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.

IN THE SENATE OF THE UNITED STATES

Mr. Rubio (for himself, Mr. Van Hollen, Ms. Collins, Mr. Warner, Mr. Lankford, and Ms. Warren) introduced the following bill; which was read twice and referred to the Committee on ______

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.

Be it enacted by the Senate and House of Representa-
tives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the “ZTE Enforcement Re-
view and Oversight Act”.

SEC. 2. COMPLIANCE BY ZTE CORPORATION WITH PROBATIONARY CONDITIONS OF SETTLEMENT AGREEMENT WITH BUREAU OF INDUSTRY AND SECURITY OF DEPARTMENT OF COMMERCE.

(a) Compliance With Settlement Conditions.—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 period 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 Secretary of Commerce shall submit to Congress a report on the compliance of ZTE Corporation with the conditions described in subsection (a).

(2) Certification of compliance.—Each report 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
(B) all sanctions and export control laws of
the United States and all licenses and orders
issued by the Government of the United States.

(c) TRANSMITTAL OF AUDITS.—The Secretary of
Commerce shall transmit to the appropriate congressional
committees all audits completed by ZTE Corporation pur-
suant to paragraph 3.e of the settlement agreement that
are provided to the Secretary.

(d) PENALTIES.—If the Secretary of Commerce de-
termines that ZTE Corporation is not in full compliance
with the conditions described in subsection (a), the Sec-
retary shall—

(1) waive the suspension period described in
paragraph 3.h of the settlement agreement for the
denial order described in paragraph 3.g of the settle-
ment agreement; and

(2) require the immediate payment by ZTE
Corporation to the Department of Commerce of the
$400,000,000 held in escrow pursuant to paragraph
3.a of the settlement agreement.

(e) DEFINITIONS.—In this section:

(1) APPROPRIATE CONGRESSIONAL COMMIT-
tees.—The term “appropriate congressional com-
mittees’” means—
(A) the Committee on Appropriations, the Committee on Banking, Housing, and Urban Affairs, the Committee on Commerce, Science, and Transportation, the Committee on Foreign Relations, and the Select Committee on Intelligence of the Senate; and

(B) the Committee on Appropriations, the Committee on Financial Services, the Committee on Energy and Commerce, the Committee on Foreign Affairs, and the Permanent Select Committee on Intelligence of the House of Representatives.

(2) SETTLEMENT AGREEMENT.—The term “settlement agreement” means the Superseding Settlement Agreement dated June 7, 2018, between Zhongxing Telecommunications Equipment Corporation, ZTE Kangxun Telecommunications Ltd., and the Bureau of Industry and Security of the Department of Commerce.

(3) ZTE CORPORATION.—The term “ZTE Corporation” means the Zhongxing Telecommunications Equipment Corporation and any subsidiary of that corporation.