

Congress of the United States
Washington, DC 20515

June 5, 2020

Secretary Mike Pompeo
U.S. Department of State
2201 C Street NW
Washington, DC 20520

Dear Secretary Pompeo,

As Members of the bipartisan Congressional Ukraine Caucus, we write to express concern regarding Russia's efforts to circumvent Congressional sanctions on Nord Stream 2, and urge you to urgently apply sanctions on Russian entities, STIF and MRTS and any other firms should they engage in pipelaying or provide technical support as mandated under section 7503 of the Protecting Europe's Energy Security Act of 2019 (National Defense Authorization Act of 2020; PL. 116-92; 22 U.S.C. 9526 note). Despite the ongoing COVID-19 pandemic, U.S. longstanding interests in European energy security and opposition to Nord Stream 2 remains firm, and we remain vigilant in our efforts to protect Ukrainian sovereignty and European allies and partners from malign Russian influence.

As you know, Russian dictator Vladimir Putin seeks to sow discord in the Transatlantic alliance through hybrid warfare operations. This includes weaponizing energy to weaken democratic institutions and solidarity through the export of strategic corruption. Recall that in 2006 and 2009 Russian authorities cut off gas flows through Ukraine during the winter leading to hardship not only for the people of Ukraine, but also neighboring countries like Bulgaria and Romania. This year, the Kremlin has attempted to coerce neighboring Belarus into forming a union state to chart a path to keep Putin in power beyond Russia's own Presidential term by engaging in a cutoff of oil shipments.

More recently, Russian authorities seek to complete Nord Stream 2 as a political and economic weapon to cut off critical gas transit through Ukraine, a nation fighting for its survival against Russian aggression and occupation of its regions, as well as to increase its leverage over Europe. That is why several eastern European, Nordic and Baltic countries have joined the United States in expressing their concerns with the project.

Thankfully, the U.S. Congress on an overwhelming bipartisan basis established the means to apply targeted sanctions on pipelaying companies to halt the pipeline and protect Ukraine's security. These sanctions were critical to ensure the conclusion of a Ukraine-Russia gas transit contract and Gazprom's payment of compensation to Ukraine's Naftogaz of \$2.92 billion following a landmark 2018 Stockholm Arbitration decision against Gazprom. Meanwhile, the pledged U.S. \$1 billion investment in the Three Seas Initiative fund will be an important step to

diversify Central and Eastern Europe energy sources and increase infrastructure resiliency among current member nations in the face of increased Russian and Chinese influence.

Unfortunately, it appears that Russian authorities believe Western officials are distracted by COVID-19 and currently seek to circumvent these sanctions and finish the pipeline through use of two Russian pipelaying vessels: the *Akademik Cherskiy* owned by STIF (previously Gazflot) and the *Fortuna* owned by Russian-owned MRTS. These ships are currently docked near the German Port of Mukran and could potentially be joined by other maritime technology service vessels in the future. The Kremlin is hoping that by fast-tracking the completion of the project, the U.S. will fail to respond in due speed. We are optimistic that this will not be the case given continued U.S. bipartisan opposition to the pipeline. While we applaud the German energy regulator's decision to apply EU energy anti-monopoly laws to Nord Stream 2, any gas transit through the pipeline would create incentives to reduce transit through Ukraine, weakening that country's sovereignty and ability to defend itself against Russian aggression.

For these reasons, we respectfully urge you, in consultation with Treasury Secretary Steven Mnuchin, to apply NDAA sanctions on STIF and MRTS and any other firm should they engage in pipelaying or provide technical support, to protect Ukraine and our European allies and partners from this tool in the Kremlin's broader tool-kit of malign influence. Additionally, we must also continue to provide Europe with alternative energy source options. We urge you to continue diplomatic efforts to support European energy diversification efforts through the Three Seas Initiative, and to promote member nation and private investments to move forward with joint financing of infrastructure projects. Thank you for your consideration, and we look forward to hearing from you.

Sincerely,



MARCY KAPTUR
Member of Congress



ANDY HARRIS, M.D.
Member of Congress



MIKE QUIGLEY
Member of Congress



BRIAN FITZPATRICK
Member of Congress



MICHAEL C. BURGESS, M.D.
Member of Congress

cc: Secretary of the Treasury Steven Mnuchin