

116TH CONGRESS 1ST SESSION H.R. 4818

To impose sanctions with respect to the provision of certain vessels for the construction of Russian energy export pipelines, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

OCTOBER 23, 2019

Mr. Barr (for himself, Mr. Murphy of North Carolina, Mr. Hagedorn, Mr. Mitchell, Mr. Huizenga, Mr. Graves of Louisiana, and Mr. Shimkus) introduced the following bill; which was referred to the Committee on Foreign Affairs, and in addition to the Committees on the Judiciary, Financial Services, Oversight and Reform, and Ways and Means, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned

A BILL

To impose sanctions with respect to the provision of certain vessels for the construction of Russian energy export pipelines, 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,
- 3 SECTION 1. SHORT TITLE.
- 4 This Act may be cited as the "Protecting Europe's
- 5 Energy Security Act of 2019".
- 6 SEC. 2. SENSE OF CONGRESS.
- 7 It is the sense of Congress that—

- (1) the United States and Europe share a common history, a common identity, and common values built upon the principles of democracy, rule of law, and individual freedoms;
 - (2) the United States has encouraged and admired the European project, which has resulted in a common market and common policies, has achieved unprecedented prosperity and stability on the continent, and serves as a model for other countries to reform their institutions and prioritize anticorruption measures;
 - (3) the relationships between the United States and Europe and the United States and Germany are critical to the national security interests of the United States as well as to global prosperity and peace, and Germany in particular is a crucial partner for the United States in multilateral efforts aimed at promoting global prosperity and peace;
 - (4) the United States should stand against any effort designed to weaken those relationships; and
 - (5) Germany has demonstrated leadership within the European Union and in international for a to ensure that sanctions imposed with respect to the Russian Federation for its malign activities are maintained.

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1	SEC. 3. IMPOSITION OF SANCTIONS WITH RESPECT TO PRO-
2	VISION OF CERTAIN VESSELS FOR THE CON-
3	STRUCTION OF RUSSIAN ENERGY EXPORT
4	PIPELINES.
5	(a) Report Required.—Not later than 60 days
6	after the date of the enactment of this Act, and every 90
7	days thereafter, the Secretary of State shall submit to the
8	appropriate congressional committees a report that identi-
9	fies, for the period beginning on the date of the enactment
10	of this Act and ending on the date of the report—
11	(1) vessels that engaged in pipe-laying at
12	depths of 100 feet or more below sea level for the
13	construction of Russian energy export pipelines; and
14	(2) foreign persons that have sold, leased, pro-
15	vided, or facilitated the provision of those vessels for
16	the construction of such pipelines.
17	(b) Inadmissibility to United States of Identi-
18	FIED PERSONS AND CORPORATE OFFICERS.—The Sec-
19	retary of State shall deny a visa to, and the Secretary of
20	Homeland Security shall exclude from the United States
21	of, any alien who is—
22	(1) a foreign person identified under subsection
23	(a)(2);
24	(2) a corporate officer of a person described in
25	paragraph (1); or

1	(3) a principal shareholder with a controlling
2	interest in a person described in paragraph (1).
3	(c) Blocking of Property of Identified Per-
4	sons.—The President shall exercise all powers granted to
5	the President by the International Emergency Economic
6	Powers Act (50 U.S.C. 1701 et seq.) to the extent nec-
7	essary to block and prohibit all transactions in all property
8	and interests in property of any person identified under
9	subsection (a)(2) if such property and interests in prop-
10	erty are in the United States, come within the United
11	States, or are or come within the possession or control
12	of a United States person.
13	(d) Sanctions for Provision of Underwriting
14	SERVICES OR INSURANCE OR REINSURANCE FOR IDENTI-
15	FIED VESSELS.—
16	(1) In General.—The President may impose 5
17	or more of the sanctions described in paragraph (2)
18	with respect to a foreign person if the President de-
19	termines that the person knowingly, on or after the
20	date of the enactment of this Act, provides under-
21	writing services or insurance or reinsurance for a
22	vessel identified under subsection $(a)(1)$.
23	(2) Sanctions described.—The sanctions
24	that may be imposed with respect to a foreign per-

son under paragraph (1) are the following:

