IPURPOSE · MARKET STRUCTURE BRIEF · MS-2026-0713

The Tribute Bill

Lindsey Graham's last act, the 500 percent tariff, and the de-dollarization it may end up financing.

Jesse James · iPurpose

13 July 2026 · UNCLASSIFIED · OPEN SOURCES ONLY

jesse@ibrahim.help · linkedin.com/in/jessecares · +1 250 415 5678

00 Executive summary

BOTTOM LINE UP FRONT

The United States Senate is preparing to pass, as a memorial to Lindsey Graham, a bill that its own lead Democratic co-sponsor says is aimed at China and India. The Sanctioning Russia Act authorizes tariffs of up to 500 percent on countries buying Russian energy. Roughly 90 percent of that energy flows to two buyers, neither of which intends to comply, and one of which is already using the threat as a recruiting argument for settlement outside the dollar. The bill's entire leverage lives in the paper layer of the oil market. That is the layer already leaking.

KF-1 Sen. Graham died 11 July 2026, one day after announcing White House agreement on his secondary-tariff bill; within 48 hours Senate leaders of both parties moved to pass it as a tribute. The bill carries 85 co-sponsors.

KF-2 China and India were Russia's two largest fossil fuel buyers in June 2026, at €7.3B and €5.5B respectively; Sen. Blumenthal puts their combined share of Russia's energy exports near 90 percent.

KF-3 India's stated position is non-compliance, framed as energy security for 1.4 billion people; its foreign minister says the bridge will be crossed if it is ever reached.

KF-4 Moscow's trade envoy in Delhi is publicly framing the bill as an accelerant for BRICS-level de-dollarization. The threat is doing the recruiting before the bill has passed.

KF-5 The bill text remains unpublished as of 13 July. Reporting indicates the 500 percent rate may be softened and some sanctions made automatic within 30 days of enactment. No floor date is set.

For readers with Asia-facing energy, trade, or currency exposure, the actionable signal is not the memorial rhetoric. It is the final published rate, the presence or absence of an automatic trigger, and the settlement announcements out of Delhi and Beijing that follow. Section 05 lists the four markers worth an alert.

01 A death, a bill, and a 48-hour stampede

The Senate is converting grief into legislative momentum at a speed it reserves for almost nothing else. Lindsey Graham died on the night of Saturday, 11 July 2026, at 71. The preliminary cause given by his office and the District of Columbia medical examiner was aortic dissection resulting from arteriosclerotic cardiovascular disease. He died hours after returning from his tenth wartime trip to Kyiv, where he met President Zelensky on 10 July. [Source: Graham office statement and DC medical examiner, as reported 12 July 2026]

The timing matters because of what happened the day before. On 10 July, Graham announced he had secured White House agreement on an updated version of his Sanctioning Russia Act of 2025: the bill authorizing tariffs of up to 500 percent on countries that buy Russian oil, gas, uranium, and petroleum products. Eighty-five senators co-sponsor it. [Source: Graham announcement, 10 July 2026; congressional reporting]

Within 48 hours of his death, Majority Leader John Thune, Minority Leader Chuck Schumer, and Senators Blumenthal, Shaheen, and Wicker were publicly pushing to pass the bill as a tribute. The House sponsors joined. On 13 July, Gov. McMaster appointed Graham's sister, Darline Graham Nordone, to hold the seat through January. The memorial machinery is fully assembled. What is not assembled is the text: as of 13 July the updated bill has not been published, and Thune has declined to commit to a floor date. [Source: Senate leadership statements, 12 to 13 July 2026]

A tribute vote on an unpublished bill is worth pausing on. The Senate is being asked to honor a man by passing whatever the final draft turns out to say.

