

119TH CONGRESS
1ST SESSION

H. R. ____

To impose sanctions with respect to Rosatom, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

Mr. KEAN introduced the following bill; which was referred to the Committee on

A BILL

To impose sanctions with respect to Rosatom, and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the “Rosatom Energy Sanctions Compliance and Unified Enforcement Act” or the “RESCUE Act”.

SEC. 2. STATEMENT OF POLICY.

It shall be the policy of the United States—

(1) to end United States reliance on the nuclear energy sector of the Russian Federation, including State Atomic Energy Corporation Rosatom (Rosatom), in light of Russia’s unprovoked war of aggression against Ukraine, a grave breach of international law;

(2) to work with United States allies and partners to find alternative nuclear energy suppliers to Russia and help these allies and partners end their reliance on Rosatom;

(3) to limit access of the Government of Russia to revenue through the implementation of sanctions and export controls against Rosatom; and

(4) to inhibit the Government of Russia from using Rosatom as a tool of malign influence internationally.

SEC. 3. STRATEGY.

(a) **IN GENERAL.**—Not later than 180 days after the date of the enactment of this Act, and annually thereafter for 4 years, the President shall submit to the appropriate congressional committees a strategy that contains the contents described in subsection (b).

(b) **CONTENTS DESCRIBED.**—The contents of the strategy required by subsection (a) shall include the following:

(1) A strategy to—

(A) work with United States allies and partners to find alternative nuclear energy suppliers to Russia and help these allies and partners end their reliance on Rosatom;

(B) effect a permanent decoupling of the United States from the Russian nuclear energy industry; and

(C) replace Rosatom as the primary entity that can provide reactor safety, operation, and overhaul services to the existing Rosatom and Russian Federation designed and constructed nuclear reactor fleet.

(2) A description of key vulnerabilities in the infrastructure and nuclear energy supply chains of United States allies and partners that are related to Rosatom or its subsidiaries.

(3) A description of consultations carried out with United States allies and partners in implementing the sanctions required by sections 4 and 5.

(4) A description of proposed assistance by the United States and United States' allies and partners to the International Atomic Energy Agency's international low-enriched uranium fuel bank in Kazakhstan.

(5) A description of feasible efforts the United States can take to ensure that foreign persons, including foreign financial institutions, sanctioned pursuant to this Act are not able to evade such sanctions by routing nuclear materials from Russia through third-party vendors or entrepots.

(c) FORM.—The strategy required by subsection (a) shall be submitted in unclassified form, but may contain a classified annex.

SEC. 4. IMPOSITION OF SANCTIONS WITH RESPECT TO ROSATOM.

(a) SANCTIONS REQUIRED.—On and after the date that is 180 days after the date of the enactment of this Act, the President shall impose the sanction described in subsection (b) with respect to—

(1) any foreign person that the President determines—

(A) operates in the nuclear energy sector of the Russian Federation; and

(B) is owned or controlled by the Government of the Russian Federation;

(2) any foreign person that the President determines knowingly engages, after the date of enactment of this Act, in—

(A) the approval or entering into of any contract for the construction of any new nuclear reactor intended to be constructed, operated, serviced, or maintained by a foreign entity described under paragraph (1);

(B) any significant transaction for or related to construction in connection with any new nuclear reactor intended to be constructed, operated, serviced, or maintained by a foreign entity described in paragraph (1); or

(C) the provision of construction-related services in connection with any new nuclear reactor intended to be constructed, operated, serviced, or maintained by a foreign entity described in paragraph (1); and

(3) any foreign person that is owned, controlled, or directed by any foreign person described in paragraph (1) or (2).

(b) SANCTIONS DESCRIBED.—The President shall exercise all of the powers granted by the International Emergency Economic Powers Act (50 U.S.C. 1701 et seq.) to block and prohibit all transactions in all property and interests in property of the foreign person if such property and interests in property are in the United States, come within the United States, or are or come within the possession or control of a United States person.

(c) PROHIBITIONS AND CONDITIONS WITH RESPECT TO CERTAIN ACCOUNTS HELD BY FOREIGN FINANCIAL INSTITUTIONS.—

(1) IN GENERAL.—The President may prescribe regulations to prohibit, or impose strict conditions on, the opening or maintaining in the United States of a correspondent account or a payable-through account by a foreign financial institution that the President determines has, after the date of enactment of this act, facilitated the activities of a foreign person described in section 4(a).

