

Managers Substitute Amendment

AMENDMENT NO. _____

Calendar No. _____

Purpose: In the nature of a substitute.

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

S. 1074

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

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 _____

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

6 **SEC. 2. STRATEGY FOR COUNTERING THE PEOPLE’S RE-
7 PUBLIC OF CHINA.**

8 (a) IDENTIFICATION OF VULNERABILITIES AND LE-
9 VERAGE.—Not later than 180 days after the date of the
10 enactment of this Act, the Secretary of State and the Sec-
11 retary of Defense shall jointly, in consultation with the
12 Secretary of Commerce, the Secretary of the Treasury, the

1 Director of the Office of Federal Procurement Policy, and
2 the Director of the Office of Science and Technology Pol-
3 icy, submit to the appropriate committees of Congress a
4 report that identifies—

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

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

17 (b) STRATEGY TO RESPOND TO COERCIVE AC-
18 TION.—

19 (1) IN GENERAL.—Not later than 180 days
20 after the submission of the report required by sub-
21 section (a), the Secretary of the Treasury, in coordi-
22 nation with the Secretary of State and in consulta-
23 tion with the Secretary of the Defense, the Secretary
24 of Commerce, the Director of the Office of Federal
25 Procurement Policy, and the Director of the Office

1 of Science and Technology Policy, shall submit to
2 the appropriate committees of Congress a report,
3 utilizing the findings of the report required by sub-
4 section (a), that describes a comprehensive sanctions
5 strategy to advise policymakers on policies the
6 United States and allies and partners of the United
7 States could adopt with respect to the People's Re-
8 public of China in response to any coercive action,
9 including an invasion, by the People's Republic of
10 China that infringes upon the territorial sovereignty
11 of Taiwan by preventing access to international wa-
12 terways, airspace, or telecommunications networks.

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

15 (A) restrict the access of the People's Lib-
16 eration Army to oil, natural gas, munitions, and
17 other supplies needed to conduct military oper-
18 ations against Taiwan, United States facilities
19 in the Pacific and Indian Oceans, and allies and
20 partners of the United States in the region;

21 (B) diminish the capacity of the industrial
22 base of the People's Republic of China to man-
23 ufacture and deliver defense articles to replace
24 those lost in operations of the People's Libera-

1 tion Army against Taiwan, the United States,
2 and 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
5 multilateral sanctions through third parties, in-
6 cluding 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
10 the feasibility of the use and impact of the use
11 of those tools;

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

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

24 (G) identify tactics by used by the Govern-
25 ment of the People's Republic of China to influ-

1 ence the public in the United States and Tai-
2 wan through propaganda and disinformation
3 campaigns, including such campaigns focused
4 on delegitimizing Taiwan or legitimizing a
5 forceful action by the People’s Republic of
6 China against 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
11 Defense shall jointly, in consultation with the Secretary
12 of Commerce, the Secretary of the Treasury, the Director
13 of the Office of Federal Procurement Policy, and the Di-
14 rector of the Office of Science and Technology Policy, sub-
15 mit to the appropriate committees of Congress a report
16 that—

17 (1) identifies critical sectors within the United
18 States economy that rely on trade with the People’s
19 Republic of China and other inputs from the Peo-
20 ple’s Republic of China (including active pharma-
21 ceutical ingredients, rare earth minerals, and met-
22 allurgical inputs), such that those sectors present a
23 strategic vulnerability and source of leverage that
24 the Chinese Communist Party or the People’s Re-
25 public of China could exploit; and

1 (2) makes recommendations to Congress on
2 steps that can be taken to reduce the sources of le-
3 verage described in paragraph (1) and subsection
4 (a)(1), including 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
12 facilitate that process with allies and partners
13 of the United States, in other sectors for which
14 domestic reshoring would prove infeasible for
15 any reason.

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

19 (e) APPROPRIATE COMMITTEES OF CONGRESS DE-
20 FINED.—In this section, the term “appropriate commit-
21 tees 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,

1 and the Committee on Commerce, Science, and
2 Transportation of the Senate; and

3 (2) the Committee on Foreign Affairs, the
4 Committee on Armed Services, the Committee on Fi-
5 nancial Services, the Committee on Energy and
6 Commerce, and the Permanent Select Committee on
7 Intelligence 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
11 to the one China policy of the United States, which is
12 guided by the Taiwan Relations Act (22 U.S.C. 3301 et
13 seq.), the three United States-People's Republic of China
14 Joint 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.