02 Who the tariff actually hits

By its own sponsor's arithmetic, this is a bill about China and India. At a Hartford press conference on 13 July, Sen. Richard Blumenthal, the bill's lead Democratic co-sponsor, identified the targets without being asked twice: the major purchasers of Russian energy are China and India, which together take roughly 90 percent of Russia's energy products. That is his rhetorical high end. The independent tracking is more precise and points the same direction. [Source: Sen. Blumenthal remarks, Hartford, 13 July 2026]

BUYER	RUSSIAN FOSSIL FUEL PURCHASES, JUN 2026	NOTE
China	€7.3B / month	Largest single buyer across crude, pipeline gas, and products.

India	€5.5B / month	Crude alone was €4.5B: 83 percent of its Russian fossil imports.
Combined	≈ 90% of exports	Sen. Blumenthal's figure for the two buyers' share of Russia's energy products.

Sources: Centre for Research on Energy and Clean Air (CREA), June 2026 monthly tracking; Sen. Blumenthal remarks, 13 July 2026. The 90 percent figure is the sponsor's characterization, not CREA's.

So the mechanism is not subtle. A 500 percent tariff on buyers of Russian energy is a 500 percent tariff on the two most populous nations on Earth, neither of which is at war with anyone, applied through their access to the American market. The bill is sold as pressure on Moscow. The pressure is routed through Beijing and Delhi, and both capitals can read a bill of lading.

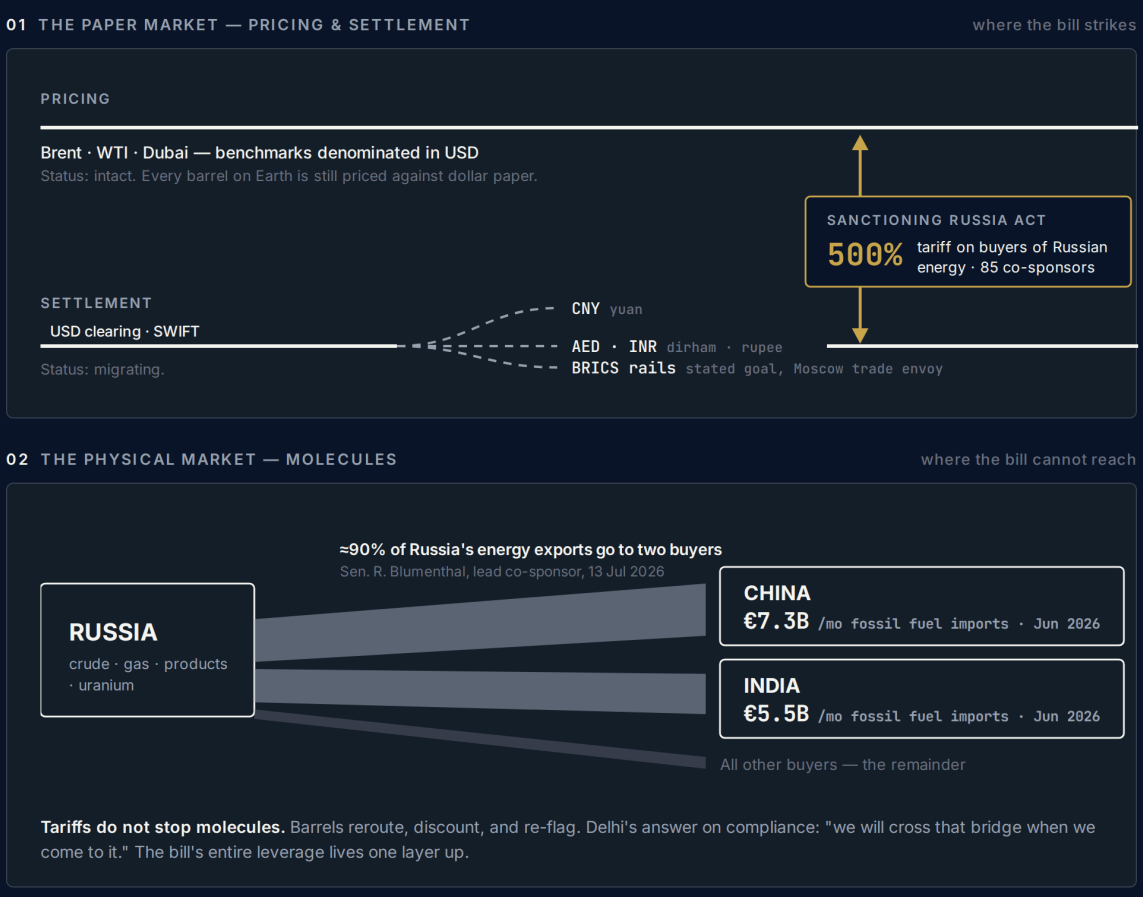
03 The bifurcation: physical barrels, paper leverage

