

114TH CONGRESS
2D SESSION

S. _____

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.

IN THE SENATE OF THE UNITED STATES

Mr. RUBIO introduced the following bill; which was read twice and referred to the Committee on _____

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 2016”.

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
17 East and South China Seas. In the East China Sea,

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

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

22 (4) On July 24, 2015, Admiral Harry Harris,
23 Jr., noted at a forum in Colorado that each year
24 more than \$5,300,000,000,000 in global sea-based
25 trade passes through the South China Sea.

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

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

20 (7) Also according to the award, the Tribunal
21 “concluded that, to the extent China had historical
22 rights to resources in the waters of the South China
23 Sea, such rights were extinguished to the extent they
24 were incompatible with the exclusive economic zones
25 provided for in the Convention. The Tribunal con-

1 cluded that there was no legal basis for China to
2 claim historic rights to resources within the sea
3 areas falling within the ‘nine-dash line’.”.

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

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

1 a serious risk of collision when they physically ob-
2 structed Philippine vessels.”.

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

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

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

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

24 (C) continues to claim historic rights in
25 the South China Sea.

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

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

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

1 stability, and cope with various threats and chal-
2 lenges”.

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

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

20 (17) On October 30, 2010, then-Secretary of
21 State Hillary Clinton stated that “. . . with respect
22 to the Senkaku Islands, the United States has never
23 taken a position on sovereignty, but we have made
24 it very clear that the islands are part of our mutual

1 treaty obligations, and the obligation to defend
2 Japan”.

3 (18) In April 2014, President Barack Obama
4 stated, “The policy of the United States is clear—
5 the Senkaku Islands are administered by Japan and
6 therefore fall within the scope of Article 5 of the
7 U.S.-Japan Treaty of Mutual Cooperation and Secu-
8 rity. And we oppose any unilateral attempts to un-
9 dermine Japan’s administration of these islands.”.

10 **SEC. 3. DEFINITIONS.**

11 In this Act:

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

17 (2) APPROPRIATE CONGRESSIONAL COMMIT-
18 TEES.—The term “appropriate congressional com-
19 mittees” means—

20 (A) the Committee on Foreign Relations,
21 the Committee on Armed Services, the Com-
22 mittee on Banking, Housing, and Urban Af-
23 fairs, and the Select Committee on Intelligence
24 of the Senate; and

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

6 (3) CHINESE PERSON.—The term “Chinese
7 person” means—

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

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

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

20 (5) FOREIGN FINANCIAL INSTITUTION.—The
21 term “foreign financial institution” has the meaning
22 given that term in section 1010.605 of title 31, Code
23 of Federal Regulations (or any corresponding similar
24 regulation or ruling).

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

6 (7) PERSON.—The term “person” means any
7 individual or entity.

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

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

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

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

20 It is the policy of the United States—

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

24 (2) to reaffirm its unwavering commitment and
25 support for allies and partners in the Asia-Pacific

1 region, including longstanding United States pol-
2 icy—

3 (A) regarding Article V of the Mutual De-
4 fense Treaty, signed at Washington August 30,
5 1951 (3 UST 3947), between the United States
6 and the Philippines; and

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

13 (3) to support the principle of freedom of the
14 seas and to continue to use the sea and airspace
15 wherever international law allows.

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

18 It is the sense of Congress that—

19 (1) the People’s Republic of China cannot and
20 should not be allowed to interfere in any way with
21 the free use of waters and airspace in the South
22 China Sea and the East China Sea by civilian and
23 military ships and aircraft of all countries consistent
24 with international law;

1 (2) the People’s Republic of China should not
2 be allowed to continue to pursue illegitimate claims
3 and to militarize an area that is essential to global
4 security; and

5 (3) the United States should—

6 (A) continue and expand freedom of navi-
7 gation operations and overflights;

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

10 (C) respond to provocations by the Peo-
11 ple’s Republic of China with commensurate ac-
12 tions that impose costs on any attempts to un-
13 dermine security in the region;

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

18 (5) the United States should firmly oppose any
19 unilateral actions by the People’s Republic of China
20 that seek to undermine Japan’s control of the
21 Senkaku Islands.