1	(A) EXPORT-IMPORT BANK ASSISTANCE
2	FOR EXPORTS TO SANCTIONED PERSONS.—The
3	President may direct the Export-Import Bank
4	of the United States not to give approval to the
5	issuance of any guarantee, insurance, extension
6	of credit, or participation in the extension of
7	credit in connection with the export of any
8	goods or services to the foreign person.
9	(B) EXPORT SANCTION.—The President
10	may order the United States Government not to
11	issue any specific license and not to grant any
12	other specific permission or authority to export
13	any goods or technology to the foreign person
14	under—
15	(i) the Export Control Reform Act of
16	2018 (50 U.S.C. 4801 et seq.);
17	(ii) the Arms Export Control Act (22
18	U.S.C. 2751 et seq.);
19	(iii) the Atomic Energy Act of 1954
20	(42 U.S.C. 2011 et seq.); or
21	(iv) any other statute that requires
22	the prior review and approval of the
23	United States Government as a condition
24	for the export or reexport of goods or serv-
25	ices.

- (C) Loans from united states finan-1 2 CIAL INSTITUTIONS.—The United States Gov-3 ernment may prohibit any United States financial institution from making loans or providing credits to the foreign person totaling more than 6 \$10,000,000 in any 12-month period unless 7 such person is engaged in activities to relieve 8 human suffering and the loans or credits are 9 provided for such activities. 10 (D) Prohibitions on Financial Insti-
 - (D) PROHIBITIONS ON FINANCIAL INSTI-TUTIONS.—The following prohibitions may be imposed with respect to the foreign person if the foreign person is a financial institution:
 - (i) Prohibition on designation as Primary dealer.—Neither the Board of Governors of the Federal Reserve System nor the Federal Reserve Bank of New York may designate, or permit the continuation of any prior designation of, such financial institution as a primary dealer in United States Government debt instruments.
 - (ii) Prohibition on Service as a repository of Government funds.—
 Such financial institution may not serve as

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agent of the United States Government or serve as repository for United States Government funds.

The imposition of either sanction under clause (i) or (ii) shall be treated as 1 sanction for purposes of paragraph (1), and the imposition of both such sanctions shall be treated as 2 sanctions for purposes of paragraph (1).

- (E) PROCUREMENT SANCTION.—The United States Government may not procure, or enter into any contract for the procurement of, any goods or services from the foreign person.
- (F) FOREIGN EXCHANGE.—The President may, pursuant to such regulations as the President may prescribe, prohibit any transactions in foreign exchange that are subject to the jurisdiction of the United States and in which the foreign person has any interest.
- (G) Banking transactions.—The President may pursuant to such regulations as the President may prescribe, prohibit any transfers of credit or payments between financial institutions or by, through, or to any financial institution, to the extent that such transfers or payments are subject to the jurisdiction of the

1	United States and involve any interest of the
2	foreign person.
3	(H) Property transactions.—The
4	President may, pursuant to such regulations as
5	the President may prescribe, prohibit any per-
6	son from—
7	(i) acquiring, holding, withholding,
8	using, transferring, withdrawing, trans-
9	porting, importing, or exporting any prop-
10	erty that is subject to the jurisdiction of
11	the United States and with respect to
12	which the foreign person has any interest;
13	(ii) dealing in or exercising any right,
14	power, or privilege with respect to such
15	property; or
16	(iii) conducting any transaction in-
17	volving such property.
18	(I) BAN ON INVESTMENT IN EQUITY OR
19	DEBT OF SANCTIONED PERSON.—The President
20	may, pursuant to such regulations or guidelines
21	as the President may prescribe, prohibit any
22	United States person from investing in or pur-
23	chasing significant amounts of equity or debt
24	instruments of the foreign person.

