

U.S. Congress Nearing Vote on Russia Sanctions Package

Negotiations are underway in the U.S. Senate over legislation that would impose major sanctions on Russia. The bipartisan negotiators¹ are working off of a draft bill authored by Senate Foreign Relations Committee Chair Bob Menendez – [S.3488](#), the “Defending Ukraine Sovereignty Act of 2022.”² While the text of the legislation is not yet final, the ranking Republican member of the Foreign Relations Committee said on February 3, 2022, before the Senate broke for the weekend, that an agreement will be reached “very soon.”³ The draft bill, which requires 60 votes to pass, already has 41 Democratic co-sponsors.

The original draft of S.3488 mandates major sanctions on Russia’s financial institutions and other key entities, which will be triggered if the US President determines that the Government of Russia or its proxies “is engaged in or knowingly supporting a significant escalation in hostilities” in or against Ukraine.

Key provisions of the draft legislation include that the US President “shall impose”:

- Specially Designated National (“SDN”) sanctions and visa bans or revocations against twelve listed Russian officials, including the President and Prime Minister of Russia;
- SDN sanctions against at least three of twelve listed Russian financial institutions, some of which are already on OFAC’s Sectoral Sanctions Identifications List;
- Prohibition on all transactions by US persons involving Russian sovereign debt, including government bonds, issued after the date of enactment;
- Prohibition on all transactions by foreign persons involving the debt of “not less than 10 entities owned or controlled” by the Government of Russia;

¹ Eight Senators are taking part in the negotiations: Bob Menendez (D-N.J.), Jim Risch (R-Idaho), Rob Portman (R-Ohio), Jeanne Shaheen (D-N.H.), Chris Murphy (D-Conn.), John Cornyn (R-Texas), Lindsey Graham (R-S.C.) and Ben Cardin (D-Md.).

² S.3488 <https://www.congress.gov/117/bills/s3488/BILLS-117s3488pcs.pdf>.

³ Daniel Flatley & Laura Litvan, *Ukraine Briefing Spurs Greater Urgency on Sanctions in Congress*, Bloomberg (Feb. 3, 2022), <https://www.bloomberg.com/news/articles/2022-02-03/ukraine-briefing-spurs-greater-urgency-on-sanctions-in-congress>.

- SDN sanctions against “any entity established for or responsible for the planning, construction, or operation of the Nord Stream 2 pipeline” and any corporate officer thereof; and
- SDN sanctions against Russian extractive industries, specifically: oil and gas extraction and production; coal extraction, mining, and production; minerals extraction and processing; and any other sector or industry with respect to which the US President determines the imposition of sanctions is in the national security interest of the United States.

In addition, the draft legislation authorizes the US President to:

- Designate as SDNs other senior officials of the Russian Government and Russian Armed Forces;
- Designate as SDNs other banks owned or operated by the Government of Russia; and
- Impose sanctions on providers of specialized financial messaging services that provide services to sanctioned banks. This provision is designed to block Russian financial institutions from using SWIFT, a messaging network used by banks to securely transmit information and instructions through a standardized system of codes.

The original draft bill had the support of the White House, but senators are now negotiating a “compromise” package that incorporates Republican demands to strengthen the sanctions. A spokesperson for the National Security Council said the White House has not taken a stance on the compromise legislation.⁴

Republicans have pushed for immediate sanctions ahead of any further steps taken by Russia. Senator Menendez has proposed amendments to the draft bill that incorporate immediate sanctions, which he has resisted describing as “preemptive,” and has characterized instead as responses to actions already taken by Russia.⁵ The Biden

⁴ Seung Ming Kim, *Senate Democrats, with White House backing, unveil Russia sanctions bill*, Washington Post (Jan. 12, 2022), https://www.washingtonpost.com/politics/senate-democrats-with-white-house-backing-unveil-russia-sanctions-bill/2022/01/12/06a4f41e-735e-11ec-8ec6-9d61f7afbe17_story.html;

Ken Klippenstein & Sara Sirota, *Sen. Bob Menendez Embraces GOP Proposal to Sanction Russia Immediately, Rankling White House*, The Intercept (Feb. 3, 2022), <https://theintercept.com/2022/02/02/senator-bob-menendez-russia-ukraine-sanctions-white-house/>.

⁵ Jordian Carney, *Senators on precipice of Russia sanctions deal*, The Hill (Feb. 3, 2022), <https://thehill.com/homenews/senate/592729-senators-on-precipice-of-russia-sanctions-deal?rl=1>.

administration does not support imposing sanctions in the absence of further triggering events.⁶

Other points of contention are the scope of sanctions against the Nord Stream 2 pipeline and waiver authorizations for the US President.⁷

Parallel legislative efforts in the House

[H.R. 6470](#), a companion bill to S.3488, has been introduced in the House of Representatives.⁸ H.R. 6470 is on a “similar path” to S.3488, according to comments made by Speaker Nancy Pelosi at a February 3, 2022 press briefing.⁹

“We want to be as close to the Senate Bill as possible so there’s no delay in getting something to the President’s desk,” Pelosi said.

On February 3, 2022, Congress received a classified briefing on Russia and Ukraine from top Biden administration officials, including Secretary of State Antony Blinken, Defense Secretary Lloyd Austin, Chairman of the Joint Chiefs of Staff Gen. Mark Milley and Director of National Intelligence Avril Haines.¹⁰ Senators involved in the bipartisan negotiations said they believe the briefing will accelerate agreement on the compromise legislation.¹¹

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⁶ Ken Klippenstein & Sara Sirota, *Sen. Bob Menendez Embraces GOP Proposal to Sanction Russia Immediately, Rankling White House*, The Intercept (Feb. 3, 2022), <https://theintercept.com/2022/02/02/senator-bob-menendez-russia-ukraine-sanctions-white-house/>.

⁷ Andrew Desiderio, *Senators worry Russia will invade Ukraine before they finalize sanctions bill*, Politico (Feb. 3, 2022), <https://www.politico.com/news/2022/02/03/russia-invasion-ukraine-senators-sanctions-00005401>.

⁸ Chair Meeks Introduces House Companion Bill to the Defending Ukraine Sovereignty Act of 2022 to Impose Sanctions on Russia (Jan. 21, 2022), <https://foreignaffairs.house.gov/2022/1/chair-meeks-introduces-house-companion-bill-to-the-defending-ukraine-sovereignty-act-of-2022-to-impose-sanctions-on-russia>.

⁹ Speaker Pelosi Holds News Conference, C-Span (Feb. 3, 2022), <https://www.c-span.org/video/?517688-1/speaker-pelosi-holds-news-conference>.

¹⁰ Daniel Flatley & Laura Litvan, *Ukraine Briefing Spurs Greater Urgency on Sanctions in Congress*, Bloomberg (Feb. 3, 2022), <https://www.bloomberg.com/news/articles/2022-02-03/ukraine-briefing-spurs-greater-urgency-on-sanctions-in-congress>.

¹¹ Trish Turner & Allison Pecorin, *Senators close in on 'mother of all sanctions' bill against Russia*, ABC News (Feb. 3, 2022), <https://abcnews.go.com/Politics/senators-close-mother-sanctions-bill-russia/story?id=82651215>.

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