(2) DEFINITIONS.—In this subsection:

(A) CORRESPONDENT ACCOUNT; PAYABLE-THROUGH ACCOUNT.—The terms “correspondent account”, and “payable-through account” have the meanings given those terms in section 5318A of title 31, United States Code; and

(B) FOREIGN FINANCIAL INSTITUTION.—The term “foreign financial institution” has the meaning given that term under section 1010.605 of title 31, Code of Federal Regulations.

(d) TERMINATION OF PRIMARY SANCTIONS.—The President may terminate the sanctions required under subsection (a) with respect to foreign persons described in paragraph (1) of such subsection if, not later than 30 days before the termination of such sanctions, the President certifies in writing to the appropriate congressional committees that—

(1) the Russian Federation has ceased hostilities in Ukraine, has withdrawn all of its forces from Ukraine’s internationally recognized territory, and Ukraine’s territorial integrity is fully restored to its internationally recognized borders as of January 1, 2014;

(2) Rosatom is not contributing to the misuse of United States-origin nuclear material within Zaporizhzhia Nuclear Power Plant;

(3) Russia, through Rosatom, is not using or gaining any benefit of the proceeds from sales related to Rosatom to fund Russia’s illegal occupation of Ukraine or other territory;

(4) Russia is in full compliance with the Treaty between the United States of America and the Russian Federation on Measures for the Further Reduction and Limitation of Strategic Offensive Arms until such time that the treaty remains in effect or until a new treaty is negotiated and comes into force; and

(5) Rosatom’s transfer of nuclear materials and assistance to third-party countries does not contribute to any such country’s nuclear weapons activity or illicit nuclear activity.

(e) EXCEPTION WITH RESPECT TO VERIFIABLE STEPS TO CHANGE CONDUCT.—The President shall not be required to impose sanctions under subsection (a) with regards to a foreign person described under paragraph (2) or (3) of that subsection if the President certifies in writing to the appropriate congressional committees that—

(1) the foreign person—

(A) no longer meets the description of a foreign person described in paragraph (2) or (3) of section 4(a); or

(B) has taken and is continuing to take significant, verifiable steps toward no longer meeting the description of a foreign person described in paragraph (2) or (3) of section 4(a); and

(2) the foreign person has provided reliable assurances that the foreign person will not reinitiate described by paragraphs (2) or (3) of section 4(a), or will continue to make progress toward terminating such activities, as the case may be.

(f) WAIVERS.—

(1) IN GENERAL.—The President may waive the application of sanctions under subsection (a) on a case-by-case basis for renewable periods of 180 days if the President certifies to the appropriate congressional committees, not later than 15 days before the entry into effect of such waiver, that the waiver is in the national security interest of the United States.

(2) TRANSACTIONS RELATING TO ACTIVITIES NECESSARY TO THE PRODUCTION OF MEDICAL ISOTOPES AND INDUSTRIAL ISOTOPES.—

(A) IN GENERAL.—The President may waive the application of sanctions under subsection (a) for a transaction or transactions for periods not to exceed one year, renewable for up to 7 years, if—

(i) the President determines that the transaction or transactions relate to activities necessary to the production of medical isotopes or industrial isotopes; and

(ii) the President certifies to the appropriate congressional committees that—

(I) domestic medical isotope or industrial isotope production is insufficient to meet United States patient and industry requirements; and

(II) the United States is taking measurable steps to establish medical isotope or industrial isotope supply chains that are not reliant on Rosatom or other Russian source material.

(B) DEFINITIONS.—In this paragraph:

(i) INDUSTRIAL ISOTOPE.—The term “industrial isotope” means a radioactive or stable form of an element that is used primarily for industrial (non-medical) purposes; and

(ii) MEDICAL ISOTOPE.—The term “medical isotope” means a radioactive or stable form of an element that is either administered directly into a patient, is combined with a carrier molecule for diagnosis and treatment of disease, is contained within a medical device for diagnosis and treatment of disease, is used in the production of these isotopes, or is used primarily to sterilize medical devices or pharmaceutical products.