- 1 (J) EXCLUSION OF CORPORATE OFFI2 CERS.—The President may direct the Secretary
 3 of State to deny a visa to, and the Secretary of
 4 Homeland Security to exclude from the United
 5 States, any alien that the President determines
 6 is a corporate officer or principal of, or a share7 holder with a controlling interest in, the foreign
 8 person.
 - (K) SANCTIONS ON PRINCIPAL EXECUTIVE OFFICERS.—The President may impose on the principal executive officer or officers of the foreign person, or on persons performing similar functions and with similar authorities as such officer or officers, any of the sanctions under this paragraph.

(e) Exceptions.—

(1) EXCEPTION TO COMPLY WITH UNITED NATIONS HEADQUARTERS AGREEMENT.—Sanctions under this subsection shall not apply with respect to the admission of an alien to the United States if the admission of the alien is necessary to permit the United States to comply with the Agreement regarding the Headquarters of the United Nations, signed at Lake Success June 26, 1947, and entered into force November 21, 1947, between the United Na-

1	tions and the United States, the Convention on Con-
2	sular Relations, done at Vienna April 24, 1963, and
3	entered into force March 19, 1967, or other applica-
4	ble international obligations.
5	(2) Exception relating to importation of
6	GOODS.—
7	(A) IN GENERAL.—A requirement or the
8	authority to block and prohibit all transactions
9	in all property and interests in property under
10	this section shall not include the authority to
11	impose sanctions on the importation of goods.
12	(B) Good defined.—In this paragraph,
13	the term "good" means any article, natural or
14	man-made substance, material, supply or manu-
15	factured product, including inspection and test
16	equipment, and excluding technical data.
17	(f) NATIONAL SECURITY WAIVER.—The President
18	may waive the application of sanctions under this section
19	with respect to a person if the President—
20	(1) determines that the waiver is in the national
21	security interests of the United States; and
22	(2) submits to the appropriate congressional
23	committees a report on the waiver and the reasons
24	for the waiver.
25	(g) Implementation; Penalties.—

- 1 (1) Implementation.—The President may ex-2 ercise all authorities provided to the President under 3 sections 203 and 205 of the International Emer-4 gency Economic Powers Act (50 U.S.C. 1702 and 5 1704) to carry out this section.
 - (2) Penalties.—A person that violates, attempts to violate, conspires to violate, or causes a violation of this section or any regulation, license, or order issued to carry out this section shall be subject to the penalties set forth in subsections (b) and (c) of section 206 of the International Emergency Economic Powers Act (50 U.S.C. 1705) to the same extent as a person that commits an unlawful act described in subsection (a) of that section.

(h) DEFINITIONS.—In this section:

- (1) Admission; Admitted; Alien.—The terms "admission", "admitted", and "alien" have the meanings given those terms in section 101 of the Immigration and Nationality Act (8 U.S.C. 1101).
- (2) APPROPRIATE CONGRESSIONAL COMMITTEES.—The term "appropriate congressional committees" means the Committee on Foreign Relations and Committee on Banking, Housing, and Urban Affairs of the Senate and the Committee on Foreign

1	Affairs and Committee on Financial Services of the
2	House of Representatives.
3	(3) Foreign person.—The term "foreign per-
4	son" means an individual or entity that is not a
5	United States person.
6	(4) Knowingly.—The term "knowingly", with
7	respect to conduct, a circumstance, or a result,
8	means that a person has actual knowledge, or should
9	have known, of the conduct, the circumstance, or the
10	result.
11	(5) United states person.—The term
12	"United States person" means—
13	(A) a United States citizen or an alien law-
14	fully admitted for permanent residence to the
15	United States; or
16	(B) an entity organized under the laws of
17	the United States or any jurisdiction within the
18	United States, including a foreign branch of
19	such an entity.
20	SEC. 4. STRATEGY TO IMPROVE ENERGY SECURITY OF EU-
21	ROPEAN ALLIES OF THE UNITED STATES.
22	(a) In General.—The President shall direct the
23	Secretary of State, in coordination with the heads of other
24	Federal agencies, as appropriate, to develop a strategy to

