

116TH CONGRESS
1ST SESSION

H. R. 1616

AN ACT

To prioritize the efforts of and enhance coordination among United States agencies to encourage countries in Europe and Eurasia to diversify their energy sources and supply routes, increase energy security in the region, and help the United States reach its global energy security goals, 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 “European Energy Se-
5 curity and Diversification Act of 2019”.

6 **SEC. 2. DEFINITIONS.**

7 In this Act:

8 (1) EARLY-STAGE PROJECT SUPPORT.—The
9 term “early-stage project support” includes the fol-
10 lowing:

11 (A) Feasibility studies.

12 (B) Resource evaluations.

13 (C) Project appraisal and costing.

14 (D) Pilot projects.

15 (E) Commercial support, such as trade
16 missions, reverse trade missions, technical
17 workshops, international buyer programs, and
18 international partner searchers to link suppliers
19 to projects.

20 (F) Technical assistance and other guid-
21 ance to improve the local regulatory environ-
22 ment and market frameworks to encourage
23 transparent competition and enhance energy se-
24 curity.

25 (G) Long-term energy sector planning.

1 (2) LATE-STAGE PROJECT SUPPORT.—The term
2 “late-stage project support” includes support de-
3 scribed in section 1421 of the Better Utilization of
4 Investments Leading to Development Act of 2018
5 (also referred to as the “BUILD Act of 2018”; en-
6 acted as division F of the FAA Reauthorization Act
7 of 2018 (Public Law 115–254)).

8 (3) INTERNATIONAL FINANCIAL INSTITU-
9 TION.—The term “international financial institu-
10 tion” has the meaning given such term in section
11 1701(c) of the International Financial Institutions
12 Act (22 U.S.C. 262r(c)).

13 **SEC. 3. SENSE OF CONGRESS; STATEMENT OF POLICY.**

14 (a) SENSE OF CONGRESS.—It is the sense of Con-
15 gress that the United States has economic and national
16 security interests in assisting European and Eurasian
17 countries achieve energy security through diversification
18 of their energy sources and supply routes.

19 (b) STATEMENT OF POLICY.—It is the policy of the
20 United States to—

21 (1) advance United States foreign policy and
22 development goals by assisting European and Eur-
23 asian countries to reduce their dependence on energy
24 resources from countries that use energy dependence
25 for undue political influence, such as the Russian

1 Federation, which has used natural gas to coerce, in-
2 timidate, and influence other countries;

3 (2) promote the energy security of European
4 and Eurasian allies and partners of the United
5 States by encouraging the development of accessible,
6 transparent, and competitive energy markets that
7 provide diversified sources, types, and routes of en-
8 ergy;

9 (3) encourage United States public and private
10 sector investment in European and Eurasian energy
11 infrastructure projects to bridge the gap between en-
12 ergy security requirements and commercial demand
13 in a way that is consistent with the region's absorp-
14 tive capacity;

15 (4) help facilitate a well-functioning market for
16 energy resources in a way that benefits the energy
17 security of the United States and European and
18 Eurasian allies and partners of the United States;
19 and

20 (5) help facilitate the export of United States
21 energy technology and expertise to global markets.

1 **SEC. 4. PRIORITIZATION OF EFFORTS AND ASSISTANCE**
2 **FOR ENERGY INFRASTRUCTURE PROJECTS**
3 **IN EUROPE AND EURASIA.**

4 (a) IN GENERAL.—In pursuing the policy described
5 in section 3(b), the Secretary of State, in coordination
6 with the heads of United States agencies that operate
7 under the foreign policy guidance of the Secretary, shall,
8 as appropriate, prioritize and expedite the efforts of the
9 Department of State and such agencies in supporting the
10 efforts of the European Commission and European and
11 Eurasian countries to increase the energy security of such
12 countries, including through—

13 (1) providing diplomatic and political support to
14 the European Commission and such countries, as
15 necessary to—

16 (A) facilitate international negotiations
17 concerning cross-border infrastructure;

18 (B) enhance Europe’s and Eurasia’s regu-
19 latory environment with respect to energy; and

20 (C) develop accessible, transparent, and
21 competitive energy markets supplied by diverse
22 sources, types, and routes of energy; and

23 (2) providing support to improve European and
24 Eurasian energy markets, including early-stage
25 project support and late-stage project support for

1 the construction or improvement of energy infra-
2 structure, as necessary, to—

3 (A) diversify the energy sources and supply
4 routes of such countries;

5 (B) enhance energy market integration
6 across the region; and

7 (C) increase competition within energy
8 markets.

9 (b) PROJECT SELECTION.—

10 (1) IN GENERAL.—The Secretary of State, in
11 consultation with the heads of agencies described in
12 subsection (a), shall identify and, in accordance with
13 paragraph (3), select energy infrastructure projects
14 that would be appropriate for United States assist-
15 ance under this section.

