

116TH CONGRESS  
1ST SESSION

# S. 1634

To impose sanctions with respect to the People’s Republic of China in relation to activities in the South China Sea and the East China Sea, and for other purposes.

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## IN THE SENATE OF THE UNITED STATES

MAY 23 (legislative day, MAY 22), 2019

Mr. RUBIO (for himself, Mr. CARDIN, Mr. COTTON, Mr. KAINE, Mr. YOUNG, Mr. BLUMENTHAL, Mr. HAWLEY, Mrs. GILLIBRAND, Mr. SCOTT of Florida, Mr. MANCHIN, Mrs. BLACKBURN, Ms. DUCKWORTH, Mr. CORNYN, Mr. JONES, and Mr. ROMNEY) introduced the following bill; which was read twice and referred to the Committee on Foreign Relations

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## A BILL

To impose sanctions with respect to the People’s Republic of China in relation to activities in the South China Sea and the East China Sea, and for other purposes.

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; TABLE OF CONTENTS.**

4       (a) **SHORT TITLE.**—This Act may be cited as the  
5       “South China Sea and East China Sea Sanctions Act of  
6       2019”.

7       (b) **TABLE OF CONTENTS.**—The table of contents for  
8       this Act is as follows:

- Sec. 1. Short title; table of contents.
- Sec. 2. Findings.
- Sec. 3. Definitions.
- Sec. 4. Policy of the United States with respect to the South China Sea and the East China Sea.
- Sec. 5. Sense of Congress with respect to the South China Sea and the East China Sea.
- Sec. 6. Sanctions with respect to Chinese persons responsible for China's activities in the South China Sea and the East China Sea.
- Sec. 7. Determinations and report on Chinese companies active in the South China Sea and the East China Sea.
- Sec. 8. Prohibition against documents portraying the South China Sea or the East China Sea as part of China.
- Sec. 9. Prohibition on facilitating certain investments in the South China Sea or the East China Sea.
- Sec. 10. Department of Justice affirmation of non-recognition of annexation.
- Sec. 11. Non-recognition of Chinese sovereignty over the South China Sea or the East China Sea.
- Sec. 12. Prohibition on certain assistance to countries that recognize Chinese sovereignty over the South China Sea or the East China Sea.

## 1 **SEC. 2. FINDINGS.**

2 Congress makes the following findings:

3 (1) According to the Asia-Pacific Maritime Se-  
 4 curity Strategy issued by the Department of Defense  
 5 in August 2015, “Although the United States takes  
 6 no position on competing sovereignty claims to land  
 7 features in the region, all such claims must be based  
 8 upon land (which in the case of islands means natu-  
 9 rally formed areas of land that are above water at  
 10 high tide), and all maritime claims must derive from  
 11 such land in accordance with international law.”.

12 (2) According to the annual report of the De-  
 13 partment of Defense to Congress on the military  
 14 power of the People's Republic of China submitted  
 15 in April 2016, “Throughout 2015, China continued  
 16 to assert sovereignty claims over features in the

1 East and South China Seas. In the East China Sea,  
 2 China continued to use maritime law enforcement  
 3 ships and aircraft to patrol near the Senkaku  
 4 (Diaoyu) Islands in order to challenge Japan's  
 5 claim. In the South China Sea, China paused its  
 6 land reclamation effort in the Spratly Islands in late  
 7 2015 after adding more than 3,200 acres of land to  
 8 the seven features it occupies in the archipelago. Al-  
 9 though these artificial islands do not provide China  
 10 with any additional territorial or maritime rights  
 11 within the South China Sea, China will be able to  
 12 use them as persistent civil-military bases to en-  
 13 hance its long-term presence in the South China Sea  
 14 significantly.”.

15 (3) On May 30, 2015, at the Shangri-la Dia-  
 16 logue of the International Institute for Strategic  
 17 Studies, Secretary of Defense Ashton Carter stated  
 18 that “with its actions in the South China Sea, China  
 19 is out of step with both the international rules and  
 20 norms that underscore the Asia-Pacific’s security ar-  
 21 chitecture, and the regional consensus that favors di-  
 22 plomacy and opposes coercion”.

