

117TH CONGRESS  
1ST SESSION

# H. R. 5580

To establish an interagency task force to respond to People’s Republic of China coercive economic measures, and for other purposes.

---

## IN THE HOUSE OF REPRESENTATIVES

OCTOBER 15, 2021

Mr. BERA (for himself, Mrs. WAGNER, Mr. CASTRO of Texas, Mr. CHABOT, Ms. TITUS, Mr. FITZPATRICK, and Mr. VARGAS) introduced the following bill; which was referred to the Committee on Foreign Affairs

---

## A BILL

To establish an interagency task force to respond to People’s Republic of China coercive economic measures, 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 “Countering China Eco-  
5 nomic Coercion Act”.

6 **SEC. 2. FINDINGS.**

7 Congress finds the following:

8 (1) The Government of the People’s Republic of  
9 China (PRC) has used coercive economic measures

1 against governments, businesses, organizations,  
2 other entities, and individuals to punish them for  
3 acting in ways the Government of the PRC sees as  
4 challenging PRC interests, and to pressure or other-  
5 wise influence them to offer policy concessions to the  
6 PRC.

7 (2) In an apparent effort to provide itself more  
8 plausible deniability and greater policy flexibility, the  
9 PRC often does not formally link a foreign policy  
10 dispute or grievance to the coercive measure it uses,  
11 opting for informal or extralegal measures rather  
12 than formal, published financial sanctions, trade  
13 controls, or investment restrictions.

14 (3) The PRC has also increasingly sought to  
15 formalize some of its coercive economic measures  
16 through laws and measures that include strength-  
17 ening its export control regime through the enact-  
18 ment of a new Export Control Law and creation of  
19 an Unreliable Entities List.

20 (4) In 2010, the PRC halted shipments of rare  
21 earth elements to Japan during a standoff over a  
22 clash between the Japan Coast Guard and a Chinese  
23 fishing vessel in disputed waters in the East China  
24 Sea.

1           (5) The PRC targeted Norway after an inde-  
2           pendent group awarded the 2010 Nobel Peace Prize  
3           to imprisoned Chinese dissident Liu Xiaobo. In addi-  
4           tion to freezing diplomatic relations and halting ne-  
5           gotiations over a possible trade deal, the PRC im-  
6           posed sanitary and phytosanitary (SPS) measures to  
7           restrict Norwegian salmon exports to China. Salmon  
8           exports to China resumed in 2016 only after Norway  
9           pledged not to “support any actions that under-  
10          mine” China’s core interests and stated that its own  
11          actions had harmed “mutual trust”.

12          (6) In 2012, the PRC blocked banana imports  
13          from the Philippines on the pretext of SPS issues  
14          and warned Chinese tourists against visiting the  
15          Philippines in response to a standoff over disputed  
16          Scarborough Shoal in the South China Sea.

17          (7) Following the election of Taiwan President  
18          Tsai Ing-wen in 2016, the PRC responded to Tsai’s  
19          unwillingness to explicitly endorse the terms of the  
20          1992 Consensus by curbing the number of mainland  
21          tourists and students allowed to travel to Taiwan.

22          (8) In 2016, the PRC retaliated against Mon-  
23          golia for hosting His Holiness the 14th Dalai Lama  
24          by raising fees on commodity imports from Mon-  
25          golia, creating delays at a major border crossing,

1 and canceling negotiations over a loan to the Mongo-  
2 lian government.

3 (9) Following South Korea's 2016 decision to  
4 join the United States in deploying a United States  
5 missile defense system to defend against North Ko-  
6 rea's missile threat, the PRC took the following ac-  
7 tions that is estimated to have cost South Korea  
8 \$7.5 billion dollars in losses in 2017 alone:

9 (A) Restricted South Korean entertain-  
10 ment and other cultural exports from entering  
11 China.

12 (B) Banned the sale of certain South  
13 Korea household products, including cosmetics,  
14 high-tech toilet seats, air purifiers, and food.

15 (C) Restricted tourism between the two  
16 countries by ordering travel agencies not to pro-  
17 vide South Korean tour packages and by reject-  
18 ing Korean airlines' applications to increase  
19 charter flights between the two countries.

20 (D) Targeted the China business of Lotte,  
21 a South Korean conglomerate, by suspending  
22 new factories, launching cyberattacks against  
23 Lotte's website, and closing significant numbers  
24 of Lotte Mart stores in China for alleged safety  
25 violations.

1           (10) After the Government of Australia called  
2 for an independent inquiry into the origins of the  
3 SARS-CoV-2 virus in 2020, the PRC retaliated by  
4 imposing tariffs on Australian wine and barley ex-  
5 ports, placing restrictions on other commodities, and  
6 threatening to encourage Chinese students to boy-  
7 cott Australian universities.

