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S. 3235

To require a strategy to counter the role of the People’s Republic of China in evasion of sanctions imposed by the United States with respect to Iran, and for other purposes.

IN THE SENATE OF THE UNITED STATES

NOVEMBER 7, 2023

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

A BILL

To require a strategy to counter the role of the People’s Republic of China in evasion of sanctions imposed by the United States with respect to Iran, 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.**

4 This Act may be cited as the “End Iranian Terrorism
5 Act of 2023”.

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

7 It is the sense of Congress that—

1 (1) the Islamic Republic of Iran has long pro-
2 vided hundreds of millions of dollars in material sup-
3 port to Hamas and other terrorist groups, such as
4 Palestinian Islamic Jihad, that directly threaten
5 Israel;

6 (2) Iran poses a threat to regional and global
7 security and has earned approximately
8 \$80,000,000,000 in oil revenues since 2021;

9 (3) the People’s Republic of China, seeking to
10 secure reliable sources of Middle Eastern energy,
11 has purchased roughly \$47,000,000,000 in Iranian
12 petroleum products since 2021 and is undercutting
13 the enforcement of sanctions imposed by the United
14 States with respect to Iran;

15 (4) illicit purchases of Iranian petroleum prod-
16 ucts by the People’s Republic of China and other
17 countries fund the Iranian regime’s suppression of
18 human rights in Iran, provide valuable resources for
19 Iran’s terrorist proxies, and provide additional re-
20 sources for support by Iran for the Russian Federa-
21 tion in its unprovoked war in Ukraine, contrary to
22 United States policy;

23 (5) lack of sanctions and sanctions enforcement
24 directly undercuts United States policy objectives in

1 the Indo-Pacific region, Europe, the Middle East,
2 and beyond;

3 (6) increasing encroachment by the People’s
4 Republic of China in the Middle East and North Af-
5 rica, include involvement of the People’s Republic of
6 China in illicit oil trade, runs counter to the national
7 security interests of the United States; and

8 (7) the United States should immediately en-
9 force existing sanctions, including sanctions provided
10 for in Executive Order 13846 (50 U.S.C. 1701 note;
11 relating to reimposing certain sanctions with respect
12 to Iran), and expand sanctions designations to in-
13 clude persons that store Iranian oil, ship-to-ship oil
14 transfer operators, ports and port operators, refin-
15 eries and refinery operators, and other individuals
16 and entities, particularly in the People’s Republic of
17 China, dealing in Iranian-origin oil and petrochemi-
18 cals.

19 **SEC. 3. APPROPRIATE CONGRESSIONAL COMMITTEES DE-**
20 **FINED.**

21 In this Act, the term “appropriate congressional com-
22 mittees” means—

23 (1) the Committee on Foreign Relations and
24 the Committee on Banking, Housing, and Urban Af-
25 fairs of the Senate; and

1 (2) the Committee on Foreign Affairs and the
2 Committee on Financial Services of the House of
3 Representatives.

4 **SEC. 4. STRATEGY TO COUNTER ROLE OF THE PEOPLE'S**
5 **REPUBLIC OF CHINA IN EVASION OF SANC-**
6 **TIONS WITH RESPECT TO IRAN.**

7 (a) IN GENERAL.—Not later than 120 days after the
8 date of the enactment of this Act, the Secretary of State,
9 in consultation with the heads of other appropriate Fed-
10 eral agencies, shall submit to the appropriate congres-
11 sional committees a written strategy, and provide to those
12 committees an accompanying briefing, on the role of the
13 People's Republic of China in evasion of sanctions imposed
14 by the United States with respect to Iranian-origin petro-
15 leum products that includes an assessment of options—

16 (1) to strengthen the enforcement of such sanc-
17 tions; and

18 (2) to expand sanctions designations targeting
19 the involvement of the People's Republic of China in
20 the production, transportation, storage, refining, and
21 sale of Iranian-origin petroleum products.

22 (b) ELEMENTS.—The strategy required by subsection
23 (a) shall include—

24 (1) a description of the use of sanctions in ef-
25 fect before the date of the enactment of this Act to

1 target individuals and entities of the People’s Re-
2 public of China that are directly or indirectly associ-
3 ated with smuggling of Iranian-origin petroleum
4 products;

5 (2) an assessment of—

6 (A) the People’s Republic of China’s petro-
7 leum refining capabilities;

8 (B) which of the People’s Republic of Chi-
9 na’s refineries are at high risk of processing
10 Iranian-origin petroleum products and why;

11 (C) Iranian-owned entities operating in the
12 People’s Republic of China and involved in pe-
13 troleum refining supply chains;

14 (D) the People’s Republic of China’s role
15 in global petroleum refining supply chains;

16 (E) how the People’s Republic of China
17 leverages its role in global petroleum supply
18 chains to achieve political objectives;

19 (F) the People’s Republic of China’s petro-
20 leum importing and exporting partners;

21 (G) what percent of the People’s Republic
22 of China’s energy consumption is linked to ille-
23 gally imported Iranian-origin petroleum prod-
24 ucts;

1 (H) the amount of money the People’s Re-
2 public of China saves by illegally importing dis-
3 counted Iranian-origin petroleum products rath-
4 er than paying market price;

5 (I) what level of influence the Chinese
6 Communist Party holds over non-state, semi-
7 independent “teapot” refineries; and

8 (J) the challenges limiting the ability of
9 the United States to impose or enforce sanc-
10 tions with respect to such refineries, includ-
11 ing—

12 (i) Lawen Namu Petroleum Trading
13 Company;

14 (ii) Qihang Energy; and

15 (iii) Shangang Guomao;