23 (4) On July 24, 2015, Admiral Harry Harris,  
 24 Jr., noted at a forum in Colorado that each year

1 more than \$5,300,000,000,000 in global sea-based  
2 trade passes through the South China Sea.

3 (5) On June 4, 2016, at the Shangri-la Dia-  
4 logue, Secretary of Defense Ashton Carter stated:  
5 “[T]he United States will stand with regional part-  
6 ners to uphold core principles, like freedom of navi-  
7 gation and overflight and the peaceful resolution of  
8 disputes through legal means and in accordance with  
9 international law. As I affirmed here last year, and  
10 America’s Freedom of Navigation Operations in the  
11 South China Sea have demonstrated, the United  
12 States will continue to fly, sail and operate wherever  
13 international law allows, so that everyone in the re-  
14 gion can do the same.”.

15 (6) On July 12, 2016, the Permanent Court of  
16 Arbitration’s Tribunal organized pursuant to the  
17 United Nations Convention on the Law of the Sea  
18 issued its unanimous award in the arbitration insti-  
19 tuted by Republic of the Philippines against the Peo-  
20 ple’s Republic of China. The Tribunal noted that its  
21 award is final and binding under that Convention.

22 (7) Also according to the award, the Tribunal  
23 “concluded that, to the extent China had historical  
24 rights to resources in the waters of the South China  
25 Sea, such rights were extinguished to the extent they

1        were incompatible with the exclusive economic zones  
2        provided for in the Convention. The Tribunal con-  
3        cluded that there was no legal basis for China to  
4        claim historic rights to resources within the sea  
5        areas falling within the ‘nine-dash line’.”.

6            (8) Also according to the award, the Tribunal  
7        “held that the Spratly Islands cannot generate mari-  
8        time zones collectively as a unit. Having found that  
9        none of the features claimed by China was capable  
10       of generating an exclusive economic zone, the Tri-  
11       bunal found that it could—without delimiting a  
12       boundary—declare that certain sea areas are within  
13       the exclusive economic zone of the Philippines, be-  
14       cause those areas are not overlapped by any possible  
15       entitlement of China.”.

16           (9) Also according to the award, the Tribunal  
17        “found that China had violated the Philippines’ sov-  
18       ereign rights in its exclusive economic zone by (a)  
19       interfering with Philippine fishing and petroleum ex-  
20       ploration, (b) constructing artificial islands and (c)  
21       failing to prevent Chinese fishermen from fishing in  
22       the zone. The Tribunal also held that fishermen  
23       from the Philippines (like those from China) had  
24       traditional fishing rights at Scarborough Shoal and  
25       that China had interfered with these rights in re-

1 stricting access. The Tribunal further held that Chi-  
2 nese law enforcement vessels had unlawfully created  
3 a serious risk of collision when they physically ob-  
4 structed Philippine vessels.”.

5 (10) On July 12, 2016, the Ministry of Foreign  
6 Affairs of the People’s Republic of China issued a  
7 statement that China “declares that the [Tribunal]  
8 award is null and void and has no binding force.  
9 China neither accepts nor recognizes it . . . China’s  
10 territorial sovereignty and maritime rights and inter-  
11 ests in the South China Sea shall under no cir-  
12 cumstances be affected by those awards. China op-  
13 poses and will never accept any claim or action  
14 based on those awards.”.

15 (11) On July 12, 2016, the Government of the  
16 People’s Republic of China issued the fifth state-  
17 ment in the name of that Government since 1979  
18 that—

19 (A) stated that the People’s Republic of  
20 China has sovereignty over the 4 rocks and  
21 shoals in the South China Sea;

22 (B) claims internal waters, territorial seas,  
23 contiguous zones, one or more exclusive eco-  
24 nomic zones, and a continental shelf based on  
25 that sovereignty claim; and

1 (C) continues to claim historic rights in  
2 the South China Sea.

