

116TH CONGRESS
1ST SESSION

S. 1441

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 SENATE OF THE UNITED STATES

MAY 14, 2019

Mr. CRUZ (for himself, Mrs. SHAHEEN, Mr. BARRASSO, and Mr. COTTON) introduced the following bill; which was read twice and referred to the Committee on Foreign Relations

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—

8 (1) the United States and Europe share a com-
9 mon history, a common identity, and common values

1 built upon the principles of democracy, rule of law,
2 and individual freedoms;

3 (2) the United States has encouraged and ad-
4 mired the European project, which has resulted in a
5 common market and common policies, has achieved
6 unprecedented prosperity and stability on the con-
7 tinent, and serves as a model for other countries to
8 reform their institutions and prioritize
9 anticorruption measures;

10 (3) the relationships between the United States
11 and Europe and the United States and Germany are
12 critical to the national security interests of the
13 United States as well as to global prosperity and
14 peace, and Germany in particular is a crucial part-
15 ner for the United States in multilateral efforts
16 aimed at promoting global prosperity and peace;

17 (4) the United States should stand against any
18 effort designed to weaken those relationships; and

19 (5) Germany has demonstrated leadership with-
20 in the European Union and in international fora to
21 ensure that sanctions imposed with respect to the
22 Russian Federation for its malign activities are
23 maintained.

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-
25 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.

1 (C) LOANS FROM UNITED STATES FINAN-
2 CIAL INSTITUTIONS.—The United States Gov-
3 ernment may prohibit any United States finan-
4 cial institution from making loans or providing
5 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-
11 TUTIONS.—The following prohibitions may be
12 imposed with respect to the foreign person if
13 the foreign person is a financial institution:

14 (i) PROHIBITION ON DESIGNATION AS
15 PRIMARY DEALER.—Neither the Board of
16 Governors of the Federal Reserve System
17 nor the Federal Reserve Bank of New
18 York may designate, or permit the continu-
19 ation of any prior designation of, such fi-
20 nancial institution as a primary dealer in
21 United States Government debt instru-
22 ments.

23 (ii) PROHIBITION ON SERVICE AS A
24 REPOSITORY OF GOVERNMENT FUNDS.—
25 Such financial institution may not serve as

1 agent of the United States Government or
2 serve as repository for United States Gov-
3 ernment funds.

4 The imposition of either sanction under clause
5 (i) or (ii) shall be treated as 1 sanction for pur-
6 poses of paragraph (1), and the imposition of
7 both such sanctions shall be treated as 2 sanc-
8 tions for purposes of paragraph (1).

9 (E) PROCUREMENT SANCTION.—The
10 United States Government may not procure, or
11 enter into any contract for the procurement of,
12 any goods or services from the foreign person.

13 (F) FOREIGN EXCHANGE.—The President
14 may, pursuant to such regulations as the Presi-
15 dent may prescribe, prohibit any transactions in
16 foreign exchange that are subject to the juris-
17 diction of the United States and in which the
18 foreign person has any interest.

19 (G) BANKING TRANSACTIONS.—The Presi-
20 dent may, pursuant to such regulations as the
21 President may prescribe, prohibit any transfers
22 of credit or payments between financial institu-
23 tions or by, through, or to any financial institu-
24 tion, to the extent that such transfers or pay-
25 ments 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 OFFI-
2 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 share-
7 holder with a controlling interest in, the foreign
8 person.

9 (K) SANCTIONS ON PRINCIPAL EXECUTIVE
10 OFFICERS.—The President may impose on the
11 principal executive officer or officers of the for-
12 eign person, or on persons performing similar
13 functions and with similar authorities as such
14 officer or officers, any of the sanctions under
15 this paragraph.

16 (e) EXCEPTIONS.—

17 (1) EXCEPTION TO COMPLY WITH UNITED NA-
18 TIONS HEADQUARTERS AGREEMENT.—Sanctions
19 under this subsection shall not apply with respect to
20 the admission of an alien to the United States if the
21 admission of the alien is necessary to permit the
22 United States to comply with the Agreement regard-
23 ing the Headquarters of the United Nations, signed
24 at Lake Success June 26, 1947, and entered into
25 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.

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 (h) DEFINITIONS.—In this section:

16 (1) ADMISSION; ADMITTED; ALIEN.—The terms
 17 “admission”, “admitted”, and “alien” have the
 18 meanings given those terms in section 101 of the
 19 Immigration and Nationality Act (8 U.S.C. 1101).

20 (2) APPROPRIATE CONGRESSIONAL COMMIT-
 21 TEES.—The term “appropriate congressional com-
 22 mittees” means the Committee on Foreign Relations
 23 of the Senate and the Committee on Foreign Affairs
 24 of the House of Representatives.