(g) EXCEPTIONS.—

(1) Sanctions under this section shall not apply to—

(A) any activity subject to the reporting requirements under title V of the National Security Act of 1947 (50 U.S.C. 3091 et seq.);

(B) any authorized intelligence activities of the United States;

(C) activities that are for the conduct of the official business of the United Nations, its specialized agencies, programmes, funds, and related organizations by

employees, contractors, or grantees of such agencies, programmes and funds; or

(D) any activities that are required for the safe operation of nuclear reactors, including critical reactor safety, safeguards, and security, in which there are no alternative suppliers.

(2) EXCEPTION RELATING TO IMPORTATION OF GOODS.—A requirement to block and prohibit all transactions in all property and interests in property pursuant to sanctions under this section shall not include the authority or a requirement to impose sanctions on the importation of goods.

(3) EXCEPTION TO COMPLY WITH THE UNITED NATIONS HEADQUARTERS AGREEMENT AND LAW ENFORCEMENT ACTIVITIES.—Sanctions under this section shall not apply with respect to the admission of an alien to the United States if admitting or paroling the alien into the United States is necessary—

(A) to permit the United States to comply with the Agreement regarding the Headquarters of the United Nations, signed at Lake Success June 26, 1947, and entered into force November 21, 1947, between the United Nations and the United States, or other applicable international obligations of the United States; or

(B) to carry out or assist authorized law enforcement activity in the United States.

(4) HUMANITARIAN ASSISTANCE.—Sanctions under this section shall not apply with respect to—

(A) the conduct or facilitation of a transaction for the provision of agricultural commodities, food, medicine, medical devices, or humanitarian assistance, or for humanitarian purposes; or

(B) transactions that are necessary for, or related to, the activities described in subparagraph (A).

(5) DEFINITIONS.—In this subsection:

(A) AGRICULTURAL COMMODITY.—The term “agricultural commodity” has the meaning given such term in section 102 of the Agricultural Trade Act of 1978 (7 U.S.C. 5602).

(B) GOOD.—The term “good” means any article, natural or manmade substance, material, supply, or manufactured product, including inspection and test equipment, and excluding technical data.

(C) MEDICAL DEVICE.—The term “medical device” has the meaning given the term “device” in section 201 of the Federal Food, Drug, and Cosmetic Act (21 U.S.C. 321).

(D) MEDICINE.—The term “medicine” has the meaning given the term “drug” in section 201 of the Federal Food, Drug, and Cosmetic Act (21 U.S.C. 321).

(h) IMPLEMENTATION; PENALTIES.—

(1) IMPLEMENTATION.—The President may exercise all authorities provided to the President under sections 203 and 205 of the International Emergency Economic Powers Act (50 U.S.C. 1702 and 1704) to carry out this section.

(2) PENALTIES.—The penalties provided for in subsections (b) and (c) of section 206 of the International Emergency Economic Powers Act (50 U.S.C. 1705) shall apply to a person that violates, attempts to violate, conspires to violate, or causes a violation of regulations promulgated under subsection (d) to carry out this section to the same extent that such penalties apply to a person that commits an unlawful act described in section 206(a) of that Act.

(i) REGULATORY AUTHORITY.—Not later than 180 days after the date of the enactment of this Act, the President shall promulgate regulations as necessary for the implementation of this section.

(j) SUNSET.—The authority to impose sanctions under this section shall terminate on the date that is 7 years after the date of enactment of this Act.

SEC. 5. CONGRESSIONAL OVERSIGHT OF CERTAIN SANCTIONS IMPOSED WITH RESPECT TO THE RUSSIAN FEDERATION.

(a) IN GENERAL.—Not later than 30 days after receiving a request from the chairman and ranking member of one of the appropriate congressional committees with respect to whether a person meets the criteria of a foreign person described in section 4(a) or is violating or has violated a covered regulation, the President shall—

(1) determine if the person meets such criteria; and

(2) submit a classified or unclassified report to such chairman and ranking member with respect to such determination that includes a statement of whether the President imposed or intends to impose sanctions with respect to such person.

