AMENDMENT TO
RULES COMMITTEE PRINT 118–10
OFFERED BY MR. SHERMAN OF CALIFORNIA

At the end of subtitle C of title XVIII, add the following:

SEC. _____ ADDITIONAL LABELING REQUIREMENTS FOR ARTICLES OF ORIGIN OF THE PEOPLE’S REPUBLIC OF CHINA.

(a) DETERMINATION.—Whenever persuasive information becomes available to the executive branch indicating the substantial possibility that the Government of the People’s Republic of China has sold, transferred, or facilitated the sale or transfer of defense articles or defense services to the Russian Federation at any time on or after February 24, 2022, the President shall promptly—

(1) make a determination of whether or not such sale, transfer, or facilitation of the sale or transfer has occurred; and

(2) submit the determination to Congress.

(b) REPORT AND RELATED PROVISIONS.—

(1) IN GENERAL.—Not later than 30 days after the date on which a determination is submitted to
Congress pursuant to subsection (a)(2), the President shall submit to the Chair of the Committee on Foreign Affairs of the House of Representatives and the Chair of the Committee on Foreign Relations of the Senate a written report on the information in the possession of the executive branch that is pertinent to the issue of whether the People’s Republic of China has sold, transferred, or facilitated the sale or transfer of defense articles or defense services to the Russian Federation as described in subsection (a). Such report shall be submitted in unclassified form but may include a classified annex.

(2) REQUEST.—The Chair of the Committee on Foreign Affairs of the House of Representatives (upon consultation with the ranking minority member of such committee) or the Chair of the Committee on Foreign Relations of the Senate (upon consultation with the ranking minority member of such committee) may at any time request the President to consider whether the People’s Republic of China has sold, transferred, or facilitated the sale or transfer of defense articles or services to the Russian Federation as described in subsection (a).

(3) RESPONSE TO REQUEST.—Not later than 30 days after receiving a request under paragraph
(2), the President shall provide to the Chair of the Committee on Foreign Affairs of the House of Representatives and the Chair of the Committee on Foreign Relations of the Senate a written report on the information in the possession of the executive branch that is pertinent to the issue of whether the People’s Republic of China has sold, transferred, or facilitated the sale or transfer of defense articles or defense services to the Russian Federation as described in subsection (a). Such report shall be submitted in unclassified form but may include a classified annex.

(c) LABELING REQUIRED AT TIME OF IMPORTATION.—

(1) In general.—Beginning 90 days after the date on which the President submits to Congress an affirmative determination under subsection (a), every article of origin of the People’s Republic of China that is imported into the United States shall, in addition to meeting the requirements of section 304 of the Tariff Act of 1930 (19 U.S.C. 1304), include an English-language label that meets the following requirements:
(A) The label shall state: “Warning: Purchase of this product may facilitate war crimes against the people of Ukraine.”.

(B) If the article is sold within a package, the label shall be three inches by five inches. If the packaging contains no sides that are three by five inches, then the label shall be the size of the smallest side of the package.

(C) If the article is not sold within a package, the label shall be of a size that is not less than 20 percent of the area of the exterior of the article.

(2) CERTAIN EXCEPTIONS INAPPLICABLE.—The exceptions provided for in subparagraphs (C), (D), (H), and (K) of paragraph (3) of section 304(a) of the Tariff Act of 1930 shall not apply with respect to the requirements of—

(A) marking of an article of origin of the People’s Republic of China under section 304(a) of such Act; and

(B) including a label on an article of origin of the People’s Republic of China under paragraph (1).

(3) PUBLIC NOTICE.—Upon submitting to Congress an affirmative determination under subsection
(a), the President shall direct the Commissioner of U.S. Customs and Border Protection to publicize on the website of U.S. Customs and Border Protection and at United States ports of entry that such an affirmative determination has been made and the labeling required by paragraph (1) will be effective beginning 90 days after such date of submission.