The oil market is two markets wearing one name, and the bill can only touch one of them. The physical market is molecules: crude, gas, products, uranium, moving by tanker, pipeline, and railcar. The paper market is everything that prices and pays for those molecules: the Brent, WTI, and Dubai benchmarks, dollar clearing, correspondent banking, the futures complex. Sanctions and secondary tariffs are instruments of the paper layer. They do not stop molecules. They reprice them, reroute them, and re-flag them.

Four years of sanctions on Russian energy have demonstrated the split in real time. The barrels kept moving east, at a discount, on an expanding shadow fleet. What migrated was the settlement: a growing share of Russian volumes now clears in yuan, dirhams, and rupees, while the pricing layer, the benchmarks themselves, remains dollar-denominated. Barrels priced in dollars, increasingly paid in anything but. That gap is the bifurcation, and it is exactly where this bill swings.

IPURPOSE · MARKET STRUCTURE · 13 JULY 2026

The barrels move east. The dollar stays behind.



> *The bifurcation: barrels priced in dollars, increasingly paid in anything but. Each escalation widens the very gap it depends on closing.*

Sources: CREA monthly tracking, Jun 2026 (China €7.3B, India €5.5B) · Sen. Blumenthal remarks, Hartford, 13 Jul 2026 · EAM Jaishankar, Washington, 3 Jul 2026. Bill text unpublished as of 13 Jul 2026; the 500% rate may be revised in final text.

iPurpose
Intelligence with intent

Figure 1. The two-layer market. The 500 percent tariff operates on the paper layer: pricing access and settlement rails. The physical layer, roughly 90 percent of which flows to two buyers, is beyond its reach. Sources: CREA (Jun 2026); Sen. Blumenthal remarks (13 Jul 2026).

The strategic problem follows directly. The tariff's power depends on targets needing dollar-system access more than they need Russian energy. Every escalation raises the price of staying inside the dollar system and improves the business case for the rails being built outside it. The tool consumes the condition that makes the tool work.

> *Washington's most powerful economic weapon works only as long as the world needs the dollar more than it fears it. This bill is the largest single test of that balance ever proposed.*

04 The responses, on the record

Every party that matters has already told you what it will do. None of the statements below are anonymous sourcing or inference. They are named officials, on the record, in the ten days before this brief.

S. JAISHANKAR · EXTERNAL AFFAIRS MINISTER, INDIA · WASHINGTON, 3 JULY 2026

"We'll have to cross that bridge when we come to it, if we come to it."

Read: Delhi will not pre-comply. India's standing frame is affordable energy for 1.4 billion people, and no tariff changes that arithmetic. It changes the invoice currency.

ZLATA ANTUSHEVA · RUSSIAN TRADE REPRESENTATIVE TO INDIA · VIA RT, CIRCA 8 JULY 2026

"Our main goal is to de-dollarize... at the BRICS level."

Read: Moscow is openly using the tariff threat as a recruitment argument for non-dollar settlement. The bill is doing this work before passage. Treat the claim as advocacy, but note who it is aimed at.

RAND PAUL · US SENATOR (R-KY) · JULY 2026

"An economic calamity on a scale never before seen."

Read: The domestic cost argument, from inside the president's own party. A 500 percent tariff on China and India is a tariff on America's own Asian supply chains.