3 (12) On July 12, 2016, Assistant Secretary of  
4 State and Department of State Spokesperson John  
5 Kirby noted that the “United States strongly sup-  
6 ports the rule of law. We support efforts to resolve  
7 territorial and maritime disputes in the South China  
8 Sea peacefully, including through arbitration . . .  
9 we urge all claimants to avoid provocative state-  
10 ments or actions. This decision can and should serve  
11 as a new opportunity to renew efforts to address  
12 maritime disputes peacefully.”.

13 (13) On July 13, 2016, the Vice Foreign Min-  
14 ister of the People’s Republic of China, Liu  
15 Zhenmin, said that declaring an air defense identi-  
16 fication zone in the South China Sea would depend  
17 on the threat China faces and stated that “[i]f our  
18 security is threatened, we of course have the right  
19 to set it up”.

20 (14) On July 18, 2016, the People’s Liberation  
21 Army Air Force of the People’s Republic of China  
22 stated that it had conducted a “combat air patrol”  
23 over the South China Sea and that it would become  
24 “regular practice” in the future. A spokesperson  
25 stated that the People’s Liberation Army Air Force

1 “will firmly defend national sovereignty, security and  
2 maritime interests, safeguard regional peace and  
3 stability, and cope with various threats and chal-  
4 lenges”.

5 (15) On August 2, 2016, the Supreme People’s  
6 Court of the People’s Republic of China issued a ju-  
7 dicial interpretation that people caught illegally fish-  
8 ing in Chinese waters could be jailed for up to one  
9 year.

10 (16) In the Agreement concerning the Ryukyu  
11 Islands and the Daito Islands with Related Arrange-  
12 ments, signed at Washington and Tokyo June 17,  
13 1971 (23 UST 446), between the United States and  
14 Japan (commonly referred to as the “Okinawa Re-  
15 version Treaty”), the United States agreed to apply  
16 the Treaty of Mutual Cooperation and Security, with  
17 Agreed Minute and Exchanges of Notes (11 UST  
18 1632), signed at Washington January 19, 1961, be-  
19 tween the United States and Japan, to the area cov-  
20 ered by the Okinawa Reversion Treaty, including the  
21 Senkaku Islands.

22 (17) In April 2014, President Barack Obama  
23 stated, “The policy of the United States is clear—  
24 the Senkaku Islands are administered by Japan and  
25 therefore fall within the scope of Article 5 of the



1 U.S.-Japan Treaty of Mutual Cooperation and Secu-  
 2 rity. And we oppose any unilateral attempts to un-  
 3 dermine Japan’s administration of these islands.”.

4 (18) In February 2017, President Donald  
 5 Trump and Japanese Prime Minister Shinzo Abe  
 6 issued a joint statement that “affirmed that Article  
 7 V of the U.S.-Japan Treaty of Mutual Cooperation  
 8 and Security covers the Senkaku Islands”.

9 **SEC. 3. DEFINITIONS.**

10 In this Act:

11 (1) ACCOUNT; CORRESPONDENT ACCOUNT; PAY-  
 12 ABLE-THROUGH ACCOUNT.—The terms “account”,  
 13 “correspondent account”, and “payable-through ac-  
 14 count” have the meanings given those terms in sec-  
 15 tion 5318A of title 31, United States Code.

16 (2) ALIEN.—The term “alien” has the meaning  
 17 given that term in section 101(a) of the Immigration  
 18 and Nationality Act (8 U.S.C. 1101(a)).

19 (3) APPROPRIATE CONGRESSIONAL COMMIT-  
 20 TEES.—The term “appropriate congressional com-  
 21 mittees” means—

22 (A) the Committee on Foreign Relations,  
 23 the Committee on Armed Services, the Com-  
 24 mittee on Banking, Housing, and Urban Af-

1           fairs, and the Select Committee on Intelligence  
2           of the Senate; and

3                 (B) the Committee on Foreign Affairs, the  
4           Committee on Armed Services, the Committee  
5           on Financial Services, and the Permanent Se-  
6           lect Committee on Intelligence of the House of  
7           Representatives.

