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One Hundred Seventeenth Congress  
U.S. House of Representatives  
Committee on Foreign Affairs  
2170 Rayburn House Office Building  
Washington, DC 20515  
[www.foreignaffairs.house.gov](http://www.foreignaffairs.house.gov)

June 1, 2021

The Honorable Antony Blinken  
Secretary of State  
U.S. Department of State  
2201 C Street NW  
Washington, DC 20520

Dear Secretary Blinken:

We write to you to express deep disappointment with the Biden Administration's decision to apply a U.S. national interest waiver to forego the imposition of mandatory sanctions on Nord Stream 2 AG, its CEO, Matthias Warnig, and its corporate officers for their involvement in the Russian malign influence Nord Stream 2 pipeline project. Its completion will only empower the Kremlin to spread its destabilizing behavior further into Europe and fill Putin's coffers to fund future aggression.

We appreciate that the Administration has finally acknowledged what has been well known for some time: these people and entities have been engaged in activities for months for which mandatory sanctions are required pursuant to the Protecting Europe's Energy Security Act (PEESA), as amended by the Protecting Europe's Energy Security Clarification Act (PEESCA). To take action, however, and then immediately *wave* the sanctions undermines the Administration's repeated public opposition to the completion of Nord Stream 2 because it is a "bad deal for Europe".

The rationale provided to Congress for issuing a waiver is highly problematic. For starters, the assertion that these sanctions would "negatively impact U.S. relations with Germany, the EU, and other European allies and partners" completely discounts the opinion of the frontline Central and Eastern European countries, in particular Ukraine. As these allies and partners have the greatest security and economic concerns regarding Nord Stream 2, we are troubled that the extent of the Administration's consultations with many of them was a demarche just prior to the announcement as well as that the Administration appears to be prioritizing Berlin's interests over the interests of the rest of Europe.

The waiver also argues that “close cooperation with Germany, the EU, and other European allies and partners” cannot be threatened, as it will be critical to the success of U.S. efforts to “fight climate change,” “defend our democracies against authoritarianism,” and “counter malign behavior by Russia,” among other things. We wholeheartedly agree that robust transatlantic relations are essential to addressing a myriad of shared threats and challenges. Yet, waiving sanctions, which paves the way for the pipeline’s completion, runs directly counter to many of these same efforts. Above all, it is not serious to assert that failing to stop the pipeline would support transatlantic efforts to counter Russian malign behavior given Nord Stream 2 itself is a Russian malign influence project.

Sparing Nord Stream 2 AG and Mr. Waring also undermines this Administration’s commendable focus on battling the Kremlin’s strategic corruption and the threat it poses to the world’s democracies. The report to Congress on the waiver tries to conceal this reality. For example, while it identifies Nord Stream 2 AG as Swiss-based, it omits the fact that it is a wholly owned subsidiary of Kremlin-controlled Gazprom. It also describes Mr. Waring as a German national, but fails to mention that not only is he a former East German Stasi officer and well-known Putin crony who sits on the board of multiple Russian state-owned enterprises, but also has been named by leading Russian opposition activist Alexei Navalny as a critical enabler of the Russian president’s kleptocratic regime. By issuing waivers, the Administration has sent a regrettable message to Russia and China that the pursuit of elite capture to undermine Western democracies is not a redline where it is concerned.

The completion of Nord Stream 2 would also fly in the face of the climate goals set by your Administration, Europe and Germany. This in fact is largely why the German Green Party opposes the pipeline. Increasing European reliance on Russian-piped gas, which has higher lifecycle emissions than many other sources, does not support your stated goal of reducing carbon emissions.

We too are deeply concerned by the assertion in the report to Congress that the waiver will “provide space for diplomatic engagement with Germany to address the risk a completed Nord Stream 2 pipeline would pose to Ukraine and European energy security.” Congress has yet to be consulted on the Administration’s discussions with Berlin on this score, inhibiting our Constitutional oversight responsibilities. Moreover, we remain highly skeptical that the long-term consequences of a completed pipeline could ever be sufficiently mitigated given the simple truth that Ukraine will be rendered significantly more vulnerable to Russian aggression if Moscow no longer needs Kyiv as a transit country for its natural gas exports to Western Europe. The recent Russian military escalation in and on the border of Ukraine served as a potent reminder of this reality. The outcry from Kyiv and Warsaw following the U.S. announcement of the waivers made clear too that key Central and Eastern European allies share our concerns. It remains our belief that even if Germany, the EU and the United States all agree to various measures to attempt to mitigate the serious consequences of the pipeline’s completion, unless the Kremlin fundamentally changes its behavior, including by ending its illegal occupation of Crimea and war with Ukraine, it would be nothing short of naïve to believe such measures could actually be effective.

Finally, while we also appreciate your decision to designate numerous additional Russian vessels and entities, failing to sanction the pipeline project's insurer and its certifier further exposes the Administration's unserious approach to imposing the mandatory sanctions Congress authorized to stop the pipeline once and for all.<sup>1</sup> The expanded authorities in PEESCA, which have strong bipartisan support, included by design mandatory sanctions on insurance and certification companies involved in the pipeline. The Danish Energy Agency's construction permit requires an active insurer. Also, that permit and relevant national regulatory authorities require an independent third-party verifier to green light the pipeline's operation. The Administration will need to explain to Congress why it continues to delay the imposition of these critical mandatory sanctions despite the pipeline being over 95% complete.

If, as you asserted during your confirmation hearing, you are serious about doing everything possible to stop the completion of Nord Stream 2, then we urge you to do just that. We request that you immediately remove these ill-conceived U.S. national interest waivers and use the mandatory authorities Congress passed to target the insurance and certification companies participating in the project.

Your tough and unambiguous public statements need to be matched by tough and unambiguous action. The longer you wait, the more you will strengthen Putin's malign influence throughout Europe.

Sincerely,



MICHAEL T. McCAUL  
Ranking Member  
House Foreign Affairs Committee



BRIAN FITZPATRICK  
Ranking Member  
Subcommittee on Europe, Energy, the  
Environment, and Cyber



ADAM KINZINGER  
Member of Congress



AUGUST PFLUGER  
Member of Congress



CHRISTOPHER H. SMITH  
Member of Congress



STEVE CHABOT  
Member of Congress

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<sup>1</sup>Reportedly, the pipeline project is insured by LLC Insurance Company Constanta and is working with TÜV Austria Holding AG on the necessary certifications for operation.



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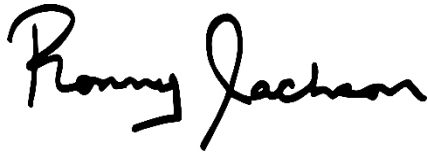
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