16 (2) PROJECT ELIGIBILITY.—A project is eligible
17 for United States assistance under this section if
18 such project is—

19 (A) related to—

20 (i) natural gas infrastructure, such as
21 interconnectors, storage facilities, liquefied
22 natural gas import facilities, or reverse
23 flow capacity;

1 (ii) electricity transmission infrastruc-
2 ture, electricity storage projects, or smart
3 grid projects;

4 (iii) renewable energy projects in
5 wind, solar, tidal, or other forms; or

6 (iv) the improvement, rehabilitation,
7 or construction of electricity generation fa-
8 cilities to increase the efficiency and reli-
9 ability of electricity production; and

10 (B) located in a European or Eurasian
11 country.

12 (3) PREFERENCE.—In selecting among projects
13 that are eligible under paragraph (2), the Secretary
14 of State and the heads of agencies described in sub-
15 section (a) shall give preference to projects that—

16 (A) improve the capacity of energy systems
17 to efficiently transfer gas and electricity within
18 and between European or Eurasian countries;

19 (B) have already been identified by the
20 European Commission as being integral for the
21 energy security of European or Eurasian coun-
22 tries;

23 (C) are expected to enhance energy market
24 integration and transparency;

1 (D) can attract funding from the private
2 sector, an international financial institution, the
3 government of the country in which the project
4 will be carried out, or the European Commis-
5 sion; or

6 (E) have the potential to use United States
7 goods and services.

8 (c) TYPES OF ASSISTANCE.—

9 (1) DIPLOMATIC AND POLITICAL SUPPORT.—

10 The Secretary of State, in coordination with the
11 heads of agencies described in subsection (a), as ap-
12 propriate, shall provide diplomatic and political sup-
13 port to the European Commission and European or
14 Eurasian countries, as necessary, including by using
15 the diplomatic and political influence and expertise
16 of the Department of State to build the capacity of
17 such countries to resolve any impediments to the de-
18 velopment of projects selected under subsection (b).

19 (2) EARLY-STAGE PROJECT SUPPORT.—The
20 Secretary of State, in coordination, as appropriate,
21 with the heads of agencies described in subsection
22 (a), including the Director of the Trade and Devel-
23 opment Agency, shall provide early-stage project
24 support to projects selected under subsection (b), as

1 necessary and in accordance with section 661 of the
2 Foreign Assistance Act of 1961 (22 U.S.C. 2421).

3 (3) LATE-STAGE PROJECT SUPPORT.—The Sec-
4 retary of State, in coordination, as appropriate, with
5 the heads of agencies described in subsection (a),
6 shall provide late-stage project support to projects
7 selected under subsection (b), as necessary and in
8 accordance with section 1412 of the Better Utiliza-
9 tion of Investments Leading to Development Act (re-
10 lating to the establishment of the United States
11 International Development Finance Corporation).

12 (d) FUNDING.—

13 (1) TRADE AND DEVELOPMENT AGENCY.—Sub-
14 paragraph (A) of section 661(f)(1) of the Foreign
15 Assistance Act of 1961 (22 U.S.C. 2421(f)(1)) is
16 amended by striking “\$48,000,000 for fiscal year
17 2000” and inserting “\$79,500,000 for fiscal year
18 2020”.

19 (2) COUNTERING RUSSIAN INFLUENCE FUND.—
20 Section 254 of the Countering Russian Influence in
21 Europe and Eurasia Act of 2017 (enacted as title II
22 of the Countering America’s Adversaries Through
23 Sanctions Act; Public Law 115–44; 22 U.S.C. 9543)
24 is amended—

1 (A) in subsection (a), by striking “fiscal
2 years 2018 and 2019” and adding “fiscal years
3 2020 and 2021”; and

4 (B) in subsection (b), by adding at the end
5 the following new paragraph:

6 “(7) To assist United States agencies that op-
7 erate under the foreign policy guidance of the Sec-
8 retary of State in providing assistance under section
9 4 of the European Energy Security and Diversifica-
10 tion Act of 2019.”.

11 (e) EXCEPTION.—No United States assistance under
12 this section may be provided to a European or Eurasian
13 country that engages in a significant transaction described
14 in subsection (a) of section 231 of the Countering Amer-
15 ica’s Adversaries Through Sanctions Act (22 U.S.C.
16 9525).

17 **SEC. 5. PROGRESS REPORTS.**

18 Not later than one year after the date of the enact-
19 ment of this Act and annually thereafter for seven years,
20 the President shall transmit to the Committee on Foreign
21 Relations of the Senate and the Committee on Foreign
22 Affairs of the House of Representatives a report on
23 progress made in providing assistance for projects under
24 section 4 that includes the following:

1 (1) A description of the energy infrastructure
2 projects the United States has identified for such as-
3 sistance.

4 (2) For each such project, the following:

5 (A) A description of the role of the United
6 States in the project, including in early-stage
7 project support and late-stage project support.

8 (B) The amount and form of any debt fi-
9 nancing and insurance provided by the United
10 States Government for the project.

11 (C) The amount and form of any early-
12 stage project support.

13 (D) An update on the progress made on
14 the project as of the date of the report.

Passed the House of Representatives March 25,
2019.

Attest:

Clerk.

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