8           (4) CHINESE PERSON.—The term “Chinese  
9           person” means—

10                 (A) an individual who is a citizen or na-  
11           tional of the People’s Republic of China; or

12                 (B) an entity organized under the laws of  
13           the People’s Republic of China or otherwise  
14           subject to the jurisdiction of the Government of  
15           the People’s Republic of China.

16           (5) FINANCIAL INSTITUTION.—The term “fi-  
17           nancial institution” means a financial institution  
18           specified in subparagraph (A), (B), (C), (D), (E),  
19           (F), (G), (H), (I), (J), (K), (M), (N), (P), (R), (T),  
20           (Y), or (Z) of section 5312(a)(2) of title 31, United  
21           States Code.

22           (6) FOREIGN FINANCIAL INSTITUTION.—The  
23           term “foreign financial institution” has the meaning  
24           given that term in section 1010.605 of title 31, Code

1 of Federal Regulations (or any corresponding similar  
2 regulation or ruling).

3 (7) KNOWINGLY.—The term “knowingly”, with  
4 respect to conduct, a circumstance, or a result,  
5 means that a person has actual knowledge, or should  
6 have known, of the conduct, the circumstance, or the  
7 result.

8 (8) PERSON.—The term “person” means any  
9 individual or entity.

10 (9) UNITED STATES PERSON.—The term  
11 “United States person” means—

12 (A) a United States citizen or an alien law-  
13 fully admitted for permanent residence to the  
14 United States; or

15 (B) an entity organized under the laws of  
16 the United States or of any jurisdiction within  
17 the United States, including a foreign branch of  
18 such an entity.

19 **SEC. 4. POLICY OF THE UNITED STATES WITH RESPECT TO**  
20 **THE SOUTH CHINA SEA AND THE EAST CHINA**  
21 **SEA.**

22 It is the policy of the United States—

23 (1) to support the principle that disputes be-  
24 tween countries should be resolved peacefully con-  
25 sistent with international law;

(2) to reaffirm its unwavering commitment and support for allies and partners in the Asia-Pacific region, including longstanding United States policy—

(A) regarding Article V of the Mutual Defense Treaty, signed at Washington, August 30, 1951 (3 UST 3947), between the United States and the Philippines; and

(B) that Article V of the Mutual Defense Assistance Agreement, with Annexes, signed at Tokyo, March 8, 1954 (5 UST 661), between the United States and Japan, applies to the Senkaku Islands, which are administered by Japan; and

(3) to support the principle of freedom of navigation and overflight and to continue to use the sea and airspace wherever international law allows.

**SEC. 5. SENSE OF CONGRESS WITH RESPECT TO THE  
SOUTH CHINA SEA AND THE EAST CHINA SEA.**

It is the sense of Congress that—

(1) the United States—

(A) opposes all claims in the maritime domains that impinge on the rights, freedoms, and lawful use of the seas that belong to all countries;

1 (B) opposes unilateral actions by the gov-  
2 ernment of any country seeking to change the  
3 status quo in the South China Sea through the  
4 use of coercion, intimidation, or military force;

5 (C) opposes actions by the government of  
6 any country to interfere in any way in the free  
7 use of waters and airspace in the South China  
8 Sea or East China Sea;

9 (D) opposes actions by the government of  
10 any country to prevent any other country from  
11 exercising its sovereign rights to the resources  
12 of the exclusive economic zone and continental  
13 shelf by making claims that have no support in  
14 international law; and

15 (E) upholds the principle that territorial  
16 and maritime claims, including with respect to  
17 territorial waters or territorial seas, must be de-  
18 rived from land features and otherwise comport  
19 with international law;

20 (2) the People's Republic of China should not  
21 continue to pursue illegitimate claims and to milita-  
22 rize an area that is essential to global security;

23 (3) the United States should—

24 (A) continue and expand freedom of navi-  
25 gation operations and overflights;

1 (B) reconsider the traditional policy of not  
2 taking a position on individual claims; and

3 (C) respond to provocations by the Peo-  
4 ple's Republic of China with commensurate ac-  
5 tions that impose costs on any attempts to un-  
6 dermine security in the region;

7 (4) the Senkaku Islands are covered by Article  
8 V of the Mutual Defense Assistance Agreement, with  
9 Annexes, signed at Tokyo, March 8, 1954 (5 UST  
10 661), between the United States and Japan; and

11 (5) the United States should firmly oppose any  
12 unilateral actions by the People's Republic of China  
13 that seek to undermine Japan's control of the  
14 Senkaku Islands.