8 **SEC. 3. SENSE OF CONGRESS.**

9 It is the sense of Congress that—

10           (1) the People’s Republic of China’s (PRC) in-  
11 creasing use of economic coercion against foreign  
12 governments, companies, organizations, other enti-  
13 ties, and individuals requires that the United States  
14 better understand these measures in order to devise  
15 a comprehensive, effective, and multilateral response;

16           (2) the private sector is a crucial partner in  
17 helping the United States Government understand  
18 the PRC’s coercive economic measures and hold the  
19 PRC accountable, and that additional business  
20 transparency would help the United States Govern-  
21 ment and private sector stakeholders conduct early  
22 assessments of potential pressure points and  
23 vulnerabilities; and

24           (3) PRC coercive economic measures creates  
25 pressures for the private sector to behave in ways

1 antithetical to United States national interests and  
2 competitiveness.

3 **SEC. 4. INTERAGENCY TASK FORCE.**

4 (a) ESTABLISHMENT.—Not later than 180 days after  
5 the date of the enactment of this Act, the President shall  
6 establish an interagency task force to be known as the  
7 “Countering Economic Coercion Task Force” (referred to  
8 in this section as the “Task Force”).

9 (b) DUTIES.—

10 (1) IN GENERAL.—The Task Force shall—

11 (A) oversee the development and imple-  
12 mentation of an integrated United States Gov-  
13 ernment strategy to respond to People’s Repub-  
14 lic of China (PRC) coercive economic measures,  
15 which shall include—

16 (i) systematically monitoring and eval-  
17 uating—

18 (I) the costs of such measures on  
19 United States businesses and overall  
20 United States economic performance;

21 (II) instances in which such  
22 measures taken against a non-PRC  
23 entity has benefitted United States  
24 parties; and

1 (III) the impacts such measures  
2 have had on United States national  
3 interests; and

4 (ii) facilitating coordination among  
5 Federal departments and agencies when  
6 responding to such measures as well as  
7 proactively deterring such economic coer-  
8 cion;

9 (B) consult with United States allies and  
10 partners on the feasibility and desirability of  
11 collectively identifying, assessing, and respond-  
12 ing to PRC coercive economic measures, as well  
13 as actions that could be taken to expand coordi-  
14 nation with the goal of ensuring a consistent,  
15 coherent, and collective response to such meas-  
16 ures and establishing long-term deterrence to  
17 such measures;

18 (C) effectively engage the United States  
19 private sector, particularly sectors, groups, or  
20 other entities that are susceptible to such PRC  
21 coercive economic measures, on concerns related  
22 to such measures; and

23 (D) develop and implement a process for  
24 regularly sharing relevant information, includ-  
25 ing classified information to the extent appro-

1           appropriate and practicable, on such PRC coercive  
2           economic measures with United States allies,  
3           partners, and the private sector.

4           (2) CONSULTATION.—In carrying out its duties  
5           under this subsection, the Task Force should regu-  
6           larly consult, to the extent necessary and appro-  
7           priate, with the following:

8                   (A) Relevant stakeholders in the private  
9                   sector.

10                   (B) Federal departments and agencies that  
11                   are not represented on the Task Force.

12                   (C) United States allies and partners.

13           (c) MEMBERSHIP.—The President shall—

14                   (1) appoint the chair of the Task Force from  
15                   among the staff of the National Security Council;

16                   (2) appoint the vice chair of the Task Force  
17                   from among the staff of the National Economic  
18                   Council; and

19                   (3) direct the head of each of the following Fed-  
20                   eral departments and agencies to appoint personnel  
21                   at the level of Assistant Secretary or above to par-  
22                   ticipate in the Task Force:

23                           (A) The Department of State.

24                           (B) The Department of Commerce.

25                           (C) The Department of the Treasury.



1 (D) The Department of Justice.

2 (E) The Office of the United States Trade  
3 Representative.

4 (F) The Department of Agriculture.

5 (G) The Office of the Director of National  
6 Intelligence and other appropriate elements of  
7 the intelligence community (as defined in sec-  
8 tion 3 of the National Security Act of 1947 (50  
9 U.S.C. 3003)).

10 (H) The Securities and Exchange Commis-  
11 sion.

12 (I) The United States International Devel-  
13 opment Finance Corporation.

14 (J) Any other department or agency des-  
15 igned by the President.

16 (d) REPORTS.—

17 (1) INITIAL REPORT.—Not later than one year  
18 after the date of the enactment of this Act, the Task  
19 Force shall submit to the appropriate congressional  
20 committees a report that includes the following ele-  
21 ments:

22 (A) A comprehensive review of the array of  
23 economic tools the Government of the People's  
24 Republic of China (PRC) employs or could em-  
25 ploy in the future to coerce other governments,

1 non-PRC companies (including United States  
2 companies), and multilateral institutions and  
3 organizations, including the Government of the  
4 PRC's continued efforts to codify informal  
5 practices into its domestic law.

6 (B) The strategy required by subsection  
7 (b)(1)(A).

8 (C) An interagency definition of PRC coer-  
9 cive economic measures that captures both—

10 (i) the use of informal or extralegal  
11 PRC coercive economic measures; and

12 (ii) the illegitimate use of formal eco-  
13 nomic tools.