(4) REGULATIONS.—Not later than 180 days after the date of the enactment of this Act, the Commissioner of U.S. Customs and Border Protection shall issue such regulations as may be necessary to carry out this subsection, including labeling requirements, as appropriate, such as those relating to—

(A) the method of the marking;

(B) the placement of the marking; and

(C) efforts to limit deceptive practices with respect to the marking.

(d) LABELING REQUIRED AT TIME OF SALE OR OFFER FOR SALE ONLINE.—

(1) IN GENERAL.—It shall be unlawful for the operator of a covered platform to sell or offer for sale on such platform, to a consumer in the United States, an article that is required under subsection (c) to include the label described in paragraph
(1)(A) of such subsection, unless, on the page or window on such platform on which such article is offered for sale, such label is placed immediately next to the title or heading relating to such article, in a font size equal to the larger of the font size of such title or heading or the font size of any other description of such article on such page.

(2) REGULATIONS.—The Federal Trade Commission shall issue, under section 553 of title 5, United States Code, such regulations as may be necessary to carry out this subsection not later than 180 days after the date of the enactment of this Act.

(3) ENFORCEMENT BY FEDERAL TRADE COMMISSION.—

(A) UNFAIR OR DECEPTIVE ACTS OR PRACTICES.—A violation of this subsection or a regulation issued under this subsection shall be treated as a violation of a regulation under section 18(a)(1)(B) of the Federal Trade Commission Act (15 U.S.C. 57a(a)(1)(B)) regarding unfair or deceptive acts or practices.

(B) POWERS OF COMMISSION.—The Federal Trade Commission shall enforce this subsection and the regulations issued under this subsection in the same manner, by the same
means, and with the same jurisdiction, powers, and duties as though all applicable terms and provisions of the Federal Trade Commission Act (15 U.S.C. 41 et seq.) were incorporated into and made a part of this subsection. Any person who violates this subsection or a regulation issued under this subsection shall be subject to the penalties and entitled to the privileges and immunities provided in the Federal Trade Commission Act.

(4) COVERED PLATFORM DEFINED.—In this subsection, the term “covered platform” means any internet website, mobile application, or similar platform on which articles are sold to consumers in transactions effected on the internet.

(e) PENALTIES.—Any person who violates subsection (c) (or regulations issued to carry out subsection (c)) or subsection (d) (or regulations issued to carry out subsection (d)) shall—

(1) upon conviction for the first violation of such subsection, be fined not more than $200,000, or imprisoned for not more than 2 years, or both; and

(2) upon conviction for the second or any subsequent violation of such subsection, be fined not more
than $500,000, or imprisoned for not more than 2 years, or both.

(f) Effective Date and Sunset.—This section—

(1) takes effect on the date that is 30 days after the date of the enactment of this Act; and

(2) terminates on the date that the President determines and certifies to Congress—

(A) that, after the end of the 12-month period beginning on the date on which the labeling required pursuant to subsections (c) and (d) is first imposed, the People’s Republic of China—

(i) has provided reliable assurances that it will not sell, transfer, or facilitate the sale or transfer of defense articles or services to the Russian Federation; and

(ii) has not sold, transferred, or facilitated the sale or transfer of defense articles or services to the Russian Federation within the 12-month period following the President’s affirmative determination under subsection (a); or

(B) there is a cessation of hostilities in the armed conflict between Russia and Ukraine
which began on February 24, 2022, that has lasted for a 12-month period.

(g) **DEFENSE ARTICLES AND DEFENSE SERVICES**

Defined.—In this section—

(1) the term “defense articles” includes any battle tanks, armored combat vehicles, large caliber artillery systems, combat aircraft, attack helicopters, warships, missiles or missile systems, as defined for the purpose of the United Nations Register of Conventional Arms, or related materiel, including spare parts; and

(2) the term “defense services” includes technical training, financial resources or services, advice, other services or assistance related to the supply, sale, transfer, manufacture, maintenance, or use of arms and related materiel described in paragraph (1).