



## Memo to Brussels: Chill Out About Russia Sanctions

*By Douglas Hengel*

WASHINGTON — The European Union and several European capitals have been in a tizzy about likely new U.S. sanctions on Russia. Following approval by the U.S. House of Representatives on July 25, by a near unanimous 419-3 vote, of new U.S. sanctions on Russia, Iran, and North Korea, the EU warned it was ready to retaliate against alleged U.S. overreach that could damage European interests, in particular EU energy security. This follows weeks of increasingly strident rhetoric from Brussels and Berlin in particular as sanctions legislation moved forward in the U.S. Congress, with European Commission President Juncker, German Chancellor Merkel and others threatening countermeasures if the new sanctions target European firms doing business with Russia.

Why are the Europeans, at least some of them, fuming about the legislation still working its way through the U.S. Congress? They are upset principally about language authorizing the president to impose sanctions on firms involved in building Russian energy export pipelines (the Nord Stream 2 pipeline meant to carry natural gas from Russia directly to Germany under the Baltic Sea is mentioned by name) and an article requiring sanctions to be levied on firms participating

in certain oil projects in Russia. They see such provisions as extraterritorial overreach by the United States that could impact their economic interests and business ties. The Europeans also see this tougher U.S. stance on Moscow as undermining the carefully calibrated joint U.S.–EU approach to sanctions fashioned after Russia’s annexation of Crimea in 2014 and support for separatists in eastern Ukraine. The Europeans have seen this movie before, most notably in the 1990s when the United States imposed sanctions on Iran and Libya that threatened to catch European companies in the cross hairs.

The sky is not falling, however, and Brussels should take a deep breath and stop asserting that new U.S. sanctions will undermine transatlantic ties. Such an outcome could become a self-fulfilling prophecy if the EU continues on its current path. This legislation is advancing in Washington due to continued Russian bad behavior in Ukraine and Syria, on human rights and corruption, and above all Russia’s interference in the U.S. elections. It is also meant to block President Trump from easing sanctions on Russia without Congressional approval. It is not meant to punish Europe and the U.S. government will seek to avoid that outcome.



# Transatlantic Take

Indeed the language in the legislation has been modified from earlier versions, in part to address European concerns. The section on pipelines instructs the president to take any measures “in coordination with allies of the United States,” and other provisions of primary interest to Europe allow the president to waive imposing sanctions if he determines it is in the national interest to do so. The United States will not impose any sanctions on European companies involved in Nord Stream 2, even if realization of that pipeline would do more to undermine European energy security than any step the United States could take. Remember, the language in the draft legislation regarding pipelines only says the president “may” impose sanctions, not “shall” impose them, and even without such a provision in the law the president has the legal authority at any time to decide that Russian energy pipelines pose a national security risk, issue an Executive Order to that effect, and sanction those involved. So, while mention of Nord Stream 2 in this legislation — which the Obama and Trump administrations and the U.S. Congress have objected to since the decision to build it was announced in 2015 — can be seen as more “in your face” than diplomatic demarches, it does not make sanctions any more likely than before. Implementing regulations will be written once the legislation is signed into law provide another opportunity to address European concerns. There has been a robust dialogue between Brussels and Washington on Russian sanctions, including on this pending legislation, and that should continue as it is in the interest of both sides. Senior U.S. government and Congressional leaders understand our sanctions are more effective when we are working together with our allies. This is especially important given continued Russian threats and moves to cement their position in eastern Ukraine.

EU concerns about tougher U.S. penalties on Russia are understandable, in part because it complicates the delicate balance among EU member states on their own Russian sanctions, but this legislation is moving forward primarily due to U.S. domestic political exigencies. The EU has been heard and there is a commitment on this side of the Atlantic not to allow this squabble to undermine the heretofore excellent U.S.–EU cooperation on these issues. Brussels and

other European capitals should tone down the rhetoric and back off the threats, and continue to work with Washington to advance our common agenda on Ukraine and resist Russian efforts to divide us.

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