15 **SEC. 6. SANCTIONS WITH RESPECT TO CHINESE PERSONS**  
16 **RESPONSIBLE FOR CHINA'S ACTIVITIES IN**  
17 **THE SOUTH CHINA SEA AND THE EAST CHINA**  
18 **SEA.**

19 (a) INITIAL IMPOSITION OF SANCTIONS.—On and  
20 after the date that is 60 days after the date of the enact-  
21 ment of this Act, the President shall impose the sanctions  
22 described in subsection (b) with respect to—

23 (1) any Chinese person that contributes to con-  
24 struction or development projects, including land  
25 reclamation, island-making, lighthouse construction,

1 building of base stations for mobile communications  
2 services, building of electricity and fuel supply facili-  
3 ties, or civil infrastructure projects, in areas of the  
4 South China Sea contested by one or more members  
5 of the Association of Southeast Asian Nations;

6 (2) any Chinese person that is responsible for  
7 or complicit in, or has engaged in, directly or indi-  
8 rectly, actions or policies that threaten the peace, se-  
9 curity, or stability of areas of the South China Sea  
10 contested by one or more members of the Associa-  
11 tion of Southeast Asian Nations or areas of the East  
12 China Sea administered by Japan or the Republic of  
13 Korea, including through the use of vessels and air-  
14 craft to impose the sovereignty of the People's Re-  
15 public of China in those areas;

16 (3) any Chinese person that engages, or at-  
17 tempts to engage, in an activity or transaction that  
18 materially contributes to, or poses a risk of materi-  
19 ally contributing to, an activity described in para-  
20 graph (1) or (2); and

21 (4) any person that—

22 (A) is owned or controlled by a person de-  
23 scribed in paragraph (1), (2), or (3);

24 (B) is acting for or on behalf of such a  
25 person; or

1 (C) provides, or attempts to provide—

2 (i) financial, material, technological,  
3 or other support to a person described in  
4 paragraph (1), (2), or (3); or

5 (ii) goods or services in support of an  
6 activity described in paragraph (1), (2), or  
7 (3).

8 (b) SANCTIONS DESCRIBED.—

9 (1) BLOCKING OF PROPERTY.—The President  
10 shall block and prohibit, in accordance with the  
11 International Emergency Economic Powers Act (50  
12 U.S.C. 1701 et seq.), all transactions in all property  
13 and interests in property of any person subject to  
14 subsection (a) if such property and interests in prop-  
15 erty are in the United States, come within the  
16 United States, or are or come within the possession  
17 or control of a United States person.

18 (2) EXCLUSION FROM UNITED STATES.—The  
19 Secretary of State shall deny a visa to, and the Sec-  
20 retary of Homeland Security shall exclude from the  
21 United States, any person subject to subsection (a)  
22 that is an alien.

23 (3) CURRENT VISA REVOKED.—The issuing  
24 consular officer, the Secretary of State, or the Sec-  
25 retary of Homeland Security (or a designee of one



1 of such Secretaries) shall revoke any visa or other  
 2 entry documentation issued to any person subject to  
 3 subsection (a) that is an alien, regardless of when  
 4 issued. The revocation shall take effect immediately  
 5 and shall automatically cancel any other valid visa or  
 6 entry documentation that is in the alien's possession.

7 (c) EXCEPTIONS; PENALTIES.—

8 (1) INAPPLICABILITY OF NATIONAL EMER-  
 9 GENCY REQUIREMENT.—The requirements of section  
 10 202 of the International Emergency Economic Pow-  
 11 ers Act (50 U.S.C. 1701) shall not apply for pur-  
 12 poses of subsection (b)(1).

