

PEESA Public Guidance/FAQs

The Department of State is committed to fully implementing sanctions authorities in the Protecting Europe's Energy Security Act of 2019 ("PEESA" or "the Act," Title LXXV, National Defense Authorization Act for Fiscal Year 2020, Pub. L. No. 116-92). We continue to call on Russia to cease using its energy resources for coercive purposes. Russia uses its energy export pipelines to create national and regional dependencies on Russian energy supplies, leveraging these dependencies to expand its political, economic, and military influence, weaken European security, and undermine U.S. national security and foreign policy interests. These pipelines also reduce European energy diversification, and hence weaken European energy security.

PEESA provides the United States with the authority to advance U.S. national security and foreign policy objectives, in particular, to address Russian pipeline projects that create risks to U.S. national security, threaten Europe's energy security, and consequently, endanger Europe's political and economic welfare.

In accordance with PEESA Section 7503, the Secretary of State, in consultation with the Secretary of the Treasury, is to submit a report to Congress for the relevant period, identifying (A) vessels that engaged in pipe-laying at depths of 100 feet or more below sea level for the construction of the Nord Stream 2 pipeline project, the TurkStream pipeline project, or any project that is a successor to either such project; and (B) foreign persons that the Secretary of State, in consultation with the Secretary of the Treasury, determines have knowingly sold, leased or provided those vessels for the construction of such a project; or facilitated deceptive or structured transactions to provide those vessels for the construction of such a project.

Q: How does the State Department interpret the term knowingly "provide[d] those vessels for the construction of such a project" in PEESA Section 7503(a)(1)(B)?

A: For the purposes of PEESA, which focuses on vessels engaged in pipe-laying at depths of 100 feet or more below sea level for the construction of the Nord Stream 2 pipeline project, the TurkStream pipeline project, or any project that is a successor to either such project (see Section 7503(a)(1)(A)), the phrase knowingly "provide[d] those vessels for the construction of such a project" in Section 7503(a)(1)(B) may cover foreign firms or persons who provide certain services or goods that are necessary or essential to the provision or operation of a vessel engaged in the process of pipe-laying for such projects. Such activities subject to sanctions pursuant to PEESA or other authorities may include, but are not limited to, providing services or facilities for upgrades or installation of equipment for those vessels, or funding for upgrades or installation of equipment for those vessels. The Department of State and the Department of the Treasury are prepared to use the full range of sanctions authorities to halt construction of these pipelines.

Pursuant to section 7503(e)(3) of PEESA, sanctions will not apply to persons providing provisions to a relevant vessel if such provisions are intended for the safety and care of the crew aboard the vessel, the protection of human life aboard the vessel, or the maintenance of the vessel to avoid any environmental or other significant damage.

Pursuant to section 7503(e)(4) of PEESA, sanctions will not apply to persons engaging in activities necessary for or related to the repair or maintenance of, or environmental remediation with respect to, Nord Stream 2, TurkStream, or any project that is a successor to either such project.

Q: Will the United States impose sanctions on persons engaged in certain activities prior to the issuance of this clarification of the term “provided?”

A: No, the United States will not impose sanctions on persons that the Secretary of State, in consultation with the Secretary of the Treasury, determines, on or after October 20,2020 meet the above criteria for having knowingly “provided those vessels for the construction of such a project” under Section 7503(a)(1)(B) of PEESA, if those persons immediately engage in, and complete within 30 days, a good-faith wind down of such activities upon the issuance of this clarification.