access to international waterways, airspace, or telecommunications networks.

(2) ELEMENTS.—The strategy required by paragraph (1) shall include policies that—

(A) restrict the access of the People’s Liberation Army to oil, natural gas, munitions, and other supplies needed to conduct military operations against Taiwan, United States facilities

1 in the Pacific and Indian Oceans, and allies and
 2 partners of the United States in the region;

3 ~~(B)~~ diminish the capacity of the industrial
 4 base of the People's Republic of China to man-
 5 ufacture and deliver defense articles to replace
 6 those lost in operations of the People's Libera-
 7 tion Army against Taiwan, the United States,
 8 and allies and partners of the United States;

9 ~~(C)~~ inhibit the ability of the People's Re-
 10 public of China to evade United States and
 11 multilateral sanctions through third parties, in-
 12 cluding through secondary sanctions; and

13 ~~(D)~~ identify specific sanctions-related tools
 14 that may be effective in responding to coercive
 15 action described in paragraph ~~(1)~~ and assess
 16 the feasibility of the use and impact of the use
 17 of those tools.

18 ~~(c)~~ RECOMMENDATIONS FOR REDUCTION OF
 19 VULNERABILITIES AND LEVERAGE.—Not later than 180
 20 days after the submission of the report required by sub-
 21 section ~~(a)~~, the Secretary of Commerce, in consultation
 22 the Secretary of Defense, the Secretary of State, the Di-
 23 rector of National Intelligence, the United States Trade
 24 Representative, the Director of the Office of Federal Pro-
 25 curement Policy, and the Director of the Office of Science

1 and Technology Policy, shall submit to the appropriate
2 committees of Congress a report that—

3 (1) identifies critical sectors within the United
4 States economy that rely on trade with the People's
5 Republic of China and other inputs from the Peo-
6 ple's Republic of China (including active pharma-
7 ceutical ingredients, rare earth minerals, and met-
8 allurgical inputs), such that those sectors present a
9 strategic vulnerability and source of leverage that
10 the Chinese Communist Party could exploit; and

11 (2) makes recommendations to Congress on
12 steps that can be taken to reduce the sources of le-
13 verage described in paragraph (1) and subsection
14 (a)(1), including through—

15 (A) provision of economic incentives and
16 making other trade and contracting reforms to
17 support United States industry and job growth
18 in critical sectors and to indigenize production
19 of critical resources; and

20 (B) policies to facilitate “near- or friend-
21 shoring”, or otherwise developing strategies to
22 facilitate that process with allies and partners
23 of the United States, in other sectors for which
24 domestic reshoring would prove infeasible for
25 any reason.

1 (d) FORM.—The reports required by subsections (a),
 2 (b), and (c) shall be submitted in unclassified form but
 3 may include a classified annex.

4 (e) APPROPRIATE COMMITTEES OF CONGRESS DE-
 5 FINED.—In this section, the term “appropriate commit-
 6 tees of Congress” means—

7 (1) the Committee on Foreign Relations, the
 8 Committee on Armed Services, the Select Committee
 9 on Intelligence, the Committee on Finance, the Com-
 10 mittee on Banking, Housing, and Urban Affairs,
 11 and the Committee on Commerce, Science, and
 12 Transportation of the Senate; and

13 (2) the Committee on Foreign Affairs, the
 14 Committee on Armed Services, the Committee on Fi-
 15 nancial Services, the Committee on Energy and
 16 Commerce, and the Permanent Select Committee on
 17 Intelligence of the House of Representatives.

18 **SECTION 1. SHORT TITLE.**

19 *This Act may be cited as the “Taiwan Protection and*
 20 *National Resilience Act of 2023”.*

21 **SEC. 2. STRATEGY FOR COUNTERING THE PEOPLE’S REPUB-**
 22 **LIC OF CHINA.**

23 (a) IDENTIFICATION OF VULNERABILITIES AND LE-
 24 VERAGE.—*Not later than 180 days after the date of the en-*
 25 *actment of this Act, the Secretary of State and the Secretary*

1 of Defense shall jointly, in consultation with the Secretary
 2 of Commerce, the Secretary of the Treasury, the Director
 3 of the Office of Federal Procurement Policy, and the Direc-
 4 tor of the Office of Science and Technology Policy, submit
 5 to the appropriate committees of Congress a report that
 6 identifies—

7 (1) goods and services from the United States
 8 that are relied on by the People’s Republic of China
 9 such that that reliance presents a strategic oppor-
 10 tunity and source of leverage against the People’s Re-
 11 public of China, including during a conflict; and

12 (2) procurement practices of the United States
 13 Government that are reliant on trade with the Peo-
 14 ple’s Republic of China and other inputs from the
 15 People’s Republic of China, such that that reliance
 16 presents a strategic vulnerability and source of lever-
 17 age that the Chinese Communist Party could exploit,
 18 including during a conflict.

19 (b) *STRATEGY TO RESPOND TO COERCIVE ACTION.*—

20 (1) *IN GENERAL.*—Not later than 180 days after
 21 the submission of the report required by subsection
 22 (a), the Secretary of the Treasury, in coordination
 23 with the Secretary of State and in consultation with
 24 the Secretary of the Defense, the Secretary of Com-
 25 merce, the Director of the Office of Federal Procure-

ment Policy, and the Director of the Office of Science and Technology Policy, shall submit to the appropriate committees of Congress a report, utilizing the findings of the report required by subsection (a), that describes a comprehensive sanctions strategy to advise policymakers on policies the United States and allies and partners of the United States could adopt with respect to the People's Republic of China in response to any coercive action, including an invasion, by the People's Republic of China that infringes upon the territorial sovereignty of Taiwan by preventing access to international waterways, airspace, or telecommunications networks.