14 (D) A comprehensive review of the array of  
15 economic and diplomatic tools the United  
16 States Government employs or could employ to  
17 respond to economic coercion against the  
18 United States and United States allies and  
19 partners.

20 (E) A list of unilateral or multilateral—

21 (i) proactive measures to defend or  
22 deter against PRC coercive economic meas-  
23 ures; and

1                   (ii) actions taken in response to the  
2                   Government of the PRC's general use of  
3                   coercive economic measures.

4                   (F) An assessment of areas in which  
5                   United States allies and partners are vulnerable  
6                   to PRC coercive economic measures.

7                   (G) A description of gaps in existing re-  
8                   sources or capabilities for United States Gov-  
9                   ernment departments and agencies to respond  
10                  effectively to PRC coercive economic measures  
11                  directed at United States entities and assist  
12                  United States allies and partners in their re-  
13                  sponses to PRC coercive economic measures.

14                  (2) INTERIM REPORTS.—

15                  (A) FIRST INTERIM REPORT.—Not later  
16                  than one year after the date on which the re-  
17                  port required by paragraph (1) is submitted to  
18                  the appropriate congressional committees, the  
19                  Task Force shall submit to the appropriate con-  
20                  gressional committees a report that includes the  
21                  following elements:

22                          (i) Updates to information required by  
23                          subparagraphs (A) through (G) of para-  
24                          graph (1).

1 (ii) A description of activities con-  
2 ducted by the Task Force to implement  
3 the strategy required by subsection  
4 (b)(1)(A).

5 (B) SECOND INTERIM REPORT.—Not later  
6 than one year after the date on which the re-  
7 port required by subparagraph (A) is submitted  
8 to the appropriate congressional committees,  
9 the Task Force shall submit to the appropriate  
10 congressional committees a report that includes  
11 an update to the elements required under the  
12 report required by subparagraph (A).

13 (3) FINAL REPORT.—Not later than 30 days  
14 after the date on which the report required by para-  
15 graph (2)(B) is submitted to the appropriate con-  
16 gressional committees, the Task Force shall submit  
17 to the appropriate congressional committees and also  
18 make available to the public on the website of the  
19 Executive Office of the President a final report that  
20 includes the following elements:

21 (A) An analysis of PRC coercive economic  
22 measures and the cost of such coercive meas-  
23 ures to United States businesses.

24 (B) A description of areas of possible par-  
25 ticular vulnerability for United States busi-

1           nesses and businesses of United States partners  
2           and allies.

3           (C) Recommendations on how to continue  
4           the effort to counter PRC coercive economic  
5           measures.

6           (D) A list of cases made public under sub-  
7           section (e).

8           (4) FORM.—

9           (A) INITIAL AND INTERIM REPORTS.—The  
10          reports required by paragraphs (1), (2)(A), and  
11          (2)(B) shall be submitted in unclassified form,  
12          but may include a classified annex.

13          (B) FINAL REPORT.—The report required  
14          by paragraph (3) shall be submitted in unclassi-  
15          fied form, but may include a classified annex.

16          (e) PUBLICLY AVAILABLE LIST.—

17          (1) IN GENERAL.—Not later than 120 days  
18          after the date of the enactment of this Act, the Task  
19          Force shall to the extent practicable make available  
20          to the public on the website of the Executive Office  
21          of the President a list of cases in the past six  
22          months in which the PRC is known to have directed  
23          coercive economic measures against a non-PRC enti-  
24          ty.

1           (2) UPDATES.—The list required by paragraph  
2           (1) should be updated every 180 days, and shall be  
3           managed by the Department of State after the ter-  
4           mination of the Task Force under subsection (f).

5           (f) SUNSET.—

6           (1) IN GENERAL.—The Task Force shall termi-  
7           nate at the end of the 60-day period beginning on  
8           the date on which the final report required by sub-  
9           section (d)(3) is submitted to the appropriate con-  
10          gressional committees and made publicly available.

11          (2) ADDITIONAL ACTIONS.—The Task force  
12          may use the 60-day period referred to in paragraph  
13          (1) for the purposes of concluding its activities, in-  
14          cluding providing testimony to Congress concerning  
15          the final report required by subsection (d)(3).

16 **SEC. 5. DEFINITIONS.**

17          In this Act:

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

21                  (A) the Committee on Foreign Affairs of  
22                  the House of Representatives; and

23                  (B) the Committee on Foreign Relations of  
24                  the Senate.

1           (2) COERCIVE ECONOMIC MEASURES.—The  
2 term “coercive economic measures” includes formal  
3 or informal restrictions or conditions, such as on  
4 trade, investment, development aid, and financial  
5 flows, intended to impose economic costs on a non-  
6 People’s Republic of China target in order to achieve  
7 strategic political objectives, including influence over  
8 the policy decisions of a foreign government, com-  
9 pany, organization, or individual.

○