13 (2) COMPLIANCE WITH UNITED NATIONS HEAD-  
 14 QUARTERS AGREEMENT.—Paragraphs (2) and (3) of  
 15 subsection (b) shall not apply if admission of an  
 16 alien to the United States is necessary to permit the  
 17 United States to comply with the Agreement regard-  
 18 ing the Headquarters of the United Nations, signed  
 19 at Lake Success, June 26, 1947, and entered into  
 20 force, November 21, 1947, between the United Na-  
 21 tions and the United States.

22 (3) PENALTIES.—The penalties provided for in  
 23 subsections (b) and (c) of section 206 of the Inter-  
 24 national Emergency Economic Powers Act (50  
 25 U.S.C. 1705) shall apply to a person that violates,

1 attempts to violate, conspires to violate, or causes a  
2 violation of regulations prescribed under subsection  
3 (b)(1) to the same extent that such penalties apply  
4 to a person that commits an unlawful act described  
5 in subsection (a) of such section 206.

6 (d) ADDITIONAL IMPOSITION OF SANCTIONS.—

7 (1) IN GENERAL.—The President shall prohibit  
8 the opening, and prohibit or impose strict conditions  
9 on the maintaining, in the United States of a cor-  
10 respondent account or a payable-through account by  
11 a foreign financial institution that the President de-  
12 termines knowingly, on or after the date that is 60  
13 days after the date of the enactment of this Act,  
14 conducts or facilitates a significant financial trans-  
15 action for a person subject to subsection (a) if the  
16 Director of National Intelligence determines that the  
17 Government of the People’s Republic of China has—

18 (A) declared an air defense identification  
19 zone over any part of the South China Sea;

20 (B) initiated reclamation work at another  
21 disputed location in the South China Sea, such  
22 as at Scarborough Shoal;

23 (C) seized control of Second Thomas  
24 Shoal;

1 (D) deployed surface-to-air missiles to any  
2 of the artificial islands the People's Republic of  
3 China has built in the Spratly Island chain, in-  
4 cluding Fiery Cross, Mischief, or Subi Reefs;

5 (E) established territorial baselines around  
6 the Spratly Island chain;

7 (F) increased harassment of Philippine  
8 vessels; or

9 (G) increased provocative actions against  
10 the Japanese Coast Guard or Maritime Self-De-  
11 fense Force or United States forces in the East  
12 China Sea.

13 (2) REPORT.—

14 (A) IN GENERAL.—The determination of  
15 the Director of National Intelligence referred to  
16 in paragraph (1) shall be submitted in a report  
17 to the President and the appropriate congres-  
18 sional committees.

19 (B) FORM OF REPORT.—The report re-  
20 quired by subparagraph (A) shall be submitted  
21 in unclassified form, but may include a classi-  
22 fied annex.

1 **SEC. 7. DETERMINATIONS AND REPORT ON CHINESE COM-**  
2 **PANIES ACTIVE IN THE SOUTH CHINA SEA**  
3 **AND THE EAST CHINA SEA.**

4 (a) IN GENERAL.—The Secretary of State shall sub-  
5 mit to the appropriate congressional committees a report  
6 that identifies each Chinese person the Secretary deter-  
7 mines is engaged in the activities described in section 6(a).

8 (b) CONSIDERATION.—In preparing the report re-  
9 quired under subsection (a), the Secretary shall make spe-  
10 cific findings with respect to whether each of the following  
11 persons is involved in the activities described in section  
12 6(a):

- 13 (1) CCCC Tianjin Dredging Co., Ltd.
- 14 (2) CCCC Dredging (Group) Company, Ltd.
- 15 (3) China Communications Construction Com-  
16 pany (CCCC), Ltd.
- 17 (4) China Petroleum Corporation (Sinopec  
18 Group).
- 19 (5) China Mobile.
- 20 (6) China Telecom.
- 21 (7) China Southern Power Grid.
- 22 (8) CNFC Guangzhou Harbor Engineering  
23 Company.
- 24 (9) Zhanjiang South Project Construction Bu-  
25 reau.
- 26 (10) Hubei Jiangtian Construction Group.

1           (11) China Harbour Engineering Company  
2           (CHEC).

