

118TH CONGRESS
1ST SESSION

S. 1689

To prioritize efforts of the Department of State to combat international trafficking in precursor chemicals and covered synthetic drugs with the Government of Mexico, to provide for the imposition of sanctions with respect to persons of the People's Republic of China contributing to international proliferation of illicit drugs or their means of production, and for other purposes.

IN THE SENATE OF THE UNITED STATES

MAY 18, 2023

Mr. MURPHY (for himself and Mr. HAGERTY) introduced the following bill; which was read twice and referred to the Committee on Foreign Relations

A BILL

To prioritize efforts of the Department of State to combat international trafficking in precursor chemicals and covered synthetic drugs with the Government of Mexico, to provide for the imposition of sanctions with respect to persons of the People's Republic of China contributing to international proliferation of illicit drugs or their means of production, 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,*

1 **SECTION 1. SHORT TITLE.**

2 This Act may be cited as the “Combatting Fentanyl
3 Trafficking from China and Mexico Act”.

4 **SEC. 2. DEFINITIONS.**

5 In this Act:

6 (1) CONTROLLED SUBSTANCE; CONTROLLED
7 SUBSTANCE ANALOGUE.—The terms “controlled
8 substance” and “controlled substance analogue”
9 have the meanings given those terms in section 102
10 of the Controlled Substances Act (21 U.S.C. 802).

11 (2) COVERED SYNTHETIC DRUG.—The term
12 “covered synthetic drug” means—

13 (A) a synthetic controlled substance or
14 synthetic controlled substance analogue, includ-
15 ing fentanyl or a fentanyl analogue; or

16 (B) a new psychoactive substance.

17 (3) MAJOR DRUG-TRANSIT COUNTRY; MAJOR IL-
18 LICIT DRUG PRODUCING COUNTRY.—The terms
19 “major drug-transit country” and “major illicit drug
20 producing country” have the meanings given those
21 terms in section 481(e) of the Foreign Assistance
22 Act of 1961 (22 U.S.C. 2291(e)).

23 (4) NEW PSYCHOACTIVE SUBSTANCE.—The
24 term “new psychoactive substance” means a sub-
25 stance of abuse, or any preparation thereof, that—

26 (A) is not—

1 (i) included in any schedule as a con-
2 trolled substance under the Controlled
3 Substances Act (21 U.S.C. 801 et seq.); or

4 (ii) controlled by the Single Conven-
5 tion on Narcotic Drugs, done at New York
6 March 30, 1961, or the Convention on
7 Psychotropic Substances, done at Vienna
8 February 21, 1971;

9 (B) is new or has reemerged on the illicit
10 market; and

11 (C) poses a threat to the public health and
12 safety.

13 (5) PRECURSOR CHEMICAL.—The term “pre-
14 cursor chemical” has the meaning given the term
15 “listed chemical” in section 102 of the Controlled
16 Substances Act (21 U.S.C. 802).

17 **SEC. 3. PRIORITIZATION OF EFFORTS OF THE DEPART-**
18 **MENT OF STATE TO COMBAT INTER-**
19 **NATIONAL TRAFFICKING IN PRECURSOR**
20 **CHEMICALS AND COVERED SYNTHETIC**
21 **DRUGS WITH THE GOVERNMENT OF MEXICO.**

22 (a) IN GENERAL.—The Secretary of State shall
23 prioritize efforts of the Department of State to combat
24 international trafficking of precursor chemicals and cov-

1 ered synthetic drugs by carrying out programs and activi-
2 ties that include the following:

3 (1) Strengthening law enforcement capabilities,
4 rule of law, and other security-related efforts to
5 strengthen counterdrug institutions and initiatives
6 outlined in the United States-Mexico Bicentennial
7 Framework for Security, Public Health, and Safe
8 Communities and the North American Drug Dia-
9 logue.

10 (2) Strengthening joint bilateral efforts between
11 the United States and Mexico to, among other
12 issues—

13 (A) combat covered synthetic drugs and
14 the illicit production of other drugs;

15 (B) better understand and reduce demand
16 for drugs in the United States and Mexico;

17 (C) increase interdiction of precursor
18 chemicals and covered synthetic drugs;

19 (D) pursue prosecutions of transnational
20 criminal organizations and illicit financing of
21 those organizations; and

22 (E) reduce the number of illicit firearms
23 crossing the border between the United States
24 and Mexico.

