116TH CONGRESS
1ST SESSION

S. _____

To require the Secretary of Commerce to ensure that ZTE Corporation complies with all probationary conditions set forth in the settlement agreement entered into between ZTE Corporation and the Bureau of Industry and Security of the Department of Commerce.

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IN THE SENATE OF THE UNITED STATES

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Mr. RUBIO (for himself and Mr. VAN HOLLEN) introduced the following bill; which was read twice and referred to the Committee on _____

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A BILL

To require the Secretary of Commerce to ensure that ZTE Corporation complies with all probationary conditions set forth in the settlement agreement entered into between ZTE Corporation and the Bureau of Industry and Security of the Department of Commerce.

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 "ZTE Enforcement Re-

5 view and Oversight Act".

SEC. 2. COMPLIANCE BY ZTE CORPORATION WITH PROBA-

TIONARY CONDITIONS OF SETTLEMENT

AGREEMENT WITH BUREAU OF INDUSTRY

AND SECURITY OF DEPARTMENT OF COM-

MERCE.

(a) COMPLIANCE WITH SETTLEMENT CONDI-
TIONS.—The Secretary of Commerce shall ensure that
ZTE Corporation complies with all conditions set forth in
paragraph 3 of the settlement agreement that are required
of ZTE Corporation during the 10-year probationary pe-
riod specified in that paragraph.

(b) REPORT ON COMPLIANCE.—

(1) IN GENERAL.—Not later than 90 days after
the date of the enactment of this Act, and not less
frequently than every 90 days thereafter, the Sec-
retary of Commerce shall submit to Congress a re-
port on the compliance of ZTE Corporation with the
conditions described in subsection (a).

(2) CERTIFICATION OF COMPLIANCE.—Each re-
port submitted under paragraph (1) shall include a
certification of whether ZTE Corporation is in full
compliance with—

(A) the conditions described in subsection
(a); and

1   (B) all sanctions and export control laws of

2   the United States and all licenses and orders

3   issued by the Government of the United States.

4   (c) TRANSMITTAL OF AUDITS.—The Secretary of

5 Commerce shall transmit to the appropriate congressional

6 committees all audits completed by ZTE Corporation pur-

7 suant to paragraph 3.c of the settlement agreement that

8 are provided to the Secretary.

9   (d) PENALTIES.—If the Secretary of Commerce de-

10 termines that ZTE Corporation is not in full compliance

11 with the conditions described in subsection (a), the Sec-

12 retary shall—

13   (1) waive the suspension period described in

14   paragraph 3.h of the settlement agreement for the

15   denial order described in paragraph 3.g of the settle-

16   ment agreement; and

17   (2) require the immediate payment by ZTE

18   Corporation to the Department of Commerce of the

19        $400,000,000 held in escrow pursuant to paragraph

20   3.a of the settlement agreement.

21   (e) DEFINITIONS.—In this section:

22   (1) APPROPRIATE CONGRESSIONAL COMMIT-

23   TEES.—The term "appropriate congressional com-

24   mittees'" means—

4

1   (A) the Committee on Appropriations, the

2   Committee on Banking, Housing, and Urban

3   Affairs, the Committee on Commerce, Science,

4   and Transportation, the Committee on Foreign

5   Relations, and the Select Committee on Intel-

6   ligence of the Senate; and

7   (B) the Committee on Appropriations, the

8   Committee on Financial Services, the Com-

9   mittee on Energy and Commerce, the Com-

10   mittee on Foreign Affairs, and the Permanent

11   Select Committee on Intelligence of the House

12   of Representatives.

13   (2) SETTLEMENT AGREEMENT.—The term

14   ''settlement agreement'' means the Superseding Set-

15   tlement Agreement dated June 7, 2018, between

16   Zhongxing Telecommunications Equipment Corpora-

17   tion, ZTE Kangxun Telecommunications Ltd., and

18   the Bureau of Industry and Security of the Depart-

19   ment of Commerce.

20   (3) ZTE CORPORATION.—The term ''ZTE Cor-

21   poration'' means the Zhongxing Telecommunications

22   Equipment Corporation and any subsidiary of that

23   corporation.