JOHN THUNE · SENATE MAJORITY LEADER · 13 JULY 2026

"We've got to figure out exactly what that is."

Read: No floor date. The leader honoring the bill will not yet schedule it or publish it. Watch the distance between the eulogy and the calendar.

05 What to watch, and what I assess

W-1 **The floor date.** Thune scheduling a vote converts memorial momentum into law. Until then this is rhetoric with 85 signatures.

W-2 **The rate.** Whether 500 percent survives in the published text is the single clearest tell. If it softens behind closed doors, the tribute was a bluff and the market will price it as one.

W-3 **The trigger.** Reporting suggests some sanctions become automatic within 30 days of enactment. An automatic trigger removes presidential discretion and makes escalation mechanical. That detail matters more than the headline rate.

W-4 **The settlement announcements.** Ignore the op-eds from Delhi and Beijing. Watch for new rupee, dirham, and yuan clearing arrangements in the 90 days after passage. Settlement plumbing is the honest signal.

I assess three things. First, some version of this bill passes: 85 co-sponsors and a funeral make a coalition that does not need the text to be good. Second, the 500 percent figure does not survive contact with the final draft in enforceable form; it was always a number built for a press conference, and the softening is reportedly already underway. Third, and most important, the direction of travel is set regardless of the final rate. The threat alone has handed Moscow its best de-dollarization argument in four years, and payment rails, once built, do not get unbuilt because a tariff was later reduced.

The honest counterweight belongs in the same paragraph as the thesis. De-dollarization is real and gradual, not imminent and total. The dollar's reserve share erodes slowly, the benchmarks remain dollar paper, and India's government formally disavows any move off the dollar even as it settles Russian barrels around it. The claim here is not that the dollar dies. The claim is that the weapon dulls with use, this is the heaviest swing yet proposed, and the Senate is about to take it in memoriam, without reading the blade.

06 Caveats and sources

CAVEATS · READ BEFORE FORWARDING

The updated bill text was not public as of 13 July 2026. All references to the 500 percent rate describe the announced provision of the Sanctioning Russia Act of 2025, which may be revised in the enacted version. Reports of a softened rate and a 30-day automatic trigger are attributed to congressional reporting and are unconfirmed against text.

The 90 percent combined-purchaser figure is Sen. Blumenthal's characterization of Russia's energy exports. CREA's June 2026 monthly values (€7.3B China, €5.5B India) are independent tracking and should be cited in preference to the rhetorical figure where precision matters.

Statements by Russian officials on de-dollarization are advocacy by an interested party and are presented here as evidence of framing, not as forecasts. India's government has repeatedly and formally disavowed moving off the dollar. This brief takes no position on the cause-of-death commentary circulating online; the documented preliminary cause is aortic dissection, and nothing else merits repetition.

S-01 Graham office statement and DC medical examiner preliminary finding, as reported 12 July 2026.

S-02 Sen. Graham announcement of White House agreement on the Sanctioning Russia Act, 10 July 2026; bill co-sponsorship count per congressional record.

S-03 Senate leadership statements on passage as tribute: Thune, Schumer, Blumenthal, Shaheen, Wicker, 12 to 13 July 2026.

S-04 Sen. Richard Blumenthal remarks, Hartford CT press conference, 13 July 2026.

S-05 Centre for Research on Energy and Clean Air (CREA), monthly Russian fossil fuel export tracking, June 2026 report.

S-06 EAM S. Jaishankar remarks, Washington DC, 3 July 2026; India MEA standing statements on energy security.

S-07 Zlata Antusheva, Russian Trade Representative to India, interview via RT, circa 8 to 9 July 2026.

S-08 Sen. Rand Paul public remarks on the bill's domestic economic impact, July 2026.

S-09 Appointment of Darline Graham Nordone by Gov. Henry McMaster, 13 July 2026, per national wire reporting.

iPurpose · Intelligence with intent. Prepared from open sources only. Errors of fact are mine and correctable: jesse@ibrahim.help.