(b) COVERED REGULATION DEFINED.—The term “covered regulation” means the following regulations as they are in effect on the date of enactment of this Act—

(1) part 587 of title 31, Code of Federal Regulations (Russia Harmful Foreign Activities Sanctions Regulations); or

(2) part 589 of title 31 Code of Federal Regulations (Ukraine/Russia-Related Sanctions Regulations).

SEC. 6. STATEMENT OF POLICY REGARDING THE RUSSIA “123 AGREEMENT” AND REQUIRED REPORT.

(a) STATEMENT OF POLICY.—It is the policy of the United States that any agreement entered into pursuant to section 123 of the Atomic Energy Act of 1954 (42 U.S.C. 2153) should be in the

national security interest of the United States and advance non-proliferation principles and the safe operation of nuclear reactors.

(b) REPORT REQUIRED.—Not later than 90 days after the date of the enactment of this Act, the Secretary of State shall submit to the appropriate congressional committees a report on the Agreement between the Government of the United States of America and the Government of the Russian Federation for Cooperation in the Field of Peaceful Uses of Nuclear Energy, entered into on January 11, 2011, pursuant to section 123 of the Atomic Energy Act of 1954 (42 U.S.C. 2153), as well as the manner and extent to which remaining in the agreement is beneficial to the United States national security interest and non-proliferation objectives.

(c) CONTENTS OF REPORT.—The report required by subsection (b) shall include assessments and detailed descriptions of—

(1) the extent to which Rosatom, its subsidiaries or any agent of the Russian Federation is contributing or has contributed to the misuse of United States-origin or deemed nuclear material within Zaporizhzhia Nuclear Power Plant;

(2) the extent to which Russia, through Rosatom and its subsidiaries, is using or gaining any benefit of the proceeds from sales or in-kind transfers related to Rosatom to fund Russia's illegal occupation of Ukraine or other territory;

(3) the extent to which Russia has conducted any yield-producing nuclear test in the 10-year period ending on the date of the certification;

(4) the extent to which Rosatom's transfer of nuclear materials and assistance to third countries contributes to any such third-party country's nuclear weapons activity or illicit nuclear activity;

(7) the extent to which Russia is transferring nuclear material or nuclear weapons development with a country or countries in which the International Atomic Energy Agency has an open investigation or has withdrawn from the Treaty on the Non-Proliferation of Nuclear Weapons;

(8) the extent to which Russia has met its obligations under the Plutonium Management and Disposition Agreement;

(9) the extent to which Rosatom, its subsidiaries, or any agent of the Russian federation is contributing to the People's Republic of China's destabilizing and dangerous nuclear weapons expansion;

(10) the extent to which Rosatom or its subsidiaries is using funds received from commercial transactions to support, both financially or materially, their contribution to the nuclear weapons program of the Russian Federation; and

(11) the role the Agreement between the Government of the United States of America and the Government of the Russian Federation for Cooperation in the Field of Peaceful Uses of Nuclear Energy, entered into on January 11, 2011, pursuant to section 123 of the Atomic Energy Act of 1954 (42 U.S.C. 2153) plays in advancing United States national security and non-proliferation objectives and any expected positive and negative impacts were the United States to withdraw from such agreement.

SEC. 7. DEFINITIONS.

In this Act:

(1) **APPROPRIATE CONGRESSIONAL COMMITTEES.**—The term “appropriate congressional committees” means—

(A) the Committee on Foreign Affairs and the Committee on Financial Services of the House of Representatives; and

(B) the Committee on Foreign Relations and the Committee on Banking, Housing, and Urban Affairs of the Senate.

(2) **FOREIGN PERSON.**—The term “foreign person” means—

(A) an individual who is not a United States citizen or an alien lawfully admitted for permanent residence to the United States; or

(B) an entity that is not a United States person.

(3) UNITED STATES PERSON.—The term “United States person” means—

(A) a United States citizen or an alien lawfully admitted for permanent residence to the United States;

(B) an entity organized under the laws of the United States or of any jurisdiction of the United States, including a foreign branch of such an entity; or

(C) a person in the United States.

(4) ROSATOM.—The term “Rosatom” means the State Atomic Energy Corporation Rosatom or any successor entity.
