



**EXECUTIVE OFFICE OF THE PRESIDENT
OFFICE OF MANAGEMENT AND BUDGET
WASHINGTON, D.C. 20503**

January 13, 2022
(Senate)

STATEMENT OF ADMINISTRATION POLICY

S. 3436 — Protecting Europe’s Energy Security Implementation Act

(Sen. Cruz (R-TX) and three co-sponsors)

The Administration strongly opposes Senate passage of S. 3436, imposing further mandatory sanctions requirements with respect to entities responsible for the planning, construction, or operation of the Nord Stream 2 pipeline.

The Administration has been clear with our allies that Nord Stream 2 is a harmful Russian geopolitical project that is a bad deal for Ukraine and a bad deal for Europe. The Administration does not believe this bill is a genuine effort to counter Russian aggression or protect Ukraine. In fact, if passed, the legislation would only serve to undermine unity amongst our European allies at a crucial moment when we need to present a unified front in response to Russian threats against Ukraine. The Administration strongly believes any new sanctions authority should allow us to impose maximal costs on Russia if it further invades Ukraine, in a manner that would preserve Transatlantic unity, which this legislation does not do.

The Administration remains focused on working with Germany to implement the July 21 Joint Statement of the United States and Germany on Support for Ukraine, Energy Security, and Our Climate Goals, which includes clear commitments to act if Russia attempts to use energy as a weapon or commits further aggressive acts against Ukraine, and which the recently elected German government continue to implement. Additionally, the Administration continues to implement the Protecting Europe’s Energy Security Act, as amended. The Administration’s ability to issue a waiver of sanctions as provided by current law, facilitates continued U.S. engagement with Germany on the full implementation of these commitments. It is therefore imperative that flexible waiver authority for such existing or new sanctions always be preserved, without adding conditions that undermine the waiver’s effectiveness, including the protracted review and expedited override procedures proposed in the current bill. It is our assessment that the congressional review mechanisms established in S. 3436 would open the door to further unintended consequences that may take valuable floor time away from the Senate to consider additional measures.

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