1 (3) Providing technical assistance and equip-
2 ment, as appropriate, to strengthen the capacity of
3 enforcement agencies of the Government of Mexico
4 with respect to precursor chemicals and covered syn-
5 thetic drugs.

6 (b) REPORT.—

7 (1) IN GENERAL.—Not later than 1 year after
8 the date of the enactment of this Act, the Secretary
9 of State shall submit to the appropriate congress-
10 sional committees a report on the implementation of
11 this section.

12 (2) APPROPRIATE CONGRESSIONAL COMMIT-
13 TEES DEFINED.—In this subsection, the term “ap-
14 propriate congressional committees” means—

15 (A) the Committee on Foreign Relations
16 and the Committee on Appropriations of the
17 Senate; and

18 (B) the Committee on Foreign Affairs and
19 the Committee on Appropriations of the House
20 of Representatives.

1 **SEC. 4. IMPOSITION OF SANCTIONS WITH RESPECT TO PER-**
2 **SONS OF THE PEOPLE'S REPUBLIC OF CHINA**
3 **CONTRIBUTING TO INTERNATIONAL PRO-**
4 **LIFERATION OF ILLICIT DRUGS OR THEIR**
5 **MEANS OF PRODUCTION.**

6 (a) IN GENERAL.—The President may impose any of
7 the sanctions described in subsection (c) with respect to
8 a foreign person described in subsection (b) that is deter-
9 mined by the President—

10 (1) to have engaged in, or attempted to engage
11 in, activities or transactions that have materially
12 contributed to, or pose a significant risk of materi-
13 ally contributing to, the international proliferation of
14 illicit drugs or their means of production;

15 (2) to have knowingly received any property or
16 interest in property that the foreign person knows—

17 (A) constitutes or is derived from proceeds
18 of activities or transactions described in para-
19 graph (1); or

20 (B) was used or intended to be used to
21 commit or to facilitate such activities or trans-
22 actions;

23 (3) to have provided, or attempted to provide,
24 financial, material, or technological support for, or
25 goods or services in support of—

1 (A) any activity or transaction described in
2 paragraph (1); or

3 (B) any sanctioned person;

4 (4) to be or have been a leader or official of any
5 sanctioned person or of any foreign person described
6 in subsection (b) that has engaged in any activity or
7 transaction described in paragraph (1); or

8 (5) to be owned, controlled, or directed by, or
9 to have acted or purported to act for or on behalf
10 of, directly or indirectly, any sanctioned person.

11 (b) FOREIGN PERSONS DESCRIBED.—A foreign per-
12 son described in this subsection is a foreign person that
13 is—

14 (1) a citizen or national of the People’s Repub-
15 lic of China, including the Hong Kong Special Ad-
16 ministrative Region; or

17 (2) an entity organized under the laws of the
18 People’s Republic of China (including the Hong
19 Kong Special Administrative Region) or otherwise
20 subject to the jurisdiction of the Government of the
21 People’s Republic of China.

22 (c) SANCTIONS DESCRIBED.—The sanctions de-
23 scribed in this subsection are the following:

24 (1) BLOCKING OF PROPERTY.—The President
25 may, pursuant to the International Emergency Eco-

1 nomic Powers Act (50 U.S.C. 1701 et seq.), block
2 and prohibit all transactions in property and inter-
3 ests in property of the sanctioned person if such
4 property and interests in property are in the United
5 States, come within the United States, or are or
6 come within the possession or control of a United
7 States person.

8 (2) BANKING TRANSACTIONS.—The President
9 may prohibit any transfers of credit or payments be-
10 between financial institutions or by, through, or to any
11 financial institution, to the extent that such trans-
12 fers or payments are subject to the jurisdiction of
13 the United States and involve any interest of the
14 sanctioned person.

15 (3) LOANS FROM UNITED STATES FINANCIAL
16 INSTITUTIONS.—The President may prohibit any
17 United States financial institution from making
18 loans or providing credit to the sanctioned person.

19 (4) FOREIGN EXCHANGE TRANSACTIONS.—The
20 President may prohibit any transactions in foreign
21 exchange that are subject to the jurisdiction of the
22 United States and in which the sanctioned person
23 has any interest.

24 (5) PROHIBITION ON INVESTMENT IN EQUITY
25 OR DEBT OF SANCTIONED PERSON.—The President

1 may prohibit any United States person from invest-
2 ing in or purchasing significant amounts of equity or
3 debt instruments of the sanctioned person.