1 **SEC. 6. SANCTIONS WITH RESPECT TO CHINESE PERSONS**
2 **RESPONSIBLE FOR CHINA'S ACTIVITIES IN**
3 **THE SOUTH CHINA SEA AND THE EAST CHINA**
4 **SEA.**

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

9 (1) any Chinese person that contributes to con-
10 struction or development projects, including land
11 reclamation, island-making, lighthouse construction,
12 building of base stations for mobile communications
13 services, building of electricity and fuel supply facili-
14 ties, or civil infrastructure projects, in areas of the
15 South China Sea contested by one or more members
16 of the Association of Southeast Asian Nations;

17 (2) any Chinese person that is responsible for
18 or complicit in, or has engaged in, directly or indi-
19 rectly, actions or policies that threaten the peace, se-
20 curity, or stability of areas of the South China Sea
21 contested by one or more members of the Associa-
22 tion of Southeast Asian Nations or areas of the East
23 China Sea administered by Japan, including through
24 the use of vessels and aircraft to impose the sov-
25 ereignty of the People's Republic of China in those
26 areas;

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

6 (4) any person that—

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

9 (B) is acting for or on behalf of such a
10 person; or

11 (C) provides, or attempts to provide—

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

15 (ii) goods or services in support of an
16 activity described in paragraph (1), (2), or
17 (3).

18 (b) SANCTIONS DESCRIBED.—

19 (1) BLOCKING OF PROPERTY.—The President
20 shall block, in accordance with the International
21 Emergency Economic Powers Act (50 U.S.C. 1701
22 et seq.), all transactions in all property and interests
23 in property of any person subject to subsection (a)
24 if such property and interests in property are in the
25 United States, come within the United States, or are

1 or come within the possession or control of a United
2 States person.

3 (2) EXCLUSION FROM UNITED STATES.—The
4 Secretary of State shall deny a visa to, and the Sec-
5 retary of Homeland Security shall exclude from the
6 United States, any person subject to subsection (a)
7 that is an alien.

8 (3) CURRENT VISA REVOKED.—The issuing
9 consular officer, the Secretary of State, or the Sec-
10 retary of Homeland Security (or a designee of one
11 of such Secretaries) shall revoke any visa or other
12 entry documentation issued to any person subject to
13 subsection (a) that is an alien, regardless of when
14 issued. The revocation shall take effect immediately
15 and shall automatically cancel any other valid visa or
16 entry documentation that is in the alien's possession.

17 (c) EXCEPTIONS; PENALTIES.—

18 (1) INAPPLICABILITY OF NATIONAL EMER-
19 GENCY REQUIREMENT.—The requirements of section
20 202 of the International Emergency Economic Pow-
21 ers Act (50 U.S.C. 1701) shall not apply for pur-
22 poses of subsection (b)(1).

23 (2) COMPLIANCE WITH UNITED NATIONS HEAD-
24 QUARTERS AGREEMENT.—Paragraphs (2) and (3) of
25 subsection (b) shall not apply if admission to the

1 United States is necessary to permit the United
2 States to comply with the Agreement regarding the
3 Headquarters of the United Nations, signed at Lake
4 Success June 26, 1947, and entered into force No-
5 vember 21, 1947, between the United Nations and
6 the United States.

7 (3) PENALTIES.—The penalties provided for in
8 subsections (b) and (c) of section 206 of the Inter-
9 national Emergency Economic Powers Act (50
10 U.S.C. 1705) shall apply to a person that violates,
11 attempts to violate, conspires to violate, or causes a
12 violation of regulations prescribed under subsection
13 (b)(1) to the same extent that such penalties apply
14 to a person that commits an unlawful act described
15 in subsection (a) of such section 206.

16 (d) ADDITIONAL IMPOSITION OF SANCTIONS.—

17 (1) IN GENERAL.—The President shall prohibit
18 the opening, and prohibit or impose strict conditions
19 on the maintaining, in the United States of a cor-
20 respondent account or a payable-through account by
21 a foreign financial institution that the President de-
22 termines knowingly, on or after the date that is 60
23 days after the date of the enactment of this Act,
24 conducts or facilitates a significant financial trans-
25 action for a person subject to subsection (a) if the

1 Director of National Intelligence determines that the
2 Government of the People's Republic of China has—

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

5 (B) initiated reclamation work at another
6 disputed location in the South China Sea, such
7 as at Scarborough Shoal;

8 (C) seized control of Second Thomas
9 Shoal;

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

14 (E) established territorial baselines around
15 the Spratly Island chain;

16 (F) increased harassment of Philippine
17 vessels; or

18 (G) increased provocative actions against
19 the Japanese Coast Guard or Maritime Self-De-
20 fense Force or U.S. forces in the East China
21 Sea.