16 (3) a detailed plan for—

17 (A) monitoring the maritime domain for
18 smuggling of Iranian-origin petroleum products
19 in violation of sanctions imposed by the United
20 States, including through—

21 (i) automatic identification system
22 monitoring;

23 (ii) satellite imagery;

24 (iii) vessel comparison and tanker
25 classification;

1 (iv) receiving tips from operators; and

2 (v) creating a database of reported

3 potential sanctions violations;

4 (B) identifying the individuals, entities,

5 and vessels responsible for such smuggling, in-

6 cluding—

7 (i) vessels—

8 (I) operated by the National Ira-

9 nian Tanker Company or any other

10 Chinese or Iranian entity subject to

11 sanctions imposed by the United

12 States;

13 (II) transporting petrochemicals

14 subject to sanctions;

15 (III) conducting ship-to-ship

16 transfers of such petrochemicals;

17 (IV) with deactivated automatic

18 identification systems; or

19 (V) that engage in “flag hop-

20 ping” by changing national registries;

21 (ii) individuals or entities—

22 (I) storing petrochemicals subject

23 to sanctions; or

24 (II) refining or otherwise proc-

25 essing such petrochemicals; and

1 (iii) through the use of port entry and
2 docking permission of vessels subject to
3 sanctions;

4 (C) assessing the viability of seizing tar-
5 gets identified as belonging to entities smug-
6 gling Iranian-origin petroleum products in vio-
7 lation of sanctions imposed by the United
8 States, including—

- 9 (i) location;
10 (ii) origin and destination;
11 (iii) seaworthiness; and
12 (iv) asset value;

13 (D) seizing, prosecuting, and, if appro-
14 priate, liquidating viable targets identified as
15 belonging to entities involved in such smug-
16 gling;

17 (E) deterring individuals and entities from
18 violating sanctions by educating and engag-
19 ing—

- 20 (i) insurance providers;
21 (ii) parent companies; and
22 (iii) vessel operators;

23 (F) collaborating with allies and partners
24 of the United States engaged in the Arabian
25 Peninsula, including through standing or new

1 maritime task forces, to build sanctions enforce-
2 ment capacity through assistance and training
3 to defense and law enforcement services; and

4 (G) using public communications and glob-
5 al diplomatic engagements to highlight the role
6 of petroleum product smuggling in supporting
7 Iran’s human rights abuses and destabilizing
8 terrorism activities; and

9 (4) an assessment of—

10 (A) the total number of vessels smuggling
11 Iranian-origin petroleum products;

12 (B) the total number of vessels smuggling
13 such petroleum products destined for the Peo-
14 ple’s Republic of China;

15 (C) the number of vessels smuggling such
16 petroleum products specifically from the Islamic
17 Revolutionary Guard Corps;

18 (D) the most strategic locations for inter-
19 cepting smuggled Iranian-origin petroleum
20 products destined for the People’s Republic of
21 China;

22 (E) interference from the People’s Repub-
23 lic of China in attempts by the United States
24 to investigate or enforce sanctions on Iranian
25 petroleum product exports;

1 (F) the effectiveness of the use of sanc-
2 tions with respect to insurers of entities that
3 own or operate vessels involved in smuggling
4 Iranian-origin petroleum products;

5 (G) the distinction between the total num-
6 ber of suspected violations of sanctions related
7 to smuggling of Iranian-origin petroleum prod-
8 ucts and the number of vessels legally viable to
9 seize and prosecute in litigation, if any, and an
10 accompanying explanation for each;

11 (H) the personnel and resources needed to
12 enforce sanctions with respect to Iranian-origin
13 petroleum products; and

14 (I) the impact of smuggled Iranian-origin
15 petroleum products on global energy markets.

16 (c) FORM.—The strategy required by subsection (a)
17 shall be submitted in unclassified form, but may include
18 a classified index.

19 **SEC. 5. IMPOSITION OF SANCTIONS.**

20 (a) IN GENERAL.—Not later than 180 days after the
21 date of the enactment of this Act, the President shall—

22 (1) identify each foreign entity, including any
23 member of the Chinese Communist Party or an enti-
24 ty organized under the laws of the People’s Republic
25 of China or otherwise subject to the jurisdiction of

1 the People’s Republic of China, that the President
2 determines meets the criteria for the imposition of
3 sanctions under—

4 (A) the Iran Sanctions Act of 1996 (Public
5 Law 104–172;50 U.S.C. 1701 note);

6 (B) the Comprehensive Iran Sanctions, Ac-
7 countability, and Divestment Act of 2010 (22
8 U.S.C. 8501 et seq.);

9 (C) section 1245 of the National Defense
10 Authorization Act for Fiscal Year 2012 (22
11 U.S.C. 8513a);

12 (D) the Iran Threat Reduction and Syria
13 Human Rights Act of 2012 (22 U.S.C. 8701 et
14 seq.);

15 (E) the Iran Freedom and Counter-Pro-
16 liferation Act of 2012 (22 U.S.C. 8801 et seq.);

17 (F) title I of the Countering America’s Ad-
18 versaries Through Sanctions Act (22 U.S.C.
19 9401 et seq.);

20 (G) any Executive order imposing sanc-
21 tions with respect to Iran issued under the au-
22 thority provided by the International Emer-
23 gency Economic Powers Act (50 U.S.C. 1701 et
24 seq.); or

1 (H) any other provision of law imposing
2 sanctions with respect to Iran; and

3 (2) impose sanctions applicable under existing
4 law with respect to each such entity.

5 (b) REPORT REQUIRED.—Not later than 30 days
6 after the imposition of sanctions under subsection (a) with
7 respect to a foreign entity, the President shall submit to
8 the appropriate congressional committees a report on the
9 sanctions imposed.

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