

116TH CONGRESS
1ST SESSION

H. R. 1081

To require reports by the Secretary of State, the Secretary of the Treasury, and the Director of National Intelligence relating to construction of the Nord Stream 2 pipeline, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

FEBRUARY 7, 2019

Mr. HECK (for himself, Mr. CONAWAY, Ms. KAPTUR, and Mr. ROONEY of Florida) introduced the following bill; which was referred to the Committee on Foreign Affairs, and in addition to the Permanent Select Committee on Intelligence (Permanent Select), 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 require reports by the Secretary of State, the Secretary of the Treasury, and the Director of National Intelligence relating to construction of the Nord Stream 2 pipeline, 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 “Protect European En-
5 ergy Security Act”.

1 **SEC. 2. FINDINGS.**

2 Congress finds the following:

3 (1) The Russian Federation is constructing a
4 gas pipeline from Russia to Germany, named the
5 Nord Stream 2 pipeline, the completion of which
6 could address potential increases in European en-
7 ergy consumption but also increase European de-
8 pendence on Russian energy and have destabilizing
9 effects on the Government of Ukraine if Ukraine
10 loses energy transit fees as a result of construction
11 of the Nord Stream 2 pipeline.

12 (2) According to experts, the Nord Stream 2
13 pipeline would transport 80 percent of Russia’s cur-
14 rent gas exports to Europe through one single pipe-
15 line system, which would run counter to the Euro-
16 pean Union energy policy of energy security and di-
17 versification of supply.

18 (3) Section 257(a) of the Countering America’s
19 Adversaries through Sanctions Act of 2017 (Public
20 Law 115–44; 22 U.S.C. 9546(a)) states in part that
21 it is the policy of the United States—

22 (A) “to work with European Union mem-
23 ber states and European Union institutions to
24 promote energy security through developing di-
25 versified and liberalized energy markets that

1 provide diversified sources, suppliers, and
2 routes”; and

3 (B) “to continue to oppose [the Nord
4 Stream 2 pipeline] given its detrimental im-
5 pacts on the European Union’s energy security,
6 gas market development in Central and Eastern
7 Europe, and energy reforms in Ukraine”.

8 (4) On January 27, 2018, then-Secretary of
9 State Rex Tillerson stated, “[T]he United States op-
10 poses the Nord Stream 2 pipeline. We see it as un-
11 dermining Europe’s overall energy security and sta-
12 bility. . .”. Tillerson further stated that the pipeline
13 would allow Putin to use energy as a “political tool”.

14 (5) On March 11, 2018, German chancellor An-
15 gela Merkel acknowledged “political” and “stra-
16 tegic” concerns regarding the Nord Stream 2 pipe-
17 line and stated that the pipeline “is not just an eco-
18 nomic project, but that, of course, political factors
19 must also be taken into account”.

20 (6) Gazprom, a Russian energy company, is
21 controlled by the Government of the Russian Fed-
22 eration, which, according to the European Commis-
23 sion’s Statement of Objections to Gazprom dated
24 April 22, 2015, has undertaken efforts to use gas as
25 a weapon of coercion.

1 (7) The Department of State, led by the Bu-
2 reau of Energy of Resources, has worked extensively
3 with allies, including Denmark, to thwart such Rus-
4 sian efforts.

5 **SEC. 3. SENSE OF CONGRESS.**

6 It is the sense of Congress that the United States
7 should—

8 (1) continue to oppose construction of the Nord
9 Stream 2 pipeline and other Russian Federation gas
10 pipelines in northern Europe; and

11 (2) take affirmative diplomatic steps to halt the
12 construction of such pipelines.

13 **SEC. 4. REPORTING REQUIREMENTS.**

14 (a) REPORT BY SECRETARY OF STATE.—

15 (1) IN GENERAL.—Not later than 90 days after
16 the date of the enactment of this Act, the Secretary
17 of State, in coordination with the Secretary of the
18 Treasury, shall submit to the appropriate congres-
19 sional committees a report on actions the Depart-
20 ment of State is taking to implement section 257 of
21 the Countering America’s Adversaries through Sanc-
22 tions Act of 2017 (Public Law 115–44; 22 U.S.C.
23 9546).

24 (2) ELEMENTS.—The report shall include de-
25 tails on the following:

1 (A) Efforts by the Department of State
2 since August 3, 2017, to work with European
3 Union member states and institutions to pro-
4 mote energy security and decrease their depend-
5 ence on Russian sources of energy, including
6 use of the Countering Russian Influence Fund
7 authorized pursuant to section 254 of the
8 Countering America's Adversaries through
9 Sanctions Act of 2017 (Public Law 115-44; 22
10 U.S.C. 9543).

11 (B) Diplomatic efforts undertaken by the
12 Department of State to oppose directly the
13 Nord Stream 2 pipeline and the Turk Stream
14 pipeline.

15 (C) An estimation of European natural gas
16 supply demand from 2019 through 2023.

17 (b) REPORT BY SECRETARY OF THE TREASURY.—

18 (1) IN GENERAL.—Not later than 90 days after
19 the date of the enactment of this Act, the Secretary
20 of Treasury, in coordination with the Secretary of
21 State, shall submit to the appropriate congressional
22 committees a report on each entity involved in con-
23 struction of the Nord Stream 2 pipeline or construc-
24 tion of the Turk Stream pipeline.

1 (2) ENTITY DEFINED.—In this subsection, the
2 term “entity”—

3 (A) means an entity organized under the
4 laws of the United States; and

5 (B) includes, with respect to the entity, a
6 sub entity, parent entity, subsidiary, or any
7 other entity.

8 (c) REPORT BY DIRECTOR OF NATIONAL INTEL-
9 LIGENCE.—Not later than 90 days after the date of the
10 enactment of this Act, the Director of National Intel-
11 ligence, in coordination with the Secretary of Defense,
12 shall submit to the appropriate congressional committees
13 a report on the impact of the Nord Stream 2 pipeline on—

14 (1) United States interests and security objec-
15 tives;

16 (2) European energy security and defense pos-
17 ture;

18 (3) Russian influence in Europe; and

19 (4) Ukraine, including the implications of re-
20 ductions in transit fees as a result of Nord Stream
21 2 pipeline.

22 (d) FORM.—The reports required by this section shall
23 be submitted in unclassified form, but may contain a clas-
24 sified annex.

1 (e) APPROPRIATE CONGRESSIONAL COMMITTEES DE-
2 FINED.—In this section, the term “appropriate congres-
3 sional committees” means—

4 (1) in the House of Representatives—

5 (A) the Committee on Armed Services;

6 (B) the Committee on Foreign Affairs;

7 (C) the Committee in Financial Services;

8 (D) the Committee on Energy and Com-
9 merce; and

10 (E) the Permanent Select Committee on
11 Intelligence; and

12 (2) in the Senate—

13 (A) the Committee on Armed Services;

14 (B) the Committee on Foreign Relations;

15 (C) the Committee on Finance;

16 (D) the Committee on Banking, Housing,
17 and Urban Affairs; and

18 (E) the Select Committee on Intelligence.

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