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U.S. Senate Committee Backs Nord Stream 2 Sanctions Bill

The bill will need to pass the Senate and House of Representatives before becoming law.

By Reuters

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Axel Schmidt / DPA / TASS

A U.S. Senate committee passed a bill Wednesday to slap sanctions on companies and individuals involved in building the Nord Stream 2 gas pipeline from Russia to Germany that the Trump administration says would strengthen Moscow's economic grip on Europe.

The Senate Foreign Relations Committee passed the "Protecting Europe's Energy Security Act," by a vote of 20 to 2. The bill, which reflects some lawmakers' concerns over Russian influence in Europe, would still need to pass the full Senate and House of Representatives and be signed by President Donald Trump into law.

A companion bill passed the House Foreign Affairs Committee last month.

“Russia has a history of using energy as a weapon,” said Republican Senator Ted Cruz, one of the measure’s sponsors.

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The Nord Stream 2 project, which has mostly been completed, is led by the Russian state-owned gas company Gazprom, with half of the funding provided by Germany’s Uniper and BASF’s Wintershall unit, Anglo-Dutch firm Shell, Austria’s OMV and France’s Engie.

The sanctions could also affect other natural gas export pipelines from Russia, including the Turk Stream project.

Cruz’s bill is one of a handful in Congress looking to impose sanctions on the project. The measure would penalize ships that lay Russian energy export pipelines at depths of 100 feet (30 meters) or more below sea level, a stipulation that could also apply to the Turk Stream gas pipeline.

Republican Senator Rand Paul and Democratic Senator Tom Udall were the panel members who voted against the bill. Paul complained that it sanctioned U.S. allies and harmed international companies that employ thousands of Americans. The bill’s backers disputed this.

“It makes no sense to hurt people that are helping us apply pressure on Russia and in other areas,” Paul said.

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Senator Bob Menendez, the panel’s top Democrat, said he backed the bill, but that it was important to reinforce U.S. ties with Berlin. Germany says Nord Stream is important to its economy, Europe’s largest, and opposes sanctions on the commercial project.

Republican Senator Jim Risch, committee chairman, said the panel would also consider another bill, the bipartisan Defending American Security from Kremlin Aggression Act (DASKA), although the timing was not clear.

That bill would impose stiff sanctions on Russia over meddling in U.S. elections and aggression against Ukraine. One sponsor, Republican Senator Lindsey Graham, has called it the “sanctions bill from hell.”

DASKA would impose strict measures on Russia’s oil and gas sector, which contributes about 40% of Moscow’s revenues. It would also sanction individuals who provide goods, services or financing to support development of crude oil in the country as well as Russian state-owned energy ventures outside of Russia, including investments in liquefied natural gas projects.

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