4 (6) PROHIBITIONS ON FINANCIAL INSTITU-
5 TIONS.—The President may direct that the following
6 prohibitions be imposed with respect to a sanctioned
7 person that is a financial institution:

8 (A) PROHIBITION ON DESIGNATION AS
9 PRIMARY DEALER.—Neither the Board of Gov-
10 ernors of the Federal Reserve System nor the
11 Federal Reserve Bank of New York may des-
12 ignate, or permit the continuation of any prior
13 designation of, the financial institution as a pri-
14 mary dealer in United States Government debt
15 instruments.

16 (B) PROHIBITION ON SERVICE AS A RE-
17 POSITORY OF GOVERNMENT FUNDS.—The fi-
18 nancial institution may not serve as agent of
19 the United States Government or serve as re-
20 pository for United States Government funds.

21 (7) PROCUREMENT BAN.—The President may
22 direct that the United States Government may not
23 procure, or enter into any contract for the procure-
24 ment of, any goods or services from the sanctioned
25 person.

1 (8) EXCLUSION OF CORPORATE OFFICERS.—
2 The President may direct the Secretary of State to
3 deny a visa to, and the Secretary of Homeland Secu-
4 rity to exclude from the United States, any alien
5 that the President determines is a leader, official,
6 senior executive officer, or director of, or a share-
7 holder with a controlling interest in, the sanctioned
8 person.

9 (9) SANCTIONS ON PRINCIPAL EXECUTIVE OF-
10 FICERS.—The President may impose on the prin-
11 cipal executive officer or officers of the sanctioned
12 person, or on individuals performing similar func-
13 tions and with similar authorities as such officer or
14 officers, any of the sanctions described in para-
15 graphs (1) through (8) that are applicable.

16 (d) INADMISSIBILITY OF CERTAIN SANCTIONED PER-
17 SONS.—

18 (1) VISAS, ADMISSION, OR PAROLE.—Except as
19 provided by paragraph (3), an alien with respect to
20 whom the President imposed sanctions under para-
21 graph (1) or (8) of subsection (c) shall be—

22 (A) inadmissible to the United States;

23 (B) ineligible to receive a visa or other doc-
24 umentation to enter the United States; and

1 (C) otherwise ineligible to be admitted or
2 paroled into the United States or to receive any
3 other benefit under the Immigration and Na-
4 tionality Act (8 U.S.C. 1101 et seq.).

5 (2) CURRENT VISAS REVOKED.—

6 (A) IN GENERAL.—The visa or other entry
7 documentation of any alien described in para-
8 graph (1) is subject to revocation regardless of
9 the date on which the visa or other entry docu-
10 mentation is or was issued.

11 (B) IMMEDIATE EFFECT.—A revocation
12 under subparagraph (A) shall—

13 (i) take effect immediately; and

14 (ii) cancel any other valid visa or
15 entry documentation that is in the posses-
16 sion of the alien.

17 (3) EXCEPTIONS.—Paragraphs (1) and (2)
18 shall not apply with respect to the admission of an
19 alien described in paragraph (1) if the President de-
20 termines that the admission of the alien would not
21 be contrary to the interests of the United States, in-
22 cluding if the President determines that the admis-
23 sion of the alien would further important United
24 States law enforcement objectives.

25 (e) IMPLEMENTATION; PENALTIES.—

1 (1) IMPLEMENTATION.—The President may ex-
2 ercise all authorities provided under sections 203
3 and 205 of the International Emergency Economic
4 Powers Act (50 U.S.C. 1702 and 1704) to carry out
5 this section.

6 (2) PENALTIES.—A person that violates, at-
7 tempts to violate, conspires to violate, or causes a
8 violation of this section or any regulation, license, or
9 order issued to carry out this section shall be subject
10 to the penalties set forth in subsections (b) and (c)
11 of section 206 of the International Emergency Eco-
12 nomic Powers Act (50 U.S.C. 1705) to the same ex-
13 tent as a person that commits an unlawful act de-
14 scribed in subsection (a) of that section.

15 (f) DEFINITIONS.—In this section:

16 (1) ADMISSION; ADMITTED; ALIEN; LAWFULLY
17 ADMITTED FOR PERMANENT RESIDENCE; NA-
18 TIONAL.—The terms “admission”, “admitted”,
19 “alien”, “lawfully admitted for permanent resi-
20 dence”, and “national” have the meanings given
21 those terms in section 101 of the Immigration and
22 Nationality Act (8 U.S.C. 1101).