1 (3) FOREIGN PERSON.—The term “foreign per-
 2 son” means an individual or entity that is not a
 3 United States person.

4 (4) KNOWINGLY.—The term “knowingly”, with
 5 respect to conduct, a circumstance, or a result,
 6 means that a person has actual knowledge, or should
 7 have known, of the conduct, the circumstance, or the
 8 result.

9 (5) UNITED STATES PERSON.—The term
 10 “United States person” means—

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

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

18 **SEC. 4. STRATEGY TO IMPROVE ENERGY SECURITY OF EU-**
 19 **ROPEAN ALLIES OF THE UNITED STATES.**

20 (a) IN GENERAL.—The President shall direct the
 21 Secretary of State, in coordination with the heads of other
 22 Federal agencies, as appropriate, to develop a strategy to
 23 improve the national and regional energy security of allies
 24 of the United States in Europe.

1 (b) ELEMENTS.—The strategy required by subsection

2 (a) shall include elements—

3 (1) to deepen the role of United States diplo-
4 macy in Europe and the Middle East in enhancing
5 the energy security of allies of the United States in
6 Europe;

7 (2) to diversify the energy sources of such al-
8 lies;

9 (3) to counter efforts by the Russian Federa-
10 tion to establish energy dominance over Europe; and

11 (4) to improve the resilience of energy infra-
12 structure of such allies.

13 **SEC. 5. REPORT ON EFFECTS OF NORD STREAM 2 ON THE**
14 **NATIONAL SECURITY OF THE UNITED**
15 **STATES.**

16 Not later than 90 days after the date of the enact-
17 ment of this Act, the Secretary of State shall submit to
18 the appropriate congressional committees (as defined in
19 section 3(h)) a report that includes the following:

20 (1) An assessment of the effects of the Nord
21 Stream 2 natural gas pipeline on the national secu-
22 rity of the United States, including an assessment of
23 the effect that increased dependence by countries in
24 Europe on Russian natural gas would have on—

25 (A) the energy security of Europe;

1 (B) the diplomatic security and foreign
2 policy of Ukraine;

3 (C) the diplomatic security and foreign pol-
4 icy of Germany; and

5 (D) United States diplomatic missions and
6 facilities of the United States Government in
7 Europe.

8 (2) A description of activities of, or support by,
9 the Government of the Russian Federation aimed at
10 influencing opinions of the public and elites in Eu-
11 rope to generate support for Nord Stream 2 and
12 other Russian energy export projects, including
13 through—

14 (A) propaganda activities through media
15 and digital platforms, including broadcast and
16 satellite-based television, radio, internet, and
17 print media; or

18 (B) funding or otherwise supporting third-
19 party groups in Europe such as think tanks,
20 academic institutions, trade associations, and
21 other nongovernmental organizations.

22 **SEC. 6. REPORT ON ENTITIES INVOLVED IN CONSTRUC-**
23 **TION OR REPAIR OF NORD STREAM 2.**

24 (a) IN GENERAL.—Not later than 180 days after the
25 date of the enactment of this Act, and annually thereafter

1 until the date that is 6 years after such date of enactment,
2 the Secretary of State shall submit to the appropriate con-
3 gressional committees (as defined in section 3(h)) a report
4 that includes—

5 (1) a list of all entities, including financial insti-
6 tutions, directly or indirectly providing goods, serv-
7 ices, information, or technology for the construction
8 or repair of the Nord Stream 2 natural gas pipeline;
9 and

10 (2) an assessment of whether each entity on the
11 list required by paragraph (1) has knowingly en-
12 gaged in a significant transaction with, or provided
13 goods, services, information, or technology to or
14 for—

15 (A) a Russian person the property or inter-
16 ests in property of which have been blocked
17 pursuant to the International Emergency Eco-
18 nomic Powers Act (50 U.S.C. 1701 et seq.);

19 (B) any person with respect to which sanc-
20 tions have been imposed under section 231 of
21 the Countering America's Adversaries Through
22 Sanctions Act (22 U.S.C. 9525); or

23 (C) any person with respect to which sanc-
24 tions have been imposed under—

1 (i) any other provision of title II of
2 the Countering America’s Adversaries
3 Through Sanctions Act (22 U.S.C. 9501 et
4 seq.);

5 (ii) the Support for the Sovereignty,
6 Integrity, Democracy, and Economic Sta-
7 bility of Ukraine Act of 2014 (22 U.S.C.
8 8901 et seq.); or

9 (iii) the Ukraine Freedom Support
10 Act of 2014 (22 U.S.C. 8921 et seq.).

11 (b) RUSSIAN PERSON DEFINED.—In this section, the
12 term “Russian person” has the meaning given that term
13 in section 2 of the Ukraine Freedom Support Act of 2014
14 (22 U.S.C. 8921).

○