



United States Department of State

Washington, D.C. 20520

The Honorable  
Robert Menendez, Ranking Member  
Committee on Foreign Relations  
Washington, DC 20510

DEC 17 2019

Dear Senator Menendez:

Please find enclosed the views of the Administration regarding the amendment in the nature of substitute (ANS) to S.482, Defending American Security from Kremlin Aggression Act of 2019 (DASKA), filed on December 12, 2019 for the Committee's business meeting on December 18.

Sincerely,

A handwritten signature in black ink, appearing to read "Mary Elizabeth Taylor", with a long horizontal stroke extending to the right.

Mary Elizabeth Taylor  
Assistant Secretary  
Bureau of Legislative Affairs

Enclosures:

Administration Views on ANS S. 482

**S. 482, the Defending American Security from Kremlin Aggression Act of 2019 (DASKA)**  
**August 16, 2019 (updated 12/17/19)**

The Administration provides the following preliminary, informal views on S. 482, as would be revised by a substitute amendment filed on Dec. 12, 2019, by Senators Graham and Menendez. The Administration shares the goal of deterring and countering Russian subversion and aggression. However, the Administration strongly opposes this bill in its current form for the reasons detailed below. If the sponsors are willing to address the concerns described below and other technical concerns, the Administration is open to working on an improved version.

• **Top-Line Concerns**

- DASKA is unnecessary. The Administration has considerable existing robust authorities to address malign Russian behavior and to target Russian malign activity. The Administration has aggressively imposed sanctions that are targeted, tailored, and impactful to address Russian malign activities while mitigating negative effects on allies and close partners utilizing these authorities.
- DASKA has a number of constitutional problems discussed in more detail below.
- Harsh mandatory sanctions provide limited flexibility in implementation. Specifically, among the new bill's most objectionable provisions are the mandatory energy, secondary oligarch, cyber, and navigation-related sanctions that are scoped very broadly. With respect to energy sanctions specifically, the bill requires mandatory sanctions on crude development in Russia and on new investments in energy projects outside of Russia involving Russian owned entities or parastatals and adds sanctions on investments on liquefied natural gas export facilities outside of Russia. These will negatively impact other U.S. priorities, such as the Southern Gas Corridor, energy projects in the Eastern Mediterranean, and regional energy security for Egypt – as well as U.S. businesses and jobs, and global energy markets.
- Significant changes are needed. As with other sanctions legislation, among key revisions needed include: making these new sanctions permissive instead of framed as mandates; providing for an additional unconditioned waiver authority for these new sanctions-- possibly vested in the Secretary of State, in consultation with the Secretary of Treasury; narrowing the scope of sanctionable misconduct because of impacts to several benign sectors with modest Russian interests and because it will roil European and U.S. commercial markets; ensuring that the provisions target significant misconduct knowingly engaged in (after the date of enactment); providing a much broader menu of penalties from which to select sanctions to otherwise mitigate the harshness of the sanctions, to name a few.
- Revisions to the waiver authority are recommended. The Administration would welcome a discussion of improved waiver authority in CAATSA, as would be amended by DASKA, so it is unconditioned without a protracted review and disapproval process as is typically included in major sanctions legislation, and edits to narrow the scope of