3           (12) Guangdong Navigation Group (GNG)  
4           Ocean Shipping.

5           (13) Shanghai Leading Energy Shipping.

6           (14) China National Offshore Oil Corporation  
7           (CNOOC).

8           (15) China Oilfield Services Limited (COSL).

9           (16) China Precision Machinery Import/Export  
10          Corporation (CPMIEC).

11          (17) China Aerospace Science and Industry  
12          Corporation (CASIC).

13          (18) Aviation Industry Corporation of China  
14          (AVIC).

15          (19) Shenyang Aircraft Corporation.

16          (20) Shaanxi Aircraft Corporation.

17          (21) China Ocean Shipping (Group) Company  
18          (COSCO).

19          (22) China Southern Airlines.

20          (23) Zhan Chaoying.

21          (24) Sany Group.

22          (25) Chinese persons affiliated with any of the  
23          entities specified in paragraphs (1) through (24).

24          (c) SUBMISSION AND FORM.—

1           (1) SUBMISSION.—The report required by sub-  
 2           section (a) shall be submitted not later than 60 days  
 3           after the date of the enactment of this Act and every  
 4           180 days thereafter until the date that is 3 years  
 5           after such date of enactment.

6           (2) FORM.—The report required by subsection  
 7           (a) shall be submitted in unclassified form, but may  
 8           include a classified annex if the Secretary deter-  
 9           mines it is necessary for the national security inter-  
 10          ests of the United States to do so.

11          (3) PUBLIC AVAILABILITY.—The Secretary  
 12          shall publish the unclassified part of the report re-  
 13          quired by subsection (a) on a publicly available  
 14          website of the Department of State.

15 **SEC. 8. PROHIBITION AGAINST DOCUMENTS PORTRAYING**  
 16 **THE SOUTH CHINA SEA OR THE EAST CHINA**  
 17 **SEA AS PART OF CHINA.**

18          The Government Publishing Office may not publish  
 19          any map, document, record, electronic resource, or other  
 20          paper of the United States (other than materials relating  
 21          to hearings held by committees of Congress or internal  
 22          work product of a Federal agency) portraying or otherwise  
 23          indicating that it is the position of the United States that  
 24          the territory or airspace in the South China Sea contested  
 25          by one or more members of the Association of Southeast

1 Asian Nations or the territory or airspace of areas of the  
2 East China Sea administered by Japan or the Republic  
3 of Korea is part of the territory or airspace of the People's  
4 Republic of China.

5 **SEC. 9. PROHIBITION ON FACILITATING CERTAIN INVEST-**  
6 **MENTS IN THE SOUTH CHINA SEA OR THE**  
7 **EAST CHINA SEA.**

8 (a) IN GENERAL.—No United States person may  
9 take any action to approve, facilitate, finance, or guar-  
10 antee any investment, provide insurance, or underwriting  
11 in the South China Sea or the East China Sea that in-  
12 volves any person with respect to which sanctions are im-  
13 posed under section 6(a).

14 (b) ENFORCEMENT.—The Secretary of the Treasury,  
15 in consultation with the Secretary of State, is authorized  
16 to take such actions, including the promulgation of such  
17 rules and regulations, as may be necessary to carry out  
18 the purposes of this section.

19 (c) PENALTIES.—The penalties provided for in sub-  
20 sections (b) and (c) of section 206 of the International  
21 Emergency Economic Powers Act (50 U.S.C. 1705) shall  
22 apply to a person that violates, attempts to violate, con-  
23 spires to violate, or causes a violation of regulations pre-  
24 scribed under this section to the same extent that such

1 penalties apply to a person that commits an unlawful act  
 2 described in subsection (a) of such section 206.

3 (d) EXCEPTION.—Subsection (a) shall not apply with  
 4 respect to humanitarian assistance, disaster assistance, or  
 5 emergency food assistance.