23 (2) ENTITY.—The term “entity” means a part-
24 nership, association, trust, joint venture, corpora-
25 tion, group, subgroup, or other organization.

1 (3) FINANCIAL INSTITUTION.—The term “fi-
2 nancial institution” includes—

3 (A) a depository institution (as defined in
4 section 3(c)(1) of the Federal Deposit Insur-
5 ance Act (12 U.S.C. 1813(c)(1))), including a
6 branch or agency of a foreign bank (as defined
7 in section 1(b)(7) of the International Banking
8 Act of 1978 (12 U.S.C. 3101(7)));

9 (B) a credit union;

10 (C) a securities firm, including a broker or
11 dealer;

12 (D) an insurance company, including an
13 agency or underwriter; and

14 (E) any other entity that provides financial
15 services.

16 (4) FOREIGN PERSON.—The term “foreign per-
17 son” means—

18 (A) any citizen or national of a foreign
19 country (including any such individual who is
20 also a citizen or national of the United States,
21 if the individual does not reside in the United
22 States); or

23 (B) any entity not organized under the
24 laws of the United States or of any jurisdiction
25 within the United States.

1 (5) KNOWINGLY; KNOWS.—The terms “know-
2 ingly” and “knows”, with respect to conduct, a cir-
3 cumstance, or a result, means that a person has ac-
4 tual knowledge, or should have known, of the con-
5 duct, the circumstance, or the result.

6 (6) MEANS OF PRODUCTION.—The terms
7 “means of production” includes any activities or
8 transactions involving any equipment, chemical,
9 product, or material that may be used, directly or
10 indirectly, in the manufacture of illicit drugs or pre-
11 cursor chemicals.

12 (7) PERSON.—The term “person” means an in-
13 dividual or entity.

14 (8) PROLIFERATION OF ILLICIT DRUGS.—The
15 term “proliferation of illicit drugs” means any illicit
16 activity to produce, manufacture, distribute, sell, or
17 knowingly finance or transport narcotic drugs, con-
18 trolled substances, listed chemicals, or controlled
19 substance analogues, as defined in section 102 of the
20 Controlled Substances Act (21 U.S.C. 802).

21 (9) SANCTIONED PERSON.—The term “sanc-
22 tioned person” means any person with respect to
23 which sanctions are imposed under this section.

24 (10) UNITED STATES FINANCIAL INSTITU-
25 TION.—The term “United States financial institu-

1 tion” means a financial institution (including its for-
2 eign branches)—

3 (A) organized under the laws of the United
4 States or of any jurisdiction within the United
5 States; or

6 (B) located in the United States.

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

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

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

16 (C) any person in the United States.

17 **SEC. 5. AUTHORIZATION TO TERMINATE CERTAIN SANC-**
18 **TIONS AND EXPORT CONTROL MEASURES IF**
19 **THE GOVERNMENT OF THE PEOPLE’S REPUB-**
20 **LIC OF CHINA TAKES CERTAIN COUNTER-**
21 **NARCOTICS MEASURES.**

22 (a) IN GENERAL.—If the President makes the deter-
23 mination described in subsection (b), the President may—

24 (1) terminate the application of sanctions im-
25 posed with respect to persons of the People’s Repub-

1 lic of China under section 2 or Executive Order
2 14059 (50 U.S.C. 1701 note; relating to imposing
3 sanctions on foreign persons involved in the global il-
4 licit drug trade); and

5 (2) remove such persons from the Entity List
6 maintained by the Bureau of Industry and Security
7 of the Department of Commerce and set forth in
8 Supplement No. 4 to part 744 of title 14, Code of
9 Federal Regulations.

10 (b) CERTIFICATION DESCRIBED.—A determination
11 described in this subsection is a determination that, dur-
12 ing the 12 months preceding the determination, the Gov-
13 ernment of the People’s Republic of China made substan-
14 tial efforts—

15 (1) to adhere to its obligations under inter-
16 national counternarcotics agreements; and

17 (2) to take the counternarcotics measures de-
18 scribed in section 489(a)(1) of the Foreign Assist-
19 ance Act of 1961 (22 U.S.C. 2291h(a)(1)).

20 (c) PERSON OF THE PEOPLE’S REPUBLIC OF CHINA
21 DEFINED.—In this section, the term “person of the Peo-
22 ple’s Republic of China” means—

23 (1) an individual who is a citizen or national of
24 the People’s Republic of China; or

1 (2) an entity organized under the laws of the
2 People’s Republic of China or otherwise subject to
3 the jurisdiction of the Government of the People’s
4 Republic of China.