22 (2) REPORT.—

23 (A) IN GENERAL.—The determination of
24 the Director of National Intelligence referred to
25 in paragraph (1) shall be submitted in a report

1 to the President and the appropriate congress-
2 sional committees.

3 (B) FORM OF REPORT.—The report re-
4 quired by subparagraph (A) shall be submitted
5 in unclassified form, but may include a classi-
6 fied annex.

7 **SEC. 7. DETERMINATIONS AND REPORT ON CHINESE COM-**
8 **PANIES ACTIVE IN THE SOUTH CHINA SEA**
9 **AND THE EAST CHINA SEA.**

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

14 (b) CONSIDERATION.—In preparing the report re-
15 quired under subsection (a), the Secretary of State shall
16 make specific findings with respect to—

- 17 (1) CCCC Tianjin Dredging Co., Ltd.;
- 18 (2) CCCC Dredging (Group) Company, Ltd.;
- 19 (3) China Communications Construction Com-
20 pany (CCCC), Ltd.;
- 21 (4) China Petroleum Corporation (Sinopec
22 Group);
- 23 (5) China Mobile;
- 24 (6) China Telecom;
- 25 (7) China Southern Power Grid;

- 1 (8) CNFC Guangzhou Harbor Engineering
- 2 Company;
- 3 (9) Zhanjiang South Project Construction Bu-
- 4 reau;
- 5 (10) Hubei Jiangtian Construction Group;
- 6 (11) China Harbour Engineering Company
- 7 (CHEC);
- 8 (12) Guangdong Navigation Group (GNG)
- 9 Ocean Shipping;
- 10 (13) Shanghai Leading Energy Shipping;
- 11 (14) China National Offshore Oil Corporation
- 12 (CNOOC);
- 13 (15) China Oilfield Services Limited (COSL);
- 14 (16) China Precision Machinery Import/Export
- 15 Corporation (CPMIEC);
- 16 (17) China Aerospace Science and Industry
- 17 Corporation (CASIC);
- 18 (18) Aviation Industry Corporation of China
- 19 (AVIC);
- 20 (19) Shenyang Aircraft Corporation;
- 21 (20) Shaanxi Aircraft Corporation;
- 22 (21) China Ocean Shipping (Group) Company
- 23 (COSCO);
- 24 (22) China Southern Airlines;
- 25 (23) Zhan Chaoying;

1 (24) Sany Group; and

2 (25) affiliated Chinese persons.

3 (c) SUBMISSION AND FORM.—

4 (1) SUBMISSION.—The report required by sub-
5 section (a) shall be submitted not later than 60 days
6 after the date of the enactment of this Act and every
7 180 days until the date that is 3 years after the date
8 of the enactment of this Act.

9 (2) FORM.—The report required by subsection
10 (a) shall be submitted in unclassified form, but may
11 include a classified annex if the Secretary of State
12 determines it is necessary for the national security
13 interests of the United States to do so.

14 (3) PUBLIC AVAILABILITY.—The Secretary of
15 State shall publish the unclassified part of the report
16 required by subsection (a) on a publicly available
17 website of the Department of State.

18 **SEC. 8. PROHIBITION AGAINST DOCUMENTS PORTRAYING**
19 **THE SOUTH CHINA SEA OR THE EAST CHINA**
20 **SEA AS PART OF CHINA.**

21 The Government Publishing Office may not publish
22 any map, document, record, electronic resource, or other
23 paper of the United States (other than materials relating
24 to hearings held by committees of Congress or internal
25 work product of a Federal agency) portraying or otherwise

1 indicating that it is the position of the United States that
2 the territory or airspace in the South China Sea contested
3 by one or more members of the Association of Southeast
4 Asian Nations or the territory or airspace of areas of the
5 East China Sea administered by Japan is part of the terri-
6 tory or airspace of the People's Republic of China.

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

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

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

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

1 scribed under this section to the same extent that such
2 penalties apply to a person that commits an unlawful act
3 described in subsection (a) of such section 206.

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

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

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

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

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

1 of the Association of Southeast Asian Nations in the
2 South China Sea or the territory or airspace of areas of
3 the East China Sea administered by Japan.

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.

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.

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), no amounts may be obligated or expended to provide
7 foreign assistance to the government of any country iden-
8 tified 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 the date of the enact-
17 ment of this Act, the sovereignty of the People's Re-
18 public of China over territory or airspace contested
19 by one or more members of the Association of
20 Southeast Asian Nations in the South China Sea or
21 the territory or airspace of areas of the East China
22 Sea administered by Japan.

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.