6 **SEC. 10. DEPARTMENT OF JUSTICE AFFIRMATION OF NON-**  
 7 **RECOGNITION OF ANNEXATION.**

8 In any matter before any United States court, upon  
 9 request of the court or any party to the matter, the Attor-  
 10 ney General shall affirm the United States policy of not  
 11 recognizing the de jure or de facto sovereignty of the Peo-  
 12 ple's Republic of China over territory or airspace contested  
 13 by one or more members of the Association of Southeast  
 14 Asian Nations in the South China Sea or the territory or  
 15 airspace of areas of the East China Sea administered by  
 16 Japan or the Republic of Korea.

17 **SEC. 11. NON-RECOGNITION OF CHINESE SOVEREIGNTY**  
 18 **OVER THE SOUTH CHINA SEA OR THE EAST**  
 19 **CHINA SEA.**

20 (a) UNITED STATES ARMED FORCES.—The Sec-  
 21 retary of Defense may not take any action, including any  
 22 movement of aircraft or vessels that implies recognition  
 23 of the sovereignty of the People's Republic of China over  
 24 territory or airspace contested by one or more members  
 25 of the Association of Southeast Asian Nations in the



1 South China Sea or the territory or airspace of areas of  
2 the East China Sea administered by Japan or the Repub-  
3 lic of Korea.

4 (b) UNITED STATES FLAGGED VESSELS.—No vessel  
5 that is issued a certificate of documentation under chapter  
6 121 of title 46, United States Code, may take any action  
7 that implies recognition of the sovereignty of the People’s  
8 Republic of China over territory or airspace contested by  
9 one or more members of the Association of Southeast  
10 Asian Nations in the South China Sea or the territory or  
11 airspace of areas of the East China Sea administered by  
12 Japan or the Republic of Korea.

13 (c) UNITED STATES AIRCRAFT.—No aircraft oper-  
14 ated by an air carrier that holds an air carrier certificate  
15 issued under chapter 411 of title 49, United States Code,  
16 may take any action that implies recognition of the sov-  
17 ereignty of the People’s Republic of China over territory  
18 or airspace contested by one or more members of the Asso-  
19 ciation of Southeast Asian Nations in the South China Sea  
20 or the territory or airspace of areas of the East China  
21 Sea administered by Japan or the Republic of Korea.

1 **SEC. 12. PROHIBITION ON CERTAIN ASSISTANCE TO COUN-**  
2 **TRIES THAT RECOGNIZE CHINESE SOV-**  
3 **EREIGNTY OVER THE SOUTH CHINA SEA OR**  
4 **THE EAST CHINA SEA.**

5 (a) PROHIBITION.—Except as provided by subsection  
6 (c) or (d), no amounts may be obligated or expended to  
7 provide foreign assistance to the government of any coun-  
8 try identified in a report required by subsection (b).

9 (b) REPORT REQUIRED.—

10 (1) IN GENERAL.—Not later than 60 days after  
11 the date of the enactment of this Act, and every 180  
12 days thereafter until the date that is 3 years after  
13 such date of enactment, the Secretary of State shall  
14 submit to the appropriate congressional committees  
15 a report identifying each country that the Secretary  
16 determines recognizes, after such date of enactment,  
17 the sovereignty of the People's Republic of China  
18 over territory or airspace contested by one or more  
19 members of the Association of Southeast Asian Na-  
20 tions in the South China Sea or the territory or air-  
21 space of areas of the East China Sea administered  
22 by Japan or the Republic of Korea.

23 (2) FORM.—The report required by paragraph  
24 (1) shall be submitted in unclassified form, but may  
25 include a classified annex if the Secretary of State

1 determines it is necessary for the national security  
2 interests of the United States to do so.

3 (3) PUBLIC AVAILABILITY.—The Secretary of  
4 State shall publish the unclassified part of the report  
5 required by paragraph (1) on a publicly available  
6 website of the Department of State.

7 (c) EXCEPTION.—This section shall not apply with  
8 respect to Taiwan, humanitarian assistance, disaster as-  
9 sistance, emergency food assistance, or the Peace Corps.

10 (d) WAIVER.—The President may waive the applica-  
11 tion of subsection (a) with respect to the government of  
12 a country if the President determines that the waiver is  
13 in the national interests of the United States.

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