5 **SEC. 6. REPORTS ON AIRPORTS, PORTS, AND STATES IN**
6 **MEXICO THAT ARE MAJOR TRANSIT SITES**
7 **FOR PRECURSOR CHEMICALS OR COVERED**
8 **SYNTHETIC DRUGS.**

9 (a) REPORTS.—Not later than 90 days after any date
10 on which the President identifies Mexico as a major drug-
11 transit country or major illicit drug producing country
12 under section 706(1) of the Foreign Relations Authoriza-
13 tion Act, Fiscal Year 2003 (22 U.S.C. 2291j–1(1)), the
14 President shall submit to the appropriate congressional
15 committees a report identifying—

16 (1) each airport and maritime port in Mexico
17 that serves as a major transit site or major pro-
18 ducing site of precursor chemicals or covered syn-
19 thetic drugs; and

20 (2) each State in Mexico that serves as a major
21 transit State or major producing State of precursor
22 chemicals or covered synthetic drugs.

23 (b) APPROPRIATE CONGRESSIONAL COMMITTEES
24 DEFINED.—In this section, the term “appropriate con-
25 gressional committees” means—

1 (1) the Committee on Foreign Relations of the
2 Senate; and

3 (2) the Committee on Foreign Affairs of the
4 House of Representatives.

5 **SEC. 7. AUTHORIZATION OF APPROPRIATIONS.**

6 (a) IN GENERAL.—

7 (1) INTERNATIONAL NARCOTICS AND LAW EN-
8 FORCEMENT.—There is authorized to be appro-
9 priated to the Secretary of State, for each of fiscal
10 years 2024 through 2027, \$100,000,000 for Inter-
11 national Narcotics and Law Enforcement for Mex-
12 ico.

13 (2) GUN TRAFFICKING.—There is authorized to
14 be appropriated to U.S. Customs and Border Protec-
15 tion, for each of fiscal years 2024 through 2027, in
16 addition to amounts otherwise made available for
17 such purposes, \$50,000,000, which shall be used—

18 (A) to interdict the outbound flow of
19 smuggled firearms and illicit currency that fa-
20 cilitate the activities of transnational criminal
21 organizations; and

22 (B) to increase the number of weapons and
23 the amount of currency being seized from indi-
24 viduals attempting to smuggle such firearms
25 and currency from the United States to Mexico.

1 (3) TRANSNATIONAL CRIMINAL INVESTIGATIVE
2 UNIT.—There is authorized to be appropriated to
3 the Homeland Security Investigations, for the period
4 of fiscal years 2024 through 2027, \$2,500,000,
5 which shall be used to pay vetted members of a
6 Transnational Criminal Investigative Unit in Mexico
7 a monetary stipend in accordance with section
8 890C(d) of the Homeland Security Act of 2022 (6
9 U.S.C. 475(d)), as added by the Transnational
10 Criminal Investigative Unit Stipend Act (section
11 7105 of Public Law 117–263).

12 (b) LIMITATION ON USE OF FUNDS.—None of the
13 amounts authorized to be appropriated under subsection
14 (a) may be obligated or expended until the Secretary of
15 State certifies and reports to Congress that the Govern-
16 ment of Mexico is taking sustained and effective steps—

17 (1) to increase bilateral law enforcement co-
18 operation with the United States to counter pre-
19 cursor chemicals and covered synthetic drugs, in-
20 cluding steps—

21 (A) to identify laboratories of covered syn-
22 thetic drugs and illicit production sites of those
23 drugs;

24 (B) to identify routes used to transit pre-
25 cursor chemicals and covered synthetic drugs;

1 (C) to increase interdiction of precursor
2 chemicals and covered synthetic drugs;

3 (D) to share samples of seized precursor
4 chemicals and covered synthetic drugs; and

5 (E) to pursue prosecutions of transnational
6 criminal organizations and illicit financing of
7 those organizations; and

8 (2) to increase cooperation in multilateral fora
9 to address precursor chemicals and covered synthetic
10 drugs, including—

11 (A) the United Nations Commission on
12 Narcotic Drugs;

13 (B) the World Health Organization Expert
14 Committee on Drug Dependence;

15 (C) the International Narcotics Control
16 Board; and

17 (D) the United Nations Office on Drugs
18 and Crime.

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