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

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 __________

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 
4 SECTION 1. SHORT TITLE.
5 This Act may be cited as the “Protecting Europe’s
6 Energy Security Act of 2019”.
7 SEC. 2. SENSE OF CONGRESS.
8 It is the sense of Congress that—
9 (1) the United States and Europe share a com-
10 mon 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 fora to ensure that sanctions imposed with respect to the Russian Federation for its malign activities are maintained.
SEC. 3. IMPOSITION OF SANCTIONS WITH RESPECT TO PRO-
VISION OF CERTAIN VESSELS FOR THE CON-
STRUCTION OF RUSSIAN ENERGY EXPORT
PIPLINES.

(a) Report Required.—Not later than 60 days
after the date of the enactment of this Act, and every 90
days thereafter, the Secretary of State shall submit to the
appropriate congressional committees a report that identi-
fies, for the period beginning on the date of the enactment
of this Act and ending on the date of the report—

(1) vessels that engaged in pipe-laying at
depths of 100 feet or more below sea level for the
construction of Russian energy export pipelines; and

(2) foreign persons that have sold, leased, pro-
vided, or facilitated the provision of those vessels for
the construction of such pipelines.

(b) Inadmissibility to United States of Identified Persons and Corporate Officers.—The Sec-
retary of State shall deny a visa to, and the Secretary of
Homeland Security shall exclude from the United States
of, any alien who is—

(1) a foreign person identified under subsection
(a)(2);

(2) a corporate officer of a person described in
paragraph (1); or
(3) a principal shareholder with a controlling interest in a person described in paragraph (1).

(c) Blocking of Property of Identified Persons.—The President shall exercise all powers granted to the President by the International Emergency Economic Powers Act (50 U.S.C. 1701 et seq.) to the extent necessary to block and prohibit all transactions in all property and interests in property of any person identified under subsection (a)(2) if such property and interests in property are in the United States, come within the United States, or are or come within the possession or control of a United States person.

(d) Sanctions for Provision of Underwriting Services or Insurance or Reinsurance for Identified Vessels.—

(1) In General.—The President may impose 5 or more of the sanctions described in paragraph (2) with respect to a foreign person if the President determines that the person knowingly, on or after the date of the enactment of this Act, provides underwriting services or insurance or reinsurance for a vessel identified under subsection (a)(1).

(2) Sanctions Described.—The sanctions that may be imposed with respect to a foreign person under paragraph (1) are the following:
(A) Export-Import Bank Assistance for Exports to Sanctioned Persons.—The President may direct the Export-Import Bank of the United States not to give approval to the issuance of any guarantee, insurance, extension of credit, or participation in the extension of credit in connection with the export of any goods or services to the foreign person.

(B) Export Sanction.—The President may order the United States Government not to issue any specific license and not to grant any other specific permission or authority to export any goods or technology to the foreign person under—

(i) the Export Control Reform Act of 2018 (50 U.S.C. 4801 et seq.);

(ii) the Arms Export Control Act (22 U.S.C. 2751 et seq.);

(iii) the Atomic Energy Act of 1954 (42 U.S.C. 2011 et seq.); or

(iv) any other statute that requires the prior review and approval of the United States Government as a condition for the export or reexport of goods or services.
(C) Loans from United States Financial Institutions.—The United States Government may prohibit any United States financial institution from making loans or providing credits to the foreign person totaling more than $10,000,000 in any 12-month period unless such person is engaged in activities to relieve human suffering and the loans or credits are provided for such activities.

(D) Prohibitions on Financial Institutions.—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
agent of the United States Government or
serve as repository for United States Gov-
ernment funds.

The imposition of either sanction under clause
(i) or (ii) shall be treated as 1 sanction for pur-
poses of paragraph (1), and the imposition of
both such sanctions shall be treated as 2 sanc-
tions 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 Presi-
dent may prescribe, prohibit any transactions in
foreign exchange that are subject to the juris-
diction of the United States and in which the
foreign person has any interest.

(G) BANKING TRANSACTIONS.—The Presi-
dent may, pursuant to such regulations as the
President may prescribe, prohibit any transfers
of credit or payments between financial institu-
tions or by, through, or to any financial institu-
tion, to the extent that such transfers or pay-
ments are subject to the jurisdiction of the
United States and involve any interest of the foreign person.

(H) **Property Transactions.**—The President may, pursuant to such regulations as the President may prescribe, prohibit any person from—

(i) acquiring, holding, withholding, using, transferring, withdrawing, transporting, importing, or exporting any property that is subject to the jurisdiction of the United States and with respect to which the foreign person has any interest;

(ii) dealing in or exercising any right, power, or privilege with respect to such property; or

(iii) conducting any transaction involving such property.