(2) *ELEMENTS.*—The strategy required by paragraph (1) shall include policies that—

(A) *restrict the access of the People's Liberation Army to oil, natural gas, munitions, and other supplies needed to conduct military operations against Taiwan, United States facilities in the Pacific and Indian Oceans, and allies and partners of the United States in the region;*

(B) *diminish the capacity of the industrial base of the People's Republic of China to manufacture and deliver defense articles to replace those lost in operations of the People's Liberation*

1 *Army against Taiwan, the United States, and*
2 *allies and partners of the United States;*

3 *(C) inhibit the ability of the People's Re-*
4 *public of China to evade United States and mul-*
5 *tilateral sanctions through third parties, includ-*
6 *ing through secondary sanctions;*

7 *(D) identify specific sanctions-related tools*
8 *that may be effective in responding to coercive*
9 *action described in paragraph (1) and assess the*
10 *feasibility of the use and impact of the use of*
11 *those tools;*

12 *(E) identify and resolve potential impedi-*
13 *ments to coordinating sanctions-related efforts*
14 *with respect to responding to or deterring aggres-*
15 *sion against Taiwan with allies and partners of*
16 *the United States;*

17 *(F) identify industries, sectors, or goods and*
18 *services with respect to which the United States,*
19 *working with allies and partners of the United*
20 *States, can take coordinated action through sanc-*
21 *tions or other economic tools that will have a sig-*
22 *nificant negative impact on the economy of the*
23 *People's Republic of China; and*

24 *(G) identify tactics used by the Government*
25 *of the People's Republic of China to influence the*

1 *public in the United States and Taiwan through*
2 *propaganda and disinformation campaigns, in-*
3 *cluding such campaigns focused on*
4 *delegitimizing Taiwan or legitimizing a forceful*
5 *action by the People's Republic of China against*
6 *Taiwan.*

7 (c) *RECOMMENDATIONS FOR REDUCTION OF*
8 *VULNERABILITIES AND LEVERAGE.—Not later than 180*
9 *days after the submission of the report required by sub-*
10 *section (a), the Secretary of State and the Secretary of De-*
11 *fense shall jointly, in consultation with the Secretary of*
12 *Commerce, the Secretary of the Treasury, the Director of*
13 *the Office of Federal Procurement Policy, and the Director*
14 *of the Office of Science and Technology Policy, submit to*
15 *the appropriate committees of Congress a report that—*

16 (1) *identifies critical sectors within the United*
17 *States economy that rely on trade with the People's*
18 *Republic of China and other inputs from the People's*
19 *Republic of China (including active pharmaceutical*
20 *ingredients, rare earth minerals, and metallurgical*
21 *inputs), such that those sectors present a strategic vul-*
22 *nerability and source of leverage that the Chinese*
23 *Communist Party or the People's Republic of China*
24 *could exploit; and*

1 (2) *makes recommendations to Congress on steps*
 2 *that can be taken to reduce the sources of leverage de-*
 3 *scribed in paragraph (1) and subsection (a)(1), in-*
 4 *cluding through—*

5 (A) *provision of economic incentives and*
 6 *making other trade and contracting reforms to*
 7 *support United States industry and job growth*
 8 *in critical sectors and to indigenize production*
 9 *of critical resources; and*

10 (B) *policies to facilitate “near- or friend-*
 11 *shoring”, or otherwise developing strategies to fa-*
 12 *cilitate that process with allies and partners of*
 13 *the United States, in other sectors for which do-*
 14 *mestic reshoring would prove infeasible for any*
 15 *reason.*

16 (d) *FORM.—The reports required by subsections (a),*
 17 *(b), and (c) shall be submitted in unclassified form but may*
 18 *include a classified annex.*

19 (e) *APPROPRIATE COMMITTEES OF CONGRESS DE-*
 20 *FINED.—In this section, the term “appropriate committees*
 21 *of Congress” means—*

22 (1) *the Committee on Foreign Relations, the*
 23 *Committee on Armed Services, the Select Committee*
 24 *on Intelligence, the Committee on Finance, the Com-*
 25 *mittee on Banking, Housing, and Urban Affairs, and*

1 *the Committee on Commerce, Science, and Transpor-*
2 *tation of the Senate; and*

3 *(2) the Committee on Foreign Affairs, the Com-*
4 *mittee on Armed Services, the Committee on Finan-*
5 *cial Services, the Committee on Energy and Com-*
6 *merce, and the Permanent Select Committee on Intel-*
7 *ligence of the House of Representatives.*

8 **SEC. 3. RULE OF CONSTRUCTION ON MAINTAINING ONE**
9 **CHINA POLICY.**

10 *Nothing in this Act may be construed as a change to*
11 *the one China policy of the United States, which is guided*
12 *by the Taiwan Relations Act (22 U.S.C. 3301 et seq.), the*
13 *three United States-People's Republic of China Joint*
14 *Communiqués, and the Six Assurances.*

15 **SEC. 4. RULE OF CONSTRUCTION REGARDING NOT AU-**
16 **THORIZING THE USE OF FORCE.**

17 *Nothing in this Act may be construed as authorizing*
18 *the use of military force.*

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A BILL

To require a strategy for countering the People's
Republic of China.

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Reported with an amendment