1	improve the national and regional energy security of allies
2	of the United States in Europe.
3	(b) Elements.—The strategy required by subsection
4	(a) shall include elements—
5	(1) to deepen the role of United States diplo-
6	macy in Europe and the Middle East in enhancing
7	the energy security of allies of the United States in
8	Europe;
9	(2) to diversify the energy sources of such al-
10	lies;
11	(3) to counter efforts by the Russian Federa-
12	tion to establish energy dominance over Europe; and
13	(4) to improve the resilience of energy infra-
14	structure of such allies.
15	SEC. 5. REPORT ON EFFECTS OF NORD STREAM 2 ON THE
16	NATIONAL SECURITY OF THE UNITED
17	STATES.
18	Not later than 90 days after the date of the enact-
19	ment of this Act, the Secretary of State shall submit to
20	the appropriate congressional committees (as defined in
21	section 3(h)) a report that includes the following:
22	(1) An assessment of the effects of the Nord
23	Stream 2 natural gas pipeline on the national secu-
24	rity of the United States, including an assessment of

1	the effect that increased dependence by countries in
2	Europe on Russian natural gas would have on—
3	(A) the energy security of Europe;
4	(B) the diplomatic security and foreign
5	policy of Ukraine;
6	(C) the diplomatic security and foreign pol-
7	icy of Germany; and
8	(D) United States diplomatic missions and
9	facilities of the United States Government in
10	Europe.
11	(2) A description of activities of, or support by,
12	the Government of the Russian Federation aimed at
13	influencing opinions of the public and elites in Eu-
14	rope to generate support for Nord Stream 2 and
15	other Russian energy export projects, including
16	through—
17	(A) propaganda activities through media
18	and digital platforms, including broadcast and
19	satellite-based television, radio, internet, and
20	print media; or
21	(B) funding or otherwise supporting third-
22	party groups in Europe such as think tanks,
23	academic institutions, trade associations, and
24	other nongovernmental organizations.

1	SEC. 6. REPORT ON ENTITIES INVOLVED IN CONSTRUC-
2	TION OR REPAIR OF NORD STREAM 2.
3	(a) In General.—Not later than 180 days after the
4	date of the enactment of this Act, and annually thereafter
5	until the date that is 6 years after such date of enactment,
6	the Secretary of State shall submit to the appropriate con-
7	gressional committees (as defined in section 3(h)) a report
8	that includes—
9	(1) a list of all entities, including financial insti-
10	tutions, directly or indirectly providing goods, serv-
11	ices, information, or technology for the construction
12	or repair of the Nord Stream 2 natural gas pipeline;
13	and
14	(2) an assessment of whether each entity on the
15	list required by paragraph (1) has knowingly en-
16	gaged in a significant transaction with, or provided
17	goods, services, information, or technology to or
18	for—
19	(A) a Russian person the property or inter-
20	ests in property of which have been blocked
21	pursuant to the International Emergency Eco-
22	nomic Powers Act (50 U.S.C. 1701 et seq.);
23	(B) any person with respect to which sanc-
24	tions have been imposed under section 231 of
25	the Countering America's Adversaries Through
26	Sanctions Act (22 U.S.C 9525); or

1	(C) any person with respect to which sanc-
2	tions have been imposed under—
3	(i) any other provision of title II of
4	the Countering America's Adversaries
5	Through Sanctions Act (22 U.S.C. 9501 et
6	seq.);
7	(ii) the Support for the Sovereignty,
8	Integrity, Democracy, and Economic Sta-
9	bility of Ukraine Act of 2014 (22 U.S.C.
10	8901 et seq.); or
11	(iii) the Ukraine Freedom Support
12	Act of 2014 (22 U.S.C. 8921 et seq.).
13	(b) Russian Person Defined.—In this section, the
14	term "Russian person" has the meaning given that term
15	in section 2 of the Ukraine Freedom Support Act of 2014
16	(22 U S C 8921)

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