(I) **Ban on Investment in Equity or Debt of Sanctioned Person.**—The President may, pursuant to such regulations or guidelines as the President may prescribe, prohibit any United States person from investing in or purchasing significant amounts of equity or debt instruments of the foreign person.
(J) **Exclusion of Corporate Officers.**—The President may direct the Secretary of State to deny a visa to, and the Secretary of Homeland Security to exclude from the United States, any alien that the President determines is a corporate officer or principal of, or a shareholder with a controlling interest in, the foreign 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-
tions and the United States, the Convention on Con-
sular Relations, done at Vienna April 24, 1963, and
entered into force March 19, 1967, or other applica-
ble international obligations.

(2) EXCEPTION RELATING TO IMPORTATION OF
GOODS.—

(A) IN GENERAL.—A requirement or the
authority to block and prohibit all transactions
in all property and interests in property under
this section shall not include the authority to
impose sanctions on the importation of goods.

(B) GOOD DEFINED.—In this paragraph,
the term “good” means any article, natural or
man-made substance, material, supply or manu-
factured product, including inspection and test
equipment, and excluding technical data.

(f) NATIONAL SECURITY WAIVER.—The President
may waive the application of sanctions under this section
with respect to a person if the President—

(1) determines that the waiver is in the national
security interests of the United States; and

(2) submits to the appropriate congressional
committees a report on the waiver and the reasons
for the waiver.

(g) IMPLEMENTATION; PENALTIES.—
(1) Implementation.—The President may exercise all authorities provided to the President under sections 203 and 205 of the International Emergency Economic Powers Act (50 U.S.C. 1702 and 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 of the Senate and the Committee on Foreign Affairs of the House of Representatives.
(3) FOREIGN PERSON.—The term “foreign person” means an individual or entity that is not a United States person.

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

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

(A) a United States citizen or an alien lawfully admitted for permanent residence to the United States; or

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

SEC. 4. STRATEGY TO IMPROVE ENERGY SECURITY OF EUROPEAN ALLIES OF THE UNITED STATES.

(a) IN GENERAL.—The President shall direct the Secretary of State, in coordination with the heads of other Federal agencies, as appropriate, to develop a strategy to improve the national and regional energy security of allies of the United States in Europe.
(b) ELEMENTS.—The strategy required by subsection (a) shall include elements—

(1) to deepen the role of United States diplomacy in Europe and the Middle East in enhancing the energy security of allies of the United States in Europe;

(2) to diversify the energy sources of such allies;

(3) to counter efforts by the Russian Federation to establish energy dominance over Europe; and

(4) to improve the resilience of energy infrastructure of such allies.

SEC. 5. REPORT ON EFFECTS OF NORD STREAM 2 ON THE NATIONAL SECURITY OF THE UNITED STATES.

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

(1) An assessment of the effects of the Nord Stream 2 natural gas pipeline on the national security of the United States, including an assessment of the effect that increased dependence by countries in Europe on Russian natural gas would have on—

(A) the energy security of Europe;
(B) the diplomatic security and foreign policy of Ukraine;

(C) the diplomatic security and foreign policy of Germany; and

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

(2) A description of activities of, or support by, the Government of the Russian Federation aimed at influencing opinions of the public and elites in Europe to generate support for Nord Stream 2 and other Russian energy export projects, including through—

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

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

SEC. 6. REPORT ON ENTITIES INVOLVED IN CONSTRUCTION OR REPAIR OF NORD STREAM 2.

(a) In General.—Not later than 180 days after the date of the enactment of this Act, and annually thereafter
until the date that is 6 years after such date of enactment, the Secretary of State shall submit to the appropriate congressional committees (as defined in section 3(h)) a report that includes—

(1) a list of all entities, including financial institutions, directly or indirectly providing goods, services, information, or technology for the construction or repair of the Nord Stream 2 natural gas pipeline; and

(2) an assessment of whether each entity on the list required by paragraph (1) has knowingly engaged in a significant transaction with, or provided goods, services, information, or technology to or for—

(A) a Russian person the property or interests in property of which have been blocked pursuant to the International Emergency Economic Powers Act (50 U.S.C. 1701 et seq.);

(B) any person with respect to which sanctions have been imposed under section 231 of the Countering America’s Adversaries Through Sanctions Act (22 U.S.C 9525); or

(C) any person with respect to which sanctions have been imposed under—
(i) any other provision of title II of the Countering America’s Adversaries Through Sanctions Act (22 U.S.C. 9501 et seq.);

(ii) the Support for the Sovereignty, Integrity, Democracy, and Economic Stability of Ukraine Act of 2014 (22 U.S.C. 8901 et seq.); or

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

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